



TRANSPARENCY INTERNATIONAL-PAKISTAN

02nd August 2011

Mr. Fakhar Iqbal Chaudhry,
Section Officer,
Ministry of Defence,
Islamabad.

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority, Karachi.
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Advisory Committee

Sub: Violation of Public Procurement Rules 2004, Prequalification Notices for
Insurance Companies & Contractors

Dear Sir,

With reference to your letter dated 15th July 2011, TI-Pakistan would like to bring to your knowledge that the clarification given by you is in contradiction to the covenants of DHA Islamabad Ordinance No. LI of 2007.

According to Section 2(f) of the Ordinance, Government rules will be observed while entering into any contract. The clause is quoted below for your reference;

- 2. Without prejudice to the fundamental rights of the people and to the generality of the foregoing powers, the Executive 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.


Secondly, you have mentioned that the Public Procurement Rules 2004 are not applicable to D.H.A as it is neither recipient of any public fund or controlled / administered by Federal Government i.e not a Public Sector Organization. This statement is again in violation of the Ordinance No. LI of 2007. Section 23 of the Ordinance is stated below for your information;

- 23. Employees etc. deemed to be public servants.-** *All employees, functionaries, officer, experts, consultants and advisors of the Authority when acting or purporting to act in pursuance of any provision of this Ordinance shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1860).*

TI-P would also like to draw your attention to Adjutant General's letter No. 05/MoD/PPRQ/WR-7, dated 15th February 2011 addressed to HQ 4 Corps (Housing Societies Cell) and HQ 5 Corps (DHA Cell). According to the letter "PPRA Rules must be observed in their true perspective in letter & spirit while making procurements". The letter is attached for your reference.

Public Procurement Rules 2004 are applicable at all D.H.A.s and violation of these Rules would make the procurement to be declared as mis-procurement under Rule 50.

With Regards,


Syed Adil Gilani
Procurement Specialist

Copies forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad.
2. Chairman, NAB, Islamabad.
3. Secretary, Ministry of Defence, Islamabad.
4. Registrar, Supreme Court.
5. Auditor General, Islamabad.
6. Managing Director, PPRA, Islamabad.

1
RESTD

General Headquarters
AG's Branch (W&R
Dte)
Rawalpindi
Tel : GHQ: 32029
05/MoD/PPRQ/WR-7
15 Feb 2011

To: HQ 4 Corps - Housing Societies Cell

HQ 5 Corps - DHA Cell

Administrator DHA Islamabad

Info: Administrator DHA Karachi

Administrator DHA Lahore

SD-1 (Army Coord)

- Wrt note no 6217/1381/SD-1-W98EG of
3 Feb 11.


AG (Coord)

- Wrt note no 34/11/GS Br/11/AG (Coord)-
WY00D of 9 Feb 2011.

ID: WR (Coord)

Subj: Implementation of PPRA Rules, 2004

Copy of Mindef U.O No. 2/2/D-18/2009 dated 31 Jan 11 on the subj is encl
for your info / compliance, please.


For Adjutant General
(Ansar Jamil)

Docu ID: XCILQ APPROVED By AAG Lt Col Ansar Jamil on 15 Feb 2011
Note: Computer Generated Documents Do Not Require Signature.

RESTD

MINISTRY OF DEFENCE
(D-18 SECTION)

Subject: IMPLEMENTATION OF PPRA RULE, 2004

Reference Ministry of Defence u.o. note of even number dated 4th July, 2010 circulating National Assembly Secretariat (PAC Wing) circular No.F.I(1).2010-PAC dated 21st June, 2010.

2. Deputy Director General (Defence Service Audit) has observed that Public Procurement Regulatory Authority (PPRA) Rules 2004 are not being observed in different entities of Ministry of Defence in letter and spirit. This has been viewed with concern by the Principal Accounting Officer i.e. Secretary Defence.

3. The Public Accounts Committee vide their letter No.F.I(1).2010-PAC, dated 21-06-2010 made similar observations.

4. It is reiterated that the PPRA Rules must be observed in their true perspective in letter & spirit while making procurements. Violation of those rules will be viewed seriously and Head of Department/Organization will be held responsible for the same.


(Zia-ud-Din Khurshid)
Deputy Secretary (Admin)
Ph: 9271132 & 9271439

MAG, Rawalpindi	Director (Admin), JSHO, Chaklala
Surveyor General, Survey of Pakistan, Rwp	DG SIDDic, GHQ, Rawalpindi
DG, M&C Department, Rawalpindi	E-in-C's Branch (EIE), GHQ, Rwp
DG, Pak Mil Department, H-8/2, Islamabad	DCA, NHO, Islamabad
DG, PASB, Rawalpindi	DCP, AHO, Peshawar
DG, ASF, Karachi	DG, ISI, Islamabad
DG, MSA, KDLB Bldg, Karachi	DG, CAA, Karachi
Director, FGEI (C/G), Dte, Rwp	MD, PIAC, Karachi

Min of Def u.o. No. Pt. 2/2/D-18/2009, dated 31st January, 2011

Copy for follow-up action, to:-

DS (Army-A)	DS (Army-B)	DS (Navy)	DS (IS-B)
DS (Flying)	DS (CAA)	DS (Admin)	S/O(D-7)

1. bnd in UD
2. Cpy to all PSOs.

DSD(A) 

Min of Def

IMMEDIATE

GOVERNMENT OF PAKISTAN
MINISTRY OF DEFENCE

Subject: VIOLATION OF PUNJAB PROCUREMENT RULES, 2004.

Reference Transparency, International Pakistan letters dated 11th April & 20th April 2011 on the above subject.

The case for violation of PPR Rules, 2004 by DHA has been analyzed in this Ministry in consultation with authorities concerned. In this connection the following comments are offered:-

- Public Procurement Regulatory Authority Rules 2004 are not applicable to DHAs as it is neither recipient of any public fund nor controlled / administered by Federal Government i.e. not a Public Sector Organization
- Nevertheless, the mechanism and procedures adopted in DHA with regard to procurement and award of civil works is in line with the guidelines provided under PPR Rules and Regulations and the procedure laid down by Pakistan Engineering Council of Pakistan.



(FAKHAR IQBAL CHAUDHRY)

Section Officer
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The Chairman
Transparency International-Pakistan
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Khayaban-e-Ittehad,
Phase-VII, DHA Karachi

Min of Def U.O No.2/22/D-12 (ML&C)/09 dated: 15th July, 2011.