



General Manager  
Policy & Planning Division



**Subject: Violation of Public Procurement Rules, 2004 in Procurement of  
Development of Web-based Database Application**

Reference National Assembly Secretariat U.O. No. F.1 (2)/2010-PAC dated June 4, 2010. It may kindly be noted that SMEDA has received only one letter from National Assembly Secretariat, dated June 1, 2010. The second letter dated June 4, 2010, referred to above, has not been received by SMEDA; and has been downloaded from Transparency International Pakistan's (TIP) website.

As per directions of the Chairman, Public Accounts Committee contained in the letter dated June 4, 2010, kindly find SMEDA's response as under:

Development of the Web-based Database Application is a part of the SME Subcontracting Exchange (SMX) project of SMEDA funded through the Public Sector Development Programme (PSDP). Allocation for the task in the project PC-1 is Rs.300,000/- (Rupees Three Hundred Thousand Only) (Concerned page of the PC-1 enclosed, **Annex. - I**).

The advertisement for the said procurement of services was given by SMEDA on May 18, 2010. Transparency International Pakistan (TIP) after noticing the advertisement from PPRA website contended, through their letter addressed to SMEDA dated May 20, 2010 (**Annex. - II**), that the said procurement was in violation of PPRA rules. SMEDA in their letter to PPRA dated May 25, 2010 (**Annex. - III**), submitted its annotated response to observations raised by TIP. The objections raised by TIP and SMEDA's response are summarized below for a ready reference:

Sr. No.	TIP's Objections	SMEDA Response
1.	<b>Only 13 days</b> are given to bidders by SMEDA i.e. from 18 <sup>th</sup> May to 1 <sup>st</sup> June 2010. According to Rule 13, minimum time to be allowed is 15 days.	According to PPRA Rule 13 (2): the response time shall be calculated from the date of first publication of the advertisement in a newspaper or posting on the website, as the case may be. It may kindly be noted that in the said procurement of services, the date of advertisement is 18.05.2010 whereas the closing date is 01.06.2010, which

**Small and Medium Enterprise Development Authority**  
Ministry of Industries & Production  
Government of Pakistan


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Although SMEDA has not received any response from PPRA regarding the issue, further progress in procurement of services has been stopped by SMEDA (Bids have been received, however, process has not been continued further), which may result in lapse of funds on June 30, 2010.

In light of the above, it is requested that clear guidelines may kindly be provided to SMEDA at the earliest in order to enable us to decide the future course of action, i.e. either continue with the existing process or to re-advertise the procurement.



**Muhammad Jamil Afaqi**

Ms. Najma Siddiqi, Joint Secretary (PAC & C-ID), National Assembly Secretariat  
P&P/0008-10, Dated June 11, 2010

Copies forwarded for information and necessary action to:

1. Managing Director, PPRA
- ✓ 2. Chairman, Transparency International Pakistan

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