



TRANSPARENCY INTERNATIONAL-PAKISTAN

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Advisory Committee

29th September 2011

Mr. Basharat A. Mirza,
Chief Executive Officer,
Oil & Gas Development Company Limited,
OGDCL Head Office, Jinnah Avenue, Blue Area,
Islamabad.

Sub: Violation of Public Procurement Rules 2004, Company Secretary, Oil & Gas Development Company Limited, Islamabad, Appointment of Auditors- TI Letter dated 20th September 2011 & OGDCL Letter dated 22nd September 2011.

Dear Sir,

This is with reference to Company Secretary, Oil & Gas Development Company Limited's reply dated 22nd September 2011 sent in response to TI Pakistan's letter dated 20th September 2011 about the violation of Public Procurement Rules 2004 in the appointment of auditors.

This is again to state that the Public Procurement Ordinance 2002 and Public Procurement Rules 2004 are applicable on all procurements of OGDCL. The Public Procurement Rules 2004 supersedes all other rules and regulations related to the procurement of goods, works and services and Rule 3 of the Public Procurement Rules 2004 is referred in order to compliment this.

3. Scope and applicability.- *Save as otherwise provided, these rules shall apply to all procurements made by all procuring agencies of the Federal Government whether within or outside Pakistan.*

According to clause 2(j) of the Public Procurement Ordinance 2002, OGDCL comes under the definition of procuring agency falling in the domain of Public Procurement Ordinance 2002 and Public Procurement Rules 2004. The definition is quoted below for your information;

- 2. Definitions.** (j) "procuring agency" means:
- i. any Ministry, Division, Department or any Office of the Federal Government;
 - ii. any authority, corporation, body or organization established by or under a Federal law or which is owned or controlled by the Federal Government;

The stance of OGDCL, that the notice was issued in pursuance of Section 253 of the Companies Ordinance 1984, is a collusive practice under rule 2(f) of the Public Procurement Rules 2004.



Transparency International Pakistan is for across the board application of Public Procurement Ordinance 2002 and Public Procurement Rules 2004 and therefore requests you to please follow the Public Procurement Rules 2004 in the true spirit, and invite the public tender for appointment of auditor of OGDCL.

TI Pakistan is striving to have Rule of Law in Pakistan.

With Regards,

Syed Adil Gilani
Advisor

Copies forwarded for the information and necessary action under the Law of Pakistan:

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