



# TRANSPARENCY INTERNATIONAL-PAKISTAN

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11<sup>th</sup> February, 2014

Administrator,  
Pakistan Defence Officers Housing Authority  
2-B, East Street, Phase-I  
Karachi-75500  
Pakistan

**Sub: Allegation of Award of Contract to M/s Haier Pakistan against PPRA Rules.**

Dear Sir,

Transparency International Pakistan has received a complaint that DHA has awarded Contract of Split Air Conditioner at Rs. 724,000/-, to M/s Haier Pakistan, who had submitted a non responsive bid, as the Bid Security was submitted with the tender.

According to Laws of Pakistan DHA has to follow the PPRA Ordinance 2002, Public Procurement Rules 2004, and Pakistan Engineering Council Act 1975, and Standard Form of Bidding Documents (Electrical & Mechanical), IB.15.4 declares condition under which a bid not accompanied with Bid Security shall be rejected.

## **IB.15 Bid Security**

*15.1 Each bidder shall furnish, as part of his bid, a Bid Security in the amount of Pak. Rupees \_\_\_\_\_ or an equivalent amount in a freely convertible currency.*

*(Insert a figure as provided under Item A(5) of the Instruction to the Users)*

*15.2 The Bid Security shall be, at the option of the bidder, in the form of Deposit at Call or a Bank Guarantee issued by a Scheduled Bank in Pakistan or from a foreign bank duly counter-guaranteed by a Scheduled Bank in Pakistan or an insurance company having atleast AA rating from PACRA/JCR in favour of the Employer valid for a period twenty eight (28) days beyond the bid validity date.*

*15.3 The Bid Security is required to protect the Employer against the risk of bidder's conduct which would warrant the security's forfeiture, pursuant to Sub-Clause 15.7 hereof.*

*15.4 Any bid not accompanied by an acceptable Bid Security shall be rejected by the Employer as non-responsive, pursuant to Clause IB.24.*

Transparency International Pakistan requests Administrator to examine this procurement, and if it is found correct, it is a violation of Rules, and the tender shall be rejected, and Contract may be awarded to the next lowest responsive bidder. In case the prices of the responsive bidder are higher than the market rates, the tender may be discharged, and new tender shall be invited.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.



With Regards,

Sohail Muzaffar  
Chairman

Copies forwarded for the information with request to take action under their mandate to:

1. Secretary to Prime Minister, Islamabad.
2. Chairman, NAB, Islamabad.
3. Secretary, Ministry of defence, Islamabad
4. Registrar, Supreme Court of Pakistan, Islamabad.
5. Managing Director, PPRA, Islamabad.