



TRANSPARENCY INTERNATIONAL-PAKISTAN

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Advisory Committee

4th July, 2011

Mr. Faisal Saleh Hayat,
Federal Minister,
Ministry of Housing & Works,
Block B,
Pak Secretariat,
Islamabad.

Sub: Complaint of Violation of Public Procurement Rules, 2004 in Award of Works for
office of Mr Faisal Saleh Hayat Minister of Housing and Works

Dear Sir,

Transparency International Pakistan has received complaint that renovation works worth more than Rs 10 million have been executed through PWD, without calling public tenders for the Housing and Works Minister's office, at Block B, Pak Secretariat Islamabad.

The items purchased for this non-budgeted works/purchase without public bidding are reported to be chairs tables @ Rs 20,000 to Rs 10,000 each (market value Rs 5,000), Sony 32 inches TV @ Rs 62,000 each (market value Rs 41,000), False Ceiling at Rs 800,000, table @ Rs 65,000, dinner sets, wall papers etc at exorbitant rates. These works were also banned under the austerity measures announced by the Government of Pakistan.

It is also reported by the complainant that PWD is not executing agency, and it should have been CDA, and that Director General Pak PWD on 10th May 2011 had requested the Secretary MOH & W for the exemption from application of PPRA Rules under Rule No 42(d) (ii), which was not issued by CDA, nor CDA gave any authorization to PWD to execute these works, as these works were not included in CDA annual plan and budget for FY 2010-2011.

Sir, you are aware that all contracts of more than Rs 100,000 shall be executed by inviting tenders, as per Rule No. 12 (2), which is that all procurement opportunities over two million rupees should be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu.

Rs 10 million work should also have been included in the annual plans and budget for FY 2010-2011 under Rule No 8, which is the complainant has reported is not the case in this procurement.

TI Pakistan wants to inform you that this sub-rule does not apply in this procurement. The rule is the exemption can be granted if the procurement is of such nature for technical or artistic reasons, or for reasons connected with protection of exclusive rights or intellectual property, the supplies may be manufactured or delivered only by a particular supplier.



TI Pakistan request the Minister MOH& W to examine the complaint, and confirm to TI Pakistan whether the complaint is true of false.

If it is found to be true by the Minister , TI Pakistan request an inquiry on the violations of Rules, and actions under the rules against the officer responsible for these violations, and recover the loss to exchequer from the violators/suppliers, and report the case for action AAO 1999.

TI Pakistan would like to remind the Minister that the Minister and TIP fighting against corruption, and are pleading together against RPP Contracts awarded by GoP in the Supreme Court of Pakistan, which is the mother of all Corruption in Power Sector in Pakistan. With your efforts against corruption , and TIP input, the Supreme Court has been able to recover more than Rs 2 billion from the contractors. We quote extract from news on Supreme Court hearing on 29 November 2010, the honourable court has passed the following orders;

The court directed the counsel to submit a reply on the report of Transparency International, which had alleged massive corruption in the award of contracts for RPPs. Rahim, however, sought time for examining the report and preparing a reply, which the court allowed and adjourned further hearing until December 6. It directed him to prepare a complete synopsis of the RPPs and produce it before the court on the next hearing, besides providing details of infrastructure of the RPPs.

Transparency International Pakistan is striving for Rule of Law in Pakistan.

Your sincerely,

Syed Adil Gilani,
Chairman,

Copies forwarded for the information of,

1. Chairman Public Accounts Committee, National Assembly, Islamabad
2. Registrar, Supreme Court of Pakistan, Islamabad
3. Auditor General Pakistan, Islamabad
4. Managing Director PPRA , Islamabad,
5. Chairman, CDA, Islamabad