

August 23, 2023

ANNOUNCEMENT

Procurement of Non-Consulting Services for human resource outsourcing for Bank of Khyber branches and Head Office under framework contract for three years, single stage two envelope

Tender No. BOK/Proc/HRDG/24/June/2023 was floated 10 June 2023, Procurement of Non-Consulting Services for human resource outsourcing for Bank of Khyber branches and Head Office under framework contract for three years, single stage two envelope. Bid opening was held on 27 June 2023. Following bidders participated:

- M/s. Prime Human Resource Services Pvt Ltd.,
- M/s. AAA Facility Management Pvt Ltd.,

Both bidders met eligibility criteria for the knockout round. Following is a summary of technical evaluation.

Summary of Technical evaluation:

- M/s. Prime Human Resource Services Pvt Ltd., obtained 98 marks out of 100 marks.
- M/s. AAA Facility Management Pvt Ltd., obtained 96.50 Marks out of 100 marks.

Financial bid was opened on 19 July 2023, at Bank of Khyber, Head Office Ground Floor, 24 The Mall Peshawar cantt. Details as follows :

Prime Human Resource Services Pvt Ltd.,

Categories of Staff	Total charges with taxes
Credit Assistants	30419
Consumer / Collection Assistants	30419
Office Assistants	30419
Business Development Officer/Assistant	30419
Telephone Operators	30419
Cash Sorters	30419
Drivers	30969
Tea Boys	30969
Janitors	30969
Any other related job/category	30969
Average Cost	30639

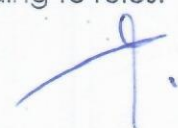
M/s. AAA Facility Management Pvt Ltd.,

Categories of Staff	Total other charges
Credit Assistants	34828
Consumer / Collection Assistants	34828
Office Assistants	34828
Business Development Officer/Assistant	34828
Telephone Operators	34828
Cash Sorters	34828
Drivers	35423
Tea Boys	35423
Janitors	35423
Any other related job/category	35423
Average cost	35066

As per KPPRA rules 37-8 procurement committee read out total bid amount of each bidder loudly, apparently average cost of M/s. PrimeHR was lowest, but no official announcement was successful bidder. M/s. AAA Facility Management Pvt Ltd. submitted appeal to our Managing Director with the request to convene grievance committee to check the financial bid of the other bidder which as per their understanding was not correct. They also requested for reason for cancellation earlier tender No. 16 of 2023 on same subject. In this regard, grievance committed was held on 31 July 2023, which was Chaired by Chief Internal Audit, Chief Compliance Officer and Divisional Head BRR as member and secretary.

In meeting Head Procurement requested that grievance of the complainant is premature as Bank did not make any announcement for successful bidder as lowest and grievance can only be lodged if participating bidder aggrieved with announcement (Technical or Financial) of the entity. The Procurement Head also stated that the Procurement Division is in process of the comparison of both bidders' financials and after finalization of the comparison proper announcement for average lowest successful bidder will be made.

As for as matter of cancellation of the Tender No.16 of 2023 is concerned, Head Procurement informed the committee that proper reasons of cancellation of tender No.16 of 2023 mentioned in announcement of the tender, which was duly communicated to all participating bidders. Further as per KPPRA rule 47 all proposal/proposal of bid can be rejected prior to acceptance of bid. Chairman grievance committee allowed that proper comparison of financial bids of the bidders will be made with all respects and announcement shall be made according to rules.



We have requested both the bidders for provision of breakup of total bid amount as per proposal. We have observed that the major difference between both bids' total amount is GST amount due to different calculation methods. M/s.AAA Facility Management calculated GST on total invoice amount whereas Primer calculated GST on only services charges, as per comparison mentioned above.

We have observed that M/s. Primehr is charging Gratuity as per standing order 12(6) of Industrial & Commercial Employment (standing order) ordinance 1968 of the country, whereas gratuity as per law of the Pakistan is not reflecting in M/s. AAA facility financial proposal.

In this regard we have asked AAA Facility to provide Gratuity policy of company for employees. They have submitted the Gratuity policy. We have gone through the policy and observed the following clause.

Quote

Gratuity amount will be Invoiced and charge separately to client along with applicable taxes and service charges and will be disbursed to employees accordingly. unquote

We have intimated the AAA Facility that said condition of gratuity policy was not mentioned in your bid proposal submitted against the tender nor gratuity amount mentioned in your financial proposal. They have replied that for gratuity no column available, which is not correct, as bid document financial proposal contained following columns for all type of charges related to such services as per Law of Pakistan, as other bidder M/s. Primehr disclosed gratuity amount in financial proposal submitted against the said tender.

Service Charges	Any other related facilities	Total charges including all taxes
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Appreantly it was observed that M/s. AAA Facility management failed to disclose the gratuity charges in their financial proposal submitted against the tender. Since these charges are mandatory and according to law of Pakistan, therefore, we have asked for amount of gratuity and other charges. AAA Facility provided the financial proposal breakup by adding gratuity amount.

We further observed that AAA Facility Management is charging separate amount of withholding tax in financial proposal whereas, Primehr is not charging separate amount of withholding tax amount in financial proposal. As per law withholding tax is the liability of the vendor and not the client.

AAA Facility Management withholding tax amount and employee EOBI contribution in the total bid amount has been deducted, which are not the part of financial proposal, After getting break up of total amounts and addition of gratuity amount as mandatory



charges in AAA facility Management financial proposal with no changes in services charges, we have made following comparison.

White Color Staff				
Cost Description	M/s. Primehr	M/s. AAA	M/s. Primehr	M/s. AAA
Without Tax	30,333.00	31,073.00	30,333.00	31,073.00
Blue Color Staff				

Without Tax	30,883.00	31,573.00	30,883.00	31,573.00
Average cost without tax	30,608.17	31,323.17	30,608.17	31,323.17

Keeping in view of the above without taxes financial comparison of both the bidders M/s. Primehr financial proposal is lowest in average.

It may be noted that as per Industrial & Commercial Employment Ordinance 1968, Provincial Employees Social Security Ordinance, 1965, EOBI Act 1976, Workmen's compensation act 1923 and Worker's Compensation Act, 2013 following are mandatory benefits for an employee and these benefits amounts/charges shall be part of the financial proposal.

- Minimum Wage
- EOBI
- ESSI
- Life Insurance
- Gratuity

After considering all mandatory charges in financial in both the bidders without tax financial, M/s. Prime Human Resource Service Pvt Ltd. is lowest and qualified the tender for Procurement of Non-Consulting Services for human resource outsourcing for Bank of Khyber branches and Head Office under framework contract for three years, single stage two envelope. GST will be charged according to prevailing provincial governments and federal government rates at time of payment of invoices, which is Bank liability.

