



10 March 2012

Engineer Farkhand Iqbal
Chairman,
Capital Development Authority,
Islamabad.

Sub: Violation of Public Procurement Rules, 2004-Colliusive practice between CDA and & Contractors on over Rs 3 Billion Park Enclave Infrastructure Work and TIP Letters dated 29th December 2011, 18th January 2012 , 07th February 2012, 20 Feb 2012 and CDA reply dated 2 March 2012..

Dear Sir,

This is with reference to your reply dated 2 March 2012 in respect of award of Consultancy Contract to M/s Disaster Management and Reconstruction Division of NESPAK, and allegations violation of PPRA rules in of prequalification process of Park Enclave Infrastructure Work by them .

The clarification is given by you is that CDA has awarded Contract to M/s NESPAK on basis of Single Source as per Rule 3(D)(i)(d) of PPRA Regulations, and Rule No 42 (c) or (d).

This rule is applicable on when only only one consultant is qualified or has experience of exceptional worth with reference to clause 42 (c) or (d) of the Public Procurement Rules 2004, and CDA clarification is not in accordance with PPRA Rules.

First of all there is no **firm** licensed by PEC of the name M/s Disaster Management and Reconstruction Division of NESPAK, who has evaluated the prequalification of the applications of about 12 contractors.

Secondly, Method of Single Source Selection is not applicable on M/s NESPAK, due to the reason that as per Rule 3(D)(i)(d) of PPRA Regulations only one consultant is available with the required experience, whereas there are more than 40 consulting firms in Pakistan who have the required experience. All these firms have been licensed by PEC for Categories 1201, 1203 and 1204, required for carrying out the assignment of consulting services for Park Enclave. Quoted below are the PEC categories of experience required for such works.

1201. Public building & Office (ii) Commercial Building and Office (iii) Residential Building and houses (iv) Hotels and Motels (v) Hospitals, medical facilities, laboratories, medical research (vi) Educational facilities and complexes (vii) Recreation and Sports facilities, stadiums (viii) Libraries, Museums, Galleries




1203. (i) Urban Developments, Housing Estates (ii) Industrial Estates, Industrial Complexes (iii) Urban Roads and Surface Drainage.

1204. (i) Urban Sewerage & Water Supply (ii) Solid Waste Collection & Disposal (iii) Water Treatment Plants (iv) Sewage Treatment Plants

Transparency International Pakistan again recommends CDA to follow the application of PPRA Ordinance 2002 and Public Procurement Rules 2004 all in procurements, and to proceed with actions against the officers who have illegally awarded Consultancy Contract to M/s. NESPAK, If the complaint is correct, CDA may process the tenders by rejecting all bids, and re-invite the tenders with new prequalification.

TI Pakistan is striving for the Rule of Law.

Your sincerely,


Syed Adil Gilani,
Adviser

Copies forwarded for the information of,

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



ENGR. FARKHAND IQBAL
CHAIRMAN

**CAPITAL DEVELOPMENT AUTHORITY
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D.O. No.CDA/PD-PE/10/215/
Dated: March 2, 2012.

SUBJECT: PARK ENCLAVE PROJECT – PRE-QUALIFICATION OF CONTRACTORS.

Dear Sir,

Kindly refer to your letter dated 20-02-2012.

2. I may mention that CDA is vigilant and conscious on maintaining the highest level of transparency in the award of contracts. Since receiving the grievances on the bidding from the Transparency International Pakistan, CDA Board in its meeting held on 13-02-2012, has constituted a Redressal Committee to attend to the grievances of the contractors who were not qualified in the pre-qualification process.

3. It is not out of place to mention that CDA has hired the services of M/s NESPAK for the Park Enclave Project under the provisions of "Public Procurement Regulations for Procurement of Consultancy Services Regulations 2010, clause 3 sub clause D(i)(d)"

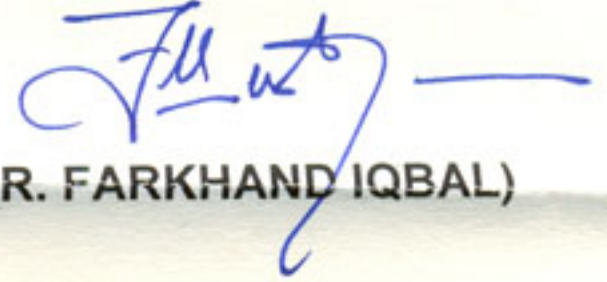
4. The Technical Proposals of the so far pre-qualified contractors are under appraisal with the NESPAK. Nevertheless, the financial proposals are still intact so there is no likelihood of any favoritism on the part of either the CDA or M/s NESPAK.

5. The outcome of the Redressal Committee will guide CDA to finalize the list of contractors and if any discrepancy is found by the Committee that would be rectified accordingly and the aggrieved party will have all rights of its inclusion in the list of the pre-qualified contractors.

6. I assure the highest level of our cooperation in the transparency of actions in the award of contracts.

With best regards,

Yours faithfully,



(ENGR. FARKHAND IQBAL)

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Phase-VII, DHA, Karachi.

Copy for information to:

1. Managing Director, PPRA, Cab. Div. Islamabad.
2. Auditor General of Pakistan, Islamabad.
3. Chairman, NAB, Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad.
5. Chairman, PAC, Islamabad.