



12 November 2014

Chairman,
National Accountability Bureau,
National Accountability Bureau,
Atta Turk Road, G-5/2
Islamabad

Sub: Implementation of Public Procurement Regulatory Authority Ordinance, 2002, Public Procurement Rules 2004 and PPRA Regulations in DHA Karachi, Islamabad and Lahore.

Dear Sir,

Transparency International Pakistan has received a letter No 5-4(81) Misc/A&P/ NABHQ/ 2014 /1541 dated 29-10-2014 from AAD, (A&P), NAB, , along with letter of Secretary DHA Karachi, Brig (Rtd) Inam Karim, informing NAB that quoting MOD letter dated 2 Oct 2013,(**when the Ministry was directly under the PM Secretariat, as the Prime Minister was also holding the portfolio of the Minister of Defense**) in which the ministry has stated that “ DHAs do not come under ambit of PPRA Ordinance, and Real Estate as a subject does not fall within the PPRA Ordinance 2002.

The role of Ministry of Defense who are not the regulators of PPRA, in issuing this letter on 1 October 2013, with regards to Implementation of Public Procurement Regulatory Authority Ordinance, 2002, Public Procurement Rules 2004 and PPRA Regulations in DHA Karachi is in fact contrary to the law, and is also against the PPRA Ordinance 2002, and in contempt of Supreme Court of Pakistan Judgments in NICL Corruption e Suo Moto case 18 of 2010, on a letter of TI Pakistan for action regarding violation of Public Procurement Rules, 2004 in procurement of billions of rupees of exchequer case by National Insurance Co. Ltd as well as Rs 40 Billion EOBI Case.

The Ministry of Defense as well as DG NAB, A&P, should have read the following Sections of PPRA Ordinance 2002 and Rules of Public Procurement Rules 2004, quoted below, which confirms that that all three DHAs which are formed by Federal Government, through President Order 1980 (PDOHA Order 1980 published in Gazette of Pakistan 9 August 1980/Ordinances/Acts(, are “procuring agencies”, and come under the ambit of PPRA Ordinance.

PPRA Ordinance 2002, Section 2;

- (j) “procuring agency” means-
- i. any Ministry, Division, Department or any Office of the Federal Government;
 - ii. any authority, corporation, body or organization established by or under a Federal law or which is owned or controlled by the Federal Government;



(k) "Public Fund" means the Federal Consolidated Fund and the Public Account of the Federation and includes funds of enterprises which are owned or controlled by the Federal Government;

(l) "public procurement" means acquisition of goods, services or construction of any works financed wholly or partly out of the Public Fund, unless excluded otherwise by the Federal Government;

We attach copy of a letter of the regulator Public Procurement Regulatory Authority, issued by the NAB Cabinet Division, letter No 3.3/Complaint/2014 6 October 2014, addressed to Secretary DHA Islamabad, with caption Implementation of Public Procurement Rules 2004 DHA Lahore, Islamabad & Karachi. **Annex-A**

1. Please be informed that DHA falls under the definition of procuring agency. Rule 3 of Public Procurement Rules, 2004 defines scope and applicability of these rules that these apply to all procurements made by all procuring agencies of the Federal Government whether within or outside Pakistan.
2. Defence Housing Authority is accordingly advised to comply with Procurement Law, Public Procurement Rules, 2004 and Regulations irrespective of the fact that DHA gets budgetary grants from Federal Government or not.

NAB is requested to take cognizes of the violation of PRA Rules by DHAs, and examine action against the violators and beneficiaries under the NAO 1000, Section 10.

TI Pakistan is striving to have Rule of Law in Pakistan, which is the only way to eliminate corruption and have good governance in country.

With Regards

Sohail Muzaffar
Chairman

1. Secretary to Prime Minster, Islamabad
2. Minister of Defense, Islamabad
3. COAS, Rawalpindi,
4. Core Commander, Sindh, Karachi
5. DG NAB, Sindh, Karachi
6. Registrar Supreme Court Pakistan, Islamabad

No. 3-3/Complaint/2014
Government of Pakistan
Public Procurement Regulatory Authority
(Cabinet Division)



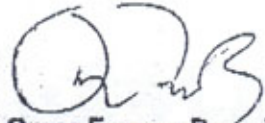
Islamabad, the 6th November, 2014

Subject: IMPLEMENTATION OF PUBLIC PROCUREMENT RULES, 2004 IN DHA,
LAHORE, ISLAMABAD & KARACHI

Reference Defence Housing Authority Islamabad-Rawalpindi's letter No. DHA/211/PPRA/Legal dated October 13, 2014 on the above noted subject.

2. Please be informed that DHA falls under the definition of procuring agency. Rule 3 of Public Procurement Rules, 2004 defines *scope and applicability* of these rules that these apply to all procurements made by all procuring agencies of the Federal Government whether within or outside Pakistan..

3. Defence Housing Authority is accordingly advised to comply with Procurement Law, Public Procurement Rules 2004 and Regulations irrespective of the fact that DHA gets budgetary grants from Federal Government or not.



(Omer Farooq Rana)
Deputy Director (Legal)
Ph:- 9204462

Mr. Eijaz Hussain
Col. (R) Secretary
Defence Housing Authority Islamabad-Rawalpindi
Defence Mall, Defence Avenue, Phase-I
Islamabad

No. 3 – 4/Complaint/2014
Government of Pakistan
Public Procurement Regulatory Authority
(Cabinet Division)
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Islamabad, November 12, 2014

Subject: Ministry of Defence response Ministry of Defence U.O Note No. 2/92/D-12/2009 dated 02.10.2013 on PPRA letter No. D3/AB 4(1)/AD-II/PPRA/2013 dated 20.09.2013, with regards to TIP Complaint against Violation of Public Procurement Rules, 2004 for Prequalification of Constructors for Installation of Solar Panel LED Street Lights in DHA Karachi

Reference Transparency International-Pakistan's letter No. Nil dated 8th November, 2014 on the above noted subject.

2. The letter referred in the subject was received in this Authority, reply of which was communicated to Ministry of Defence. A copy of the same is enclosed.


(Omer Farooq Rana)
Deputy Director (Legal-II)
Ph:- 9204462

Mr. Sohail Muzaffar
Chairman
Transparency International-Pakistan
5-C, 2nd Floor, Khayaban-e-Ittehad
Phase VII, DHA
Karachi

No. 3 – 4/Complaint/2014
Government of Pakistan
Public Procurement Regulatory Authority
(Cabinet Division)



Islamabad, November 11, 2014

Subject: COMPLAINT AGAINST VIOLATION OF PUBLIC PROCUREMENT RULES, 2004 FOR PREQUALIFICATION OF CONSTRUCTORS FOR INSTALLATION OF SOLAR PANEL LED STREET LIGHTS IN DHA KARACHI

Reference Ministry of Defence's u.o Note No.2/92/D-12/2009 dated 2nd October, 2013, Defence Housing Authority Islamabad-Rawalpindi's letter No. DHAI/211/PPRA/Legal dated October 13, 2014 and this Authority's letter No.3-3/Complaint/2014 dated November 06, 2014 (copy enclosed) on the above noted subject.

2. Please be informed that Defence Housing Authorities (DHAs) fall under the definition of procuring agency as provided in Section 2(j) of PPRA Ordinance, 2002. Rule 3 of Public Procurement Rules, 2004 defines *scope and applicability* of these rules that these apply to all procurements made by all procuring agencies of the Federal Government whether within or outside Pakistan. DHAs being the procuring agencies under the PPRA Ordinance are, therefore, required to comply with Procurement Law, Public Procurement Rules 2004 and Regulations irrespective of the fact that DHA gets budgetary grants from Federal Government or not.



(Omer Farooq Rana)
Deputy Director (Legal-II)
Ph:- 9204462

Mr. Fakhar Iqbal Chaudhry
Section Officer
Ministry of Defence
Pak. Secretariat No. II
Rawalpindi

CC:

Administrator, Defence Housing Authority (DHA), 2-B, East Street, Phase I,
Karachi