

ROUTINE INSTRUCTION No. 625/19
PREQUALIFICATION OF CONTRACTORS FOR ISSUE OF
TENDERS AND AWARDING CONTRACTS

1. To ensure implementation of provision of Paragraphs 365, 386 and 387 of Defense Services Regulations for the MES, Pre-Qualification of contractors will be carried out to promote healthy competition in tendering and awards of work thus ensuring quality Construction at Competitive and economical rates. This RI lays down the procedure for Pre-Qualification of Contractors for a Specialty work as well as for Pre-Qualifying a pool of contractors for general works to be undertaken at short notice.

2. **Selection / Pre-Qualification of Contractors.**

- a. Contractors applying for Pre-Qualification will submit a comprehensive profile including following
- (1) Experience Record (Annex 'A')
 - (2) Current commitments / works in progress as per specimen attached (Annex 'B')
 - (3) Financial Position / Capability:-
 - (a) Bank statement - last two years.
 - (b) No. and amount of bank guarantees already given.
 - (c) Credit/loan limit with any bank.
 - (d) Fixed / Immovable Assets with cost and other details.
 - (e) All details in the financial capability form (Annex 'C')
 - (4) A list of equipment / machinery owned by contractors (Annex 'D')
 - (5) A list of all qualified staff will be submitted by the contractors.
 - (6) Filer status with FBR, NTN number must be mentioned in profile.

- (7) Affiliation / Registration with professional engineering bodies i.e MES, PEC, SECP etc. (Certificates to be attached).
- (8) Litigation with MES / Government, if any (Annex 'E').
- (9) Details of affiliated Sub Contractor for specialized jobs (Annex 'F')
- b. Contractors will submit a summary of company profile (specimen attached at Annex 'G') for pre-qualification.
3. **Evaluation**. Evaluation will be carried out in line with PEC standard procedure for Pre-Qualification of Contractors March 2009 (1st Edition Annex 'H'); however, distribution of marks for various categories is as under:-

a. **Overall Criteria**

Ser	Category	Weightage/Marks
1	Experience Record	30
2	Equipment Capabilities	30
3	Financial Soundness	25
4	Personnel capabilities	10
5	Health, Safety & Security Environment (HSS&E)	5
Total		100

Note:- The Applicant must secure an overall of 70% marks with at least 50 % marks in each category.

b. **Criteria for Experience**

Ser	Description	Maximum Points
1	Projects of similar nature and complexity completed over last 10 years.	10
2	Projects of similar nature and complexity in hand.	10
3	Experience of Works related to project but not basic part.	5
4	Status of enlistment with Government Organizations and other agencies.	5
Sub-Total		30

c. **Criteria for Equipment Capabilities**

Ser	Equipment Type and Characteristics	Maximum Marks
	List relevant equipment (eg Concrete Batching Plants, Transit Mixers, Asphalt / Concrete Pavers, Cranes, Asphalt Plants, form work etc) and Assign Marks	30
	Sub-Total	30

d. **Criteria for Financial Position**

Ser	Description	Maximum Marks
1	Available Bank Credit Line	10
2	Working Capital in last 3 years	10
3.	Registration with Income Tax Department	5
	Sub Total	25

Note:- In case of litigation (decision against the firm), contractor will be penalized upto 5 marks(1 Mark for each case)

e. **Criteria for Personnel Capabilities**

Ser	Description	Maximum Points
1	Graduate Engineers Registered with PEC (a) Number of Engineers having 15 yrs experience (b) Number of Engineers having less than 15 yrs experience	2 4
2	Number of Diploma Engineers in Employment of the Firm (a) Number of DAE having 10 yrs experience (b) Experience of DAE having less than 10 yrs experience.	2 2
	Sub-Total	10

g. **Health, Safety and Security Environment (HSS&E)**

Ser	Description	Maximum Points
1	Health Environments & Insurance	2
2	Site Safety & Personal Protective Equipment (PPE)	2
3	Security	1
	Sub Total	5

4. **Joint Venture (JV)** (Annex 'I')

a. Joint Venture must comply with the following requirements:-

- (1) The lead partner shall meet not less than 40%
- (2) Each of the partners shall meet not less than 20%
- (3) The joint venture must collectively satisfy the criteria of paragraphs 3a, b, c, d & e ante for which purpose the relevant figures for each of the partners shall be added together to arrive at the JV's total capacity. Individual members must satisfy each of the requirements of paragraphs 5 and 6 heretofore.
- (4) Any change in a prequalified JV after prequalification, shall be subject to the written approval of the Accepting Authority prior to the deadline for submission of bids. Such approval may be denied if:-
 - (a) Partner(s) withdraw from a JV and remaining partners do not meet the qualifying requirements;
 - (b) The new partners to a JV are not qualified individually or as another JV; or
 - (c) In the opinion of the Employer, a substantial reduction in Competition would result.

- (5) Bid / Contract shall be signed by all members in the JV so as to legally bind all partners, jointly and severally, and any bid shall be submitted with a copy of the JV agreement providing the joint and several liabilities with respect to the contract.
- b. The prequalification of a JV does not necessarily prequalify any of its partners individually or as a partner in any other JV or association. In case of dissolution of a JV, each one of the constituent firms may prequalify if they meet all the prequalification requirements and any partner of J.V has requested/shall request for the same and then his prequalification shall be subject to the written approval.

5. **Other factors**

- a. Only firms and JVs that have been prequalified under this procedure shall be invited to bid. A qualified firm or a member of a qualified JV may participate only in one bid for the contract. If a firm submits more than one bid, singly or as a JV, all bids including that bidder will be rejected. This rule will not apply in respect of bids which include specialist sub-contractors who are used by more than one bidder.
- b. The Accepting Authority reserves the right to:-
 - (1) Amend the scope and value of any contract(s) to be bid, in which event the bidder(s) will only bid among those prequalified bidders who meet the requirements of the contract(s) as amended. However the accepting authority has to review the disqualified bids who originally do not meet the specified criteria for Pre-qualification.
 - (2) Reject or accept any application; and
 - (3) Cancel the prequalification process and reject all applications.
- c. The Accepting Authority shall neither be liable for any such actions nor be under any obligation to inform the Applicant of the grounds for rejection, however, may be debriefed if solicited.

- d. Tenders will not be issued for the same work/service to contractors related to each other.
- e. Tenders for the same work/service to different firms owned by one and the same individual or group of individuals under different trade names will not be issued.
- f. As per clause 27 and 29 Pakistan Engineering Council Act, 1976 (Annex 'J'), the contractors are required to be graduate engineers or in case of a limited firm one of the directors/partners has to be a graduate engineer. Registration of contractors with PEC is must and PEC registration certificate and Category will be provided.
- g. Grouping/splitting of various items of an administrative sanction should be done intelligently to facilitate prequalification of contractors in the best interest of the work/service.
- h. Tenders should normally be issued to contractors of the same enlistment category which of course should match with the amount wok/service being tendered in case of shortage of good contractors of a particular category, this condition can be relaxed by one step upwards.
- i. Pooling of tenders is forbidden. Suitable action will be taken against contractors found involved in any way in pooling. Similarly if it is established that pooling was done in connivance with the Accepting Authority or any member of his staff, necessary disciplinary action will be taken against the guilty persons.

6. **Updating Pre-Qualification Information**

Bidders / Contractors shall be required to update the financial, personnel and equipment information used for prequalification at the time of submitting their bids, to confirm their continued compliance with the qualification criteria and verification of the information provided at the time of prequalification. A bid shall be rejected if the Applicant's qualification thresholds are no longer met at the time of bidding.

7. **Pre-qualification Fee.** Contractors will be informed about acceptance of their prequalification. On approval of prequalification, contractors will submit following registration charges:-

a. **Contractors**

Ser	Cat	Works	Pre-qualification fee (Rs)	
			Registration / Year (Non-refundable)	Pre-qualification (Refundable)
1.	Cat 1	No limit	0.5 Mn	2 Mn
2.	Cat 2	Upto 500 Mn	0.3 Mn	1 Mn
3.	Cat 3	Upto 200 Mn	0.1 Mn	0.5 Mn

b. **Sub-Contractors**

Ser	Cat	Works	Registration/Year (Non-refundable)
1.	Cat 1	Labour Contractors	0.05 Mn
2.	Cat 2	Equipment Supplier	0.5 Mn

Note: Pay order / Bank draft for submission of pre qual fee be made in the favour of E-in-C's Branch (DP&W) GHQ, Rawalpindi.

c. For specialized jobs i.e HVAC etc, contractors already enlisted with E-in-C's Branch will be eligible (Subject to renewal – 0.5 Mn / Year).

8. This Supersedes RI 625/13.

Experience Record

Name of Applicant or partner of a joint venture _____

1. General Project

Year	Project	Client	Cost

2. Specialized Projects (UG Shelters, HVAC, Transmission Lines, Hangars, OFC etc.)

Year	Project	Client	Cost

Current Contract Commitments/Works in Progress*Name of Applicant or partner of a joint venture*

Name of Contract	Value of Outstanding work	Duration	
		Start Date	Completion Date
1			
2.			
3.			
4.			
5.			

Financial Capability

1. Name of Applicant or Partner of a Joint Venture _____

2. **Bankers detail**

Ser	Title of Account	Banker(s) Name	Banker(s) Address	Tele No.	Fax No.

3. **Assets and Liabilities**

Ser	Financial Information	Actual: previous five year				
		1	2	3	4	5
1	Total Assets					
2	Current Assets					
3	Total Liabilities					
4	Current Liabilities					

Details of Sub Contractors

Ser.	Name of Sub Contractor	Specialty	Experience	Remarks

Note: Mention Financial Capacity / Equipment holding / skilled manpower as applicable to individual sub-contractors in Remarks Column.

Pre-Qualification Form

<u>Name of the Firm</u>					
1. Ownership Information (Sole Proprietor / JV etc) 2. Name of Owner(s) 3. <u>Enlistment cat / No</u> <ul style="list-style-type: none"> • PEC • MES 4. <u>No of offices With Address(s)</u> <ul style="list-style-type: none"> • • • • • • 					
5. <u>Major Project Undertaken with Financial Effects</u> <ul style="list-style-type: none"> • • • • • • • 					
6. <u>Summary of the Skilled Staff</u>					
Engineers (PHD	Engineers M Sc	Engineers (BE)	Sub Engineers (DAE)	QS	Others

7. Summary of Major Equipment						
Dosers	Grader	Excavator	Concrete Batching Plant	Concrete Pump	Crane	Dump Truck
Transit Mixer	Tractor with/Without trolley	Asphalt Mixer	Any other Heavy Machinery			

8. Financial layout

- Annual turn over (As per bank Statement)
- Bank / Credit Limits
- No. of bank Guarantees Given
- Fixed Assets

DI&E Observations

Observations Raised by DI&E (if any) with name of the Project

-
-
-

Observations rectified / settled

-
-
-
-

Any Recovery (Amount in Rs.)

-
-

No. of Litigations with MES

-
-

* **Note:** In case of incorrect / incomplete information, Contractor will be disqualified.

INSTRUCTIONS TO USERS OF THIS DOCUMENT

1. The document includes the following:

- a. Introduction
- b. Invitation for Pre-qualification
- c. Instructions to Applicants
- d. Evaluation Criteria
- e. Annexures

2. In the Invitation for Pre-qualification of Constructors, Instruction to Applicants and Letter of Application, the 'User' may make changes in the text only under some special circumstances. However blank spaces in the Invitation for Pre-qualification and Instructions to Applicants are required to be filled in by the Employer in accordance with the requirements, on tender to tender basis, before issuance of pre-qualification documents. Specific information required may be added /deleted in the Forms to Letter of Application.

3. Instructions to users to use the document and to evaluate the pre-qualification application are given herein-below:

a. **Introduction**

The basic aim of pre-qualification is presented in Introduction, to avoid confusion of some Executing Agencies to consider enlistment and/or registration with departments and Pakistan Engineering Council as a substitution of pre-qualification. Therefore, the information listed in Introduction clarifies the difference between pre-qualification and enlistment / registration.

b. **Invitation for Pre-qualification**

Although under blank spaces, in various sections of this document instructions to the user have been included to fill in. These instructions should be deleted in the document to be issued after completion. However, following additional

procedure may be taken into account and kept in mind for completing or filling-in the blank spaces before the Invitation for Pre-qualification is issued to the prospective Applicants:

- (1) Invitation for Prequalification Notice be advertised through on PEC & PPRA's Web site and other relevant/available forum for procurements estimated to cost more than Rs. Forty Thousand (40,000/-) and also through press when procurement is estimated to cost more than Rupees one million. The invitation shall be open to all applicants licensed by PEC in the respective category besides specific requirements of the User if included in the document.
- (2) Generally not less than six (6) weeks shall be provided for preparation / submission of applications by the applicants. However for large / complex projects the period may be extended up to twelve (12) weeks.
- (3) It is preferable to package a project in such a way so as to allow medium sized construction firms to bid. Also preference to provide benefit to local construction Industry in Pakistan shall always be considered. Therefore the Project, if it can be divided into packages, the User may do the same. However Employer / User may decide the packages keeping in view of interfacing and co-ordination problems as a result of smaller packaging of a Project.
- (4) Under para 7 of Invitation for Pre-qualification, minimum requirements have to be specified. For guidance, the following may be considered; however the Employer/User can fix his own criteria depending upon nature, size and requirements of the specific projects. An example merely as guideline is given hereinafter for reference of users of this document.

(a) General Experience

Description	Marks Assigned	Explanation for Marks Obtained
<ul style="list-style-type: none"> Projects of similar nature and complexity Completed in last three years. No Marks are awarded for works less than specified limits. 	10	<ul style="list-style-type: none"> 7 Marks are given if the contractor has completed at least 3 projects of similar nature in last ten years. For less than 3 projects completed use the following weightage. $7 \times (A/3)$ For more than 3 projects but less than 6 projects completed use the following weightage $7 + (A/6) \times 3$ A = No of projects of similar nature Completed in last three years Full Marks are given in case of 6 projects or more.
<ul style="list-style-type: none"> Projects of similar nature and complexity in-hand during last three years. 	10	<ul style="list-style-type: none"> 8 Marks are given if the contractor has 3 projects of similar nature in-hand. For less than 3 projects in-hand use the following weightage. $8 \times (A/3)$ For more than 3 projects but less than 6 projects in hand use the following weightage. $8 + (A/6) \times 2$ A = No of projects of similar nature In-hand during last three years Full Marks are given in case of 6 projects or more.
<ul style="list-style-type: none"> Experience of work related to project but not basic part 	5	<ul style="list-style-type: none"> 4 Marks are given if the contractor has completed at least 3 projects of similar nature in last two years. For less than 3 projects completed use the following weightage. $4 \times (A/3)$

		<ul style="list-style-type: none"> For more than 3 projects but less than 6 projects completed use the following weightage. $4 + (A/6) \times 1$ A = No of projects of similar nature Completed in last two years Full Marks are given in case of 6 projects or more.
<ul style="list-style-type: none"> Enlistment record with Government organizations & other agencies 	5	<ul style="list-style-type: none"> 1 Mark for each enlistment up to maximum of five enlistments.
Total Marks Allocated		30

(b) Personnel Capabilities. Requirement of Employer / User will be varied from Project to Project. However following factors may be used as a guideline:-

Description	Marks Assigned	Explanation for Marks Obtained
<ul style="list-style-type: none"> B.Sc Engineers registered with Pakistan Engineering Council (PEC) 	6	<u>Experience (3-Marks)</u> <ul style="list-style-type: none"> 2 Marks will be given if the individual experience of at least 4 no of B.Sc Engineers (professional) is equal to 15 years or above. For less than 4 no of B.Sc Engineers having individual experience of 15 years, marks will be given as per following formulas: $= (A/4) * 2$

		<ul style="list-style-type: none"> • 4 Marks will be given if the total no. of Engineers registered with PEC are 15 nos. or above. • For less than 15 no of B.Sc Engineers registered with PEC marks will be given as per following formulas: $(A/15) * 4$ A = No of Engineers
<ul style="list-style-type: none"> • Associates Engineers (DAE) 	4	<u>Experience (2-Marks) :</u> <ul style="list-style-type: none"> • 2 Marks will be given if the individual experience of at least 8 no of Associates Engineers (DAE) is equal to 10 years or above. • For less than 8 no of Associates Engineers (DAE) having individual experience of 10 years, marks will be given as per following formulas: $(A/8) * 2$ • 2xMarks will be given if total number of Associate Engineers (DAE) are 20 or above. • For less than 20 DAEs, marks will be awarded as $(A/20)*2$ A = No. of DAE Engineers.
Total Marks Allocated		10

- (c) **Equipment Capability**. Critical equipment required for the project shall be specified by the User / Employer. High value equipment should be an option to purchase, lease or hire. Following will be considered while evaluating each type of equipment:-

i. **Buildings / Structures**

Description	Marks Assigned	Min # Req	Explanation for Marks Obtained
<ul style="list-style-type: none"> • Batching Plant (60 / 30 cu M / hr Cap.) 	10	1	<ul style="list-style-type: none"> • 8 Marks for each equipment are given if the Contractor meets the minimum requirements for each item.

• Concrete Pump	10	1	<ul style="list-style-type: none"> • If the available quantity of each equipment is less than specified limit give weightage as. $8 \times (A / \text{Required Quantity})$ • If the available quantity of each equipment is more than the minimum equipment requirement full marks will be given. A = Available quantity of each Equipment of each Item. • Total Marks = $(\text{Marks Obtained}/120) * 30$ give weightage as. $8 \times (A / \text{Required Quantity})$ • If the available quantity of each equipment is more than the minimum equipment requirement full marks will be given. A = Available quantity of each Equipment of each Item. • Total Marks = $(\text{Marks Obtained}/120) * 30$
• Crane Mobile (30 Ton Cap)	10	1	
• Crane Tower (30 M Boom)	10	1	
• Dumper Trucks	10	4	
• Shovel / Loader/ Backhoe	10	2	
• Steel cutting & Bending Machine	10	4	
• Concrete Transit Mixer (6 cu M / hr)	10	4	
• Cabin Hoist (1500 Kg Cap.)	10	1	
• Air Compressor (15 HP Cap.)	10		
• Form Work incl Scaffolding Pipes, if required	10	650 S Ft	
• Any Other Specialized Equipment required	10	1	
Total Marks Allocated			30

ii. **Roads / Air Fds.**

Description	Marks Assigned	Min # Req	Explanation for Marks Obtained
• Concrete Batching Plant (60 cu M / hr Cap)	10	1	• 8 Marks for each equipment are given if the Contractor meets the minimum requirements for each item.
• Asphalt Plant	10	2	• If the available quantity of

• Asphalt / Concrete Paver Set	10	2	<p>each equipment is less than specified limit give weightage as. $8 \times (A / \text{Required Quantity})$</p> <p>• If the available quantity of each equipment is more than the minimum equipment requirement full marks will be given. A = Available quantity of each Equipment of each Item.</p> <p>• Total Marks = $(\text{Marks Obtained}/130) * 30$ give weightage as. $8 \times (A / \text{Required Quantity})$</p> <p>• If the available quantity of each equipment is more than the minimum equipment requirement full marks will be given. A = Available quantity of each Equipment of each Item.</p> <p>• Total Marks = $(\text{Marks Obtained}/130) * 30$</p>
• Roller Sheep Foot	10	2	
• Roller Vibratory	10	4	
• Dumper Trucks	10	6	
• Shovel / Loader/ Backhoe	10	2	
• Steel cutting & Bending Machine	10	2	
• Concrete Transit Mixer (6 cu M / hr)	10	3	
• Cabin Hoist (1500 Kg Cap.)	10	1	
• Water Bowzers	10	2	
• Graders	10	2	
• Concrete Pumps	10	2	
Total Marks Allocated		30	

(d) Financial Soundness

- i. For Financial Status assessment, the Applicants may be required to submit Audited financial statements for the last five years or any other document which verifies their Financial Status.
- ii. Employer/User may amend Instruction to Applicants in accordance with Project requirements and the minimum essential requirements mentioned in Invitation for Pre-qualifications.
- iii. The following may be used merely as a guideline

Description	Marks Assigned	Criteria for Marks Obtained
<ul style="list-style-type: none"> • Available Bank Credit Line 	10	<ul style="list-style-type: none"> • 3 Marks are given if the available bank credit line limit is equal to 500 Million. • For limit less than 500 Million, use following weightage $3 \times (A/500)$ • For the limit more than 500 million but less than 1000 million use following weightage $3 + (A/1000) \times 2$ A= Available Bank Credit Line Limit • Full Marks are given in case of limits 1000 million or more.
<ul style="list-style-type: none"> • Working Capital in last 3 Years 	10	<ul style="list-style-type: none"> • 3 Marks are given if the available average working capital for last three years is equal to 500 Million. • For the capital less than 500 million use following weightage $3 \times (A/500)$ • For the capital more than 500 million but less than 1000 million use following weightage $3 + (500/A) \times 2$ A= Average working capital in last three years. • Full Marks are given in case of limit is 1000 million or more.
<ul style="list-style-type: none"> • Regn with Income Tax dept 	5	<ul style="list-style-type: none"> • No points will be given if income tax certificate is not attached and 5 points will be added in case of valid certificate.
Total Marks Allocated		25

(e) **Health, Safety and Security Environment (HSS&E).**

Ser	Cat	Max Marks	Marks	Remarks
1	Health Environm ents & Insurance	2	0	* 1 Mark if site / living of staff is healthy and clean * 1 Mark if 100% insurance of staff and work is completed
2	Site Safety and Personal Protective Eqpt	2	0	# 1 Mark for safety Marking and caution Signs as per standards # 1 x Mark for wearing of PPE by all on work site
3	Security	1	0	\$ 1/2 Mark for proper entry / exit checking system on site with min 4 gunmen \$ 1/2 Mark for security clearance of all employees by police
	Total	5	0	

Joint Venture Summary

Names of all Partners of a Joint Venture
1. Lead Partner
2. Partner
3. Partner
4. Partner

Total value of annual construction turnover, in terms of work billed to clients,

Annual Turnover Data (Construction Only)					
Partner	Year 1	Year 2	Year 3	Year 4	Year 5
1. Lead Partner					
2. Partner					
3. Partner					
4. Partner					
Total:					

PAKISTAN ENGINEERING COUNCIL ACT, 1976

(CLAUSES 27 AND 29)

27. Penalties and Procedure

- a. After such date as the Federal Government may' after consultation with the Council, by notification in the official Gazette, appoint in this behalf, whoever undertakes any professional engineering work shall, if his name is not for the time being borne on the Register, be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to ten thousand rupees, or with both, and, in the case of a continuing offence with a further fine which may extend to two hundred rupees for every day after the first during which the offence continues.
- b. After the date appointed as aforesaid, whoever employs for any professional engineering work any person whose name is not for the time being borne on the Register shall be punishable, on first conviction, with imprisonment for a term which may extend to six months, or with fine which may extend to five thousand rupees, or with both, and on a second or subsequent conviction, with imprisonment for a term which may extend to one year, or with fine which may extend to ten thousand rupees, or with both.
- c. Whoever willfully procures or attempts to procure himself or itself to be registered under this Act as a professional engineer or consulting engineer by making or producing to be made or produced any false or fraudulent representation or declaration, either orally or in writing, and any person who assists him therein shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.
- d. Whoever falsely pretends to be registered under this Act, or not being registered under this Act, uses with his name of title any words or

letters representing that he is so registered, irrespective of whether any person is actually deceived by such pretended representation or not, shall be punishable with imprisonment for a term which, may extend to three months, or with fine which may extend to five hundred rupees, or with both.

- e. No person undertaking any professional engineering work shall, unless he is registered under this Act, be entitled to recover before any court or other authority any sum of money for services rendered in such work.
- f. No court shall take cognizance of any offence punishable under this Act save on complaint made by, or under the authority of, the Council.
- g. No court inferior to that of a Magistrate Class - I shall try and offence punishable under this Act.

28. Power to Exempt

If the Council so recommends, the Federal Government, may by notification in the official Gazette, exempt any person or class of persons, or any professional engineering work or class of such works, from the operation of the provisions of Section 27, subject to such conditions, if any, as may be specified in the notification.