



3rd September 2010

Mr. Azhar A. Jaffri
Chairman,

Chief Executive Officer / Managing Director
House Building Finance Corporation Ltd. (HBFC),
3rd floor, Finance & Trade Centre,
Shahrah-e-Faisal,
Karachi

Fax 99202319

Sub: Violation of Public Procurement Rules, 2004
Expression of Interest for Project Management /Quality Assurance of LMS
Functionality Enhancement

Dear Sir,

The Expression of Interest for Project Management /Quality Assurance of LMS Functionality Enhancement published on HBFC Rule No 16 as it is mandatory to provide set of complete documents, which shall include the Evaluation Criteria on which the firms will be evaluated. The Rules are available on PPRA website www.ppra.gov.pk and www.transparency.org.pk

Public Procurement Rules, 2010 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.

Explanation.- For the purposes of this sub-rule price means the cost of printing and providing the documents only.



** 2 (d) "contractor" means a person, consultant, firm, company or an organization who undertakes to supply goods, services or works:*

The evaluation criteria shall 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. The Eligibility Criteria prescribed in HBFC documents is not Evaluation Criteria.

TIP would like to quote Supreme Court Order given on 28th April 2010, in the case of award of multibillion dollar LNG contract to GDF-Suez, in which the SC has announced that it is the duty of the Court to ensure the application of Public Procurement Rules 2004.

Rule of Law shall be supreme in Pakistan. The ultimate goal of Public Procurement Rules 2004, beside ensuring that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical, is to make corruption a "high risk" and "low return" undertaking.

The above information is forwarded for the purpose to avoid the mis-procurement charge under Rule No 50, and to re- invite the tender which shall be based on the procedures prescribed by the Public Procurement Rules, 2004.

With Regards,

**Syed Adil Gilani,
Chairman**

Copy forwarded for information of

1. Chairman Public Accounts Committee, Islamabad
2. Auditor General Pakistan, Islamabad
3. Registrar, Supreme Court of Pakistan, Islamabad
4. MD, PPRA, Islamabad