



# TRANSPARENCY INTERNATIONAL-PAKISTAN

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20<sup>th</sup> June, 2017

TL17/2006/4A

Hospital Director,  
Medical Teaching Institute,  
Lady Reading Hospital,  
Peshawar.

Sub: Violation of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014, Complaint against Tender notices dated 05-06-2017 by Lady Reading Hospital, Peshawar regarding Zakat and Procurement/ Supply (Local Purchase) of Drugs, Medicines, Surgical Disposables, Sutures, Implants and Miscellaneous etc.

Dear Sir,

Transparency International Pakistan has received a complaint from M/s City Pharma (Copies attached) against Tender notices dated 05-06-2017 by Lady Reading Hospital, Peshawar regarding Zakat and Procurement/ Supply (Local Purchase) of Drugs, Medicines, Surgical Disposables, Sutures, Implants and Miscellaneous etc. and subsequently corrigendum dated 10-06-2017.

The organization has alleged in Point "m" that out of 400+ shops near LRH only one candidate will be technically qualified/ will secure highest marks.

KPPRA Rules 2014, No.40 is stated as under;

*40. Discriminatory and difficult conditions.---Save as otherwise provided, no procuring entity shall introduce any condition, which discriminates between bidders or that is considered to be met with difficulty. In ascertaining the discriminatory or difficult nature of any condition reference shall be made to the ordinary practices of that trade, manufacturing, construction business or service to which that particular procurement is related.*

Hospital Director, LRH is requested to kindly examine the complaint and if the allegation is found correct direct the concerned department to modify the technical evaluation criteria so healthy competition may take place.

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

With Regards,

Sohail Muzaffar  
Chairman

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

1. Chief Minister, Khyber Pakhtunkhwa.
2. Director General, NAB, Khyber Pakhtunkhwa.
3. Chief Secretary, Khyber Pakhtunkhwa.
4. Registrar, Peshawar High Court.
5. Managing Director, KPPRA, Peshawar.

# CITY PHARMA

Shop No.05, Opposite Gynae Block, Lady Reading Hospital, Peshawar.

Ref No. AB12

Date: 16/06/2017

To

Transparency International  
Karachi.

Subject: VIOLATION OF KPPPRA ACT 2012 SECTION 23(4) IN TENDER NOTICES  
DATED 05-06-2017 IN DAILY AAJ, PESHAWAR.

Sir,

Please refer to the subject cited above and tender notices dated 05-06-2017 by Lady Reading Hospital, Peshawar regarding Zakat and Procurement/Supply (Local Purchase) of Drugs, Medicines, Surgical Disposables, Sutures, Implants and Miscellaneous etc and subsequently corrigendum dated 10-06-2017 (Copies attached).

In this connection it is stated that the subject tender notice is in violation of KPPPRA Act, 2012 section 23(4) and the said tender notice and bidding documents / criteria for technical evaluation of shops is biased and restricts healthy competition for some blue eyed due to the following reasons:

- a) As per KPPPRA Rules relevant experience, past performance, Legal status and proof of registration with the Provincial Registration Acts is one of the major criteria for awarding a contract which has been ignored in the subject bidding document.
- b) In the subject criteria maximum marks are left to the physical verification / inspection which will lead to favoritism of a specific party.
- c) Point No. 4 is also not justifiable, in case of a medical store / pharmacy as maximum of the shops in 200 meters to LRH will not fulfill the same criteria.
- d) As per Drug Rules 1982 amendment Act, 2017 a valid retail license is must for a medical store / pharmacy and no restriction of category A, B and C are mentioned. Moreover as per amendment Category-C has been removed and only Category A and B license are acceptable and both can sell the same medicines due to the reason of issuance of separate Narcotics License to Medical Store.
- e) As per amendment of Drug Rules, if once license is issued then point # 6 to 9 are irrelevant in case of having a valid retail license and inclusion in marking criteria showed un-necessary repetition / malafide intentions as the license issuing authority has already verified the said items.
- f) Point No. 7 (availability of biological freezer) also restricts healthy competition as very minimal shops will have the said facility.
- g) Point No.10 regarding Tax submission and reason of Heavy Tax payment for awarding maximum 10 marks is also biased. According to KPPPRA Rules (only) Taxpayers is mentioned / eligible.

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Shop No.05, Lady Reading Hospital Road, Near Khan Raziq Shaheed Police Station, Peshawar.  
Phone: 091-2572596

# CITY PHARMA

Shop No.05, Opposite Gynae Block, Lady Reading Hospital, Peshawar.

Ref No. \_\_\_\_\_

Date: \_\_\_\_\_

- h) Point No. 11 regarding Bank statement and its equalency to half of the local purchase budget is also not justifiable because as per rules the Bidder must only be financially sound.
- i) Point No. 14, i.e. covered area above 300 Sq. feet is totally biased and restricts healthy competition.
- j) Point No.15 regarding Sales data of last three years and the marking criteria for Average Sale above 30 millions etc. restricts healthy completion.
- k) Point No.16 and 17 are also biased as most of the shops near LRH are running without the subject facilities successfully.
- l) Point No.18 regarding stock on hand and its equalency to one third of the total LP Budget allocated in previous year also restricts competition.
- m) **It is pertinent to mention here that out of 400+ shops near LRH only one candidate will be technically qualified/will secure highest marks.**
- n) It is also not known (According to KPPRA Rules) that as to why Local Purchase of Medicines needs technical evaluation of a shop on such a restricted marking criteria which leads to favoritism of a specific contractor.

As per the above facts regarding the tender notice and bidding documents issued by the LRH, it is clearly evident that the competition is biased and restricted which is against KPPRA Act and rules and is therefore, requested that the authorities concerned may be directed to re-advertise the same with fair bidding documents / generalized evaluation criteria so that maximum bidders can apply.



For Proprietor City Pharma  
Contact No. 03139112311  
CNIC No. 17301-4325687-3

Copy to the:-

1. Secretary to Govt. of Khyber Pakhtunkhwa, Health Department, Peshawar.
2. Director General, Health Services, Khyber Pakhtunkhwa, Peshawar.
3. Chairman, BoGs, MTI / LRH Peshawar.
4. Hospital Director, MTI/ LRH Peshawar.
5. Chief Minister's Complaint Cell, Khyber Pakhtunkhwa, Peshawar.
6. Chairman, Transparency International, Phase-7, DHA Karachi.
7. Managing Director, KPPRA Peshawar.
8. Chairman Zakat & Usher, Khyber Pakhtunkhwa
9. District Zakat Chairman, Peshawar