



# PUBLIC PROCUREMENT REGULATORY AUTHORITY ORDINANCE, 2002

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# **PUBLIC PROCUREMENT REGULATORY AUTHORITY ORDINANCE, 2002**

## **ORDINANCE NO. XXII OF 2002**

*An Ordinance to provide for the establishment of Public Procurement Regulatory Authority for regulating public procurement of goods, services and works in the public sector*

WHEREAS it is expedient to provide for the establishment of a Public Procurement Regulatory Authority for regulating procurement of goods, services and works in the public sector and for matters connected therewith or ancillary thereto;

AND WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No. 1 of 1999, read with the Provisional Constitution (Amendment) Order No. 9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:-

**1. Short title, extent and commencement.**-(1) This Ordinance may be called the Public Procurement Regulatory Authority Ordinance, 2002.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

### **CHAPTER I. –PRELIMINARY**

**2. Definitions.** In this Ordinance, unless there is anything repugnant in the subject or context,--

- (a) "Authority" means the Public Procurement Regulatory Authority established under section 3;
  - (b) "Board" means the Board constituted under section 6;
  - (c) "Chairperson" means the Chairperson of the Board;
  - (d) "Fund" means the fund established under section 9;
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- (e) "goods" means articles and objects of every kind and description including raw materials, products, equipment, machinery, spares and commodities in any form and includes services incidental to installation, transport, maintenance and similar obligations related to the supply of goods if the value of these services does not exceed the value of such goods;
- (f) "Managing Director" means the Managing Director appointed under section 8;
- (g) "member" means a member of the Authority;
- (h) "misprocurement" means public procurement in contravention of any provision of this Ordinance, any rules, regulations, orders or instructions made thereunder or any other law in respect of, or relating to, public procurement;
- (i) "prescribed" means prescribed by rules made under this Ordinance;
- (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.
- (k) "Public Fund" means the Federal Consolidated Fund and the Public Account of the Federation and includes funds of enterprises which are owned or controlled by the Federal Government.
- (l) "public procurement" means acquisition of goods, services or construction of any works financed wholly or partly out of the Public Fund, unless excluded otherwise by the Federal Government;
- (m) "regulations" means regulations made under this Ordinance;
- (n) "rules" means rules made under this Ordinance;
- (o) "service" means any object of procurement other than goods or works; and
- (p) "works" means any construction work consisting of erection, assembly, repair, renovation or demolition of a building or structure or part thereof, such as site preparation, excavation, installation of equipment or material and decoration, finishing and includes incidental services such as drilling, mapping, satellite photography,, seismic investigations and similar activities, if the value of those services does not exceed that of the works themselves.
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## CHAPTER-II.-ESTABLISHMENT OF AUTHORITY

**3. Establishment of Authority.**—(1) There is hereby established an Authority to be called the Public Procurement Regulatory Authority for carrying out the purposes of this Ordinance.

(2) The Authority shall be a body corporate, having perpetual succession and a common seal, with powers subject to the provisions of this Ordinance, to acquire and hold property, both movable and immovable, and, sue and be sued by the name assigned to it by subsection (1).

(3) The headquarters of the authority shall be at Islamabad and it may establish its offices at such other place or places in Pakistan as it may consider appropriate.

**4. Power of the Federal Government to issue directives.** The Federal Government may, as and when it considers necessary, issue directives to the Authority on matters of policy, and such directives shall be binding on the Authority.

**5. Functions and powers of the Authority.**—(1) Subject to other provisions of this Ordinance, the authority may take such measures and exercise such powers as may be necessary for improving governance, management, transparency, accountability and quality of public procurement of goods, services and works in the public sector.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Authority may--

- (a) monitor application of the laws, rules, regulations, policies and procedures in respect of or relating to, procurement;
  - (b) monitor the implementation of and evaluate laws, rules, regulations, policies and procedures in respect of, or relating to, inspection or quality of goods, services and works and recommend reformulation thereof or revisions therein as it deems necessary;
  - (c) recommend to the Federal Government revisions in or formulation of new laws, rules and policies in respect of or related to public procurement;
  - (d) make regulations and lay down codes of ethics and procedure for public procurement, inspection or quality of goods, services and works;
  - (e) monitor public procurement practices and make recommendations to improve governance, transparency, accountability and quality of public procurement;
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- (f) monitor overall performance of procuring agencies and make recommendations for improvements in their institutional set up;
- (g) provide and coordinate assistance to procuring agencies for developing and improving their institutional framework and public procurement activities;
- (h) submit reports to the Government in respect of public procurement activities of procuring agencies;
- (i) call any functionary of procuring agencies to provide assistance in its functions and call for any information from such agencies in pursuance of its objectives and functions; and
- (j) perform any other function assigned to it by the Federal Government or that is incidental or consequential to any of the aforesaid functions.

### **CHAPTER - III**

#### **MANAGEMENT AND ADMINISTRATION OF THE AUTHORITY**

**6. Board.**—(1) General directions and administration of the Authority and its affairs shall vest in a Board which may exercise all powers, perform all functions and do all acts and things which may be exercised, performed or done by the Authority.

(2) The Board shall consist of the following Members, namely:-

(1) Secretary, Finance Division	<i><b>Chairperson</b></i>
(2) Secretary, Ministry of Industries and Production	<i><b>Member</b></i>
(3) Secretary, Defence Production Division	<i><b>Member</b></i>
(4) Secretary, Ministry of Water and Power	<i><b>Member</b></i>
(5) Secretary, Ministry of Housing and Works	<i><b>Member</b></i>
(6) Secretary, Ministry of Communications	<i><b>Member</b></i>
(7) Three Members from private sector to be nominated by the Federal Government	<i><b>Members</b></i>
(8) Managing Director	<i><b>Member</b></i>

(3) The Managing Director shall act as Secretary to the Board

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