TRANSPARENCY
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August 27, 2026

Dr. Tauqir Shah
Advisor to Prime Minister
PM House, Islamabad

(For attention of Honorable Prime Minister)
Subject: Complaint Against Allegations of Violation of Public Procurement Rules 2004, PPRA Ordinance and Regulations, and Conflict of Interest in the Award of EOI/Selection of Consultant/Internationally Reputed Firm for Third-Party Performance Audit of Oil and Gas Regulatory Authority (OGRA)

Dear Sir,

Transparency International Pakistan has received a complaint against allegations of violation of Public Procurement Rules 2004, PPRA Ordinance and Regulations, and Conflict of Interest in the award of EOI/Selection of Consultant / Internationally Reputed Firm for Third-Party Performance Audit of Oil and Gas Regulatory Authority (OGRA).

The complainant has made the following allegations:

1. The Oil and Gas Regulatory Authority (OGRA) invited RFQ for EOI / Selection of Consultant / Internationally Reputed Firm for Third-Party Performance Audit of OGRA dated July 09, 2026 **(Annex-A)**.
2. M/s KPMG has been involved in a number of contracts with OGRA, as well as engagements within the broader oil and gas sector in Pakistan. Despite this potential conflict of interest, OGRA awarded M/s KPMG the highest technical score during the technical evaluation process for the proposed Third-Party Performance Audit of OGRA.
3. The engagement of M/s KPMG in these circumstances constitutes a violation of the Conflict of Interest provisions under the applicable PPRA framework, as a firm that is currently engaged in providing consultancy and technical services to OGRA will not be in a position to independently audit the Authority and evaluate its performance and regulatory decisions.
4. As per the complainant, the OGRA has clarified that KPMG will appoint a third party and will not be directly involved in the performance audit. This does not adequately address the conflict of interest situation, as the assignment will nevertheless remain with M/s KPMG, providing broader oversight thereby compromising the independence required for an objective review.

Transparency International Pakistan Comments

Transparency International Pakistan has reviewed the allegations of the complaint. Prima facie, the allegations seem correct.

Following are TI Pakistan's comments and recommendations.

1. As per the PPRA Rules 2004, every procuring agency must ensure that the procurement process is conducted in a fair and transparent manner, and that bidders contribute value for money to the public exchequer. The Rule is quoted below for your reference;

   4. Principles of procurements.- *Procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.*

2. According to the Procurement of Consultancy Services Regulations, 2010, a procuring agency shall not engage a consultant for an assignment where there is a possibility of conflict of interest. This provision requires the procuring agency to ensure that the consultant is independent and impartial,

and that the proposed assignment does not conflict with any previous or ongoing assignment undertaken by the consultant. The Rule is quoted below for your reference;

> ***4. Criteria for eligibility of consultants.-*** *The procuring agency shall not hire a consultant for an assignment in which there is possibility of conflict of interest. If a consultant has been engaged by the procuring agency to provide goods or works for a project, it shall be disqualified from providing consulting services for the same project. Similarly, a consultant shall not be hired for any assignment which by its nature, may be in conflict with another assignment of that consultant* **(Annex-B)**.

3. The Auditor General of Pakistan, in its Audit Report on the Accounts of Public Sector Enterprises, Audit Year 2016–17, had previously highlighted similar concerns regarding conflict of interest in the engagement of M/s KPMG by OGRA. The report observed that KPMG had engaged individuals with prior consultancy associations with SNGPL and SSGC, including two industry experts who were former employees of SSGC, and concluded that there was a clear conflict of interest in the working of the hired consultants **(Annex-C).**
4.
5. Where a serious conflict of interest exists, the concerned bidder should be considered ineligible for the procurement, in accordance with the applicable procurement rules and regulations.

Transparency International Pakistan Recommendations

Transparency International Pakistan requests the Honorable Prime Minister to look into the allegations of the complaint, and if found correct, issue directives to OGRA to re-invite tender in compliance with applicable rules, to avoid mis-procurement.

Transparency International Pakistan is striving for across-the-board application of Rule of Law, which is the only way to stop corruption, and achieve Zero tolerance against corruption.

Regards,

Advocate Daniyal Muzaffar,
Trustee/Legal Advisor
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. Federal Secretary for Petroleum, Petroleum Division, Islamabad.
2. Chairman, Oil and Gas Regulatory Authority (OGRA), Islamabad.
3. Chairman, Prime Minister Inspection Commission (PMIC), Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad.

Note:
This is to clarify that Transparency International Pakistan is not a complainant, it acts as a whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, and a three-member bench in case of Mukhtar Ahmad Ali vs the Registrar, Supreme Court of Pakistan, Islamabad, headed by Chief Justice Qazi Faez Isa in the landmark judgment on 16 October 2023, in CP No. 3532/2023, has declared that

> "What previously may have been on a need-to-know basis Article 19A of the Constitution has transformed it to a right-to-know, and the Access to information is no longer a discretion granted through occasional benevolence, but is now a fundamental right available with every Pakistani which right may be invoked under Article 19A of the Constitution"

Annex-A

Request for Proposal

EOI/SELECTION OF CONSULTANT / INTERNATIONALLY REPUTED FIRM FOR THIRD-PARTY PERFORMANCE AUDIT OF OIL AND GAS REGULATORY AUTHORITY (OGRA).
(Consultancy Services)

National

Single Stage-Two Envelope

July 09, 2026

OGRA (Oil & Gas Regulatory Authority),Senior Executive Director (GAS)
OGRA, Plot no 37 & 39, Mauve area, Service Road South, Sector, Sector G-10/4.
Phone: +92-519-108813, Email: iakhtar@ogra.org.pk

PROCUREMENT NOTICE

PROCUREMENT OF CONSULTANCY SERVICES

1. The **OGRA (Oil & Gas Regulatory Authority)** has reserved Funds for the procurement planned for FY **2026-27**. The **OGRA (Oil & Gas Regulatory Authority)** intends to apply part of the proceeds of this Fund to cover eligible payments under the contract for the consultancy services of "**EOI/SELECTION OF CONSULTANT / INTERNATIONALLY REPUTED FIRM FOR THIRD-PARTY PERFORMANCE AUDIT OF OIL AND GAS REGULATORY AUTHORITY (OGRA).**" with the reference of "**P54194**"

2. The **OGRA (Oil & Gas Regulatory Authority)** invites RFP through **EPADS v2.0** from eligible Bidders registered on **EPADS v2.0** for provision of Consultancy Services.

3. **Single Stage-Two Envelope** Procedure of Principal Method of Procurement (i.e. Open Competitive Bidding) will be used by adopting **Quality and Cost Based Selection (QCBS)**Technique for the subject procurement, in line with the Public Procurement Rules, 2004 and any Regulations, and Instructions issued by the Authority (from time to time).

4. All proposals must be accompanied by a Bid Security described in Bid Security Section in Bidding Document in the form of **Demand Draft** or Bid Securing Declaration on the prescribed format described.

5. E-Bidding documents, containing detailed terms & conditions, specifications and requirements etc. are available on **e-Pak Acquisition and Disposal System (EPADS)** at **https://epads.gov.pk/opportunities/federal/procurements/54194**.

6. The RFP, prepared in accordance with the instructions in the e-Bidding documents, must be submitted through **EPADS v2.0** on or before **Thursday, July 30, 2026 11:00 AM**. Proposals will be opened on the same day at **Thursday, July 30, 2026 11:30 AM**. Manual submission of RFPs shall not be entertained. Those consultants/Firm who have not yet registered on the new version of **EPADS v2.0,** may register themselves on https://vendors.epads.gov.pk/.

A tutorial to explain the registration process is available at **https://www.youtube.com/watch?v=MNW6T38v7tc**

In terms of Rules 48 of Public Procurement Rules, 2004 Grievance Redressal Committee (GRC) is notified for the subject procurement and notification copy is available on the procuring agency's website and also available on **EPADS v2.0** as well as Authority's website at (**www.ppra.org.pk**).

OGRA (Oil & Gas Regulatory Authority), Senior Executive Director (GAS)
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Annex-B

(b) the terms of reference shall be as complete as possible to make sure that the budget is sufficient for the consultants to perform the expected tasks;

(c) the request for proposals shall required the applicants to provide breakdowns of their costs for the different activities with a provision that applicants who decline to provide the breakdown may risk the rejection of their proposals; and

(d) the request for proposals shall state that, following opening of proposals, all proposals that exceed the indicated budget shall be rejected and the applicant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to discuss further details for concluding the contract.

4. **Criteria for eligibility of consultants.**—The procuring agency shall not hire a consultant for an assignment in which there is possibility of conflict of interest. If a consultant has been engaged by the procuring agency to provide goods or works for a project, it shall be disqualified from providing consulting services for the same project. Similarly, a consultant shall not be hired for any assignment which by its nature, may be in conflict with another assignment of that consultant.

5. **Expression of interest.**—(1) A request for expression of interest shall be advertised by giving applicants at least fifteen calendar days for national competition and thirty calendar days for international competition to submit their interest to provide consultancy services.

(2) The expression of interest shall contain at least the following information, namely:—

(a) the name and address of procuring agency;

(b) an appropriate description of the assignment providing scope of the intellectual and professional services required;

(c) deadline and place of the submission of the expression of interest; and

(d) evaluation criteria required to be followed.

6. **Criteria for short-listing of consultants.**—(1) Whenever short-listing is deemed necessary, the procuring agency shall predetermine a criteria for short listing. Except for single source, there will normally be a minimum of three

AUDIT REPORT
ON
THE ACCOUNTS OF
PUBLIC SECTOR ENTERPRISES
AUDIT YEAR 2017-18

AUDITOR-GENERAL OF PAKISTAN

2.5.4.8 Irregular payment on hiring of consultants for UFG study -Rs 3.00 million

As per Clause 4 of Procurement of Consultancy Services Regulations 2010 issued by PPRA, the procuring agency shall not hire a consultant for an assignment in which there is possibility of conflict of interest. If a consultant has been engaged by the procuring agency to provide goods or works for a project, it shall be disqualified from providing consulting services for the same project. Similarly, a consultant shall not be hired for any assignment which by its nature, may be in conflict with another assignment of that consultant.

During the audit of OGRA for the year 2016-17, it was observed that OGRA hired services of KPMG for conducting a study to determining UFG benchmarks in April 2016 after completing codal formalities. The contract value was Rs 5.00 million. Scrutiny of record revealed that KPMG engaged a team comprising of almost all such members that who had provided consultancy services to SNGPL or SSGC. Two industry experts engaged by KPMG for the said assignment were both ex-employees of SSGC. Thus there was clear conflict of interest in the working of hired consultants.

Audit was of the view that the management of OGRA ignored the instruction given in the above referred regulations, hence hiring was considered irregular by audit and payment of Rs 3.00 million made till date was also considered irregular.

The matter was reported to the Management/Ministry on November 21, 2017. DAC in its meeting held on February 1, 2018 directed the management to provide the respective file/record to Audit for scrutiny, immediately.

Audit recommends compliance of DAC's directions.