



28<sup>th</sup> July 2012

Chairman,  
Karachi Port Trust, (KPT),  
Eduljee Dinshaw Road,  
Karachi -74000

Karachi.

**Subject: Complaint on Irregularities intender for Port Shopping District**

Dear Sir,

Transparency International Pakistan has received a complaint that the Port Shopping District Tenders Submitted by bidders on 24<sup>th</sup> July 2012.

The Complainant has made following allegations;

1. The Tenders were submitted on 24<sup>th</sup> July 2012 by two bidders M/s Bahria Town and M/s AKD Securities Ltd, but the technical proposals were not opened in front of bidders, Consultants and the KPT Tender Committee.
2. The all Sets of Tender documents of the two bidders, which included the technical as well as financial proposals, were handed over to the Consultants.
3. Minutes of the Tender opening were not recorded and got signed by all present in the tender opening.

The complaint was reported to the Chairman KPT on Thursday 26<sup>th</sup> July 2012, and all the three violations reported by the complainant were found correct.

In such situation, KPT Tender Committee has violated Rule No 36 (b), and also the procedure stated in the bidding documents which is quoted below;

***36 (b) single stage – two envelope procedure.- (i) The bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;***

***(ii) the envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion;***

***(iii) initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened;***

***(iv) the envelope marked as “FINANCIAL PROPOSAL” shall be retained in the custody of the procuring agency without being opened;***

***(v) the procuring agency shall evaluate the technical proposal in a manner prescribed in advance, without reference to the price and reject any proposal which do not conform to the specified requirements;***

***(vi) during the technical evaluation no amendments in the technical proposal shall be permitted;***

***(vii) the financial proposals of bids shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance;***

***(viii) after the evaluation and approval of the technical proposal the procuring agency, shall at a time within the bid validity period, publicly open the financial proposals of the technically accepted bids only. The financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders; and***

***(ix) the bid found to be the lowest evaluated bid shall be accepted.***



The Port Shopping District Project was also retendered in mid 2010, as the previous successful bidder who was issued the Letter of Intent on about 40% built up area as the share of KPT, did not fulfill the signing of agreement conditions, and LOI was terminated. In 2010 tender M/s Bahria Town was the only responsive bidder, but offered about 20% built up area as the share of KPT. On TI Pakistan complaint, it was determined by KPT that the tender procedures were not transparent, and the tender was not awarded to M/s Bahria Town.

This third time again, it seems that KPT Tender has kept deliberately inserted difficult conditions to meet, as such only two bidders were prequalified. This again is a violation of Rule 32.


In 2009 TI Pakistan had advised KPT that under Rule No 11, KPT should obtain clear authorization and delegation of powers for different categories of procurement and shall only initiate the procurements once approval of the competent authorities concerned has been accorded. KMC/GoS has legal claim on this Land, and under PPRA Rules all approvals shall be obtained prior to proceeding with Tender.

KPT has to ensure that Single Tender has to be checked for any collusive practice, and the best measure to check it that the return to KPT, in this case built up space, is better than the previous offer ( 2008 LOI) on the same terms .

TI Pakistan request the Chairman to discharge the tenders, and also take administrative measure against the responsible officers and the consultants who have violated the rules, on why the mandatory tender procedures were violated, by not opening the Technical Proposals in front of bidders who chose to attend, and the envelope marked as "FINANCIAL PROPOSAL", all of which should have been retained in the safe custody of KPT without being opened, were handed over to the Consultants, and why the Consultants representative took all the (two sets each as required in bidding documents) of the two bidders, technical and financial proposals with him to his office, fully knowing that he is doing a criminal and illegal act. Further why the tender opening minutes were not prepared, which were supposed to be signed by all the members of KPT Tender Committee, Consultants and representatives of the Contractors present at the tender opening.

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

Yours sincerely,

  
Syed Adil Gilani  
adviser

Copy forwarded for information with request to take action under their mandate to,

1. Chairman Public Accounts Committee, Islamabad
2. Chairman, NAB, Islamabad,
3. Secretary, Ministry of Ports & Shipping, Islamabad
4. Registrar, Supreme Court of Pakistan, Islamabad
5. MD, PPRA, Islamabad