



TRANSPARENCY INTERNATIONAL-PAKISTAN

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22nd May, 2017

TL17/1905/6B

Mr. Saeed Ahmad
President,
National Bank of Pakistan,
NBP Head Office Building,
I.I. Chundrigger Road,
Karachi.

Sub: Violation of Public Procurement Rules 2004, VP/Wing Head IT Procurement, Logistic Support Group, National Bank of Pakistan, Karachi's Tender Notice for Procurement of Cash & Cheque Deposit Machine (CDMM/Recycler)

Dear Sir,

Transparency International Pakistan refers to its letter dated 12th May, 2017, and NBP reply dated 16th May 2017, in which NBP has quoted a wrong PPRA Rule to justify that Public Procurement Rules 2004 empowers NBP to fix the number of days of selling the tender documents, and therefore NBP has allowed only 8 days, instead of 15 days, as pointed out by TI Pakistan.

Being new in NBP, but not new in another public sector organization State Bank of Pakistan where you have been serving as Deputy Chairman for last 2 years, before joining NBP, it is mandatory on you to follow Public Procurement Rules 2004 in letter and spirit.

PPRA Rule 13 is quoted below;

"13. Response time.- *(1) The procuring agency may decide the response time for receipt of bids or proposals (including proposals for pre-qualification) from the date of publication of an advertisement or notice, keeping in view the individual procurement's complexity, availability and urgency. However, under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice. All advertisements or notices shall expressly mention the response time allowed for that particular procurement along with the information for collection of bid documents which shall be issued till a given date, allowing sufficient time to complete and submit the bid by the closing date:

Provided that no time limit shall be applicable in case of emergency."

NBP by mentioning only second part of the rule no. 13 (quoted above) has very conveniently omitted to quote the first two paragraphs of the Rule 13, which make it mandatory to give 15 day's response time to bidders for national competitive bidding, which NBP has violated in this procurement.



TI Pakistan Note: 15 days clear time are required for bidders to collect tender document for national competitive bidding.

In order to counter cartel in tendering, NAB has also issued directive on 8th January 2010, directing procuring agencies to upload tenders on their website for bidders to download and submit tender of downloaded tenders. (Annex-A).

NBP is also advised to understand PPRA Rule No 13, which has been similar to Rule 18 of Sindh PPRA Rules, which is clarified in more elaborate details.

18. Response Time (1) The procuring agency shall give due consideration to the scope, magnitude and nature of procurement, while deciding the response time;

(2) Subject to sub-rule (1), the response time shall not be less than fifteen calendar days from the date of publication of Notice Inviting Tender in the newspapers or hoisting in the website, as the case may be, in case of National Competitive Bidding, and shall not be less than forty five days from the date of publication of Notice Inviting Tender in the newspapers or hoisting on the website, as provided in Rule 17 (6), in case of International Competitive Bidding;

(3) Procuring Agency shall ensure that bidding documents are available to the interested bidders from the first day of publication of Notice Inviting Tender in the newspapers or hoisting on the website, as the case may be.

The advice given to TI Pakistan by NBP in its reply “to spend more time in spotting in real corruption, than waste public official valuable time” is more applicable to NBP officers who are involved in using exchequers money paid to them as salaries, in preparing procurement documents in violations of PPRA rules.

NBP is informed about few corruption cases of NBP pointed out by TI Pakistan which are under NAB investigations: Rs.19 Billion loss in Bangladesh, Rs 2 Billion loss in Agritech share purchase over market value. And on TI-Pakistan complaint dated 25.2.2012, about misuse of Pakistan Remittance Initiative (PRI) and estimated loss to exchequer of 6.67 % on each US \$ 100, the SBP imposed Penalty on NBP verifying fraud on illegal splitting of 2500 remittances, as reported in SBP Inspection Report of 2012, issued in 2015.

TI Pakistan again request the Chairman NBP to investigate this procurement and also investigate NBP procurements department which has admitted of doing procurements based on such violations of Public Procurement Rules 2004 since 2004. And also cancel the procurements, and re-invite the tender in accordance with PPRA Rules.

With Regards,


Sohail Muzaffar
Chairman



Copies forwarded for the information with request to take action under their mandate to;

1. Principal Secretary to PM, PM House, Islamabad
2. Chairman, National Accountability Bureau, Islamabad
3. Minister of Finance, Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad
5. Managing Director, PPRA, Islamabad.
6. Auditor General Pakistan, Islamabad.



GOVERNMENT OF PAKISTAN
NATIONAL ACCOUNTABILITY BUREAU
ATTA TURK AVENUE, G-5/2
ISLAMABAD

AWARENESS & PREVENTION DIVISION

Mandated to educate, advise, assist and instruct in Prevention of Corruption and Corrupt Practices
(Section 33B & C of NAO 1999)

5-2(75)Pr/A&P/NABHQ/2013
January 08, 2014 /60

All Ministries / Divisions /
Departments / Regulatory Bodies
and Corporation etc. (list attached)

Subject: MEASURE FOR PREVENTION OF CORRUPTION IN PUBLIC
PROCUREMENT PROCESS FOR TRANSPARENCY AND
MERITOCRACY


To plug the possible corruption holes during procurement process, National Accountability Bureau (NAB) under its Prevention Regime, as enshrined in section 33B and 33C of National Accountability Ordinance (NAO) 1999 read with Public Procurement Rules 2004, advises to abide by the following instructions, in order to ensure transparency in the public procurement process:

- a. Registration or enlistment of contractors on periodic basis a procurement agency is not needed under the Public Procurement Rules 2004 nor any charging of fee on this account is admissible. This practice should be stopped forthwith as it supports the Corrupt Practices of collusive/limited competition to favor the favorites.
- b. A procurement agency may adopt the process of pre-qualification of contractors to establish their ability to perform for a particular work; therefore enlistment of the contractors, as condition in pre-qualification is not required and cannot be imposed as condition for pre-qualification under Public Procurement Rules 2004.
- c. It is further required to completely specify the conditions and circumstances explained in rules 15 and 16 "pre-qualification of contractors and suppliers" and "pre-qualification process" of Public Procurement Rules 2004.

- d. All procuring agencies should make available the bidding or pre-qualification documents and other related communication in downloadable format, for any interested bidder or party, at their websites to use these documents for submitting bid(s) with admissible tender fee, if any, paid in bank as prescribed by procuring agency. This will break cartelization and collusive biddings. (Instructions under Prevention Regime of NAB)
- e. Mis-procurement declared and falling within Rule 50 of PP Rules 2004 at any stage shall be liable for cognizance by NAB under relevant Section of NAO 1999.

2. The above information be communicated to all subordinate offices responsible for procurement processes.

3. It is to inform that these instructions are issued after consultation with Public Procurement Regulatory Authority and with the approval of DG A&P NAB HQ / President Prevention Committee on Procurement, Projects and Auctions, constituted by Chairman NAB under Section 33C of NAO 1999, please.


Sajid Ali
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(A&P Division) NAB HQ
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Copy for info to:-

- a. PS to Chairman NAB
- b. MD, Public Procurement Regulatory Authority (PPRA) Islamabad
- c. Addl. Directors Staff, All Regional NABs
- d. Director A&P, All Regional NABs
- e. MD, Punjab Public Procurement Regulatory Authority, Lahore