



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 NAC 1999)

No. 5-4(59) Misc/A&P/NABHQ/2013 /105
September 27, 2013

The Chairman
National Highway Authority (NHA)
Maive Area, G-9/1
Islamabad

Subject: Compliance with Public Procurement Rules for Mega Projects in NHA

1. During review of a number of contracts of NHA exceeding Rs. 50 Million, following issues / anomalies were highlighted:-

- a. NHA despite being a major player in Federal PSDP expenditure and public private sector projects has not established SOPs and contract processes that are in compliance with PPRA and other governmental rules and regulations.
- b. NHA and loan giving agencies (ADB and WB) rules and regulations have not been synergized thereby creating conflict and space for discretion in contract from pre-qualification, bidding, evaluation and implementation stages.

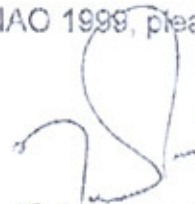
2. In order to redress above, following policy rules and procedures are required to be established and enforced:

- a. All contracts, without fail have to be in strict compliance with letter and spirit of Public Procurement regulations and related Government Rules and Instructions.
- b. The process of pre-qualification should be given due priority instead of evaluating contractors bonafides in technical evaluation of their proposals.
- c. No loan or aid arrangement exempts NHA from violating 2 a b above. All bank loans including those from Exim banks are commercial transactions and therefore have to subservient to law of land and not vice versa.

- d. Expediency or Emergency (except declared by govt. due to natural calamities) do not give NHA any discretion to exempt itself from procedures. On the same analogy no decision of NHA Board are to be made a basis of exemptions or a reason for violating rules.
- e. The stipulations and rules of donor / loan giving agencies must be reconciled with government rules that are sacrosanct during the discussion stages on loan agreements. The intrusive involvement of any donor / loan giving agency in evaluation or contract implementation must be curtailed and in all circumstances remain subservient to law of land.

3. You are requested to submit a report on compliance of instructions at para 1 and 2 above by 15th October 2013.

4. Issued with approval of DG (A&P), President Prevention Committee on Procurements / Auctions / Projects constituted under Section 33C of NAO 1998, please.



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Copy to:

- a. The President, Asian Development Bank.
- b. The Managing Director, Public Procurement Regulatory Authority.
- c. The Chairman, Federal Board of Revenue.
- d. The Chairman, Pakistan Engineering Council
- e. The Chairman, Board of Investment.
- f. The Chairman, Water and Power Development Authority.
- g. The Chairman, Capital Development Authority.
- h. The Country Director, World Bank, Pakistan.