



30th April, 2010

Brig (R) Javed Iqbal,
Administrator,
Defence Housing Authority,
Defence Mall, Defence Avenue, Phase-I
Islamabad-44000

Sub: Implementation of Public Procurement Rules, 2004 in DHA, Islamabad

Dear Sir,

Kindly refer to TI Pakistan two letters dated 29th March 2010 and 18th April 2010, confirming that Public Procurement Rules 2004 are applicable on DHA Islamabad.

We also request you to refer to PPRA letters dated 1 April 2010 and 20 April 2010 and letters issued by the Managing Director, PPRA on the application of Public Procurement Rules 2004 on all departments coming under the Minister of Defence, and the reminders in this regards, to the Syed Athar Ali, Secretary, Defence Division, on 12 June 2009, vide letter No.F. No. 2 (21) DD-(M & IMP)/PPRA/Rules.Viol/09, No. F. 1(2)Dir-(Leg)/PPRA/04 dated 15 June 2009, No. F. 2 (6)/DD-II/PPRA/2009, dated 19 June 2009, and No. 2 (21) DD-(M & IMP)/PPRA/Rules.Viol/09 dated 18 June 2009.

On the basis of our telephonic discussion held today, I am writing this letter to inform you how PPRA Ordinance 2002 and PPRA Rules 2004 are applicable on DHA Islamabad. Once this point is agreed, we will come to Islamabad and holds meeting with you on the free of charge assistance we may provide for capacity building of DHA Islamabad to observe the applicable rules i.e. Public Procurement Rules 2004

1. In accordance with Defence Housing Authority Islamabad Ordinance, 2007, re-promulgated in 2010, DHA Islamabad is required to follow Government Rules to enter into any contract, and thus PPRA Ordinance 2002 and Public Procurement Rules 2004 are applicable. The relevant article of DHA Islamabad Ordinance 2007 and 2010 is quoted below;

Article 8 The Board may;

(f) enter into contracts or any type of arrangements with any local or foreign entity for carrying out the purpose of this Ordinance. Government rules on the subject will be observed.

2. The purpose of this ordinance is prescribed in Article 8, which are defined as

Powers, duties and functions of Executive Board.- (1) Subject to other provisions of this Ordinance, the Executive Board may take such measures and exercise such powers as may be necessary for carrying out the purposes of the Ordinance. Without prejudice to the fundamental rights of the people and to the generality of the foregoing powers, the Executive Board may, (a) Purchase or procure any land in accordance with the law and the Government rules on the subject, and where it pertains to Islamabad Capital Territory shall confine itself to zones 2 and 5 or any other Zone so prescribed by CDA for private Housing Schemes: Provided that in such Schemes in Islamabad Capital Territory, the Authority shall observe the rules,



regulations, byelaws, etc, framed by CDA; (b) undertake any works in pursuance of any Scheme or project; (c) incur any expenditure and (d) procure plant, machinery, equipment, instrument and necessary materials;

3. Accordingly, Transparency International Pakistan request you to provide the tender information as required under Public Procurement Rules 2004, Rule No 47 on the Contracts Awarded to following parties:

28 May, 2005: Emaar properties P.JSC, a UAE based company signed an agreement with Defence Housing Authority Islamabad to form a Joint Venture company, for **constructing and managing residential houses, commercial premises, bridges etc in DHA Islamabad.**

Islamabad , 9 th Aug, 2005: Meinhardt (Pakistan) Pvt Ltd, has entered into another agreement with Defence Housing Authority Islamabad for providing consultancy services on development of Phase II extn. It has under taken to develop 4000 acre of land "project" of Phase-II extn DHA Islamabad.

18th of May 2006 : Agreement was signed with HRL on 18th of May, 06 for the development of Phase I-Extn and earth breaking ceremony has been carried out on 6th June, 06. Total area to be developed by HRL is 1500 Acres in Phase-1 extension.

1st September 2009 The Defence Housing Authority (DHA), in collaboration with the Bahria Town and Habib Rafiq Limited (HRL), has launched a low-cost housing project 'DHA Valley and DHA Valley Overseas Block'.

4. We quote below the Landmark Judgment announce by the Supreme Court on 28th April 2010, in the suo moto case of award of multibillion dollar LNG contract to GDF-Suez, in which the Court announce that it is the duty of the Court to ensure the application of Public Procurement Rules 2004.

" Here we may observe that it is duty of the court to ensure that the Public Procurement Regulatory Authority Ordinance 2002 read with the Public Procurement Rules 2004 are adhered strictly to exhibit transparency. It is universally recognised principle that such type of transactions must be made in transparent manner for the satisfaction of the people, who are the virtual owners of the national exchequer, which is being invested in these projects."

Yours Sincerely,


Syed Adil Gilani
Chairman

Copy forwarded for the information of;

1. Chairman Public Accounts Committee, National Assembly, Islamabad.
2. COAS, Islamabad,
3. Auditor General Pakistan, Islamabad
4. Chairman, NAB, Islamabad.
5. Managing Director PPR, Islamabad
6. Registrar, Supreme Court of Pakistan, Islamabad