



TRANSPARENCY INTERNATIONAL-PAKISTAN

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17th May, 2018

TL18/1705/11A

Chief Secretary,
Office of the Chief Secretary,
Government of the State of Jammu & Kashmir,
Block No. 2, New Civil Secretariat,
Chatter Domail,
Muzaffarabad.

**Sub: Violation of the AJ&K Public Procurement Rules 2017, Complaint Received
Against PWD Building/ PHE (North), Muzaffarabad Tender Notice for Construction
of AJK Legislative Assembly Complex, Muzaffarabad.**

Dear Sir,

Transparency International Pakistan has received a complaint against PWD Building/ PHE (North), Muzaffarabad. The complaint (annexure) is enclosed for your ready reference.

The Complainant has alleged that in your advertisement you have mentioned that '*employers invites sealed bids from eligible firms or persons licensed by PEC for the works duly endorsed by the Employer.*'

The Complainant further alleges that on inquiry the concerned staff member informed that the endorsement is to verify the validity of the companies PEC license at a price of:

Rs. 50, 000 for a company of category C1
Rs. 100, 000 for a company of category CB
Rs. 150, 000 for a company of category CA

It may be mentioned that verification can be done online and there is no precondition in the AJK PPRA Rules 2017 for levying these charges. You are advised not to charge any additional payment for verification of license of PEC/ Endorsement by the employer.

Chief Secretary, AJ&K is requested to kindly examine this complaint and order for the cancellation of this tender which is not in compliance with AJ&K Public Procurement Rules 2017.

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 Perwez
Former Judge of Supreme Court of Pakistan and High Court of Sindh
Trustee- TI-Pakistan

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

1. Prime Minister, Azad State of Jammu & Kashmir.
2. Director General, NAB, Rawalpindi.
3. Managing Director, AJK PPRA, Azad Kashmir.
4. Chief Engineer, PWD Building/ PHE (North), Muzaffarabad.



WW CONSTRUCTION CONTRACT (PVT.) LTD.

CONSTRUCTION CONTRACT

Qadri House, behind AJK Medical College
Muzaffarabad AJ&K - Pakistan

Cont..# : +92 (0) 334 5623097
E-mail : 545483523@qq.com

Ref. WWCC-TIP-PPRA-AJK-001

Date: 26-04-2018

Transparency International Pakistan
Telephone: 0092-21-35311897-8 ; Email: ti.pakistan@gmail.com

SUBJECT: VIOLATION OF FEDERAL-PPRA & AJK-PPRA RULES

Dear Sir,

Reference to "Invitation for Bids" advertised on 30 March 2018 by the office of the Chief Engineer PWD Building/PHE (North) Muzaffarabad, AJ&K (attached), we hereby draw your kind attention to the following points:

1. The tender fee of **Rs. 20,000** is too high, as according to Rule 23 (5) the Procuring Agency shall provide a set of bidding documents to any supplier or contractor, on request and subject to payment of price, if any, explanation.- for the purpose of this sub-rule price means the cost of printing and providing the documents only.
2. Moreover, the Procuring Agency has mentioned in its "Invitation for Bids" that the firms must be endorsed by the Employer as underlined below. When the Procuring Agency was asked to clarify about this endorsement, the concerned staff member said, the endorsement is to verify the validity of the companies on PEC website at a price of:

Rs. 50,000 for a company of category C1

Rs. 100,000 for a company of category CB

Rs. 150,000 for a company of category CA

2. **The Employer invites sealed bids, under Single Stage-Two Envelope bidding procedure, from eligible firms or persons licensed by the Pakistan Engineering Council in the category C-1 and above with Specialization Code CE-10 for the Works and duly endorsed by the Employer. A foreign bidder is entitled to bid only in a joint venture with a Pakistani contractor in accordance with the relevant provisions of PEC bye-laws. Any kind of Joint Venture must be registered with PEC and be endorsed by the Employer.**

We want to know that what is legal and constitutional standing of the word "endorsed/endorsement" in the fair & transparent public procurement process. And fixing such a high price for the Employer's endorsement shall not only reduce the quantum of response but also demotivate the healthy competition which is core motive of PPRA as specified in Rule 4 entitling "Principles of Procurements".

We understand that the above mentioned points lead the procurement process to "Corrupt Practices" which is entirely violation of Pakistan PPRA and AJK-PPRA rules.

The above details are brought to your notice and we seek for your understanding of the matter.
Thanks.

With kind regards,
For WW Construction Contract (Pvt.) Ltd.

Copy: AJK-PPRA; Federal-PPRA

Our Ref: WWCC-TIP-AJK-001



**Azad Government of the State of Jammu & Kashmir
Physical Planning & Housing Department (North)**

**Office of the Chief Engineer PWD Building/PHE (North)
Muzaffarabad**

INVITATION FOR BIDS

1. The Chief Engineer Building/PHE (North) Government of Azad Jammu & Kashmir ("The Employer") through Public Sector Development Program (PSDP) has received credit towards the cost of Scheme "Construction of AJK Legislative Assembly Complex, Muzaffarabad" and it is intended that part of the proceeds of the credit will be applied to eligible payments under the Contract for the following works:

Sr. #	Name of Work	Technical Sanction No./Date	Firm Category & Specialization Code	Earnest Money	Last Date of Submission of Technical & Financial Bids	Date of Opening of Technical Bids
1.	Construction of AJK Legislative Assembly Complex Muzaffarabad	No. 1055/CE /B(N)/Drawing /2018 dated 30-03-2018	C-1 and above	2% of bid price	April 23, 2018	April 23, 2018

Bidding is open to all eligible Bidders.

2. The Employer invites sealed bids, under Single Stage-Two Envelope bidding procedure, from eligible firms or persons licensed by the Pakistan Engineering Council in the category C-1 and above with Specialization Code CE-10 for the Works and duly endorsed by the Employer. A foreign bidder is entitled to bid only in a joint venture with a Pakistani constructor in accordance with the relevant provisions of PEC bye-laws. Any kind of Joint Venture must be registered with PEC and be endorsed by the Employer.
3. Eligible Bidders may obtain further information, inspect and acquire the Bidding Documents from the Office of the Employer, at Office of Chief Engineer PWD Buildings/PHE (North), New Secretariat Chatter Muzaffarabad, AJK Ph. No. 05822-921549.
4. A complete set of Bidding Documents may be purchased by an interested bidder on submission of a written application to the above office and upon payment of a non-refundable fee of Rs. 20,000/-.
5. Bidding will be done on "AJKCSR 2nd Semi-annual (Jan. to Jun. 2018) 2017-18, District Muzaffarabad". Contractor has to write his bid in tender form both in figures up to 2 decimal (only two digits after decimal will be considered).
6. A Pre-Bid Meeting will take place in the Office of Chief Engineer PWD Buildings/PHE (North), New Secretariat Chatter Muzaffarabad, AJK on April 11, 2018 at 1100 Hrs.
7. Only eligible bidders with the following qualification should participate in the bidding process, viz:
- a) has completed at least one (01) contract of similar nature of work, with at least value of PKR 1322.000 million, during the last five (5) years.

- b) has an average annual turnover of minimum PKR. 1133.000 million, during the last three (03) years.
8. Bidding documents will be issued upon furnishing of application alongwith Power of Attorney from the firm and original registration of PEC.
9. Technical bid along with a Bid Security @ 2% of bid price in a freely convertible currency in the form of deposit at call or bank guarantee from schedule banks in Pakistan/AJK, and financial bid must be delivered to **Office of Chief Engineer PWD Buildings/PHE (North), New Secretariat Chatter Muzaffarabad, AJK** at or before 1130 hours, on 23rd April, 2018. Technical Bids will be opened at 1200 hours on the same day, in the presence of bidder's representatives who choose to attend at the same address. After scrutiny and evaluation of the Technical bids, the Financial Bids of only qualified bidders will be opened for which a separate date will be fixed and will be intimated to all bidders in writing. Financial bids of unsuccessful bidders will be returned un-opened. Bids received through Postal Services will also be entertained.
10. All bidders must fill in check list before submission of bid in their own interest as per relevant section of Instructions to Bidders which is a mandatory requirement.
11. Completion period of the project will be 30 months.
12. This notice is also available on website www.ajkpgh.gov.pk and www.ppra.ajk.gov.pk
13. Any bid prepared and submitted in contrary to sections C&D respectively, as mentioned in "Instruction to Bidders" shall be declared as non-responsive.

(Muhammad Aslam Khan)

Director Design
PWD Buildings/PHE (North)

Muzaffarabad

Ph. No. 05822-921549

E-mail: rustamawan44@gmail.com

No. 570-74 /CE/PWD/B/PHE(North)/2018

Date: 30-03/2018

Copy to the:

1. Chief Engineer PWD Buildings/PHE (North) GoAJK, Muzaffarabad.
2. Chief Engineer CDO, GoAJK, Muzaffarabad.
3. Accountant General of Azad Jammu & Kashmir, Muzaffarabad.
4. Superintending Engineer PWD Buildings Circle Muzaffarabad.
5. Mr. Raja Toseef System Administrator, AJK PPRA, Muzaffarabad.
6. Notice Board of Block - I & Block - A DHQ Complex Muzaffarabad/CE, SE Offices.

سرور انیل چترل ایڈمنسٹریٹر سسٹمز
2601
30-03-18

Director Design
PWD Buildings/PHE (North)
Muzaffarabad