



**PUNJAB SKILLS
DEVELOPMENT FUND
PROCUREMENT RULES
2016**

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PUNJAB SKILLS DEVELOPMENT FUND

PROCUREMENT RULES 2016

Whereas it is expedient to consolidate rules for procurement in line with procurement rules of Government of the Punjab and Donor agencies, following procurement rules are issued in terms of rule 5 of the Punjab Procurement Rules 2014.

1. Short title and commencement

- (1) These rules may be cited as the Punjab Skills Development Fund Procurement Rules 2016
- (2) These rules shall come into force at once.

CHAPTER-I

GENERAL PROVISIONS

2. Definitions

- (1) In these rules:
 - (a) '**applicant**' means a person or firm who seek to be enlisted or to be prequalified or to be shortlisted for working with Fund
 - (b) '**advertisement**' means an advertisement published in the manner prescribed under rule 10;
 - (c) '**associate**' means any agency or person with whom the consultant or the training service provider associates to form a consortium in order to provide any part of the services;
 - (d) '**authority**' means the Board of Directors of the Punjab Skills Development Fund;
 - (e) '**bid**' means a tender or an offer, in response to an invitation, by a person, consultant, firm, training service provider, company or an organization expressing his or its willingness to undertake a specified task at a price;
 - (f) '**bidding document**' means a document or a set of documents prescribing the quantity, quality, characteristics, conditions and procedures of the transactions prior to the actual procurement and on the basis of which bidders prepare their bids;

- (g) **'bid security'** means the bank guarantee or other form of security submitted by a bidder together with a bid to secure the obligations of the bidder participating in a bidding proceedings;
- (h) **'competitive bidding'** means a procedure leading to the award of a contract whereby all the interested persons, firms, companies or organizations may bid for the contract as certified by the Fund;
- (i) **'competent authority'** means the Chief Executive Officer of the fund or any other officer authorized to act as competent authority by the authority;
- (j) **'completion date'** means the date of completion of the procurement as certified by fund;
- (k) **'conflicting assignments'** means hiring of a Training Service Provider (including its personal and consortium partners) or any of its affiliates for a service in conflict with another assignment to be executed for PSDF. These cases include, but are not limited to, the following:
- (i) Any entity engaged for providing training services under a project will not be engaged for third party monitoring for the same project.
 - (ii) Training Service Provider (TSP), or any of their consortium partners assigned for a specific project, shall not undertake any other assignment which, by its nature, may be in conflict with any of their other past or present assignments.
- (l) **'conflicting relationships'** means a contractor or any of its affiliates that has a business or family relationship with a member of the fund, Board, management, or staff who is directly or indirectly involved in the preparation of terms of reference, selection process of TSPs and /or supervision of the agreement, may not be awarded an agreement unless conflict stemming from this relationship has been resolved in a manner acceptable to the authority, throughout the selection process and the execution of the agreement. No employee of the fund shall work as a training service provider.
- (m) **'consultant'** means a person or firm who or which is qualified by appropriate education and relevant experience for provision of consultancy services;
- (n) **'consultancy services'** means services requiring adequate technical expertise and financial capability in undertaking specific assignment or project and may be of an intellectual nature and differ from the other types of services directly connected with the procurement of goods and works in which the physical component of the activity is the main function and often involves equipment intensive assignments and may include but not limited to:
- (i) advisory and review services;

- (ii) pre-investment or feasibility studies;
 - (iii) construction supervision;
 - (iv) management and related services, and
 - (v) other technical services or special studies;
 - (vi) design; and
 - (vii) surveys and investigations;
 - (viii) Monitoring and evaluation services
 - (ix) Employment Facilitation services
 - (x) Testing, examination and certification services
 - (xi) Any other service which are considered as consulting or training services by competent authority
- (o) **'contract'** means the agreement proposed to be entered into between the fund and the successful applicant, bidder or bidders
- (p) **'contractor'** means a person, firm, company, or an organization who or which undertakes to supply goods, services or works and includes consultancy and training service providers;
- (q) **'corrupt and fraudulent practice'** means the offering, giving, receiving, or soliciting of anything of value to influence the action of an official of the fund or the contractor in the procurement process or in contract execution to the detriment of the fund; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the fund of the benefits of free and open competition and any request for, or solicitation of anything of value by any official of the fund in the course of the exercise of his/her duty; it may include any of the following practices:
- (i) **coercive practice** by impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party;
 - (ii) **collusive practice** by arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the fund to establish prices at artificial, noncompetitive levels for any wrongful gain;
 - (iii) **corrupt practice** by offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the acts of another party for wrongful gain;

- (iv) **fraudulent practice** by any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (v) **obstructive practice** by harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract or deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements before investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of inspection and audit rights;
- (r) **'emergency'** means natural calamity, disaster, accident, war and operational emergency which may give rise to abnormal situation requiring prompt and immediate action to limit or avoid damage to person, property or the environment;
- (s) **'evaluation committee'** means a committee constituted by the competent authority for procurement of goods and general services, to evaluate a tender or a proposal to ascertain whether the bid's or proposal correspond to the criteria and requirement formulated by the fund or not;
- (t) **'evaluation report'** means the report prepared after the evaluation of tenders, quotations, expression of interest, or proposal;
- (u) **'framework contract'** means a contract whereby the procurement is made for a certain volume or quantity of a particular good, a set of goods, services or works over a specific period against an agreed sum or rate per item or lump sum
- (v) **'fund'** means the Punjab Skills Development Fund
- (w) **'general services'** means all services required for the upkeep and maintenance of office buildings and smooth functioning of the organization operations.
- (x) **'government'** means Government of the Punjab;
- (y) **'large consultancy'** means a consultancy where the cost of consultancy exceeds three million rupees for individual consultant and ten million rupees for consulting firms and the duration of large consultancy for an individual consultant shall not exceed twelve months;
- (z) **'lowest evaluated bid'** means:

- (i) a bid most closely conforming to evaluation criteria or requirements and other conditions specified in the bidding document/requirements; and
- (ii) having lowest evaluated cost;
- (z) 'performance guarantee'** means the bank guarantee or other form of security submitted by the contractor to secure obligations under the contract in accordance with the requirement in the bidding document;
- (aa)'pre-qualification'** means a procedure for demonstrating qualification as a pre-condition for being invited to tender;
- (bb) 'proposal'** means the technical proposal or the financial proposal submitted by a bidder;
- (cc)'procurement policy '** means the document issued by the fund elaborating all types of procurement processes and defining the role and responsibilities of all stakeholders including funds employees and the bidders in each case.
- (dd) 'reference price'** means the cost per trainee per month offered by a TSP scoring the highest combined technical and financial score within a trade or trade group as specified in the bidding document
- (ee)'repeat orders'** means procurement of the same commodity or service from the same source;
- (ff) 'responsive'** means qualified for consideration on the basis of declared evaluation criteria and specified in the bid document or in the request for proposal;
- (gg)'selection committee'** means a committee constituted by the competent authority for the selection of training service providers or consultants through evaluation of bids and financial negotiations;
- (hh) 'short consultancy'** means consultancy where the cost of consultancy does not exceeds three million rupees for individual consultant and ten million rupees for consulting firms and duration of the short consultancies for an individual consultants shall not exceed six months;
- (ii) 'supplier'** means a person, firm, company or an organization who or which undertakes to supply goods, services or works;
- (jj) 'trade'** means any business, trade undertaking, manufacture or calling of employers, and includes any calling, service, employment, handicraft, industrial occupation or avocation of workers;
- (kk)'training cycle'** means complete training courses planned/expected to be imparted during a period as specified in the bidding document

(ll) 'training service' means imparting technical ,vocational training to the trainees; it also includes awareness programs, language skills, soft skills and non-vocational programs aimed at increasing quality, productivity and efficiency in particular areas.

(mm) 'training service provider (TSP)' means any institute, organization or entity established for providing trainings it includes formal training institutes or organizations registered/affiliated/accredited with the concerned government authority or any other accredited/authorized national/international certifying body as provider of training; it includes public, private, not for profit, nongovernmental organizations and industrial training institutes/units, organizations or entities, and informal training institutes like Nongovernmental organizations and other not for profit entities not affiliated or accredited with any certifying body.

(nn) 'trainee' means any eligible person, defined in a particular training scheme or in a contract/agreement, who is selected and admitted for training by the Training Service Provider.

(oo) 'urgency' means a limited timeline for the accomplishment of procurement which cannot be met through open and limited bidding method; and

(pp) 'value for money' means the best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the fund's requirements;

(qq) 'Technical Assitance Committee (TAC)' means a committee will be formed to provide strategic guidance, oversight and endorsement of six monthly TA work plans. The membership of the TAC will include senior representation form Government of Punjab, DFID, PSDF and any other stakeholder who may be quarter to assess the progress and provide strategic advice. PSDF Board will approve the final TA work plan prepared by the PSDF management.

(2) The expression used but not defined in these rules shall have the same meanings as is assigned to it in the procurement rules.

3. Scope and applicability.– These rules shall apply to all procurements made by the fund whether within or outside the Punjab.

4. Principles of procurements.– The fund, while making any procurement shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the fund and the procurement process is results-driven, efficient and economical.

5. Language.–

- (1)** Subject to sub-rule (2), all communication and documentation relating to procurements of the fund shall either be in Urdu or English or both.
- (2)** When any procurement is required to be made from any state outside Pakistan, the language of that state may also be used in addition to Urdu or English but the original documentation for purposes of record, even in that case, shall be in Urdu or English and the translation in such other language may be used for any other purpose.
- (3)** In case of conflict, the original documentation on record shall prevail.

CHAPTER-II

PROCUREMENT PLANNING

- 6. Procurement planning.**—The fund shall, devise planning for all annual proposed procurements of goods and general services and works within one month after obtaining budgetary approval from the authority with the object of realistically determining the requirements of the fund, within its available resources, delivery time or completion date and benefits that are likely to accrue to the fund in future.
- 7. Limitation on splitting of procurement.**—
- (1) Save as otherwise provided and subject to the regulations, the fund shall announce in an appropriate manner all proposed procurements for general, administrative & consultancy purposes, each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned.
 - (2) The fund shall advertise annual requirements for procurement on the Fund website
 - (3) provided that the condition laid down in sub rule 1 shall not be applicable for hiring of the services of training service providers
- 8. Specifications.**—
- (1) The fund shall determine specifications in a manner to allow the widest possible competition, which shall not favour any single contractor nor put others at a disadvantage.
 - (2) The specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications but if the fund is satisfied that the use of, or a reference to, a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words “or equivalent”.
- 9. Approval mechanism.**—The fund shall provide clear authorization and delegation of powers for different categories of procurement and shall initiate procurements after prior approval of the competent authority.

CHAPTER-III

ADVERTISEMENT

10. Method of advertisement.–

- (1) Subject to rule 83, the fund shall advertise procurement if competitive bidding is required .
- (2) Any such procurement exceeding five hundred thousand but less than three million rupees shall be advertised on the website of the fund, however in case of procurement exceeding three million shall be advertised in at least two national daily newspapers of wide circulation, one in English and one in Urdu.
- (3) The fund shall ensure that the information posted on the website is complete for purposes for which it has been posted, and such information shall remain available on that website until the closing date for the submission of bids.

11. Response time.–

- (1) The fund may decide the response time for receipt of bids or proposals (including proposals for prequalification) from the date of publication of an advertisement or notice keeping in view the complexity of the procurement, availability and urgency but, in no circumstances, the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.
- (2) All advertisements or notices shall expressly mention the response time allowed for the procurement along with the information for collection of bid documents which shall be issued till a given date, allowing sufficient time to complete and submit the bid by the closing date but the time limit shall not apply in case of an emergency procurement.
- (3) The response time shall be calculated from the date of publication of the advertisement in a newspaper or on the website, whichever is later.
- (4) The Fund reserves the right to extend the response time if it feels that such an extension will results in a more competitive and effective outcome.

12. Framework contract.–

- (1) The fund may procure goods, services or works through framework contract in order to ensure uniformity in the procurement.
- (2) The fund can adopt any of the methods of procurement mentioned in these rules for purposes of entering into a framework contract.

CHAPTER-IV

PREQUALIFICATION, QUALIFICATION AND DISQUALIFICATION

13. Prequalification.–

- (1) Subject to sub-rule (2), the fund may, prior to floating the tenders or invitation to proposals or offers, engage in prequalification of bidders in case of services, civil works, turnkey projects and also in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms or persons having adequate managerial capacity are invited to submit bids.
- (2) The fund shall prequalify bidders under sub-rule (1) in case of procurement of goods of ten million rupees and above, consultancies and training service providers except where the authority, for reasons to be recorded in writing, dispenses with the requirement of prequalification of bidders.
- (3) For purposes of the prequalification of bidders, the fund shall take into consideration the following factors:
 - (a) Qualifications i.e. years of experience, type of organization etc.;
 - (b) relevant experience and past performance;
 - (c) capabilities with respect to personnel, equipment and plant;
 - (d) financial position;
 - (e) appropriate managerial capability; and
 - (f) any other factor that the fund may deem relevant, not being inconsistent with these rules;
- (4) The fund shall ensure that the prequalification is based on the capacity of the interested parties to satisfactorily perform the services or works.
- (5) In case of fast track projects where the time is the essence or where potential consultants are limited or the assignment is of a complex nature, the fund may, after recording reasons and with the approval of the competent authority, invite a request for proposals directly through public notice under rule 10.
 - (a) The fund may consider any of individual consultants, firms or companies shortlisted by Planning and Development Department of the Govt. of Punjab as per PPRA rule 16 sub rule "6 to 10".

14. Prequalification process.–

- (1) The fund shall announce, in the prequalification documents, all information required for prequalification including instructions for preparation and submission of the prequalification documents, evaluation criteria, list of documentary evidence required by contractors to demonstrate their respective qualifications and any other information that the fund deems necessary for prequalification.
- (2) The prequalification documents will also be available on the Fund's website and can be accessed by all interested parties.
- (3) The fund shall provide a set of prequalification documents to any contractor, on request and subject to payment of such price as the fund may determine to defray the cost on account of printing and provision of the document.
- (4) In case the Fund outsources the prequalification of contractors, the Fund is entitled to charge an appropriate non-refundable fee from the contractors to be termed Prequalification Fee. However, responsibility for regularly reviewing, monitoring and quality assurance of the outsourced activity shall reside as responsibility of PSDF'.
- (5) The fund shall promptly inform the contractor who has applied for the prequalification whether or not he has been prequalified and shall, on request from the applicant who had applied for prequalification, a list of contractors who have been prequalified.
- (6) On a request, the fund shall communicate to the contractor who has not been prequalified the reasons for not prequalifying the contractor. In case of training service providers, the minimum time for reapplying for prequalification once rejected will be 12 months from the date of official notification.
- (7) Only the prequalified contractors shall be entitled to participate in the subsequent procurement proceedings.

15. Qualification.— The competent authority, at any stage of the procurement proceedings, having credible reasons for, or prima facie evidence of, any defect in the capacity or otherwise of a contractor, whether or not prequalified, may require the contractor to provide such further information concerning the professional, technical, financial, legal or managerial competence as the competent authority may decide.

16. Disqualification.—The fund shall disqualify a contractor on the ground that he had provided false, fabricated or materially incorrect information.

17. Declaration of ineligibility.—

- (1) Subject to rule 18, the competent authority may, after providing an opportunity of hearing, declare, through a notification, an applicant ineligible for participating in any public

procurement process of the fund for such period as it may determine on account of his engaging, directly or through an agent, in corrupt practice.

(2) A copy of the notification shall be provided to the affected person and to the authority.

18. Blacklisting.--

(1) The fund shall adopt blacklisting mechanism as provided in PPRA schedule and manner for purposes of barring a contractor/consultant/service provider from participating in any procurement process of the fund except in the case of training service providers where policy for blacklisting/debarring of training service providers approved by authority will prevail.

(2) Subject to sub-rule (3), if the competent authority is satisfied that a contractor has acted in a manner detrimental to the public interest or good practices or has consistently failed to perform his obligation under the contract or his performance has not been up to mark or he is found indulging in corrupt or fraudulent practice, the competent authority shall issue a show cause notice to the contractor, the contractor shall reply to the notice within fifteen days of its receipt. The competent authority after perusal of the reply and affording the contractor an opportunity of being heard. Issue a notification to debar the contractor from participating in any public procurement process of the fund for such period as the competent authority may determine in the light of the circumstances of the case.

(3) Any person aggrieved by an order under sub-rule (2) may, within thirty days, file a representation before the authority. if deemed appropriate The authority may constitute a subcommittee of the members of the board to inquire into the matter and on receipt of inquiry report and after granting an opportunity of being heard to the complainant may pass such orders on the representation as it may deem fit and the decision should be considered as final.

(4) Provided that the black listing /debarring of training service providers shall be carried out in accordance with the fund's policy for blacklisting/debarring.

CHAPTER-V

METHODS OF PROCUREMENT

19. Principal method of procurement. – Save as otherwise provided hereinafter, the fund shall use open competitive bidding or publication for the request of tender as the principal method of procurement for the procurement of goods, general services and works except in case of proposals received under procurement of training services as provided in the rules and hiring of short consultancies.

20. Open competitive bidding. – Subject to rules 21 to 34, the fund shall engage in open competitive bidding if the cost of procurement is more than the prescribed financial limit.

21. Submission of bids.–

(1) A bidder shall submit a bid in a sealed package or packages in such manner that the contents of the bid are fully enclosed and cannot be known until duly opened.

(2) The fund shall specify the manner and method of submission and receipt of bids in an unambiguous and clear manner in the bidding documents.

22. Bidding documents.–

(1) The fund shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.

(2) For competitive bidding, whether open or limited, the bidding documents shall include the following:

(a) invitation to bid;

(b) instructions to bidders;

(c) form of bid;

(d) form of contract;

(e) general or special conditions of contract;

(f) specifications and drawings or performance criteria (where applicable);

(g) list of goods or bill of quantities (where applicable);

(h) delivery time or completion schedule;

(i) qualification criteria (where applicable);

(j) bid evaluation criteria;

(k) format of all securities required (where applicable);

(l) details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and

- (m) Any other detail not inconsistent with these rules that the fund may deem necessary.
- (3) Any information that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the prospective bidders, shall be provided in a timely manner and on equal opportunity basis.
- (4) Where any change becomes essential in the procurement process, such change shall be made in a manner similar to that of the original advertisement.
- (5) The fund shall use bidding documents containing requirements, approved by the competent authority.
- (6) The fund shall, on payment of such fee as the fund may determine keeping in view the cost of printing and provision of the documents or fee charged by an outsourced function, provide a set of bidding documents to the prospective bidders.
- 23. Reservations and preference.**— (1) PSDF shall allow all prospective bidders to participate in procuring procedure without regard to nationality except in cases in which PSDF decides to limit such participation to national bidders only or prohibit participation of bidders of some nationalities in accordance with the policy of the Government.
- (2) PSDF shall allow for a preference to domestic or national contractor in accordance with the policies of the Government and the magnitude of price preference to be accorded shall be clearly mentioned in the bidding documents under the bid evaluation criteria.
- 24. Bid security.**—The fund may require the bidders to furnish a bid security not exceeding five per cent of the estimated bid price.
- 25. Bid validity.**—
- (1) The fund, keeping in view the nature of the procurement, shall subject the bid to a bid validity period.
- (2) The bids shall be valid for the period of time specified in the bidding document.
- (3) Subject to sub-rule (5), the fund shall ordinarily be under an obligation to process and evaluate the bids within the stipulated bid validity period but, under exceptional circumstances and for reasons to be recorded in writing, if an extension is considered necessary, all the bidders shall be requested to extend their respective bid validity period but such extension shall not be for more than the original period of bid validity.
- (4) A bidder who:
- (a) agrees to the extension of the bid validity period shall also extend the validity of the bid bond or security for the extended period of the bid validity;
- (b) agrees to the fund's request for extension of bid validity period shall not be permitted to change the substance of the bid; and

(c) does not agree to an extension of the bid validity period shall be allowed to withdraw the bid without forfeiture of the bid bond or security.

(5) The Competent authority may, after recording reason in writing, extend the bid validity period. .

26. Extension of time for submission of bids.– If the competent authority considers that it is necessary in public interest to extend the last date for the submission of the bids, it may, after recording reasons, do so in the manner similar to the original advertisement.

CHAPTER-VI

OPENING, EVALUATION AND REJECTION OF BIDS

27. Opening of bids.(other than training services)–

- (1) The date for opening of bids and the last date for the submission of bids shall be the same; and, bids shall be opened at the time specified in the bidding documents which shall not be less than thirty minutes after the closing time for the submission of the bids.
- (2) All bids shall be opened by the evaluation committee publicly in the presence of the bidders or their representatives who may choose to be present, at the time and place announced prior to the bidding and chairperson or member of the evaluation committee shall read aloud the unit price as well as the bid amount and shall record the minutes of the bid opening.
- (3) All bidders in attendance at the time of opening of the bids shall sign an attendance sheet.
- (4) The bids submitted after the closing time prescribed shall be rejected and returned without being opened.

28. Evaluation criteria.–

- (1) The fund shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated and such evaluation criteria shall form an integral part of the bidding documents.
- (2) Failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.
- (3) The Fund can, from time to time, re-evaluate and alter the bid evaluation criteria with the approval of the competent authority.
- (4) In simple or standard procurement process like open competitive bidding or procurement through direct request for tender, the procuring agency may use the amount of the bid price as the sole evaluation criteria for the bids.

29. Evaluation of bids.–

- (1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding document.
- (2) A bid once opened in accordance with the prescribed procedure shall be subject to only those rules, regulations and policies that are in force at the time of issue of notice for invitation of bids.
- (3) For purposes of comparison of the bids quoted in different currencies, the price shall be converted into a single currency specified in the bidding documents and the rate of exchange

shall be the selling rate, prevailing on the date of opening of bids specified in the bidding documents, as notified by the State Bank of Pakistan on that day

30. Clarification of bids.–

- (1) No bidder shall be allowed to alter or modify his bid after the closing time for the submission of the bids.
- (2) The fund may, if necessary after the opening of the bids, seek and accept such clarifications of the bid as do not change the substance of the bid.
- (3) Any request for clarification in the bid, made by the fund and its response, shall invariably be in writing.

31. Discriminatory and difficult conditions.– Save as otherwise essential, the fund shall not introduce any condition, which discriminates between bidders or which is difficult to meet.

Explanation: In ascertaining the discriminatory or difficult nature of any condition, reference shall be made to the needs of training to be imparted in that trade, and requiring a specified set of equipment or infrastructure.

32. Rejection of bids.–

- (1) The fund may reject all bids or proposals at any time prior to the acceptance of a bid or proposal.
- (2) The fund shall upon request communicate to any bidder, the grounds for its rejection of all bids or proposals, but shall not be required to justify those grounds.
- (3) The fund shall incur no liability, solely by virtue of its invoking sub-rule (1) towards the bidders.
- (4) The bidders shall be promptly informed about the rejection of the bids, if any.
- (5) PSDF may, for reasons to be recorded in writing, restart bidding process from any prior stage if it is possible without violating any principle of procurement contained in rule 4 and shall immediately communicate the decision to the bidders.

33. Re-bidding.– If the fund rejects all the bids under rule 31, the fund may proceed with the process of fresh bidding but before doing that the fund shall assess the reasons for rejection and may, if necessary, revise specifications, evaluation criteria or any other condition for bidders.

34. One person one bid.- (1) In any procurement, one person may submit one bid and if one person submits more than one bids, the procuring agency shall reject all such bids.

35. (2) If a consortium of persons has submitted a bid in any procurement, it shall be construed that each member of the consortium submitted the bid.**Announcement of evaluation reports.–**the

fund shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids 10 days prior to the award of procurement contract.

36. Procedures for selection of contractors.–

- (1) Save as otherwise provided in these rules, single stage one envelope bidding procedure shall ordinarily be the main open competitive bidding procedure used for the procurement of works and standard goods.
- (2) Other appropriate procedures for selection of contractors other than consultants or training Service Providers may be adopted in the following circumstances:
 - (1) Single stage two envelopes bidding procedure shall be used for procurement of such goods where the bids are to be evaluated on technical and financial grounds and the procedure for single stage two envelopes shall be:
 - (a) the bid shall be a single package consisting of two separate envelopes, containing separately the financial and the technical proposals;
 - (b) the envelopes shall be marked as “Financial Proposal” and “Technical Proposal”;
 - (c) in the first instance, the “Technical Proposal” shall be opened and the envelope marked as “Financial Proposal” shall be retained unopened in the custody of the fund;
 - (d) the fund shall evaluate the technical proposal in the manner prescribed in advance, without reference to the price and shall reject any proposal which does not conform to the specified requirements;
 - (e) during the technical evaluation no amendments in the technical proposal shall be permitted;
 - (f) after the evaluation and approval of the technical proposals, the fund shall open the financial proposals of the technically accepted bids, publically at a time, date and venue announced and communicated to the bidders in advance, within the bid validity period;
 - (g) the financial bids found technically nonresponsive shall be returned un-opened to the respective bidders; and
 - (h) the lowest evaluated bidder shall be awarded the contract;
 - (3) two stage bidding procedure may be adopted in large and complex contracts where technically unequal proposals are likely to be encountered or where the fund is aware of its options in the market but, for a given set of performance requirements, there are two or more equally acceptable technical solutions available to the fund and the bidding procedure shall be:

First stage

- (i) in the first instance, the bidders shall submit, according to the required specifications, a technical proposal without quoting price;
- (ii) the technical proposal shall be evaluated in accordance with the specified evaluation criteria and may be discussed with the bidders regarding any deficiencies and unsatisfactory technical features;
- (iii) after such discussions, all the bidders shall be permitted to revise their respective technical proposals to meet the requirements of the fund;
- (iv) the fund may revise or modify any aspect of the technical requirements or evaluation criteria, or it may add new requirements or criteria not inconsistent with these rules but any revisions or modifications shall be communicated to all the bidders at the time of invitation to submit final bids, and sufficient time shall be allowed to the bidders to prepare their revised bids but such time shall not be less than fifteen days in the case of national competitive bidding and thirty days in case of international competitive bidding;
- (v) the bidders unwilling to conform their respective bids to the fund's technical requirements may withdraw from the bidding without forfeiture of their bid security;

Second stage

- (i) the bidders, whose technical proposals or bids have not been rejected and who are willing to conform their bids to the revised technical requirements of the fund, may submit a revised technical proposal along with the financial proposal;
 - (ii) the fresh and revised technical proposals and the financial proposals shall be opened at a time, date and venue announced and communicated to the bidders in advance but in setting the date for the submission of the revised technical proposals and financial proposals, the fund shall allow sufficient time to the bidders to incorporate the agreed changes in the technical proposal and prepare their financial proposals accordingly; and
 - (iii) the revised technical proposal and the financial proposal shall be evaluated in the manner prescribed above and the lowest evaluated bid shall be accepted;
- (4)** two stage two envelope bidding method shall be used for procurement where alternative technical proposals are possible, such as certain types of machinery or equipment or manufacturing plant and the procedure shall be:

First stage

- (i) the bid shall comprise a single package comprising two separate envelopes containing the financial proposal and the technical proposal;
- (ii) the envelopes shall be marked as “Financial Proposal” and “Technical Proposal”;
- (iii) in the first instance, the envelope marked
- (iv) “Technical Proposal” shall be opened and the envelope marked as “Financial Proposal” shall be retained unopened in the custody of the fund;
- (v) the technical proposals shall be discussed with the bidders with reference to the fund’s technical requirements;
- (vi) those bidders willing to meet the requirements of the fund shall be allowed to revise their technical proposals following these discussions; and
- (vii) bidders not willing to conform to the technical proposal as per revised requirements of the fund shall be allowed to withdraw their respective bids without forfeiture of their bid security;

Second stage

- (i) after agreement between the fund and the bidders on the technical requirements, bidders who are willing to conform to the revised technical specifications and whose bids have not already been rejected shall submit a revised technical proposal and supplementary financial proposal, according to the technical requirement;
- (ii) the revised technical proposal along with the original financial proposal and supplementary financial proposal shall be opened at a date, time and venue announced in advance by the fund: Provided that in setting the date for the submission of the revised technical proposals and supplementary price proposals the fund shall allow sufficient time to the bidders to incorporate the agreed changes in the technical proposal and to prepare the required supplementary financial proposal; and
- (iii) The fund shall evaluate the whole proposal in accordance with the evaluation criteria and the lowest evaluated bid shall be accepted.

CHAPTER-VII

PROCUREMENT OF CONSULTANCY SERVICES

37. Rights and obligations.—The rights and obligations of the fund and the consultant are governed by general and special conditions of contract signed between the fund and the consultant.

38. Consultant selection committee.— the fund, for the selection of consultant, except for short consultancies, shall set up a Consultant Selection Committee of odd number members, which shall consist of following officials:

Chief Operating Officer

Chief Financial Officer

Manager Procurement

Manager of relevant team

Coopted member

39. Quorum.— Three members, including the chairman of the consultant selection committee, shall form quorum for conducting the business of the consultant selection committee.

40. Decision by simple majority.— All decision of the consultant selection committee shall be made by majority of the members present and voting.

41. Functions and responsibilities of committee.— The Consultant Selection Committee shall perform the following functions:

(1) short listing of consultants, responding to the expression of interest, where applicable, in accordance with the criteria mentioned in the expression of interest;

(2) approval of request for proposal before issuance;

(3) evaluation of technical and financial proposals, according to the selection method and evaluation criteria, mentioned in the request for proposal, and in accordance with the provisions of these rules; and

(4) finalization of recommendation for selection of consultants based on evaluation criteria.

42. Selection of consultants.— Depending upon the selection method, the fund shall include, among others, the following steps in the process of selection of a consultant:

(1) preparation and approval of the terms of reference of the assignment;

(2) preparation of the cost estimate or budget of the assignment;

(3) public advertisement of invitation of consultants' expressions of interest and their short-listing (only in case of large consultancies);

- (4) preparation and issuance of the request for proposal to the shortlisted consultants;
- (5) preparation and submission of proposals by the consultants;
- (6) evaluation of technical proposals; and
- (7) opening and evaluation of financial proposals.

43. Methods for selection of consultants.–

- (1) The fund may utilize one of the methods mentioned in succeeding sub-rules for selection of a consultant.
- (2) Least Cost Selection: This is the preferred method for selecting consultants for assignments of standard or routine nature such as audit, simple engineering design or supervision of noncomplex works, curriculum development etc. where the well-established practices and standards exist.
- (3) Quality and Cost Based Selection: This method may be used where:
 - (a) quality is the prime consideration while cost is a secondary consideration;
 - (b) terms of Reference are well defined;
 - (c) the financial proposals of only those technically responsive bidders who obtained minimum sixty five percent marks shall be opened; The threshold can be revised upto 75% depending on the nature of the service.
 - (d) a combined evaluation of the technical and financial proposals is carried out by weighting and adding the quality and the cost scores;
 - (e) the weight for quality is normally of eighty percent with twenty percent given to cost and more than twenty percent weight to the cost of the services is justified only in relatively routine and straightforward assignments (such as design of simple structures), whereas in no cases it should exceed thirty percent and the consultant obtaining the highest combined score is invited for negotiations;
- (4) Quality Based Selection: This system may be used for highly specialized, innovative and complex assignments, where quality is the predominant factor.
- (5) The competent authority may, after recording reason in writing authorize the use of any method for selection of consultant other than least cost selection.

44. Selection process of individual consultant.– The following shall be the selection process of individual consultant in a short consultancy:

- (1) individual consultant may not be required to submit proposals and shall be selected based on the qualifications and experience for the assignment;

- (2) individual consultant shall be selected by comparing the qualifications and experience of at least three consultants among those who have expressed interest in the assignment or have been approached directly by the fund;
- (3) individual consultant considered for the comparison of qualifications and experience shall meet the minimum relevant qualifications, and the one selected to be employed by the fund shall be the best qualified and shall be fully capable of carrying out the assignment;
- (4) individual consultant may be selected on a single source basis (with due justification) in exceptional cases such as an emergency situation as define in the rules;
- (5) for key assignments, interviews may be set up, if required.

45. Expression of interest.–

- (1) A request for expression of interest shall be advertised in accordance with the provisions of rule 10.
- (2) The expression of interest shall contain the following information:
 - (a) the name and address of the fund;
 - (b) an appropriate description of the assignment providing scope of the intellectual and professional services required;
 - (c) closing date and place of the submission of the expression of interest;
 - (d) criteria for short listing or prequalification where required; and
 - (e) any other information that the fund may deem appropriate to disseminate at this stage.

46. Request for proposals.–

- (1) The fund shall use a request for proposal for seeking proposals from the shortlisted or pre-qualified consultants which shall include the following:
 - (a) letter of invitation: the letter of invitation shall mention the name and address of the fund and its intention to enter into a contract for provision of consulting services and contain names of all the short listed firms;
 - (b) instruction to consultants: the instructions to consultants shall contain all necessary information that may help them prepare responsive proposals;
 - (c) terms of reference: the terms of reference shall unambiguously define the objectives, goals and scope of the assignment, core team of required experts, expected deliverables with timelines and list of services necessary to carry out the assignment;
 - (d) evaluation criteria: except as otherwise provided, the evaluation of proposals shall be carried out giving due consideration to quality and cost;

(e) type of contract: the fund, depending on the circumstances, may use one of the following types of contracts:

(1) lump sum contract shall be used mainly for assignments in which the content, duration of the services and the required output are unambiguously defined;

(2) time based contract shall be used when it is difficult to define the scope and the length of services;

(i) hourly or daily rates shall be used for small projects, especially when the assignment is for less than a month; and

(ii) any other, based on combination of the above and including out of pocket expenses, where required;

(f) special provisions: the fund may specify any other requirement related to the assignment or contract, where required.

(2) The fund shall invite the prospective consultants to submit their technical and financial proposals in separately sealed envelopes and the fund shall give deadline for submission of proposals but the consultants shall be given adequate time to prepare their proposals which shall not be less than two weeks.

47. Evaluation of quality of consulting services.– Evaluation criteria for technical evaluation of consultants shall include the following:

(1) experience: the consultants specialized skills, working on the similar assignment and access to particular technologies related to the assignment;

(2) financial capability: financial capability of the consultant may be evaluated with a view to ensuring that the consultant can complete the assigned task in a timely manner;

(3) approach and methodology: the methodology proposed by the consultants shall be evaluated for its innovativeness and soundness;

(4) quality management: the availability of a well-established quality management system may be taken into account for large and complex assignments; and

(5) staff proposed: qualification and experience of the proposed staff of the consultant in the relevant field.

48. Association of consultants.–

(1) An association of consultants may take either the form of a joint venture or a subcontract and such association may participate in procurement process with the permission of the fund

- (2) Under a joint venture, all members, if awarded the contract, shall individually sign and be jointly and severally liable for the entire assignment and such an association may be known as a consortium, association or joint venture.

49. Intellectual property rights.–

- (1) All documents, reports, designs, research work and all deliverables prepared by the consultant shall become and remain the property of the fund.
- (2) Any restrictions on the future use of these documents and software by the consultant shall be specified in the conditions of the contract.

50. Negotiations.–

- (1) Notwithstanding the provision under rule 81, the fund may negotiate with the highest ranked bidder for consultancy regarding methodology, work plan, staffing, contract price and special conditions of the contract.
- (2) In case of failure of negotiations, the fund may invite the next ranked bidder.
- (3) A committee of the fund shall negotiate with the consultant and negotiation by a single person on behalf of the fund shall not be allowed.

51. Professional liability of consultant.–

- (1) The consultant selected and awarded a contract shall be liable for consequence of errors or omissions on the part of the consultant.
- (2) The extent of liability of the consultant shall form part of the contract and such liability shall not be less than remunerations nor it shall be more than twice the remunerations.
- (3) The fund may demand insurance on part of the consultant to cover the liability of the consultant and necessary costs shall be borne by the consultant.
- (4) The consultant shall be held liable for all losses or damages suffered by the fund on account of any misconduct by the consultant in performing the consulting services.

52. Consulting with not for profit organisations (*only for Technical Assistance Component*):-

1. Save as otherwise, PSDF may hire consulting services of not for profit organizations which will be considered as partnership rather than a procurement. The partnership will be managed through accountable grant component. The following procedure will be observed for partnership with not for profit organizations.
 - a) The organisation should have a legal status of civil society, non-government or not-for-profit
 - b) The organisation should not be associated /a subsidiary of any organisation constituted for profit purposes

- c) Funding is provided to an organisation whose primary purpose is not for profit (due verified may be carried out)
 - d) The funding shall not be used for any purposes other than that as defined in the contract
 - e) The decisions for funding should be based on value for money and maximum impact
 - f) The organisation (or group of organisations) has approached PSDF with a proposal for funding
 - g) The proposal should include complete program / timelines / team structure / financing, deliverable & overall Impact.
 - h) The Technical Assistance Committee will evaluated the proposal on merit and make its recommendations to the authority for approval.
 - i) The Authority has power to approve & define financial limits for such partnership.
2. The fund is to ensure that such procurement decisions taken by authority are not open to the criticism of anti-competitiveness and should be able to demonstrate that through such procurement fund is achieving value for money and maximum impact.

CHAPTER VIII

PROCUREMENT OF TRAINING SERVICES

53. Hiring of training service providers.–

The fund shall hire training service for imparting training which may lead to employment, self-employment or improvement of quality or productivity of work/job.

54. Rights and obligations.–

The rights and obligations of the fund and the Training Service Providers shall be governed by general and special conditions of the contract signed between the TSP and the Fund.

55. Training Service Selection Committee.–

- (1) For the selection of Training Services (TS) the fund shall set up a TS Selection Committee, comprising of odd number of members which shall consist of:
 - (a) Chief Operating Officer or any other officer designated by the authority who shall be its Chairman;
 - (b) Manager, Strategy & Business Development- Member;
 - (c) Manager, Partnerships & Placements – Member;
 - (d) Manager, Programme Development - Member;
 - (e) Chief Financial Officer - Member
- (2) One other member to be nominated by the Chief Executive Officer to serve as secretary to the committee, s/he will not have the right to vote. Secretary to the TSSC may be different in case of different procurements.
- (3) The fund may co-opt up to two members/consultants having adequate technical knowledge in the relevant field, for assistance in a given assignment that requires technical input.
- (4) In case of any dispute or indecision the committee will refer the case to the competent authority for a final decision

56. Quorum.– Chairman of the committee, CFO and Manager Programme Development (in case of selection through open bidding) and/ or Manager Partnership and Placement (in case of cost sharing and employment assured cases) shall form quorum for conducting the business of the TS Selection Committee.

57. Decision by simple majority.– All decision of the TS Selection Committee shall be made by majority of the members present and voting.

58. Functions and responsibilities of committee.–

The TS Selection Committee shall perform the following functions:

- (1) Approval of prequalification and bidding documents before issuance.
- (2) Determining the scoring system for evaluation of EOIs /Technical & Financial proposals/ bidding documents;
- (3) Approval of public advertisement of invitation for bidders;
- (4) Sorting of eligible and ineligible bidders,
- (5) Short-listing of Training Service Providers (TSPs), evaluating the information provided in expression of interest/ bidding document and in accordance with the criteria approved by TSSC;
- (6) Preparation and issuance of the request for proposal to the prequalified TSPs through Prequalification process provided in Rule 60;
- (7) Evaluation of trade wise technical proposals according to the evaluation criteria approved by TS selection committee or as mentioned in the bidding document / request for proposal.
- (8) Opening and evaluation of financial proposals;
- (9) Calculation of Trade/trade group wise technical, financial and final scores
- (10) Trade / trade group wise ranking of TSPs.
- (11) Technical & Financial Negotiations
- (12) Allocation of sector wise and trade/trade group wise trainees to be trained
- (13) Presentation of procurement process summary and Recommendations for award of contract before the Programme Design & Evaluation Committee.
- (14) Fund may outsource all or any of the functions of the training service procurement committee to a third party bid evaluation firm selected through a competitive process. Responsibility for regularly reviewing, monitoring and quality assurance of the outsourced activity shall reside as responsibility of PSDF'.
- (15) May carryout any other function as required for selection of training service providers including approval of cost sharing model, overseas employment etc

59. Procurement of training services.–

The fund shall use one or more of the following methods for procurement of training service keeping in view nature of sector/s, targeted TSPs, employment of trained persons, cost of training etc.;

- (1) Pre-qualification of training service providers
- (2) Single stage two envelops for procurement of training services
- (3) Two stage (EOI and RFP) for procurement of training services

- (4) Unsolicited Applications for provision of training services
- (5) Unsolicited proposal for training services by employer/industry
- (6) Training for international placement / employment

60. Pre-qualification of training service providers

- (1) Fund may advertise an open invitation for prequalification of training service providers. The interested organisations will have opportunity to apply throughout the year. Four cycles of pre-qualifications will be observed ending on September 30, December 31, March 31 and June 30 of each year or as mentioned in pre-qualification document. The applications received before or on the last day of cycle will be considered for pre-qualification. These prequalified organizations will be issued direct Request for Technical/trade Proposals upon launch of new schemes.
- (2) The fund shall take into consideration the following factors for prequalification:
 - i. appropriate managerial capability relevant experience and past performance;
 - ii. capabilities with respect to personnel, equipment and plant;
 - iii. financial capacity; or
 - iv. any other factor that the fund may deem relevant, not being inconsistent with these rules.
 - v. The competent authority, at any stage of the procurement proceedings, having credible reasons for, or prima facie evidence of, any defect in the capacity or otherwise of a contractor, whether or not prequalified, may require the contractor to provide such further information concerning the professional, technical, financial, legal or managerial competence as the competent authority may decide.
- (3) The fund shall ensure that the prequalification is based on the capacity of the interested parties to satisfactorily perform the training services.

61. Pre-qualification Process.–

The selection committee shall prequalify/shortlist TSPs applying in response to the pre-qualification invitation on the following grounds:

- a. An initial screening of the TSPs will be done through the evaluation of eligibility of Training Service Providers applying for pre-qualification;
- b. The TSPs shall be assessed on the basis of their management, past experience and capacity to deliver trainings keeping in view the available training facilities and infrastructure.
 - i. Management Team: Maximum 20 points
 - ii. Past experience and capacity of TSP (technical as well as financial) to deliver trainings: Maximum of 80 points.

- c. All entities scoring equal to or more than 65 points (out of total 100) will be declared as prequalified and may submit a detailed bidding document which will include technical and financial proposals and when a new scheme is announced during the period of validity of prequalification.

62. Request for proposals.–

- (1) The fund shall invite all or specific (dependent upon need) pre-qualified TSPs for submission of bidding documents or may request for proposal from the shortlisted TSPs which shall include the following:
 - (a) **Letter of invitation:** the letter of invitation shall mention the name and address of the fund and its intention to enter into a contract for provision of training services
 - (b) **Instruction to TSPs:** the instructions to TSPs shall contain all necessary information that may help them prepare responsive proposals;
 - (c) **Terms of reference:** the terms of reference shall unambiguously define the objectives, goals and scope of the assignment, expected deliverables with timelines and list of services and equipment necessary to carry out the assignment;
 - (d) **Evaluation criteria:** except as otherwise provided, the evaluation of proposals shall be carried out giving due consideration to quality and cost of training per trainee per month
 - (e) **Type of contract:** duration and/or type of the contract to be offered.
- (2) The fund shall invite the prospective TSPs to submit their technical and financial proposals in separately sealed envelopes, deadline for submission shall not be less than 15 calendar days from the date of invitation
- (3) The TSPs may submit proposal for one or more trade groups for which the TSP has been pre-qualified as mentioned in the letter of invitation.
- (4) However there should be one single proposal for each trade group by one TSP (comprising of separate technical and financial proposals). A violation of this rule may lead to rejection of such proposals
- (5) The fund may amend the RFP by issuing an addendum in writing or by standard electronic means at least five days before closing date. The addendum shall be sent to all pre-qualified and will be binding on them, if the amendment is substantial, the fund may extend the deadline for submission of proposals.

63. Pre-bid meeting.–

- (1) A pre-proposal capacity building session may be held by the fund for all pre-qualified organizations to explain the details required in the RFP/ bidding document.
- (2) TSPs may request a clarification of any RFP documents up to a specified date before the proposal submission date in writing, or by email to the fund’s address indicated in the data sheet. The fund will respond in writing or by email and will send written copies of the response (without identifying the source of inquiry) to all shortlisted service providers.

64. Submission of technical and financial proposals.–

Both public and private TSPs will send in applications against the RFP under one pool. The Evaluator’s of technical proposal shall have no access to the financial proposal until the technical evaluation is concluded.

65. Opening of Technical/ Trade Proposal.--

Technical/trade proposals submitted by pre-qualified organization will be opened immediately after closing date and evaluated.

66. Evaluation of Trade proposals.–

The Selection committee shall evaluate the technical proposals for each trade applying trade specific criteria. Each responsive proposal will be given a technical score; Minimum qualifying technical score shall be 65%.

- (1) The technical proposal shall be evaluated on the basis of:
 - i. **Quality of Training:** Quality of training shall be evaluated against a separate trade wise evaluation criteria determined by the fund, which may include factors like infrastructure of the TSPs, training facilities, availability of equipment, past experience, training content, qualification and experience of academic staff and any other factor. It shall be accorded no more than 80% weightage in evaluation of the technical bid.
 - ii. **Capacity of Organization to deliver:** It shall be done by evaluating the factors including but not limited to qualification and experience of management team, financial capacity as well as mobilization and on job placement capacity. Previous performance of the TSP will also be considered. Poor performing organisation may be dropped. The fund may determine any other factors for evaluation of TSP’s capacity. It shall have no more than a weightage of 20%

- (2) The fund or any third party selected by fund may visit the training site during the technical evaluation phase to ascertain the training facilities, equipment, location, capacity and other aspects of both the training sites and proposed hostel (if any included the scheme).
- (3) In addition, the Fund may make random check with past trainees, employers or verify other information provided in the technical proposal, if required.
- (4) Fund's assessment about the capacity of TSP shall be final.
- (5) After completion of the technical evaluation, the fund shall inform the qualifying TSPs about the status of their technical score for each trade group at the time of opening of financial proposal. The minimum qualifying score shall be 65.
- (6) The decision of the TS selection committee in this regard shall be final.
- (7) The competent authority has the right to make modification to the criteria, weights and minimum scores before the technical proposals are sought and that any changes must be communicated to all bidders.

67. Financial proposal.–

- (1) The financial bid will be based on training fee per trainee per month inclusive of all expenditures or as provided in the bidding document and applicable taxes or as mentioned in the bidding document. It will include the following but not limited to:
 - (a) Trainer's remuneration
 - (b) Consumables training material
 - (c) Training manual development & printing and stationary required for training
 - (d) Management and reporting costs
 - (e) Depreciation/rentals of machinery and equipment etc.
 - (f) Utilities & miscellaneous items
 - (g) Pre and Post training support to trainees
 - (h) Community mobilization and awareness programs
- (2) TSPs should quote the price of their overall services in Pak Rupees.
- (3) Commissions and gratuities, if any paid or to be paid by the TSPs related to the assignment will be listed in the financial proposal.
- (4) The financial bid costs may be inclusive of taxes or as provided in the bidding document and they will form the basis of evaluation.

68. Opening of Financial Proposals.–

- (1) The Financial proposals shall be opened in the presence of the TSPs representatives who choose to attend.
- (2) The financial proposals of only those responsive bidders who obtained minimum sixty five percent marks in evaluation of technical proposal, shall be opened;
- (3) The fund shall correct any computational errors, in case it is observed so. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between words and figures, the former shall prevail.
- (4) In addition to the above corrections, all activities and items described in the Technical proposal but not priced shall be assumed to be included in the price of other activities or items.
- (5) Evaluation of financial proposal:
 - (a) The financial proposals shall be individually scored as per criteria developed by the fund
 - (b) The cost shall be considered on the basis of cost per trainee per month, inclusive of taxes or as mentioned in the bidding document.
- (6) After the individual analysis of technical and financial bids, a final score shall be determined by simply adding the two. The weight for technical evaluation shall be eighty percent whereas twenty percent weightage shall be given to financial proposal's score.
- (7) The TSPs will be ranked based upon the combined technical and financial score.

69. Level playing field between public and private TSPs.–

- (1) The organisations will be ranked on the basis of their combined score i.e. weighted technical and financial scores.
- (2) The top ranking organisations will be awarded the contract
- (3) The technical score, per trainee per month cost and the combined score of top ranking private /nongovernmental Training service provider is set as reference technical score, reference cost and reference combined score respectively. In case public sector organization secures rank one position, its price is not to be considered as reference price.
- (4) If the target number of trainees is not met, the organisation, which is next in rank, is also selected. If its technical score is higher than the reference technical score, it will be offered per trainee per month cost which brings its combined score equal to the reference combined score. Otherwise it will be offered its bid price or reference bid price whichever is lower
- (5) The same process will be repeated till the target number of trainees is met
- (6) The authority may specify such other procedure as may be required for engaging multiple TSPs keeping in view the fundamental principal of value for money.

- (7) PSDF may allocate region wise or districtwide quota for maximum coverage keeping in view socio-economic factors

70. Single Complying Proposal.–

If only one complying bid is received, the fund may award the contract to the bidder after financial negotiation, however the decision shall be made with “due diligence” and in the light of Rule 4 "Principles of Procurement".

71. Hiring Services of Multiple TSPs.–

- (1) Notwithstanding any other rule, the fund may procure the services of multiple TSPs, for any single trade to achieve the donor given targets.
- (2) The winning TSP shall be awarded as many places as it submitted in its proposal depending upon verified training capacity or such limit as specified in the bidding document , of the total people to be trained under the scheme whichever is lower. Any exception to this rule will have to be approved by the authority
- (3) If the TSP securing second highest combined score in the trade group is required to be selected to meet the target number of trainees, it will be offered the contract as follows:
 - (a) **Technical score is greater than the top scoring TSP:** it will be asked to lower the cost per trainee per month to a level so that combined score equals the reference score. In case of refusal the offer will be made to the third highest and so forth.
 - (b) **Technical score is equal to or lower than the top scoring TSP:** it will be asked to lower the cost per trainee per month to a level of reference price in case the cost is higher than the top scorer otherwise the contract will be offered at bid price. In case the second ranked organization refuses, the offer will be made to the third highest and so forth.
- (4) The selection process will be continued till the target number of trainees in the trade is met.

72. Negotiations with TSPs.–

- (1) Notwithstanding the conditions laid down in rule 89, before awarding of the contract the terms and conditions of the proposed contract will be subject to negotiation between the fund and the TSP/TSP's.
- (2) The selection committee of the fund shall negotiate with the TSPs and negotiation by a single person on behalf of the fund shall not be allowed.
- (3) Negotiations will include discussion of the technical aspect of the training which may be related to trades / courses, number of courses, training locations / institutes & number of trainee or any suggestions made by the TSPs to improve the terms of reference. The fund and TSPs will finalize

the Terms of Reference, trades, number of trainees, gender division of seats, locations of training, number of classes, staffing schedule, delivery schedule, logistics, and reporting. These documents will then be incorporated in the Agreement as "Description of Services". Special attention will be paid to clearly defining the inputs and facilities required from the fund to ensure satisfactory implementation of the assignment. The fund will prepare minutes of meetings for negotiations, which will be signed by the Fund and relevant TSP/s. During negotiations the TSPs will provide written assurance that the Professional staff mentioned in the technical proposals will be actually available. Any proposed substitution shall be agreed beforehand and must have equivalent or better qualifications and experience than the original candidate and shall be submitted by the TSP within the period of time specified in the letter of invitation to negotiate. If the TSP is found violating the rules, during the period of the contract it shall be liable to disqualification.

- (4) The financial negotiations will be for the changes in cost of the services as a result of agreed technical modifications and/ or reduction in cost as per the criteria mentioned above.
- (5) Financial negotiations can also be for the purpose of reduction in bidding cost if the bid rate/s exceeds the maximum rate/s acceptable, if any fixed by the authority.
- (6) Negotiations will conclude with a review of the draft agreement. To complete negotiations the selection committee and the TSPs will initial the agreed terms as draft agreement. If negotiations fail, the Fund will invite next TSP with the highest score to negotiate an Agreement.

73. Integrity Management.–

- (1) The fund shall ensure that all its operations are carried out in a transparent and fair manner
- (2) The fund should ensure that TSPs supply professional services at all times; strictly avoid conflict with other assignments or their own corporate interests; and act without any consideration for future work.

74. Award of Contract.–

- (1) After completing negotiations the fund shall award contract to the selected TSP/TSPs
- (2) The duration of initial contract shall be in accordance with announced scheme. However the fund may extend the contracts with the approval of the Authority with TSPs considering their performance with the option of increment in the cost per trainee per month on prevailing inflation rates announced by Government of Pakistan. Provided that in special circumstances the Authority may approve increment above inflation rate however any such approval shall not exceed 20% of the initial cost per trainee per month.

- (3) The TSP/TSPs are expected to commence the assignment after approval by the Fund on the mutually agreed date and location. Terms of Reference for the contract will include the role & responsibilities of the fund and the TSP

75. Declaration of ineligibility.–

- (1) The competent authority may, after providing an opportunity of hearing, declare, through a notification, an applicant ineligible for participating in any public procurement process of the fund for such period as it may determine on account of his engaging, directly or through an agent, in corrupt practice.
- (2) A copy of the notification shall be provided to the affected person and to the authority.

76. Duration of pre-qualification

- (1) A TSP will stand qualified in a particular trade / skill for a period of two years or as specified in the scheme. After the prequalification period the TSP has to apply again for prequalification after paying the fee as required by Fund.
- (2) TSP may apply within the period of prequalification for any addition course/trade after paying the fee as required by the Fund
- (3) The Fund may direct through a written order a prequalified training service provider to again enter the process of prequalification before the expiry of pre-qualification period, if the training service provider fails to meet the criteria agreed upon at the time of prequalification.

77. Single stage two envelopes for procurement of training services

Save as otherwise as mentioned above fund may use single stage two envelopes bidding procedure for procurement of training service providers for a particular training scheme. The bids are to be evaluated on technical and financial grounds.

The procedure for single stage two envelopes shall be:

- (1) The bid shall be a single package consisting of two separate envelopes, containing separately the financial and the technical proposals;
- (2) The envelopes shall be marked as “Technical Proposal” and “Financial Proposal”. The “Technical Proposal” to include separate envelopes for “Organization’s Profile, Eligibility & Capacity” and “Trade Proposals” ;
- (3) In the first instance “Organization’s Profile, Eligibility & Capacity” in the technical proposal will be opened and evaluated. In case of eligible and scoring at least 65% score, the organization will be declared responsive and its Trade Proposals will be opened.

- (4) The “Trade Proposals” shall be opened and the envelope marked as “Financial Proposals” shall be retained unopened in the custody of the fund;
- (5) The fund shall evaluate the technical proposals in the manner prescribed in advance, without reference to the price and shall reject any proposal which does not conform to the specified requirements. ;
- (6) During the technical evaluation no amendments in the technical proposal shall be permitted;
- (7) After the evaluation and approval of the technical proposals, the fund shall open the financial proposals of the technically accepted bids, publically at a time, date and venue announced and communicated to the bidders in advance, within the bid validity period;
- (8) The Trade Proposal found technically nonresponsive their financial bids shall be returned un-opened to the respective bidders;
- (9) The procedure as specified in Rules 67, 68, 69, 70, 71 and 73 above will be adopted for award of contracts.

78. Two stage (EOI and RFP) for procurement of training services

- (1) Two stage bidding procedure may be adopted in the procurement of training service providers as mentioned below for a particular scheme:

First stage

- i. In the first instance, the bidders shall submit, Expression of Interest (EOI) without quoting price;
- ii. The EOI shall be evaluated in accordance with the specified evaluation criteria
- iii. The bidders meeting the requirements, as specified in Expression of Interest, and scoring at least 65 marks will be considered responsive.

Second stage

- i. The bidders, whose EOI is expected and meets the eligibility requirements will be issued with Request for Proposal and procedure as mentioned above from rule 61 to 73 will be adopted.

79. Unsolicited applications for provision of training services

PSDF may consider unsolicited proposal (for the provision of training which are not previously pre-qualified) received for any training services, the fund may consider the proposal to ascertain its viability and outcome and after such consideration as deemed necessary, if the proposal is found viable, the fund after receiving the approval from the **authority** may proceed with the procurement of training services by following the procedure as mentioned below:

- (1) Advertise the proposal for open competition without disclosing the name of the initiator of unsolicited proposal;
- (2) Conduct bidding process while selecting any of the methodology mentioned in rule 76 or 77 as mentioned above;
- (3) shall request the initiator of the unsolicited proposal to participate in bidding ;
- (4) The initiator of the proposal shall be given five additional marks in the combined evaluation
- (5) If no other bidder in response to the advertisement submits bid, the procuring agency may award the contract to the initiator of the proposal after technical and financial negotiation.

80. Unsolicited proposal for training services by employer/industry

In case of an unsolicited proposal received for industry driven training either on full cost or on cost sharing basis, with guaranteed employment outcomes for all or partial number of trainees, the fund may consider the proposal to ascertain its viability and after such consideration if the proposal is found viable, the fund after receiving the approval from the competent authority may adopt any of the following procurement methodology for contracting in order of preference:

- (1) Compare the offered training cost with the cost of previously conducted identical or similar training (if available), or overall average of the industry-specific programs, in case the proposal cost is lower, equal to or 10% higher than any previous identical or similar training program ; the competent authority may accept the proposal.
- (2) In case the cost is higher than the previous training programs , the competent authority may constitute a committee to evaluate the offered cost for industry driven training on cost sharing basis, the extent of fund's share may not exceed the cost of identical or similar training program;
- (3) Or shall advertise the proposal for open competition without disclosing the name of the initiator of unsolicited proposal as provided in rule 78. Provided that the initiator shall be exempted from bidding process and the information regarding costing of the initiator shall not be made public before opening of financial bids.
- (4) The initiator will be given the first right of refusal being the guaranteed employer, to match the lowest bid, if the initiator agrees the contract shall be awarded
- (5) Where the original proposal is on cost sharing basis the fund shall ascertain the viability of the proposal after such consideration if the proposal is found viable, the fund may enter into negotiations for terms of engagement and may grant contract subject to approval of the competent authority without any further deliberations. Provided that the cost to be shared by the fund shall not exceed 60% of the reference cost as mentioned under para 1 above

cost per trainee per month, and 70% in cases where 100% employment of successful trainees is guaranteed.

81. Training for international placements/employment

Notwithstanding any other conditions or restrictions, if confirmed placement/employment demand of trainees is received from overseas employer to the PSDF, identifying the core, soft and language skills requirements the following procurement procedure shall be adopted:

- (1)** Fund will share list of training service provider/s with overseas employer already working or has worked with the Fund in the relevant trade and has the capability to train or retrain (enhancement in core skills or soft and language skills of all funded PSDF trainees) an individual according to overseas employer requirements.
- (2)** Overseas employer will select the Training Service Provider/s according to its need
- (3)** The selected training service provider will quote a price for training on per trainee per month basis
- (4)** If quoted price (per month per trainee cost) after negotiations is equal to, lower than or 10% higher than the cost already paid to a TSP in a relevant trade during last one year in any of PSDF schemes or overall average of the industry-specific programs for the relevant sector the fund may award the contract.
- (5)** If the quoted price is higher than as mentioned above the procurement will be forwarded to Program Design and Evaluation committee (PDEC) of the Board for approval with complete costing and its rational.
- (6)** The PDEC shall have the power to accept, reject or refer the matter back for another round of negotiations.

CHAPTER-IX
ACCEPTANCE OF BIDS AND AWARD OF CONTRACTS

- 82. Acceptance of bids.** – Subject to these rules, the bidder with the lowest evaluated bid, if not in conflict with any other law, shall be awarded the procurement contract within the original or extended bid validity period. Provided that, this condition shall not apply on the procurement of consultancy services, or the services of training service providers.
- 83. Single complying proposal.**- If one complying bid is received, the fund may award contract to the bidder.
- 84. Performance guarantee.**– Where needed and clearly expressed in the bidding documents, the fund shall require the successful bidder to furnish a performance guarantee which shall not exceed ten percent of the contract amount.
- 85. Limitation on negotiations.**–Save as otherwise provided in these rules, the fund shall not negotiate with any of the bidders (except for hiring Consultancy services or Training Service Providers).
- 86. Confidentiality.**–The fund shall keep all information regarding the bid evaluation confidential until the time of the announcement of the evaluation report.
- 87. Alternative methods of procurements.**–The fund may utilize the following alternative methods of procurement of goods, services and works:
- (1) petty purchases: the fund may provide for petty purchases where the object of the procurement is below the financial limit of Two Hundred & Fifty Thousand rupees and such procurement shall be exempted from the requirements of bidding or quotation of prices; the fund shall, however, ensure that procurement of petty purchases is in conformity with the principles of procurement;
 - (2) petty purchases through quotation: the fund may provide for petty purchases through at least three quotations where the cost of the procurement is more than two hundred & fifty thousand rupees but less than five hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the fund shall, however, ensure that such procurement is in conformity with the principles of procurement;
 - (3) direct contracting: the fund shall only engage in direct contracting if any of the following conditions exist:

- a)** the procurement concerns the acquisition of spare parts or supplementary services from original manufacturer or supplier when the same are not available from alternative sources;
 - b)** only one manufacturer or supplier exists for the required procurement but in such a case, such procurement shall be authorized by the board who shall authorize procurement of proprietary object after due diligence; and
 - c)** where a change of supplier may result in acquisition of material having different technical specifications or characteristics that may cause incompatibility or disproportionate technical difficulties in operation and maintenance; and the contract does not exceed three years in duration;
 - d)** repeat orders not exceeding fifteen percent of the original procurement;
 - e)** in case of an emergency, only the authority shall have the power to declare an emergency;
 - f)** when the price of goods, services or works is fixed by the Government or any other authority, agency or body under the law; and
 - g)** for purchase of motor vehicle from local original manufacturers or their authorized agents at manufacturer's price.
- (4) negotiated tendering: The fund may engage in negotiated tendering with one or more contractors with or without prior publication of a procurement notification but this procedure shall only be used when:
- a)** the supplies involved are manufactured purely for the purpose of supporting a specific piece of research or an experiment, a study or a particular development;
 - b)** for technical or artistic reasons, or for reasons connected with protection of exclusive rights or intellectual property, the supplies may be manufactured or delivered only by a particular supplier;
 - c)** for reasons of extreme urgency brought about by events unforeseeable by the fund, the time limits laid down for open and limited bidding methods cannot be met, however, the circumstances invoked to justify extreme urgency must not be attributable to the fund; and
 - d)** The competent authority, for reason to be recorded in writing, approves any specific procurement to be made on urgent basis and shall fix the time for such urgency.

88. On account payments. – The fund shall make prompt payments to the contractor against the invoice or running bill on satisfactory performance within the time given in the conditions of the contract which shall not exceed thirty days from the date that all necessary requirements are met.

89. Commencement of procurement contract.– A procurement contract shall come into force:

- (1) where no formal signing of a contract is required, from the date the notice of the acceptance of the bid or purchase order has been given to the bidder whose bid has been accepted and such notice of acceptance or purchase order shall be issued within a reasonable time; or
- (2) where the fund requires signing of a written contract, from the date on which the signatures of both the fund and the successful bidder are affixed to the written contract and such affixing of signatures shall take place within a reasonable time; and
- (3) where the coming into force of a contract is contingent upon fulfillment of a certain condition or conditions, the contract shall take effect from the date whereon such fulfillment takes place.

90. Closing of contract.–

- (1) Except for defect liability by the contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of overall delivery certificate or taking over certificate which shall be issued within thirty days of final taking over of goods or receiving the deliverables or completion of works enabling the contractor to submit final bill.
- (2) In case of defect liability, defect liability certificate shall be issued within thirty days of the expiry of the said period enabling the contractor to submit the final bill, except for unsettled claims, which shall be settled through resolution of dispute mechanism provided in the contract.

CHAPTER-X

MAINTENANCE OF RECORD AND FREEDOM OF INFORMATION

91. Record of procurement.–

- (1) The fund shall maintain a record of procurement along with all associated documents for a minimum period of five years.
- (2) Such maintenance of record shall be subject to the regulations framed in this regard from time to time.

92. Public access and transparency.–

- (1) As soon as a contract has been awarded, the fund shall make all documents related to the evaluation of the bid and award of contract public,
- (2) Where the disclosure of any information related to the award of a contract is of proprietary nature or where the fund is convinced that such disclosure shall be against the public interest, it may withhold only such information from public disclosure subject to the prior approval of the Authority.

CHAPTER-XI

REDRESSAL OF GRIEVANCES AND SETTLEMENT OF DISPUTES

93. Redressal of grievances by the fund.–

- (1) The fund shall constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract.
- (2) Any bidder feeling aggrieved by any act of the fund after the submission of his bid may lodge a written complaint concerning his grievances not later than *ten days after the announcement of the bid evaluation report.
- (3) The committee shall investigate and decide upon the complaint within fifteen days of the receipt of the complaint.
- (4) Mere fact of lodging of a complaint shall not warrant suspension of the procurement process.

94. Arbitration.–

- (1) After coming into force of the procurement contract, disputes between the parties to the contract shall be settled through mediation or arbitration.
- (2) The fund shall provide for a method of mediation or arbitration or both in the procurement contract.

95. Power to Amend.-

- (1) The Authority/Board of Directors can amend, change, revise, any rule with simple majority, subject to the condition that it does not violate the fundamentals of transparency, openness, clarity, equal competition and value for money. .
- (2) The Fund may launch innovative schemes incorporating a procuring methodology not mentioned above with the approval of the authority subject to the conditions as mentioned in sub rule 01 of rule 95.
- (3) The Authority/Board shall have the power to design new scheme and defining the eligibility criteria of trainees and training service providers, allocation different quotas for districts and allocation to training service providers accordingly, extension of contracts etc. to achieve the objectives of the organization.

96. Mis-procurement. – Any violation of these rules shall be treated as mis-procurement.