



**GOVERNMENT OF THE PUNJAB
PUNJAB PROCUREMENT REGULATORY
AUTHORITY, S&GAD**

SUMMARY FOR CHIEF MINISTER

Subject: - **SEMINAR ON PUBLIC PROCUREMENT HELD ON 22.10.2016 AT 90 SHAHRA-E-QUAID-E-AZAM LAHORE.**

As desired by worthy Chief Minister Punjab a Seminar on Public Procurement was held for top Govt. functionaries at 90-Shahrah-e-Quaid-e-Azam, Lahore on Saturday 22.10.2016 from 09:00 AM to 04:00 PM.

2. All administrative Secretaries to Govt. of the Punjab, Commissioners, Head of Autonomous Bodies/ Attached Department and Chief Executives Officers of Public Sector Companies attended the Seminar. Schedule of Seminar and list of participants are attached at **Annex-"A & B"**. Eminent speakers including Dr. Adnan Qadir Khan (CERP) from UK, Mr. Mohsin Abbas Syed senior legal expert from Islamabad, Dr. Shakeel Sadiq from LUMS Dr. Atta-ur-Rehman from PITB gave lectures. Moreover, Chief Executive Officers of mega project like Safe City Authority, Saaf Paani Company and Mr. Najam Shah also shared their practical experiences and how they successfully carried out various procurements. The participants were divided into six (06) groups covering all aspects of procurement cycle and were given three (03) case studies to analyze and give presentations.

3. The Chief Secretary Punjab and Chairman P&D also addressed the Seminar and explained in detail aim of the Seminar and the vision of the Chief Minister about the capacity building of departments on public procurement.

4. Report of Seminar is submitted for information/perusal please.

(ALI BAHADUR QAZI)
Managing Director, PPRA

CHIEF SECRETARY

CHIEF MINISTER

REPORT OF SEMINAR ON PUBLIC PROCUREMENT HELD AT
90-SHAHRAH-E-QUAID-E-AZAM, LAHORE ON 22.10.2016
FROM 9:30 AM TO 4:30 PM

The seminar started with recitation of verses from Holy Quran.

OPENING REMARKS

BY MANAGING DIRECTOR, PPRA:

- In his welcome address, Mr. Ali Bahadur Qazi, Managing Director (PPRA) stated that the seminar on public procurement was held on the initiative of Chief Minister Punjab for top level government officials. He personally thanked Chief Secretary Punjab for taking the lead to hold the seminar.
- Public procurement has now become a strategic tool to enhance the performance and efficiency of public organizations. Public procurement is in-fact the Conner stone of good governance and leads the Road to Good Governance
- Proper procurement procedure is helpful in establishing the citizens confidence and trust in government in creating the perception that their tax money is being spent in the right manner, and it is also directly related with service delivery.
- Around Pakistani Rupees 900 billion are spent on Public Procurement annually by the Government of Punjab on ADP, on-salary expenditure and autonomous body spending etc. and 1% saving can generate Pakistani Rupees 9 billion.
- Some of the key projects of Govt. of Punjab are struck due to lack of knowledge, confidence and weak understanding of the procurement process.
- Chief Minister's vision about PPRA is that it should be a dynamic, vibrant and independent organization having best professionals, using state of the Art technology and having administrative and financial autonomy.
- Aim of Seminar is to develop awareness of principles of public procurement and fundamental procedures in top level Govt. functionaries; to highlight the issues & subsequent recommendations to improve public procurement Rules & Process; and to conduct a Learning Need Assessment (LNA) for the upcoming trainings at LUMS.

LECTURE ON PUBLIC PROCUREMENT

BY MR. MOHSIN ABBASS (LEGAL EXPERT):

- The history of procurement laws in the province like Punjab Public Private Partnership Act 2014, Punjab Procurement Regulatory Authority Act 2009 and Punjab Procurement Rules 2014 was discussed.
- Keeping in view the stakeholder feedback, procurement rules were made more responsive to the growing needs of public sector organizations.
- The participants of the seminar were further deliberated on the importance of different methods, and flexibility available in the procurement rules and various formats/ checklists available on the PPRA website.
- In the end, the various contract management topics like cost/time over run, reasons for delays in contract execution, avoiding cartelization and pooling and M&E of contracts were elaborated.

LECTURE ON PUNJAB ON-LINE PROCUREMENT SYSTEM (POPS)

BY DR. ADNAN QADIR KHAN (CERP, UK):

- Most assessments of procurement effectiveness focus on procedural evaluations: “Were the rules followed?”, not on measuring efficiency and value for money achieved
- Most existing rules based on the unproven assumption that corruption is the main source of paying higher cost, whereas inefficiency contributes to 80% of money going down the drain.
- Discussed the benefits of Punjab Online Procurement System:
 - Discussed Improved budgetary procedures
 - Direct submission of bills for pre-audit – eliminate manual process that creates delays and a market for speed payments
 - Basis for smart audit – flag suspicious transactions, monitoring by supervisors
 - Online market place

LECTURE ON INTERVENTIONS ON E-PROCUREMENT

BY MR. ATTA-UR-REHMAN (PITB):

- E-Procurement and its importance, benefits
- Cost Savings, and reduction in Process Cycle Time
- Increase in Competition, and number of bidders
- Enhanced User Satisfaction

GUEST SPEAKERS:

i. CEO Saaf Pani Company

- Mr. Waseem Ajmal shared his experience of running a Rs. 300 Billion rupee government project providing access to pure drinking water. He discussed the ECP model of procurement. Why they hired multiple consultants for technical, financial and legal aspects.
- He shared his experience of international tendering, and discussed how the supply market develops the demand. If the project management is answering the queries, there is chance of healthy competition. Answering queries shows understanding of the client about the end product.

ii. Quaid-e-Azam Solar Power Pvt. Ltd.

- The importance of hiring of consultants and managing them in order to get a coordinated output was discussed.
- He further deliberated on the roll of in house/Client’s Own consultants who look after other consultants work on behalf of the client. All these procurement arrangements are ultimately the responsibility of the procuring agency, therefore, the work should be started from day one.

GROUP ACTIVITY: CASE STUDIES ON PROCUREMENT OF GOODS, CIVIL CONTRACTOR, AND CONSULTING FIRM

- Seminar participants were placed in a group order. There were six groups assigned with different thematic area with reference to procurement process cycle. Each group worked out a case study followed by question & answer and presentation sessions.
- Each of two groups was assigned with similar case studies to work out. This arrangement brought an interesting comparison of the similar situation from two different ends.

CONCLUDING REMARKS

BY CHIEF SECRETARY, PUNJAB:

- Chief Secretary highlighted the importance of the seminar, and put across among the audience the keen interest of the Chief Minister in organizing this event.
- It was emphasized the need of knowing procurement process at top level government functionaries. The arrangements of detailed training sessions available at LUMS initiated by P&D and foreign training opportunities discussed.
- Chief Secretary Punjab shared his experience of procurement process, and advised colleagues to discuss complex procurement cases with those colleagues who have now hands-on experience of executing Punjab government mega projects.

CONCLUDING REMARKS

BY CHAIRMAN P&D BOARD:

- Chairman P&D discussed the fast pace execution of projects in the province, and the requirement of hiring equally qualified work force. He compared the cost and opportunities of hiring a third-tier instead of first-tier consultant.
- He elaborated that every major department if depends heavily on procurements should have Procurement, Financial, Legal, Project Management, and IT specialist among the work force.

The Groups were ranked in the following order:

Rank	Thematic Area	Group Leader	Presenter	Marks
1	Bid Evaluation: Technical & Financial	Mr.Saif Anjum, Secretary Environment	Mr.Saif Anjum, Secretary Environment	305
2	Grievance Redressal: Independent Committee, Time duration	Secretary Transport	Mr.Ahmed Raza, Secretary Archives	280
2	Contract Award: Negotiations?, Payment scheduling, Pre-shipment inspection	Secretary Special Education	CEO Quaid-e-Azam Solar Power (Pvt)Ltd	280
4	Prequalification: Need, Criteria / Process, Advertisement for prequalification (EOI)	Secretary Schools	CEO Punjab Bio Energy Company Ltd.	269
5	Procurement Planning: Need Assessment, Budget, Market Analysis	Secretary LG&CD	Mr. Muhammad Mehmood,Secretary Agriculture	266
6	Formulation of Bidding Documents: Specifications (RFP), Evaluation Criteria, Procurement Method, Advertisement if not prequalified	Secretary C&W	Commissioner Sahiwal	265

PPRA Seminar Schedule

Date: Saturday, 22nd Oct 2016

Venue: 90-SQA, Mall Road, Lahore

Time	Activity	Resource Person
SESSION-1		
9:00 - 9:30 am	Registration	
9:30 - 9:35 am	Recitation from Holy Quran	
9:35 - 9:45 am	Welcome address and aims & objectives of seminar	Ali Bahadur Qazi, MD PPRA
9:45 - 10:30 am	Lecture on Principles of public procurements and overview of PPRA Act and Rules. Q & A session.	1. Mr. Mohsin Abbas Syed (Legal Expert) 2. Kashif Mushtaq, Director (Legal) PPRA 3. PPRA panel of experts
10:30 - 11:00 am	Lecture On Procurement Cycle	Dr. Shakeel Sadiq, LUMS faculty
11:00 - 11:20 am	IT interventions in procurement / E-Procurement	Dr. Umar Saif, Chairman PITB
11:20 - 11:30 am	Experience Sharing: Safe Cities (IC3), Saaf Pani, etc.	CEO concerned
11:30 - 11:45 am	Tea Break	
SESSION-2		
11:45 - 12:00 pm	Petty Cash analysis	Dr. Adnan Qadir Center for Economic Research of Pakistan / CERP Representative
12:00 - 1:45 pm	Group Activity / Case Studies	1. Dr. Alexander Bashir (Juris Doctor, USA) Legal Expert 2. Mr. Ali Faisal MBA(UK), Procurement Expert
1:45 - 2:30 pm	Lunch & Prayer	
SESSION-3: Concluding Session		
2:30 - 3:30 pm	Presentation by Group Representatives	
3:30 - 3:40 pm	Wrap-up	MD PPRA
3:40 - 3:50 pm	Address of Chief Secretary, Punjab	Capt.(R) Zahid Saeed Chief Secretary, Punjab
3:50 - 4:00 pm	Address of Chief Minister, Punjab	Mian Muhammad Shehbaz Sharif, CM Punjab

GROUPS

Group No.	Subject for Discussion	List of Participants	Resource Person
1	Procurement Planning	<ol style="list-style-type: none"> 1. Secretary LG&CD (Group Leader) 2. Secretary P&D 3. Secretary E&T 4. Secretary Finance 5. Secretary Agriculture 6. Commissioner Faisalabad 7. Commissioner DG Khan 8. DG Excise & Taxation 9. DG LDA 10. DG Labor 11. Additional IG (HQs), CPO Punjab 12. DG Punjab Tourism Development Corp. 13. MD Lahore Waste Management Company 14. MD Punjab Seed Corporation 15. CEO Punjab Safe City Authority 16. CEO Lahore Transport Company 17. CEO IDAP; Infrastructure Dev. Auth. 	Mr. Ahad Khan Cheema, CEO QATPL
2	Pre-Qualification	<ol style="list-style-type: none"> 1. Secretary Schools (Group Leader) 2. Secretary Health Primary & Secondary 3. Secretary Forest & Wildlife 4. Secretary Population Welfare 5. Commissioner Lahore 6. Commissioner Multan 7. Special Secretary Schools 8. Chairman TEVTA, 9. Chairman Punjab Revenue Authority 10. Commissioner PESSI 11. DG PHA 12. DG Wildlife 13. DG PDMA 14. MD Gujranwala Waste Management Co. 15. CEO Punjab Mineral Company (PMC) 16. CEO Punjab Bio Energy Company Ltd 17. CEO Punjab Agriculture & Meat Company 	Mr. Waseem Ajmal Ch., CEO Saaf Pani
3	Formulation of Bidding Documents	<ol style="list-style-type: none"> 1. Secretary C&W (Group Leader) 2. Secretary Industries 3. Secretary Higher Education 4. Secretary Implementation & Coordination 5. Secretary Housing & Urban Unit 6. Secretary Zakat & Ushar 7. Commissioner Sahiwal 8. Commissioner Gujranwala 9. Special Secretary Home 	Mr. Rashid Mehmood Langrial, CEO National Power Parks Management Company

		<ul style="list-style-type: none"> 10. Executive Director Lahore Arts Council 11. Special Secretary Local Govt. & CD 12. Special Secretary Higher Education 13. DG Health Services 14. DG Environment Protection Department 15. DGPR 16. MD Faisalabad Waste Management Co. 17. CEO Punjab Land Development Company 	
4	Bid Evaluation	<ul style="list-style-type: none"> 1. Secretary Environment (Group Leader) 2. Secretary Livestock 3. Secretary Food 4. Secretary Information & Culture 5. Secretary Youth Affairs, Sports, Arch. 6. Secretary Literacy & Non formal Education 7. Secretary Energy 8. Member Colonies, BOR, Punjab 9. Commissioner Sargodha 10. IG Prison 11. DG Anticorruption 12. DG Walled City 13. DG Sports 14. MD Punjab Education Foundation 15. MD Rawalpindi Waste Management Co. 16. CEO PEEF Punjab Edu. Endowment Fund 17. CEO Punjab Industrial Estates (PIEDMC) 	Mr. Najam Shah, Secretary SHC&ME
5	Grievance Redressal	<ul style="list-style-type: none"> 1. Secretary Transport (Group Leader) 2. Chairman CMIT 3. Secretary L&PA 4. Secretary Irrigation 5. Secretary Auqaf & Religious Affairs 6. Secretary Cooperatives 7. Secretary Ombudsman 8. Secretary Public Prosecution 9. Secretary Archives 10. Commissioner Rawalpindi 11. Special Secretary Health SHC&ME 12. Special Secretary Finance 13. DG Rescue 1122 14. MD Punjab Small Industries Corporation 15. MD Multan Waste Management Company 16. CEO Knowledge Park 17. CEO Punjab Skills Development Fund 	Mr. Sohail Hasan, PPRA Expert
6	Contract Award	<ul style="list-style-type: none"> 1. Secretary Special Education (Group Leader) 2. Secretary Services 3. Secretary Human Rights 4. Secretary Labor 5. Secretary MPDD 	Dr. Arshad Mehmood, Sec. Mines & Minerals

		<ol style="list-style-type: none">6. Secretary Regulations7. Secretary Social Welfare8. Secretary women development9. Commissioner Bahawalpur10. Chief Inspector Treasury & Accounts11. Registrar Cooperatives12. DG Child Protection Bureau13. DG Local Govt. & CD14. MD Bahawalpur Waste Management Company15. DG Punjab Food Authority16. CEO Quaid-e-Azam Solar Power (Pvt) Ltd17. Chairman Punjab Textbook Board	
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