



24th August, 2009

Mr. Javed Hanif,
District Coordination Officer,
CDGK,
Civic Center,
Gulshaan-e-Iqbal,
Karachi

Subject: Complaint on EDO Services Award of Contract for Supply of 12 Fire Tenders to 2nd Lowest Bidder at higher tendered cost of Rs 28 lacs fifty thousand, Ref: TIP Letter Dated 8 August 2009

Dear Sir,

Transparency International Pakistan has received the file from DO MPD, CDGK vide letter No DO/MPD/CDGK/09/09 dated 22 August 2009, containing an undated report by a committee of 3 officers, declaring that the Tender was awarded as per rules.

TI Pakistan has examined the file, specially Technical Evaluation report (Flag A). The Evaluation report confirms that M/s PVEP Ltd offer of Nissan Diesel is the lowest offer at Rs. 68,541,432 for 12 Units, and technically also it is complied in all sub criteria evaluation.

TI Pakistan's Recommendations.

The reason to award the Contract to M/s Meraj Ltd stating that the Lowest offer of M/s Meraj Ltd with Hino Chassis is as per requirement of the Tender is false.

The evaluated responsive bid of M/s PVEP Ltd offer of Nissan Diesel at Rs. 68,541,432 for 12 Units is the lowest.

The reason quoted in the report for rejecting M/s PVEP Ltd, " to make apple to apple matching and as per codal procedure of accepting bid of main offer first, the offer of M/s Pakistan Vehicles Engineering (Pvt) Ltd is not acceptable" and is not allowed under the Public Procurement Rules 2004, on following grounds;

1. In the Tender Documents it is not mentioned that two products can not be quoted.
2. The Technical Evaluation Report confirms that both offers of M/s PVEP Ltd were evaluated and both offers were declared responsive.





ALAC
Pakistan

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3. At a lower cost of Rs 238,214 per Unit, Ms/ PVEP Ltd total offer for 12 units is Rs 2,858,568 lower than the evaluated cost of offer of M/s Meraj Ltd.
4. According to Rule 2 (h) "lowest evaluated bid" means,-
 - i) a bid most closely conforming to evaluation criteria and other conditions specified in the bidding document; and,
 - ii) having lowest evaluated cost;

TI Pakistan request the DCO to kindly examine the procurement, and take decision on this procurement in accordance with the prescribed procedures as given in the Public Procurement Rules 2004, viz. Rule 36 (b) (viii & ix), which states that " after the evaluation and approval of the technical proposal the procuring agency, shall at a time within the bid validity period, publicly open the financial proposals of the technically accepted bids only, the financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders; and the bid found to be the lowest evaluated bid shall be accepted.

Public Procurement Rules 2004 does not allow any discretion, and ensures that no collusive practices occurs among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels which deprives the CDGK of the benefits of free and open competition.

With Regards,



Syed Adil Gilani
Chairman

Copy forwarded for the information of,

1. Director General, National Accountability Bureau Sindh , Karachi
2. Managing Director Sindh PPRA, Karachi
3. EDO Municipal Services department, CDGK, Karachi



CITY DISTRICT GOVERNMENT KARACHI

MUNICIPAL SERVICES GROUP OF OFFICES

REPORT

SUBJECT: COMPLAINT ON EDO SERVICES AWARD OF CONTRACT FOR SUPPLY OF 12 NOS. FIRE TENDER TO 2nd LOWEST BIDDER OF HIGHER TENDERED COST OF RS 28 LACS FIFTY THOUSANDS.

Reference: ALAC / TI Pakistan Letter No. Nil dated 08-08-2009.

Tender on Single Stage-Two Envelope System for the above subject work were received and technical offer opened on 20-11-2008 at 2:30 pm by Tender Opening Committee on the schedule time. The tender document already consisted off the evaluation criteria (enclosed at A).

Following contractors have participated in the competition.

1. M/s. Meraj Limited
2. M/s. Pakistan Vehicles Engineering (Pvt.) Ltd. (with 02 alternative offers)
3. M/s. Hino Pak Motors Limited.

The above technical bids were evaluated for all participated firms on the basis of their provided documents.

The minimum qualifying marks was 70% but all the participant obtained more than minimum qualifying marks as per prescribed criteria. So all participants are qualified having following rankings.

S.No.	Name of Bidder	Marks
1	M/s. Meraj Limited	98/100
2	M/s. Pakistan Vehicles Engineering (Pvt.) Ltd.	91/100
3	M/s. Hino Pak Motors Limited.	90/100

After informing all Participants and Tender Opening Committee Members for financial bid opening by letter No. DO/MPD/MS/275/08 dated 15-12-2008, (enclosed at B) the financial bid opened on 18-12-2008. The details are as mentioned below:

S.No.	Name of Bidder	Unit Rate / Quoted Model	Quantity	Total Amount
1	M/s. Meraj Limited	Rs 59,50,000/- / FGJKPB (Hino)	12	Rs 714,00,000/-
2	M/s. Pakistan Vehicles Engineering (Pvt.) Ltd.	Part-A Rs 61,47,786/- / FGJKPB (Hino)	12	Rs 7,37,73,432/-
		Part-B Rs 57,11,786/- / PKD-411 4x2 (Nissan Diesel)		Rs 6,85,41,432/-
3	M/s. Hino Pak Motors Limited.	Rs 75,00,000/- / FGJKPB (Hino)	12	Rs 9,00,00,000/-

The case was submitted to the procurement evaluation committee constituted vide order No. DO/MPD/EDO/MS/129/07 Dated 14-11-2007 (enclosed at C) which made the following recommendation in its meeting held on 10-01-2009.

OBSERVATIONS:-

- The committee during evaluation observed the following firms participation the tender & qualified on the basis of evaluation criteria.
 1. M/s. Meraj Limited
 2. M/s. Pakistan Vehicles Engineering (Pvt.) Ltd.
 3. M/s. Hino Pak Motors Limited.
- The lowest offer M/s. Meraj Limited with Hino Chassis is as per requirement of the tender.
- M/s. Pakistan Vehicles Engineering (Pvt.) Ltd have quoted the main offer i.e. "A" with Hino Chassis as Rs 61,47,786/- higher the offer price of M/s. Meraj Limited however the firm quoted their 2nd offer as offer "B" of Rs 57,11,786/-with Nissan Chassis. To make apple to apple matching and as per codal procedure of accepting bid of main offer first. The offer "B" of M/s. Pakistan Vehicles Engineering (Pvt.) Ltd is not acceptable.

RECOMMENDATIONS:-

1. The bid of M/s. Meraj Limited with Hino Chassis is lowest responsive bidder @ Rs 59,50,000/- per unit.

In the light of above it is clear that:

1. The technical evaluation result informed to each participant as all of them successful.
2. The work awarded to the lowest responsive bidder i.e. M/s. Meraj Limited without any negotiation and rejection of any quoted bid.
3. No action is needed on Rule 48.


District Officer (CM)


District Officer (MPD)

Countersigned by:


Executive District Officer (MS)