



# TRANSPARENCY INTERNATIONAL-PAKISTAN

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14<sup>th</sup> December, 2018

TL18/1412/1A

Mr. Awais Qadir Shah,  
Minister Transport & Mass Transit,  
Department of Transport,  
Government of Sindh,  
4<sup>th</sup> Floor, Old KDA Building,  
Karachi.  
Ph. No. 021- 99217767

**Subject: Complaint of delay in award of Contract of BRTS Blue Line Project on PPP Mode.**

Dear Sir,

Transparency International Pakistan has received a complaint on Delay in award of Contract of BRTS Blue Line Project on PPP mode by the Government of Sindh.

Copy of the complaint addressed to the Chief Minister by the complainant is enclosed.

The complaint has been examined, and prima facie this project has been delayed for reasons best known to the Department of Transport, which may have genuine grounds, but this delay may have cost exchequer additional cost due to time escalation, rupee parity rate and increased financing cost due to substantial increase in Kibor rates.

According to Planning Commission, procedure of preparing PC-1 annual price increase of 6.5 % is taken for the 1st year delay and 13% increase is taken for 2nd year delay. If the project is delayed by 2 years assuming the PC-1 approve cost of Rs 16 Billion, the 2 year increase in the cost of project will be further Rs 2 Billion. With the current depreciation rate of Pak Rupee Vs. Dollar of 10 % annually the increase in cost of 2 year will be another Rs. 3.2 Billion. With opportunity cost losses of 5 % per annum by Govt. of Sindh will incur loss of Rs. 2.4 Billion. It means for 2 year delay, the project cost will increase by 8.70 Billion, that is, 50 % loss to ex-chequer.

The minister is requested to examine the complaint, and if all PPRA mandatory/required procedures have been observed, to take action to expedite the project and also take action against all those found responsible for delay resulting in loss to exchequer due to increase in cost as well as opportunity losses.

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. Chief Minister, Sindh, Karachi.
2. Registrar, Sindh High Court, Karachi.
3. Managing Director, SPPRA, Karachi.



EA/HWY/2608/18

November 30, 2018 EA Consulting Pvt Ltd

To,

**Syed Murad Ali Shah,**  
Chief Minister Sindh/Chairman Policy Board,  
Government of Sindh.

Subject: **BRTS BLUE LINE AWARD-IMMINENT TIME LAPSE**

Dear Sir,

We wish to bring to your notice the inordinate delays being witnessed in carrying out due process for award of the BRT Blue Line Project on PPP basis by the Government of Sindh.

As you may be aware, EA in JV with M/s SMC had submitted an unsolicited proposal for the project to the Transport Department, being the executing department, way back on **August 18, 2017**, vide SPPRA Rule No: 15A.

Our proposal was comprehensive as well as cost effective and catered to the dire needs of one of the busiest traffic corridors in Karachi, namely from Sohrab Goth to Guru Mandir. The project aimed to catering the commuter needs of vast sections of Federal B Area, Liaqatabad, Teen Hatti and Jehangir Road, which are all densely populated areas.

Our proposal was taken for appraisal and evaluation by the Transport Department according to SPPRA rules. The department also engaged their consultant team comprising of M/s Osamani Associates, M/s E&Y and M/s Haider Mola, who provided their professional services to assist the department in required evaluation and assessment. After all due diligence our proposal of declared accepted on **January 02, 2018**. Subsequently, the proposal was put up to the Sindh Government Policy Board on **January 09, 2018** which also eventually approved the project and advised the PPP Unit of the Sindh Government to proceed according the rules and regulations.

Accordingly, tenders for the project were invited by Transport Department under the guidance of the PPP Unit, on **February 04, 2018**. The tenders for the project were subsequently submitted on **April 09, 2018**. A total of two bids were submitted.

Subsequently, the bids were scrutinized by the Transport Department and their team of consultants, first for the Technical Part and later for the Financial Part of the bids.

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✓ ISO 9001:2015  
✓ ISO 14001:2015  
✓ GHAS 18001:2007

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EA Consulting Pvt Ltd

Clarifications on the technical bids were sought and responded to in various rounds, the last of which terminated on **May 11, 2018**. After completion of the technical evaluation, the Financial Bids were opened on **May 24, 2018**. Clarifications were sought on the Financial Bids and were responded to, this cycle was also completed on **May 30, 2018**.

Since there has been no communication on the subject with us since **May 30, 2018** (almost 6 months), we presume that the scrutiny would have been completed and the necessary reports submitted to the Sindh Government TFEC for approval to proceed forward in the matter. As to our best knowledge, TFEC has been unable to convene on the project for the last 6 months.

We also wish to highlight that there is a time bar on the process, the time for evaluation and decision to award shall lapse on **December 05, 2018**, i.e. in the next five calendar days. If this is allowed to happen, the entire exercise which has taken almost 18 months and consumed countless expensive man-hours on the part of government officials, their consultants and the bidders would come to naught.

Not only this, but the process; if it were to be repeated, is likely to take another 12 months minimum to complete, thus not only making the project more expensive but also keeping the citizens of Karachi deprived of a facility for another year.

In addition, due to this apparent preoccupation of the TFEC with other matters, and should the process lapse, we stand to be directly affected. The SPPRA Rules provide us a Right Of First Refusal, being the USP Proponents. Should this USP lapse, our rights will also lapse with it. We would therefore be deprived of our due advantage, legally afforded to us under the law.

We, therefore, humbly request your kind intervention in the matter. We request that TFEC may kindly be instructed to convene on emergency basis to take a decision in the matter and save the entire process from lapsing, all in the best interest of Better Governance and the interests of the citizens of Karachi.

Thanking you,

Yours Sincerely,  
For EA Consulting Pvt. Ltd.

  
**Ahson Siddiqui**  
Chief Executive Officer

Copy To:

1. Chairman, Planning Board, Government of Sindh.
2. Director General, Transport Department, Government of Sindh.

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