



TRANSPARENCY INTERNATIONAL-PAKISTAN

13th May, 2013

Chairman,
Karachi Port Trust,
Head Office,
Eduljee Dinshaw Road,
Karachi.

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Defence Housing Authority, Karachi.
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Sub: Violation of Public Procurement Rules 2004 in Tender for Hiring of Pilot Boat

Dear Sir,

Transparency International Pakistan is in receipt of Secretary, Karachi Port Trust's reply, vide letter No. S-18/1227 dated 9th May 2013 on various deficiencies of Public Procurement Rules 2004 pointed out by TI-Pakistan, in tender for hiring of Pilot Boat.

Karachi Port Trust has admitted that they had mentioned in Urdu translation newspaper about the extension in contract period, which is at the discretion of KPT, and against Public Procurement Rules 2004.

According to Planning Commission Guidelines maximum life of equipment to be purchase by any Public agency is limited to maximum from 20 to 25 years. The certificate of MMD does not mean that it is override the Government of Pakistan Rules to purchase or hire any equipment less than 20 to 25 years.

Karachi Port Trust has restricted the bidder to submit bid bond in shape of Pay Order or Bank Guarantee only, Transparency International refers to S.R.O 805(1)/2008 dated 11th July 2008 which makes the use of Pakistan Engineering Council's Standard Bidding Documents mandatory. According to clause 15.1 of PEC's Bidding Documents, the mode of furnishing bid security is at the option of bidder including insurance guarantee. The clause 15.1 is stated below for your reference;

15.1 Each bidder shall furnish, as part of his bid, at the option of the bidder, a Bid Security in the amount stipulated in Bidding Data in Pak. Rupees in the form of Deposit at Call or a Bank Guarantee issued by a Scheduled Bank in Pakistan or an insurance company having atleast AA rating from PACRA/JCR in favor of the Employer valid for a period up to twenty eight (28) days beyond the bid validity date.

This act of Karachi Port Trust appears to be a case of "corrupt and fraudulent practices" as define under Rule No. 2 (f) and may be declare as "Mis-procurement" under clause 50 of Public Procurement Rule 2004.

Transparency International Pakistan again request the Chairman to re-invite the tender as per Rules, and the age of the Pilot Boat should not be older than 10 years.

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

With Regards,


Syed Adil Gilani
Adviser

Copies forwarded for the information of:

1. Chairman, NAB, Islamabad.
2. Registrar, Supreme Court of Pakistan, Islamabad.
3. Managing Director, PPRA, Islamabad - with a request to take action under section 5(2) (a) "monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to, procurement" and under section 5(2) (i) of the PPRA Ordinance 2002.
4. Secretary, Ministry of Ports & Shipping, Islamabad.