



Engineers, Developers,
Army & Civil Contractors

Mr. Adil Gilani
Chairman
Transparency International,
Pakistan.

Subject: Irregularities in the DHA Bidding Process

Dear Sir,

A complaint regarding our firm M/s MJB Construction Company in award of contract "NO RD-11 Tender for development works for widening and construction of roads of Zulfiqar And Murtaza Commercial Areas" have been raised vide TIP letter dated 23rd April, 2010. In this regard we would like to submit following facts for coordination:-

- i. On 29th December 2008, we applied to PEC for upgradation of our license NO. C-3 / 4079 for C-2. All necessary fees etc were paid on 9th January 2009 (copies enclosed). We also approached PEC for expediting our upgradation license from C-3 to C-2. It was informed by the PEC that new license for C-2 will be issued in due to course of time. On this assurance, we participated in the bidding process for above mentioned tender. We also intimated DHA that by the time, the work is awarded to us we will be in position to produce the required certificate. However, PEC processes are so lengthy and time consuming that we obtained the C-2 certificate on 19th February, 2010. As such we have not committed any violation of rules, it is only due to late receipt of C-2 certificate from the PEC which has resulted in pointing out the anomaly by the TIP. We have also applied for upgradation of our license from C-2 to CB/OB on 3rd April 2010 (copy enclosed)
- ii. Our initial bid price in which we were lowest in the tender (9th March 2009) was Rs. 187.426 Million. This bid price was lowered to Rs. 143.106 Million (13th April, 2009) due to change in certain quantities. At the time of award of work the final contract amount mentioned was Rs. 150.261 Million (copies enclosed).
- iii. The contact period was 180 days. Somehow, our company couldn't commence the work on following grounds:-

- (1). M/s Geo China was constructing the drains and sewerage network. The work could have only been started once these works were completed. M/s Geo China abandoned the work in middle of 2009. Due to delay in the decision by the DHA that who and how these abandoned works will be completed, our project got delayed. Finally the left over works of M/s Geo China were awarded to us and made part of the main contract through variations order.
- (2). The consultant M/s Osmani Company Limited also delayed the provision of drawings and required gradient for more than Seven Months. In this regard we have also submitted a claim to the employer.
- (3). The back street sewerage system laid by M/s Geo China and some by other contractors (10 years back) wasn't conforming to the revised re-planning done by DHA. Thus this dirty and piece meal work was also made part of our contract on the same old rates.
- iv. The site constraints and lack of accurate BOQ estimates by the department/ consultant has resulted in the enhancement of the contract amount.

The facts mentioned above can be verified from DHA. In the end, we request your honour to kindly clear our name for the complaint forwarded by the TIP vide letter date 23 rd April 2010. This will not only enable our company to complete the said contract but will also be helpful in the salvaging our reputation which has been built on consistent hard work with honesty and dedication from the last 15 years.

Assuring you of our best service and cooperation at all times

Thanking you in anticipation.

Best Regards



(Mirza Jamil Baig)
Chief Executive

Date: 2nd June 2010

Encl: (copies of PEC Registration & contract details)