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**GOVERNMENT OF THE PUNJAB
PUNJAB PROCUREMENT REGULATORY AUTHORITY
SERVICES AND GENERAL ADMINISTRATION
DEPARTMENT**

304-T, 3rd Floor Al-Falah Building, The Mall Lahore.
Dated Lahore, the 27th May, 2021

ORDER

No. L&M(PPRA)1-45(G)2020/BL/203 M/s. Chiragh Din & Sons, Building No. 5, Amrat Sari Street, Main Canal Road, Mughalpura, Lahore (hereinafter called "firm/representer") in terms of Rule 21 (4) of Punjab Procurement Rules 2014 amended to date (PPR-14) has filed a representation against the order of blacklisting passed by Senior Purchase Officer/Addl: IGP/Logistics & Procurement/SPO for Provincial Police Officer/IGP, Punjab Lahore (hereinafter called "procuring agency/respondent") vide order bearing No. 7703-8/SPO dated 06.12.2019 (hereinafter called "impugned order") whereby the representer has been blacklisted for a period of three (03) years.

Brief facts giving rise to the instant representation are that the procuring agency awarded contract for supply of Barret Cap (8000 units) for the financial year 2018-19 on 18.04.2019 to the representer/firm and last date of delivery was 15.05.2019 or earlier and representer/firm delivered the consignment of 8,000 unit Beret Caps at CPO Store Chung Lahore on 15.05.2019, samples were randomly drawn from the consignment and sent to SGS laboratory for testing, as per approved specification, on 03.06.2019. According to lab report there was 96.9% wool and 3.1% nylon against the requirement of 100% wool. The lab report was

placed before technical committee/inspection committee of the procuring agency and inspection committee examined the same on 11.06.2019 and rejected the consignment under clause 18(h) of the contract and directed the representer/firm to replace the consignment, the representer/firm once again delivered the supply, samples were drawn from the 2nd consignment and sent to TTI laboratory, on 26.06.2019. TTI laboratory reported that sample is not in accordance with the approved specification, technical committee examined 2nd consignment on 27.06.2019 and once again observed that it was not as per approved specification being poor in quality, fabric/stuff cloth of both sides upper as well as inside cap and remarked that "the sample was of a much better quality than actual consignment" Therefore, 2nd rejected consignment was also sent back to the representer/firm and consequently the procuring agency blacklisted the representer/firm for a period of three (03) years alongwith forfeiture of performance guarantee amounting to Rs. 292,000/- vide impugned order.

3. Both the parties in order to provide an opportunity of personal hearing on 04.12.2020, 22.12.2020 and 09.03.2021 were issued notices through the subpoena dated 27.11.2020, 14.12.2020, and 18.02.2021 with the direction to attend the office of the Managing Director PPRA to decide the matter as per law. Mr. Rana Muhammad Farooq (owner of company), appeared on behalf of M/s. Chiragh Din & Sons and stated that show cause notice issued by the procuring agency was not in accordance with requirement of para-2(b) and 2(c) of the schedule providing blacklisting mechanism or process appended to PPR-14 and they have neither been confronted with the lab report nor lab report was opened in the presence of them. He further argued that the procuring agency failed to associate at the time of vetting

of lab report and lab report did not speaking any reason for rejection, hence illegal and unlawful show cause notice was issued by the procuring agency and impugned order based on such show cause notice is also liable to be set asided.

4. Mr. Iftikhar Ahmed (Assistant Director/Purchase) and Mr. Amir (office superintendent) appeared on behalf of the procuring agency and emphasized on the contents of the impugned order. It was argued that the representer/firm was also provided a second opportunity to replace the store but same was rejected for the 2nd time by laboratory and there was no human interaction or reading for the testing of same. In this way the representer/firm has failed to fulfill its obligation under the contract and case fully falls under clause 2(b) of Rule-21 of PPR-14, therefore, representer/firm has rightly been blacklisted and instant representation is liable to be dismissed.

5. Parties heard, available record on the file and reply of the procuring agency on the representation made by the representer perused as a result of which it has been observed that the representer/firm has remained unable to perform the contract upto the mark i.e. to provide the store as per required specification despite the fact that the second opportunity was also provided to him. Therefore there is nothing established on the face of record that supports to interfere with the impugned order except the period of blacklisting (three years) due to the **following**

reasons:-

i) Since the procuring agency has not mentioned the specified period of blacklisting in the show cause notice as required under **para-2(b) of the schedule** providing blacklisting mechanism or process appended to PPR-14 which stipulates that:-

"(b) the maximum period for which the procuring agency proposes to debar the bidder or contractor from participating in any public procurement of the procuring agency;"

ii) At least the representer/firm has tried to perform the contract by making supplies twice and due to this reason/fact it was not appropriate for the procuring agency to blacklist the firm for a long period of three years.

6. Allowing for the above and in exercise of the power conferred under Section 17-A (3) of Punjab Procurement Regulatory Authority Act, 2009 read with Rule 21(4) of PPR-14, the impugned order passed by Senior Purchase Officer/Addl: IGP/Logistics & Procurement/SPO for Provincial Police Officer/IGP, Punjab Lahore is maintained with the partial modification that the period of blacklisting is curtailed from three years to **eighteen (18) months** (since the company has already suffered sufficient financial loss) w.e.f. the date of issuance of the impugned order.

7. Any party aggrieved from this order may file a representation before chairman PPRA/Chief Secretary Punjab within thirty days under rule 21 (5) of PPR-14.



**BY THE ORDER OF
MANAGING DIRECTOR PPRA**

No. & Date Even.

A copy is forwarded for information and necessary action to:-

1. The Secretary, Govt. of the Punjab (Home) Department.
2. The Inspector General of Police Punjab, Lahore..
3. Senior Purchase Officer/Addl: IGP/Logistics & Procurement/SPO for Provincial Police Officer/IGP, Punjab Lahore.

4. M/s. Chiragh Din & Sons, Building No. 5, Amrat Sari Street, Main Canal Road, Mughalpura, Lahore.
5. PA to MD PPRA.
6. Office copy.

Abdul Salam
SENIOR LAW OFFICER
PPRA S&GAD
27/5/21 o/c

Mr. A
07/05/21
11:30 AM