



Pakistan Post Foundation

Trust created under Charitable Endowments Act, 1890 for the benefit of Serving & Retired Postal Employees & their families

NO. PPF/Mining-08/2011

Islamabad 20-1-2012

Sub:- VIOLATION OF PUBLIC PROCUREMENT RULES 2004, GM PPF- TENDER NOTICE FOR SUPPLY OF MACHINERY.


Sir,

With reference to National Assembly Secretariat Islamabad letter No. F.1(1)/2012/Mont-comm of PAC dated 17-1-2012 on the subject noted above, it is clarified for information that there was a proposal to procure Heavy Machinery and to rent out the same to the Contractor of mining in Baluchistan. As such its rates were ascertained by calling quotations through News Paper just to have an idea of specific machinery, its condition prices of both new and second hand good condition of two Excavators SE-200 and one Dozer D-6 or D-8 to prepare the documents of tender to be floated in the News Paper. Transparency International has also conveyed their observation vide their letter dated 1-11-2011. Later on the PPF management reconsidered the case and the said proposal was not found feasible and has been dropped/ case stand closed. All concerned have been informed accordingly vide this office letter of even number dated 30-11-2011 (copy enclosed).

3. Since the procurement of machinery has been closed/ stopped, therefore, no further action is called for. The PPF assures that rules shall be followed in letter and spirit in all cases of procurement of machinery. PPF is thankful to Transparency International for their advice in observing the PPR, 2004.

Thanking you,

Yours faithfully,

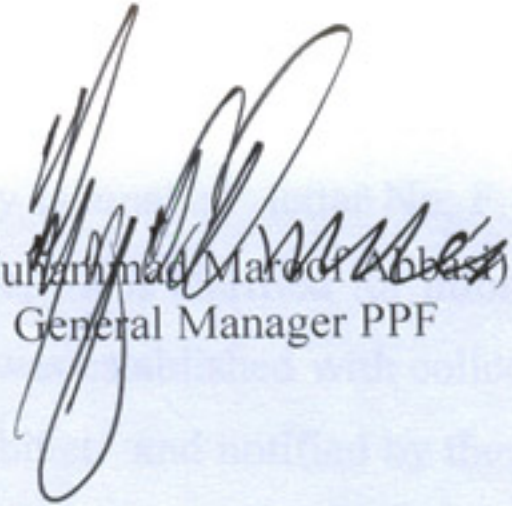

(Ajaz Ali Khan Durani)
Managing Director PPF
Ph. 9278377

Malik Khaleeq Ahmed,
Deputy Secretary (PAC-Imp),
National Assembly Secretariat,
Islamabad.

Copy forwarded for information to:-

1. Chairman Public Accounts Committee, Islamabad..
2. Chairman NAB, Islamabad.
3. The Registrar Supreme Court Islamabad..
4. Auditor General Islamabad.
5. Managing Director PPRA, FBC Building near State Bank of Pakistan Sector G-5/2, Islamabad.
- ✓ 6. Syed Adil Gilani Advisor Transparency International Pakistan, 5-C, 2nd Floor, Khayaban-e-Ittehad, Phase-VII Defence Housing Authority, Karachi w.r.t. their letter dated 14-1-2012.
7. The Chairman Pakistan Post Foundation/ DG Pakistan Post, Islamabad.

(Muhammad Maroof Abbas)
General Manager PPF



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NO. PPF/Mining-08/2011

Islamabad 30-11-2011.

Sub:- VIOLATION OF PUBLIC PROCUREMENT RULES 2004, GM PPF- TENDER NOTICE FOR SUPPLY OF MACHINERY.

Sir,

With reference to Transparency International- Pakistan letter No. nil dated 1-11-2011, received through Public Procurement Regularity Authority Islamabad letter No. F.1(173)/DD-II/PPRA/2011 dated 3-11-2011 on the subject noted above, it is clarified for information that the Pakistan Post Foundation is a Charitable entity which was established with collective efforts of the Postal Employees and with prior approval of the Cabinet and notified by the Ministry of Social Welfare and Special Education vide No. S.R.O (KE)/ 90 dated 7-10-1990 without any aid, grant or patronage of the Ministry of Communications. Thus its status is a NGO and Charitable which function for the welfare of Postal Employees. It is self supporting organization which earn funds through business for the welfare of the Postal Employees, therefore, it does not fall under the purview of Public Procurement Rules, 2004.

2. It is further submitted that in order to procure Heavy Machinery for renting out to the Mining Contractor for mining in Baluchistan, its rates were ascertained by calling quotations through News Paper just to have an idea of specific machinery, its condition prices of both new and second hand good condition of two Excavators SE-200 and one Dozer D-6 or D-8 to prepare the documents of tender to be floated in the News Paper. Transparency International has invited this office attention to rule 23 of PPR, 2004 which is reproduced below:-

23. Bidding documents:- (2) *Procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of invitation to bid.*

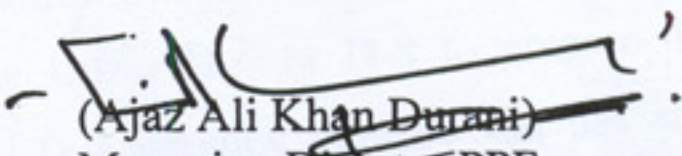
3. Since the PPF has no resources to get the market survey to assess, the specified machinery and its price, as number of countries are manufacturing such heavy machines and it wanted market mind/ idea of supplier about prices, condition of second hand machinery & rate

of new machinery, therefore, before preparing tender documents, designing of Tender Form and calling tenders for procurement of aforesaid machinery, PPF called rates of both old good condition and new machinery through quotations without fixing any fee or security money. Any how further process on the Quotations has been cancelled.

4. The PPF has never been granted any aid, grant or denotation from any Government or International Agencies and has been striving hard to generate funds through joint venture and business for the welfare of the Postal employees. Its employees are neither Government employees, nor their service is pensionable nor their salaries are paid from the Government Funds but the PPF pays the salaries of staff including Managing Director through its own resources, therefore, in the light of Section 3 of Public Procurement Rules, 2004, the PPR-2004 are not applicable on the Pakistan Post Foundation as its clauses are applicable for procurement in Federal Government Offices.

Thanking you,

Yours faithfully,


(Ajaz Ali Khan Durani)
Managing Director PPF
Ph. 9278377

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✓ Mr. Khalid Mahmood Lodhi,
Director-II,
Public Procurement Regulatory Authority,
Cabinet Division,
Islamabad.

Copy forwarded for information to:-

- ✓ 1. Chairman Public Accounts Committee, Islamabad..
- ✓ 2. Chairman NAB, Islamabad.
- ✓ 3. The Registrar Supreme Court Islamabad..
- ✓ 4. Auditor General Islamabad.
- ✓ 5. Syed Adil Gilani Advisor Transparency International Pakistan, 5-C, 2nd Floor, Khayaban-e-Ittehad, Phase-VII Defense Housing Authority, Karachi.