**1. Define various stages of public sector procurement life cycle.**

Stage 1: (Annual Procurement Planning)

Identify the problems that need external solutions

Stage 2: (Requisitions, Describing Requirements and Selecting a Procurement Method)

Assists suppliers in defining the product or service which they have to supply. Additionally, policies of procurement and regulatory authorities are also defined.

Stage 3: (Identifying Suppliers and Preparing Invitation Documents)

Procurement department has to convert the step 2 document into solicitation with terms, timelines and policies for the prospective bidders.

Stage 4: (Managing the Biding Process)

Now, Prospective bidders will analyze, evaluate, and respond to the procuring tender with quotation or proposal.

Stage 5: (Evaluating Offers)

Financial sustainability of shortlisted vendors is assessed for improving the procurement process.

Stage 6: (Awarding Contracts)

Organization reviews the received bids and then finalize the selection of the contractors whose bids stands out the pool on the organization’s defined criteria.

Stage 7: (Administering Contracts)

Organization then makes contract management plan for understanding business and fulfil contract’s commitments.

**2. Differentiate between different methods of public sector procurement**

There are total 6 public sector procurement methods:

**Petty Purchases:**

* It is used where procurement cost is less than 25,000 PKR.
* Exempted from requirements of competitive bidding or quotation of prices.
* Time and cost of conducting the competitive procurement is inconsistent to value of demand.
* If cost of procurement is above 25,000 and less than 100,000 then Request for Quotation method should be used in which involves some bidding.

**Competitive bidding:**

* This method is used when procurement cost is above 100,000.
* Everyone can bid, whether bidding is a person, company or national or international organization, it does not matter.
* In case of complex procurement, two stage tendering method may be applied.

**Direct Contracting:**

* Only a single manufacturer or a supplier is involved.
* If supplier or manufactured is changed, materials with different descriptions will be supplied and contract may not exceed the three years duration.
* Repeated orders should not be above 15% of the original procurement cost.
* Prices of the items or services to be procured should be fixed by a regulatory authority like government or any other organization which can enforce the policy.
* Vehicles should be purchased from original manufacturers.

**Negotiated Tendering:**

* Manufactured items should be only manufactured for the use in particular research.
* Supplies which are manufactured can only be delivered by a sole supplier.
* This method is adopted in extreme urgency cases by the procuring agency. However, the circumstances invoked to justify extreme urgency must not be attributable to the procuring agency.
* Provincial Cabinet approves any specific procurement to be made on urgent basis and can fix the time for the completion of that urgency.

**International Competitive bidding:**

* It is the type of competitive bidding.
* Procurement department has the choice to make national or international competitive bidding procedures, but according to PPRA rules national bidders are preferred.
* International bidding can only held when the goods/services are not available in Pakistan., national tender failed to identify suitable supplier or funding for procurement is from the supplier who requires international bidding.

**Restricted Competition:**

* Only allowed in special cases when procuring agency wants to restrict bidding competition and engage in direct contracting with few suppliers.
* A written justification should be provided to the relevant authority in this case.

**3. Differentiate between direct contracting and negotiated tendering**

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