



**TRANSPARENCY  
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**Advisory Committee**

10<sup>th</sup> November 2011

Managing Director,  
PPRA,  
Islamabad

Sub: Exemption accorded to KPT for award the Contract without inviting tenders in news papers, or on PPRA website for Berths No 10 to 14 in 2007

Dear Sir,

We enclose copy of the TIP letter dated 13<sup>th</sup> December 2007 in which PPRA was requested to confirm whether exemption has been accorded to KPT to award the Contract without inviting tenders in news papers, or on PPRA website for Berths No 10 to 14 in 2007. No reply was received from PPRA.

In order to respond in a court case, PPRA is requested to conform whether it has given any such clearance to KPT to;

*“award the Contract for Rehabilitation of Berths nos. 10 to 14 in East Wharf by Karachi Port Trust vide an agreement dated November 2007, which was done on faithful compliance on part of KPT, with the prescribed formalities and procedures, including the Pakistan Public Procurement Authority Rules (PPRA)”*

TIP would like to point out that during the hearing RPP case on 1<sup>st</sup> November 2011, the Supreme Court has given following remarks.

*“Any project against the Public Procurement Regulatory Authority (PPRA) rules could not become legal after the cabinet approval, as the cabinet had no authority to approve the contracts against rules and could not bypass the rules. The projects cannot be termed legal if initiated without being advertised, therefore, rental projects can be declared void if proved non-transparent”*

Kindly respond to this request on urgent basis.

Regards,

Syed Adil Gilani

Adviser



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13<sup>th</sup> December, 2007

Managing Director,  
Public Procurement Regulatory Authority  
PPRA HQ, Near State Bank,  
Sector C-5/2, Islamabad

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Subj: Exemption Accorded to KPT for Award of Contract for Berths No 10-14  
Against PPRA Ordinance 2002


Dear Sir,

PPRA informed Transparency International Pakistan, about the complain against KPT in the process of Procurement of Construction of Berths 10-14.

It has been told by PPRA that KPT has been accorded exemption from application of Public Procurement Rules 2004 for this procurement.

We request for a copy of the Exemption given by PPRA to KPT for awarding a Contract for project which has no design, and no estimated cost, worth over Rs 2 billion without tender to a company whose lead Contractor (which has to be Pakistani Contractor under PEC mandatory rules) is reported to have no experience in Port Works.

With regards,

  
Syed Atil Gillani,  
Chairman  
Transparency International Pakistan

Copy forwarded to Dr. Salimullah, Federal Minister of Finance.

As discussed earlier on these subjects and PPRA role in our meeting in Karachi. The Rules can be amended, but conditions requiring exemptions shall be unique. In this case, KPT Berths 14 & 15 collapsed, as well as Berth 10 collapsed in August 2007, and tender invited for 14-17, was awarded on Berths 10-14. The subsoil of Berths 14-17 is hard Soil which, in which Piling and Dredging will cost more than in soft soil, and Contractors will benefit from lower cost. PPRA Chairman may also be directed to look into this please.