



Pakistan
Water And Power Development Authority
General Manager (C&M) Water

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92-42-99202211/2530

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No.CEC/C&M(W)/ *HEP-7/622-24*

Dated: Aug. 22, 2019

→ Justice (R) Zia Perwez
Trustee, Transparency International-Pakistan
4-C, Mezzanine Floor, Khayban-e-Ittehad
Phase-VII, Defence Housing Authority
Karachi
Fax # 021-35390410

Sub: **VIOLATION OF COUNTRY REGULATIONS IN SEEKING CONSULTANCY SERVICES FOR MOHMAND DAM PROJECT, CAUSING LOSS OF RS 10 BILLION TO EX-CHEQUER**

Ref: Letter # TL19/2503/1A dated 25.03.2019

With reference to above quoted letter, following deliberations are submitted for information:

- i. Mohmand Dam Hydropower Project will be world 5th largest Concrete Faced Rockfill Dam (CFRD) and due to complex nature of works in relatively difficult terrain quality of works during construction supervision and review of technical requirements/ specifications cannot be compromised.
- ii. Previous proposal on Quality and Cost Based Selection (QCBS) were cancelled after expiry of validity of the proposal and use of Quality Based Selection QBS method was adopted in order to acquire the best quality services available in Pakistan in lead role along with expatriates from foreign JV partners. QBS is not an out-dated selection method but one of the selection method used by almost all quarters like FIDIC, World Bank, Asian Development Bank etc. Even PPRA does not impose any restrictions on it. FIDIC strongly recommends use of QBS for complex nature of assignments.
- iii. Open competitive bidding/procurement procedure was adopted for selection of Consultants and one Joint Venture (JV) comprising of 13 firms (renowned local and foreign consultancy firms) participated in the bidding process.
- iv. Procurement process/award of contract was carried out as per Rules and regulations and the same is being regularly presented to Honourable Supreme Court.


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v. The process has the endorsement of Procurement Committee of ICDBMD (Implementation Committee for Construction of Diامر Basha and Mohmand Dam) of following composition having DG (PPRA) as the member:

- | | |
|--|----------|
| - Syed Muhammad Mehar Ali Shah
Joint Secretary (Water)
Ministry of Water Resources
GOP, Islamabad | Convener |
| - Engr. Nasir Hanif
Advisor (Projects) WAPDA
Wapda House, Lahore | Member |
| - Mr. Muhammad Zubair
Director General (Monitoring & Evaluation)
PPRA, Islamabad | Member |
| - Mr. Saad Rasool
Advocate, Saad Law Associates
Lahore | Member |
| - Mr. Nauman Rafique
Procurement Specialist
Islamabad | Member |

The Committee was formed in accordance with direction of Honourable Supreme Court of Pakistan.

- vi. Increase in cost is mainly attributed on account of increase in foreign expatriate man-months and devaluation of PKR against US\$ etc.
- vii. It is assured that WAPDA is fully aware of the compliance with the Rules & Regulations, guidelines, adherence to fairness, professional ethics and transparency not only on this project but for all other projects where WAPDA is executing agency.



(A. Z. K. Durrani)

General Manager (C&M) Water

Copy to:

- 1) SO to Chairman WAPDA, Wapda House, Lahore
- 2) APS to Member (Water) WAPDA, Wapda House, Lahore