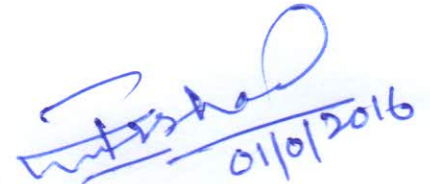


✓To,

MR. SAAD RASHEED,
EXECUTIVE DIRECTOR,
TRANSPARENCY INTERNATIONAL PAKISTAN,
KARACHI.

Subject: MINUTES OF THE MEETING TO DISCUSS AND CLARIFY OBSERVATIONS RAISED BY
TRANSPARENCY INTERNATIONAL ON THE TENDER "REQUEST FOR PROPOSAL (RFP) FOR FRONT
END COLLECTION AND DISPOSAL OF MUNICIPAL SOLID WASTE FOR DMC (SOUTH) KARACHI".

I am directed to enclose the minutes of the meeting to discuss and clarify observations raised by
Transparency International on the tender "Request for Proposal (RFP) for Front End Collection and Disposal of
Municipal Solid Waste for DMC (South) Karachi".



(Muhammad Irshad)

Assistant Director (Operations)

Copy forwarded for information:

1. The Managing Director, Sindh Solid Waste Management Board, Karachi
2. The Executive Director (Operation-I), Sindh Solid Waste Management Board, Karachi
3. The Executive Director (F&A), Sindh Solid Waste Management Board, Karachi
4. Master file.

MINUTES OF THE MEETING TO DISCUSS AND CLARIFY OBSERVATIONS RAISED BY TRANSPARENCY INTERNATIONAL ON THE TENDER "REQUEST FOR PROPOSAL (RFP) FOR FRONT END COLLECTION AND DISPOSAL OF MUNICIPAL SOLID WASTE FOR DMC (SOUTH) KARACHI"

A meeting was held on 01.11.2015 in the office of the Managing Director, Sindh Solid Waste Management Board, to discuss and clarify the observations conveyed by Transparency International vide their letter No. TL15/2010/6A dated 20th October 2015, on the tender 'Request for Proposal (RFP) for Front End Collection and Disposal of Municipal Solid Waste for DMC (South) Karachi'.

The following attended the meeting:

1. Mr. Roshan Ali Shaikh, Managing Director, SSWMB, Karachi.
2. Syed Adil Gillani, Advisor, Transparency International-Pakistan.
3. Dr. A. D. Sajani, Executive Director (Operation-I), SSWMB, Karachi.

The observations conveyed by Transparency International vide their letter No. TL15/2010/6A dated 20th October 2015 were discussed point wise and decisions taken are as under:

i) Observations of T I P:

- i. The tender for the above mentioned work as submitted and opened on 16.10.2015 wherein only one bid was received.

It appears that the bidding documents, which have resulted in no-participation of serious bidders, except M/s Changyi Kangjie Sanitation Engineering Co. Ltd., submitted tender without joint venture with local operator.

Discussion and decision:

- SSWMB clarified that the whole bidding process for Front End Collection and Disposal of Municipal Solid Waste for DMC (South) Karachi was carried out as per SPPRA Rules, 2010 (Amended-2013). As per Rule-48 of ibid rule (reproduced below) is as under:-

"Even when only one bid is submitted, the bidding process may be considered valid, if the bid was advertised in accordance with rules, and prices are comparable to the prices or rates awarded contract or the market prices"

- Mr. Gilani explained that the principle of procurement is defined in Rule 4, which requires that procurement process is efficient and economical.
- The matter was discussed threadbare and agreed that in order to comply with the Rule 4 and 48 of SPPRA Rules and to ensure that the rates quoted in Tenders of South are not un-reasonably high, following process will be adhered to:

1. The Expenditure on Front End Collection System of entire Karachi (Six DMCs and one District Council) per year has been estimated at Rs. 9 Billion. The expenditure of each District for collection and transportation shall be first calculated.
2. The Financial bid of DMC East shall be opened first and processed. If the financial bid of the lowest responsive bidder is close to the calculated expenditure by 5 to 10 per cent, the process will be taken forward in the best interest of the city and the government and the bids shall be approved.
3. Then the Financial Bid of the DMC South shall be opened and if the lowest tendered cost is more than the rates of DMC East tendered cost, the bid shall be rejected.

ii. Observation of TIP:

TIP was of the view that according to PEC Act 1971, the joint venture of any foreign operations or contractors with local parties is mandatory.

Discussion and decision:

It was noted that this is a service contract and there is no need for registration with Pakistan Engineering Council. This point has been clearly mentioned in the addendum of RFP, which was approved by the Procurement Committee including the observer from the Transparency International-Pakistan (TIP). In view of above this point stands clarified and settled.

iii. Observations of TIP:

Transparency International-Pakistan was of the view that this tender should be discharged, and all other five tenders including East Zone (DMC East Area) Karachi should also be deferred.

Discussion and decision:

After discussion, it was agreed that all formalities shall be observed in the tendering process as required under Rule 4 and 48 of SPPRA Rules, 2010 (Amended 2013), hence the process should be continued as per decisions nos. 1 to 6 above.

iv. Observations of TIP:

In the mean-time, the department should review the Conditions of the RFP, and amend the tender document to ease the tender condition, for more bidders to participate. Especially contract time to be increased to 10 years, regulatory approval of the Sindh Government/ Federal Government and other agencies may be obtained by the successful bidders after the LOI is issued etc.

Discussion and decision:

It was agreed to strictly follow the process decided above and that given in the RFP.

3. The meeting ended with a vote of thanks to and from the chair.