



## TRANSPARENCY INTERNATIONAL-PAKISTAN

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16<sup>th</sup> February, 2010

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

**Sub: Violation of Public Procurement Rules, 2004 NIC Procurement 803 Kanal -19  
Marla Plot for Housing Society at 8times market price, in Lahore i.e. loss to  
exchequer of Rs 1.45 Billion**

Dear Sirs,

In response to the Public Notice published in Daily Nation of 1<sup>st</sup> February 2010, inviting objections on the purchase of 803 kanal-19 Marla land offered by Mr. Muhammad Aslam Mughal, located at Moza Warich, off Ferozpur Road, Lahore, Transparency International Pakistan submitted objections on the purchase of this land by NICL, which required NICL to form a Grievance redressal Committee of odd members. No response has been received from NICL neither the three other entities who gave the public notice.

PPRA has also given following directives to all procuring agencies vide its letter dated 10<sup>th</sup> February 2010.

*"that the principle accounting officers are required to conduct administrative review on the findings of the complaint, and take action in accordance with conduct rules in case of unfair and non transparent procurement process. The decision of administrative review shall be communicated to PPRA, the agreed bidder, and the procuring entity prior to the award of contract without retarding the procurement process"*

TIP has also noted that NICL has not complied with the following PPRA directive on forming a permanent grievance redressal committee also, which shall be posted on PPRA website immediately.

*"To ensure the compliance of PP Rule 48, PPRA had requested the federal procuring agencies to constitute a permanent grievance redressal committee in the department to resolve the issues and disputes with bidders/suppliers. For transparency, information and assistance of all the stakeholders the lists of committees formed by the procuring agencies are being placed on PPRA website."*

Transparency International Pakistan requests NICL to conduct the inquiry through the designated grievance inquiry committee, as per Rules, and forward the report to the Federal Secretary Ministry of Commerce, the Principal Accounting Officer for NICL, and communicate the final decision of the Principal Accounting Officer to TI Pakistan, prior to award of the Contract, as directed by PPRA.

Yours Sincerely,

**Syed Adil Gilani**  
Chairman

Copy forwarded for the information of:

1. Chairman Public Accounts Committee, National Assembly, Islamabad.
2. Auditor General Pakistan, Islamabad
3. Chairman, NAB, Islamabad.
4. Registrar Supreme Court of Pakistan, Islamabad.
5. Managing Director PPRA, Islamabad.
6. Dy Director, FIA, Corporate Crime, Karachi



F. No. 3(5)/DD-I/PPRA/2005  
 Government of Pakistan  
 (Public Procurement Regulatory Authority)  
 (Cabinet Division)  
 Federal Bank for Cooperatives Building, Sector 6-G/2  
 \*\*\*\*\*

Hafeez ur Rehman  
 Managing Director  
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Islamabad the February 10, 2010

Subject:- GRIEVANCES REDRESSAL AND PRINCIPAL ACCOUNTING OFFICERS

My dear Secretary,

Pivotal position of Principal Accounting Officer in our system of governance needs no underscoring nor can the importance of transparency in procurement process be minimized. Part and parcel of transparency is the mechanism to redress grievance.

PPRA has sufficiently brought out the rule position of grievance handling along with the requirement to form Grievance Redressal Committees. This request did not meet a resounding response; the result can be viewed at [www.ppra.org.pk](http://www.ppra.org.pk) where Committees stand uploaded for the benefit of aggrieved bidders and the public to meet the tenets of transparency.

To strengthen the mechanism as provided under Rule 48 of Public Procurement Rules 2004, the Principal Accounting Officer as a next logical step should conduct an **administrative review** on the findings of complaint and take action in accordance with conduct rules in the event of unfair and non-transparent procurement process. **The decision of administrative review shall be communicated to PPRA, the aggrieved bidder and the procuring entity prior to the award of contract without retarding the procurement process.**

The intent is to complete the first tier grievance redressal mechanism. The second tier is under active deliberation.

Yours sincerely,

  
 (HAFEEZ UR REHMAN)

X  
 2  
 2010

Secretary,  
 Cabinet Division,  
 Government of Pakistan,  
Islamabad