

"It's good to leave each day behind, like flowing water, free of sadness. Yesterday is gone and its tale told. Today new seeds are growing".  
~ Rumi

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# Public Procurement Regulatory Authority

Cabinet Division Islamabad

## A NOTE FROM EDITORIAL TEAM

Mr. Hafeez-ur-Rehman has been the Managing Director of PPRA since May 2009 to October 2011. Major policy initiatives were taken during his tenure which are briefly presented below; PPRA is not very old organization but in short span it has brought a significant change in the public procurements in shape of awareness, transparency and efficiency. Specifically the last two and half years have been highly productive in many respects. This would be remembered as a very successful period for activities and achievements of PPRA. New initiatives have made PPRA an efficient, pro-active and effective regulatory authority and it has transformed this benign organization into a vibrant and active regulating entity in public sector in a short span of time. A brief of the steps and achievements is discussed below:

**Establishment of NIP:** The National Institute of Procurement (NIP) is in-house, sustainable and non-rental training arrangement in PPRA building. The NIP is equipped with all essentials of a training facility accommodating around 20 participants. More than 5000 public/private officials have been trained at NIP.

**Monitoring of Tenders on daily basis:** Monitoring activity has been much improved and expanded. The uploading of all the tenders received & collected from all sources on daily basis and indication of violation on very next day was ensured. As a result of strict monitoring and prompt indication of violation, rate of violations declined from 95% in 04-05 to 12% in 10-11.

**Publishing Monthly Gazette:** First monthly gazette was published in July 2009 and this is twenty-eighth issue. PPRA was not so much known in the past in the public as it is known today. The issuance of monthly gazette on its activities and performance has been instrumental to update the stakeholders about the PPRA activities and performance on regular basis. The Gazette is playing a key

role in creating awareness in respect of Rules and public procurements.

**1st ever Impact Evaluation Survey:** PPRA has conducted a comprehensive feedback and impact evaluation survey regarding Authority's functions and performance without incurring any cost to the national exchequer. Valuable comments and suggestions have been received from various stakeholders. The effectiveness of PPRA's role has been widely appreciated by the respondents from public, private sector and international organizations.

**Step towards financial autonomy:** PPRA with the approval of its Board levied fee of Rs.1000 for uploading of each tender on its website from first December 2009 as a first step towards financial autonomy which is essential for any regulatory body.

**Efforts to ensure implementation of PP Rules-2004:** In this regard a number of letters were written to top management of procuring agencies regarding the uploading of annual planning, evaluation reports, and contracts awards over Rs 50 million and formation of grievance redressal committees to bring efficiency and transparency. A large number of procuring agencies responded positively and formed grievance redressal committees available at PPRA website. Similarly annual planning and evaluation reports sent by various government entities have been uploaded on our website.

**Publication of Procurement Code:** PPRA published "Pakistan Procurement Code" to facilitate the stakeholders. The current issue is third edition which contains the Ordinance 2002, PP Rules 2004, PP Regulations 2008, Consultancy Services Regulations 2010, includes PPRA policy guidelines and Frequently Asked Questions for the ready reference facility and knowledge of the readers.

"Be sure we shall test you with something of fear and hunger, some loss in goods or lives or the fruits (of your toil), but give glad tidings to those who patiently persevere, who say, when afflicted with calamity: "To God We belong, and to Him is our return". They are those on whom (descend) blessings from God, and mercy, and they are the ones that receive guidance."

~ Holy Qur'an (Yusufali) 002:155-157

"If you make intense supplication and the timing of the answer is delayed, do not despair of it. His reply to you is guaranteed; but in the way He chooses, not the way you choose, and at the moment He desires, not the moment you desire".

~ Ibn Ata'Allah



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Mr. Hafeez ur Rehman, MD, PPRA giving presentation in workshop

## EDITOR'S NOTE: A SWANSONG OF SORTS

This twenty-eighth issue of PPRA Gazette is by no means a swansong of this publication it could be one of sorts by a functionary but the regulatory body along with all its initiatives, including this Gazette, is here to stay. Hopefully.

Federal PPRA is not a posting that public servants vie for, because it entails upholding of Rules and responding to public complaints against the procurement practices of public servants, the scope of pleasing is very limited, in fact it comes in the way of whims. When you pursue a complaint from the public or a civil society against a public servant you don't make friends; in fact you end up losing the ones you already have. Fair and transparent public procurement borne out of healthy competition is a pre-requisite of a democratic society, our place in the comity of nations and badly needed foreign investment. Above all it roots out corruption from the public service in matters of procurement. PPRA alone is in no position to implement it in letter and spirit for it has no punitive powers to bring wrongdoers to book and neither would PPRA strive for such powers. Nor should powers be thrust upon the organization. Public procurement we know comes in the realm of white collar crime the proof of which lies in intricate investigation and adjudication involving manpower and their expertise. Procurement expertise is only housed in a couple of officers borrowed from various organizations. Adjudication part, in case of litigation, has been left to the courts by design, the public accounts committee takes care of irregularities after audit, also responds to media highlighted issues on procurement, while the procuring agency has been assigned to deal with administrative part of complaints, their veracity and

penalizing public officials for violating the rules.

We at PPRA argue that if a public official can be dealt with under rules for coming late or not coming to office why the PAO's cannot take action against defaulting procurement officials. Regulatory bodies with punitive powers, more often than not, become prey to the forces of graft. Procurement being a relatively technical subject does not have the required number of trained and experienced officials. Back to the swan song, an officer junior to the present soprano visited the office to understand what PPRA does as a prospective candidate to head the organization, not finding the job tasteful he got a superior job where lots of power is routinely wielded. So much for the background.

What PPRA was, with only six officers passing over complaints was the primary job, including that of relaxations whenever and who ever asked for. PPRA did not earn a single penny from any source. Tender uploading on PPRA website an essential part of the Ordinance took precedence over the print media was invoked and a fee imposed after much delay and reluctance from the administrative ministry. Projected income from this source was estimated to meet 70% expenses, an amount to that effect was later deposited in the Federal consolidated fund. The then chairman's support was tacit but sure and without hair splitting. PPRA started generating revenues to the chagrin of the respondents, some even contested openly, it took PPRA quite a bit of effort to bring horses to water. PPRA also made a small amount from its website which is perhaps most visited website in the government sector.

Complaint handling, the primary task of the organization increased because of by the book and prompt handling of complaints. Interest in rules gained more strength through publication of its first Code. Its third edition is out with Ordinance, Rules, policy directions stemming from the decisions of the Board and epistles addressed to the procuring agencies and consultancy regulations. The time<sup>1</sup> for its capacity building centre was up when a minion in the relevant Ministry snapped its funding and diverted committed funds to a project more dear and useful. PPRA calculated a bare minimum cost of training and invited those desirous. A National Institute of Procurement was established and there was no looking back or begging funds from where running from pillar to post becomes a natural

part of destiny. Unless of course one is in a position to transfer them.

A rented capacity building centre was given up for paucity of funds; a new centre was carved out from the corridor in PPRA office premises where the NIP runs now. The initiative of PPRA Gazette came about from the need to inform public servants about the rules, events and PPRA itself on what it does to instill rules and transparency in the public sector inclusive of the defense establishments. Participants from the defense forces are most avid learners of PPRA rules and regulations. They have literally run NIP by way of participation and interest, their presence has produced a positive demonstration effect on those engaged in civil affairs.

If I say the Board has been very supportive protector of the rules I would not be well placed in my observation I would rather be constrained to note that apart from the private sector members the support for rules has been scant, in fact the eagerness to change rules suiting their needs has been most visible. Some would even come to the physical meeting with a preconceived notion of approval without having gone through the agenda. One of our reasons to send issues in circulation where every individual applies himself rather than blindly following the given line. Other reason of agenda in circulation has been the cost, distance and sure quorum. The previous Chairman respected our stance and gave a fair decision every time the file was sent in circulation. Then we saw arm twisting times. Support of the World Bank, Asian development Bank and the USAID are decidedly invaluable. They have lent us advice, support and encouragement. Funds, we did not seek. The support of our Minister who also happens to be the Prime Minister in keeping the rules intact and strengthening our stance has been exemplary and way ahead of whom he succeeds. His prompt approval of the plot for PPRA's own building is something the organization would remember in times to come, notwithstanding the hitches created by almost every body down the line. Some even today lie unattended.

PPRA through my long public service experience has been most rewarding, the organization is lean, efficient and requires experience and expertise to be a functioning part, guarding rules is the primary task of any public service, this brings order, discipline and credibility in public affairs. Without this, chaos rules.