

**PAPER NO. 254**

**CONTRIBUTION OF PEC TO  
STANDARDIZATION OF  
PROCUREMENT DOCUMENTS AND  
PROCEDURES**

**BY**

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## **CONTRIBUTION OF PEC TO STANDARDIZATION OF PROCUREMENT DOCUMENTS AND PROCEDURES**

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### **Introduction**

1. Pakistan Engineering Council (PEC) came into being through an Act of Parliament in 1976. This Act was later amended in November 2004 through an ordinance with the vision that PEC shall function as a key driving force for achieving rapid and sustainable growth in all national economic and social fields. As its mission the Council is to maintain realistic and internationally relevant standards of professional competence and ethics for engineers in the country. The Council as its objective is to regulate the engineering profession in totality and encourage and promote pursuit of excellence in engineering profession. Apart from the main objective of regulation of engineering profession in its entire perspective main functions of the Council are:-
  - a. Registration of engineers, consultants and constructors/operators.
  - b. Promotion and regulation of engineering education
  - c. Ensure and maintain continued professional development through engineering academies and professional bodies.
  - d. Facilitate engineering sector industries
  - e. To act as 'Think Tank' to the Government
2. The PEC comprises of all registered member engineers and is governed by a Governing Body presently comprising of 60 members. The working of the secretariat and affairs of the Council are overseen by a Management Committee comprising seven members of the Governing Body. Working of the Council is based on several committees framed by the Governing Body. The members of these committees are generally members of the Governing Body with some co-opted members. Major committees are Enrolment, Accreditation, Professional Engineers Act and Byelaws and Formulation of Bidding Documents. The Convener and Members of a committee generally, based on input from various stakeholders; decide on matters through mutual consensus. The deliberations of a

committee are placed before the Governing Body where these are thoroughly discussed and after approval are sent to the Government of Pakistan through Ministry of Science & Technology for issuance of an SRO.

3. PEC Committee on Bidding Documents comprising experts of various fields of engineering has over the period of last two decades prepared a set of six documents which were notified by the Government and another set of five documents which serve as guidelines for detailed understanding and use of bidding documents. This latter set of documents has also been forwarded to the Government for publication of SRO but due to temporary inadequacies in the Council the SRO has not yet been issued. The PEC Bidding Documents Committee is currently busy in perfecting four more documents like the rules for conciliation and arbitration, standard form of joint venture

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Agreement, Standard forms for operation and maintenance of works and bidding documents for procurements on BOT basis.

#### **Prevailing System of Procurement and PEC's Contribution in Preparation of Standard Bidding Documents**

4. In 1989 PEC, the Premier body for regulation of engineering profession realized that Government Departments at the Federal and Provincial levels do not have any standard methodology for procurement of engineering goods, services and works and every department had its own system which greatly differed from the others. The situation was resulting in non standard practices, lack of transparency and trust and wastage of funds. The Council constituted a committee which was tasked to prepare byelaws to regulate this important aspect. The committee then known as 'Standards and Quality Control Committee' prepared 'Pakistan Standard Conditions of Contract' in 1992 which with the passage of time have come to be known as 'standard form of bidding documents'. These standard bidding documents were notified by the Government of Pakistan for implementation in August 2002. Although after the issue of Government notification the responsibility for dissemination and implementation of these documents became the responsibility of the Government of Pakistan, PEC contributed effectively in educating various stakeholders/users of these documents through a series of seminars and workshops etc in all provinces. This consistent perusal of these documents had a positive byproduct of eliciting a first hand feedback from users of these documents.
5. Based on this feedback and changes dictated by dynamics of time at national and international level it became necessary to re-evaluate the documents and

incorporate such changes as are necessary to update them. In August 2005 through another arduous and gruesome exercise by the PEC Committee on bidding documents, spanning over one year, a revised version of the documents has been printed. A hallmark of revised documents is that these are consistent with changes brought about by World Bank, ADB and FIDIC, in harmony with PPRA and Planning Commission and above all incorporate the views of the relevant Provincial authorities giving them a more modern consensus based authenticity. These documents have been approved by ECNEC and SRO has been issued by Planning Commission to give them necessary Governments backing, for implementation. These Six PEC bidding documents which can now compare any similar international compilation are:-

- a. Standard Form of Bidding Documents (Civil Works)
  - b. Standard form of Bidding Document for Procurement of works (Electrical and Mechanical)
  - c. Standard form of Bidding Document for Procurement of works (Smaller Contracts)
  - d. Standard form of Contract for Engineering Consultancy Services (Large Projects) – Time Based Assignments.
  - e. Standard form of Contract for Engineering Consultancy Services (Large Contracts) – Lump Sum Assignments.
  - f. Standard form of Contract for Engineering Consultancy Services (Smaller Project)
6. In order to support the above six bidding documents and in line with PEC master plan to develop a comprehensive documentation and contract system for transparent award and execution of engineering works and services, another set of six documents has been prepared as under:-
- a. Standard Guidelines for prequalification of constructors
  - b. Standard Guidelines for Evaluation of Bids for Procurement of Works.

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- c. Standard Guidelines for prequalification of consultants
- d. Standard Guidelines for evaluation of Proposals for Procurement of Engineering Services
- e. Standard Guidelines and formula for Price Adjustment.
- f. PEC Rules of conciliation and Arbitration

### **Benefits of Implementation of PEC Bidding Documents**

7. Erratic and indifferent methods adopted for procurement of any kind of services and goods etc invariably result in substandard, costly and delayed procurement. It also gives rise to conflicts and generates unnecessary friction between

individuals/institutions. Internationally countries have, therefore, formulated standard procurement procedures to streamline/regulate the activity. The main advantages of standardization/regulation are:-

- a. A standard procedure familiar to all parties whose interpretation is well understood thus minimizing the scope for conflict/difference of opinion etc.
- b. An open, fair and transparent system which is beyond doubt, resulting in a 'Best Buy' situation for all the contracting parties.
- c. A smooth and timely execution/implementation of contract for a desired quality output
- d. Rapid Promotion of the construction and consultancy industry in a ripple free environment.

### **Future Course of Action**

8. PEC shall continue to update the existing documents and incorporate changes as they become necessary to maintain their continuous affability/validity. Changes as a result of evolution of new processes at the national and international level, government policies and economic and social progress shall be incorporated as and when these occur, through the established PEC process of consensus of stakeholders and committee based/collective decision making.
9. In it's drive to regulate the engineering profession in accordance with mandate, PEC shall continue to explore more areas where it can further refine the process of regulation. A master plan already prepared for regulation of process of procurement is being followed and areas like BOT, operation and maintenance and such other aspects which become apparent with passage of time shall be harnessed through our well established and sustained process of formulating statutes.
10. The statutes approved by the Government have to be implemented by the contracting parties. However, an indepth knowledge and atmosphere of adherence to rules can be created by enhancing awareness among general public and professionals connected with the tasks/works related to procurement. PEC has been taking extra ordinary pains to disseminate the documents to various levels of professionals at various locations. However it is time now to consider that these are suitably included/dovetailed with the curricula of relevant engineering programmes, for a sustainable dissemination medium. Short and medium term courses could also be organized by universities/institutions of professional development on need basis.
11. In order to accrue maximum advantage/benefit these documents have to be used by the government department and the private sector irrespective. The

Government has to maximize their unhindered use by removing impediments and ensuring that the usual inertia is overcome, as soon possible.

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### **Conclusion**

PEC as a regulatory body has framed a set of six bidding documents to facilitate the process of procurement of engineering goods, works and services in the country. These documents have been recently updated and are compatible with any international system. The Government has now to ensure that in order to make the process of procurement equitable and transparent, to acquire a quality output as a consequence of implementation of these documents, these are implemented without impedance and are disseminated through a sustainable process like their inclusion in curriculum of engineering programmes. PEC shall continue its efforts in future to cover more areas to further streamline the process of procurement in the field of engineering and also ensure that the current publications remain relevant.