



January 5, 2012.

Mr Farkhand Iqbal,
Chairman,
Capital Development Authority,
Islamabad.

Sub: Tender for Enclave Development.

Dear Mr Iqbal,

We have received a complaint regarding tender for Enclave Development which is scheduled to be opened today 5th January, 2012 at 12.30pm. Please also refer our letters, regarding violations of PPRA rules in the prequalification for the above project, to the project director dated 14th and 29th December, 2011, copies of which are attached. No response has been received on our last letter. An inquiry should have been conducted after we had pointed out the violations of PPRA rules. PPRA rule 50 states '**Any unauthorized breach of these rules shall amount to mis-procurement**'.

The complainant has alleged that a cartel has been formed with the blessings of both CDA and Nespak to award the tender to Ms Makson. It has also been alleged that the tender is being opened under the two envelope method. Since prequalification has already been undertaken, both technical and financial should have been opened at the same time. This deviation is also questionable.

You are therefore requested to inquire into the said allegation and if found correct to retender the work and take action against the concerned officials.

Best Regards,

Syed Adil Gilani
Adviser

Copy forwarded for the information of.

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



**TRANSPARENCY
INTERNATIONAL-PAKISTAN**

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Website: www.transparency.org.pk
Advisory Committee

14th December, 2011

Chairman,
Capital Development Authority (CDA)
Main CDA Secretariat, G7/4,
Islamabad

Tel: 9253003

Sub: Violation of Public Procurement Rules, 2004-Collusive practice
between CDA and Contractors on over Rs 3 Billion Park Enclave
Infrastructure Work

Dear Sir,

Transparency International Pakistan has received complaint about the alleged cartel being formed with connivance of CDA officers for award of over Rs. 3 Billion Park Enclave Infrastructure Work to a preselected contractor.

The complainant has reported that many firm enlisted as **No Limit** Contractor for past 20 years with CDA have not been prequalified for this work, which includes firms like M/s NLC, though they complied with all requirements as per PPRA Rules as well as PPRA Regulations July 2008, for application of PEC SBDs.

Kindly institute the committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders according to the requirement of Rule No 48, and the committee shall investigate and decide upon the complaint within fifteen days of the receipt of the complain. Also the Principal Accounting Officer responsible for CDA shall conduct administrative review under PPRA Notification dated 10 February 2010, on the findings of the complaint and take action in accordance with conduct rules in the event of unfair and non-transparent procurement process.

TI Pakistan request Chairman CDA to ensure that its officers detest from violating PPRA Rules, and re-advertise this tender avoid charges of mis-procurement under rules No 50 if the complaint is found to be correct.

This act also is termed as Collusive practice under Rule No 2 (f), collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition.



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



29th December 2011

Mr. Shahzada Rimmel Jamil,
Project Director,
Park Enclave,
Capital Development Authority,
Islamabad.

**Sub: Park Enclave Project, Pre-Qualification of Contractors- CDA Letter dated
15th December 2011.**

Dear Sir,

This is with reference to Park Enclave Project's Letter No. CDA/PD-PE/10/170 dated 15th December 2011 on the above subject.

TI-Pakistan had forwarded a similar complaint to Chairman CDA through its letter dated 14th December 2011 about alleged cartel being formed with connivance of CDA officers for award of over Rs. 3 Billion Park Enclave infrastructure work to a preselected contractor. No reply of TI-P letter has been received as of date.

However, after going through the letters of Project Director, Park Enclave Project and NESPAK, TI- Pakistan observed following ambiguities:

CDA has violated Rule No. 48, as the complaint should have been investigated by the CDA grievance redressal committee, and committee findings should have been completed in 15 days, i.e. 23rd December 2011. CDA has failed to comply with mandatory requirements.

Consultant M/S NESPAK's appointment on this work also seems to be illegal, as the evaluation report, procurement contract and procurement report on PPRA website does not have information on this consultancy award through process of Public Procurement Rules 2004.

The letter of M/S NESPAK is from Disaster Management and Reconstruction Division, and TI-P may kindly be provided copy of the Contract Agreement and Evaluation Report of the assigned award to Disaster Management and Reconstruction Division of NESPAK.

Transparency International Pakistan requests CDA to provide a copy of the prequalification evaluation criteria contained in the prequalification documents and bid evaluation report for review purpose.

It is to point out that such violations maybe gross misconduct on the part of CDA and such procurements maybe deemed as mis-procurement under Rule 50.



TI-P is striving to have **Rule of Law** in Pakistan.

Regards,

Syed Adil Gilani
Adviser

Copies forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad.
2. Chairman, NAB, Islamabad.
3. Registrar, Supreme Court.
4. Auditor General, Islamabad.
5. Managing Director, PPRA, Islamabad.