



1st December, 2009

Mr. Imtiaz Inayat Elahi ,
Chairman,
Capital Development Authority (CDA)
Main CDA Secretariat, G7/4,
Islamabad

Tel: 9253003

Sub: Violation of Public Procurement Rules, 2004

Dear Sir,

TI Pakistan refers to CDA following statement published in Business Recorder dated 28 November 2009.

When asked why the CDA had not responded to the report so far, the sources added that there was no solid evidence of corruption and all they are saying is "imaginary", which does not merit response. The TI had referred to the tender notice for construction of additional family suites in Parliament Lodges along with 500 servant quarters; the CDA sources added that no details or specifications are given in advertisements, however, the contractor does consider the details before tabling his bid. This is routine and no institution gives minute details of the project in tender notice as that would require several newspaper pages, they added. Secondly the project for the construction of additional family suites in Parliament Lodges was abandoned. All tenders were advertised by the CDA as per rules of the PPRA and there has been no violation of these rules.

The same complain was forwarded by PPRA to CDA vide their letter No. F.1(135)/DD-II/PPRA/2009 dated 25 November 2009, asking CDA to send clarification to PPRA under Section 5(2)2 of PPRA Ordinance 2002. **CDA has not responded to PPRA also.**

To highlight CDA's corruption perception, TIP is enclosing a press report dated 28 October 2009 of PAC, which says according to opposition leader Chaudhry Nisar Ali Khan that some departments of the Capital Development Authority (CDA) have become "**dens of corruption**", and MNA Saeed Zafar alleged that the **CDA did not follow prescribed rules in awarding the fat tender** for the construction of Islamabad Expressway. CDA did not deny these reports.

TI Pakistan is surprised to read that CDA has not even cared to read the complaint of TI Pakistan (or trying to mislead press), as the complaint was **not about tenders notice** but the **notice was for the Prequalification of Contractors** for the Parliament Lodges along with 500 servant quarters. It was brought to your knowledge that CDA officers have to process all tenders under the Public Procurement Rules 2004, and under Rule No 16, CDA is must **provide a set of Prequalification Documents** to the applicant, which is not being done by CDA. The rule is quoted below;



16. Pre-qualification process.-

(1) *The procuring agency engaging in pre-qualification shall announce, in the pre-qualification documents, all information required for pre-qualification including instructions for preparation and submission of the pre-qualification documents, evaluation criteria, list of documentary evidence required by suppliers or contractors to demonstrate their respective qualifications and any other information that the procuring agency deems necessary for pre-qualification.*

(2) *The procuring agency shall provide a set of pre-qualification documents to any supplier or contractor, on request and subject to payment of price, if any.*

Public Procurement Rules, 2004 have eliminated all discretions in procurement process and avenues of corrupt practices in tendering, by making the following Transparent Steps mandatory to eliminate manipulation in tenders;

Transparency International Pakistan reminds the Chairman about TIP Objections sent to CDA on 24 November 2008 on the award of Contract for developing Sector E-11's northern strip measuring 54 acres, warning you not observe PPRA rules in award of this contract.

The same Contract has now been taken up by the Supreme Court of Pakistan, and even FIA has also started investigation into the award of the contract for development of new sector in March 2009 for allegation of violation of relevant laws, as two other bidders have filed lower bids than the applicant, who was awarded the contract.

The supreme court is examining why CDA is giving out wide stretches of land to the society for clearing encroachments and development instead of clearing and developing it on its own. The remarks of the CJ in this case are "We want to see that the land you have given to the society for developing is according to law or not", Chief Justice observed.

Rule of Law shall be supreme in Pakistan. The ultimate goal of Public Procurement Rules 2004, beside ensuring 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, and is to make corruption a "high risk" and "low return" undertaking.

TI Pakistan again request CDA to desist from violating PPRA Rules, and readvertised this prequalification and provide set of prequalification documents under rules 16.

Your sincerely,

Syed Adil Gilani,
Chairman,

Copies forwarded for the information of,

1. Chairman Public Accounts Committee, National Assembly, Islamabad
2. Auditor General Pakistan, Islamabad
3. Managing Director PPRA for information please.
4. The Registrar, Supreme Court of Pakistan, Islamabad

'No solid evidence against CDA in TI report'

RECORDER REPORT

ISLAMABAD (November 27 2009): In defence of being identified as one of the top 10 most corrupt institutions in Pakistan by the Transparency International (TI), well placed sources in the Capital Development Authority (CDA) maintained that no solid evidence against the Authority was provided in the report.

The TI failed to identify the volume of corruption and/or attribute it to any specific officer/official of the CDA. Sources maintained that CDA is working under pressure, including financial crunch, and it has not abandoned any project of public importance.

When asked why the CDA had not responded to the report so far, the sources added that there was no solid evidence of corruption and all they are saying is 'imaginary', which does not merit response.

The TI had referred to the tender notice for construction of additional family suites in Parliament Lodges along with 500 servant quarters; the CDA sources added that no details or specifications are given in advertisements; however, the contractor does consider the details before tabling his bid. This is routine and no institution gives minute details of the project in tender notice as that would require several newspaper pages, they added. Secondly the project for the construction of additional family suites in Parliament Lodges was abandoned.

All tenders were advertised by the CDA as per rules of the PPRA and there has been no violation of these rules.

Placing an institution among top ten corrupt institutions without giving any solid example of corruption is not justified and speaks volumes about the intent of the people making such reports, sources said indignantly, adding that the TI Pakistan chapter had asked the CDA to sign MoU for 'integrity pact' to make sure transparency in the procurement system of the institution. The proposal was sent to the legal branch, which turned it down. The CDA has its own system of checks and balances to ensure transparency in the procurement system while there are watchdogs of the government to check the system, the source said.

When Business Recorder contacted the TI Pakistan Chairman, Adil Giyani seeking additional information regarding corruption in CDA, he categorically said that the documents placed on TI's website are sufficient. He insisted that he had requested CDA to sign the 'integrity pact' to ensure transparency.

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In the eyes of PAC: CDA brims with corruption

By Khawar Ghamman

Thursday, 29 Oct, 2009

ISLAMABAD, Oct 28: Some departments of the Capital Development Authority (CDA) have become "dens of corruption", according to opposition leader Chaudhry Nisar Ali Khan.

"I don't want to pass a generalised statement about the prevailing level of corruption in the CDA, but for sure some sections of the agency have become dens of corruption and corrupt practices," he said at a meeting of the Public Accounts Committee (PAC) of the National Assembly, which he heads, on Wednesday.

Corrupt elements sitting in the dens were ruling the roost to the deprivation of the poor people of Islamabad, the PML-N leader told the meeting called to scrutinise the affairs of CDA.

Other members of the committee joined the PAC chairman in skinning the CDA to the discomfort of the CDA officials in attendance, headed by their chairman Imtiaz Inayat Elahi.

Chaudhry Nisar asserted that the problem was within the CDA. "Its officials work hand-in-glove with notorious land grabbers and there is no check on their fraudulent activities," he said, bluntly asking the CDA chief, "Why don't you take care of the black sheep in the CDA?"

He found the administrative affairs of the CDA so bad that he suggested to the government to set up a cabinet level committee "to thoroughly scrutinise" the body to put it back on the track.

Sardar Bahadur Ahmed Khan Sihar of the PML-Q was bitter that against Rs5 billion development budget for the entire southern Punjab, the CDA enjoyed "a budget of around Rs50 billion" and still failed to deliver. "Genuine applicants are made to run from pillar to post, while builders get NOC in no time from the CDA for their illegal and dubious housing societies," fumed MNA Sihar.

Independent MNA Saeed Zafar alleged that the CDA did not follow prescribed rules in awarding the fat tender for the construction of Islamabad Expressway and PML-Q's Hamid Yar Hiraj complained about "the mismanagement of the parliamentary lodges" by the CDA.