

**KEY NOTE ADDRESS
BY
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SYMPOSIUM ON PROCUREMENT AND CONTRACT

MANAGEMENT

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The theme of today's Symposium is Procurement and Contract Management. Procurement literally means process of obtaining some thing such as procurement of goods, services of consultants and contractors etc and contract management implies how best to adopt the procedure for obtaining these services and goods contractually binding the parties at stake. Procurement infact started with the advent of civilization when interdependence of individuals and socio - economic groups asserted its expediency. The procurement procedures did exist way back when the historical wonders like pyramids of Egypt, Taj Mahal of India and Great Wall of China were constructed There is, however, no recorded evidence of set procedures which were followed in those days.

Nevertheless, the Quality Control standards of these monuments nostalgically speak of how tenaciously such icons have braved and survived the withering onslaught of centuries. Obviously all this could not have happened without high degree of commitment to procurement and contract management on the part of the then builders and the stake – holders.

The Second World War, in its wake, opened new vistas for the mankind in all spheres of life.

Development of Engineering and Medical Science and other fields thrived with accelerating trends. Wherewithal needed for advancement of research and implementation of desired activities demand a prudent use of the available resources. These in turn triggered compulsions for evolving procurement procedures to ensure process of obtaining optimum quality goods and services at competitive rates.

Historically lagging far behind the developed countries, Pakistan has of late witnessed a phenomenal growth of mega industrial and hydrologic projects, real estate development, housing projects, high-rise buildings, communication, and electronic engineering, sophisticated shopping Malls and cultural centres etc. With such an unprecedented rate of development in all sectors of engineering and allied fields, the need for state of the art procurement and contract management was never before felt so acutely as today.

It, therefore, hardly needs to be over emphasized that in the commercial and profit oriented environment of today's highly complex society, procurement and contract

management has become a crucial part of the day-to-day construction activities. Contract procurement now virtually stands for active monitoring and control of all aspects of the contractual relationship, between the contractor and the owner. The aim of contract procurement is to ensure the construction of a cost effective and satisfactory end-product in line with an agreed price, schedule and technical requirements.

With a view to striking a reasonable balance between the requirements and interests of the parties concerned, in World Bank, ADB, IMF and other Foreign Funded Projects, the FIDIC have developed and produced standard forms of contracts that are strictly followed in the award of such projects.

The Pakistan Engineering Council have also prepared Standard Bidding Documents with participation

Former Secretary Irrigation and Power, Punjab and Convener Symposium Committee of Pakistan Engineering Congress

of the various stakeholders in case of locally funded projects. These documents have already been notified *

by the Government of Pakistan for implementation. The use of Standard Conditions of Contract / standard Bidding Documents not only facilitate the successful completion of a contract but also result in lower tender prices. The mandatory use of standard conditions of contract also provide a stable basis for training and educating personnel responsible for contract procurement and eliminate any waste of precious time in ever changing contract conditions. The standard conditions of contract have been drawn up for use of an independent Engineer responsible for supervision of construction. A complete esprit-de-corps amongst Employer/Owner, contractor and Engineer, within the framework of the contract, is a dire necessity. Only through mutual desire to produce a satisfactory end-product deploying state of the Art techniques we can ensure substantial reduction in delays or misunderstandings.

Pakistan Engineering Congress in keeping with its objective to dispense Engineering knowledge took a special note of this vital issue and decided to allocate full one day for deliberation in a Symposium.

Seven papers in the field of procurement and contract management will be presented at this symposium which are expected to generate a spirited and erudite discussion. A quick run down of each paper and its recommendation is as follows.

- Engr. Ch. Ghulam Hussain and Engr. S. A. Kasmani have presented an interesting paper on “Evaluation of Procurement Procedure for Works and Goods in Pakistan”

They have interalia observed that the contract Documents in Govt. Departments / Agencies generally do not conform to the provisions of FIDIC / International Agencies which lead to inconsistencies and deficiencies in the whole gamut of contract administration. The paper contains a number of illustrations portraying how the bidder remain deprived from even handed information and equal

opportunities. The Authors have advanced some highly useful suggestions to improve fairness and transparency in Procurement Procedure.

- Maj. Gen. (R) Engr. Mehboob ul Muzaffar, Registrar Pakistan Engineering Council has high lighted the contribution of Pakistan Engineering Council towards standardization of procurement documents and procedures. He has reiterated the PEC's resolve to keep working towards better contract management interalia other regulation issues of engineering professionals.
- Paper by Engr. Mushtaq Ahmad Somore, covers the introduction and history of the development of FIDIC documents and their applications. He has also given his recommendations for improvement in the present scenario of contract management.
- Engr. Balal A. Khawaja is a highly experienced construction contracts and legal expert, handles contract management and relevent issues as an advocate in the arbitration proceedings, under Applicable Law in superior courts. He has discussed the dispute resolution process for engineering contracts in detail covering all the aspects of the resolution in his valuable paper.
- Engr. M Mazhar ul Islam has chosen to dwell upon the effect of WTO on construction and engineering services of Pakistan. WTO regulations do not recognize the problems and privileges / rights of developing countries. Engr. Mazhar has brought out the need for either taking steps for advocacy of the emerging economies or modify the existing systems to keep in line with the WTO regulations. In such trailblazing and highly charged environments we can not afford to remain aloof from the international trade arena.
- The subject of procurement of consultancy services under various systems in Pakistan has been discussed in detail by Engr. Ijaz Ahmad Khan. In his comprehensive exposition, he has very candidly elaborated details of the present day contracting practices and possible improvements in this sector.
- Engr. Abdul Qayyum expresses an urgent need for updation of procurement and contract administration laws and regulations for different types of contracts. He has also given his recommendations for consideration of the participants.

This Symposium provides a splendid Forum to share precious experience and vision of the contract procurement Experts and other stakeholders. It would touch off a thought provoking discussion and may provide a cue for further improvements in the system. Some very interesting results are likely to emerge. On conclusion of the session, a panel of Experts would deliberate and prepare necessary recommendation to be forwarded to the appropriate authority for consideration.