



6 December, 2019

Mr. Usman Buzdar,
Chief Minister Punjab,
Government of Punjab,
Lahore.

Sub: Violation of Punjab Procurement Rules 2014, in Tender of or procurement of 34 Nos. of bulldozers at a cost of Rs.1,992M by Agriculture Department Punjab

Dear Sir,

Transparency International Pakistan has received a complaint on the violation of Punjab Procurement Rules 2014, in Tender for the procurement of 34 Nos. of bulldozers at a cost of Rs. 1,992M by Agriculture Department Punjab.

The complainant has made following allegations;
That,

1. Tender for the procurement of 34 Nos. of bulldozers at a cost of Rs.1,992M by Agriculture Department Punjab is tailor made for one particular brand.
2. The procedure prescribed for the procurement of Bulldozers (which is a standard good) in the Rule No 38 of PPPRA Rules is 38. Procedures for selection of contractors.-(1) Save as otherwise provided in these rules, single stage one envelope bidding procedure shall ordinarily be the main open competitive bidding procedure used for the procurement of works and standard goods.
3. But The department has used Procedure of Selection of Consultants Rule No 45. Methods for selection of consultants.-Sub Rule No 3 ,Quality and Cost Based Selection, which is single stage two envelopes bidding procedure , and t the financial proposals of only those technically responsive bidders who obtained minimum sixty five percent marks shall be opened; a combined evaluation of the technical and financial proposals is carried out by weighting and adding the quality and the cost scores; and **the weight for quality is normally of eighty percent with twenty percent given to cost and more than twenty percent weight to the cost of the services .**
4. This procurement if not made under Rule 38 (1), with valid reason to be given and approved by the head of the procuring agency, may be made under Rule No 38 (2) (a), single stage two envelopes bidding procedure, in which Technical Evaluation is Carried out, and Financial Bids of only those bids who attains minimum passing Score are opened, and slowest evaluated Bidder is awarded the Contract. But 80:20 means bidders with double highest Technical Score may be awarded Contract at Double price than the lowest bid of Bulldozer



which meets the Technical generic specifications, was Ordered to be prescribed in this Tender by the Chairman of Agriculture Procurement Facilitation Cell, Punjab on 2.11.2019.

5. As per the Evaluation Criteria of Section-III, it is noted that the criteria seems to be favoring certain bidder because there is no technical evaluation of the manufacturer or the equipment/ dozer but more of the local bidder/dealer because like the marks given to the year of dealership, if only a dealer has 30 years of dealership only then they can get maximum marks.
6. Furthermore, in the after sale service requirement of Agricultural and Mechatronic Engineer is mentioned, which has no justification being a mechanical equipment, there is no need of such technical experts.
7. Another mandatory requirement is the financial volume of sales of 1,000M for the last consecutive 5 years, which is also not justified, as in order to achieve maximum marks average annual turnover of 2,500M is required, which is extraordinary for this type of procurement.
8. Another grave violation is that the specs mentioned in the Data-Sheet / Schedule of Requirements of Section-I, seems to be favoring certain manufacturer due to certain figures ranges in spite of being given a general ranges.
9. Another important issue is the requirement of engine which requires Tier-III, which is total in contradiction to the fuel availability in Punjab where diesel available is Euro-II.

TI Pakistan has examined the Complaint and following are its observations;

- A. This procurement based on Consultants Rule No 45. Methods for selection of consultants.-Sub Rule No 3 ,Quality and Cost Based Selection is in violations of PPA Rule No 38.
- B. This method is an act of favoritism under evaluation of financial score system of 80% for technical and 20% allocated for the financial part of the bid, may reunite in party quoting Branded Bulldozes at Rs 2 Billion, with technical score of 60 and being Lowest bidder, score of 20, (Combined Score 80)will not be awarded as another Bidder may obtain 75 Marks in Technical, and 10 marks in Financial Evaluation, if il quotes Rs 4 Billion, (Combined Score 85), and exchequer will end paying Rs 2 Billion Extra.
- C. Other anomalies ink Evaluation. Criteria, as reported by Complainant also result in violation of PPRA Rule No 34. Discriminatory and difficult conditions.-Save as otherwise provided, no procuring agency shall introduce any condition, which discriminates between bidders or which is difficult to meet , Rule No 4. Principles of procurements and 10. Specifications.-(1) A procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage .
- D. This procurement also attracts application of 69. Mis-procurement.-Any violation of these rules shall be treated as mis-procurement.

Chief Minister, Punjab, is requested to kindly examine the complaint and TI Pakistan comments. If the allegations are found correct, to avoid Mis Procurement, take action and order to cancel the process of tender, and invite fresh renders in compliance of above comments and Punjab Procurement Rules 2014.



and above observations. Also action. Against those responsible file these violations may also be taken,

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

With Regards,

Justice Zia Pervez
Former Judge of Supreme Court of Pakistan
Trustee TI-Pakistan

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

1. Chairman, NAB, Islamabad.
2. Chief Secretary, Government of Punjab, Lahore.
3. Registrar, Lahore High Court, Lahore.
4. Managing Director, Punjab PRA, Lahore.