



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Procurement and
Contracts (Application)**

WAPDA

Summer Exam-2024

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Procurement and Contracts (Application)

Q.1.

EVALUATION REPORT,
(As Per Rule 35 of PPRules 2004)

1	Name of Procuring Agency	WAPDA Warsak Dam Rehab. Project
2	Method of Procurement	QBS
3	Title of Procurement	Hiring Consultancy services for Warsak Dam Rehab. Project
4	Tender Inquiry Number	xxxxxx
5	Date & Time of Bid Closing	20.3.2023 11.00 AM
6	Date & Time of Bid Opening	20.3.2023 02.00 PM
7	No of Bids Received	05
8	Criteria for Bid Evaluation	Attached with the tender documents
9	Details of Bid(s) Evaluation	Two stage QBS

Name of Bidders	Marks obtained			Total evaluated cost	Rules/Reg/SBD*/policy Basis for rejection acceptance as per PPR-35
	Technical	Financial	Total (Out of 800)		
A	350	200	550	1120	2 nd
B	410	250	660	1440	1 st
C	390	175	565	1105	3 rd

Top ranked bidder: B

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

Signature

Official Stamp.....

**Standard Bidding Document*

Q.2. Guidelines for the TORs for the Audit Committee are available in section-21 of Public Sector Companies Governing Rules. However, an outline is as under:

1. Suggest measures to safeguard the Company's assets.
2. Review of financial results of the Company
3. Review of quarterly, half-yearly and annual financial statements (FS) of the Public Sector Company, prior to their approval by the Board, focusing on major judgment areas of FS, significant adjustments, changes in accounting policies and practices, if any and compliance with applicable accounting standards.
4. Facilitation of external audit
5. Discussion on major observations with external auditors
6. Review of Management Letter issued by external auditors and management's response
7. Coordination between the internal and external auditors
8. Review of the scope and extent of internal audit
9. To ensure that the internal audit has adequate resources
10. That internal control system is adequate and effective
11. Matters of hiring or removal of the chief internal auditor
12. Instituting special projects, value for money studies or other investigations
13. Determination of compliance with relevant statutory requirements
14. Monitoring compliance with the best practices of corporate governance
15. Consideration of any other issue or matter as may be assigned by the Board.



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- Q.3.** The outline for the answer is as given below (Section 6.5.2/1 of P& C Manual is relevant):
- a** This issue pertains to financial evaluation of bids. A bid is assumed as “balanced” when each item is priced to carry its actual share of the cost and its share of profit. A bid is called unbalanced, if the bidder raises the prices of certain items and reduces prices of some other item so that the bid price is not changed. The scenario given in the question is a case of an “Unbalanced bid” in which the bidder has quoted exorbitant rates for one of the first steps of road construction. So that he can receive payment for that item much more than actual. Such bids are undesirable and may have serious consequences for the project.

In such cases the bid is accepted but the performance security is increased.

- Q.3.** The outline for the answer is as given below (Section 180 and 181 of Companies Ordinance is relevant reference):
- b**

A Director, elected under section 178, holds office for a period of three years unless he resigns earlier, becomes disqualified from being a director or otherwise ceases to hold office. In case an elected director is disqualified, the company may by resolution in general meeting, remove a director appointed under section 176 or section 180 or elected in the manner provided in Section-178. Any casual vacancy occurring among the directors may be filled up by the directors and the person so appointed shall hold office for the remainder of the term of the director in whose place he is appointed.

- Q.4.** Central Contract Cell is a very important section established in WAPDA House. The CCC not only issues guidelines and instructions to streamline project management, but it also provides specialized assistance on preparing and vetting of tender documents for construction, supply and turnkey projects, evaluation of tender and review of contractor claims & variation orders etc. The cell is rendering valuable services since its establishment in 1974 and enjoys a very important position viz a viz all the mega projects.

The examinees’ views may differ on its performance and are expected to express their views objectively

- Q.5.** Explanation: Contract of Indemnity is a contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself, or by the conduct of any other person.
- a**

Whereas a “contract of guarantee” is a contract to keep the promise, or discharge the liability, of a third person in case of his default. The guarantee may be either oral or written. (Section-124 & 126 of Contract Act are relevant)

Example: Examinees must give on example from daily life

- Q.5.** Explanation: A “bailment” is the delivery of goods by one person to another for some purpose, upon a contract that they shall, when the purpose is accomplished, be returned or otherwise disposed of according to the directions of the person delivering them. The person delivering the goods is called the “bailor”. The person to whom they are delivered is called the “bailee”. (Section-148 of Contract Act is relevant)
- b**

Example: Examinees should give on example from daily life



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- Q.5.** Explanation:“Fraud” means and includes those acts committed by a party to a contract, or with his connivance, or by his agent, with intent to deceive another party thereto or his agent, or to induce him to enter into the contract.

c

“Misrepresentation” means positive assertion, in a manner not warranted by the information of the person making it, of that which is not true, though he believes it to be true or any breach of duty which, without an intent to deceive, gains an advantage to the person committing it, or any one claiming under him, by misleading another to his prejudice or to the prejudice of any one claiming under him (Section-17 & 18 of Contract Act are relevant)

Example: Examinees should give on example from daily life
