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Baluchistan Public Procurement Regulatory Authority

B-PPRA M&E Report 2015-16

September 2016



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List of abbreviations

A	Balochistan Public Procurement Regularity Authority Act, 2009
Advs	Advertisements
API	Audit Paras Index
APQI	Annual Procurement Plan Quality Index
ARs	Audit Reports
BoD	Board of Directors
CCI	Completed Contracts Index
CI	Competition Index
CIDA	Canadian International Development Agency (CIDA)
CPI	Cost Performance Index
CSI	Contractor Satisfaction Index
DAGP	Department of Auditor General of Pakistan
DD	Deputy Director
DG	Director General
ER	Evaluation Report
GDP	Gross Domestic Product
GoP	Government of Pakistan
GRC	Grievances Redressal Committee
HRMIS	Human resource Management Information System
ICA	Index of complaints addressed
ICR	Index of complaints received
IP	Index of Payment
LMS	Learning Management System
MD	Managing Director
M&E	Monitoring and Evaluation
M&ES	Monitoring and Evaluation Section
MIS	Management Information System
NL	Newsletter
NPs	Newspapers
P	Principle - referring to five principles of procurement
PA	Procurement Agency
PEFA	Public Expenditure and Financial Accountability
PGI	Procurement Governance Index
PP	Procurement Plans
B-PPRA	Balochistan Public Procurement Regulatory Authority
PTI	Rules Violation Index
QPRs	Quarterly Progress Reports
R	Rules - The Balochistan Public Procurement Rules 2014
RCI	Rules Compliance Index
SPI	Schedule Performance Index
TI	Transparency International



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Chapter 1

1. Introduction

1.1. Background

The Balochistan Public Procurement Regulator Authority (B-PPRA) was established under the B-PPRA Act 2009. The Authority prepared Balochistan Public Procurement Rules which were notified on 15th Dec 2014.

The Authority is headed by Managing Director and comprises four sections:

- **Procurement Specialists Section:** The procurement specialists are responsible for guiding the Procuring Agencies (PAs) in: the application of Public Procurement Rules; 2) the use of bidding documents; and 3) devising evaluation criteria. They are meant to handle all queries.
- **Monitoring and evaluation section:** The B-PPRA has a well established M&E section, resourced with experienced and competent M&E professionals. It monitors the compliance of the law in procurement management activities of the PAs and provides monthly reports to their heads, enabling them to ensure fulfillment of the legal requirements.
- **Capacity building section:** It designs and conducts training courses on public procurement management. Major beneficiaries of such initiatives are the staff of the PAs and the vendor organizations.
- **Management Information System (MIS) Section:** MIS Section is responsible for management of the website of the Authority. Besides, it provides support for the management of online data-base of the Authority in which data (like Procurement Plans, NITs, Evaluation Reports and Contracts) is fed by the PAs.

Organogram of the Authority is given in Annex-I. In 2015, the Authority decided to strengthen its M&E activities through designing and implementing a comprehensive monitoring and evaluation (M&E) framework with the technical assistance of the ASP-RSPN (USAID). The goal of the M&E system of B-PPRA was to achieve higher levels of procurement governance in the province, as is defined in the Section 5.1 of the B-PPRA Act 2009. This exercise led to the development of results based M&E framework for the Authority. A user manual was developed to implement it. The manual contains an overview of the results based M&E framework for the B-PPRA in Balochistan.

Results based management (RBM) approach has a strategic orientation, aiming at strategic goals of the organizations. It helps to put in place a mechanism for ensuring accountability and continuous learning. In RBM, inputs and the activities are considered



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means for achieving desirable end results. In other words, this approach helps us to develop a causal chain:

- How activities would transform into outputs
- How outputs would transform into outcomes (objectives)
- How outcomes (objectives) would transform into impact (goal)

In order to produce first report of the resulted based M&E study, the ASP-RSPN again provided technical support. This report has been jointly prepared by the ASP-RSPN and the B-PPRA.

1.2. Scope of the report

Scope of the report is limited to the year 2015-16.

1.3. Methodological considerations

1.3.1. Framework

Results based M&E Framework of the B-PPRA has provided foundation to this study. All indicators have been taken from it.

1.3.2. Datasets

Three datasets have been used in this report:

- **Dataset 1:** It includes data of the entire population, covering almost all output and outcome level indicators of the M&E Framework
- **Dataset 2:** It includes data of six major departments of the province, selected in terms of their weight (57%) in number of projects and their share in overall budgetary allocation (42%) in 2015-16 (**Table 1**). Dataset 2 has been used for only goal level indicators.
- **Dataset 3:** Source for the data of the development schemes was the Public Sector Development Programme (PSDP) of the province Balochistan for the year 2015-16.



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Table 1 Share of six departments in number of and budget for projects

Department	No. of development schemes	Development Budget 2015-16 (Rs. bn)
C&W	500	10.86
PHE	245	4.63
Irrigation	199	2.96
Agriculture	188	0.21
Health	131	3.84
Social Welfare	28	0.15
Six departments	1291	22.64
Total PSDP	2250	54.51
Share of 6 departments (in %age)	57.38	41.53

1.3.3. Sources of the data

Major source of the data used for analysis in this report, has been obtained from the database of the B-PPRA, which is an updated one and is very rich in terms of indicators. Source of the PSDP is the P&D Department, Government of Balochistan.

1.4. Organization of the report

This report is organized as follows:

- First chapter presents background of the report
- Chapter 2 gives overview of the M&E framework adopted by the B-PPRA
- Chapter 3 depicts performance of the public procurement management system (PPMS) at goal level for the year 2015-16
- Chapter 4 highlights the performance of the PPMS achieved on Objective 1
- Chapter 5 presents the performance of the PPMS achieved on Objective 2
- Chapter 6 describes the performance of the PPMS achieved on Objective 3
- Chapter 7 recounts issues and presents recommendations



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Chapter 2

2. M&E Framework and the Indicators

2.1. Overview of the organization

Indicators are used for measuring results. Results are measured at three levels i.e. 1) goal level; 2) objective level; and 3) output level. Indicators for all three levels for the B-PPRA are presented below:

2.2. Goal

Goal: Governance, management, transparency, accountability and quality of public procurement of goods, services and works enhanced. This goal is in accordance with the Section 5.1 (a function of the B-PPRA) of the B-PPRA Act 2009, which is reproduced as below:

5(1) Subject to other provisions of this Act, the authority may take such measures and exercise such powers as may be necessary for improving governance, management, transparency, accountability and quality of public procurement of goods, services and works in the public sector.

The procurement governance index of the procuring agencies (PAs) has been measured through following indicators i.e.:

- Human Capital Index (HCI) – measured in terms of the availability of resources trained in the organization
- Annual Procurement Planning Index (APPI)
- Rules Compliance Index (tender) (RCI)
- Observation Compliance Index (OCI)
- Evaluation NTI Ratio Index (ENI)
- Improvement (violations) Index (II)
- Complaints Redressal Index (CRI)

Brief description of these seven indicators is given below:

- **Human Capital Index (HCI)** – measured in terms of the availability of resources trained in the organization. It is a measure of the capacity of the department on a scale of 20. The HCI has two components:
 - HCI in terms of trained resources i.e. *number of officials/officers of a department who have received training in public procurement rules*



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- HCI in terms of qualified resources i.e. *number of officials/officers of a department who scored at least 70% in post-training examination conducted by the Authority*
- **Annual Procurement Planning Index (APPI):** It means the proportion of the schemes for which procurement plans were prepared during the year under review. It is measured on scale of 10.
- **Rules Compliance Index (tender) (RCI):** It is the measure of compliance of rules at the stage of tender, adjusted on a scale of 20. It is to be interpreted like as follows: higher score of RCI indicates small number of violations and vice versa. Formula used for its calculation is as follows:

$$\text{RCI} = 20 - [\text{No. of violations identified by PPRA through review of tenders/highest no. of violations among all PAa}]$$

- **Observation Compliance Index (OCI):** This is a measure of the extent to which violations (communicated by the B-PPRA) have been addressed (for compliance) by the PAs. It is measured on scale of 10. Higher value of OCI indicates that more action taken by the PAs on the observations of the Authority.
- **Evaluation NIT Ratio Index (ENI):** It measures the proportion of the NITs against which the PAs have submitted evaluation reports. It is measured on scale of 10. Higher value of ENI means more compliance.
- **The Improvement (violations) Index (II):** This indicator measures the performance of the PAs over period of time (quarter by quarter). It is measured on scale of 10. Higher value of II indicates that the PA has made improvement over period of time (in terms of reduction in violations per NIT). It is calculated by comparing performance of a PA in a quarter with that achieved in the previous quarter.
- **Complaints Redressal Index (CRI):** This indicator measures efficiency of the complaints/grievances redressal system of a PA. It is measured on scale of 10. Five scores are for number of complaints per NIT. Lesser number of complaints per NIT gets higher score. Remaining five scores are given for the proportion of complaints settled during the period under review. Higher efficiency (i.e. more complaints decided/settled) gets more points out of 5 scores.
- **Contracts NIT Ratio Index (CNI):** It measures the proportion of the NITs against which the PAs have uploaded contracts. It is measured on scale of 10. Higher value of CNI means more compliance.



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Future evaluation studies may include following indicators too:

- Annual Procurement Planning Timeliness Index (APTI): It will measure score according to the time of the submission of the procurement plans. Early submitted plans will get higher score and late submitted will get lower score.
- Vendors Satisfaction Index
 - %age of the contracts in which cases payments made within specified time
- Competition Index
 - Number of bidders who passed eligibility stage; [competition index]
 - %age of the contracts (in terms of number) awarded through open competitive bidding;
 - %age of the contracts (in terms of value) awarded through open competitive bidding
- Rules Violation Index (post-tender)
- Number of firms blacklisted
- Cost Performance Index
- Schedule Performance Index
 - Schedule Performance: time lag
 - Average time taken by procurement process

Note: PGI has been calculated for only six major departments for the current report. Future studies may include some other departments too.

2.3. Objectives and outputs

2.3.1. Objective 1

Objective 1: Increased compliance of the rules and regulations

Objective 1 covers two main components of procurement governance i.e. 1) compliance of the rules and regulations; and 2) effective competition ensured. First component of the Objective 1 is in accordance with the sub-sections 5.2a & b of the B-PPRA Act 2009. While second component is in accordance with the sub-section 5.2f of the B-PPRA Act 2009 (i.e. *monitor overall performance of procuring agencies and make recommendations for improvements in their institutional set up*).

Objective 1 has been measured by using following indicators:

- Number of Annual Procurement Plans prepared and uploaded;
- Number of planned procurement vis-à-vis Annual Procurement Plans;
- Number of Tenders Uploaded on B-PPRA website;
- %age of cases violating the rule relating to Bid Opening date & Time;
- Number of evaluation reports uploaded on B-PPRA website;



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- Number of Procuring Agencies which have notified procurement committees;
- %age of contracts which received all compulsory approvals in various processes;
- Number of the blacklisted firms notified;
- Number of violations rectified by Procuring Agency;

Future reports may include following additional indicators too:

- Number of cases in which standard bidding document followed
- Number of contracts and letter of award uploaded on B-PPRA website;
- Number of bills of quantities and Schedule of requirements on B-PPRA website;
- Number of Procuring Agencies having procurement committees headed by BPS-i8 Officer;
- Number of Procuring Agencies maintaining records of procurement proceedings;
- Number of procurements declared as mis-procurement

Objective 1 has three outputs which include:

- Output 1.1: New regulations drafted, approved and shared
- Output 1.2: Consultations held
- Output 1.3: Compliance requirements reviewed and communicated

Output-wise indicators are presented below:

- *Output 1.1: Compliance requirements reviewed and communicated*
 1. Number of violations communicated to PAs
 2. Number of violations identified;
 3. Number of NITs not in line with the Rules
 4. Number of new Procuring Agency IDs created for B-PPRA website;
 5. Number of enquiries of the Procuring Agencies addressed by the B-PPRA;
 6. Number of NITs reviewed
 7. Number of contracts reviewed
 8. Number of evaluation reports analyzed

Future reports may include following additional indicator too:

- Number of news items having procurement issues, identified
- *Output 1.2: Consultations held*
 9. Number of meetings/workshops held with stakeholders
 10. Number of drafts circulated for input
 11. Number of board meetings held for considering legal drafts
- *Output 1.3: New regulations drafted, approved and shared*



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12. Number of new laws/regulations approved and disseminated
13. Number of new laws/regulations drafted and shared in BoD
14. Number of instructions drafted

2.3.2. Objective 2

Objective 2: Enhanced capacity of the external and internal stakeholders

Objective 2 is in accordance with the sub-section 5.2g of the B-PPRA Act 2009 (*provide and coordinate assistance to procuring agencies for developing and improving their institutional framework and public procurement activities*). Objective 2 has three components i.e. 1) enhanced capacities of the PPRA staff; 2) enhanced capacities of the PAs staff; and 3) enhanced capacities of the vendors/suppliers/contractors.

Indicators to be used for measuring performance on Objective 2 are listed below:

- Enhanced capacities of the PPRA staff
 - Improved performance rating [pre and post]
 - Enhanced skill levels (as rated by the supervisors)
 - Number of new practices/tools adopted by the B-PPRA officials
 - Number of new practices/tools suggested by the B-PPRA officials
 - Number of training session hours conducted by the B-PPRA officials
- Enhanced capacities of the PAs staff
 - Increase in the knowledge of the PAs staff
 - %age of participants securing at least 70% score in the post-training test
 - Number of PAs having developed procurement manuals
 - % of the procurement bids cancelled
- Enhanced capacities of the vendors (suppliers/contractors)
 - Increase in the knowledge of the participants representing the vendors in the trainings
 - %age of participants securing at least 70% score in the post-training test
 -

Note: Future reports may include following additional indicator too:

- % of the procurement bids rejected



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Objective 2 is to be achieved through four outputs which include:

- Output 2.1: Capacity building interventions for PAs and vendors initiated
- Output 2.2: Capacity building initiatives of other organizations supported
- Output 2.3: Capacity building interventions for PPRA staff initiated
- Output 2.4: Supported provided to government and PAs

Output-wise indicators are:

- Output 2.1: Capacity building interventions for PAs and vendors initiated
 - Number of trainings conducted organized
 - Number of participants from PAs completing training
 - Number of queries of PAs addressed
 - Number of PAs which represented in the training courses;
 - Number of vendor organizations which represented in the training courses;
 - Number of trainings of B-PPRA, participated by the vendors
 - Number of officials of the vendor organizations who participated in the training courses
- Output 2.2: Capacity building initiatives of other organizations supported
 - Number of lectures delivered by B-PPRA faculty in other institutes;
- Output 2.3: Capacity building interventions for B-PPRA staff initiated
 - Number of training courses participated by the B-PPRA officials
 - Average number of training days/annum participated by B-PPRA officials
 - Number of seminars/conferences attended by the PPRA staff
 - Training investment/employee/annum (Rs.) [adjusted with inflation index]
- Output 2.4: Supported provided to government and PAs
 - Number of PAs assisted by B-PPRA in developing procurement manuals
 - Number of advices provided to the government

2.3.3. Objective 3

Objective 3: Satisfied stakeholders. It is in accordance with the Section 5.1 of the B-PPRA Act 2009. This objective relates to three (of five) principles of procurement (ethics and fair dealing, accountability and reporting and equity). Objective 3 will be measured by using following indicators:

- Grievance cases redressed by the GRC of Procuring agencies;
- Number of court cases settled during the year;



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- Number of PAs which have notified Complaint Redressal Committee
- Number of complaints received in B-PPRA;
- Number of complaints registered at Grievance redressal committees;

Note: Future reports may include following additional indicators too:

- Number of court cases initiated during the year;
- Number of court cases settled during the year;
- Number of court cases pertaining to procurement declared as mis-procurement.
- Number of departmental grievance redressal meetings

Objective 3 will be achieved through two outputs i.e. 1) court cases attended by the PPRA staff; and 2) awareness creating campaigns launched: Indicators to be used for both outputs are as follows:

- Output 3.1: Court hearings attended by B-PPRA staff
 - Number of Court hearings attended by B-PPRA staff
- Output 3.2: Awareness creating campaigns launched
 - Number of communication products developed (e.g. Newsletter);
 - Number of sensitization workshops, seminars & orientations conducted;
 - Number of viewers accessing information through B-PPRA website

2.4. Relevance of Indicators with Rules and Principles of Procurement

In total 51 indicators have been identified for the M&E framework – for all three levels (i.e. goal, Objective and output). The indicators are either based on the legal framework of the B-PPRA (Balochistan Public Procurement Rules 2014 and B-PPRA Act 2009) and theory i.e. five principles of procurement. ‘A’ refers to B-PPRA Act 2009. Relevant sections of the Act are given by ‘A’ against an indicator whichever is grounded in the Act. Similarly, ‘R’ denotes Balochistan Public Procurement Rules 2014. In this case too, wherever any indicator is related to the Rules, relevant rule number with ‘R’ has been placed.

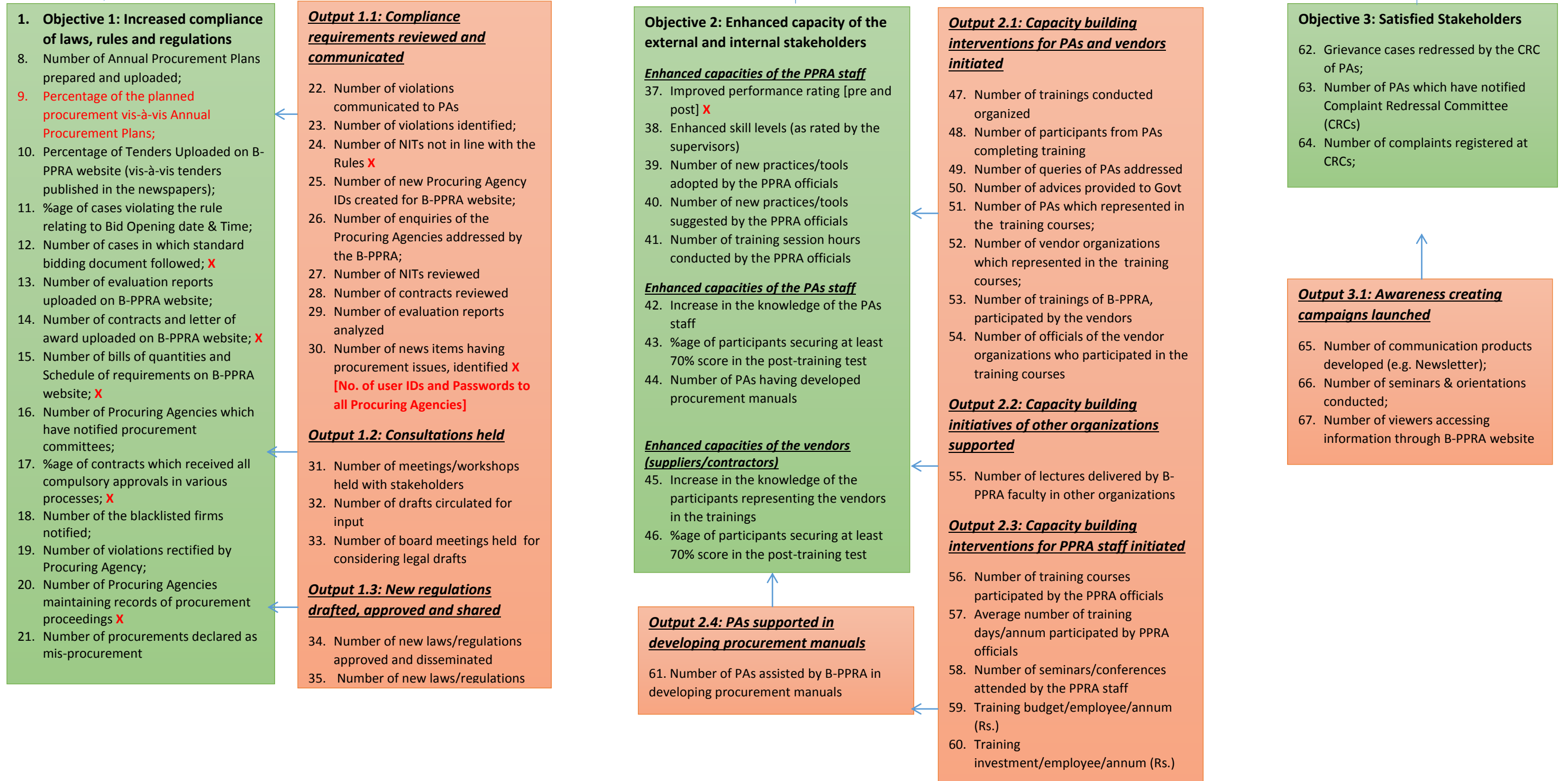
As far as theory is concerned (i.e. five principles), P₁ denotes Value for Money, P₂ for Open and Effective Competition, P₃ for Ethics and Fair Dealing, P₄ for Accountability and Reporting and P₅ for Equity. Besides, it is also stated that these five principles are also extracted (as explained in Section 3.2 of this report) from the Rule 4 of Balochistan Public Procurement Rules 2014.

2.5. M&E Framework

The M&E framework is presented in the following diagram.

Goal: Procurement Governance improved

1. PGI
2. Competition Index
3. Cost Performance Index
4. Schedule Performance Index
5. Vendors Satisfaction Index X
6. Rules Violation Index (tender)
7. Rules Violation Index (post-tender) X





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Chapter 3

3. Progress towards achievement of Goal

Major goal of the BPPRA is to improve and sustain the procurement governance in the province. The goal, as per M&E framework of the Authority, has been measured by using following indicators:

- Procurement Governance Index (PGI)
- Rules Violation Index (tender)

Description of these indicators is given in the previous chapter.

It may be noted that some indicators have not been covered in this report, which can be considered in future reports. These indicators are:

- Vendors Satisfaction Index
- Rules Violation Index (post-tender)
- Competition Index
- Cost Performance Index
- Schedule Performance Index

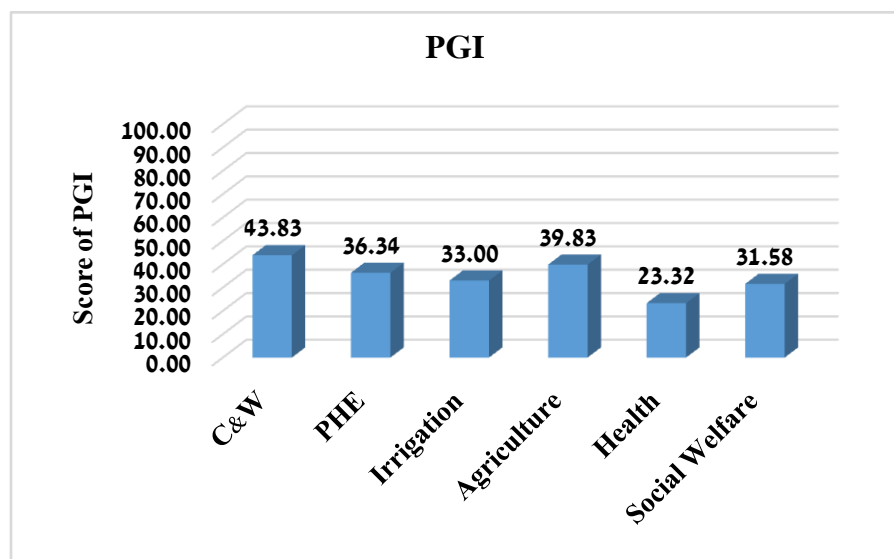
3.1. Procurement Governance Index (PGI)

The PGI for six departments has been estimated by using seven indicators. Results for the year 2015-16 shows that C&W has emerged as the top performer in the province followed by Departments of Agriculture, PHE and Irrigation. Performance of the Health Department has been on lower side.

Indicator-wise scores are presented in 80% & above Highly satisfactory

60% - 79% Moderately satisfactory

- 40% - 59%



Marginally satisfactory



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- 30% - 39% Marginally unsatisfactory
- 20% - 29% Unsatisfactory
- Below 20% Highly unsatisfactory

The six departments fall in three different performance bands. The C&W and Agriculture Departments fall in the band of marginally satisfactory performance, while PHE, Irrigation and Social Welfare Departments are placed in the marginally unsatisfactory performance. The PHE Department lies at almost border of the band. In other words, slight improvement in performance it will move into the band of marginally satisfactory performance.

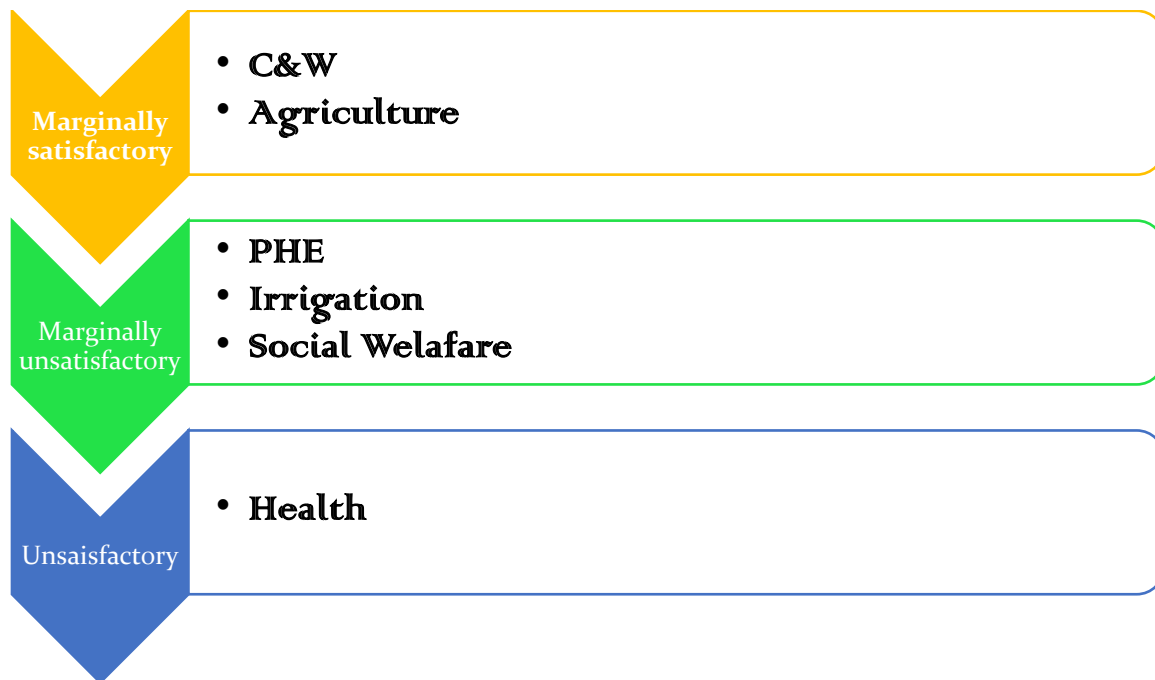


Figure 2 Mapping of the six departments on the criterion of PGI

Table 2 and Figure 1. Indicator-Wise ranking of the PAs is presented in the subsequent sub-sections.

Figure 1 PGI scores of the six PAs

Bands of performance

- 80% & above Highly satisfactory



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- 60% - 79% Moderately satisfactory
- 40% - 59% Marginally satisfactory
- 30% - 39% Marginally unsatisfactory
- 20% - 29% Unsatisfactory
- Below 20% Highly unsatisfactory

The six departments fall in three different performance bands. The C&W and Agriculture Departments fall in the band of marginally satisfactory performance, while PHE, Irrigation and Social Welfare Departments are placed in the marginally unsatisfactory performance. The PHE Department lies at almost border of the band. In other words, slight improvement in performance it will move into the band of marginally satisfactory performance.

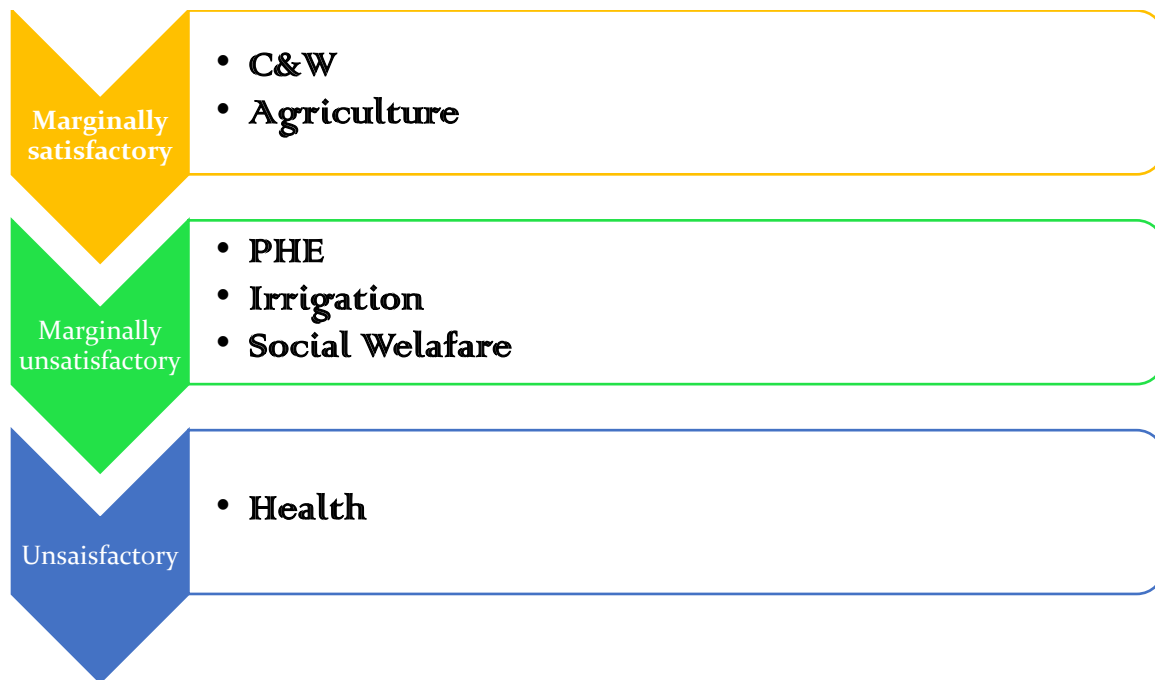


Figure 2 Mapping of the six departments on the criterion of PGI

Table 2 PGI scores of six departments for 2015-16

Department	Rank	PGI	HCI _a	HCI _b	APPI	RCI	OCI	ENI	II	CRI	CNI
		100	10	10	10	20	20	10	10	10	10
C&W	1 st	43.83	6.20	3.29	10.0	7.24	3.6	5.56	1.39	6.6	0
PHE	3 rd	36.34	1.32	5.79	2.0	0.57	2.3	6.56	10.00	7.7	0



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Irrigation	4 th	33.00	8.65	4.86	1.8	1.54	3.2	6.36	-1.01	7.6	0
Agriculture	2 nd	40.00	9.42	4.81	1.9	5.60	4.5	7.58	1.44	4.6	0
Health	6 th	23.32	5.53	3.68	4.2	0.43	3.7	3.55	0.00	2.3	0
Social Welfare	5 th	31.58	10.00	10.00	0.0	0.00	4.2	2.41	0.00	5.0	0

Future directions

The departments are required to transform their procurement management practices. Pace of some departments is high while others are in need of substantial improvements. The roadmap of performance for the departments in the domain of procurement management is now very clear. It is expected that the departments will review their performance in all domains of the PGI and take initiatives for systematic progress. It is further expected that they will consider their scores in all domains and consider them as benchmarks. Their performance in the year 2016-17 will be judged against these benchmarks. All of the nine domains are described below.

As mentioned earlier, the PGI comprises nine components (sub-indicators). Scores of all nine indicators were adjusted on scale of 10 (including RCI) to make comparison. Results are shown in Figure 3. It shows that ENI, HCI and CRI are the areas where performance is much satisfactory. However, performance in CNI, APPI, RCI and II are bit unsatisfactory.



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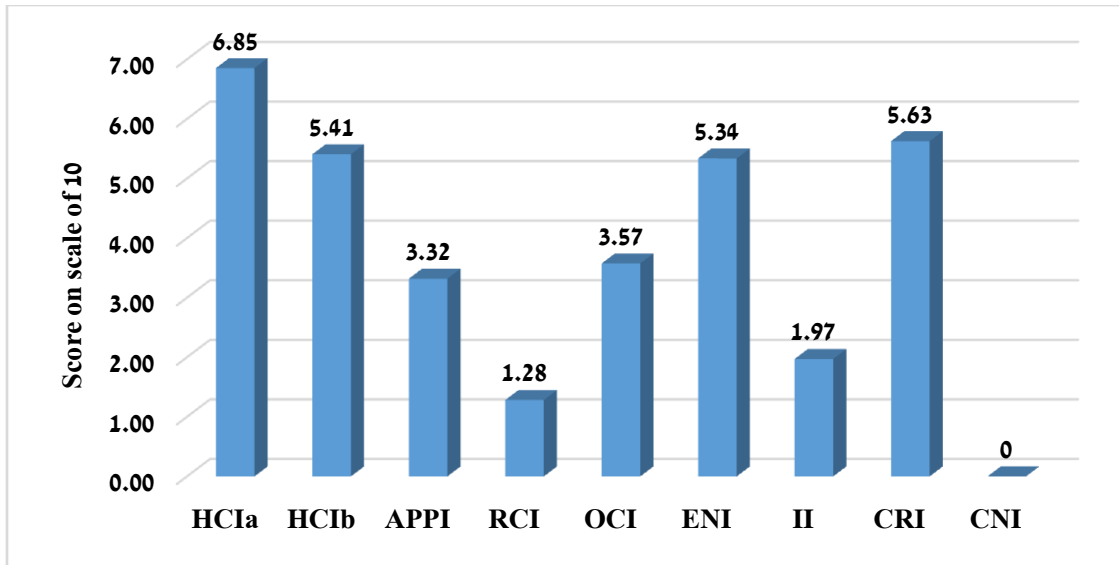


Figure 3 Average scores of the nine components of the PGI

3.1.1. Human Capital Index (HCI)

As described earlier, human capital index (HCI) measures the capacity (regarding public procurement management) available in the department (in the form of trained resources). There are two indicators used for HCI:

- HCIa – in terms trained resources available
- HCIb – in terms of qualified resources available with the departments

On both criteria, Social Welfare Department has emerged at the top. The PHE has got the lowest ranking in terms of trained resources but second highest in terms of qualified resources (*Figure 3; Figure 5*). Note: The scope of HCI is limited to only capacity in the procurement management.



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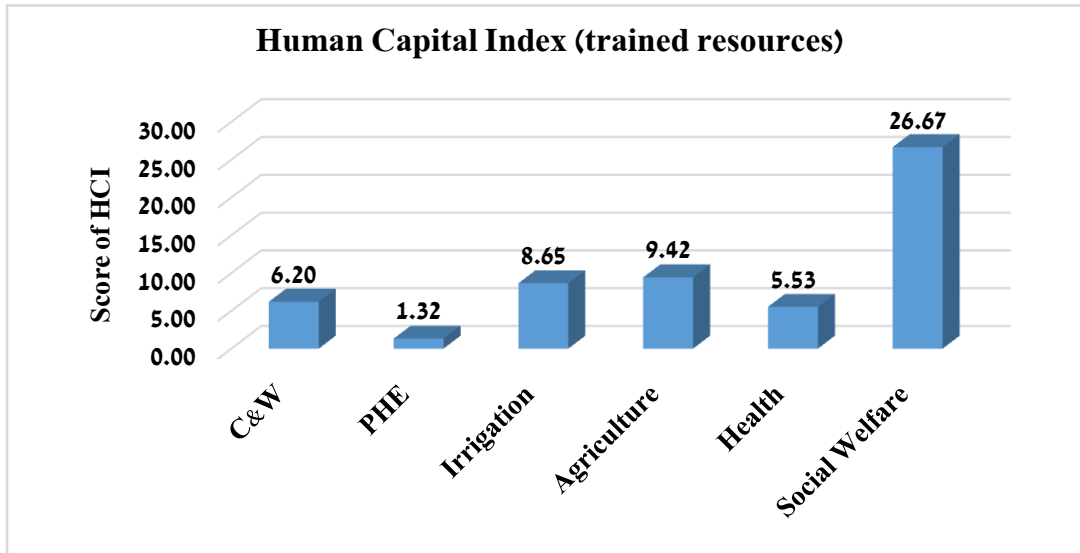


Figure 4 HCI (in terms of trained resources) scores of the six PAs

Table 3 HCI scores (in terms of trained resources) of six departments for 2015-16

Department	Adj HCIA	HCIA	No. of IDs	No. of trained staff
C&W	6.20	6.20	79	49.00
PHE	1.32	1.32	38	5.00
Irrigation	8.65	8.65	37	32.00
Agriculture	9.42	9.42	52	49.00
Health	5.53	5.53	38	21.00
Social Welfare	10.00	26.67	3	8.00



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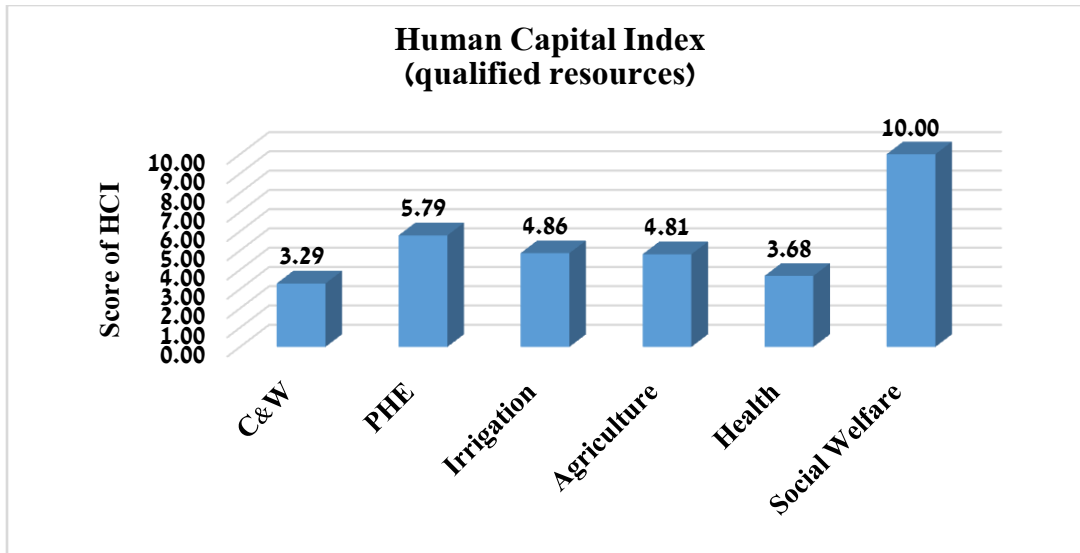


Figure 5 HCI (in terms of qualified resources) scores of the six PAs

Table 4 HCI scores (in terms of qualified resources) of six departments for 2015-16

Department	HCI	No. of IDs	No. of trained staff scoring in 70%
C&W	3.29	79	26.00
PHE	5.79	38	22.00
Irrigation	4.86	37	18.00
Agriculture	4.81	52	25.00
Health	3.68	38	14.00
Social Welfare	10.00	3	4.00

3.1.2. Annual Procurement Planning Index (APPI)

APPI is a measure of the procurement planning on scale of 10. It measures the proportion of the development schemes for which procurement plans were prepared. It is measured on scale of 10. A score close to 10 means procurement plans were prepared for most of the development schemes and uploaded on the website of the Authority.



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On the indicator of APPI, the Department of C&W has received highest score followed by PH, Irrigation, Agriculture and Health Departments. However, the Social Welfare Department has performed poor (Table 5 and Figure 6).

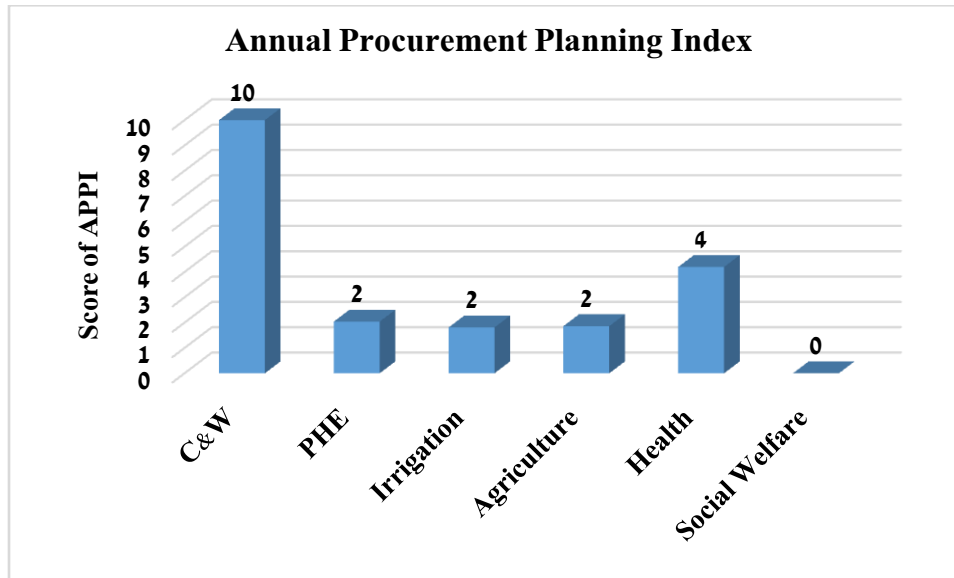


Figure 6 APPI Scores of the six PAs

Table 5 APPI scores of six departments for 2015-16

S#	Department	Rank	APPI	No. of plans	No. of IDs	No. of Entities
1	C&W	1	10	500	79	500
2	PHE	3	2	50	38	245
3	Irrigation	3	2	36	37	199
4	Agriculture	3	2	35	52	188
5	Health	2	4	55	38	131
6	Social Welfare	6	0	0	3	28
			4	858		2250

3.1.3. Rules Compliance Index (tender) (RCI)

Compliance of the rules is divided into two segments: 1) compliance of rules before and at the stage of tendering; and 2) compliance of the rules after tendering. The RCI is a measure of the compliance of rules at the stage of tendering (i.e. stage 1). Most commonly



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rules which are violated at the stage of tendering include Rule 15, Rule 27, Rule 34 and Rule 41. Incidence of violation of each rule is presented in Chapter 4 of this report.

It is measured on a scale of 20. Higher score of RCI indicates small number of violations and greater compliance. Formula used for its calculation can be seen in Chapter 2.

On the criterion of RCI, the departments of C&W and Agriculture have outperformed other four departments. Department of Health and Social Welfare received the lowest scores (*Figure 7 and Table 6*).

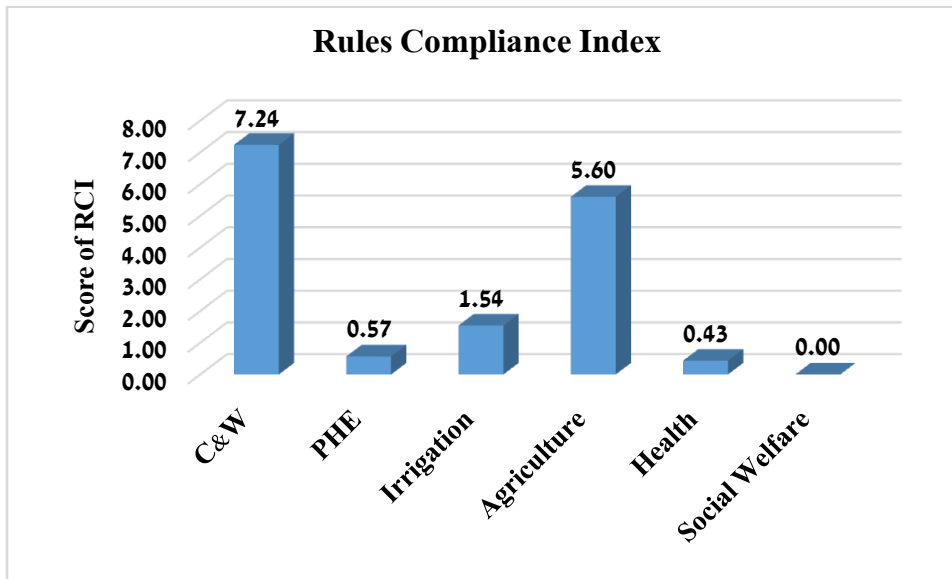


Figure 7 RCI scores of the six PAs

Table 6 RCI scores of six departments for 2015-16

	Department	RCI	Violations/ NIT	No. of violations	No. of NITs
1	C&W	7.24	1.47	841	573
2	PHE	0.57	2.23	914	409
3	Irrigation	1.54	2.12	312	147
4	Agriculture	5.60	1.66	159	96
5	Health	0.43	2.25	108	48
6	Social Welfare	0.00	2.30	23	10

3.1.4. Observation Compliance Index (OCI)



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Fourth component of the PGI is the OCI. It measures the extent to which violations (communicated by the B-PPRA to PA) have been addressed by the PAs. It is measured on scale of 10. Higher value of OCI indicates that greater compliance (by the PA) on the observations of the Authority. In other words, it shows the degree of seriousness on the part of PAs to make improvement in the efficiency and effectiveness of the procurement management practices.

On this account, it is encouraging to note that all departments have made some efforts to correct their mistakes (violations committed at the stage of tendering). However, Departments of Agriculture and Social Welfare have emerged among top performers. On the other hand, the Department of PHE has lagged behind all (**Table 7** and **Figure 8**).

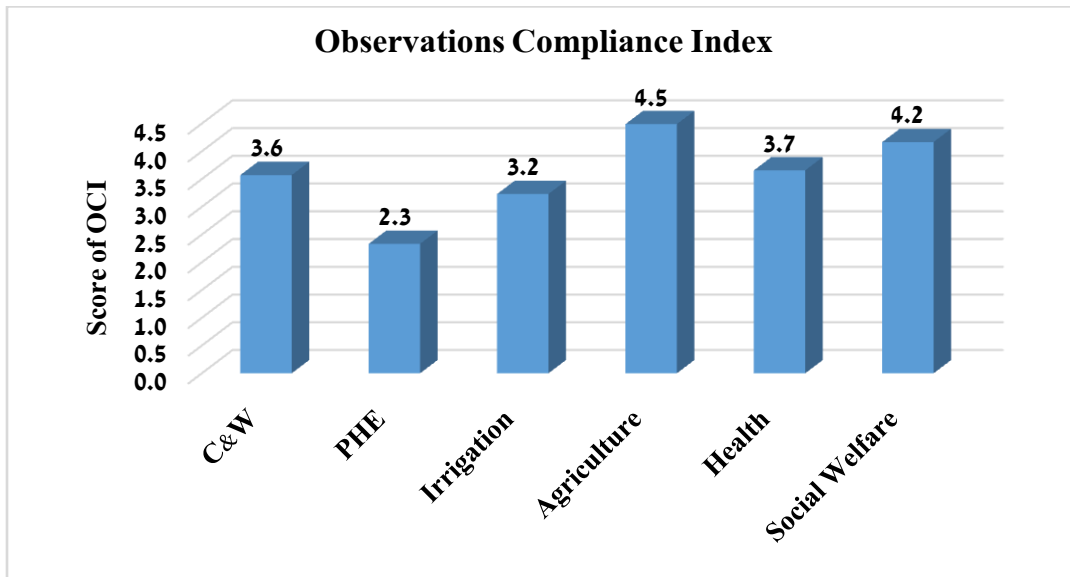


Figure 8 OCI scores of the six PAs

Table 7 OCI scores of six departments for 2015-16



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Department	Rank	OCI	Compliance Index				Number of violations				Number of violations addressed			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
C&W	4	3.6	3.82	3.38	3.95	3.13	34	195	114	83	13	66	45	26
PHE	6	2.3	0.38	3.42	3.70	1.82	26	184	81	77	1	63	30	14
Irrigation	5	3.2	0.40	4.44	5.35	2.73	25	45	43	22	1	20	23	6
Agriculture	1	4.5	5.00	2.06	7.57	3.33	4	34	37	9	2	7	28	3
Health	3	3.7	6.15	6.11	1.11	1.25	13	18	9	8	8	11	1	1
Social Welfare	2	4.2	0.00	6.67	0.00	10.00	4	3	3	1	0	2	0	1

3.1.5. Evaluation NIT Ratio Index (ENI):

The PAs are required to upload evaluation reports (of tenders) on the website of the Authority to improve transparency in the system of procurement management. ENI is an indicator which measures the extent of compliance of this requirement. It measures the proportion of the NITs against which the PAs have submitted evaluation reports. Basic assumption is that no NIT has been cancelled and one evaluation report was due against each NIT. In reality there is a possibility that some NITs might have been cancelled, however, incidence of such cases is usually very insignificant.

The ENI is measured on scale of 10. Higher value of ENI means more compliance.

Performance of the six PAs on this indicator is given in **Table 8** and **Figure 9**. It shows that Department of Agriculture secured the top most position followed by the Departments of PHE and Irrigation. However, Social Welfare Department has lagged behind all (**Table 8**).



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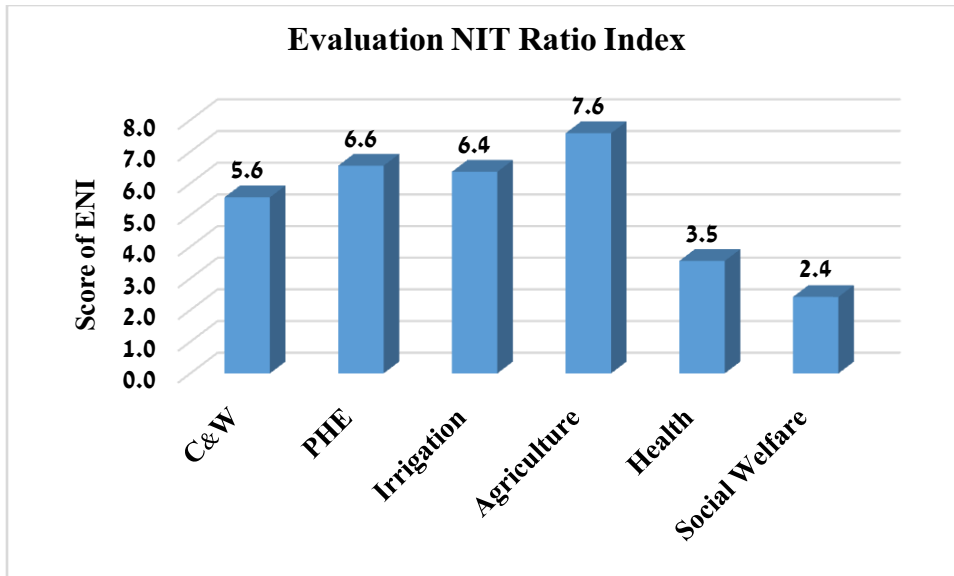


Figure 9 ENI Scores of six PAs

Table 8 ENI scores of six departments for 2015-16

	Department	Rank	ENI	Evaluations uploaded	NITs uploaded
1	C&W	4	5.6	2637	4744
2	PHE	2	6.6	1628	2483
3	Irrigation	3	6.4	322	506
4	Agriculture	1	7.6	116	153
5	Health	5	3.5	33	93
6	Social Welfare	6	2.4	7	29



3.1.6. The Improvement (violations) Index (II):

Any progress made by the departments should be credited. This indicator measures the performance (in terms of reduction in violations of the Rules) of the PAs, quarter by quarter. It is measured on scale of 10. Hence, this indicator is labelled as Improvement Index (II). Higher value of II means that the PA has made improvement as compared to previous quarter. It is calculated by comparing performance of a PA in a quarter with that achieved in the previous quarter.

Performance of the departments on this criterion is presented in **Table 9** and **Figure 9**. The Department PHE has outplaced all other departments.

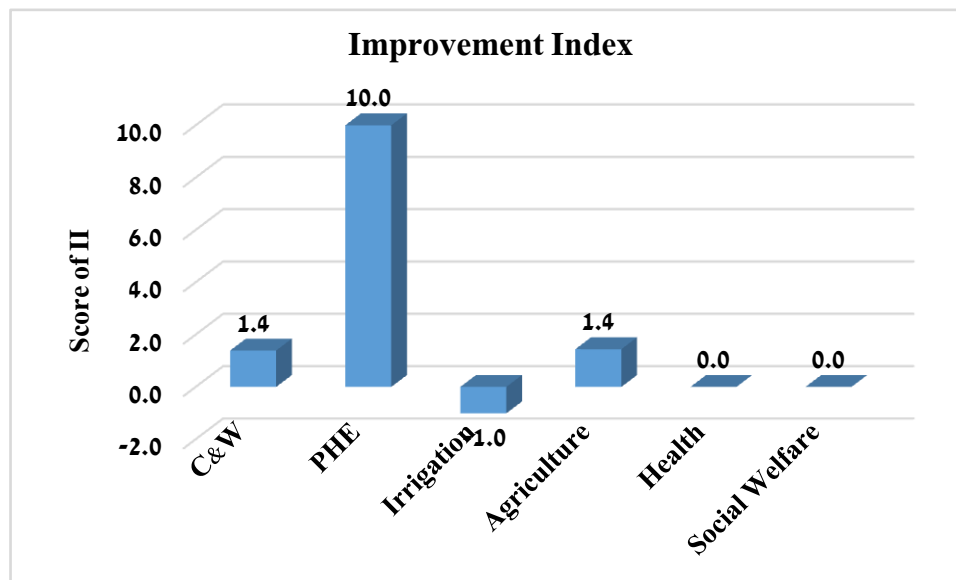


Figure 10 II scores of the six PAs

Table 9 II scores of six departments for 2015-16

Department	Rank	II	Av. IF	Improvement factor (IF)			%age of violation free NITs				Number of NITs				Number of NT violation		
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
C&W	2	1.4	0.5	-0.6	1.1	0.9	26.53	11.76	24.50	45.39	49	221	151	152	36	195	114
PHE	1	10.0	3.3	0.0	10.1	-0.2	0.00	1.08	11.96	9.41	46	186	92	85	46	184	81
Irrigation	6	-1.0	-0.3	-1.0	0.0	0.0	4.00	0.00	0.00	36.11	25	44	43	36	24	44	43
Agriculture	2	1.4	0.5	0.0	0.0	1.4		0.00	17.65	42.86		23	34	14		23	28
Health	4	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	13	18	9	8	13	18	9
Social Welfare	4	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	4	2	3	1	4	2	3



3.1.7. Complaints Redressal Index (CRI):

The complaints redressal is crucial for improving transparency and stakeholder satisfaction. The complaints redressal index is a measure of the efficiency of the complaints/grievances redressal system of a PA. It is measured on scale of 10. The index has two components:

- **Component 1:** Five scores are for number of complaints per NIT. Lesser the number of complaints per NIT, higher the score a PA gets.
- **Component 2:** Remaining five scores are given for the proportion of the complaints settled during the period under review. Higher efficiency (i.e. more complaints decided/settled) gets more points out of 5 scores.

Performance of the six departments is presented in **Table 10 and Figure 10**. The Departments of PHE and the Irrigation have emerged as leading performers i.e. they have more effective grievances redressal system than other departments. The least effective mechanism has been observed in the Department of Health.

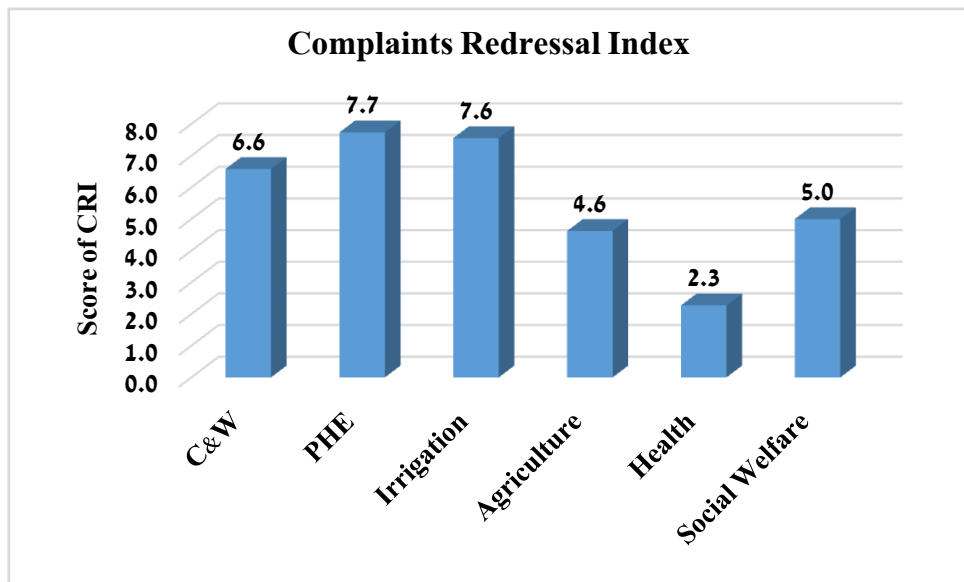


Figure 11 CRI scores of six departments

Table 10 CRI scores of six departments for 2015-16

	Department	Rank	CRI (A+B)	Complaints redressal factor (A)	Complaints factor (B)	Complaints to NIT ratio	No. of NITs	No. of complaints filed
1	C&W	3	6.6	2.4	4.20	0.037	573	21
2	PHE	1	7.7	3.0	4.73	0.012	409	5
3	Irrigation	2	7.6	3.9	3.66	0.061	147	9
4	Agriculture	5	4.6	1.7	2.95	0.094	96	9
5	Health	6	2.3	2.3	0.00	0.229	48	11
6	Social Welfare	4	5.0	0.0	5.00	0.000	10	0



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3.1.8. Contracts-NIT Index

Since none of the PA uploaded any contract on the website of the Authority, hence, no score was assigned to any PA.



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Chapter 4

4. Progress towards achievement of Objective 1: Increased compliance of laws, rules and regulations

Objective 1 of the Authority is: Increased compliance of laws, rules and regulations.

4.1. Objective level progress

Following are the key indicators which have been used to measure progress towards achievement of the Objective 1:

- Number of Annual Procurement Plans prepared and uploaded;
- Percentage of the planned procurement vis-à-vis Annual Procurement Plans;
- Percentage of Tenders Uploaded on B-PPRA website (vis-à-vis tenders published in the newspapers);
- %age of cases violating the rule relating to Bid Opening date & Time;
- Number of evaluation reports uploaded on B-PPRA website;
- Number of Procuring Agencies which have notified procurement committees;
- Number of the blacklisted firms notified;
- Number of violations rectified by Procuring Agency;
- Number of procurements declared as mis-procurement

4.1.1. Number of Annual Procurement Plans prepared and uploaded

In total 1407 PAs have been issued logins and passwords to access B-PPRA website. However, 858 PAs uploaded procurement plans during 2015-16. In other words, achievement on this account is 61% (in terms of IDs). However, the number of procurement plans as percentage of development schemes is on lower side i.e. 38.

About 38% of the of PAs
(in terms of schemes)
uploaded the procurement
plans during 2015-16

Ideally, the procuring agencies should have submitted the plans in July. However, only 23% of the registered PAs uploaded their procurement plans during first quarter of the year. As utility of the procurement plans declines with delay in uploading, hence, there is



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needed to determine the weighted score i.e. Annual Procurement Plan Timeliness Index (APTI). The weighted score for the year 2015-16 comes to 3.83 on scale of 10 keeping in view the following criteria:

Quarter in which plan submitted

<u>Quarter in which plan submitted</u>	<u>Score</u>
Q1	10
Q2	7
Q3	4
Q4	1

**Score of APTI for
2015-16 = 3.83**

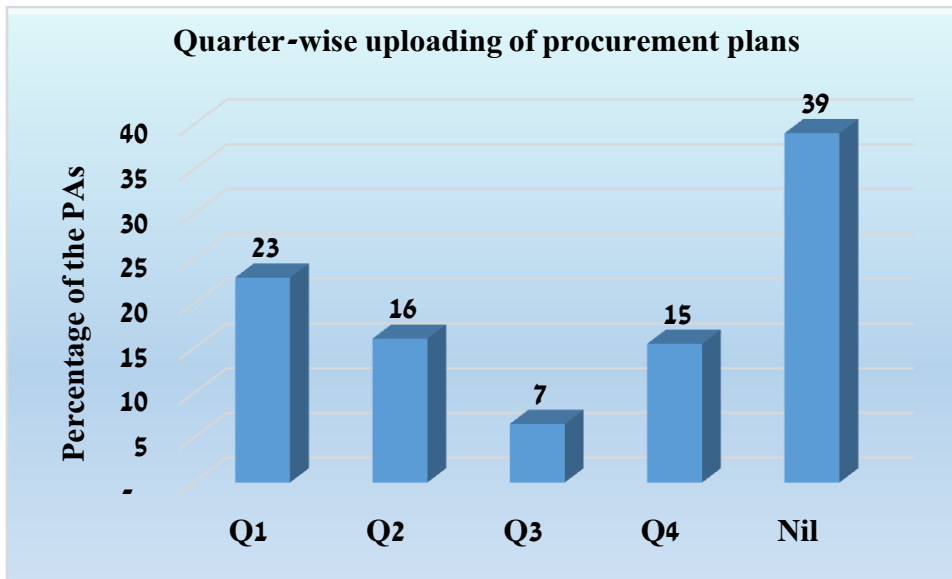


Figure 12 Quarter-wise uploading of procurement plans

4.1.2. Percentage of the planned procurement vis-à-vis Annual Procurement Plans

The percentage of the planned procurement viz-a-viz annual procurement plans is quite insignificant. On overall basis, less than one percent of the NITs were found to be included in the procurement plans.



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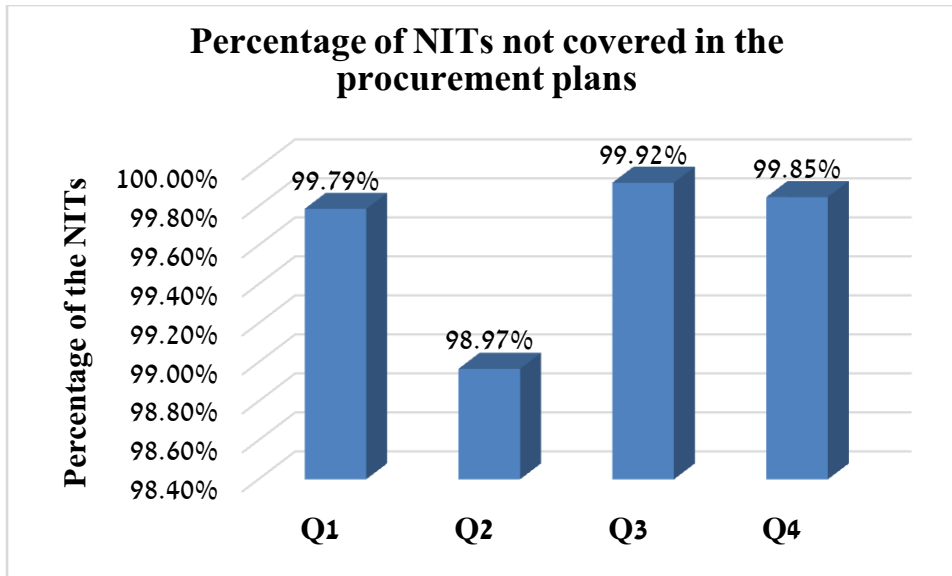


Figure 13 Percentage of NITs included in the procurement plans

4.1.3. Percentage of NITs Uploaded on B-PPRA website (vis-à-vis tenders published in the newspapers)

In total 12,359 NITs were uploaded on the website of the B-PPRA during the year under review (**Figure 14**). Almost half of all NITs (48%) were uploaded during the last quarter (**Figure 15**) which indicates that the procurement management is having the issue of inefficiency. Since this was the first year of the adoption of procurement plans, hence, such achievement itself is commendable – notwithstanding that they were uploaded with considerable delay. However, in future efforts are needed to ensure that most of the procurement plans are uploaded in July.



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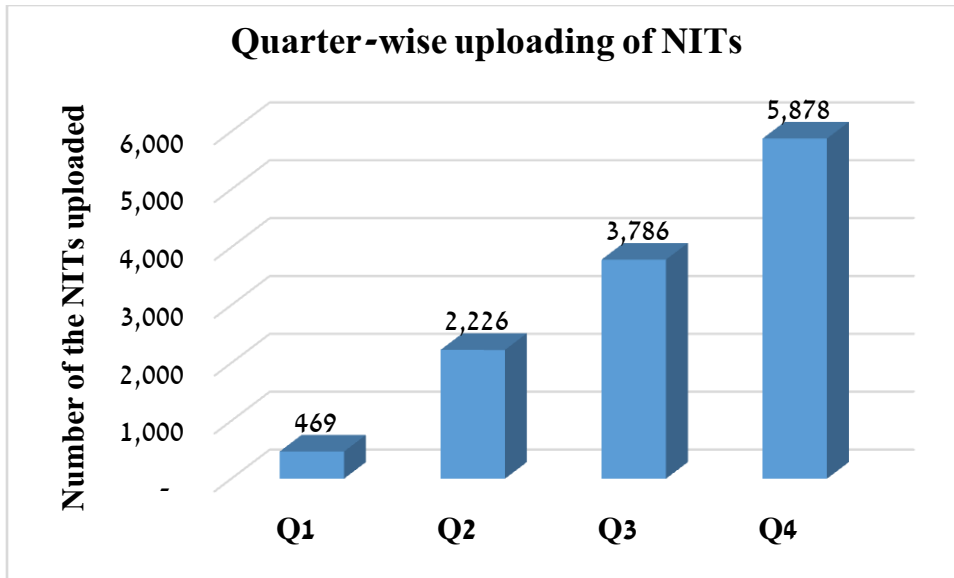


Figure 14 Number of NITs uploaded on the PPRA website

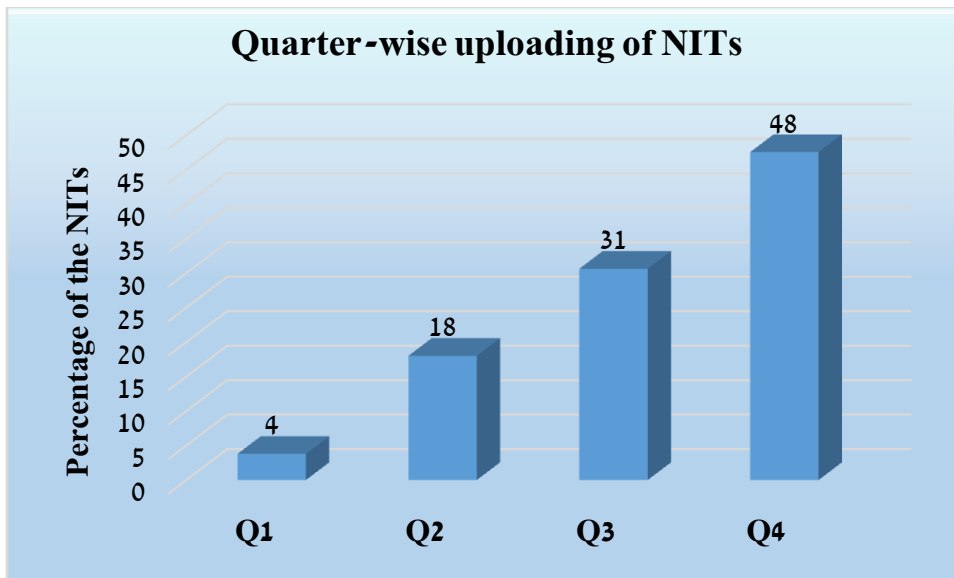


Figure 15 Percentage of NITs uploaded on the PPRA website



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4.1.4. Percentage of Tenders Uploaded on B-PPRA website (vis-à-vis tenders published in the newspapers)

Almost all NITs were uploaded on the website of the B-PPRA. This is indeed a big achievement.

4.1.5. Violation of rules

Staff of the Authority regularly reviews all tenders published in the daily newspapers and on its website B-PPRA to monitor compliance of rules.

Violation of rules has been measured as number of violations as percentage of total number of the NITs. During the year under review, on overall basis, the incidence of violations was recorded at about 33%.

The incidence of violations was recorded at about 33%

However, quarter-wise breakdown shows that the year began with very high incidence i.e. 83% then consistently plummeted, as is evident in **Figure 16**. It indicates that strategies put in place by the Authority quickly started producing impact.

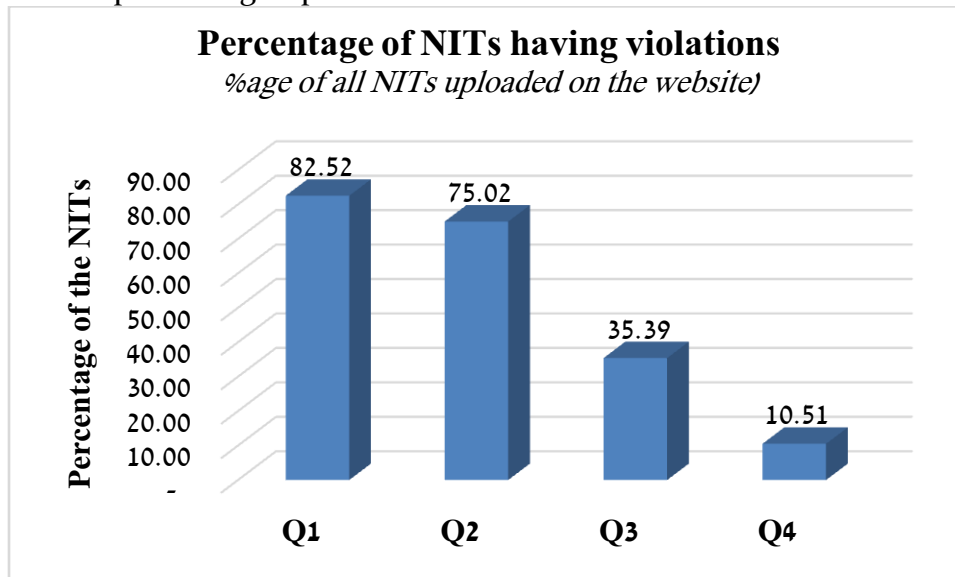


Figure 16 The incidence of the violation of Rules (as a %age of NITs)

4.1.5.1. Violation of Rule 15 – Method of notification and

That the incidence of violation declined consistently quarter by quarter



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On overall basis, 18.67% of all (NITs) uploaded on the website of the PPRA carried violation of Rule 15. However, it is encouraging to note that the incidence of violation declined consistently quarter by quarter. In the Q1, it was as high as 54% and it shrunk to just 4.59% in the Q4 (see **Figure 17**).

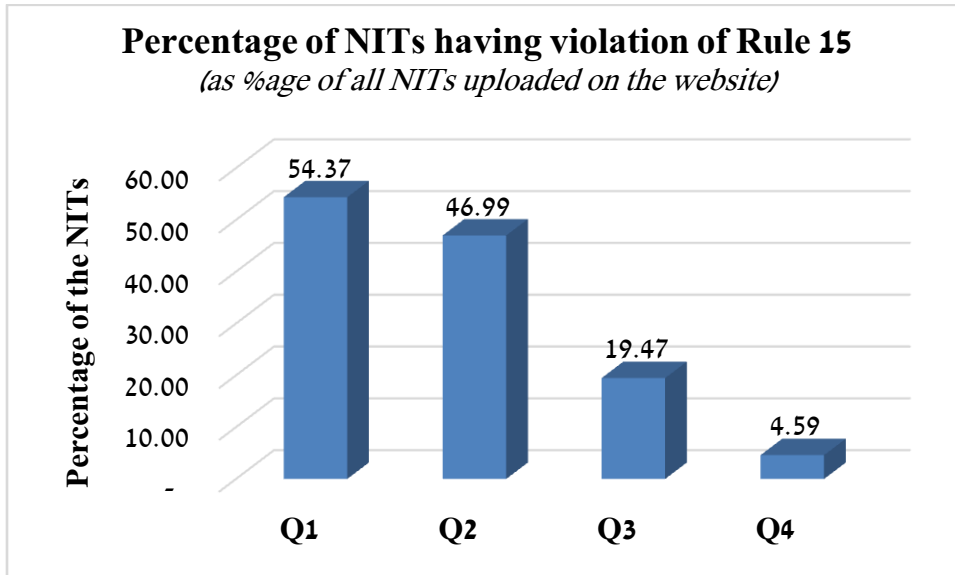


Figure 17 Percentage of NITs having violation of Rule 15

4.1.5.2. Violation of Rule 27: Uploading of bidding documents on the B-PPRA website

Rule 27 is the most violated rule. On overall basis, about 12% of all (NITs) uploaded on the website of the PPRA carried violation of Rule 27. It pertains to uploading of bidding documents on the B-PPRA Website. Although, the year began with high incidence of violation (i.e. about 27%), however, it has declined quarter by quarter (see **Figure 18**).

About 12% of all (NITs) uploaded on the website of the PPRA carried violation of



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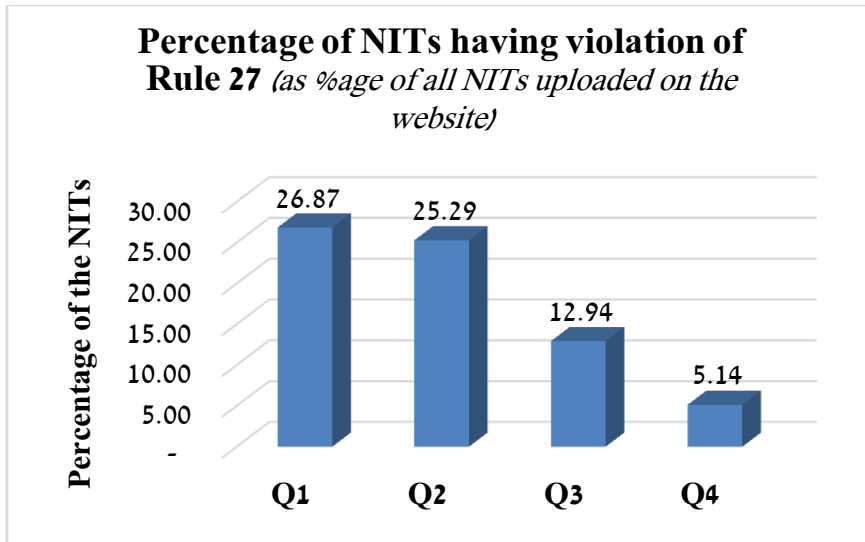


Figure 18 Percentage of NITs having violation of Rule 27

4.1.5.3. Violation of Rule 41: Procedures for open competitive bidding

Rule 41 is related to procedures for open competitive bidding. Its violation was statistically insignificant, as average incidence of violation observed during the year was just 1.63% of the NITs uploaded on the website. Hence, this is not an area of major concern. Quarter-wise trend is depicted in

Average incidence of violation of Rule 41 observed during the year was just 1.63% of the NITs. Hence, this is not an area of major concern

Figure 20.

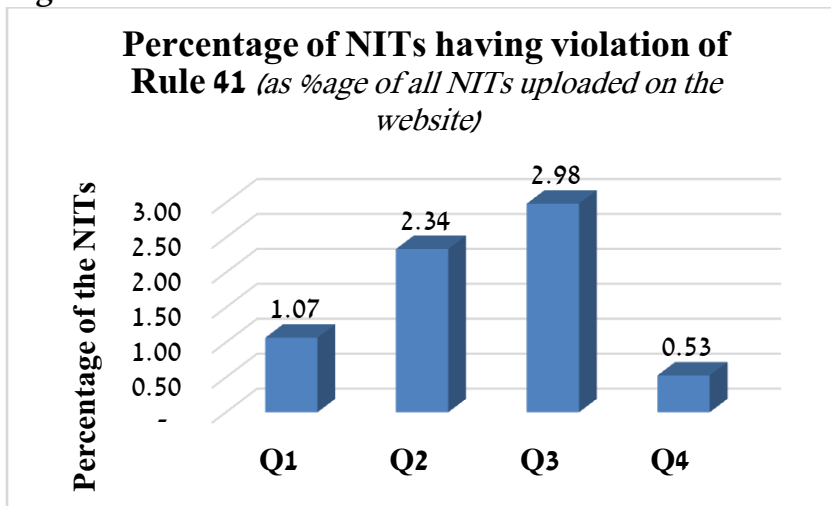


Figure 19 Percentage of NITs having violation of Rule 41



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4.1.5.4. Violation of Rule 34: Evaluation criteria

Rule 34 requires the PAs to include unambiguous evaluation criteria in the bidding documents. Violation of this rule was observed with relatively less frequency i.e. less than 1 percent. Hence, violation of this rule is also not an area of much concern.

Rule 34. *The Procuring Agencies shall formulate an appropriate and unambiguous evaluation criteria, listing all the relevant information against which a bid is to be evaluated and criteria of such evaluation shall form an integral part of the bidding documents. The failure to provide a clear and unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.*

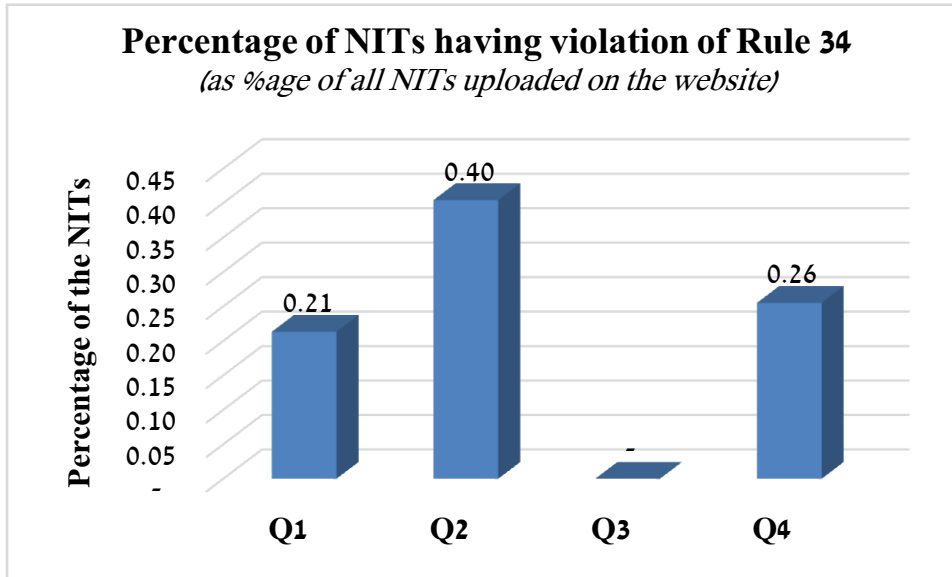


Figure 20 Percentage of NITs having violation of Rule 34

4.1.6. Number of evaluation reports uploaded on B-PPRA website

During the year under review, in total 6,705 evaluation reports were uploaded on the website of the B-PPRA i.e. 54% of all NITs uploaded on the website. In early stages of enforcement of the law, such performance is commendable.

In total, 6,705 evaluation reports were uploaded on the website of the B-PPRA i.e. 54% of all NITs.

Quarter-wise analysis shown in **Figure 21** reveals that there is a consistent improvement over a period of time. The year began with 34% in the Q1 and ended with 66% in Q4.



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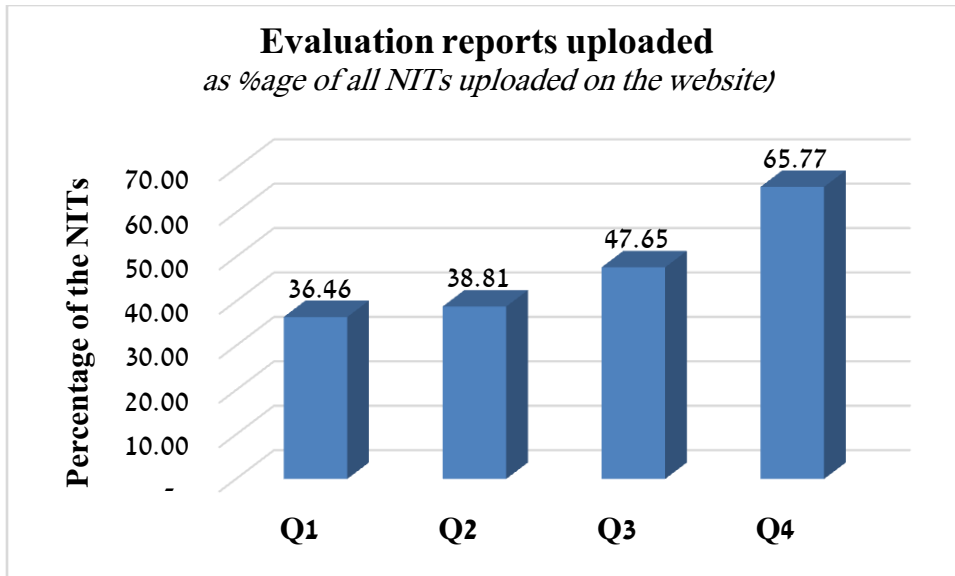


Figure 21 Evaluation reports uploaded on the website of B-PPRA

4.1.7. Number of Procuring Agencies which have notified procurement committees

So far 229 PAs notified their procuring committees. However, all were notified in the previous year i.e. 2014-15. There is an area where efforts can be put for improvement.

4.1.8. Number of the blacklisted firms notified

So far no firm has been blacklisted by any PA in the province.

4.1.9. Number of violations rectified by Procuring Agency

4.1.10. Number of procurements declared as mis-procurement

During the year under review (i.e. 2015-16), only one procurement was declared as mis-procurement. It accounts for only 0.01% of all NITs uploaded on the website of the B-PPRA. It shows that severity of the issue of the mis-procurement is very low.

Severity of the issue of the mis-procurement is very low i.e. 0.01% of the NITs



4.1.11. Number of contracts and letter of award uploaded on B-PPRA website

In total 1138 contracts were uploaded on the website of the B-PPRA during the year 2015-16, which account for only 9% of all NITs uploaded on the website. However, it is worth-mentioning that all contracts were uploaded in the last quarter of the year (19% of all NITs uploaded during the quarter; **Figure 22**).

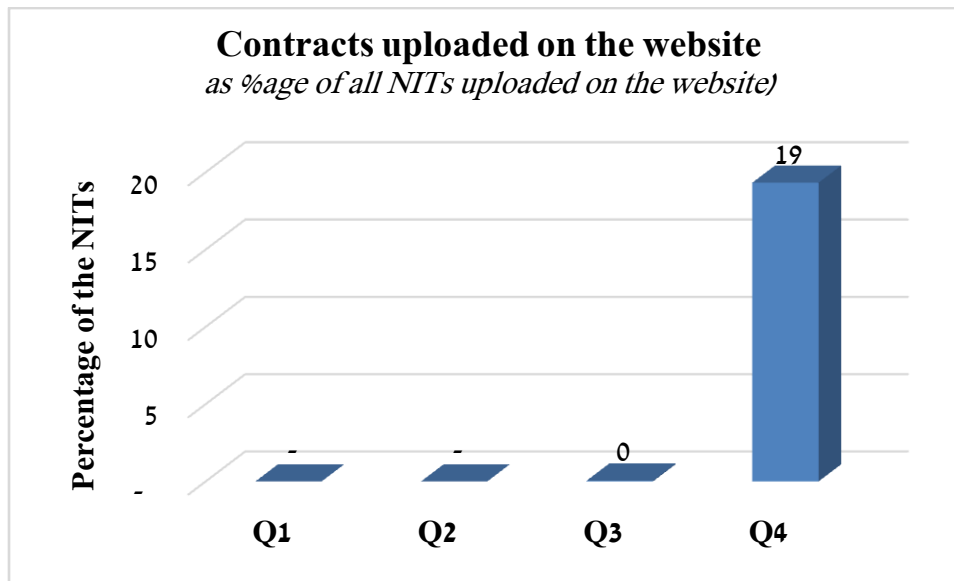


Figure 22 Contracts uploaded on the website of B-PPRA

4.1.12. NOTE

It may be noted that the present report has not included following indicators owing to variety of reasons which include: 1) on some areas implementation has not yet been initiated; and 2) lack of feasibility to collect data:

- Number of cases in which standard bidding document followed;
- Number of bills of quantities and Schedule of requirements on B-PPRA website;
- %age of contracts which received all compulsory approvals in various processes;
- Number of Procuring Agencies maintaining records of procurement proceedings

4.2. Output level progress

The Objective 1 is contributed by three outputs delivered by the authority, which include:



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- Output 1.1: Compliance requirements reviewed and communicated
- Output 1.2: Consultations held
- Output 1.3: New regulations drafted, approved and shared

Output-wise list of indicators used to measure progress is re-produced below:

4.2.1. Output 1.1: Compliance requirements reviewed and communicated

4.2.1.1. Number of violations communicated to PAs

The year began with very high number of violations (as %age of the NITs uploaded on the website) communicated to the PAs i.e. about 42%. However, it declined to just 8% in the last quarter (**Figure 23**). During the year, 1607 violations of rules, in total, were communicated to the PAs. It shows that the PAs have developed their capacity in short span of time and thus compliance has improved.

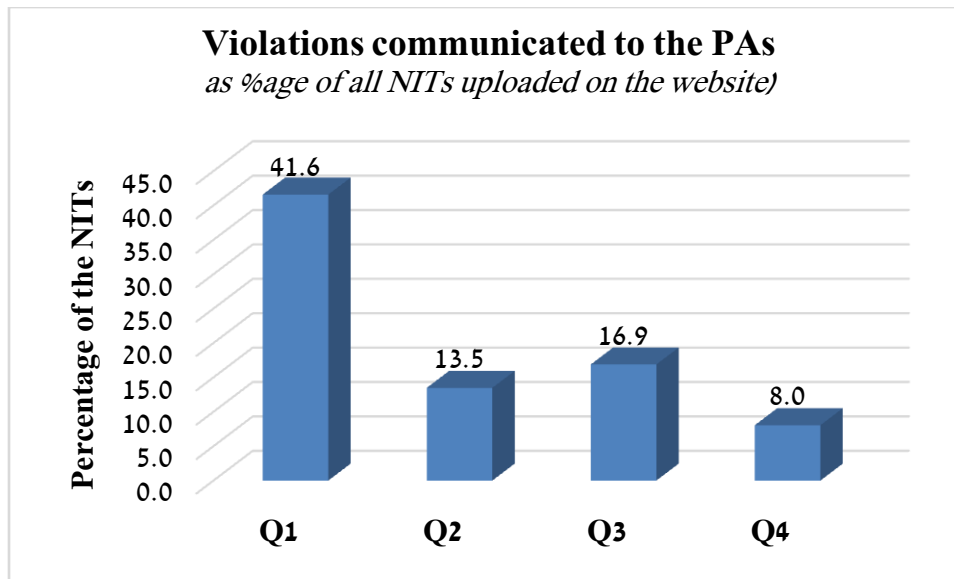


Figure 23 Violations communicated to the PAs

- Number of violations identified;
- Number of NITs not in line with the Rules [**Note:** since implementation on this indicator has not yet started, hence, it has not been included in the present report]



4.2.1.2. Number of new Procuring Agency IDs created for B-PPRA website;

It is quite encouraging sign that the Authority created IDs for 1265 PAs during the year 2015-16. Quarter-wise progress is shown in **Figure 24**.

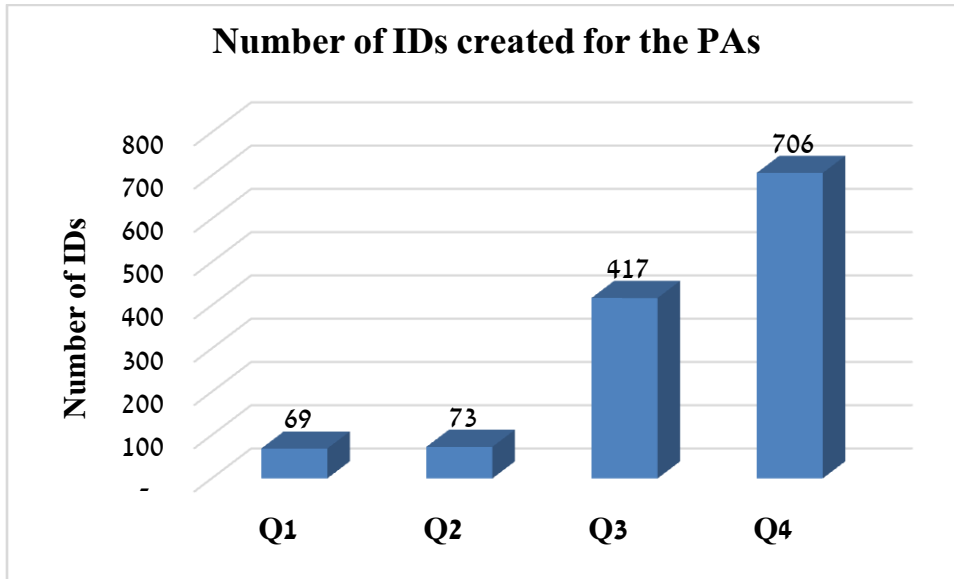


Figure 24 IDs created for the PAs

4.2.1.3. Number of enquiries of the Procuring Agencies addressed by the B-PPRA

During 2015-16, the Authority received and entertained 41 queries of the PAs. The queries pertained to the application of the procurement rules. Quarter-wise analysis shown in **Figure 25** indicates that trend is gradually building and more and more PAs are referring the issues to the Authority for expert opinion.



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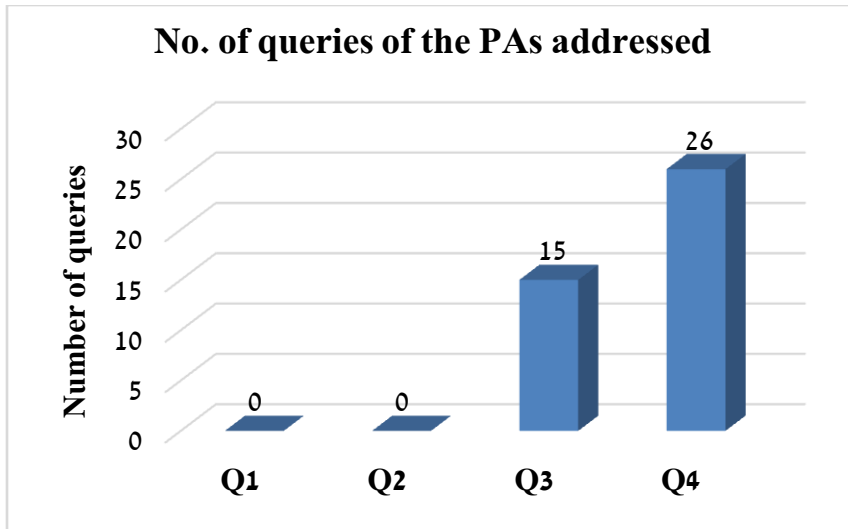


Figure 25 Number of queries addressed by the Authority

4.2.1.4. Number of NITs reviewed

The Authority staff reviewed 1704 NITs during the year 2015-16. It accounts for 14% of all NITs uploaded on the website of the Authority. Quarter-wise analysis indicates that in the Q, the Authority reviewed almost 40% of all NITs uploaded. However, the percentage declined in the following quarters (**Figure 26**). However, in terms of absolute number, the situations looks much different. **Figure 27** shows that performance of the Authority has remained almost consistent in last three quarters. It further shows that the Authority can set a benchmark of 500 NITs to be reviewed in each quarter.

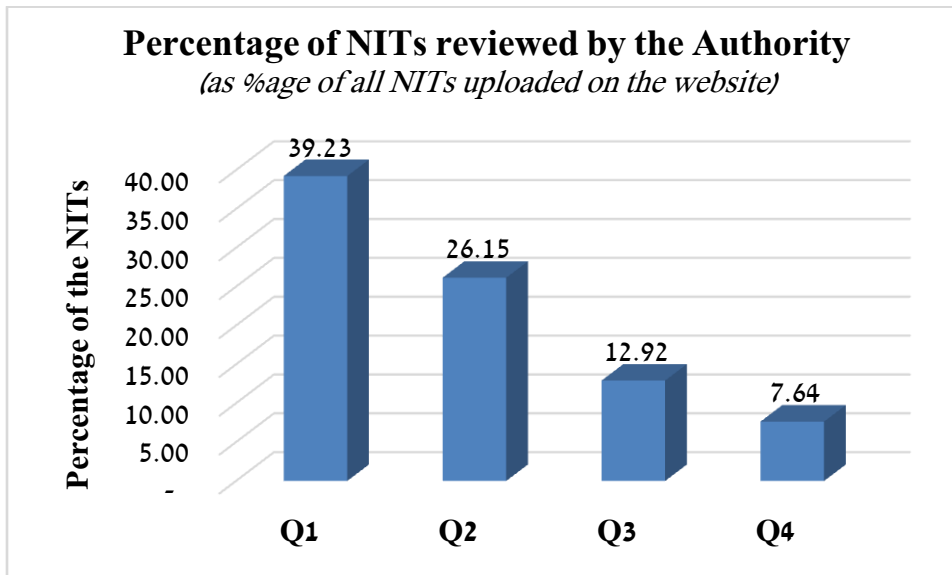


Figure 26 Percentage of the NITs reviewed by the Authority



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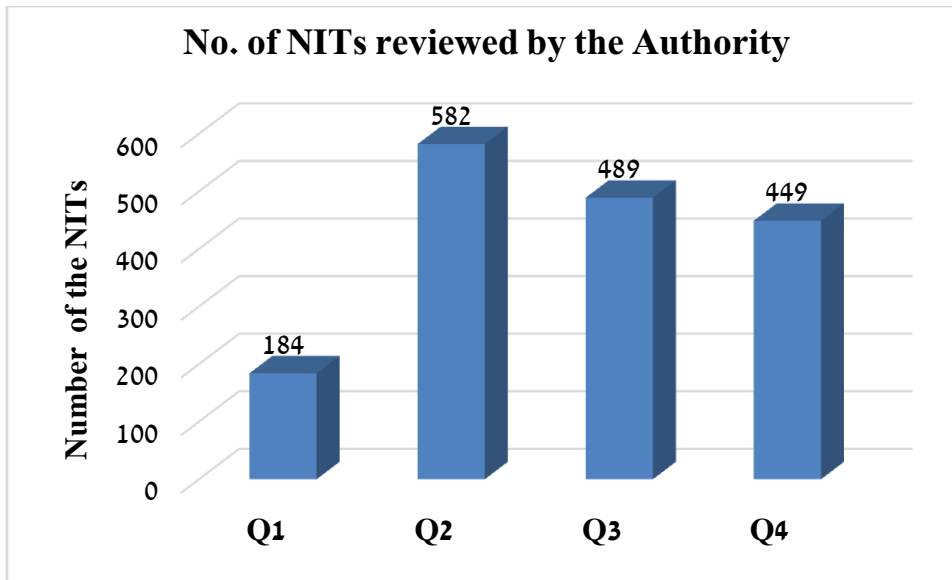


Figure 27 Number of NITs reviewed by the Authority

4.2.1.5. Number of contracts reviewed

The authority has not yet started reviewing the contracts uploaded on the website of the PPRA. This is a technical area which requires specialized expertise. Here the Authority needs to build capacity.

Review of the contracts requires special expertise. This is an area where the Authority needs to build capacity

4.2.1.6. Number of evaluation reports analyzed

During the year under review, the Authority reviewed 30 evaluation reports – all analyzed in the last quarter. The number of evaluation reports reviewed accounts for just 1% of all evaluation reports uploaded on the website of the Authority. This is an area where considerable improvement is needed.

The number of evaluation reports reviewed accounts for just 1% of all evaluation reports uploaded on the website of the Authority



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- Number of news items having procurement issues, identified [**Note:** since implementation on this indicator has not yet started, hence, it has not been included in the present report]

4.2.2. Output 1.2: Consultations held

4.2.2.1. Number of meetings/workshops held with stakeholders

No formal consultation (with stakeholders) meeting was held during the year.

4.2.2.2. Number of drafts circulated for input

During the year 2015-16 only one draft was circulated among the stakeholders for their input.

4.2.2.3. Number of board meetings held for considering legal drafts

No Board meetings was held for considering legal drafts during 2015-16.

4.2.3. Output 1.3: New regulations drafted, approved and shared

4.2.3.1. Number of amendments in the Act/Rules approved and disseminated

No new law was approved and disseminated during the year, as no need for any change was realized.

4.2.3.2. Number of amendments in the Act/Rules drafted and shared in the BoD

No new law/regulation was drafted and shared in the Board during the year, as no need for any change was realized.

4.2.3.3. Number of new regulations drafted

Three new regulations were drafted by the Authority staff during the year.



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4.2.3.4. Number of new regulations approved and disseminated

Three new regulations were approved and disseminated during the year.

4.2.3.5. Number of instructions drafted

No new instruction was drafted during the year.

4.3. Conclusion

In most of the areas, phenomenal improvement in performance was observed. However, there are some areas where more efforts are needed which include: a) review of the evaluation reports; and 2) review of the contracts uploaded on the website of the Authority.



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Chapter 5

5. Progress towards achievement of Objective 2: Enhanced capacity of the external and internal stakeholders

Objective 2 of the Authority is: Enhanced capacity of the external and internal stakeholders.

5.1. Objective level progress

The key indicators which have been used to measure progress towards achievement of the Objective 1 are grouped into three categories:

- Enhanced capacities of the PPRA staff
- Enhanced capacities of the PAs staff
- Enhanced capacities of the vendors (suppliers/contractors)

Indicators of performance for all three categories are listed below:

5.2. Enhanced capacities of the PPRA staff

5.2.1. Improved performance rating [pre and post]

This indicator has not been included in the present report. However, future evaluation reports are suggested to cover it.

5.2.2. Enhanced skill levels (as rated by the supervisors)

Not included in the present report.

5.2.3. Number of new practices/tools adopted by the PPRA officials

Not included in the present report.

5.2.4. Number of new practices/tools suggested by the PPRA officials

Not included in the present report.



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5.2.5. Number of training session hours conducted by the PPRA officials

Not included in the present report.

5.2.6. Enhanced capacities of the PAs staff

5.2.6.1. Increase in the knowledge of the PAs staff

Average increase in the knowledge of the participants was recorded about 11 percentage points. Their average score increased from 70% on pre-training test to over 81% on post-training test (Figure 28).

5.2.6.2. %age of participants securing at least 70% score in the post-training test

Only 5% of the participants of training score at least 70% in the post-training test. This 5% can be treated as a benchmark for comparison with performance of the trainees in the next year.

Only 5% of the participants of training score at least 70% in the post-training test.

5.2.6.3. Average score on the knowledge of participants before and after training

Average score of the participants on the knowledge related to Public Procurement Rules increased from 70% (before training) to 81% (after training) which shows that:

- Participants had higher level of knowledge before training. Since only 5% of the participants secured 70% and above, it implies that those 5% would have got very high score and other 95% participants' score would be closer to 70%. It seems to be an exceptional situation. However, in every case this situation might hold true. Hence, benchmarking of this indicator should be done with great caution.
- Average increase in score is just 11 percentage points.



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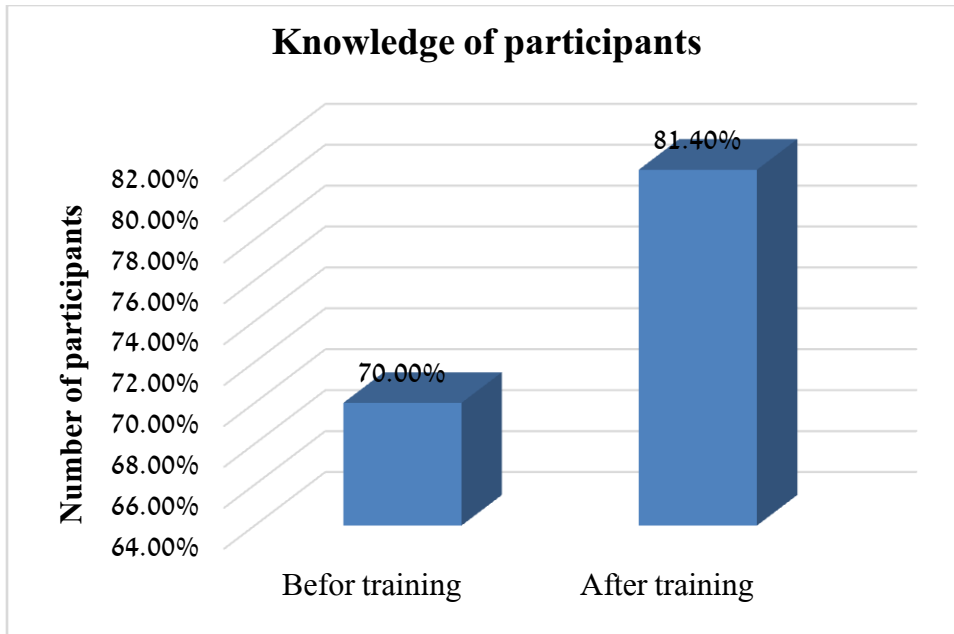


Figure 28 Knowledge of the participants before and after training

5.2.6.4. Number of PAs having developed procurement manuals

None of the organization developed any procurement manual during the year. The Authority may set a target for the next year.

5.2.7. Enhanced capacities of the vendors (suppliers/contractors)

5.2.7.1. Total number of vendors staff participated in trainings

During the year 2015-16, in total 39 staff members of the vendor organizations participated in trainings. It is indeed a very positive sign. Vendors' staff is mostly neglected for trainings. Hence, this initiative of the Authority is commendable.

5.2.7.2. Increase in the knowledge of the participants representing the vendors in the trainings

It was not measured.

5.2.7.3. %age of participants securing at least 70% score in the post-training test



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It was also not measured.

5.3. Output level progress

The Objective 2 is contributed by three outputs delivered by the authority, which include:

5.3.1. Output 2.1: Capacity building interventions for PAs and vendors initiated

5.3.1.1. Number of trainings conducted/organized

During the year under review, the Authority organized 11 training courses, out of which 9 were organized alone in third quarter of the year (Figure 29). One training was exclusively organized for the staff of the vendor/contractor organizations. Duration of each training was two days.

It is suggested that the Authority develops an annual calendar of training which may be circulated widely among the PAs

It is suggested that the Authority develops an annual calendar of training which may be circulated widely among the PAs.

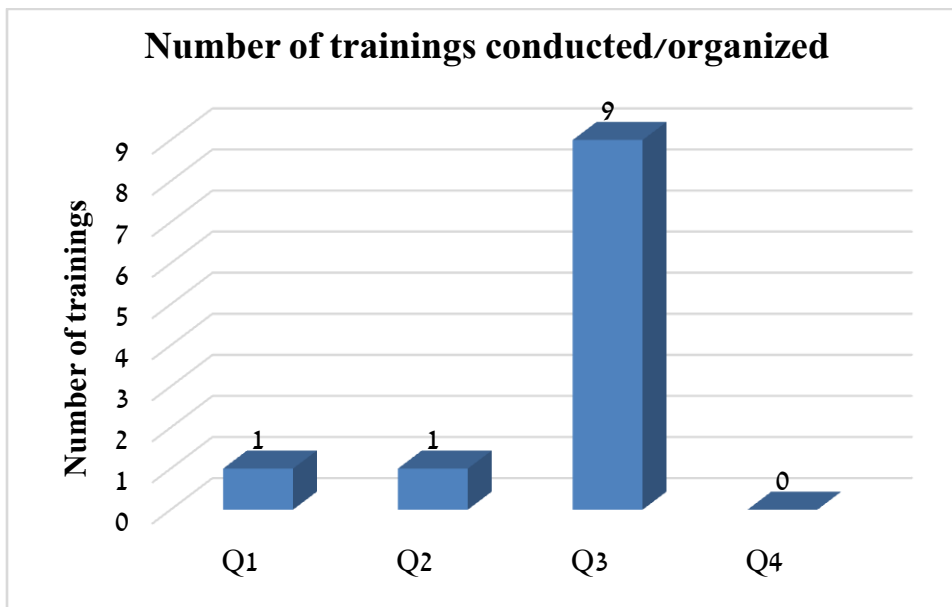


Figure 29 Quarter-wise number of training courses organized



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5.3.1.2. *Number of participants from PAs completing training*

During 2015-16 as many as 383 officials/officers of the PAs were imparted training in the Public Procurement Rules. Most of them received training in third quarter of the year (**Figure 30**). On an average 35 officials/officers participated in each training. Since this was the first year of trainings, hence, proper annual calendar was not used. However, it is suggested that the Authority develops an annual calendar of training.

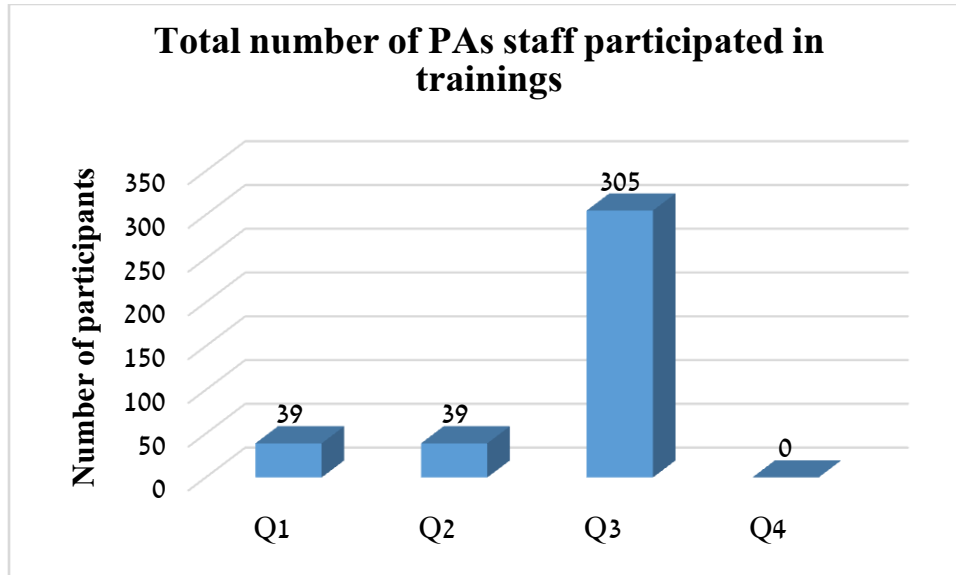


Figure 30 *Number of participants trained in the Public Procurement Rules*

5.3.1.3. *Number of PAs which represented in the training courses*

During 2015-16, officials/officers of as many as 27 PAs participated in trainings. Since there are 1265 PAs registered with the B-PPRA, hence, the number of PAs with training resources account for just 2% of all PAs. However, it is worth-mentioning that not all PAs have significant quantum of procurement. There is a possibility that only 2% of the PAs may be managing over 80% of the value of all public sector procurements in the province.

In view of the above, it is suggested that priority should be given to those PAs which are having bigger share in the public procurement management.



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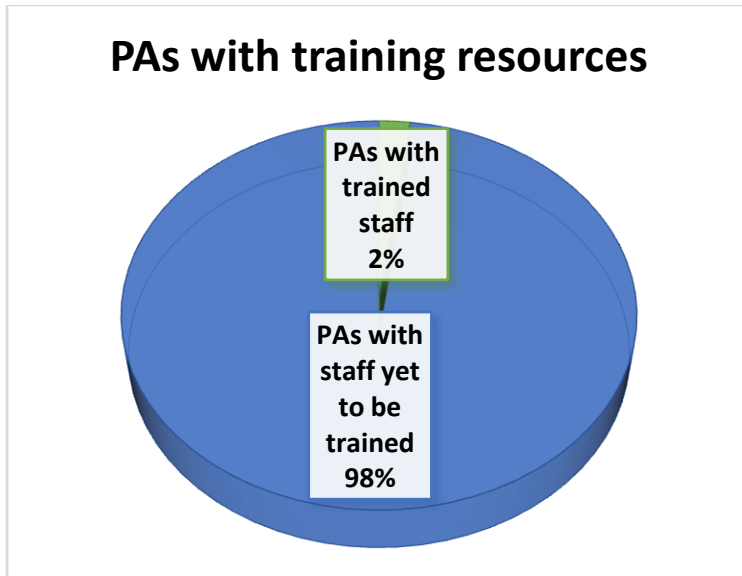


Figure 31 Number of PAs with trained resources

5.3.1.4. Number of queries of PAs addressed

During the year under review, no query was received from any PA.

5.3.1.5. Number of advices provided to Govt

They Authority provided 28 advices (regarding interpretation/application of Public Procurement Rules) to the Government on its request.

5.3.1.6. Number of vendor organizations which represented in the training courses

Officials of 39 vendor organizations participated in the trainings organized by the B-PPRA. It is indeed a good initiative. It will help in managing efficiency of the public procurement initiatives.

5.3.1.7. Number of trainings of B-PPRA, participated by the vendors

The officials of the vendor organizations participated in only training exclusively organized for them. One exclusive training organized in a year for them seems to be sufficient



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5.3.1.8. Number of officials of the vendor organizations who participated in the training courses

In total 39 officials of the vendor organizations participated in training at B-PPRA. They account for about 10% of participants of all trainings organized during the year 2015-16 (Figure 32).

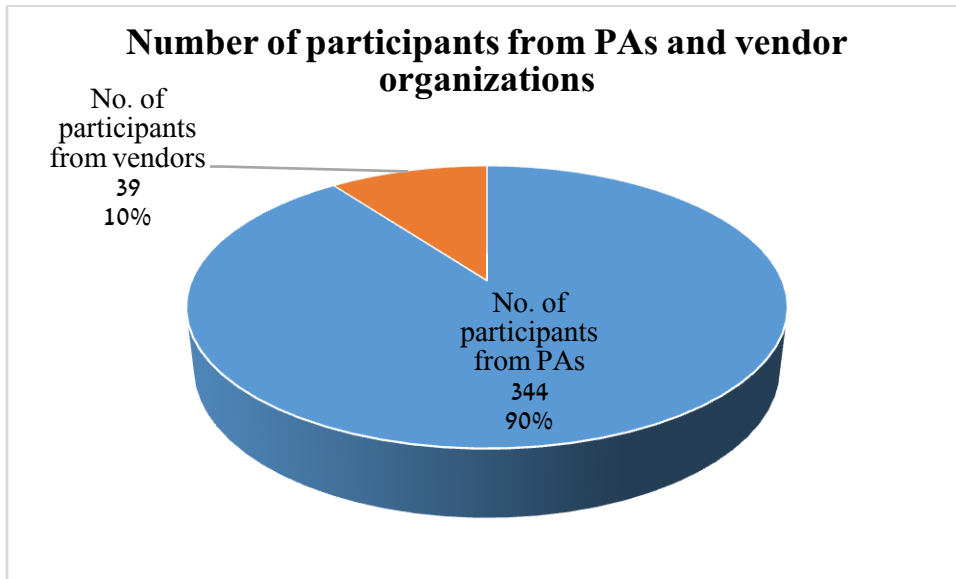


Figure 32 Number of participants from PAs and vendor organizations

5.3.1.9. Average cost of training

On overall basis, average cost of one participant comes to Rs. 2238/training. Cost of imparting training to vendors staff was much higher than that for the staff of the PAs.



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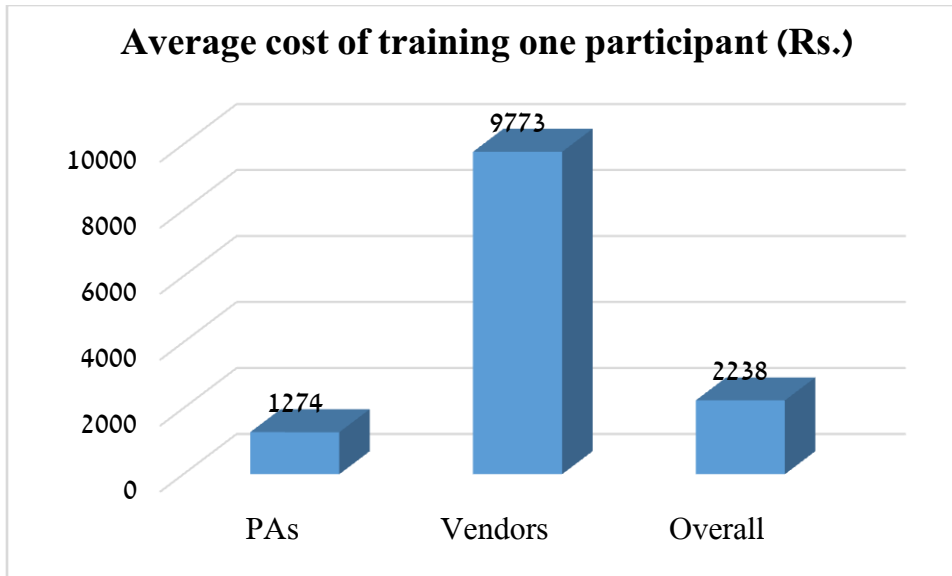


Figure 33 Average cost of training

5.3.2. Output 2.2: Capacity building initiatives of other organizations supported

5.3.2.1. Number of lectures delivered by B-PPRA faculty in other organizations

During the year under review, officers of the Authority did not deliver any lecture in any other organization.

5.3.3. Output 2.3: Capacity building interventions for PPRA staff initiated

Professional staff of the Authority comprises 19 officials and officers.

5.3.4. Number of training courses participated by the PPRA officials

Nil. In order to develop capacity of the staff of the B-PPRA, the Authority needs to provide learning and development opportunities to them.



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5.3.5. Average number of training days/annum participated by PPRA officials

Nil.

5.3.6. Number of seminars/conferences attended by the PPRA staff

During the year under review, one seminar was participated by the PPRA staff.

5.3.7. Training budget/employee/annum (Rs.)

It is encouraging to note that the Authority allocated Rs. 0.5 million for training of its 19 professional staff members. In other words, However, per employee available training budget was Rs. 26,316 for one year.

5.3.8. Training investment/employee/annum (Rs.)

Out of Rs. 0.5 million budget of training nothing was invested on the capacity building of the staff. It is suggested that every staff member should be sked to develop plan for his/her capacity building with the consultation of his/her supervisory officer.

Out of Rs. 0.5 million budget nothing was invested on the capacity building of the staff



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6. Progress towards achievement of Objective 3: Satisfied Stakeholders

Objective 3 of the Authority is: Satisfied stakeholders.

6.1. Objective level progress

The key indicators which have been used to measure progress towards achievement of the Objective 3 are grouped into three categories:

- 6.1.1. Grievance cases redressed by the CRC of PAs**
- 6.1.2. Number of PAs which have notified Complaint Redressal Committee (CRCs)**

So far 27 PAs have notified CRs. However, all were notified prior to 2015-16. Further analysis shows that only 12% of the PAs having procurement committees have notified CRCs. This is also an area where improvement is needed.

Only 12% of the PAs having procurement committees have notified CRCs

- 6.1.3. Number of complaints registered at CRCs**

In 2015-16, as many as 77 complaints were filed with the CRCs – majority of them were filed in Q2 and Q3 (**Figure 34**). Submission of the complaints is a healthy sign. It indicates that stakeholders are having trust in the system.

If we compare the number of complaints with the number of NITs uploaded on the website of the Authority, we find that complaints account for a fraction (0.62%) of the NITs. It is quite insignificant number. It is worth-noting that the ratio was 1.5% in Q1 and consistently declined. It was recorded to 0.1% in Q4 (**Figure 35**). It clearly shows that trust of the stakeholders in the system has considerably improved.

Complaints account for a fraction (0.62%) of the NITs. The ratio was 1.5% in Q1 which declined to just 0.1% in Q4



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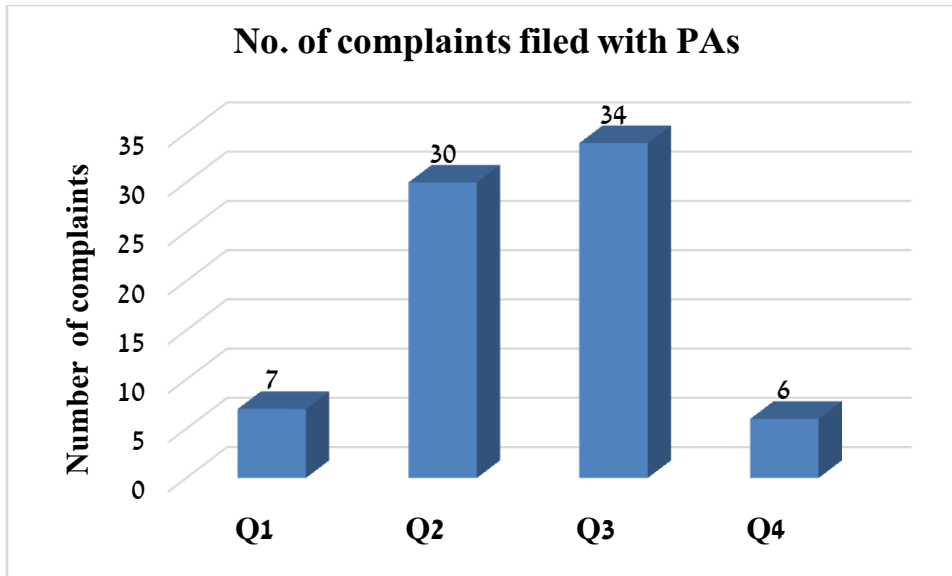


Figure 34 Number of complaints registered with the PAs

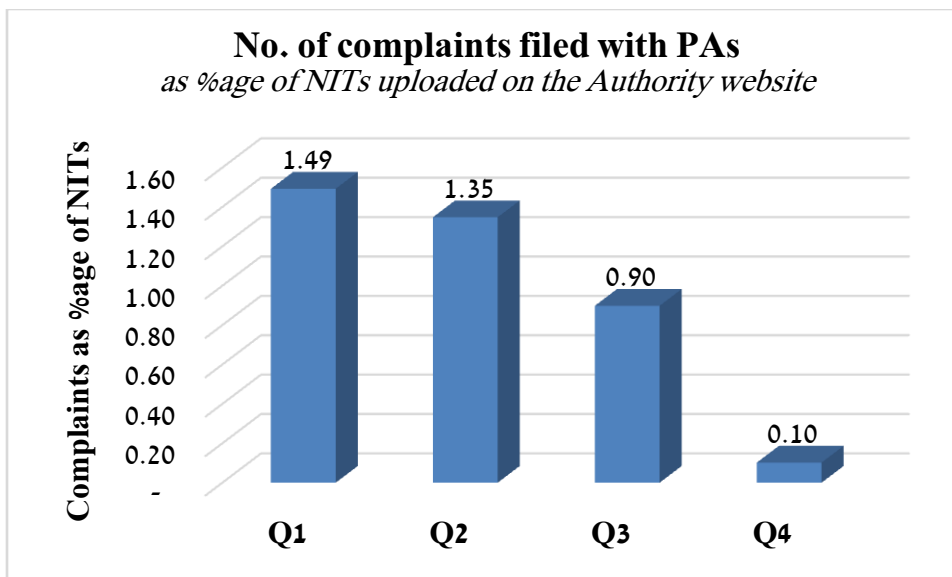


Figure 35 Number of complaints as %age of NITs

6.1.4. Number of complaints redressed

Out of 77 complaints filed with the CRCs during the year 2015-16, only 37 were settled i.e. 48% of all complaints. Quarter-wise pattern (Figure 36) shows

Out of 77 complaints filed with the CRCs during the year 2015-16, only 37 were settled i.e. 48% of all complaints. The year ended with the pendency of 40 complaints.



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that the performance of CRCs is declining. The year ended with the pendency of 40 complaints. The potential reasons are:

- a. Increasing number of complaints
- b. Lack of capacity

It is suggested that the Authority may design and conduct a training for the CRCs' members, on how to handle and settle complaints.

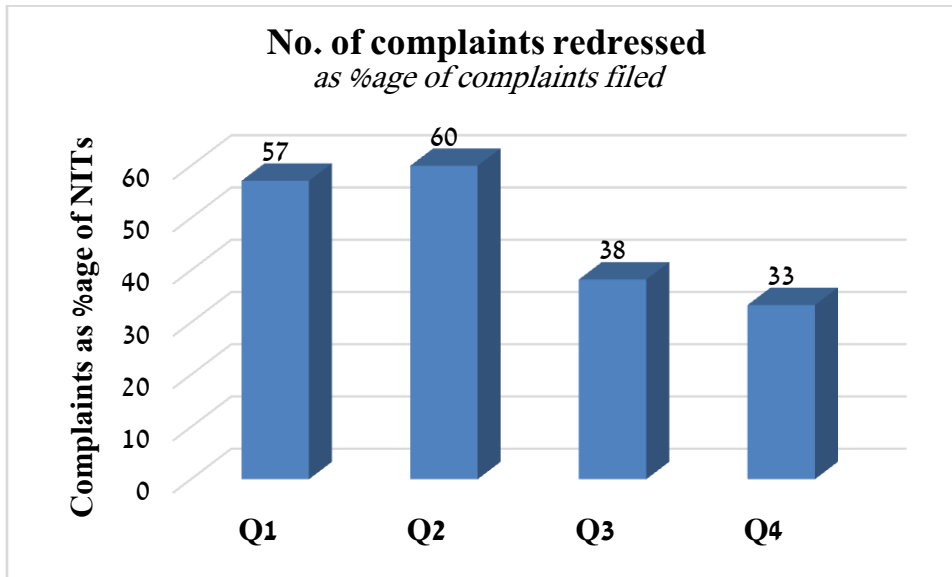


Figure 36 Number of complaints redressed (as %age of complaints filed)

6.2. Output level progress

The Objective 3 is contributed by one output delivered by the authority: Awareness creating campaigns launched. It is measured by using following indicators:

6.2.1. Number of court cases attended by the PPRA staff

No court case was attended by the PPRA staff. However, the point of caution is that a number of court cases might come up as pendency of the complaints is increasing with the CRCs.

6.2.2. Number of communication products developed (e.g. Newsletter)

The Authority developed two communication products (i.e. newsletters) during the year under review – one in Q1 and one in Q4. Communication with the key stakeholders (PAs



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and the vendors) is a critical area and should be given due attention. Greater awareness among all the stakeholders will contribute towards greater transparency and accountability. Moreover, it will also develop image of the Authority. Hence, regular issuance of the newsletters should be ensured.

6.2.3. Number of seminars & orientations conducted

This is an area where some initiatives are needed.

6.2.4. Number of viewers accessing information through B-PPRA website

Number of viewers accessing information through B-PPRA website is an indicator of the usefulness of the website. Secondly, it is also a mean to disseminate information and improve transparency in the public procurement management. During the year under review, 77,076 times the website of the Authority was accessed. It is encouraging to note that number of visits has been consistently increasing quarter by quarter in 2015-16 (Figure 37).

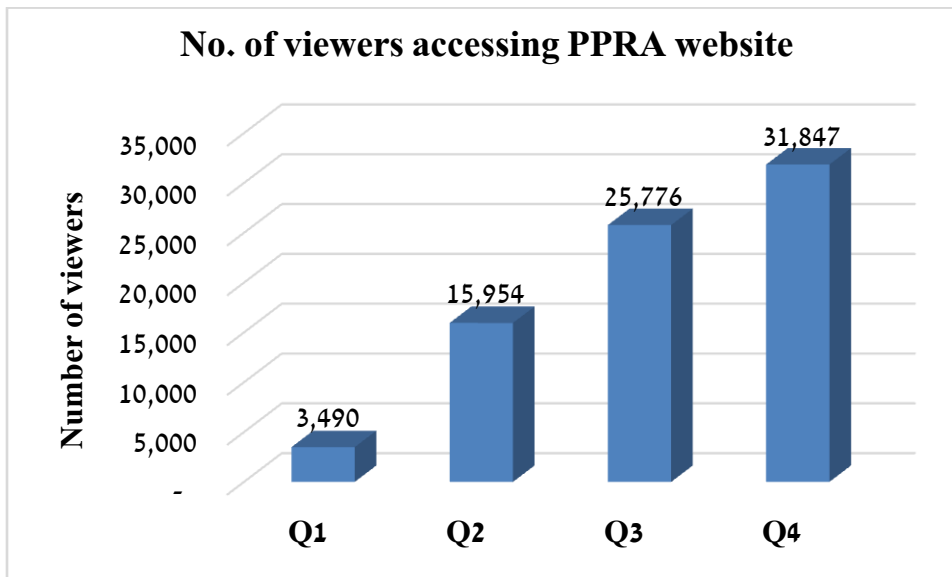


Figure 37 Number of viewers accessing PPRA website

Chapter 7

7. Issues and recommendations



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7.1. Capacity building

7.1.1. Training of PAs' staff

Capacity building is an area where there is huge scope for work to be done. In total there were 2250 development schemes launched in the province through provincial Public Sector Development Programme (PSDP) alone. On the other hand, total number of HR trained in procurement management did not exceed 383 (it includes 39 employees of the vendor organization too). It shows the quantum of work yet to be done. However, it must be recognized that in first year of the operations of the capacity building initiative of B-PPRA, as many as 383 persons were imparted training.

As requirement of training in the province is very high while resources available with the department are quite limited. Hence, it is suggested that all sessions of any training organized by the Authority should be recorded (video) and placed on the website of the Authority. In each quarter, the Authority may conduct a comprehensive examination and award certificate of qualified procurement professionals to those who pass the examination.

It is to be noted that these trainings were not conducted in planned way. That is why, most of the trainings (9 out of 1) were conducted in Q3. It is therefore, suggested that the Authority may develop an annual calendar of trainings which may be circulated widely among the PAs

It also needs to be noted that only 5% of the participants of the training scored at least 70% in the post-training tests. It shows that the examination conducted by the Authority staff was bit tough and of high standards. Keeping it at a positive note, this 5% can be treated as a benchmark for comparison with performance of the trainees in the next year. It is suggested that the standard of examination should be maintained.

7.1.2. Training of the Authority staff

Capacity building of the Authority staff also needs attention. Although, budget for their training was allocated in 2015-16, however, none of the staff member received any training and the budget went unspent. It is suggested that proper workplan should be prepared for their training – some might be deputed for training in first quarter, some in second, some in third and some in last quarter. It will not only further enrich their skills but will also keep them more productive and satisfied.

7.2. Procurement Planning



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During the year under review 858 procurement plans were uploaded on the website of the B-PPRA. This achievement is indeed commendable. However, there are three areas where improvement is needed:

- a. Procurement plans uploaded on the website of the B-PPRA account for 38% of the development schemes. This figure can be taken as a benchmark and efforts may be made to increase this number
- b. Almost half of all procurement plans (48%) were uploaded in the last quarter of the year. Late submission diminishes utility of the exercise. The Authority may persuade the Principal Accounting Officers (PAOs) to ensure submission on timely basis.
- c. Only 1% of the NITs were covered in the procurement plans. This is an area of great concern.

7.3. Uploading of contracts

The activity of uploading contracts began in second last quarter of the year. However, major breakthrough was achieved in the last quarter when 1136 contracts were uploaded. It is indeed a commendable achievement. In total 1138 contracts were uploaded on the website. It accounts for 17% of all evaluation reports and 9% of the NITs uploaded on the website. The Authority would need to maintain the momentum. Secondly, the Authority may also develop its capacity to review those contracts as it is a major area where significant amount of value can be added. It is suggested that at least two procurement specialists of the Authority should be given training (foreign or local) in the review of contracts.

7.4. Consistency in improvement

Results indicate that some departments need consistency in making achievements towards enforcement of the rules – quarter by quarter. Violations of the rules tend to increase in the last quarters of the year. Some departments like Social Welfare, Health and PHE have struggled to ensure compliance of the rules during the year 2015-16. However, PHE made more serious efforts to bring improvements.

However, it is encouraging to note that some departments like Agriculture and Social Welfare took actions to address the observations (of violations of rules) communicated by the Authority. It indicates that continuity of the regular feedback to the departments and the PAs will bring gradual improvements in the enforcement of law.

7.5. Violations of rules



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Violations of rules have declined. On overall basis, the incidence of violations was recorded at about 33%. Gradual improvement was witnessed during the year. The year began with incidence of violations as high as 83% (in Q1) and ended at just 11% in the last quarter. The Authority is indeed doing a great job. Outcomes of efforts are quite evident. However, the Authority would need to maintain this momentum of performance.

7.6. Evaluation reports

It is a healthy sign that against almost 54% of the NITs, the PAs uploaded evaluation reports. However, compliance of this requirement is on lower ebb in some departments like Social Welfare and Health. Most of the cases carry violations of the Rule 41 and Rule 27. Hence, it is suggested that trainers of the Authority may devote more time to these rules in the trainings organized by the Authority.

It is also a source of concern that only 1% of all evaluation reports (uploaded on the website of the Authority) were reviewed during the year. It is suggested that for at least 3-4 years, the Authority should review at least 50% of all evaluation reports and provide feedback to the PAs for improvement. The Authority might consider hiring some consultants to do this job (on temporary basis) if adequate capacity is not available with it.

7.7. Notification of CRCs

Only 12% of the PAs having procurement committees have notified CRCs. Efforts are needed to be concentrated to improve this number.

7.8. Complaints redressal

It is surprising to note that number of complaints filed with CRCs account for a fraction (0.62%) of the NITs. It shows that stakeholders have very high degree of satisfaction with the procurement management system.

It is also a positive sign that complaints redressal system has started working. During the year under review 77 complaints were filed out of which as many as 37 were settled by the Complaints Redressal Committees. However, trend analysis shows that backlog is piling up. The year ended with 40 complaints unsettled. Perhaps, the departments lack capacity and orientation to handle such complaints. As with the increase in awareness among contractors and other stakeholders, it is very likely that number of complaints will rise. It might further complicate the situation. It is suggested that the Authority designs a one-day short training course on complaints redressal mechanism and impart training to the members of the CRCs.



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7.9. Number of IDs

The Authority has issued IDs to 1265 PAs –all issued lone in the year under review. It is indeed great achievement. However, the Authority staff need to assess the number of PAs which are yet out of the system. During 2015-16, the provincial PSDP had as many as 2250 development schemes. There is very high likelihood that many of the PAs would not have yet got the IDs.

7.10. Number of queries

The Authority entertained 41 queries of the PAs during the year 2015-16. These queries are source great value for the Authority: 1) It indicates the areas in which the PAs are currently facing difficulties; 2) it helps in developing rapport between the Authority and the PAs – it gives a notion that the Authority is there to help the PAs in making procurement management system more efficient and effective; and 3) answers to such queries is adding to the existing knowledge base. It is suggested that these questions should be added into a list of FAQs and placed on the website of the authority for the information of everyone concerned.

7.11. Review of NITs

Only 14% of all NITs uploaded on the website of the Authority were reviewed during the year 2015-16. Although sampling is a good idea. However, in the early years, it would be more useful and realistic to review maximum number of them.

7.12. Procurement Manuals

Ideally, all the departments should have their own procurement manuals –aligned with the contents of the law. However, currently, none of the organizations has developed any procurement manual. The Authority should help the departments in developing such manuals. Initially, six major departments should be helped out. Then leftover departments can approached. Alternatively, some consultants may be hired to do this job once for all. In this case, the Authority staff may review such manuals periodically (may be after every three years) to ensure that they are updated.



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Annexes



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Annex – 1: Glossary of Terms

- **Competition Index (CI):** It relates to the degree of variation among lowest three bids. Higher variation implies weaker competition and lower variation is an indication of stronger competition.
- **Effectiveness:** The extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance¹.
- **Evaluation:** Evaluation refers to “...the process of determining the worth or significance of an activity, policy or program” (Kusek & Rist, 2004). The basic purpose of the evaluation is to assess the extent to which goals have been achieved.
- **Goal:** The higher-order objective to which a development intervention is intended to contribute².
- **Impact:** Positive and negative, primary and secondary, long-term effects produced by a development intervention, directly or indirectly, intended or unintended³.
- **Indicator:** Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor⁴.
- **Lessons Learned:** Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact
- **Monitoring:** Kusek & Rist (2004) have defined it as, “A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications

¹ Kusek & Rist (2004)

² Kusek & Rist (2004)

³ Kusek & Rist (2004)

⁴ Kusek & Rist (2004)



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of the extent of progress and achievement of objectives and progress in the use of allocated funds”. The basic purpose of the monitoring is to keep the activities and processes of the organization on the track.

- **Outcome:** Outcomes refer to the results of the project/program/organization. It often relates to the use of the outputs of the organization
- **Outputs:** Outputs refer to products (goods or works) or services produced in consequence of activities/operations of the project/program/organization
- **Procurement governance index (PGI)** refers to the level of the maturity of the overall systems and procedural arrangements
- **Results Based Management (RBM):** It is “a management strategy that focuses on performance and its achievement of results (outputs, outcomes and impacts)”⁵. The Canadian International Development Agency (CIDA) has described it as⁶ *“RBM is a program/project life-cycle approach to management that integrates strategy, people, resources, processes and measurements to improve decision-making, transparency, and accountability. The approach focuses on achieving outcomes, implementing performance measurement, learning, and adapting, as well as reporting on performance.”*

NOTE: For definitions of terms relating to procurement law, rules and regulations, please consult B-PPRA Act 2009 and Balochistan Public Procurement Rules 2014

⁵ ICRC (2008). Programme/project management: The results-based approach. Available at <https://www.icrc.org/eng/assets/files/publications/icrc-001-0951.pdf>

⁶ CIDA - <http://www.international.gc.ca/development-developpement/partners-partenaires/bt-oa/rbm-gar.aspx?lang=en>



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