

No.F.1(76)/DD-I/PPRA/2010  
GOVERNMENT OF PAKISTAN  
PUBLIC PROCUREMENT REGULATORY AUTHORITY  
(CABINET DIVISION)



Islamabad, the May 18, 2010.

SUBJECT: NHA IS VIOLATING PPRA RULES IN ALMOST ALL PROCUREMENTS CAUSING BILLION OF RUPEES LOSS TO EXCHEQUER.

Reference this Authority's letter of even number, dated 7<sup>th</sup> May, 2010 on the above subject requesting NHA to furnish comments on the contents of the complaint and press report but no response has been received so far.

2. M/s Transparency International-Pakistan has again alleged vide its letter, dated 13.5.2010 (copy enclosed) that NHA has cancelled the award of a multi-billion contract for collection of toll on motorways after the bids had been processed, allegedly to accommodate a favorite contractor.

3. TI Pakistan has received complaint that NHA has discharged the tender and re-invited the same vide EOI Notice published in Newspapers on 23<sup>rd</sup> April, 2010. This allegation confirms the previous allegations made in Newspapers that NHA is trying to induct a new firm. NHA is required to clarify the following violations of Public Procurement Rules, 2004 alleged by TIP:-

Rule 33 - Rejection of bids

The procuring agency may reject all bids or proposals at any time prior to the acceptance of a bid or proposal. The procuring agency shall upon request communicate to any supplier or contractor who submitted a bid or proposal, the grounds for its rejection of all bids or proposals, but is not required to justify those grounds.

Rule 47 - Public access and transparency:

As soon as a contract has been awarded the procuring agency shall make all documents related to the evaluation of the bid and award of contract public.

Rule 35 - Announcement of Evaluation Reports:

Procuring Agencies shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of procurement contract

Contd..P/2

- 2 -

**Rule 16(f) – Prequalification process:**

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 pre-qualification.

**Rule-9 - Limitation on splitting or regrouping of proposed procurement:-**

Save as otherwise provided and subject to the regulation made by the Authority, with the prior approval of the Federal Government, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the Authority's website as well as on the website of the procuring agency in case the procuring agency has its own website.

4. It is requested that a comprehensive parwise report and comments on the alleged violations of Public Procurement Rules, 2004 in the enclosed complaint may be sent to PPRA at the earliest. This information is being called by PPRA under the powers vested in this Authority under Section 5(2)(i) of Public Procurement Regulatory Authority Ordinance, 2002.

  
( Nasem Ahmad )  
Deputy Director-II

Chairman,  
National Highway Authority,  
(Headquarter), 27-Mauve Area,  
Sector: G-9/1,  
Islamabad

C.C:

1. Secretary, Ministry of Communication, Islamabad.
2. Syed Adil Gilani, Chairman, Transparency International-Pakistan, 5-C, 2<sup>nd</sup> Floor, Khayaban-e-Ittehad, Phase-VII, Defense Housing Authority, Karachi.
3. M/s TollLink Pakistan (Pvt) Limited, Islamabad.
4. M/s Frontier Works Organization (FWO), Rawalpindi.