



29th May 2013,

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

Subject: Complaint in Procurement Tender for Construction of Bund Wall and
of Road Development

Dear Sir,

Transparency International Pakistan has received complaint that KPT has restricted PEC licensed Contactors from taking part in the Procurement Tender for Construction of Bund Wall and of Road Development and more than 6-7 bidders have been disqualified due to this reason.

It is reported that a condition has been included in the pre qualification documents that to qualify , valid PEC license for current year of is required.

According to the 7. Selection and tendering process of PEC Construction and Operation of Engineering Works Bye-laws, 1987,

(3) The client or employer shall adopt an equitable method of selection of a constructor or operator for a particular project and will ensure that the following basic requirements are met namely:-

(a) An engineering work falling under a certain category must be entrusted only to those constructors or operators who are licensed by the Council in accordance with these bye-laws, either in the same category or in a higher category.

Kindly check the conditions of pre qualification documents, as it is against the PEC requirements under PPRA Regulations 2008, as well as Public Procurement Rules 2004, Rule No. 32, quoted below;

32 Save as otherwise provided, no procuring agency 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

According to PEC Standard Procedure for Pre-qualification of Constructors March 2009, Instructions to Users of this document, B (i) , the requirement is that the applicants are to be licensed by PEC at the time of Pre-qualification.

The validity of license is issued yearly, and it is taking about 4-5 months to get the renewal, due to delay at PEC though according to PEC Bylaws the license should be



renewed by PEC on payment of the required fee before the next year. Application of renewal for the next year should be submitted by 5th November every year.

PEC has declared that once a renewal application of license has been filed by Contactor, he shall be treated as a valid license holder under PEC.

KPT is requested to refrain from incorporating discriminatory conditions in the bidding documents, and kindly amend the pre qualification documents, to the extent that " at the time of Award of Contract the successful bidder will have to produce valid PEC License of the appropriate category".

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, ,

1. Muhammad Nawaz Sharif, President , PML N, Lahore,
2. Mr. Imran Khan, Chairman, Pakistan Tehreek-e-Insaf, Lahore,
3. Chairman NAB, Islamabad
4. Secretary, Ministry of Ports & Shipping, Islamabad
5. Registrar, Supreme Court of Pakistan, Islamabad
6. MD, PPRA, Islamabad , to take action under section 5(2) (a) and section 5(2) (i) of the PPRA Ordinance 2002.