



14th December 2009

Chairman,
National Insurance Company Limited,
3rd Floor, NIC Building,
Abbasi Shaheed Road,
Karachi.

Sub: Violation of Public Procurement Rules, 2004 NIC Procurement 100-200 Acres Plot for Housing Society, and 4000-10000 Syds Plots, both in Karachi-Lahore for Commercial Development

Dear Sir,

Transparency International Pakistan refers NICL Tender invitation published in Dawn of Sunday 13th December 2009 for the Procurement 100-200 Acres Plot for Housing Society and 4000-10000 Syds Plots, both in Karachi-Lahore, for Commercial Development is in total violation of with the Public Procurement Rules 2004.

TIP has also been objecting since last many months on your four procurements, and TIP objections were also sent to you by PPRA for clarifications, which are still not justified as to be in compliance of PPRA Rules, by NIC. It is reported that the amount of these alleged mis-procurements (listed below) under PPRA Rule No. 50. is between Rs 3 to Rs 5 Billion.

- a) Selection of Consultants for HVAC works.
- b) Award of HVAC Contract to M/s Roma Business Consultants, reported at Rs 120 million higher cost, against Consultants recommendations and also not to a licensed Contractor.
- c) Purchase in 2009 of Office Spaces in Dubai.
- d) Purchase in 2009 of Plots in Lahore.

The violation being committed by NICL in the current tender are itemized below:

1. Rule 13 requires minimum 15 days time for submission of Tender after Tender Notice id published in Press. NIC has allowed only 7 days.
2. Tender documents shall be issued under Rule No 23 which shall includes all relevant information including the detailed evaluation criteria, bid award method, signing of Integrity Pact, rights of bidders for complain on evaluation report prior to award, declaration of Evaluation report before the award of Contract etc. NICL is not complying with this requirement.
3. Under Rule No 29, NICL shall formulate unambiguous Evaluation Criteria, and inform bidders, and under Rule 30 the bids will only be evaluated in accordance with the declared evaluation criteria. NICL by not announcing any Evaluation Criteria is reported to be manipulating the procurement, which if correct, has to be dealt under **Rule 2 (f) corrupt and fraudulent practices.**



In accordance with Public Procurement Rules 2004, Rule 11, NICL is required to provide clear authorization and delegation of powers for different categories of procurement, and shall only initiate procurements once approval of the competent authorities concerned has been accorded.

Transparency International Pakistan would like to know whether NICL has complied with Rule No 11, and taken approval of authorization the competent authority including condonation/exemption from compliance of relevant Public Procurement Rules 2004 (be it Board of Directors or PPRA under the Rules of Business) , in case of previous 4 procurements named from (1) to (d) above, and from the violations in the present procurements, (1) to (3) pointed out above.

Procurement Rules, 2004 have eliminated all discretions in procurement process and made corruption low profit and high risk business.

Yours Sincerely,

Syed Adil Gilani
Chairman

Copy forwarded for the information of;

1. PSPM, Prime Minister Secretariat, Islamabad.
2. Chairman Public Accounts Committee, National Assembly, Islamabad.
3. Auditor General Pakistan, Islamabad
4. Chairman, NAB, Islamabad.
5. Registrar Supreme Court of Pakistan, Islamabad.
6. Managing Director PPRA, Islamabad.
7. NICL Board members, Syed Naveed Hassan Zaidi, Haji Tariq Mahmood Bhutta, Mr. Amin Dada and Mr. Javed Syed. Kindly note that you all as director of NIC are public servants within the meaning of Section 21 of the Pakistan Penal Code, 1860 (Act XLV of 1860), and accountable for public funds expenditure, under NAB Ordinance 1999.

NATIONAL INSURANCE COMPANY LIMITED



LAND REQUIRED

One of the largest and financially strong Insurance Company in Pakistan requires Land for the development of the housing colony/commercial Estate purpose, as per the following requirements:

| Purpose | Location | Area Required |
|-------------------------|---|-----------------------|
| For Housing Colony | <p><i>Islamabad:</i> On both sides of Islamabad highway near the vicinity of Naval Anchorage, OPF, in zone IV or V.</p> <p><i>Lahore:</i> On both sides of Multan Road, Ferozpur road, Raiwind road, Burki road.</p> <p><i>Karachi:</i> Super Highway, Northern bypass and National Highway.</p> | 100 - 200 Acres |
| For Commercial Property | <p>Very suitable and viable commercial location both land and building within the city of Islamabad, Karachi and Lahore. Following criteria must be met;</p> <ol style="list-style-type: none"> 1. Road Access. 2. No Footpaths or other rights of way through individual land plots. 3. No material Covenants. 4. Sustainable local infrastructure to support development. | 4000 to 18000 Sq Yds. |

Offers should accompany photocopies of ownership documents alongwith location / site map of the land/property offered.

Offers can be given by:

- i. Owner having 100% ownership free from any in-cumbrances, liens etc.
- ii. Brokers having only good reputation and un-blemished experience of 3 - 5 years deals with reputed companies preferably with Government organizations.

Offers on the above requirement should be deposited in P.O. Box No. 10506 Karachi not later than December 20, 2009.

PID (K) No. 1524