



11th April 2011

Brig Muhammad Aslam Rana,
Administrator Dha Lahore,
Defence Housing Authority
Sector "Y" Commercial Phase-III,
Lahore

Sub: Violation of Punjab Procurement Rules, 2004
Invitation of Prequalification of Insurance Companies

Dear Sir,

The notice of Invitation of Prequalification of Insurance Companies published in Dawn of 11th April 2011 is against the Public Procurement Rules 2004, as the set of Prequalification Document is not provided, which is a mandatory requirement. The Rules are available on PPRA website, www.ppra.gov.pk and www.transparency.org.pk.

Following violations of DHA in this procurement notice are noted,

1. DHA is not providing set of Prequalification documents as required under Rule No 16.
2. DHA can not condition that "The decision made by the Authority will be final and will not be subject to challenge before any Court of Law", under Rule No 48, and also this condition is against the fundamental rights provided in the Constitution of Pakistan.
3. The Condition that the "**Insurance Company must have 7 identified hospitals on its panel**" is against Rule No. 32, Discriminatory and difficult conditions. This violation gives the impression that one specific company currently has all these 7 hospitals on its panel, and on this ground all other Insurance Companies may be eliminated at this stage. DHA may make a condition that the 7 identified hospitals will have to be added in the panel by the Insurance Company who is awarded the Contract, so that every one has the option to take them on board.

Public Procurement Rules 2004 have eliminated all discretion in procurement process, and the Rule No 16 requires you to prepare a set of prequalification documents, and provide detailed evaluation criteria to applicants, which is not being given to applicants on this project. Rule is quoted below for your information;

16. Pre-qualification process.-

(1) The procuring agency engaging in pre-qualification shall announce, in the pre-qualification documents, all information required for pre-qualification including instructions for preparation and submission of the pre-qualification documents, evaluation criteria, list of documentary evidence required by suppliers or contractors to demonstrate their respective qualifications and any other information that the procuring agency deems necessary for prequalification.*

(2) The procuring agency shall provide a set of pre-qualification documents to any supplier or contractor, on request and subject to payment of price, if any.



* "contractor" means a person, consultant, firm, company or an organization who undertakes to supply goods, services or works;

The evaluation criteria shall also include a detailed criterion on how each mark will be awarded in each category, which makes these rules discretion free. Bidders must be informed how the scoring will be done for each category and what is the passing score in each category and overall score.

This is to remind DHA that Public Procurement Rules 2004 are applicable on DHA since June 2004, and Ministry of Defense has taken serious note of violations, as has been reported in the news published in The News on 18 March 2011,

The Adjutant General of Pakistan Army in his letter bearing no 05/MoD/PPRQ/WR-7; General Headquarters AG's Branch (W&R Dte) dated February 15, 2011, has written to DHAs regarding the implementation of PPRA rules. And that the Public Accounts Committee vide their letter No F.1.(1)2010-PAC, dated 21-06-2010 made similar observation. It is reiterated that the PPRA Rules must be observed in their perspective in letter & spirit while making procurements. Violation of those rules will be viewed seriously and Head of Department/Organisation will be held responsible for the same."

The above information is forwarded for the purpose of avoiding the mis-procurement charge under Rule No 50, and to re-advertise this prequalification notice under the prescribed procedures.

TIP refer to the Supreme Court order given on 28th April 2010 in case of disputed award of multibillion dollar LNG contract to GDF-Suez, in which the SC has announced that "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".

With regards,

Syed Adil Gilani
Chairman

Copy forwarded for the information of;

1. Chairman Public Accounts Committee, National Assembly, Islamabad.
2. Chief of Army Staff, Pakistan Army, GHQ, Rawalpindi,
3. Auditor General Pakistan, Islamabad
4. Secretary, Ministry of Defense, Islamabad.
5. Managing Director PPRA, Islamabad



PRE-QUALIFICATION HEALTH INSURANCE COMPANIES DHA LAHORE

Applications of well established / reputed Health Insurance Companies are invited for pre-qualification for Health Insurance of DHA Lahore employees. The company should meet the following criteria :-

- Should have A+/AA credit rating with PACRA / JCR-VIS.
- Minimum experience of 5 years in Health Insurance.
- At least 2 medical doctors permanently placed at Lahore to attend the hospital admissions in Lahore / surroundings.
- System of checking undue expenses charged by hospitals.
- 24 hours operational helpline for last 5 years and Customer Care Department.
- Reporting system to provide details of DHA patient admissions, premium, OPD claims and Inpatient claims on as and when required basis. Company should be following this system for the last 5 years.
- Facility/experience to manage client through health cards.
- The company must have the following hospitals on its panel:-
 - > National Hospital Defence Lahore Cantt
 - > Shaukat Khanum Hospital Lahore
 - > Fauji Foundation Hospital Lahore Cantt
 - > Aadil Hospital Lahore Cantt
 - > Rasheed Hospital (Main Boulevard) Lahore Cantt
 - > Doctors Hospital Lahore
 - > Army Cardiac Centre, CMH Lahore Cantt
- Good reputation / history of payment with all pane hospitals.
- Consideration will be given to good reputation / performance apart from lowest bid.
- Company profile along with list of major clients.

The authority reserves the right to reject any or all applications without assigning any reason (The decision made by the Authority will be final and will not be subject to challenge before any Court of Law)

The applications alongwith supporting documents should reach the undersigned on or before **25 Apr 2011**

SECRETARY

Office Complex Sector 'Y' comm Ph-3
DHA Lahore Cantt Ph: 042-111-342-547