

# **Supplementary Document 15:**

## **Procurement Risk Assessment**



# JALALPUR IRRIGATION PROJECT (JIP) Procurement Risk Assessment (PRA)

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## **Abbreviations and Acronyms**

ADB	–	Asian Development Bank
ADP	–	Annual Development Program
JV	–	Joint venture
PID	–	Punjab Irrigation Department
PPRA	–	Punjab Procurement Regulatory Authority
PPR	–	Punjab Procurement Rules
NAB	–	National Accountability Bureau
OFWM	–	On farm water management
P&A	–	Prevention and Awareness
PEC	–	Pakistan Engineering Council
PSDP	–	Public Sector Development Plan
QCBS	–	Quality and cost based selection
RFP	–	Request for Proposal
SBD	–	Standard bidding document



## **A. EXECUTIVE SUMMARY**

1. General environment for procurement in Pakistan/agency is satisfactory and to large extent harmonized with the internationally accepted practices and procedures. At provincial level, the Services and General Administration Department published “Punjab Procurement Rules 2014” and before that “Punjab Procurement Regulatory Authority Act, 2012” promulgated by provincial assembly to improve governance, management, transparency, accountability and quality of procurement of goods, works, and services through the Punjab Procurement Regulatory Authority (PPRA).

2. Many of the rules and regulations either are direct references from guidelines of Multilateral Development Banks (MDBs) such as World Bank and Asian Development Bank (ADB) or are derived from their regulations. Due to frequently assisted programs in Pakistan, many executing agencies in Provincial Governments appear to be well versed with different donor guidelines and procedures at concept level. Public procurement has therefore evolved/improved in terms of capacity building of human resource and processes/procedures though still a long way to maturity, optimal efficiency and effectiveness.

## **B. INTRODUCTION**

3. This report encompasses Procurement Risk Assessment (PRA)-Part 1 and Project Procurement Risk Assessment (PPRA)-Part 2.<sup>1</sup>

4. The Procurement Risk Assessment (PRA) has been prepared in accordance with the approach to assessing “Country and Sector/Agency Procurement Risk Assessment” to (i) identify risks that national or sector systems and/or practices could result in sub-optimal use of national and/or ADB resources, either through leakage or inefficiency; and (ii) assess the severity of the risk; and (iii) develop a practical risk management plan to address at a minimum high or significant procurement risks at the country and sector level. The objective of the assessment is to carry out a broad assessment of the agency’s public procurement system with a view to (i) analyse its different components, including the existing legal framework, organizational responsibilities, control and oversight mechanisms, capacity, and current procedures and practices, as well as how well these works in practice; and (ii) prepare an action plan for further improvements in the system. The PRA includes assessment of the agencies involved including PID and OFWM Directorate General.

5. The project procurement risk assessment (PPRA) has also been prepared in accordance with the Guidelines for Assessing Country, Sector and Project Procurement Risks (August 2014).

6. PRA and PPRA preparation activities included reviewing documents, ADB’s ongoing procurement experience, and interviews with counterpart staff and discussions with stakeholders. The PPRA includes assessment of Project Management Unit, Lower Bari Doab Canal Improvement Project (PMU LBDCIP), which is the proposed IA of the Project.

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<sup>1</sup> The PRA & PPRA Reports along with the related Appendices have been developed using ADB “Guide on Assessing Procurement Risks and Determining Project Procurement Classification” – April 2014.

## **1. AGENCY WISE PROCUREMENT RISK ASSESSMENT**

### **1.1 Assessment of Punjab Irrigation Department (PID)**

#### **1.1.1 Overview**

1. Punjab Irrigation Department (PID) is headed by the Secretary, who is assisted at the secretariat level by Additional Secretaries and Deputy Secretaries. The PID follows Punjab Procurement Rules 2014 for procurement of Goods, Works and Services.

#### **1.1.2 Legislative and Regulatory Framework**

2. Government of Punjab (in light of Section 26 of Punjab Procurement Regulatory Authority Act, 2009 (Punjab Act No. VIII of 2009)) on 13 January 2014 issued Punjab Procurement Rules, 2014 for procurement of Goods, Works, and Services to improve governance, management, transparency, accountability and quality through the Punjab Procurement Regulatory Authority (PPRA).

3. Open competitive bidding is the principal method of procurement of goods, services and works. Rule 12 of PPR 2014, obligates that all procurements over one hundred thousand Rupees (nearly US\$ 1,000) are subject to mandatory advertisement on the Authority's website in the manner and format specified by regulation of the Authority from time to time. These procurement opportunities are advertised under Rule 12 of PPR 2014 in print media as well when exceeded two million rupees (nearly US\$ 20,000).

4. In general, the PID follows the provincial legal framework and procurement rules that support non-discriminatory participation and transparent procurement processes under Rule 34 and 66 respectively. The procurement processes are mandatory through open competition under Rule 22, properly advertised with sufficient response time pursuant to Rule 14. In addition, proper complaint mechanism is in-place under Rule 67.

#### **1.1.3 Institutional Framework and Management Capacity**

5. Punjab Procurement Regulatory Authority (PPRA) being the lead regulatory organization serves as the centre and focal point of all public procurement and exercises oversight over all procurements carried out by the provincial agencies/departments.

6. In term of its operations, PPRA through its website not only serves as the source for nationwide advertisement of public procurement notices but also reviews in advance the procurement notices advertised by different procuring agencies. PPRA often withholds publication of those notices, which appear to be in violation of PPRA rules; and advises the procuring agency to rectify those shortcomings. In addition to that by virtue of collection and disclosure of record of procurements, the PPRA website also serves as a database of procurement that includes basic information of all the procurements and therefore furnishes data for all the watchdogs on public procurement.

7. While PPRA exercises its mandate of procurement regulations and operations, other organizations such as NAB (National Accountability Bureau under its initiative of P&A (Prevention and Awareness) also reviews major public procurements carried out by different agencies at the provincial level to prevent any mis-procurement, and ensures transparency in procurements and can seek briefing and explanation on any procurement from a procuring agency and is found



continuously exercising this practice. Similarly, different non-governmental organizations serving as local/international overseers (such as Transparency International, Whistle Blower etc.) are found vigilant in observing compliance to public procurement rules/regulations and indicating whenever there is a violation.

8. PID has a formal internal and external audit and control system. Annual audit is conducted regularly by the internal as well as external auditors of the procurement carried out by the agency during the preceding years.

9. PID relevant procurement staff is competent and well versed with local procedures; however, they have limited knowledge of ADB's procurement guidelines. Procurement related capacity building trainings are conducted by PPRA at the provincial level and PID staff is sent for the trainings as per announced schedule.

#### 1.1.4 Procurement Operations and Market Practices

10. The projects undertaken by PID are identified within the Department and are approved by the competent forum; and accordingly, budget is sanctioned at the start of the fiscal year for the Department. Budget availability is confirmed prior to solicitation of tenders. Regulations require procurement plan to be prepared and formulated in the beginning of the fiscal year. PID follow the procurement planning process; however, they are not linked to multiyear operation plans and budget formulations.

11. Rule 12 of PPR 2014 specifies that invitations to tender above PKR 100,000 shall be published on the authority website and in national media. Time limits for submission of bids are provided in the advertisements. PID follows response time of **fifteen days** for national competitive bidding and **thirty days** for international competitive bidding from the date of publication of advertisement or notice (Rule 14 of PPR 2014). All advertisements or notices expressly mention the response time allowed for that particular procurement along with the information for collection of bid documents which are issued till a given date, allowing sufficient time to complete and submit the bid by the closing date.

12. All bids submitted after the prescribed time are rejected and returned without being opened.

13. PPR 2014 have provisions for evaluation and comparison of bids. While the rules provide principles, it does not provide details of evaluation methods and processes. Rather, the Rules require only that these be specified precisely in the bidding documents however detailed bidding documents prepared by Pakistan engineering Council (PEC) have been uploaded on PPRA web. In addition, rules warrant that failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement (Rule 31 of PPR 2014).

14. PPR 2014 clearly stipulate that any violation of the rules shall be treated as mis-procurement (Rule 69). However, the rules are silent on what to do next and what to do with the authorized breach of rules. The PPRs do not address violations of procurement procedures, conflict of interest or unethical behavior etc.

15. Chapter VII of PPR 2014 covers "Procurement of Consultancy Services", which are mandatory for all the provincial government departments to follow in procurement of consultant/consulting services. The government departments plan adequate funds for consultant/consulting services` procurement every year in case the need arises to hire consultants/consulting firms for technical assistance in any of the required fields. PID identifies

processes, manages, evaluates, and monitors procurement of consultant/consulting services that have been identified. The selection system is determined by PID prior to issuance of the RFPs from prospective consultants. PID may use Quality based selection, Quality and cost based selection, least cost selection, single source or direct selection; and fixed budget selection methods for selection of consultants/firms.

### **1.1.5 Integrity and Transparency of Public Procurement System**

16. Bidders have a right to complain or to file an appeal to the Authority under the Rule 67 of PPR 2014. The contracts signed by the contracting parties entail dispute resolution mechanism clause to settle the disputes among the parties.

17. Comprehensive information on procurement is easily and freely accessible from PPRA website, as well as in media of wide circulation. Rule 66 “Public access and transparency” binds procuring agencies to announce reports and disclose information related to procurement processes including contract awards. The relevant section on PPRA website is observed to have been regularly updated on authority’s website.

18. PPR 2014 entail mechanism and manner to permanently or temporarily bar, from participating in their respective procurement proceedings, suppliers, contractors and consultants who either consistently fail to provide satisfactory performances or are found to be indulging in corrupt or fraudulent practices or abandon the work prematurely resulting in loss to Government. Such barring action are duly publicized and communicated to the PPRA, provided that any contractor or consultant who is to be blacklisted shall be accorded adequate opportunity of being heard in person.

19. Anybody found engaged in corruption can be held for investigation and can be preceded in accountability courts under National Accountability Bureau Ordinance 1999 by NAB. Furthermore, PPR 2014 mandate the procuring agencies to sign the integrity pact with the supplier/contractor wherein supplier/contractor undertake that he has not indulged in any corrupt business practices during the procurement process. Ethics and anticorruption measures are in-place.

### **1.1.6 Strengths**

- (i) Government of Punjab on 13 January 2014 issued Punjab Procurement Rules, 2014 for procurement of Goods, Works, and Services to improve governance, management, transparency, accountability and quality through the Punjab Procurement Regulatory Authority (PPRA) under PPRA Act 2009.
- (ii) NAB (National Accountability Bureau) under its initiative of P&A (Prevention and Awareness) also reviews major public procurements carried out by different agencies to prevent any mis-procurement.
- (iii) Processes for information management, effectiveness and accountability measures are simple and satisfactory and deficiencies can be addressed by additional staff and resources. External audits are budgeted for and conducted according to Government’s requirements.
- (iv) All bids submitted after the time prescribed are rejected and returned without being opened
- (v) The contracts signed by the contracting parties entail dispute resolution mechanism clause to settle the disputes among the parties.
- (vi) PPR 2014 do not provide specific provisions for foreign assisted projects; however if any provisions of PPR 2014 are in conflict with provisions of international obligation of

- the government arising out of the bilateral or multilateral agreement, the provisions of such international agreement shall prevail (Rule 5 of PPR 2014).
- (vii) PPR 2014 under rule 19 provide provision for disqualification of a contractor on the ground that he had provided false, fabricated or materially incorrect information thereby enforcing provision for transparency and correctness in the bidding process.
  - (viii) PPR 2014 under rule 34 abstain from placing any provisions that may restrict the competition under the title "Discriminatory and Difficult Conditions".
  - (ix) PPRA Rules 2014 under rule 62 instruct the government agencies to pay the Contractor within due time thereby ensure equitable contracting practices.
  - (x) PPRA Rules 2014 under rule 64 instruct the Employers/government agencies to issue defect liability certificate and final payment to the Contractor to diligently close the contract.
  - (xi) PPRA Rules under rule 66 requires all agencies to disclose information related to evaluation and award of each contract and thus promote transparency.

### 1.1.7 Weaknesses

- (i) Standard Bid Documents for procurement of works/goods for pre/ post qualification available on the PEC/PPRA web site are commonly used.
- (ii) PID mostly lack in resources and capacity and hire services of expert consultants/firms to assist them in carrying out procurement of ICB projects.
- (iii) The institutional capacity is weak in areas such as the designing of specifications and unambiguous evaluation criteria; packaging; preparation of evaluation reports etc.

### 1.1.8 Overall procurement risk rating of Punjab Irrigation Department

**Table 1-1: Overall procurement risk rating of Punjab Irrigation Department**

Indicators/Questions	PID	
	Score*	Rating**
1. Legislative and Regulatory Framework	Average=3	Low
2. Institutional Framework/Management Capacity	Average=2.5	Moderate
3. Procurement Operations/ Market Practices	Average= 2.33	Moderate
4. Integrity and Transparency of the Public Procurement System	Average=2.66	Moderate
<b>OVERALL SCORES</b>	<b>Average=2.62</b>	<b>Moderate</b>

\* Scores have been given to each question in the corresponding Annex 1-ranging from 1-3.

Score 1=High, Score 1.1-2=Substantial, Score 2.1-.2.75=Moderate, Score 2.75-3=Low

\*\* Overall rating described following impact"

*High- likely to occur, likely to have high impact if occurs*

*Substantial - unlikely to occur, but likely to have high impact if occurs*

*Moderate - likely to occur, but unlikely to have high impact if occurs*

*Low - not likely to occur, not likely to have high impact if occurs*

### 1.1.9 Procurement Risk Assessment and Management Plan (P-RAMP) for Agencies Procurement Assessment

**Table 1-2: Procurement Risk Assessment and Management Plan (P-RAMP) for Agencies Procurement Assessment<sup>2</sup>**

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Lack of experience of agency in ICB projects.	<b>Substantial</b>	Capacity building and enhancement through hiring of individual consultants to assist the Agency in timely, efficient and transparent procurement.
<b>Overall</b>	<b>Substantial*</b>	
* High	- likely to occur, likely to have high impact if occurs	
Substantial	- unlikely to occur, but likely to have high impact if occurs	
Moderate	- likely to occur, but unlikely to have high impact if occurs	
Low	- not likely to occur, not likely to have high impact if occurs	

## 1.2 Assessment of “On Farm Water Management” Directorate General

### 1.2.1 Overview

20. On Farm Water Management (OFWM) Directorate General of Agriculture Department is headed by Director General who is assisted by Directors and Deputy Directors. OFWM program has been recognized as one of the major driving forces for transforming the Punjab’s agriculture into a science-based, vibrant, and internationally linked sector. The objective of OFWM is to maximize crop and water productivity by ensuring efficient conveyance, application and use of irrigation water viz-a-viz promoting improved water management interventions through user participation.

### 1.2.2 Legislative and Regulatory Framework

21. In general, the OFWM Directorate General follows the national legal framework and procurement Rules (as described in section 1.1.2 above) that supports non-discriminatory participation and transparent procurement processes. The procurement processes is mandatory through open competition, properly advertised with sufficient response time, in addition proper complaint mechanism is in-place.

### 1.2.3 Institutional Framework and Management Capacity

22. OFWM Directorate General is governed by the institutional framework of Public Procurement Regulatory Authority (PPRA) described in section 1.1.3 above. OFWM Directorate General has a formal internal and external audit and control system. Annual audit is conducted regularly by the internal as well as external auditors of the procurement carried out by the unit during the preceding years. OFWM Directorate General’s relevant procurement staff is competent and well versed with local practices; they have been practicing ADB/ World Bank’s procurement guidelines on funded projects. A list of ADB funded projects is given in the Table 3:

<sup>2</sup> Project procurement assessment conducted for the project management unit, Lower Bari Canal Improvement Project (PMU-LBDCIP) rated “Low” risk as indicated in Section 2.1, and PMU-LBDCIP has experiences managing ICB projects.

**Table 1-3: ADB Funded Projects under Execution of OFWMDG**

<b>Sr. No.</b>	<b>Description</b>
1	OFWM Component of Chashma Right Bank Project (CRBCIP)
2	OFWM Component of Bahawalpur Rural Development Project (BRDP)
3	OFWM Component of National Drainage Program (NDP)
4	Third Punjab OFWM Project D.G. Khan and Bahawalpur
5	Second OFWM Project DG Khan
6	OFWM SCARP Khushab Project
7	OFWM Gujranwala Project
8	Thal OFWM Project

#### **1.2.4 Procurement Operations and Market Practices**

23. OFWM Directorate General's projects are identified within the Department of Agriculture and approved by the competent forum and accordingly budget is sanctioned at the start of the fiscal year for the Directorate General. Budget availability is confirmed prior to solicitation of tenders. OFWM Directorate General follows procurement planning process; however, it is not linked to multiyear operation plans and budget formulations.

24. Rule 12 of PPR 2014 specifies that invitations to tender above PKR 100,000 shall be published on the authority website and in national media. Time limits for submission of bids are provided in the advertisements. OFWM follows response time of **fifteen days** for national competitive bidding and **thirty days** for international competitive bidding from the date of publication of advertisement or notice (Rule 14 of PPR 2014). All advertisements or notices expressly mention the response time allowed for that particular procurement along with the information for collection of bid documents which are issued till a given date, allowing sufficient time to complete and submit the bid by the closing date.

25. All bids submitted after the time prescribed shall be rejected and returned without being opened.

#### **1.2.5 Integrity and Transparency of Public Procurement System**

26. Bidders have a right to complain or to file an appeal to the Authority under the Rule 67 of PPR 2014. The contracts signed by the contracting parties entail dispute resolution mechanism clause to settle the disputes among the parties.

27. Comprehensive information on procurement is easily and freely accessible from PPRA website, as well as in media of wide circulation. Rule 66 "Public access and transparency" binds procuring agencies to announce reports and disclose information related to procurement processes including contract awards. The relevant section on PPRA website is observed to have been regularly updated on authority's website.

28. PPR 2014 entail mechanism and manner to permanently or temporarily bar, from participating in their respective procurement proceedings, suppliers, contractors and consultants who either consistently fail to provide satisfactory performances or are found to be indulging in corrupt or fraudulent practices or abandon the work prematurely resulting in loss to Government. Such barring action are duly publicized and communicated to the PPRA, provided that any

contractor or consultant who is to be blacklisted shall be accorded adequate opportunity of being heard in person.

29. Anybody found engaged in corruption can be held for investigation and can be preceded in accountability courts under National Accountability Bureau Ordinance 1999 by NAB. Furthermore, PPR 2014 mandate the procuring agencies to sign the integrity pact with the supplier/contractor wherein supplier/contractor undertake that he has not indulged in any corrupt business practices during the procurement process. Ethics and anticorruption measures are in-place.

### 1.2.6 Strengths

- (i) Punjab Procurement Rules 2014 for procurement of Goods, Works and Services regulated through the Punjab Procurement Regulatory Authority (PPRA).
- (ii) NAB (National Accountability Bureau) also reviews major public procurements.
- (iii) Processes for information management, effectiveness and accountability measures are simple and satisfactory and deficiencies can be addressed by additional staff and resources. External audits are budgeted for and conducted according to Government's requirements.
- (iv) OFWM Directorate General is implementing the Punjab Irrigated Agriculture Productivity Improvement Project (PIPIP) financed by World Bank.

### 1.2.7 Weaknesses

- (i) Considering the scope of the proposed project, the existing procurement section of agency would require further strengthening in human resource through hiring of Procurement & Contract Management Specialist along with staff for assistance.
- (ii) The institutional capacity is weak in areas such as the designing of specifications, evaluation criteria; packaging; preparation of evaluation reports etc.

### 1.2.8 Overall procurement risk rating of OFMD Directorate General

**Table 1-4: Overall procurement risk rating of OFMD Directorate General**

Indicators/Questions	OFWMDG	
	Score*	Rating**
1. Legislative and Regulatory Framework	Average=3	Low
2. Institutional Framework/Management Capacity	Average=2.5	Moderate
3. Procurement Operations/ Market Practices	Average= 2.33	Moderate
4. Integrity and Transparency of the Public Procurement System	Average=2.66	Moderate
<b>OVERALL SCORES</b>	<b>Average=2.62</b>	<b>Moderate</b>

\* Scores have been given to each question in the corresponding Annex 1-ranging from 1-3.

Score 1=High, Score 1.1-2=Substantial, Score 2.1-.2.75=Moderate, Score 2.75-3=Low

\*\* Overall rating described following impact"

*High* - likely to occur, likely to have high impact if occurs  
*Substantial* - unlikely to occur, but likely to have high impact if occurs  
*Moderate* - likely to occur, but unlikely to have high impact if occurs

### 1.2.9 Procurement Risk Assessment and Management Plan (P-RAMP) for Agencies Procurement Assessment

**Table 1-5: Procurement Risk Assessment and Management Plan (P-RAMP) for Agencies Procurement Assessment<sup>3</sup>**

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Lack of experience of agency in ICB projects	<b>Substantial</b>	Capacity building and enhancement through hiring of individual consultants to assist the Sector/Agency in timely, efficient and transparent procurement.
<b>Overall</b>	<b>Substantial*</b>	
* High	- likely to occur, likely to have high impact if occurs	
Substantial	- unlikely to occur, but likely to have high impact if occurs	
Moderate	- likely to occur, but unlikely to have high impact if occurs	
Low	- not likely to occur, not likely to have high impact if occurs	

### 1.3 Conclusions

30. Procurement Risk Assessment of PID and OFWMDG are evaluated as “Moderate” risk.

31. Due to frequently assisted programs in Pakistan, many executing agencies in provincial governments appear to be well versed with different financier’s guidelines and procedures at concept level. Public procurement has, therefore, evolved/improved in terms of capacity building of human resource and processes/procedures though still a long way to maturity, optimal efficiency and effectiveness. Moreover, appointment/relocation of government staff on foreign funded projects have provided exposure of project implementation under international donors.

## 2. PROJECT PROCUREMENT RISK ASSESSMENT

### 2.1 Project Management Unit, Lower Bari Doab Canal Improvement Project (PMU LBDCIP)

#### 2.1.1 Introduction

32. The project procurement risk assessment (PRA) was prepared in accordance with the Guide on Assessing Procurement Risks and determining Project Procurement Classification (August 2014). The PRA includes assessment of Project Management Unit, Lower Bari Doab Canal Improvement Project (PMU LBDCIP), which is the proposed IA of the Project.

#### 2.1.2 Overview

33. The Project involves a broad range of procurement of contracts for each subproject covering consulting services, goods and works. For goods and works contracts, the main procurement method for works will be ICB and NCB; while shopping will be applied for low value items. For consulting services for loan implementation, QCBS (90:10) will be adopted.

<sup>3</sup> Although the assessment is rated “Substantial”, ICB procurements are not planned under the project outputs to be managed by OFMD Directorate General.

### **2.1.3 Organization and Staff Capacity**

34. Overall risk rating for the organizational and staff capacity of PMU LBDCIP is assessed as “Average”. The PMU is already monitoring LBDCIP and Punjab Irrigated Agriculture Investment Program (PIAIP) both funded by ADB, however both are nearing completion. The PMU does not have sufficient number of staff to undertake additional procurement for the proposed project. Though, the PMU has dedicated staff for procurement interventions, which is supervised by the designated procurement committee in light of PPR 2014. The respective procurement staff is found to have adequate technical skills to undertake procurement of consultancy services, and the procurement of goods and works however is not sufficient in number as mentioned above.

35. There are also established arrangements for handling the various stages of procurement from preparation of bid documents, tender invitation, bid evaluation, contract award, to construction supervision and contract performance monitoring. Checking and control of procurement processes are also in place.

### **2.1.4 Information Management**

36. Overall risk rating for the information management is assessed as “Low”. As required PMU LBDCIP is maintaining record of its respective procurement proceedings along with all associated documentation. The agency has maintained referencing system, which provides unique identification of each procurement activity. The PMU posts information pertaining to tenders and contract awards on its web site for public access.

### **2.1.5 Procurement Practices**

37. Overall risk rating for procurement practices is assessed as “Low”. The PMU has carried out two ICB projects in the last 36 months. Time limits for submission of bids were provided in the advertisements in accordance with ADB guidelines. Bids submitted after the prescribed time were rejected and returned without being opened. Bids were evaluated by the respective committees and contracts awarded to the lowest evaluated responsive bidders after seeking procurement/steering committee approval for respective bid. Further, ADB reviewed the procurement procedures, documents, bid evaluations, award recommendations and contracts to ensure that the procurement process was carried out in accordance with the agreed procedures.

### **2.1.6 Effectiveness**

38. Overall risk rating for “Effectiveness” is assessed as “Low”. Generally, the PMU through dedicated supervisory staff monitors the performance of the contractors and the consultants/firms hired for project development and implementation. The PMU diligently tracks its contractual payment obligations; however, there is still margin of improvement in follow up mechanism and timely release of payment. The contracts signed by the PMU entail a two-tier dispute resolution mechanism clause to settle the disputes among the contracting parties.

### **2.1.7 Accountability Measures**

Overall risk rating for “Accountability Measures” is assessed as “Low.” Bidders have a right to complain or to file an appeal to the Authority under the Rule 67 of PPR 2014. Bidders are free to send copies of their communications on issues and questions with the PMU to ADB or to write to ADB directly, when PMU do not respond promptly, or the communication is a complaint against



the PMU. The contracts signed by the contracting parties entail dispute resolution mechanism clause to settle the disputes among the parties.

### 2.1.8 Strengths

- (i) The Law on Procurement is available; and the Punjab Procurement Rules for procurement of Goods, Works and Services published in January 2014 and before that in November 2009 Punjab Procurement Regulatory Act 2009 was came into force.
- (ii) Processes for information management, effectiveness and accountability measures are simple and satisfactory. External audits are budgeted for and conducted according to Government's requirements.
- (iii) All bids submitted after the time prescribed are rejected and returned without being opened
- (iv) Complaint management mechanism is in place, which addresses grievances related to Procurements and Contract administration.

### 2.1.9 Weaknesses

- (i) While already monitoring PIAIP and LBDCIP, PMU does not have sufficient number of staff to undertake additional procurement for the proposed project and will require services of additional procurement and contract management specialist.

### 2.1.10 General Ratings

**Table 2-1: General Ratings**

<b>Criterion</b>	<b>Risk</b>
A. Organizational and Staff Capacity	Low
B. Information Management	Low
C. Procurement Practices	Low
D. Effectiveness	Low
E. Accountability Measures	Low
<b>OVERALL RISK RATING</b>	<b>Low</b>

### 2.1.11 Procurement Risk Assessment and Management Plan (P-RAMP) for Project Procurement Assessment

**Table 2-2: Procurement Risk Assessment and Management Plan (P-RAMP) for Project Procurement Assessment**

<b>Risk Description</b>	<b>Risk Assessment</b>	<b>Mitigation Measures or Risk Management Plan</b>
Insufficient Procurement staff to deal with the new project.		Services of additional procurement and contract management specialist should be hired in the PMU.
<b>Overall</b>	<b>Low</b> <b>Low*</b>	
* High	- likely to occur, likely to have high impact if occurs	
Substantial	- unlikely to occur, but likely to have high impact if occurs	
Moderate	- likely to occur, but unlikely to have high impact if occurs	
Low	- not likely to occur, not likely to have high impact if occurs	

## 2.2 Project Management Unit On-Farm Water Management

### 2.2.1 Introduction

39. The project procurement risk assessment (PRA) was prepared in accordance with the Guide on Assessing Procurement Risks and determining Project Procurement Classification (August 2014). The PRA includes assessment of Project Management Unit, On Farm Water Management (PMU OFWM), which is the second proposed IA of the Project.

### 2.2.2 Overview

40. The Project involves a broad range of procurement of contracts for each subproject covering consulting services, goods and works. For goods and works contracts, the main procurement method for works will be ICB and NCB; while shopping will be applied for low value items. For consulting services for loan implementation, QCBS (90:10) will be adopted.

### 2.2.3 Organization and Staff Capacity

41. Overall risk rating for the organizational and staff capacity of PMU OFWM is assessed as “Low”. The respective procurement staff is found to have adequate technical skills to undertake procurement of consultancy services, and the procurement of goods and works however is not sufficient in number to undertake additional procurement for the proposed project.

### 2.2.4 Information Management

42. Overall risk rating for the information management is assessed as “Low”. As required PMU OFWMDG is maintaining record of its respective procurement proceedings along with all associated documentation. The agency has maintained referencing system, which provides unique identification of each procurement activity. The PMU posts information pertaining to tenders and contract awards on its web site for public access.

### 2.2.5 Procurement Practices

43. Overall risk rating for procurement practices is assessed as “Low”. PMU OFWM relevant procurement staff is competent and well versed with local practices; they have been practicing ADB/ World Bank’s procurement guidelines on funded projects. A list of ADB funded projects is given in the Table 3:

**Table 2-3: ADB Funded Projects under Execution of OFWM**

Sr. No.	Description
1	OFWM Component of Chashma Right Bank Project (CRBCIP)
2	OFWM Component of Bahawalpur Rural Development Project (BRDP)
3	OFWM Component of National Drainage Program (NDP)
4	Third Punjab OFWM Project D.G. Khan and Bahawalpur
5	Second OFWM Project DG Khan
6	OFWM SCARP Khushab Project
7	OFWM Gujranwala Project
8	Thal OFWM Project

### 2.2.6 Effectiveness

44. Overall risk rating for “Effectiveness” is assessed as “Low”. Generally, the PMU through dedicated supervisory staff monitors the performance of the contractors and the consultants/firms hired for project development and implementation. The contracts signed by the PMU entail a two-tier dispute resolution mechanism clause to settle the disputes among the contracting parties.

### 2.2.7 Accountability Measures

45. Overall risk rating for “Accountability Measures” is assessed as “Low”. Bidders have a right to complain or to file an appeal to the Authority under the Rule 67 of PPR 2014. Bidders are free to send copies of their communications on issues and questions with the PMU to ADB or to write to ADB directly, when PMU do not respond promptly, or the communication is a complaint against the PMU. The contracts signed by the contracting parties entail dispute resolution mechanism clause to settle the disputes among the parties.

### 2.2.8 Strengths

- (ii) The Law on Procurement is available; and the Punjab Procurement Rules for procurement of Goods, Works and Services published in January 2014 and before that in November 2009 Punjab Procurement Regulatory Act 2009 was came into force.
- (iii) Processes for information management, effectiveness and accountability measures are simple and satisfactory. External audits are budgeted for and conducted according to Government’s requirements.

### 2.2.9 Weaknesses

- (i) The PMU is weak in areas such as the designing of specifications, evaluation criteria, packaging, preparation of evaluation reports etc.

### 2.2.10 General Ratings

**Table 2-4: General Ratings**

<b>Criterion</b>	<b>Risk</b>
A. Organizational and Staff Capacity	Low
B. Information Management	Low
C. Procurement Practices	Low
D. Effectiveness	Low
E. Accountability Measures	Low
<b>OVERALL RISK RATING</b>	<b>Low</b>

## 2.2.11 Procurement Risk Assessment and Management Plan (P-RAMP) for Project Procurement Assessment

**Table 2-5: Procurement Risk Assessment and Management Plan (P-RAMP) for Project Procurement Assessment**

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Insufficient Procurement staff to deal with the new project.	<b>Low</b>	Services of procurement and contract management specialist should be hired in the PMU.
<b>Overall</b>	<b>Low*</b>	
* <i>High</i>	<i>- likely to occur, likely to have high impact if occurs</i>	
<i>Substantial</i>	<i>- unlikely to occur, but likely to have high impact if occurs</i>	
<i>Moderate</i>	<i>- likely to occur, but unlikely to have high impact if occurs</i>	
<i>Low</i>	<i>- not likely to occur, not likely to have high impact if occurs</i>	

## 2.2.12 Conclusion

46. Overall risk rating for Project Procurement Risk Assessment for PMU LBDCIP and PMU OFWM is rated as “Low”. The PMUs procurement staff has adequate technical skills to undertake procurement of consultancy services, and the procurement of goods and works under ADB procurement guidelines; however, is not sufficient in number to deal with the new project. The PMUs are maintaining record of its respective procurement proceedings along with all associated documentation. Systematic process to identify procurement requirements is in place. Hiring of services of procurement and contract management specialist in the PMU is recommended. Further, engagement of a team of international and domestic implementation consultants to build project management capacity including procurement capability during the project implementation is recommended.

**Table 2-6: Procurement Classification: “Category B” projects**

Characteristic	Assessor's rating: ‘Yes’ or ‘No’ with brief comments, if ‘Yes’
Is the Procurement Environment Risk for this project assessed as “High” based on the country and sector/agency risk assessments?	No
Are multiple (typically more than three) and/or diverse Executing (EAs) and/or Implementing Agencies (IAs) envisaged during project implementation? Do EAs/IAs lack prior experience in ADB project implementation?	No.
Are multiple contract packages and/or complex and high value contracts expected (compare to recent donor projects in Developing Member Country (DMC))?	Yes. The Project involves procurement of proposed three ICB works contracts with value more than \$50 million each.
Does the project plan to use innovative contracts (PPP, Performance-based, Design & Build, O&M, etc)?	No
Are contracts distributed in more than three geographical locations?	No
Are there significant ongoing contractual and/or procurement issues under ADB (or other donor) funded projects? Has mis-procurement been declared in the DMC?	No

Characteristic	Assessor's rating: 'Yes' or 'No' with brief comments, if 'Yes'
<p>Does the DMC have prolonged procurement lead times, experience implementation delays, or otherwise consistently fail to meet procurement time frames?</p> <p>Do EAs/IAs lack capacity to manage new and ongoing procurement? Have EAs/IAs requested ADB for procurement support under previous projects?</p>	<p>No</p> <p>No. The EAs/IAs are implementing projects funded by ADB/ World bank. However additional procurement staff needs to be hired for implementing the proposed project.</p>
<p><b>OVERALL PROJECT CATEGORIZATION</b></p> <p><b>RECOMMENDED</b></p>	<p><b>B</b></p>

**“Punjab irrigation Department (PID)”**  
**SECTOR/AGENCY PROCUREMENT ASSESSMENT TOOL**  
**Summary Sheet**

Indicators/Questions	Sector/ Agency Scores	Comments
<b>1. Legislative and Regulatory Framework</b>	<b>Average =3</b>	
1.1 Does the national public procurement law (including supporting regulations, standard bidding documents and operational manuals/guides) apply to the sector?	<b>3</b>	Yes. The national public procurement law (NPPL) applies to the sector and known as PPRA Rules. PPRA states that procuring agency shall use the standard form of Bidding documents notified by PPRA. These bidding documents are detailed documents and cover the whole procurement and contract management process from publication of award to defect liability period. For the Loan Project, respective procurement documents of ADB shall be used.
1.2 Is the supply market for the sector sufficiently competitive to give full effect to the national procurement law and/or open competitive tendering?	<b>3</b>	Yes, the supply market for the sector is sufficiently competitive to give full effect to the national procurement law and open competitive tendering.
1.3 If there is a sector specific legal framework, does it support non-discriminatory participation, transparent tender processes (including advertisement, tender documentation, tender evaluation, complaints mechanism)?	<b>3</b>	In general, PID follows the national legal framework and procurement Rules that supports non-discriminatory participation and transparent procurement processes. Moreover, non-discrimination policy is supported by PPR 2014 Rule 34.
1.4 Is the sector subjected to excessive regulation or government control such that competition is limited or non-existent?	<b>3</b>	Yes, the sector is subjected to excessive regulation however competition is not limited due to these controls.
<b>2. Institutional Framework/ Management Capacity</b>	<b>Average =2.5</b>	
2.1 Is the procurement cycle in the sector required to be tied to an annual budgeting cycle (i.e. can a procurement activity commence only when budget has been duly appropriated for it)?	<b>3</b>	Projects are identified within the agency and approved by the competent forum and budget is sanctioned at the start of the fiscal year for each agency; budget availability confirmed prior to solicitation of tenders.

Indicators/Questions	Sector/ Agency Scores	Comments
2.2 Does the system foster efficiency through the use of adequate planning?	3	Regulations require procurement plan to be prepared and formulated in the beginning of the fiscal year. Mostly all Government agencies/EAs follow procurement planning process; however, they are not linked to multiyear operation plans and budget formulations.
2.3 Does the procurement system in the sector feature an oversight/regulatory body?	3	Yes, the procurement system in the sector is subject to oversight by PPRA.
2.4 Is there a public procurement capacity development or professionalization program?	1	No. There is dire need for an accredited nationwide program for training in public procurement Rules/regulation and practices.
<b>3. Procurement Operations/ Market Practices</b>	<b>Average =2.33</b>	
3.1 Is private sector competitive, well organized and able to access the sector market?	3	Yes, the private sector is competitive
3.2 Do measures exist in the sector to ensure the adequacy and accuracy of cost estimates before bidding, and to manage contract price variations?	2	Yes.
3.3 Is there a mechanism in the sector to receive and handle observations, complaints and protests?	2	Rules and regulations call for a complaint /grievances mechanism.
<b>4. Integrity and Transparency of the Public Procurement System</b>	<b>Average =2.66</b>	
4.1 Is there a formal internal control and audit framework in the sector?	3	Yes

Indicators/Questions	Sector/ Agency Scores	Comments
4.2 Is information pertaining to public procurement in the sector easy to find, comprehensive and relevant?	3	Yes
4.3 Does the sector have ethics and anticorruption measures in place?	2	Yes.
<b>OVERALL SCORES</b>	<b>Average =2.62</b>	



**“On Farm Water Management Directorate General”****SECTOR/AGENCY PROCUREMENT ASSESSMENT TOOL****Summary Sheet**

<b>Indicators/Questions</b>	<b>Sector/ Agency Scores</b>	<b>Comments</b>
<b>1. Legislative and Regulatory Framework</b>	<b>Average =3</b>	
1.1 Does the national public procurement law (including supporting regulations, standard bidding documents and operational manuals/guides) apply to the sector?	<b>3</b>	Yes. Punjab Procurement Rules 2014 made under Section 26 of the Punjab Procurement Regulatory Authority Act 2009 state that procuring agency shall use the standard form of Bidding documents notified by PPRA. These bidding documents are detailed documents and cover the whole procurement and contract management process from publication of award to defect liability period. For the Loan Project, respective procurement documents of ADB shall be used.
1.2 Is the supply market for the sector sufficiently competitive to give full effect to the national procurement law and/or open competitive tendering?	<b>3</b>	Yes, the market for the sector is sufficiently competitive.
1.3 If there is a sector specific legal framework, does it support non-discriminatory participation, transparent tender processes (including advertisement, tender documentation, tender evaluation, complaints mechanism)?	<b>3</b>	In general, the OFWMD follows the national legal framework and procurement Rules that supports non-discriminatory participation and transparent procurement processes.
1.4 Is the sector subjected to excessive regulation or government control such that competition is limited or non-existent?	<b>3</b>	Yes, the sector is subjected to excessive regulations. However, competition is not limited due to these controls.
<b>2. Institutional Framework/ Management Capacity</b>	<b>Average =2.5</b>	
2.1 Is the procurement cycle in the sector required to be tied to an annual budgeting cycle (i.e. can a	<b>3</b>	Projects are identified within the directorate and approved by the competent forum and budget is sanctioned at the start of the fiscal year; budget availability confirmed prior to solicitation of tenders.

Indicators/Questions	Sector/ Agency Scores	Comments
procurement activity commence only when budget has been duly appropriated for it?		
2.2 Does the system foster efficiency through the use of adequate planning?	3	Regulations require procurement plan to be prepared and formulated in the beginning of the fiscal year.
2.3 Does the procurement system in the sector feature an oversight/regulatory body?	3	Yes, the procurement system in the sector is subject to oversight by PPRA.
2.4 Is there a public procurement capacity development or professionalization program?	1	No. There is dire need for an accredited nationwide program for training in public procurement Rules/regulation and practices.
<b>3. Procurement Operations/ Market Practices</b>	<b>Average =2.33</b>	
3.1 Is private sector competitive, well organized and able to access the sector market?	3	Yes, the private sector is competitive.
3.2 Do measures exist in the sector to ensure the adequacy and accuracy of cost estimates before bidding, and to manage contract price variations?	2	Yes.
3.3 Is there a mechanism in the sector to receive and handle observations, complaints and protests?	2	Rules and regulations call for a complaint /grievances mechanism.
<b>4. Integrity and Transparency of the Public Procurement System</b>	<b>Average =2.66</b>	
4.1 Is there a formal internal control and audit framework in the sector?	3	Yes

<b>Indicators/Questions</b>	<b>Sector/ Agency Scores</b>	<b>Comments</b>
4.2 Is information pertaining to public procurement in the sector easy to find, comprehensive and relevant?	<b>3</b>	Yes
4.3 Does the sector have ethics and anticorruption measures in place?	<b>2</b>	Yes
<b>OVERALL SCORES</b>		<b>Average =2.62</b>

## “Punjab Irrigation Department”

SECTOR/AGENCY PROCUREMENT ASSESSMENT  
QUESTIONNAIRE

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
<b>1. Legislative and Regulatory Framework</b>			
1.1 Does the national public procurement law (including supporting regulations, standard bidding documents and operational manuals/guides) apply to the sector?	Is the sector exempted by legislation from being subject to the national public procurement law?	<b>3</b>	Yes. The national public procurement law (NPPL) applies to the sector and known as PPRA Rules.
	Even if subject to the national public procurement law, does the sector tend to follow it?		Yes the sector follows PPRA rules.
	Do agencies in the sector use government-issued public procurement manuals or guidance?		Yes
	Have government-issued documents been tailored to meet sector requirements?		Government issued documents are used in original form.
1.2 Is the supply market for the sector sufficiently competitive to give full effect to the national procurement law and/or open competitive tendering?	In absence of government-issued documents, does the sector have its own standard bidding documents/guidelines?	<b>3</b>	
	Is competitive bidding a common feature under the sector?		Yes. Competitive bidding is a common feature
	Is there a core of suppliers in the sector who regularly submit responsive bids?		There is a core of suppliers in the sector who submit bids which are sometimes responsive and sometimes non-responsive
	What proportion, by %, of the sector's procurement is undertaken through		100% by open competitive bidding

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
	open competitive bidding?		
	What is the average number of bidders for publicly bid contracts?		Varies from 3 to 6
	Do EAs tend to make sufficient efforts to attract bids (eg. adequate advertising, bidding periods)?		Yes. EAs make sufficient efforts to attract bids by advertising in national press as well as PPRA/agency website.
	Is there availability and quality of suppliers, labor force and/or related goods and services in the domestic market?		Yes. Domestic availability of contractors, suppliers, labor force and/or related goods and services is sufficient; moreover, quality of output is generally observed to be appropriate.
1.3 If there is a sector specific legal framework, does it support non-discriminatory participation, transparent tender processes (including advertisement, tender documentation, tender evaluation, complaints mechanism)?	Has the sector adopted non-discriminator, transparent tender processes?	3	Yes, there is specific legal framework for procurement of goods, supplies and services framed by Punjab Procurement Regulatory Authority (PPRA). The sector follows the legal framework and procurement rules that support non-discriminatory participation and transparent procurement processes. The procurement processes are mandatory through open competition, properly advertised with sufficient response time. In addition, proper tender evaluation and complaint attendance mechanism is in-place. The sector follows PPRA rules strictly.
	What is the average number of bidders for publicly bid contracts?		3-6 bidders on average submit bids / proposals per bid/proposal.
1.4 Is the sector subjected to excessive regulation or government control such that competition is limited or non-existent?	Does the sector apply a domestic preference scheme?	3	No. There is no such regulation or government control or nationality restriction neither a domestic preference scheme.
	Does the sector require pre-registration of bidders?		Registration with Pakistan Engineering Council is mandatory for bidders. PPRA rules 2014 do not specifically require any registration. However, at federal level, PEC by-laws/ bidding documents require that foreign bidders shall form JV with local firms before participation in any bidding in Pakistan.

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
	Are there acceptable provisions in the sector for the participation of State Owned Enterprises?		Provisions on participation by state owned enterprises (SOE) are not mentioned in PPRA rules. Apparently, there is no provision that may require SOEs to establish their legal and financial autonomy moreover ensures that they operate under the same commercial law as any other private entity.
<b>2. Institutional Framework and Management Capacity</b>			
2.1 Is the procurement cycle in the sector required to be tied to an annual budgeting cycle (i.e. can a procurement activity commence only when budget has been duly appropriated for it?)	Are procurement plans in the sector prepared on as part of the budget planning and formulation process?  Do systems and processes in the sector or key agencies in the sector require certification of availability of funds before solicitation of tenders?	3	Yes. Projects are identified within agencies and approved by the competent forum and budget is sanctioned at the start of the fiscal year for each agency. Procurement plans are not part of budget planning.  Budget availability is essential requirement before solicitation of tenders.
2.2 Does the system foster efficiency through the use of adequate planning?	Does the sector, or key agencies in the sector, have a formalized procurement planning process(s)?	3	Procurement plans are prepared and formulated in the beginning of the fiscal year on the basis of financial allocations for that year. Government agencies/EAs follow procurement planning process; however, they are not linked to multiyear operation plans and budget formulations.
2.3 Does the procurement system in the sector feature an oversight/regulatory body?	Does the sector fall under the remit of the national oversight/regulatory body?  If a national body does not exist, is there a sector-specific body that oversees/regulates procurement?	3	Public Procurement Regularity Authority at national level and Punjab Procurement Regularity Authority as a provincial procurement body will oversee and regulate agency procurement interventions. In addition, National Accountability Bureau (NAB) checks transparency of procurement processes of Mega contracts.
2.4 Is there a public procurement capacity development or professionalization program?	What proportions of procurement-related officers and staff in the sector have been trained under the national or sector capacity development program or participated in any formal	1	PPRA conducts capacity development Programs for procurement procedures. Departments may send their representatives for training.  Staff has been trained but exact proportions are not available.

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
	procurement training program?		
<b>3. Procurement Operations and Market Practices</b>			
3.1 Is private sector competitive, well organized and able to access the sector market?	Is the private sector well organized and able to access the sector market?	3	Yes, the private sector is reasonably well organized, but competition for large contracts is between relatively small number of firms.
	Do civil society organizations regard public procurement in the sector to be open and accessible to the market?		Yes, public procurement is open and accessible to the market.
3.2 Do measures exist in the sector to ensure the adequacy and accuracy of cost estimates before bidding, and to manage contract price variations?	What percentages of contracts are awarded for values less than the original cost estimates?	2	<i>Not more than 25%.</i>
	What percentage of contract variations amount to a cumulative impact of more than 10% of the original contract price?		<i>10 – 20% of contracts sampled entail variations that have an impact of more than 10 % of the original contract price.</i>
3.3 Is there a mechanism in the sector to receive and handle observations, complaints and protests?	Are there sector-specific procedures to receive and handle observations, complaints and protests?	2	Yes. Complaint management mechanism is in place, which addresses grievances related to Procurements and Contract administration. Bidders use the complaint and protests mechanisms.
	Are complaints and protests in the sector processed within the maximum time limit provided for in the law?		<b>Yes.</b>
	Have bidders used the complaint and protests mechanisms?		<b>Yes.</b>
<b>4. Integrity and Transparency of the Sector Public Procurement System</b>			

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
4.1 Is there a formal internal control and audit framework in the sector?	Do key agencies in the sector have an independent internal audit function?	3	Yes. PID has a formal internal and external audit and control system. Annual audit is conducted regularly by the internal as well as external auditors of the procurement carried out by the agency during the preceding years.
	Do key agencies in the sector have adequate internal control mechanisms to oversee the procurement function?		The agencies have adequate internal control mechanisms to oversee the procurement function.
	Are key agencies in the sector subjected to regular performance or value for money audits?		The sector has an effective internal control framework including an independent internal audit function.
	Are key agencies in the sector subjected to annual financial audits?		Yes
	Are internal or external audit findings/ recommendations acted on in a timely fashion?		Yes. Internal or external audit findings/ recommendations are acted on in a timely fashion?
4.2 Is information pertaining to public procurement in the sector easy to find, comprehensive and relevant?	What percentage of bids is published in a medium that is easily and freely accessible?	3	100% of bids are published in a medium that is easily and freely accessible.
	Can bidders easily and freely access bid information?		Yes, bidders can easily and freely access bid and contract award information from PPRA website, procuring agencies websites as well as in media of wide circulation.
	What is the percentage of contract awards announced in medium that is easily and freely accessible?		100%
	Are third party observers invited to attend public biddings?		No.



Indicators/ Questions	Sector/Agency Questions	Score	Narrative
4.3 Does the sector have ethics and anticorruption measures in place?	Are there sector-specific procedures to verify a bidder's legitimate existence, track records, financial capacity and capacity to complete the job?	2	The information supplied by the bidders in the bid documents are relied upon during the evaluation process however agencies tend to verify it afterwards through reference checks from other agencies on credentials of successful bidder.
	Are there sector-specific procedures to rate performance and/or debar bidders, supplier, contractors and consultants for ethical or integrity violations?		Mechanism exists to debar firms for failure to perform and/or integrity violations, as well as mechanisms exist to report suspected violations to a national or agency wide anticorruption body.
	Does the sector, or key agencies in the sector, maintain a register of debarred suppliers, contractors and consultants?		Yes.
	Are there sector-specific integrity principles and guidelines?		No. Generalized integrity practices are observed.

Procurement Risk Assessment  
Annex 2B

## “On Farm Water Management”

SECTOR/AGENCY PROCUREMENT ASSESSMENT  
QUESTIONNAIRE

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
<b>1. Legislative and Regulatory Framework</b>			
1.1 Does the national public procurement law (including supporting regulations, standard bidding documents and operational manuals/guides) apply to the sector?	<p>Is the sector exempted by legislation from being subject to the national public procurement law?</p> <p>Even if subject to the national public procurement law, does the sector tend to follow it?</p> <p>Do agencies in the sector use government-issued public procurement manuals or guidance?</p> <p>Have government-issued documents been tailored to meet sector requirements?</p> <p>In absence of government-issued documents, does the sector have its own standard bidding documents/guidelines?</p>	<b>3</b>	Yes. Punjab Procurement Rules 2014 made under Section 26 of the Punjab Procurement Regulatory Authority Act 2009 state that procuring agency shall use the standard form of Bidding documents notified by PPRA. These bidding documents are detailed documents and cover the whole procurement and contract management process from publication of award to defect liability period. For the Loan Project respective procurement documents of ADB shall be used.
1.2 Is the supply market for the sector sufficiently competitive to give full effect to the national procurement law and/or open competitive tendering?	<p>Is competitive bidding a common feature under the sector?</p> <p>Is there a core of suppliers in the sector who regularly submit responsive bids?</p> <p>What proportion, by %, of the sector's</p>	<b>3</b>	<p>Open competitive bidding is the principal method of procurement of goods, services and works.</p> <p>A large number of bidders/ contractor and consultants for the EA regularly submit responsive bids. Though there is no restriction of minimum bidders to participate as long as competitive bidding process is adopted.</p> <p>Almost 95% of the sector's procurement is undertaken through open competitive bidding.</p>

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
	procurement is undertaken through open competitive bidding?		
	What is the average number of bidders for publicly bid contracts?		8-10 bidders on average submit bids / proposals per bid/proposal.
	Do EAs tend to make sufficient efforts to attract bids (eg. adequate advertising, bidding periods)?		The Government agencies/EA make sufficient efforts to attract bids by advertising in national press as well as PPRA/agency website.
	Is there availability and quality of suppliers, labor force and/or related goods and services in the domestic market?		Domestic availability of contractors, suppliers, labor force and/or related goods and services is sufficient; moreover, quality of output is generally observed to be appropriate.
1.3 If there is a sector specific legal framework, does it support non-discriminatory participation, transparent tender processes (including advertisement, tender documentation, tender evaluation, complaints mechanism)?	Has the sector adopted non-discriminator, transparent tender processes?	3	In general, the OFWM follows the provincial legal framework and procurement rules that support non-discriminatory participation and transparent procurement processes under Rule 34 and 66 respectively. The procurement processes are mandatory through open competition under Rule 22, properly advertised with sufficient response time pursuant to Rule 14. In addition, proper complaint mechanism is in-place under Rule 67.
	What is the average number of bidders for publicly bid contracts?		8-10 bidders on average submit bids / proposals per bid/proposal.
1.4 Is the sector subjected to excessive regulation or government control such that competition is limited or non-existent?	Does the sector apply a domestic preference scheme?	3	There is no nationality restriction neither a domestic preference scheme.

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
	Does the sector require pre-registration of bidders?		Generally registration with Pakistan Engineering Council is mandatory for participation. PPR 2014 do not specifically require any registration. However, at federal level, PEC byelaws/ bidding documents require that foreign bidders shall form JV before participation in any bidding in Pakistan.
	Are there acceptable provisions in the sector for the participation of State Owned Enterprises?		Provisions on participation by state owned enterprises are not included in PPRA rules. Apparently, there is no provision that may require SOEs to establish their legal and financial autonomy moreover ensures that they operate under the same commercial law as any other private entity.
<b>2. Institutional Framework and Management Capacity</b>			
2.1 Is the procurement cycle in the sector required to be tied to an annual budgeting cycle (i.e. can a procurement activity commence only when budget has been duly appropriated for it?)	Are procurement plans in the sector prepared on as part of the budget planning and formulation process?  Do systems and processes in the sector or key agencies in the sector require certification of availability of funds before solicitation of tenders?	3	Projects are identified within agencies and approved by the competent forum and budget is sanctioned at the start of the fiscal year for each agency.  In general budget availability is confirmed prior to solicitation of tenders.
2.2 Does the system foster efficiency through the use of adequate planning?	Does the sector, or key agencies in the sector, have a formalized procurement planning process(s)?	3	Regulations require procurement plan to be prepared and formulated in the beginning of the fiscal year. Mostly all Government agencies/EAs follow procurement planning process; however, they are not linked to multiyear operation plans and budget formulations.
2.3 Does the procurement system in the sector feature an oversight/regulatory body?	Does the sector fall under the remit of the national oversight/regulatory body?  If a national body does not exist, is there a sector-specific body that	3	Public Procurement Regularity Authority at national level and Punjab Procurement Regularity Authority as a provincial procurement body will oversee and regulate agency procurement interventions. In addition National Accountability Bureau (NAB) check on procurement processes.

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
2.4 Is there a public procurement capacity development or professionalization program?	oversees/regulates procurement?  What proportions of procurement-related officers and staff in the sector have been trained under the national or sector capacity development program or participated in any formal procurement training program?	1	On average 40-50% of respective procurement staff is sent for training organized by PEC/PPRA.
<b>3. Procurement Operations and Market Practices</b>			
3.1 Is private sector competitive, well organized and able to access the sector market?	Is the private sector well organized and able to access the sector market?  Do civil society organizations regard public procurement in the sector to be open and accessible to the market?	3	There is a reasonably well functioning private sector, but competition for large contracts (requiring ICB) is concentrated in a relatively small number of firms.  Associations of consultants and contractors also exist in the country. Healthy competition is observed in public procurement from private sector entities in open competition.
3.2 Do measures exist in the sector to ensure the adequacy and accuracy of cost estimates before bidding, and to manage contract price variations?	What percentages of contracts are awarded for values less than the original cost estimates?  What percentage of contract variations amount to a cumulative impact of more than 10% of the original contract price?	2	<i>50 – 75% of contracts awards sampled</i> are awarded for values less than the original cost estimates.  <i>10 – 20% of contracts sampled</i> entail variations that have an impact of more than 10 % of the original contract price.
3.3 Is there a mechanism in the sector to receive and handle observations, complaints and protests?	Are there sector-specific procedures to receive and handle observations, complaints and protests?  Are complaints and protests in the sector processed within the maximum time limit provided for in the law?  Have bidders used the complaint and protests mechanisms?	2	Bidders have a right to complain or to file an appeal to the Authority under the Rule 67 of PPR 2014. Complaint management mechanism is in place, which addresses grievances related to Procurements and Contract administration. Bidders use the complaint and protests mechanisms.

Indicators/ Questions	Sector/Agency Questions	Score	Narrative
<b>4. Integrity and Transparency of the Sector Public Procurement System</b>			
4.1 Is there a formal internal control and audit framework in the sector?	Do key agencies in the sector have an independent internal audit function?	3	OFWM has a formal internal and external audit and control system. Annual audit is conducted regularly by the internal as well as external auditors of the procurement carried out by the agency during the preceding years.
	Do key agencies in the sector have adequate internal control mechanisms to oversee the procurement function?		The agencies have adequate internal control mechanisms to oversee the procurement function.
	Are key agencies in the sector subjected to regular performance or value for money audits?		The sector has an effective internal control framework including an independent internal audit function.
	Are key agencies in the sector subjected to annual financial audits?		Annual financial statements and records are audited with reasonably time disposition of audit findings.
	Are internal or external audit findings/ recommendations acted on in a timely fashion?		Yes. Internal or external audit findings/ recommendations acted on in a timely fashion?
4.2 Is information pertaining to public procurement in the sector easy to find, comprehensive and relevant?	What percentage of bids is published in a medium that is easily and freely accessible?	3	Almost all the bids are published and the bidders can easily and freely access bid and contract award information from PPRA website, procuring agencies websites as well as in media of wide circulation.
	Can bidders easily and freely access bid information?		
	What is the percentage of contract awards announced in medium that is easily and freely accessible?		
4.3 Does the sector have ethics and anticorruption	Are third party observers invited to attend public biddings?	2	Third party observers are usually invited to attend public bidding.
	Are there sector-specific procedures to verify a bidder's legitimate existence, track records,		Generally the information supplied by the bidders are relied upon during the evaluation process however agencies tend to verify it afterwards through reference checks from

<b>Indicators/ Questions</b>	<b>Sector/Agency Questions</b>	<b>Score</b>	<b>Narrative</b>
measures in place?	financial capacity and capacity to complete the job?		other agencies on credentials of successful bidder.
	Are there sector-specific procedures to rate performance and/or debar bidders, supplier, contractors and consultants for ethical or integrity violations?		The agency has mechanisms to debar firms for failure to perform and/or integrity violations, or mechanisms to report suspected violations to a national or agency wide anticorruption body. The sector has sufficient supplier due diligence processes and the concept of conflict of interest is defined. Debarring firms are duly publicized and communicated to the PPRA. PPRA publishes and maintains list of debarred firms on its website.
	Does the sector, or key agencies in the sector, maintain a register of debarred suppliers, contractors and consultants?		
	Are there sector-specific integrity principles and guidelines?		Sector-specific integrity principles are not defined rather generalized integrity practices are observed.

**PMU LBDCIP - PROJECT PROCUREMENT RISK ASSESSMENT QUESTIONNAIRE**

Risk Ratings		Extremely High	High	Average	Low
I. Specific Assessment and Ratings					
Question		Answer/Finding			Risk
A. ORGANIZATIONAL AND STAFF CAPACITY					
A.1. How many years' experience does the head of the procurement department/unit have in a direct procurement role?		Eight years			Low
A.2. How many staff in the procurement department/unit are:					Low
i. Full Time?		There are two Procurement and Contract Management Specialists (PMU Support Consultant)			
ii. Part Time?		None			
iii. Seconded?					
A.3. Does the procurement staff have English language proficiency?		Yes			Low
A.4. Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?		No			Average
A.5. Does the unit have adequate facilities, such as PCs, internet connections, photocopy facilities, printers, etc., to undertake the planned procurement?		Yes			Low
A.6. Does the agency have a procurement training program?		No. Only through Donors like World Bank and ADB.			Average
A.7. Does the agency have a Procurement Committee that is independent from the head of the agency?		Yes			Low
A.8. Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat for the Procurement Unit, and which serves as the main support unit of the Procurement Committee??		Yes			Low
A.9. If yes, what type of procurement does it undertake?		Works (ICB and NCB Contracts), Goods and Consultants Selection			
A.10. At what level does the department/unit report (to the head of agency, deputy etc.)?		Head /PD			Low
A.11. Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?		Yes			Low
A.12. Is there a procurement process manual for goods and works?		Yes			Low



Question	Answer/Finding	Risk
A.13. If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	Low
A.14. Is there a procurement process manual for consulting services?	Yes	Low
A.15. If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	Low
A.16. Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	ADB Standard Procurement Documents/Forms are used on ADB funded projects.	Low
A.17. Does the ToR follow a standard format such as background, tasks, inputs, objectives and outputs?	As per ADB/World Bank Guide lines	Low
A.18. Who drafts the procurement specifications?	Procurement & Contracts Specialist on the advice of Consultants	Low
A.19. Who approves the procurement specifications?	Head PMU LBDCIP	Low
A.20. Who drafts the bidding documents?	Procurement & Contracts Specialist on the advice of Consultants	Low
A.21. Who manages the sale of the bidding documents?	Procurement & Contracts Specialist	Low
A.22. Who identifies the need for consulting services requirements?	Head PMU LBDCIP	Low
A.23. Who drafts the terms of reference (ToR)?	Procurement & Contracts Specialist on the advice of Consultants	
A.24. Who prepares the request for proposals (RFPs)?	Procurement & Contracts Specialist	
<b>B. INFORMATION MANAGEMENT</b>		
B.1. Is there a referencing system for procurement files?	Yes	Low
B.2. Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes	Low
B.3. For what period are records kept?	As per requirements	Low
B.4. Are copies of bids or proposals retained with the evaluation?	Yes	Low
B.5. Are copies of the original advertisements retained with the pre-contract papers?	Yes	Low
B.6. Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes	Low
B.7. Are copies of invoices included with the contract papers?	Yes	Low
<b>C. PROCUREMENT PRACTICES</b>		
<b>Goods and Works</b>		
C.1. Has the agency undertaken foreign-assisted procurement of goods or works	Yes. Procurement of Works for two ICB Contracts of Lower Bari Doab Canal	Low

Question	Answer/Finding	Risk
recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Improvement Project financed by ADB completed in last 36 months. Contracts awarded to a) Ramzan and Sons in JV with CGC (Chinese Firm) and b) Sinohydro Corporation (Chinese Firm).	
C.2. If the above answer is yes, what were the major challenges?	Prolonged periods of time taken for receiving approvals from different forums.	Low
C.3. Is there a systematic process to identify procurement requirements (for a period of one year or more)	Yes	Low
C.4. Is there a minimum period for preparation of bids and if yes how long?	Two months	Low
C.5. Are all queries from bidders replied to in writing?	Yes	Low
C.6. Does the bidding document state the date and time of bid opening?	Yes	Low
C.7. Is the opening of bids done in public?	Yes	Low
C.8. Can late bids be accepted?	No	Low
C.9. Can bids be rejected at bid opening?	No	Low
C.10. Are minutes of the bid opening taken?	Yes	Low
C.11. Who may have a copy of the minutes?	The EA, concerned consultants, Donor agency and the Bidders who purchased the bidding documents	Low
C.12. Are the minutes free of charge?	Yes	Low
C.13. Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	Ad-hoc committee	Low
C.14. What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Senior Engineers fully conversant with the bid evaluation procedure and the nature of the Contract including commercial and technical provisions.	Low
C.15. Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Evaluation is subject to additional approvals by the Head EA and Development Partner (ADB/World Bank)	Low
C.16. Using at least three real examples, how long does it normally take from the issuance of the invitation for bids up to contract effectiveness?	The real examples are ICB works contracts for seven contract packages of Lower Bari Doab Canal Improvement project. It takes about six months on the average from the issuance of the invitation for bids up to contract effectiveness.	Low
C.17. Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes	Low
C.18. Are there established goods receiving procedures?	Yes	Low
C.19. Are all goods that are received recorded as assets or inventory in a register?	Yes	Low
C.20. Is the agency/procurement department familiar with letters of credit?	Yes	Low
C.21. Does the procurement department register and track warranty and latent defects liability periods?	Yes	Low

Question	Answer/Finding	Risk
<b>Consulting Services</b>		
C.22. Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Procurement of one Consultancy Services is recently completed (within last 12 months) for "Construction of Chaubara Branch" (Part of Greater Thal Canal Project) under Punjab Government funds. One Consultancy Services procured in the last 36 months for "Detailed Design of Jalapur Irrigation Project" financed by ADB.	Low
C.23. If the above answer is yes, what were the major challenges?	<ul style="list-style-type: none"> <li>• Preparation of TORs of Consultants</li> <li>• Preparation of Narrative Evaluation Criteria for evaluation of proposals received.</li> <li>• Evaluation of technical proposals under QCBS criteria</li> </ul>	Low
C.24. Are assignments and requests for expressions of interest (EOIs) advertised?	Yes	Low
C.25. Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes. It includes <ol style="list-style-type: none"> <li>1. A representative from Planning &amp; Development Department</li> <li>2. A representative of EA</li> <li>3. A representative of Finance Department</li> <li>4. A representative of another Works Department</li> <li>5. A representative of Sponsors (Project Director)</li> </ol>	Low
C.26. What criteria is used to evaluate EOIs?	Criteria prescribed by ADB/ World Bank for the Projects funded by them. Criteria prescribed under PPRA rules for local funded projects	Low
C.27. Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	QCBS	Low
C.28. Do firms have to pay for the RFP document?	No	Low
C.29. Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low
C.30. Are pre-proposal visits and meetings arranged?	Yes	Low
C.31. Are minutes prepared and circulated after pre-proposal meetings?	Yes	Low
C.32. To whom are the minutes distributed?	To the Bank and firms that have shown interest for submitting proposals.	Low
C.33. Are all queries from consultants answered/addressed in writing?	Yes	Low
C.34. Are the technical and financial proposals required to be in separate envelopes?	Yes	Low
C.35. Are proposal securities required?	No	Low
C.36. Are technical proposals opened in public?	Yes	Low

Question	Answer/Finding	Risk
C.37. Are minutes of the technical opening distributed?	Yes	Low
C.38. Do the financial proposals remain sealed until technical evaluation is completed?	Yes	Low
C.39. Who determines the final technical ranking and how?	Consultants Selection Committee of EA	Low
C.40. Are the technical scores sent to all firms?	No –to qualified firms only	Low
C.41. Are the financial proposal opened in public?	Yes	Low
C.42. Are minutes of the financial opening distributed?	Yes	Low
C.43. How is the financial evaluation completed?	As per criterion given in RFP and in accordance with the Bank Guidelines.	Low
C.44. Are face to face contract negotiations held?	Yes	Low
C.45. How long after financial evaluation is negotiation held with the selected firm?	Usually two weeks	Low
C.46. What is the usual basis for negotiation?	Review of personnel Schedule, work plan, out of pocket expenses and replacement of below average ranked personnel	Low
C.47. Are minutes of negotiation taken and signed?	Yes	Low
C.48. How long after negotiation is the contract signed?	As found appropriate	Low
C.49. Is there an evaluation system for measuring the outputs of consultants?	Yes	Low
<b>Payments</b>		
C.50. Are advance payments made?	Yes	Low
C.51. What is the standard period for payment included in contracts?	56 days	Low
C.52. On average, how long is it between receiving a firm's invoice and making payment?	30-40 days	Low
C.53. When late payment is made, are the beneficiaries paid interest?	Yes	Low
<b>D. EFFECTIVENESS</b>		
D.1. Is contractual performance systematically monitored and reported?	Yes	Low
D.2. Does the agency monitor and track its contractual payment obligations?	Yes	Low
D.3. Is a complaints resolution mechanism described in national procurement documents?	Yes	Low
D.4. Is there a formal non-judicial mechanism for dealing with complaints?	Yes	Low
D.5. Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes	Low

Question	Answer/Finding	Risk
<b>E. ACCOUNTABILITY MEASURES</b>		
E.1. Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	Low
E.2. Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes	Low
E.3. Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	Yes-like approval of PC-I	Low
E.4. Who approves procurement transactions, and do they have procurement experience and qualifications?	Head/Project Director. He is assisted by Procurement wing.	Low
E.5. Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		
a) Bidding document, invitation to pre-qualify or RFP	Head/Project Director and foreign financing authority	Low
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	Head/Project Director and foreign financing authority	
c) Evaluation reports	Head EA and foreign financing authority	
d) Notice of award	Head/Project Director	
e) Invitation to consultants to negotiate	Head/Project Director	
f) Contracts	Head/Project Director	Low
E.6. Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No	
E.7. Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low

**II. General Ratings**

<b>Criterion</b>	<b>Risk</b>
A. Organizational and Staff Capacity	Low Risk - Recruitment of additional procurement and contract staff is required for Jalapur Irrigation Project
B. Information Management	Low
C. Procurement Practices	Low
D. Effectiveness	Low
E. Accountability Measures	Low
<b>OVERALL RISK RATING</b>	<b>Low</b>

**PROJECT PROCUREMENT RISK ASSESSMENT QUESTIONNAIRE  
PMU OFWM**

Risk Ratings	Extremely High	High	Average	Low
I. Specific Assessment and Ratings				
Question	Answer/Finding			Risk
A. ORGANIZATIONAL AND STAFF CAPACITY				
A.1. How many years' experience does the head of the procurement department/unit have in a direct procurement role?	Twenty years			Low
A.2. How many staff in the procurement department/unit are:				High
iv. Full Time?	There are two Procurement and Contract Management Specialists			
v. Part Time?	None			
vi. Seconded?	None			
A.3. Does the procurement staff have English language proficiency?	Yes			Low
A.4. Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No			Average
A.5. Does the unit have adequate facilities, such as PCs, internet connections, photocopy facilities, printers, etc., to undertake the planned procurement?	Yes			Low
A.6. Does the agency have a procurement training program?	No. Only through Donors like World Bank and ADB			Average
A.7. Does the agency have a Procurement Committee that is independent from the head of the agency?	Yes			Low
A.8. Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat for the Procurement Unit, and which serves as the main support unit of the Procurement Committee??	Yes			Low
A.9. If yes, what type of procurement does it undertake?	Works (ICB and NCB Contracts), Goods and Consultants Selection			
A.10. At what level does the department/unit report (to the head of agency, deputy etc.)?	DGA (WM) /PD			Low
A.11. Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Yes			Low
A.12. Is there a procurement process manual for goods and works?	Yes			Low

Question	Answer/Finding	Risk
A.13. If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	Low
A.14. Is there a procurement process manual for consulting services?	Yes	Low
A.15. If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	Low
A.16. Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	ADB Standard Procurement Documents/Forms are used on ADB funded projects.	Low
A.17. Does the ToR follow a standard format such as background, tasks, inputs, objectives and outputs?	As per ADB/World Bank Guide lines	Low
A.18. Who drafts the procurement specifications?	Procurement Team under the supervision of DGA (OFWM)	Low
A.19. Who approves the procurement specifications?	Specifications Standardization Committee (SSC)	Low
A.20. Who drafts the bidding documents?	Procurement Team under the supervision of DGA (OFWM)	Low
A.21. Who manages the sale of the bidding documents?	Accounts Branch	Low
A.22. Who identifies the need for consulting services requirements?	DGA (WM) /PD	Low
A.23. Who drafts the terms of reference (ToR)?	Procurement Team under the supervision of DGA (OFWM)	
A.24. Who prepares the request for proposals (RFPs)?	Procurement Team under the supervision of DGA (OFWM)	
<b>B. INFORMATION MANAGEMENT</b>		
B.1. Is there a referencing system for procurement files?	Yes	Low
B.2. Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes	Low
B.3. For what period are records kept?	As per requirements	Low
B.4. Are copies of bids or proposals retained with the evaluation?	Yes	Low
B.5. Are copies of the original advertisements retained with the pre-contract papers?	Yes	Low
B.6. Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes	Low
B.7. Are copies of invoices included with the contract papers?	Yes	Low



Question	Answer/Finding	Risk
<b>C. PROCUREMENT PRACTICES</b>		
<b>Goods and Works</b>		
C.1. Has the agency undertaken foreign-assisted procurement of goods or works recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes. Procurement of Works, Goods and Consultancy under the World Bank assisted Punjab Irrigated-Agriculture Productivity Improvement project (PIPIP)	Low
C.2. If the above answer is yes, what were the major challenges?	Prolonged periods of time taken for receiving approvals from different forums.	Low
C.3. Is there a systematic process to identify procurement requirements (for a period of one year or more)	Yes	Low
C.4. Is there a minimum period for preparation of bids and if yes how long?	One month	Low
C.5. Are all queries from bidders replied to in writing?	Yes	Low
C.6. Does the bidding document state the date and time of bid opening?	Yes	Low
C.7. Is the opening of bids done in public?	Yes	Low
C.8. Can late bids be accepted?	No	Low
C.9. Can bids be rejected at bid opening?	No	Low
C.10. Are minutes of the bid opening taken?	Yes	Low
C.11. Who may have a copy of the minutes?	The EA, concerned consultants, Donor agency and the Bidders who purchased the bidding documents	Low
C.12. Are the minutes free of charge?	Yes	Low
C.13. Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	Ad-hoc committee	Low
C.14. What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Fully conversant with the Bid Evaluation Procedure and the nature of the Contract including commercial and technical provisions.	Low
C.15. Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Evaluation is subject to additional approvals by the Head EA	
C.16. Using at least three real examples, how long does it normally take from the issuance of the invitation for bids up to contract effectiveness?	The real examples are ICB works contracts for seven contract packages of Lower Bari Doab Canal Improvement project. It takes about three to six months on the average from the issuance of the invitation for bids up to contract effectiveness.	Low
C.17. Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes	Low
C.18. Are there established goods receiving procedures?	Yes	Low
C.19. Are all goods that are received recorded as assets or inventory in a register?	Yes	Low

Question	Answer/Finding	Risk
C.20. Is the agency/procurement department familiar with letters of credit?	Yes	Low
C.21. Does the procurement department register and track warranty and latent defects liability periods?	Yes	Low
<b>Consulting Services</b>		
C.22. Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes under the world bank assisted project Punjab Irrigated-Agriculture Productivity Improvement Project (PIPIP)	Low
C.23. If the above answer is yes, what were the major challenges?	No major challenges faced in this regard.	Low
C.24. Are assignments and requests for expressions of interest (EOIs) advertised?	Yes	Low
C.25. Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes	Low
C.26. What criteria is used to evaluate EOIs?	Criteria prescribed by ADB/World Bank for the Projects funded by them.	Low
C.27. Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	QCBS	Low
C.28. Do firms have to pay for the RFP document?	No	Low
C.29. Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low
C.30. Are pre-proposal visits and meetings arranged?	Yes	Low
C.31. Are minutes prepared and circulated after pre-proposal meetings?	Yes	Low
C.32. To whom are the minutes distributed?	To the Bank and firms that have submitted proposals.	Low
C.33. Are all queries from consultants answered/addressed in writing?	Yes	Low
C.34. Are the technical and financial proposals required to be in separate envelopes?	Yes	Low
C.35. Are proposal securities required?	No	Low
C.36. Are technical proposals opened in public?	Yes	Low
C.37. Are minutes of the technical opening distributed?	Yes	Low
C.38. Do the financial proposals remain sealed until technical evaluation is completed?	Yes	Low
C.39. Who determines the final technical ranking and how?	Consultants Selection Committee of EA	Low
C.40. Are the technical scores sent to all firms?	No –to qualified firms only	Low
C.41. Are the financial proposal opened in public?	Yes	Low

Question	Answer/Finding	Risk
C.42. Are minutes of the financial opening distributed?	Yes	Low
C.43. How is the financial evaluation completed?	As per criterion given in RFP and in accordance with the Bank Guidelines.	Low
C.44. Are face to face contract negotiations held?	Yes	Low
C.45. How long after financial evaluation is negotiation held with the selected firm?	Usually two weeks	Low
C.46. What is the usual basis for negotiation?	Review of personnel Schedule, work plan, out of pocket expenses and replacement of below average ranked personnel	Low
C.47. Are minutes of negotiation taken and signed?	Yes	Low
C.48. How long after negotiation is the contract signed?	As found appropriate	Low
C.49. Is there an evaluation system for measuring the outputs of consultants?	Yes	Low
<b>Payments</b>		
C.50. Are advance payments made?	Yes	Low
C.51. What is the standard period for payment included in contracts?	30 days	Low
C.52. On average, how long is it between receiving a firm's invoice and making payment?	30 days	Low
C.53. When late payment is made, are the beneficiaries paid interest?	Yes	Low
<b>D. EFFECTIVENESS</b>		
D.1. Is contractual performance systematically monitored and reported?	Yes	Low
D.2. Does the agency monitor and track its contractual payment obligations?	Yes	Low
D.3. Is a complaints resolution mechanism described in national procurement documents?	Yes	Low
D.4. Is there a formal non-judicial mechanism for dealing with complaints?	Yes	Low
D.5. Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes	Low
<b>E. ACCOUNTABILITY MEASURES</b>		
E.1. Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	Low
E.2. Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes	Low
E.3. Is the commencement of procurement dependent on external approvals (formal	Yes-like approval of PC-I	Low

Question	Answer/Finding	Risk
or de-facto) that are outside of the budgeting process?		
E.4. Who approves procurement transactions, and do they have procurement experience and qualifications?	DGA (WM) /PD, who has sufficient experience	Low
E.5. Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		
g) Bidding document, invitation to pre-qualify or RFP	DGA (WM) /PD	
h) Advertisement of an invitation for bids, pre-qualification or call for EOIs	DGA (WM) /PD	Low
i) Evaluation reports	Convener, Bid Evaluation Committee	
j) Notice of award	Consultant Selection Committee (CSC) /DGA	
k) Invitation to consultants to negotiate	Consultant Selection Committee (CSC)	
l) Contracts	Secretary Agriculture	
E.6. Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No	Low
E.7. Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low

**II. General Ratings**

<b>Criterion</b>	<b>Risk</b>
A. Organizational and Staff Capacity	Low Risk- Recruitment of additional procurement and contract staff is required for Jalapur Irrigation Project.
B. Information Management	Low
C. Procurement Practices	Low
D. Effectiveness	Low
E. Accountability Measures	Low
<b>OVERALL RISK RATING</b>	<b>Low</b>