



23rd August, 2009

Mr. Liaquat Ali Khan,
Executive Director Parks and Horticulture,
City District Government Karachi
inside Bagh-e-Jinnah (Frere Hall),
Fatima Jinnah Road,
Karachi,

Sub: Violation of Public Procurement Rules, 2004 in the CDGK (P & H) Dept.

Ref: DCO Letter No DO(C)/CDGK/2009/356, dated 1 June 2009,

DCO Letter No DG (P&H), vide No. M-2746 dated: 18-08-2009,

TI Pakistan letters dated 8th and 17th August 2009,

DCO Letter No. M-2654 dated: 10-08-2009

PPRA Letter No Dir (A&F) SPPRA/372/08-09/339 dated 15 August 2009

Dear Sir,

Transparency International Pakistan, and consequently DCO CDGK as well as Director Sindh PPRA have written many letters in last 3 months for you to conform that you are complying with the Public Procurement Rules, 2004. But we have not received any response from you on the contracts awarded in the Department of Parks and Horticulture, City District Government Karachi.

Kindly note that all bidders/contractors are required to sign “ Integrity Pact” for all Contracts above Ra 10 million. And the contractor found guilty on corruption, has to pay 10 times the cost of bribe to CDGK in case of loss to GoS due to corruption.

*“Notwithstanding any rights and remedies exercised by GoS in this regard, [name of Contractor/Supplier] agrees to indemnify GoS for any loss or damage incurred by it on account of its corrupt business practices **and further pay compensation to GoS in an amount equivalent to ten time the sum of any commission, gratification, bribe, finder’s fee or kickback** given by [name of Contractor/Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoS.*

Public Procurement Rules, 2004 applicable in Sindh Province since 1st Nov 2006 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;



- Provide prequalification Documents/ Tender Documents which includes all relevant information including the detailed evaluation criteria, bid award method, specifications, BOQ, Drawings, Conditions of Contracts etc.
- Signing of Integrity Pact (no bribery pact and declaration of Agent's Agreement),
- Evaluation Report to be provided to bidders 15 days before award for filing objections,
- Rights of bidders for complain on evaluation report and reply by department,
- **Declaration of Contract and Evaluation Report on the website after the Award on Contract.**
- Contract for Supply, Works and Consultants to be awarded only to the lowest responsive Evaluated Bidder. The system of scores awarded to bidders, and the highest scoring firm to be awarded Contract on his tendered cost has been banned.

TI Pakistan has been receiving complaints that many Contracts worth over billions of rupees have been awarded without following the procedures prescribed by Public Procurement Rules, 2004. One such alleged award is of pavers blocks without open tendering (which is defined as collusive practices in PPRA Rules, as many manufacturers are available in Pakistan for the product being purchased by you) , to one Karachi based company Contract value is reported to be above Rs 50 million.

Transparency International Pakistan again request you to kindly provide the Evaluation reports and Contract Agreements of all Contracts awarded by you in last three years.

With Regards,

Syed Adil Gilani
Chairman

Copy forwarded for the information of,

1. Director General, National Accountability Bureau Sindh , Karachi
2. DCO, CDGK, Civic Center, Karachi.
3. Managing Director Sindh PPRA, Karachi

Copy is also forwarded to the Chairman NAB, Islamabad. Accountability shall not be selective, and this report of TI Pakistan needs proper action please.