

PROJECT ADMINISTRATION MANUAL (PAM)

For Monitoring, Evaluation
and Impact Evaluation
Consultants

**National Program for Improvement of
Watercourses in Pakistan Phase-II
(NPIWC-II)**

Federal Project Management Unit (FPMU)
Ministry of National Food Security & Research, Islamabad



PROJECT ADMINISTRATION MANUAL (PAM)

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ABBREVIATIONS

AFM	Accounts & Finance Manager
BPV	Bank Payment Voucher
CPV	Cash Payment Voucher
COA	Chart of Accounts
DTL	Deputy Team Leader
EASEPAK	EASE-PAK Engineering Services Pvt Ltd
FPMU	Federal Project Management Unit
GC	General Conditions
GoP	Government of Pakistan
G3EC	G3 Engineering Consultants Pvt Ltd
I Tax	Income Tax
NO	National Office
NPC	National Project Coordinator
OFWM	On Farm Water Management
PAM	Project Administration Manual
PCSM	Procurement & Coordination Support Manager
RBM	Result Based Monitoring
S.Tax	Sales Tax
SC	Special Conditions
SFE	Senior Field Engineer
STRN	Sales Tax Registration Number
SZO	Sub Zonal Office
TL	Team Leader
WUA	Water Users Association
ZO	Zonal Office





1. PROJECT MANAGEMENT ARRANGEMENT

1.1 Project Background

Water is the key commodity that determines agriculture output in irrigated systems. Pakistan's mainstay is agriculture with a contribution of 19.3% to GDP and 70% to foreign exchange earnings. A majority of its rural population's livelihood depends on agriculture while 42.3% of the labor force takes up occupation in this sector. Any improvements in farm productivity have multiplier effects and directly help reduce rampant poverty in the country. In recent years stagnation in yields along with inability to meet food security targets, thus forcing food grain imports, have been viewed seriously by policy planners. Much of what is possible in irrigated agriculture revolves around the efficient use of water at all levels: farm, canal, provincial, regional and national. Bringing water unabated to the farmers' fields with minimal losses is long been recognized as a prudent strategy by irrigation engineers and water managers the world over. Neighboring India has a nationwide extended program to cover channel lining in majority areas under its irrigated agriculture with major positive impacts on productivity. On Farm Water Management came into vogue in the early 1960's and since then several programs and projects have been launched to improve water situation through channel lining, PVC pipes for conveyance, concrete structures and more recently use of farm level storage reservoirs/tanks and application of modern irrigation technologies to curtail water losses. By improving water delivery at the farm level, direct changes in productivity and consequently farm income are the underlying motives to accelerate economic development and reduce poverty.

The **National Program for Improvement of Water courses in Pakistan: Phase-II** (NPIWC-II) has been formulated to improve 47,278 Nos. water courses inclusive of 14,932 Nos. of water storage tanks, and provision of 11,610 Nos. of laser land levelers.

In order to achieve the above, the **National Project Coordinator Federal Project Management Unit (FPMU), Ministry of National Food Security and Research, Government of Pakistan** has contracted a JV comprising of the following entities:

Sr. No	Entity's Name	Position
1	G3 Engineering Consultants Pvt Ltd	Lead Consultant
2	EASE-PAK Engineering Services Pvt Ltd.	Member of JV
3	Center for Social Research & Development	Member of JV
4	ADA Consultants Inc	Member of JV
5	S & S Associates	Sub-consultants





1.2 Project Objectives

One of the major components of Pakistan GDP comes from agro based activities. The fact cannot be appreciated that with such vast fertile lands we are importing wheat and sugar. In a larger spectrum, food security is directly linked with national security, and we have not only to be self-sufficient but look up to export food products with smart exploitation of our resources.

One of the major resource in agriculture is water which is become a scarce commodity due to lack of availability and on top of that poor management of available resources.

Our vast fertile lands are being turned into barren lands at a fast pace only because of either lack of water or poor management of water.

It has been established that a significant portion of irrigation water (about 40%) is lost in these century old community watercourses because of their poor maintenance and aging.

CAUSES OF WATER LOSSES

The main sources of these losses are seepage, spillage, and side leakage from the watercourses, resulting from following factors:

- Irregular profile and zigzag alignment of banks with many points of weakness
- Variable cross section of water channels
- Silt deposition causing restrictions in flow and overtopping
- Trees, shrubs, and vegetation growing in water courses
- Damage caused by passages and farm animals
- Frequent bank cutting and plugging for water abstraction

The program is improving water courses and channels by involving local farmers themselves to avoid wastage of water, smart and efficient use of water resources so that more and more farmers can get water which otherwise would have been wasted due to the factors described above and off course this will lead to better output of crops.

These **objectives** can be summed up as

- Efficient and economic use of water
- Enhanced Food security
- More satisfied farmers
- Increased yield
- Leveling of land through provision of Laser Land Levelers
- Reduction in water logging and salinity
- Equity in water distribution
- Reduction in water disputes/thefts/litigation
- Motivation/participation of farmers
- Poverty reduction through employment generation
- Increase in crops yield/sufficiency in food





- Growth in Cement industry, bricks Killen, Precast Structures Industry and other related industries

1.3 Project Administration Manual Purpose and Process

Project Administrative Manual (PAM) has been developed in consultation with the designated Project Board of Management (PBOM) of JV Partner for the efficient financial management and procurement control and other related matters. It includes organograms and authority matrix of key personnel for authorization and execution of work. The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the relevant policies and procedures. The PAM includes references to all available templates and instructions either through cross references to the respective documents or directly incorporated in the PAM.

The Client and the consultants shall agree to the PAM and ensure consistency with the project implementation parameters throughout Pakistan.

PAM will serve following objectives

- a) Consistency & Standardization in operating procedures i.e., approvals, payments, records etc.
- b) Efficient financial management
- c) Transparency in transactions
- d) Cost Control
- e) Procurement Procedures & Control
- f) Reimbursements procedure
- g) Compliance with Taxation Laws

Project Board of management will accord approval of the PAM

1.4 Project Implementation Organizations' Roles And Responsibilities

As described above, National Project Coordinator (NPC) Federal Project Management Unit (FPMU) has contracted the JV for National Program for Improvement of Water courses in Pakistan: Phase – II (NPIWC-II).

The M&E Consultants will be responsible for monitoring, evaluation and Impacts Evaluation and in this context will carry out, but not limited to the following activities:

- i. Undertake baseline, midline and end line surveys of the project activities/interventions in all the project areas.
- ii. Develop monitoring strategy, framework and Result Based Monitoring (RBM) indicators.
- iii. Preparation of Monthly, Quarterly and Annual Monitoring, Evaluation and Validation Reports of the project activities.





- iv. Assessing the water saving per annum on watercourse, water storage tanks and field level as well as aggregate due to the project interventions.
- v. Assessing the improvement in water availability due to provision of conveyance system.
- vi. Assessing the economic benefits to the agriculture in terms of changes in yield, irrigated area, cropping pattern, cropping intensity, farm income and employment in command area of watercourses and water storage tanks.
- vii. Assessing the extent of community mobilization, financial and administrative sustainability of Water Users' Associations and ensuring the maintenance of watercourses, water storage tanks and laser land levelers.
- viii. Economic Impact of project interventions.
- ix. Carryout impact evaluation of the project investment on the economy and stakeholders.
- x. Develop a website containing information of facilities and services, applications, procedures, watercourses, water storage tanks and Laser levelers database etc. (Maintaining website should be the responsibility of project staff)
- xi. Provide technical support for the development of a custom-designed mobile application (Android) to capture on-site project progress, geo-tagged photos; should be synchronized with the central MIS/GIS database and application for instant reporting and feedback to the management. The said requirement is based on the following functional features:
 - a. *Development of a GIS database with all spatial layers related to activities being undertaken under the project.*
 - b. *Give technical assistance for updation/upgradation of Water Management GIS database.*
 - c. *Development of web-based GIS application as a Dashboard interface for comprehensive representation of all spatial and tabular information; Custom designed web GIS application be developed for large LED screens, should be self-operative and represent project data on multiple layouts of application interface.*
 - d. *Development of a MIS application as an integral part of web GIS to maintain information on facilities and services, applications, procedures, water courses database etc.*
 - e. *Development of a custom-designed mobile application (Android) to capture on- site project progress, geo -tagged photos; should be synchronized with the central MIS/GIS database and application for instant reporting and feedback to the management*
 - f. *Application should generate custom-designed reports and analysis as per user defined requirements*
 - g. *Application should generate alerts (SMS, email, web notifications) to the user on the non-conformance of project's key performance indicators; application should have the provision to custom define Alert levels and desired notifications.*
 - h. *The Client will provide a separate comprehensive TOR to develop and implement item Nos. x & xi above.*

1.5 Organizational Structure

The Project shall be managed by a Project Board of Management (PBOM) who will be responsible to take appropriate decisions / measures necessary for the smooth function of the project. PBOM

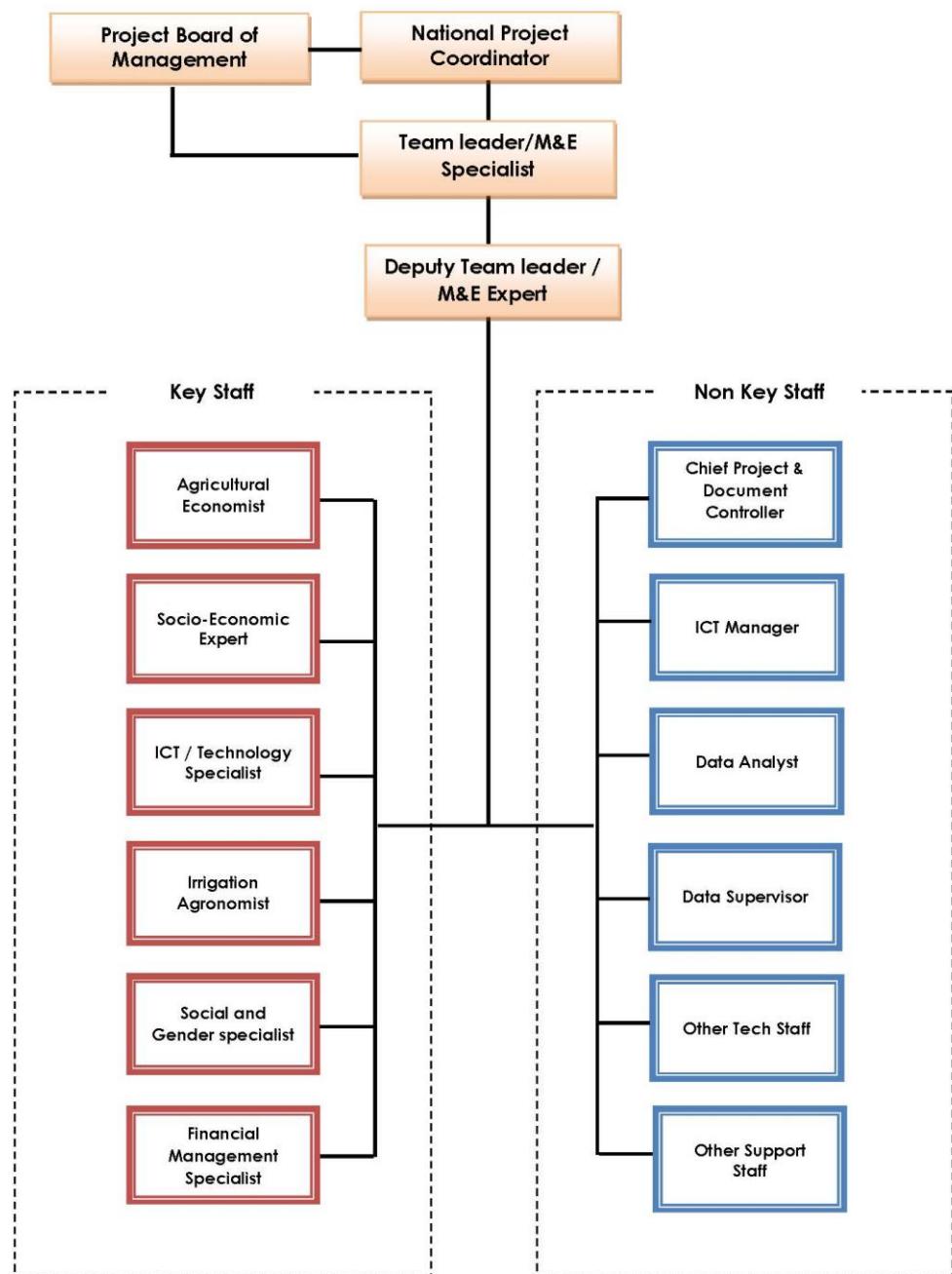




shall be composed under the Chairmanship of National Project Coordinator and two members who are legally authorized representatives, one from G3EC on behalf of CSDR, ADA and one from EASEPAK as members of the board. PBOM will meet at least quarterly or as and when required

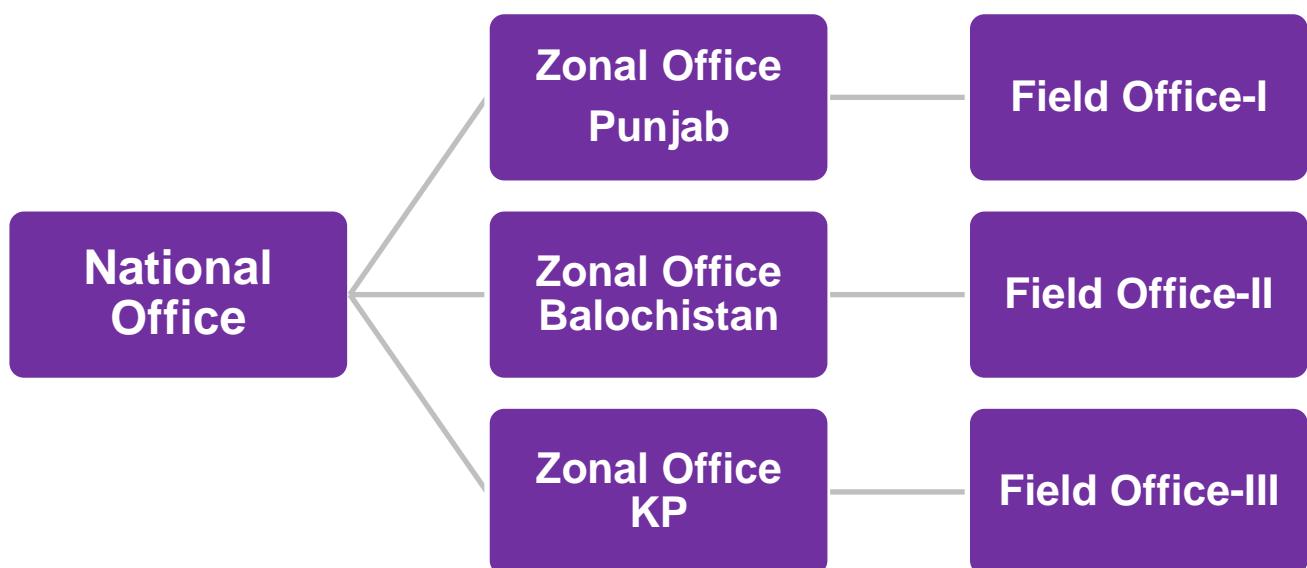
Project will be executed by a mix of key & non-key staff. Key staff is headed by a Team Leader who will be assisted by four Deputy Team Leaders, one at National Office and 3 from each zonal office.

Organogram of the Project





1.6 Geographical Structure





2. FINANCIAL MANAGEMENT

2.1 Financial Management System

Financial management is more than keeping accounting records. It is an essential part of any project's overall organizational management and cannot be seen as a separate task to be left to finance staff or the honorary treasurer.

Financial management system is an integrated set of procedures which involves:

- Planning (How, When, By Whom)
- Organizing, (Mode and manner, frequency and checking)
- Controlling and Monitoring (cross checking, reconciling, exception reporting and variance analysis)

Use of financial resources in order to achieve project's objectives in most efficient, cost effective, transparent and orderly manner.

Financial management system will ensure that all the underlying project financial information is:

- Accurate
- Relevant
- Reliable
- Timely
- Supportable/Audit able
- Duly authorized
- Consistent (same head of accounts for similar expenses across all zonal offices)

In order to have these characteristics, a systematic set of internal controls are set and integrated into the financial systems which ensure that system is working as envisaged and desired and meeting its objective of accuracy, transparency and timeliness.

Another key step is on top of these controls which will ensure that these control mechanisms are being applied as prescribed and whether they existed throughout the period of the project i.e., Audit. There are different modes depending upon scope and objective for example

- Pre audit i.e., checking the transaction before it is executed whether necessary approvals have been obtained, rates ascertained, parties are pre-qualified etc.
- Post audit i.e., checking the transaction(s) after execution whether all prescribed measures were taken, authorized signatures exist on the vouchers/documents, arithmetic accuracy, use of correct account codes and timely recording and reporting the transaction(s)
- Surprise checks i.e., as the name suggest a sudden check on yesterday's transaction at any geographical locations on performance and compliance with defined financial controls





- Exception Reporting i.e., reporting only those events which stand out as non-compliant with policies and procedures for example acquisition of assets without authorized approval or physical assets have not been reported in Fixed Assets Register.

For this project, we will describe how the financial management will take place across zonal and national offices

Financial Management System will start with following steps

- 1 Defining heads of Accounts
- 2 Chart of Accounts (COA)
- 3 Changes/additions in chart of accounts
- 4 Voucher Creations
 - a. CPV
 - b. BPV
 - c. CRV
 - d. BRV
 - e. JV
- 5 Voucher Authorization and Approval
- 6 Posting of Voucher in Quick books (accounting software)
- 7 Creation of Periodical Financial Reports
 - a. Monthly expenses report Head of account wise
 - b. Monthly expenses report Location wise
 - c. Monthly expenses report each JV partner wise
 - d. Fund Flow Statement
 - e. Variance analysis report (Budget Vs Actual)
 - f. Monthly Bank Reconciliation Statement
 - g. Monthly petty cash reconciliation statement
 - h. Consolidation of location wise reports
 - i. Annual statement of income and expenditures
 - j. Statement of Financial Position

The standard formats of all of these Vouchers in point 4 are attached in Annex (I-V).





2.2 Heads of Accounts

Following broad categories of nature of expense have been defined





2.3 Account Coding and location wise activity wise charts of accounts

Chart of accounts is a very vital documents which contains a unique code for each head of expense. In a more formal manner, we can say that the Project's chart of accounts is basically a filing system for categorizing all of the project's accounts as well as classifying all transactions according to the accounts they affect.

In short, it is an organizational tool that provides a breakdown of all the financial transactions that a project/venture conducted during a specific accounting period, broken down into subcategories. of crucial importance is that COAs are kept the same from year to year. Doing so ensures that accurate comparisons of the project's finances can be made over time.

Furthermore, a standard chart of accounts is organized according to a numerical system. Thus, each major category will begin with a certain number, and then the sub-categories within that major category will all begin with the same number. If assets are classified by numbers starting with the digit 1, then cash accounts might be labeled 101, accounts receivable might be labeled 102, inventory might be labeled 103, and so on. Whereas, if liabilities accounts are classified by numbers starting with the digit 2, then accounts payable might be labeled 201, short-term debt might be labeled 202, and so on

The unique code allocated to an expense signifies following:

- Nature of expense (Capital/Revenue)
- Location of Expense (National Office/Province HQ/Zonal Office)
- Classification of expense (Key activity or Support activity)
- Consistency, one sort of expenses will have similar code only location code will vary across the project's geographical spread
- Incorporation of a systematic chart of accounts, will allow consolidation of financial data in a systematic manner
- Generation of different financial reports will be more meaningful, flexible and traceable

Chart of Accounts is attached in Annex XXVII

2.4 Financial Authority Matrix & Banking Operations

As per the contract, "For the purpose of efficient use, cost control, quality assurance, of direct cost disbursement and reimbursement the consultants /JV partners shall be required to take prior approval of NPC in consultation with other members of PBOM"

In order to fulfill the subject condition, a financial authority matrix, described below, has been developed which will define, who will have what financial authority, according to limit and nature of payment.

This will ensure

- Financial discipline
- Transparency
- Smooth functioning of payments
- Involvement of management





- e) Control mechanism
- f) Avoidance of unnecessary expenditure
- g) Cost control
- h) Procurement control

Sr#	Description of Expense	Limits	Nature	Approval	Banking Operation*	Signatory	
1.	Payments to Account II as per periodic forecast submitted by TL	>PKR. 3,000,000	Receipts from Min & JV partner & Disbursements to Account II	JV Members of Firms will approve expenditure by signing forecast	Account I	JV Rep I	JV Rep II
2.	Capex	No limit	Payment of capital expenditure	Payment with prior approval of NPC	Account II	Team Lead	Head of Finance
3.	Opex incl transfer to Zonal & Sub-Zonal Offices etc.	No limit	Payment of Opex expenditure	Payment with prior approval of NPC	Account II, III & IV	Team Lead	Head of Finance

National office will have two bank accounts

- 1 One for receipt of funds from client against reimbursable cost
- 2 For salaries, operational, capital expenditure & disbursement of funds to zonal / sub zonal offices

Following is list of authorized signatories at National Office;

Sr. No.	Authorized signatory	Purpose of accounts
Account 1 – National level	Member of PBOM of the JV firms	Receipt of funds from clients against reimbursable cost and transfer of funds to 2 nd account against approved forecast
Account 2 – National level	Team leader Head of Finance i.e., Accounts Manager	For payment of salaries, operational, capital expenditure & disbursement of funds to zonal / sub zonal offices on quarterly basis

The above defines designation, of people who are authorized to approve the payments according to limit and nature together with signatories.





For all three Zonal Offices, each Deputy Team Leader will have an overall authority for all operations. They will have official employee Bank Accounts in which funds will be transferred by National Office for advances and other expenses if necessary. (Account No-III)

For all sub-zonal offices, Deputy Team Leaders will assign individuals with appropriate authority at sub-zonal offices such as Senior Field Engineers (SFEs) and transfer funds in their official employee bank accounts whenever needed. (Account No-IV)

All the Bank Accounts at National, Zonal & Sub-zonal level will be maintained in the same bank for swift and smooth fund transfer.

Bank accounts shall be operated in accordance with authority matrix explained above,

- 1 Bank voucher shall be approved by the respective approving authority as per authority matrix
- 2 A Bank Payment Voucher sheet will be maintained in Google Sheets/excel online containing Voucher No., instrument no. Date, Payee's Name, Nature of Payment and amount etc.
- 3 Payment Vouchers will be numbered according to the BPV sheet.
- 4 Total budget under the account head, exhausted budget and available budget will be placed on the voucher.
- 5 Cheque will be prepared and signed by the signatories as per defined authority matrix
- 6 Cheques shall be made cross in the name of the respective payee
- 7 BPV will be maintained in a file with photocopy of cheque issued along with deposit slip or cheque receiving acknowledgement.
- 8 Counter folio of cheque book shall also contain date, amount of cheque, nature of payment, reference to Payment Voucher No. and name of payee
- 9 Entry shall be made in financial accounting software in respective bank account code, refer to section 2.9 for details.
- 10 At the end of the month, bank book total shall be matched with respective bank account.
- 11 Bank reconciliation statement shall be prepared for each sub zone / zonal/ national office where bank account is maintained
- 12 Bank reconciliation statement shall be signed by respective accounts/finance manager and one signed copy shall be sent to national office and will be countersigned by accounts/finance manager of National Office.
- 13 Unreconciled items shall be kept at electronic dashboard of accounting software package/excel online till these are reconciled.
- 14 Cash will be used for only petty office expenditures below PKR. 50,000.

Bank Reconciliation Statement Format is attached in the Annex VII.

Other Board members of all consulting firms shall delegate their authority to TL and NPC Support, and they will be jointly responsible to take final approval from NPC on behalf of board members.





In order to fulfill the condition of taking prior approval of NPC, the annual procurement plan will be approved by NPC through TL & PCSM (Within budgetary limits).

All Capital expenditure payments exceeding Rs 500,000 will be specifically approved by NPC through TL while for all recurring operational expenses, the consultant/JV partners shall:

A Pre-qualify at least 3 parties for every kind of supplies like vehicles rentals/Purchase, Offices Premises rental, Staff Residences Rental, Furniture/Fixtures, Office equipments, office supplies any other services (if required) etc. and get the same approved from NPC at the start of a financial year

B Pre-approval of the respective rates at the start of financial year

These approvals shall be kept by Finance/Accounts managers across all offices i.e., National Office and all Zonal offices and at the time of any transaction, they will ensure its compliance by referring to respective approval of NPC on the voucher of the transaction.

A copy of the prior approval shall also be attached with the voucher as a ready reference for audit trail.

2.5 Cash withdrawal and Payments

- 1 All payments to vendors and suppliers shall be made only through cross cheques except
 - a) Petty payments up to PKR. 50,000 for running offices like entertainment, stationery etc.
 - b) Payment of utility bills
- 2 Cash shall be withdrawn from bank for petty expenses and all procedure of bank operations given in section 2.5 shall apply
- 3 Each CPV shall be signed by the concerned Manager Admin & DTL before payment
- 4 A physical petty cash register shall be maintained in each office of the project and shall be monthly reconciled with cash book of software.
- 5 Petty cash reconciliation statement shall be prepared for each office and a copy signed by respective accounts/finance manager shall be sent to national office
- 6 Petty cash shall be kept in lock and key and respective accounts/finance manager shall be its custodian
- 7 Following maximum cash balance limits be maintained
 - sub zonal office up to Rs.100,000 or less
 - zonal office up to Rs.150,000 or less
 - national office up to Rs.200,000 or less

Petty Cash Expense & Petty Cash Reconciliation Statement Formats are attached in Annex VI & VIII respectively.





2.6 Advances & Liquidations / Adjustments

A) ADVANCES

For efficient execution of project activities, project management may provide advance to

- a) Employees for expenses
- b) Vendors for procurement (As per agreed TORs only)
- c) Rental properties (As per contract)
- d) Retiring of current or fixed assets
- e) Adjustments of advances
- f) Rents for offices/residences

We suggest following criteria of advance to key and non-key staff and procedure of adjustment

Advances to Staff

Advances can be extended to staff only for operational requirement of the project for example

- 1- Advance for travelling
- 2- Advance boarding lodging
- 3- Advance for running admin expenses at zonal offices
- 4- Any other nature of expenses approved by TL/ DTL
- 5- Rates for Daily allowances will be set in consultation with BOM members either respective rates of JV firms Financial Policies or rates of ADB, UNICEF or World Bank for both Key and Non-Key staff as per their designation.

Limit of Advance to employees

- 1- For Key Staff up to one-month gross salary
- 2- For Non-Key & Support Staff up to 15 days gross salary

B) Approving Authority

Advances can be extended only with the specific approval of PBOM after recommendation of Team Leader & respective Deputy Team Leader and are subject to payment only when secured.

Advance can be secured against

- i) A contract like rental property
- j) A bond of employment (in case of employees)
- k) Any other security deemed appropriate by the management

For smooth functioning of the project's operations and ensuring transparency in transactions, an index shall be prepared with following information and presented to NPC for approval in July (start of project) each year.

For Vendors (Separate for each location)

Party Name	Advance Against	Amount	Cheque No.	Security	Recommended by
XX	XX			XX	XX


For Employees (Separate for each location)

Designation	Advance Against	Amount	Cheque No.	Security	Limit / Month
XX	XX			XX	XX

However, approval of any unforeseen expenses can be obtained as and when need arises.

Standard format is attached in Annex XI

C) LIQUIDATION

There will be no liquidation of assets and all project's assets will be handed over to government on completion of the project.

D) ADJUSTMENTS

Terms and condition of adjustment of advances shall be decided before extending advances and shall be documented. For example, while extending advances against rental of offices terms shall be incorporated in rental agreement i.e., monthly or quarterly advance rent.

Similarly, TL and DTL may propose nature of expenses against which advance can be extended to key and non-key staff as per operational requirements of the and time and manner of adjustment. Advances shall be adjusted as soon as

- 1- Resources are consumed (like rent- lapse of period)
- 2- Material is supplied (advance against any supplies)
- 3- Purpose is served (travelling done)

Employee shall submit signed bill with accounts department after spending

2.7 Disbursement

All project money shall be disbursed for project objectives as defined in the contract.

A pre audit system should be in place which may be a part of internal audit team. They will test each transaction as per given norms and merits apart from project management. The auditors ought to report to top management on any discrepancies they find during course of their audit.

In order to have more effective financial control over payments the following will be ensured:

- A Payments be made from National Office (except for payments referred in section 2.6)
- B Payment be made through cross cheques
- C Office running expenses may be remitted to designated bank accounts in zonal and sub zonal offices.
- D For POL expenses, Fuel cards may be used and where it is not possible agreements may be entered into with local POL operator companies or petrol stations out lining
 - a) Monthly limit of specific vehicle in Ltr. or rupees
 - b) Station will note meter reading at each filling
 - c) Tanks will be completely filled (auto filled)
 - d) Monthly billing specifying vehicle number, date, quantity and amount of filling / vehicle
 - e) Total bill for the month.



E Similarly, wherever possible, agreements may be entered into with vendor/suppliers against monthly billing and payment may be processed from National office through cross cheques.

1. Disbursements shall be against proper approval as defined in authority matrix
2. Disbursements shall be against proper invoice
3. All disbursements shall be subject to pre audit except for petty expense
4. Disbursements shall be within defined budgeted limits
5. Any disbursement exceeding budget shall be specifically brought into notice of NPC and PBOM for prior approval (in red color) and its specific approval will be obtained with acknowledgement of budget exceed
6. Proper record of all the disbursements shall be kept with approved supporting documents. All bills will be signed by respective DTL before processing for payment, finance head and pre audit department will ratify it.
7. All disbursements shall be subject to post audit.
8. For each location, a quarterly disbursement discrepancy report (DDR) in the format given in Annex XII shall be filed with Team Leader by concerned Accounts/ Office Manager
9. Discrepancy may include budget over run, lack of any underlying prescribed recommendation, lack of any approval, mode and manner of payment or any deviation from applicable laws and regulations like WHT not deducted or wrong application of tax rate.

Standard Disbursement Discrepancy Report DDR is attached in Annex XII.

2.7.1 Invoicing

All Zonal Offices will send head wise monthly expenses incurred duly approved by the respective Deputy Team Leader to National Office. Same heads of accounts will be used as given in the contract for respective offices. However, Annexure is attached for convenience and standardization except where some heads differ from other zones. All these zonal reports will be consolidated at National Office and approved by Team Leader & Head of Finance Dept before onward processing for submission.

Format for Invoice is attached in Annex XIII

2.8 Accounting & Bookkeeping

Accounting and bookkeeping are vital to keep a record and audit trail of all project activities. It is not just keeping a record left on accounts clerk but far more significant and should be steered at highest management level as the reports generated by finance department will serve as:

- 1 Strategic tool to measure performance
- 2 Audit trails
- 3 Ensure compliance with applicable laws and regulations
- 4 Ensure compliance with specific project execution policies
- 5 Cost control
- 6 Assets safeguarding





Finance/Accounts department should comprise people who are

- ✓ Professionally qualified
- ✓ Have specific training and experience
- ✓ Capable of using a computerized financial accounting software
- ✓ Appropriate communication skill.

Accounts Manager at NO will head the Accounts & Finance department and should preferably be a qualified individual who is member of a professional body recognized by International Federation of Accountants (IFAC) with relevant experience of at least 10 years

At Zonal Offices, the day-to-day accounting function will be performed by Office Manager with assistance of Accounts clerks.

Heads of accounts have been defined in chart of accounts which is flexible, and any new heads can be added but with due authority and protocol.

2.8.1 Financial Accounting Package

Apart from systematically maintaining physical record and filing the same, all financial accounting shall be carried out in any defined licensed accounting software such as QuickBooks Online.

This package is online accessible to offices through commonly use internet browsers like chrome etc. In this manner all the accounting entries across Pakistan shall be updated as and when recorded anywhere in Pakistan.

Only designated persons shall have access to the package which will be decided by Accounts Manager. In order to maintain confidentiality and security every person having access to system shall have unique password and a log of his entries in the system will be maintained.

2.8.2 Responsibilities of Accounts staff

Each Office Manager at Zonal Office shall be responsible for:

- 1 Accuracy and completeness of all financial data
- 2 Custodian of financial record (soft and hard)
- 3 Custodian of cash and cheque books
- 4 Generation of periodic financial reports
- 5 Daily entering all transactions in the system
- 6 Closing bank and cash on daily basis.

Head of Finance i.e., Accounts Manager at National Office shall supervise his staff at National and Zonal Office and ensure that

- 1 Accounting and internal controls system is working efficiently and as prescribed
- 2 Internal controls are in place and worked continuously throughout the period
- 3 Consistency of accounting policies
- 4 Completeness of financial transactions across all offices
- 5 Preparation of Quarterly and Annual financial Statements

Standard formats for Financial Statements are attached in Annex (XVIII-XX)





2.9 Consolidation

In order to have the complete picture of all the activities across, zonal and sub zonal offices., PBOM needs to look at the individual performances and a consolidated view.

Our suggested chart of accounts is systematic enough to generate location wise and consolidated reports in multiple desired manners for example

If management wants to check POL of own vehicles at a particular office or across the entire network, they will be able to do so or they would be able to consolidate POL of own plus rental vehicles. and so on.

All financial record shall be consolidated at least at the close of each month by 10th of the following month. Monthly financial reports including

- 1 Monthly receipt and payments
- 2 Bank reconciliation statement
- 3 Petty cash disbursements
- 4 Fund flow statement
- 5 Variance of budget Vs Actual
- 6 Exception reports
- 7 Any other report desired by management

Shall be prepared and presented to PBOM members of JV firms and TL by Head of finance at National Office

2.10 Roles and responsibilities and authorities of people and its impact

2.10.1 Project Board of Management (PBOM) Financial Authority

The top governing body of this project is board of Management, which will comprise of two members who are legally authorized representatives, one from G3EC on behalf of CSDR, ADA and one from EASEPAK. The nominated board members shall have full financial and legal authority of their organizations. NPC shall be the chairman of PBOM

All administrative and financial authority for execution of the project shall rest with PBOM and NPC being chairman of the PBOM shall accord final approval of the matters.

(For details, please refer to section 2.4)

2.10.2 National Project Coordinator Financial Authority

As defined in clause "6.2(d)i" of the contract

"For the purpose of efficient use, cost control, quality assurance, of direct cost disbursement and reimbursement the consultants /JV partners shall be required to take prior approval of NPC"

In order to satisfy the subject condition, a financial authority matrix has been developed which clearly defines, who will have what financial authority, according to limit and nature of payment.





2.10.3 Controls on Expenditure-

Expenditure can be controlled through number of management tools which have been defined and integrated in respective section of this PAM and reproduced below

- a) Financial discipline through implementation of financial authority matrix
- b) Budgetary control
- c) Exception reporting to NPC and PBOM member from JV firms
- d) Monthly location wise disbursement report
- e) Monthly consolidated disbursement report
- f) Monthly location wise variance report with reasons of variance (Actual Vs Budget)
- g) Monthly consolidated variance report with reasons of variance (Actual Vs Budget)

2.10.4 Controls on Financial Accounting

Projects finance head i.e., Accounts Manager at NO shall be ultimate responsible person for financial accounting control and he shall be head of all accounts and finance personnel.

All subordinate persons shall be reportable to finance head and he will be authorized to recommend their casual and medical leaves (in compliance with applicable HR policies)

Finance head shall have following authorities

- 1 Approving heads of accounts in COAs (No new head shall be opened by another person in order to maintain consistency of reporting and synchronization of financial information)
- 2 Approving Final posting in GL
- 3 Finalizing and approving periodic financial reports listed below
- 4 Approving casual and medical leaves of finance people
- 5 Hiring and firing of all personnel lies with PBOM

Finance head will be responsible for:

- 1 Accuracy of financial information,
- 2 Timely posting of all transactions in software
- 3 Ensuring back up of soft data (off site /another hard disk etc.)
- 4 Efficient and effective implementation of accounting and internal control system
- 5 Preparation of periodic consolidated financial statements
- 6 Providing reasons of variance /exception reports
- 7 Ensuring compliance with tax and regulatory regulations.
- 8 Dealing with banks for day-to-day operational affairs where necessary
- 9 Safeguarding project's assets
- 10 Getting financial statements audited from independent external auditors.
- 11 Safekeeping of all the financial record
- 12 Project management will be responsible for providing him necessary resources and space for record keeping

Each zonal account/finance manager shall be responsible to generate (at minimum) following monthly reports of his zone and subzone (if any) under his command.

- 1 Monthly receipt and payments
- 2 Bank reconciliation statement
- 3 Petty cash disbursements





- 4 Fund flow statement
- 5 Exception reports
- 6 Any other report desired by management
- 7 Monthly disbursement report
- 8 Monthly variance analysis report (Actual vs Budget)

He shall be responsible for

- 1 safe keeping of petty cash and cheque book under lock and key
- 2 Physical and soft accounting record pertaining to his area





3. FINANCIAL RISKS AND RISK MANAGEMENT

Financial systems are prone to risk by error omission or by intent that's why we built and integrate internal controls in systems through various forms of documentation and devising some SOPs, pre-defined actions etc.

These controls are then tested whether they exist and are being applied as prescribed and achieved their objective of transparency, accuracy and timely reporting through pre-Audit and Post Audit, surprise checks etc.

Following risk management mechanism to be placed

3.1 Pre-Audit

Pre audit means examination of documents supporting a transaction or a series of transactions before they are paid for and recorded by a person not related to the transaction

Pre-audits are reviews of invoices, contracts, purchase orders, and other requests for funds to substantiate a transaction or series of transactions before they are executed and recorded. The pre-audit has been widely used to ensure that transactions are accurate in all respects and deficiencies are identified and rectified even before cash ever leaves a project's account.

One important control procedure to ensure an effective system of control in an organization is segregation of important duties. For example, cash should not be deposited by the same employee who does bank reconciliation with the cash book.

In the processing of payment documents, segregation of duties is as well important. This suggest that there should be a final review of payment documents by an individual with appropriate authority. This is necessary to ensure that some degree of oversight is exercised on the processing of payments and the staff involved.

In order to exercise the above, at NO, Office Manager will verify the Payment Vouchers prepared by Accounts clerk while Accounts Manager will approve the vouchers for further processing. While for Zonal & Sub-zonal Offices, necessary funds will be transferred to TL & DTLs accounts after following the same procedure.

A pre audit checklist format is designed which will be filled and signed along the voucher of transaction before execution /payment.

Pre audit checklist will have following components:

- I) Head of account
- II) Account code
- III) Total Budget allocated under the head
- IV) Budget exhausted to date
- V) Balance budget
- VI) Required approvals obtained according to authority matrix (yes/no)
- VII) Compliance with Tax laws (Vendor is sales tax registered etc.)
- VIII) Mode of payment





- IX) Compliance with projects policy guidelines.
- X) Any other situational control devised by management.

This format is attached in Annex XIV

Pre audit will help to ensure

- 1 Transparency (budget is available and transaction is properly authorized)
- 2 Accuracy (Arithmetic and calculation accuracy i.e., qty and rates etc.)
- 3 Legal compliance (laws and regulations)

3.2 Internal Control System

The policies, procedures, tasks, behaviors, and other aspects of an organization that taken together:

- Facilitate effective operation by enabling it to respond in an appropriate manner to significant business, operational, financial, compliance, and other risks to achieve its objectives. This includes safeguarding of assets and ensuring that liabilities are identified and managed.
- Ensure the quality of internal and external reporting, which in turn requires the maintenance of proper records and processes that generate a flow of timely, relevant, and reliable information from both internal and external sources; and
- Ensure compliance with applicable laws and regulations and also with internal policies

In the accounting terms, internal control procedures can be broken into seven categories, with each designed to prevent fraud and identify errors even before they become problems. Below are the seven categories:

- 1 Separation of Duties: This involves splitting responsibility for bookkeeping, deposits, and reporting. The further duties are separated, the lesser the chance of any single employee committing fraudulent acts.
- 2 Access Controls: This involves controlling different parts of an organization's accounting system through passwords, lockouts, and electronic access logs. This will not only keep unauthorized users out of the system, but also provide a way to audit the system to identify sources of discrepancies.
- 3 Physical Audits: This includes hand-counting cash and any physical assets tracked in the accounting system, such as inventory, materials, and tools.
- 4 Standardized Documentation: Standardizing documents used for financial transactions—such as invoices, internal materials request, inventory receipts, and travel expense reports—can help maintain consistency in record-keeping over time. Standard document formats also make it easier to review past records for discrepancy or fraud.
- 5 Trial Balances: Using double-entry accounting system adds reliability by ensuring that the books are always balanced.





- 6 Periodic Reconciliations: Performing occasional reconciliations ensure that balances in the accounting system match up with those held by other entities including banks, suppliers, and credit customers.
- 7 Approval Authority: Requiring specific managers to authorize certain types of transactions can add a layer of responsibility to accounting records by proving that transactions have been seen, analyzed, and approved by appropriate authorities.

3.3 Post Audit

Audit of accounting records, conducted at some interval of time after a transaction or a series of transactions has already occurred.

In Pakistan, CA firms which are being regulated by ICAP (Institute of chartered Accountants of Pakistan) conduct audits of organizations/entities as independent auditors

A normal statutory commercial audit is comprised of the following steps

The Audit Process

1. Step 1: Define Audit Objectives. Prior to the audit, a preliminary planning and information gathering phase. ...
2. Step 2: Audit Announcement. ...
3. Step 3: Audit Entrance Meeting. ...
4. Step 4: Fieldwork. ...
5. Step 5: Reviewing and Communicating Results. ...
6. Step 6: Audit Exit Meeting. ...
7. Step 7: Audit Report.

A post audit is a legal requirement which every limited company is obliged to abide by and is considered to entail a reasonably reliable level of accuracy, trust and confidence on the documents/information that has been subjected to audit.

It also poses confidence of other stake holders on the financial statements such as bankers, lenders, vendors and shareholders.

PBOM must appoint an independent firm of accountants for annual audit of its financial statements.

This audit will lend credibility on the data in financial statements and serve as a sort of validation of performance and financial numbers.

3.4 Surprise Checks

This is another control mechanism whereby senior management may get a surprise check over

- 1 Fixed assets (bikes, computer)
- 1 Control documents like log book of any vehicle)
- 2 Attendance register vs physical presence of employees
- 3 Cash book balance vs actual physical cash





Although not very much formal way of controlling affairs of a large project but serves as a deterrence against misuse of resources and helps in maintenance of admin and financial discipline.

NPC / TL and DTLs should formalize this check by making a confidential schedule of locations and items to be checked

3.5 Monthly and Quarterly Variance Analysis Report

As defined in earlier section is detail that each zonal account manager shall draw a monthly variance report under each head of account and shall sign and forward the same to head of finance in national office

Finance head shall consolidate all the reports across Pakistan and present the same to NPC/PBOM with his comments explaining

- 1 Reasons of variance
- 2 Recommendations
- 3 Implications

Standard Variance & Consolidated Variance Analysis reports are attached in Annex IX & X respectively.

3.6 Fleet Management

One of the major reimbursable expense is land transportation which has following components

- 1 Purchase of vehicles
- 2 Purchase of bikes
- 3 Rental of vehicles
- 4 Fuel of owned vehicles
- 5 Fuel of hired vehicles
- 6 Oil and Filter of owned vehicles
- 7 Oil and filter of hired vehicles

following control procedure should be in place over this expenditure

- 1 Vehicles shall be purchased after approval as per authority matrix
- 2 Procurement SOPs shall be followed as given in procurement section for purchase and rental of vehicles
- 3 Vehicles shall be used only for official purposes
- 4 Log books shall be maintained for each vehicle
- 5 Trackers shall be installed on owned vehicles
- 6 Vendor of rental vehicles shall be required to install trackers
- 7 Budgetary control over POL and Maintenance expenses of vehicles
- 8 Variance analysis report
- 9 Personal use of vehicle may be charged at following rates
- 10 Less than 1000 cc @ Rs 10/KM and other @ Rs 25/KM

Vehicle Log Book Format is attached in Annex XV.





3.7 Exception Reports

Exception reports are reports of unexpected events. An exception report is a control document which is produced when something has gone wrong in a commercial or business process. If the outcome of a process, or a step within a process, is different to what was expected or planned for, this instance is described as an exception.

An exception report is a document that provides information regarding any instances, items, and regulations that are outside the scope and limitations of a particular activity. There are many ways that an exception report may be used which makes the content of this document vary from time to time depending on the purpose that it may serve.

We suggest following standard exception reports

- 1 Budget overrun report
- 2 Vehicle usage exception report
- 3 Cash balance exception report
- 4 Work charged staff cost exception report
- 5 Any other report desired by management





4. PROCUREMENT

Procurement is the process of finding and agreeing to terms, and acquiring goods, services, or works from an external source, often via a tendering or competitive bidding process. Procurement generally involves making buying decisions under conditions of scarcity.

A procurement management system manages the evaluation, selection, and creation of formal agreements with suppliers. It also manages ongoing supplier relationships and the transactional purchasing of goods and services, working with accounts payable to complete the source-to-settle cycle by processing supplier invoices for payment.

4.1 Structure of Procurement Department

Procurement for the project will be centralized i.e., procurement at Zonal & Sub-zonal offices will be approved by Consultants National Office. The Procurement Committee at National Office will be comprised of Team Leader, Deputy Team Leader & Manager Admin/Accounts whereas if any local procurement may be required at Provincial /Zonal Office then the procurement Committee will consist of Deputy Team Leader & Manager admin/accounts of the procuring office. All payments will be approved by PBOM.

Composition:

Sr. #	Level	Composition
1	National	1. Team Leader
		2. Deputy Team Leader
		3. Manager Admin/Accounts
2	Provincial/ Zonal	1. Deputy Team Leader (DTL)
		2. Manager Admin / Accounts





Hierarchy of Procurement Department



Roles & Responsibilities

Sr #	Role	Responsibility
1	Team Leader	Team Leader will be responsible for taking final approval for procurement.
2	NPC Support	NPC Support will be responsible for coordination with NPC, TL, DTLs and admin and finance staff in line with Call for Bids, checking accuracy and completion, shortlisting of vendors, and after procurement, coordination in issuance of Purchase Orders, and subsequent payments after final evaluation of procurement procedure and resulting bids etc.
3	Deputy Team Leader (DTL) or Technical Head (TH)	Deputy Team Leader or Technical Head for each procuring office will be responsible for identification and assessment of need for procurement.
4	Office Manager	Office Manager for each procuring office will be responsible for carrying out the procedures such as Call for Bids, checking accuracy and completion, shortlisting of vendors, coordination with NPC Support at NO and after procurement, issuance of Purchase Orders, contract administration and subsequent payments.





4.2 Types of Procurement

There are three types of procurements involved in the project, each of them is described below:

- ❖ Procurement of goods
- ❖ Procurement of services
- ❖ Procurement of Consulting/support Services

Almost same principles and processes are involved in procurement of all these types except for inventory management and replenishment of stocks in procurement of goods.

Procurement of Goods: With reference to the budget described in the contract, the following goods will be procured over the period of project:

- ❖ Vehicles: (4x4 Kia/Similar, 1300 CC sedan, Wagon R/similar inclusive of Registration & Taxes)
- ❖ Monthly POL, Mobil Oil & Filter for procured vehicles
- ❖ Monthly POL, Mobil Oil & Filter for rented vehicles
- ❖ 100 CC Motorbikes
- ❖ Procurement of Monthly POL
- ❖ Equipment, Instruments, Materials, Furniture, Services & Supplies
- ❖ Software, Database server, Mobile Phones & Tabs for field staff

Procurement of Routine Services: With reference to the budget described in the contract, the following services will be procured over the period of project:

- ❖ Travel Agency who will provide, Air Tickets, Boarding & Lodging
- ❖ Rent-a-car company for renting Vehicles
- ❖ Insurance Company for Vehicles' Insurance
- ❖ Workshop Services for repair & maintenance
- ❖ Printer's Services

Procurement of Consulting Services

In reference to the budget described in the contract, the following services will be procured over the period of project:

- ❖ Consultants (Legal, Accounting, IT Support, contingencies etc.)
- ❖ Design and development of state-of-the-art real time web based PIMS, Integrated Mobile application GIS based M&E system (It includes all development Fee Purchase of any software/hardware Consultants will be required to provide it as a product in shape of a software along with source code. Client will provide detailed TOR at the time of signing of contract.

All these types of procurements are almost subjected to similar procurement procedure described below in order to ensure transparency, efficiency and effectiveness.





We have discussed in detail all the steps involved in procurement of goods and work charged staff.

However, contract document is silent on needs of consulting services which may be required in the execution of the contract to ensure transparency and compliance with laws and regulations

Following services will be hired:

- 1 Internal audit/internal control assessment
- 2 External auditors (Chartered Accountant Firm)

Same financial authority matrix shall be applicable on hiring of these services as is applicable in hiring of goods.

Getting services of internal auditor will strengthen internal control environment, enhance reliability of data, lesser errors and omissions and compliance with laws and regulations,

Getting financial statements audited by an external auditor will lend credibility on the data contained in financial statements and enhance confidence of internal and external stakeholders.

TORs for services of these professional firms will be determined separately outlining

- 1) Scope
- 2) Deliverables
- 3) Time frame
- 4) Reporting requirements
- 5) Objectives

4.3 Procurement Methods, Thresholds, Budgets

Method & Thresholds for procurement are described in the table below:

Sr #	Procurement Threshold	Method of Procurement
1.	≤ PKR. 100,000	Petty Purchases after approval from designated authority
2.	Between PKR. 100,001- 500,000	Three Quotation from open market
3.	> PKR. 500,000	Three Quotation from open market
4.	For Purchase of Motor Vehicles (Cars & Bikes)	Direct Contracting
5.	For monthly Petrol, Oil & Filter	Direct Contracting



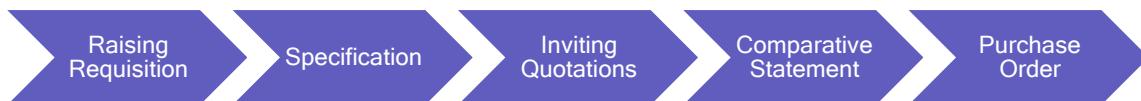


4.4 Procurement Procedures

As described in the table above, following procurement procedures will be followed:

Request for Quotation (RFQ)

Request for Quotation involves the following steps:



Raising Purchase Requisition & Development of Specification: Deputy Team Leader/ Technical Head at the respective Provincial Head Office will raise the purchase requisition after identification and assessment of the need for procurement. Specification for procurement will be described in detail as per requirement Procurement and Coordination Support Manager will approve the final document.

Inviting Quotations: Once the Specification is developed and Purchase requisition raised, Office Manager at PHO will invite at least 03 quotations from already shortlisted vendors.

Preparation of Comparative Statement: Office Manager at the Provincial Head Office will prepare the comparative statement marked against the specification in consultation with DTL and will share the results with Procurement and Coordination Support Manager at National Office.

Issuing Purchase Order: Method of selection will be least cost i.e., lowest priced quotation meeting the minimum quality standard will be selected. Purchase Order will be issued after recommendation of Procurement and Coordination Support Manager and approval from Team Lead and NPC at National Office.





Open Competitive Bidding (OCB):

Following steps will be followed for procurement under OCB:

Step I: Specification / Schedule of requirement will be developed by DTL at PHO in line with the specific requirements. of project. It will provide sufficient information for potential contractors to be able to appropriately determine the quality and cost of goods and services offered by them.

Step II: Bidding documents will be developed by Office Manager at PHO in consultation with DTL. Procurement and Coordination Support Manager will approve the final document. It will contain the following sections:

- ❖ Instruction to Bidders (ITB) & Bid Data Sheet (BDS)
- ❖ Technical Specifications
- ❖ Standard Forms
- ❖ General Conditions of Contract
- ❖ Special Conditions of Contract

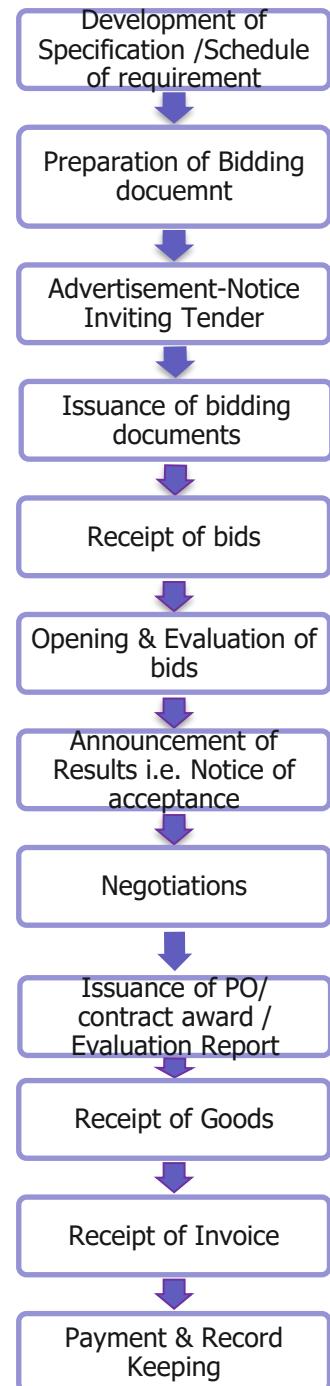
Step III: Advertisement for the project will be advertised on website and published in National & Local Newspaper of wider circulation as per advertisement guidelines provided in PAM.

Step IV: Bidding documents will be uploaded on the project's website from where it can be downloaded, link for the documents will be mentioned in the Notice Inviting Tender (NIT).

Step V: Applications will be received by DTL & A&F M at respective PHO by the set reasonable deadline (such as 10 working days) in electronic form by email. Procurement and Coordination Support Manager will have access to the inbox.

Step VI: Evaluation of Bids will be two-fold. Initial screening will be carried out by DTL an A&FM at the respective PHO. Incomplete bids will be disqualified and completed bids with inputs/recommendations from PHO will be forwarded to Procurement and Coordination Support Manager at NO. Final approval will be accorded by Procurement and Coordination Support Manager at National Office.

Step VII & VIII: The method of selection will be least cost. After the selection phase, negotiation with successful bidders will be initiated. The purpose of negotiations/discussions is to discuss and finalize certain details of a contract, prior to contract placement. Negotiation/ discussions will lead to a contract, which is acceptable to both parties and should therefore reduce the likelihood of disputes or the need for contract amendments.





Step IX: After successful negotiations, Contract PO or Notice of Acceptance will be issued to the selected bidder after final approval from Team Leader / procurement expert at National Office. Team leader / procurement expert are authorized to sign contract with vendors. The JV may enter into framework contract whereby vendors are awarded contract on the basis of rates and supply order can be placed by national/zonal / sub zonal offices to selected vendors on need basis. Contract evaluation report is published on website after award of contract.

Bidding Documents, Comparative Statements & Evaluation Reports are attached in Annex XXIII, XXIV & XXV respectively.

Step X: Once the PO will be issued / contract is signed. bidder goods are delivered at agreed time and place, a formal document named Good Received Note GRN will be prepared. GRN will contain the following information

- ❖ Description of goods (Brand, specification etc.)
- ❖ Quantity
- ❖ Vendor name
- ❖ Person receiving the goods
- ❖ Person inspecting the goods (In case of technical supplies like engineering instruments)
- ❖ Signature of concerned storekeeper
- ❖ Storekeeper shall maintain a record of all GRNs and enter the same in his tore register.

Standard Contract is attached in Annex XXVI.

Step XI: Vendor will raise invoice which will be verified by Office Manager against TORs /quotations/bid documents. Any discrepancy found shall be reported to Procurement and Coordination Support Manager at national office. Discrepancy is either resolved with the party or Procurement process shall be repeated.

Step XII: Most critical step in a procurement cycle is making payment. Payment shall be made with following steps:

No payment in cash under a single account head should exceed Rs. 250,000 p.a.

Concerned Office manager shall get the invoice and GRN approved from concerned DTL for payment processing

- a) A copy of GRN and invoice approved for payment shall be forwarded to finance department for payment.
- b) Finance department shall
 - i. Check the budget availability
 - ii. Check respective approvals as per authority matrix
 - iii. Prepare cross cheque after deducting applicable tax
 - iv. Get the cheque signed by concerned signatories as per financial authority matrix
 - v. Hand over cheque to party/ deposit in their account
 - vi. Obtain receiving acknowledgement of the party or attach deposit slip with copy of cheque





- vii. Attach a scanned copy of cheque with payment voucher.
- viii. PBOM may evaluate and consider use of cash management system offered by different banks for ease of operations whereby approvals can be given online by respective authorities and payment can be processed.

Standard Format for IRN & GRN is attached in Annex XVI & XVII.

Timeline:

Sr #	Procedure	Timeline
1	Preparation of Bidding Documents	Within 01 Day of finalization of Specification / Requirement
2	Placement of Advertisement & Issuance of Bidding Documents	Within 01 Day of finalization of Bidding Documents
3	Acceptance of Proposals/ Bids	At least 15 working days
4	Evaluation of Bids	Within 03 working days
5	Announcement of Results	Within 01 working day after evaluation of bids
6	Issuance of PO	As & when required

4.5 Procurement Documentation

Procurement is the most sensitive key area which needs to be transparent, efficient and effective for smooth functioning of the project activities

As procurement involves huge consumption of funds, it must be subject to stringent process which ensures accuracy, and transparency

All steps involved in the procurement process (Please refer to section 4.4) must be documented, properly authorized and executed with given legal authorities. In other words, all checks and balance for favorable outcomes like competitive price etc. and against unfavorable outcomes like fraud and error are not only in place but leave a documentary trail of events which are auditable.

A process is auditable when one can check and reasonable assure that all defined steps (internal controls) were being applied as prescribed and were operated throughout the period not only in intervals.

This is vital to have all these steps documented and leave audit trail to substantiate the performance and credibility of management through audits.





4.6 Procurement Plans

Almost all organizations and projects develop either annual procurement plans or plan for the period of the project.

A procurement plan describes goods and services which an organization will need from external suppliers in a defined period of time (Quarter, Annual or Over the lifetime of a project)

The objective of a procurement plan is to increase the efficiency, effectiveness and transparency of the procurement process. The document specifically describes which products or services will be required and how the same would be acquired.

The contract document has very comprehensively covered the operational needs and requirements of goods and services for execution supervision and third-party validation of the project.

The contract has already broken-down procurement requirements into location wise needs together with the cost and allocated budgets

We need to implement the existing procurement plan as per the given steps in this PAM.

Procurement Plans for National, Provincial & Zonal Offices have been included in Annex XXII.





5. COMPLIANCE WITH LAWS & REGULATIONS

For compliance with Taxation Laws, the JV will be registered with Federal Board of Revenue (FBR) and obtain a separate National Tax Number (NTN) & Sales Tax Registration number (STRN) from all provinces.

5.1 Income Tax Law

Deduction and deposit of WHT

IT Law requires that Withholding Tax be deducted and deposited in Government Treasury on certain nature of payments prescribed in the law at different rates depending upon nature and amount of amount of payment e.g., payment to suppliers, payment of salaries under section 149 and 153 and so on.

Filing of WHT Returns

It is mandatory for WHT agent to file WHT statement on quarterly basis with FBR.

Provision of CPR to Respective party

Taxation laws are applicable while making payments in following respects

- a) Deduction of Withholding (WHT) tax while making payments
- b) Mode and manner of payment (Cash/Cheque)
- c) Rate of WHT applicable on the payment

(The rates differ depending upon status of payee whether he is a filer or non-filer and nature of payment i.e., against goods or services or rental)

- d) Deposit of WHT deducted into government treasury.

Withholding agents are required to deposit any tax deducted from any person within 15 days into government treasury.

- e) Filing of periodic WHT returns with FBR

Income tax law requires that every Withholding Tax agent shall file a quarterly statement of WHT deducted during the quarter in a prescribed format. So national office is obliged to comply with this requirement.

- f) Delivery of CPR to person on whose behalf tax has been deducted.

Every withholding agent is legally and morally bound to provide challan (paid CPR) to the person whose tax has been deducted and deposited.

Taxation laws make it obligatory that payments exceeding certain limits be made through crossed instruments/banking channel.





These limits vary depending upon nature of payment like:

a) Salary	Rs.25,000/month
b) Utility bills	No Limit
c) Procurement of goods and services	25,000/ transaction
d) Aggregate payment under an account head	250,000 pa

It is compulsory that:

- 1 Procurements should be made only from vendors who are Income Tax filers
- 2 They appear on Active Tax payer's List (ATL)
- 3 Payments exceeding limits prescribed in Tax Laws should be made through cross check
- 4 Cash payments should be allowed only as per law

5.2 Sales Tax Law

Charging & Filing of Sales Tax Returns

Like Income Tax Law, commercial organizations are required to be registered in sales tax and obtain sales tax registration number (STRN)

There are certain privileges which only registered person able to enjoy like claiming input sales tax on purchases and becoming eligible for bidding in public sector.

It is compulsory that

- 1 This JV obtain STRN
- 2 Any commercial transactions should be made with parties having STRN

It is obligatory on all ST registered persons to file sales tax return till 15 of the following months giving details of sales /purchases and corresponding output/input tax.

This return will also serve as secondary source of evidence of transactions (purchases) and will be a solid base for audit trail.





6. Human Resource (Reimbursable / work charged staff)

Human Resources and their Management (HRM) can be defined as the effective management of people in an organization: HR management helps bridge the gap between employees' performance and the organization's strategic objectives. Moreover, an efficient HR management team can give firms an edge over their competition

Term "HR" in a commercial organization or a project refers to complete process starting from

- I. Identification of human needs
- II. Identification of skill set
- III. Determining cost (salary package) and associated perquisites
- IV. Hiring process
- V. Rules and regulations governing terms of employment
- VI. Medical/accommodation and other benefits
- VII. Work related allowances
- VIII. Discipline and work ethics
- IX. Performance evaluation
- X. Annual increments
- XI. Leaves structure
- XII. Termination of employment

There are two types of staff engaged in execution of the project one is key staff and other non-key staff. The contract agreement has outlined names, designation and salary structure of key staff member so they are out of scope of this PAM.

For efficient administration and management of the staff, Google Drive or One Drive for Business or similar tool will be used for maintaining record of staff, attendance sheets, Monthly Progress Reports/ Activity Sheets, Salary Sheets etc. Team Leader at National Office and Deputy Team Leaders at Zonal Offices will have access to the system.

6.1 Hiring of Support Staff (reimbursable expenses)

For work charged staff, contract document has outlined

- I. Identification of human needs
- II. Identification of skill set
- III. Determining cost (salary package) and associated perquisites

Salary cost has already been defined for the work charged staff on the contract document which has been signed and legally enforceable, binding document, therefore for the work charged staff all JV partners shall provide staff with respect to their share in the JV project.

6.2 Draft Service / Employment Contract

The respective company's draft of employment contract should be approved by PBOM outlining various features governing the terms of employment and mode and manner of termination major components can include





However, PBOM members may agree that respective HR policies of firms can be implemented on respective staff members. Date of start

- I. Name and designation
- II. Period of contract
- III. Salary/benefits
- IV. Termination/Resignation

This employment document shall be signed by both the employee and the respective Deputy Team Leaders after recommendation of National Team Leader & PBOM.

6.3 HR Policy Governing Charged Staff

JV partners will provide work charged staff in proportion to their respective share in the project or in line with the respective skill set and expertise of the JV partners

However, number of staff people and initial salaries shall be same as defined in the contract

It is pertinent to note that respective HR policies of JV partners shall govern the TORs of the respective employees including

- I. Rules and regulations governing terms of employment
- II. Medical/accommodation and other benefits
- III. Work related allowances
- IV. Discipline and work ethics
- V. Performance evaluation
- VI. Annual increases
- VII. Leaves structure
- VIII. Termination of employment

6.4 Personnel Files / Attendance and Leave Records

Proper personal files of each type of staff i.e., Key staff or Non-Key staff will be maintained by Office Manager at National Level whereas Office Manager & Senior Field Engineer at Zonal & Sub-zonal offices respectively and be available to internal and external auditors for inspection.

Personal Files will contain the CNIC, Resume, signed employment contract and details of recruitment of staff. These personal staff files will also serve as audit trail and evidence that defined staff was actually hired.

At Zonal Offices, Office Managers will maintain attendance in an Online Platform preferably Excel online on a daily basis and at each month end, DTL will sign off the attendance sheet to complete it. DTL will assign Officials at Sub-zonal offices who will maintain attendance of the staff on the same pattern.

Team Leader at National Office will have access to these online attendance sheets at all times.





6.5 Payroll Process

Payroll will be processed on the basis of attendance and Monthly Progress reports/ activity sheets. All staff will submit their Monthly Progress Report/ activity sheets to their supervisors who will certify and submit these to the Deputy Team Leader of their Zone. Deputy Team Leaders will upload the individual and consolidated progress reports to the Online Drive for further processing by Team Leader.

Salary will be transferred in Official Employee Bank Accounts which will be opened for all staff, once they are hired.





ANNEXURES





7. Annexures

Sr #	Annexure
1	Annex I- Cash Payment Voucher
2.	Annex II- Bank Payment Voucher
3.	Annex III- Bank Receipt Voucher
4.	Annex IV- Cash Receipt Voucher
5.	Annex V- Journal Voucher
6.	Annex VI- Petty Cash Expense Statement
7.	Annex VII-Bank Reconciliation Statement
8.	Annex VIII- Petty Cash Reconciliation Statement
9.	Annex IX- Variance Analysis Report
10.	Annex X- Consolidated Variance Analysis Report
11.	Annex XI- Index of Advances
12.	Annex XII- Disbursement Discrepancy Report (DDR)
13.	Annex XIII- Invoice
14.	Annex XIV- Pre-Audit Checklist
15.	Annex XV- Vehicle Log Book
16.	Annex XVI- Internal Requisition Note
17.	Annex XVII- Goods Received Note
18.	Annex XVIII- Statement of Financial Position
19.	Annex XIX Statement of Income & Expenditure
20.	Annex XX Cash Flow Statement
21.	Annex XXI- Expense Report for Invoicing
22.	Annex XXII- Procurement Plans
23.	Annex XXIII- Bidding Documents
24.	Annex XXIV- Comparative Statement
25.	Annex XXV- Evaluation Report
26.	Annex XXVI- Standard Contract
27.	Annex XXVII Chart of Accounts



Annex I- Cash Payment Voucher

**CASH PAYMENT VOUCHER
LOCATION (NO/ZO/SZO)**

Date: _____

CPV No.

Description

Total in words

Prepared by

Accounts clerk

Checked by

FM

Approved by

TL/DTL

Pre Audit

(Stamp A.15)

Posted by

Finance Head NO

Received by

BANK PAYMENT VOUCHER LOCATION (NO/ZO/SZO)

Date: _____

BPV No. _____

Description _____

Total in words

Prepared by	Checked by	Approved by	Pre Audit	Posted by	Received by
-----	-----	-----	-----	-----	-----
Accounts clerk	FM	TL/ DTL	(Stamp A.15)	Finance Head NO	

Annex III- Bank Receipt Voucher

**BANK RECEIPT VOUCHER
LOCATION (NO/ZO/SZO)**

Date: _____

BRV No.

Description

Page 10 of 10

Total in words

Prepared by

Checked by

Approved by

Pre Audit

Posted by

Received by

Accounts clerk

FM

TI / DTI

(Stamp A.15)

Finance Head NO

1000

CASH RECEIVED VOUCHER LOCATION (NO/ZO/SZO)

Date: _____

CRV No.

Description _____

Total 

Total in words _____

Prepared by

Checked by

Approved by

Pre Audit

Posted by

Received by

Accounts clerk

FM

TL/DTL

(Stamp A.15)

Finance Head NO

JOURNAL VOUCHER LOCATION (NO/ZO/SZO)

Date: _____

JV No.

Description _____

Total in words

Prepared by

Checked by

Approved by

Pre Audit

Posted by

Received by

Accounts clerk

FM

TL/DTL

(Stamp A.15)

(Stamp A.15) Finance Head NO

**PETTY CASH EXPENDITURE STATEMENT
FOR THE MONTH OF
LOCATION (NO/ZO/SZO)**

Prepared by

Accounts clerk

Checked by

FM

Reviewed by

TL/DTL

Annex VII- Bank Reconciliation Statement

Bank Reconciliation Statement
for the month of _____
Bank Account No. _____
Location (NO, ZO, SZU) _____

	Rs.	Rs.
Balance as per bank statement		XXXX
Add :		
Un presented cheques		
Chq No	XXXX	
Chq No	XXXX	
Chq No	XXXX	XXXX
Less :		
Un credited cheques		
Chq No	XXXX	
Chq No	XXXX	
Chq No	XXXX	(XXXX)
Balance as per bank book		XXXX

Signature of FM

Annex VIII- Petty cash Reconciliation Statement

Petty cash Reconciliation Statement
for the month of _____
Location (NO, ZO, SZU) _____

	Rs.	Rs.
Balance as per cash book		XXXX
Add :		
Cash withhdrown for expenses		
Chq No	XXXX	
Chq No	XXXX	
Chq No	XXXX	XXXX
Less :		
Cash expenses during the month		
Entertainment	XXXX	
Utility bills	XXXX	
POL	XXXX	
Others	XXXX	(XXXX)
Balance as per petty cash register		XXXX
Diff (If any)		XXX

Signature of FM

Annex IX- Variance Analysis Report

Variance Analysis Report

Month/Quarter ending _____

Location _____

Sr. No	Account Head	Montly/Qtrly Budget	Montly/Qtrly Expense	Variance	Reasons	YTD Budget	YTD Expense	Variance	Reasons

FM Signature
Date

Consolidated Variance Analysis Report

Month/Quarter ending _____

National Office

Sr. No	Account Head	Montly/Qtrly Budget	Montly/Qtrly Expense	Variance	Reasons	YTD Budget	YTD Expense	Variance	Reasons

Head of Finance

Signature

Date

Annex XI- Index of Advances

Index of Advances

Location _____

Vendors _____

Party Name	Advance		Security	Recommended by
	Against	Amount		

Employees

Designation	Advance		Security	Limit/month
	Against	Amount		

Approved by _____

NPC _____

Date _____

Disbursement Discrepancy Report DDR
For the Quarter _____

Location _____

Sr. No	Description of disbursement	Amount	Dicrepancy

Pre Auditor:

Name
Signature
Date

SALES TAX INVOICE**Customer**

Name _____
 Address _____
 Phone _____

Date _____
 Order No. _____
 Rep _____

Sr. #	Description	Total Amount (Rs)

Payment

- Cash
- Cheque
- Credit Card

Name _____
 CC # _____
 Expires _____

Subtotal _____

GST _____

#REF! _____

TOTAL _____**Amount in Words:****Please make a cheque payable to**

Account # : _____
 Title of Account: _____
 Bank Name: _____
 Branch: _____

Truly Yours

Manager Administration

We would appreciate your prompt payment

Annex XIV- Pre-Audit Checklist

- I) Head of account
- II) Account code
- III) Total Budget allocated under the head
- IV) Budget exhausted to date
- V) Balance budget
- VI) Required approvals obtained according to authority matrix (yes/no)
- VII) Compliance with Tax laws (Vendor is sales tax registered etc.)
- VIII) Mode of payment
- IX) Compliance with projects policy guidelines.
- X) Any other situational control devised by management.

Pre Audit Stamp		
HOC		XXXXXX
Code		YYYYYY
Budget	Total	TTTTTT
	Consumed	CCCCCC
	Available	AAAAAA
Approval	Authority	NPC
	Sign	Y/N
Vendor is Filer		Y/N
WHT	Rate	
	Amount	
STR		Y/N
Payment mode		Chq/cash
Signature of pre audit		

Vehicle Log Book

Vehicle No.

Vehicle Own/Rented

Vehicle Make Model

Signature of office manager

Annex XVII- Good Received Note

Goods Received Note No. _____
Location

- i. Date
- ii. Originating department
- iii. Originating person
- iv. Location
- v. Description of goods/services
- vi. Quantity
- vii. Packing list

Store keeper

Signature

Date

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 20XX

ASSETS	Note	Rs.	LIABILITIES	Note	Rs.
Fixed assets (as per fixed assets Schedule)		XXXXX	Long term Liabilities		XXXXX
Other non Current Assets (if any)		XXXXX	Deposit from FPMU Long term payables		XXXXX XXXXX
Current Assets			Current Liabilities		
Advances Deposits, prepayments		XXXXX	Creditors, Accrued and other Liabilities		XXXXX
Receivables					
Cash at bank	Current accounts	XXXXX	Other Short term payables		XXXXX
	Saving accounts	XXXXX			XXXXX
Cash in hand		XXXXX			
Contingencies and commitments					
		<u><u>XXXXX</u></u>			<u><u>XXXXX</u></u>

Annex XIX - Statement of Income & Expenditure

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30,20XX**

	Note	Rs.
Gross income from services		XXXXX
Less: Sales Tax		
Net Income		XXXXX
Operating Expenses		
Salaries of technical staff	XXXXX	
Travelling	XXXXX	
Boarding lodging	XXXXX	
Depreciation	XXXXX	
		XXXXX
Operating Expenses		
Salaries of Admin staff	XXXXX	
Travelling	XXXXX	
Boarding lodging	XXXXX	
Depreciation	XXXXX	
		XXXXX
Profit before tax		XXXXX
Taxation		XXXXX
Profit after tax		XXXXX
Appropriation of Profit among JV partners as per respective share in JV		
Share of JV partner 1	NESPAK	XXXXX
Share of JV partner 2	ACE	XXXXX
Share of JV partner 3	RHC	XXXXX

Annex XX - Cash Flow Statement

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30,20XX**

		Note	Rs.
Cash and cash equivalents at start of the period (July 01....)			XXXXX
Add: Cash received from client for reimbursable expenses			
Office rentals			XXXXX
Travelling (Air fare)			XXXXX
Boarding lodging			XXXXX
Own Vehicles	- Fuel	XXX	
	- Mobil Oil Filter	XXX	
	- Maintenance	XXX	XXXXX
Rented Vehicles	- Fuel	XXX	
	- Mobil Oil Filter	XXX	
	- Rent	XXX	XXXXX
Salaries	- Work charged staff		XXXXX
Communication	- PTCL	XXX	
	- Mobiles/internet	XXX	XXXXX
Reports Production and transmission	- Photo copies	XXX	
	- Printing	XXX	
	- Courier	XXX	XXXXX
Office supplies			XXXXX
Stationery			XXXXX
Others			XXXXX
Total cash and cash equivalents			XXXXX

Expenses Report For Invoicing

Month/Quarter ending _____

Location /Zone _____

Sr. No	Account Head (As Allocated in contract)	Montly/Qtrly Budget	Montly/Qtrly Expense	Variance	Reasons

FM Signature _____

Date _____

DTL Signature _____

Date _____

Annex XXII
BIDDING DOCUMENTS
For
Procurement of [*Insert Items*]

Procurement Notice

(For procurement of [Insert Items])

_____ invites sealed bids from the original manufacturers/ authorized distributors/ suppliers in Pakistan, registered with Income Tax & Sales Tax Dept. for supply of [Insert Items]

Interested bidders may obtain bidding documents, containing detailed terms and conditions & specifications of required items from the office of the undersigned, on submission of written application, upto [Insert Date]

The sealed bids must reach the undersigned till [Insert Deadline (Time and Date)]

Bids will be opened the same day at [Insert Time & Date]

Procurement Manager/ [Insert Designation]

[Insert Address]

Section I-Instruction to Bidders (ITBs)

A. Introduction		
1	Name of Purchaser & Address	
2	Eligible Bidders	<p>2.1. General Sales Tax Registered 2.2. National Tax Number Registered. 2.3. Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Government of Pakistan in accordance with ITB clause 31.1</p>
3	Cost of Bidding	<p>3.1. The Bidder shall bear all costs associated with the preparation and submission of its bid, and the Purchaser named in the Bid Data Sheet, hereinafter referred to as "the Purchaser," will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.</p>
B. The Bidding Documents		
4	Content of Bidding Documents	<p>4.1. The Goods required, bidding procedures, and contract terms are prescribed in the bidding documents. In addition to the Invitation for Bids, the bidding documents include:</p> <ul style="list-style-type: none">• Instructions to Bidders (ITB)• Bid Data Sheet (BDS)• General Conditions of Contract (GCC)• Special Conditions of Contract (SCC)• Schedule of Requirements• Technical Specifications• Bid Form and Price Schedules• Contract Form <p>4.2. The Bidder is expected to examine all instructions, forms, terms, and specifications in the bidding documents. Failure to furnish all information required by the bidding documents or to submit a bid not substantially responsive to the bidding documents in every respect will be at the Bidder's risk and may result in the rejection of its bid</p>

5	Clarification of Bidding Documents	<p>5.1. A prospective bidder requiring any clarification of the bidding documents may notify the Purchaser in writing at the Purchaser's address indicated in Bid Data Sheet (BDS). The Purchaser will respond in writing to any request for clarification of the bidding documents which it receives no later than 05 days prior to the deadline for the submission of bids prescribed in Bid Data Sheet. Written copies of the Purchaser's response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective Bidders that have received the bidding documents directly from the Purchaser.</p>
6	Amendment of Bidding Documents	<p>6.1. At any time prior to the deadline for submission of bids the Purchaser, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, may modify the bidding documents by amendment, without substantially changing nature of procurement.</p> <p>6.2. All bidders that have purchased the bidding documents, from the Purchaser, will be notified of the amendment in writing which will be binding on them.</p> <p>6.3. In order to allow prospective bidders reasonable time in which to take the amendment into account in preparing their bids, the Purchaser, at its discretion, may extend the deadline for the submission of bids.</p>

C. Preparation of Bids & Bidding Procedure

7	Language of Bid	7.1 The bid prepared by the Bidder, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Purchaser, shall be written in the language specified in the Bid Data Sheet
8	Documents Comprising the Bid	<p>8.1 The bid prepared by the Bidder shall comprise the following components:</p> <ul style="list-style-type: none"> • Bid Form, specifications and a Price Schedule completed in accordance with ITB Clauses 9, 10, and 11; and • bid security (if required so by Purchaser) furnished in accordance with ITB Clause 13. • Single stage one envelope bidding procedure will be adopted
9	Bid Form	9.1 The Bidder shall complete the Bid Form and the appropriate Price Schedule furnished in the bidding documents, indicating the Goods to be supplied, a brief description of the Goods, quantity, and prices
10	Bid Prices	<p>10.1 The Bidder shall indicate on the appropriate Price Schedule the unit prices (where applicable) and total bid price of the Goods it proposes to supply under the contract.</p> <p>10.2 Prices indicated on the Price Schedule shall be delivered duty paid (DDP) i.e. inclusive of all applicable taxes, prices. The price of other (incidental) services,</p>

		<p>if any, listed in the Bid Data Sheet will be entered separately.</p> <p>10.3 The Bidder's separation of price components in accordance with ITB Clause 10.2 above will be solely for the purpose of facilitating the comparison of bids by the Purchaser and will not in any way limit the Purchaser's right to contract on any of the terms offered.</p> <p>10.4 Prices quoted by the Bidder shall be fixed during the Bidder's performance of the contract and not subject to variation on any account, unless otherwise specified in the Bid Data Sheet. A bid submitted with an adjustable price quotation will be treated as nonresponsive and will be rejected two or more prices for a single item will be treated as non-responsive.</p>
11	Bid Currencies	<p>11.1 Prices shall be quoted in Pak Rupees unless otherwise specified in the Bid Data Sheet</p>
12	Documents Establishing Bidder's Eligibility & Qualification	<p>12.1 Pursuant to ITB Clause 8, the Bidder shall furnish, as part of its bid, documents establishing the Bidder's eligibility to bid and its qualifications to perform the contract if its bid is accepted</p> <p>12.2 The documentary evidence of the Bidder's qualifications to perform the contract if its bid is accepted shall establish to the Purchaser's satisfaction:</p> <p>12.3 The bidder meets the qualification criteria listed in the Bid Data Sheet</p>
13	Bid Security (If required so by Purchaser)	<p>13.1 Pursuant to ITB Clause 8, the Bidder shall furnish, as part of its bid, a bid security in the amount specified in the Bid Data Sheet.</p> <p>13.2 The bid security is required to protect the Purchaser against the risk of Bidder's conduct which would warrant the security's forfeiture, pursuant to ITB Clause 13.7.</p> <p>13.3 The bid security shall be in Pak. Rupees and shall be in one of the following forms:</p> <p>a) irrevocable en-cashable call-deposit/bank draft/pay order in name of the Purchaser given under ITB clause 13.1 of Bid Data Sheet.</p> <p>13.4 Any bid not secured in accordance with ITB Clauses 13.1 and 13.3 of the BDS will be rejected by the Purchaser as nonresponsive, pursuant to ITB Clause 22.</p> <p>13.5 Unsuccessful bidders' bid security will be discharged or returned as promptly as possible but not later than thirty (30) days after the expiration of the period of bid validity prescribed by the Purchaser pursuant to ITB Clause 14.</p> <p>13.6 The successful Bidder's bid security will be discharged upon the Bidder's successful supply of Goods duly acceptable to the purchaser.</p>

		13.7	The bid security may be forfeited: a) if a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Bid Form; or b) in the case of a successful Bidder, if the Bidder fails: i) to sign the contract in accordance with ITB Clause 30; ii) fails to deliver the Goods within stipulated time period as per Schedule of Requirements: Section: I – Part Two.
14	Period of Validity of Bids	14.1	Bids shall remain valid for the period specified in the Bid Data Sheet after the date of bid opening prescribed by the Purchaser, pursuant to ITB Clause 20. A bid valid for a shorter period shall be rejected by the Purchaser as nonresponsive
		14.2	In exceptional circumstances, the Purchaser may solicit the Bidder's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. The bid security provided under ITB Clause 13 shall also be suitably extended. A Bidder may refuse the request without forfeiting its bid security. A Bidder granting the request will not be required nor permitted to modify its bid.
D. Submission of Bids			
15	Format & Signing of Bids	15.1	The Bidder shall prepare an original and the number of copies of the bid indicated in the Bid Data Sheet, clearly marking each "ORIGINAL BID" and "COPY OF BID," as appropriate. In the event of any discrepancy between them, the original shall govern.
		15.2	The original and the copy or copies of the bid shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the contract. All pages of the bid, except for unamended printed literature, shall be initialled by the person or persons signing the bid.
		15.3	Any interlineation, erasures, or overwriting shall not be valid even if they are initialled by the person or persons signing the bid. The bid should be duly binded and each page signed/stamped by authorized person
16	Sealing and Marking of Bids	16.1	The Bidder shall seal the original and each copy of the bid in separate envelopes, duly marking the envelopes as "ORIGINAL" and "COPY." The envelopes shall then be sealed in an outer envelope.
		16.2	The inner and outer envelopes shall: <ul style="list-style-type: none">• be addressed to the Purchaser at the address given in the Bid Data Sheet; and

		<ul style="list-style-type: none"> • bear the name indicated in the Bid Data Sheet, the Invitation for Bids title and number indicated in the Bid Data Sheet, and a statement: "DO NOT OPEN BEFORE," to be completed with the time and the date specified in the Bid Data Sheet, pursuant to ITB Clause 20. <p>16.3 The inner envelopes shall also indicate the name and address of the Bidder to enable the bid to be returned unopened in case it is declared "late".</p> <p>16.4 If the outer envelope is not sealed and marked as required by ITB Clause 16.2, the Purchaser will assume no responsibility for the bid's misplacement or premature opening.</p>
17	Deadline for Submission of Bids	<p>17.1 Bids must be received by the Purchaser at the address specified in the Bid Data Sheet no later than the time and date specified in the Bid Data Sheet.</p> <p>17.2 The Purchaser may, at its discretion, extend this deadline for the submission of bids by amending the bidding documents in accordance with ITB Clause 6, in which case all rights and obligations of the Purchaser and bidders previously subject to the deadline will thereafter be subject to the deadline as extended</p>
18	Late Bids	<p>18.1 Any bid received by the Purchaser after the deadline for submission of bids prescribed by the Purchaser pursuant to ITB Clause 17 will be rejected and returned unopened to the Bidder.</p>
19	Modification & Withdrawal of Bids	<p>19.1 The Bidder may modify or withdraw its bid after the bid's submission, provided that written notice of the modification, including substitution or withdrawal of the bids, is received by the Purchaser prior to the deadline prescribed for submission of bids.</p> <p>19.2 The Bidder's modification or withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of ITB Clause 16. A withdrawal notice may also be sent by cable, but followed by a signed confirmation copy, postmarked not later than the deadline for submission of bids.</p> <p>19.3 No bid may be modified after the deadline for submission of bids.</p> <p>19.4 No bid may be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Bid Form. Withdrawal of a bid during this interval may result in the Bidder's forfeiture of its bid security, pursuant to the ITB Clause 13.7.</p>
20	Opening of Bids by the Purchaser	<p>20.1 The Purchaser will open all bids in the presence of bidders' representatives who choose to attend, at the time, on the date, and at the place specified in the Bid Data Sheet. The bidders' representatives who are</p>

		<p>present shall sign a register/ attendance sheet evidencing their attendance.</p> <p>20.2 The bidders' names, bid modifications or withdrawals, bid prices, discounts, and the presence or absence of requisite bid security and such other details as the Purchaser, at its discretion, may consider appropriate, will be announced at the opening. No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the bidder pursuant to ITB clause 18.</p>
21	Clarification of Bids	<p>21.1 During evaluation of the bids, the Purchaser may, at its discretion, ask the Bidder for a clarification of its bid. The request for clarification and the response shall be in writing, and no change in the prices or substance of the bid shall be sought, offered, or permitted</p>
22	Preliminary Examination	<p>22.1 The Purchaser will examine the bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the bids are generally in order.</p> <p>22.2 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If the Supplier does not accept the correction of the errors, its bid will be rejected, and its bid security may be forfeited. If there is a discrepancy between words and figures, the amount in words will prevail.</p> <p>22.3 The Purchaser may waive any minor informality, nonconformity, or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.</p> <p>22.4 Prior to the detailed evaluation, pursuant to ITB Clause 23 the Purchaser will determine the substantial responsiveness of each bid to the bidding documents. For purposes of these Clauses, a substantially responsive bid is one which conforms to all the terms and conditions of the bidding documents without material deviations. Deviations from, or objections or reservations to critical provisions, such as those concerning Bid Security (ITB Clause 13) and Taxes and Duties will be deemed to be a material deviation. The Purchaser's determination of a bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.</p>

		22.5	If a bid is not substantially responsive, it will be rejected by the Purchaser and may not subsequently be made responsive by the Bidder by correction of the nonconformity
23	Evaluation & Comparison of Bids	23.1 23.2	The Purchaser will evaluate and compare the bids which have been determined to be substantially responsive, pursuant to ITB Clause 22. The Purchaser's evaluation of a bid, further elaborated under Bid Data Sheet, will be on delivered duty paid (DDP) price inclusive of prevailing duties and transportation charges, and it will exclude any allowance for price adjustment during the period of execution of the contract, if provided in the bid
24	Contracting the Purchaser	24.1 24.2	Subject to ITB Clause 21, no Bidder shall contact the Purchaser on any matter relating to its bid, from the time of the bid opening to the time the contract is awarded. If the Bidder wishes to bring additional information to the notice of the Purchaser, it should do so in writing. Any effort by a Bidder to influence the Purchaser in its decisions on bid evaluation, bid comparison, or contract award may result in the rejection of the Bidder's bid.
25	Qualification	25.1 25.2	In the absence of prequalification, the Purchaser will determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated responsive bid is qualified to perform the contract satisfactorily. The determination will take into account the Bidder's compliance with the qualification criteria defined in the Bid Data Sheet.
26	Award Criteria	26.1	Subject to ITB Clause 28, the Purchaser will award the contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the contract satisfactorily
27	Purchaser's Right to Vary Quantities at Time of Award	27.1	The Purchaser reserves the right at the time of contract award to increase or decrease, by the percentage indicated in the Bid Data Sheet, the quantity of goods and services originally specified in the Schedule of Requirements without any change in unit price or other terms and conditions
28	Purchaser's Right to Accept any Bid and to Reject any or All Bids	28.1	The Purchaser reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to the affected Bidder or bidders. The Purchaser will inform the affected Bidder or bidders of the grounds for the Purchaser's action, if so

		requested, but the Purchaser shall not be required to justify the grounds
29	Notification of Award	<p>29.1 Prior to the expiration of the period of bid validity and subject to ITB Clause 29.3, the Purchaser will notify the successful Bidder in writing by registered letter or by cable, to be confirmed in writing by registered letter, that its bid has been accepted.</p> <p>29.2 The notification of award under ITB 29.1 will constitute the formation of the Contract.</p> <p>29.3 The Purchaser shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of contract.</p>
30	Signing of Contract	<p>30.1 At the same time as the Purchaser notifies the successful Bidder that its bid has been accepted, the Purchaser will send the Bidder the Contract Form provided in the bidding documents, incorporating all agreements between the parties.</p> <p>30.2 Within fifteen (15) days of receipt of the Contract Form, the successful Bidder shall sign and date the contract and return it to the Purchaser</p>
31	Corrupt or Fraudulent Practices	<p>31.1 The Purchaser observes the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Purchaser:</p> <ul style="list-style-type: none"> a. defines, for the purposes of this provision, the terms set forth below as follows: “corrupt and fraudulent practices” includes the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; 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 procuring agencies of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty b. will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question; c. will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the firm has engaged in corrupt and fraudulent practices in competing for, or in executing, a previous contract

Section II-Bid Data Sheet

The following specific data for the goods to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB): Section I. Whenever there is a conflict, the provisions herein shall prevail over those in ITB

B. Preparation of Bids & Bidding Procedure		
ITB 7.1	Language of Bid	English
ITB 10.2	The Price quoted shall be	Fixed and must include the Income & General Sales Taxes (GST) and other taxes and duties, where applicable as per law. If there is no mention of taxes, the offered / quoted price(s) will be considered as inclusive of all prevailing taxes / duties.
ITB 10.5	The price shall be	Fixed and must include the Income & General Sales Taxes (GST) and other taxes and duties, where applicable as per law. If there is no mention of taxes, the offered / quoted price(s) will be considered as inclusive of all prevailing taxes / duties.
ITB 12.2 a	Qualification Requirement	<ol style="list-style-type: none">1. The Bidder must have at least five years of experience in manufacturing or supplying of similar items as requisitioned in the bid.2. Documentary evidence to this effect must be provided with the Bid, which includes copy of contract/purchase order, etc.3. The bidder must submit National Tax No., Sales Tax No, Certificates, as well as certificate of incorporation/registration of the firm..
ITB 13.1	Amount of Bid Security	As decided by Purchaser.
ITB 13.3	Form of Bid Security	<ol style="list-style-type: none">1. The tenders found deficient of the amount as bid security compared to total bid price will not be considered.2. No personal cheques will be acceptable at any cost.3. The previous bid security will not be considered or carried forward.
ITB 14.1	Bid Validity Period	Bid should remain valid for 90 days from the closing date.

ITB 15.1	Number of Copies	One original & One additional Copy.
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C. Submission of Bids

ITB 17.1	Address for Bid Submission	
ITB 17.2	Deadline for Submission of Bids	

D. Opening & Evaluation of Bids

ITB 20.1	Time, date and place for bid opening	
ITB 23.2	Criteria for Bid Evaluation	<ol style="list-style-type: none"> 1. Delivered Duty Paid (inclusive of all applicable taxes & transportation charges) Price Only 2. The tenderer has to quote only one rate for each item as per tender specification. No alternate model or separate accessories will be accepted 3.

E. Opening & Evaluation of Bids

ITB 27.1	Percentage for quantities increased or decreased	
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Section III-A-Schedule of Requirements

Sr #	Items	Specification	Estimated Qty	Delivery schedule
1.				
2.				
3.				
4.				
5.				
6.				
7.				

Section III-B-Technical Specifications

Sr #	Items	Specifications
1.		
2.		
3.		
4.		
5.		
6.		
7.		

Section IV Standard Forms

A. Bid Form/ Cover Letter

Date
Ref No.

[Insert Designation]

[Insert Address]

Dear Sir,

Having examined the bidding documents, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply and deliver *the goods* in conformity with the said bidding documents for the sum of Rs.-----.

We undertake, if our Bid is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we hereby agree that our Bid Security as being provided herewith this "Bid Form", will remain with the Purchaser according to Clause 13.6 of Instructions to Bidders.

We also agree to abide by this Bid for a period of *90* days from the date fixed for Bid opening under Clause 20 of the Instructions to Bidders, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us

Dated this _____ day of _____ 20____

(signature)

[in the capacity of]

Duly authorized to sign Bid for and on behalf of _____

B. Price Schedule

Name of Bidder _____

Sr #	Items	Specification	Estimated Qty	Price per Unit	Total Price
1.					
2.					
3.					
4.					
5.					
6.					
7.					

Total amount of Bid _____

Amount in Figure _____

Amount in Words _____

**Signatures of
Authorized Person** _____

Annex XXIII

APPLICANTS COMPARATIVE STATEMENT

Date:

Sr #	Applicant's Name	Technical Evaluation Score	Financial Evaluation Score	Qualified Y/N	Comments
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

Remarks

Signature

Position

Date

ANNEX XXIV
EVALUATION REPORT

1. Name of Procuring Agency
.....
2. Method of Procurement
.....
3. Title of Procurement
.....
4. Bidding Document Reference No.
.....
5. Date & Time of Bid Opening
.....
6. Date & Time of Bid Closing
.....
7. No. of Bids Received
.....
8. Criteria for Bid Evaluation
.....
9. Details of Bid Evaluation
.....

Sr #	Name of Applicant	Technical Marks	Financial Marks	Comments

Any other additional / supporting information, the procuring agency may like to share.

Signature

Office Stamp

ANNEX XXV

A. Contract Form

This agreement made on the _____ day of _____ between _____
hereinafter called the Purchaser of the one part & _____ hereinafter
called the Supplier of the other part:

WHEREAS the Purchaser invited bids for certain Goods and has accepted a bid by the Supplier for
the supply of those Goods in the sum of [contract price in words and figures] (hereinafter called
"the Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
 - ❖ The Bid Form and the Price Schedule submitted by the Bidder;
 - ❖ The Schedule of Requirements;
 - ❖ The Technical Specification;
 - ❖ The General Conditions of Contract;
 - ❖ The Special Conditions of Contract;
 - ❖ The Purchaser's Notification of Award.
3. In consideration of the payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the Goods and to remedy defects therein in conformity in all respects with the provisions of the Contract
4. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the goods the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with their respective laws the day and year first above written

Signed, sealed, delivered by _____ for the Purchaser

Signed, sealed, delivered by _____ for the Supplier

General Conditions of Contract

1	Definition	<p>1.1 In this Contract, the following terms shall be interpreted as indicated</p> <ul style="list-style-type: none"> ❖ "The Contract" means the agreement entered into between the Purchaser and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein. ❖ "The Contract Price" means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations. ❖ "The Goods" means all of the equipment, machinery, and/or other materials which the Supplier is required to supply to the Purchaser under the Contract. ❖ "The Services" means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract. ❖ "GCC" means the General Conditions of Contract contained in this section. ❖ "SCC" means the Special Conditions of Contract. ❖ The Purchaser means ❖ The Suppliers means means the individual or firm supplying the Goods and Services under this Contract. ❖ "Day" means calendar day
2.	Application	<p>2.1 These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of the Contract.</p>
3.	Standards	<p>3.1 The Goods supplied under this Contract shall conform to the standards mentioned in the Technical Specifications, and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the concerned institution.</p>
4.	Inspections and Tests	<p>4.1 The inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the Goods' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Purchaser</p> <p>4.2 Should any inspected or tested Goods fail to conform to the Specifications, the Purchaser may reject the Goods, and the Supplier shall either replace the</p>

		4.3 4.4	rejected Goods or make alterations necessary to meet specification requirements free of cost to the Purchaser The Purchaser's right to inspect, test and, where necessary, reject the Goods after the Goods' arrival at the Purchaser's delivery point shall in no way be limited or waived by reason of the Goods having previously been inspected, tested, and passed by the Purchaser or its representative prior to the Goods' shipment from the factory/warehouse. Nothing in GCC Clause 4 shall in any way release the Supplier from any warranty or other obligations under this Contract.
5.	Packing	5.1 5.2	The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the Contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the Goods' final destination and the absence of heavy handling facilities at all points in transit. The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the Purchaser.
6.	Delivery & Documents	6.1	Delivery of the Goods shall be made by the Supplier in accordance with the terms specified in the Schedule of Requirements
7.	Transportation	7.1	The Supplier is required under the Contract to transport the Goods to a specified place of destination i.e., Islamabad Office.
8.	Warranty	8.1	The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the Contract. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the Purchaser's specifications) or from any act or omission of the Supplier, that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination
9.	Payment	9.1	The method and conditions of payment to be made to the Supplier under this Contract shall be specified in SCC.

		9.2	The Supplier's request(s) for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and Services performed and upon fulfillment of other obligations stipulated in the Contract
		9.3	Payments shall be made promptly by the Purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the Supplier.
		9.4	The currency of payment is Pak. Rupees.
10.	Prices	10.1	Prices charged by the Supplier for Goods delivered and Services performed under the Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any price adjustments authorized in SCC or in the Purchaser's request for bid validity extension, as the case may be.
11.	Change Orders	11.1	The Purchaser may at any time, by a written order given to the Supplier pursuant to GCC Clause 21, make changes within the general scope of the Contract
		11.2	If any such change causes an increase or decrease in the cost of, or the time required for, the Supplier's performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract Price or delivery schedule, or both, and the Contract shall accordingly be amended. Any claims by the Supplier for adjustment under this clause must be asserted within fifteen (15) days from the date of the Supplier's receipt of the Purchaser's change order No variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties
12.	Contract Amendments	12.1	No variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties
13.	Assignment	13.1	The Supplier shall not assign, in whole or in part, its obligations to perform under this Contract
14.	Delays in the Supplier's Performance	14.1	Delivery of the Goods and performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Purchaser in the Schedule of Requirements.
		14.2	If at any time during performance of the Contract, the Supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the Goods and performance of Services, the Supplier shall promptly notify the Purchaser in writing of the fact of the delay, its likely duration and its cause(s).
		14.3	Except as provided under GCC Clause 17, a delay by the Supplier in the performance of its delivery obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC

		Clause 15, unless an extension of time is agreed upon pursuant to GCC Clause without the application of liquidated damages
15.	Liquidated Damages	<p>13.1 Subject to GCC Clause 17, if the Supplier fails to deliver any or all of the Goods or to perform the Services within the period(s) specified in the Contract, the Purchaser shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in SCC of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in SCC. Once the maximum is reached, the Purchaser may consider termination of the Contract pursuant to GCC Clause 16</p>
16.	Termination for Default	<p>13.1 The Purchaser, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, may terminate this Contract in whole or in part:</p> <ul style="list-style-type: none"> a) if the Supplier fails to deliver any or all of the Goods within the period(s) specified in the Contract, or within any extension thereof granted by the Purchaser pursuant to GCC Clause 14.2; or b) if the Supplier fails to perform any other obligation(s) under the Contract. c) if the Supplier, in the judgment of the Purchaser has engaged in corrupt and fraudulent practices in competing for or in executing the Contract. <p>For the purpose of this clause:</p> <p>“corrupt and fraudulent practices” includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; 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 procuring agencies of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty.</p> <p>13.1 In the event the Purchaser terminates the Contract in whole or in part, pursuant to GCC Clause 16.1, the Purchaser may procure, upon such terms and in such manner as it deems appropriate, Goods or Services</p>

			similar to those undelivered, and the Supplier shall be liable to the Purchaser for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of the Contract to the extent not terminated.
17.	Force Majeure	17.1 17.2	For purposes of this clause, "Force Majeure" means an event beyond the control of the Supplier and not involving the Supplier's fault or negligence and not foreseeable. Such events may include, but are not restricted to, acts of the Purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes. If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event
18.	Resolution of Dispute	18.1 18.2	The Purchaser and the Supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract. If, after thirty (30) days from the commencement of such informal negotiations, the Purchaser and the Supplier have been unable to resolve amicably a Contract dispute, either party may require that the dispute be referred for resolution to the formal mechanisms specified in SCC. These mechanisms may include, but are not restricted to, conciliation mediated by a third party, adjudication in an agreed manner and/or arbitration
19.	Governing Language	13.1	The Contract shall be written in the language specified in SCC. Subject to GCC Clause 20, the version of the Contract written in the specified language shall govern its interpretation. All correspondence and other documents pertaining to the Contract which are exchanged by the parties shall be written in the same language
20.	Applicable Law	13.1	The Contract shall be interpreted in accordance with laws of Islamic Republic of Pakistan. If there is any discrepancy between the laws and these biding documents, the provisions of the laws and rules will prevail
21.	Notices	21.1 21.2	Any notice given by one party to the other pursuant to this Contract shall be sent to the other party in writing or by cable, telex, or facsimile and confirmed in writing to the other party's address specified in SCC. A notice shall be effective when delivered or on the notice's effective date, whichever is later

22.	Taxes & Duties	22.1 Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods to the Purchaser.
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Special Conditions of Contract

The following Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract. The corresponding clause number of the GCC is indicated in parentheses.

Inspections and Tests (GCC Clause 4)

GCC 4.1—Inspection and tests prior to supply of Goods and at final acceptance are as follows: The Purchaser or its representative shall have the right to inspect and or to test the supplies at the destination to confirm their conformity to the Contract specifications at no extra cost to the Purchaser.

Packing (GCC Clause 5)

GCC 5.2 – Packing & accessories: The bidder shall deliver the supplies at the destination in scratch-less condition with all the manufacturer supplied accessories.

Payment (GCC Clause 9)

GCC 9.1 & 9.3 —The method and conditions of payment to be made to the Supplier under this Contract shall be as follows:

Payment for Goods supplied:

Payment shall be made in Pak. Rupees in the following manner:

On Acceptance: Hundred (100) percent of the supply order Price of the supplies delivered and received shall be paid within fifteen (15) days of submission of claim supported by the acceptance certificate issued by the purchaser.

Prices (GCC Clause 10)

GCC 10.1—Prices shall be: Fixed.

Liquidated Damages (GCC Clause 15)

GCC 15.1—Applicable rate: Applicable rates shall not exceed one (1.0) % per day and the maximum shall not exceed ten (10) % of the contract price.

Resolution of Disputes (GCC Clause 18)

GCC 18.2—The dispute resolution mechanism to be applied pursuant to GCC Clause 18.2 shall be as follows:

In the case of a dispute between the Purchaser and the Supplier, the dispute shall be referred to arbitration in accordance with the laws of the Islamic Republic of Pakistan.

Governing Language (GCC Clause 19)

GCC 19.1—The Governing Language shall be: English.

Supplier's address for notice purposes:
