



**Pakistan Institute
of Public Finance Accountants**

**Model
Solutions
Procurement and
Contracts
(Application)**

WAPDA

May Exam-2026

MODEL SOLUTIONS – DISCLAIMER

INTRODUCTION

The Model Solutions are provided to students for clear understanding of relevant subject and it helps them to prepare for their examinations in organized way.

These Model Solutions are prepared only for the guidance of students that how they should attempt the questions. The solutions are not meant for assessment criteria in the same pattern mentioned in the Model Solution. The purpose of Model Solution is only to guide the students in their future studies for appearing in examination.

The students should use these Model Solutions as a study aid. These have been prepared by the professionals on the basis of the International Standards and laws applicable at the relevant time. These solutions will not be updated with changes in laws or Standards, subsequently. The laws, standards and syllabus of the relevant time would be applicable. PIPFA is not supposed to respond to individual queries from students or any other person regarding the Model Solutions.

DISCLAIMER

The Model Solutions have been developed by the professionals, based on standards, laws, rules, regulations, theories and practices as applicable on the date of that particular examination. No subsequent change will be applicable on the past papers solutions.

Further, PIPFA is not liable in any way for an answer being solved in some other way or otherwise of the Model Solution nor would it carry out any correspondence in this regard.

PIPFA does not take responsibility for any deviation of views, opinion or solution suggested by any other person or faculty or stake holders. PIPFA assumes no responsibility for the errors or omissions in the suggested answers. Errors or omissions, if noticed, should be brought to the notice of the Executive Director for information.

If you are not the intended recipient, you are hereby notified that any dissemination, copying, distributing, commenting or printing of these solutions is strictly prohibited.



May Exam-2026

Solutions – Procurement and Contracts (Application)

Q.1. QBS and QCBS for hiring consultants:

a

Examinees are required to develop answer about strengths and the suitability of both the methods according to Section-8.4.5.2 of the P&C Manual. Financial score is calculated in accordance with Section-8.4.5.2/b-vii

Q.1. b

S.No	Bidder Name	Financial offer (Rs in Million)	Financial score
1	M/s Alpha	1300	$1250/1300 \times 100 = 96.15$
2	M/Beta	1500	$1250/1500 \times 100 = 83.33$
3	M/s Gamma	1250	100
4	M/s Delta	1600	$1250/1600 \times 100 = 78.12$

Q.2. Powers which the board of a company cannot exercise without consent of general meeting:

a

The board of a company shall not except with the consent of the general meeting either specifically or by way of an authorization, do any of the following things:

1. Sell, lease or otherwise dispose of the undertakings or a sizeable part thereof unless the main business of the company comprises of such selling or leasing.
 - “Undertaking” shall mean an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited financial statements of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year.
 - The expression “sizeable part” in any financial year shall mean twenty five percent or more of the value of the assets in that class as per the audited financial statements of the preceding financial year.
2. Sell or otherwise dispose of the subsidiary of the company
3. Remit, give any relief or give extension of time for the repayment of any debt outstanding against any person specified in sub-section (1) of section 182.

Q.2. Role of Chairman and Chief Executive of the Board:

b

The chairman of the Board shall:

- i. Ensure that the Board is properly working and all matters relevant to the governance of the Public Sector Company are placed on the agenda of Board meetings.
- ii. Conduct the Board meeting including fixing the agenda.
- iii. Ensure that all the directors are enabled and encouraged to fully participate in the deliberations and decisions of the Board.
- iv. The chairman has a responsibility to lead the Board and ensure its effective functioning and continuous development, he shall not be involved in day-to-day operations of the Public Sector Company.

The chief executive is responsible for the management of the Public Sector Company and for its procedures in financial and other matters, subject to the oversight and directions of the Board, in accordance with the Act and these rules. His responsibilities include:



May Exam-2026

Solutions – Procurement and Contracts (Application)

- i. Implementation of strategies and policies approved by the Board,

Making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory obligations.

Q.3. Responsiveness of the Bids:

Responsiveness of the bid will be determined through preliminary evaluation of the bids which will inter alia include checks. The Engineer will examine the Bids to determine whether:

1. The Bid is complete and does not deviate from the scope,
2. Any computational errors have been made,
3. Required sureties have been furnished,
4. The documents have been properly signed,
5. The Bid is valid till required period,
6. The Bid prices are firm during currency of contract if it is a fixed price bid,
7. Completion period offered is within specified limits,
8. The Bidder/Manufacturer is eligible to bid and possesses the requisite experience,
9. The Bid does not deviate from basic technical requirements, and
10. The Bids are generally in order

Likely Rejection of Bid:

A bid is likely not to be considered, if:

1. It is received after the time and date fixed for its receipt,
2. It is submitted though fax, telex, telegram or email,
3. It is not accompanied with Bid Security,
4. It is unsigned,
5. Its validity is less than specified,
6. It is submitted for incomplete scope of work,
7. It indicates completion period later than specified,
8. It indicates that prices quoted are not firm during currency of the contract,
9. It indicates that Goods and material to be supplied do not meet eligibility requirements,

It is materially and substantially different from the Conditions/Specifications of the Bidding Documents.

Q.4. Non-Independent Directors

An independent director means a director who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the company, its associated companies, subsidiaries, holding company or directors; and he can be reasonably perceived as being able to exercise independent business judgment without being subservient to any form of conflict of interest:

No director shall be considered independent if one or more of the following circumstances exist:

- i. He has been an employee of the company, any of its subsidiaries or holding company within the last three years;
- ii. He is or has been the chief executive officer of subsidiaries, associated company, associated undertaking or holding company in the last three years;



May Exam-2026

Solutions – Procurement and Contracts (Application)

- iii. He has, or has had within the last three years, a material business relationship with the company either directly, or indirectly as a partner, major shareholder or director of a body that has such a relationship with the company.
- iv. He has received remuneration in the three years preceding his/her appointment as a director or receives additional remuneration, excluding retirement benefits from the company apart from a director's fee or has participated in the company's stock option or a performance-related pay scheme;
- v. He is a close relative of the company's promoters, directors or major shareholders;
- vi. He holds cross-directorships or has significant links with other directors through involvement in other companies or bodies not being the associations licensed under section 42;
- vii. He has served on the board for more than three consecutive terms from the date of his first appointment, and for more than two consecutive terms in case of a public sector company, provided that such person shall be deemed "independent director" after a lapse of one term;
- viii. A person nominated as a director under sections 164 and 165.

Q.5. Need for a consultant in the presence of qualified staff in WAPDA

This question is to assess the general orientation of the examinee about the use of consultant, their need, and their ultimate usefulness in successful completion of a project. There is no definite, right or wrong, answer to this question. If someone tries to prove that consultants are indispensable in WAPDA or thinks otherwise, both are correct. However, following outline may be used for the answer:

- What is the role of consultant in a project?
- Assess whether WAPDA does not have or have the capability to play that role i.e. designing and supervision of a small project.
- The aspect of cost of consultant may be discussed.

Performance evaluation of consultants in past projects

- Q.6.**
- A "contract of guarantee" is a contract to perform the promise, or discharge the liability, of a third person in case of his default. The person who gives the guarantee is called the "surety" : the person in respect of whose default the guarantee is given is called the "principal debtor", and the person to whom the guarantee is given is called the "creditor". A guarantee may be either oral or written.
 - 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, is called a "contract of indemnity".
 - A guarantee which extends to a series of transactions is called a "continuing guarantee".
- Examinee are required to give at least two examples of each of the above. The examples must not be copied from the Contract Act.
