

No.F.1(101)/DD-II/PPRA/2010
GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(CABINET DIVISION)
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Islamabad, the July 8, 2010.

From : Naeem Ahmed,
Deputy Director – II,

To : Syed Adil Gilani,
Chairman,
Transparency International-Pakistan,
5-C, 2nd Floor,
Khayaban-e-Ittehad, Phase-VII,
Defence Housing Authority,
Karachi.

SUBJECT: VIOLATION OF PUBLIC PROCUREMENT RULES, 2004 BY M/S
CHINA INTERNATIONAL WATER & ELECTRIC CORP. (CWE).

Please refer to Transparency International-Pakistan's letter No. nil,
dated 3rd June, 2010 on the above subject.

2. Your complaint was forwarded to Karachi Port Trust for disposal under
Rule-48 of Public Procurement Rules, 2004. Procuring Agency has given the
comments on the complaint and the same is being enclosed for your kind perusal.


(NAEEM AHMED)

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- b. In pursuance of the bid documents clause the aim of KPT was to obtain from the contractor the court stamped contract which objective was achieved as M/s CWE - China has fulfilled his above obligation in accordance with the terms of the bid documents by submitting to KPT the court stamped contract.
 - c. The payment of stamp duty by contractor to the Government of Sindh (GoS) for obtaining court stamp contract was in no case a responsibility of KPT. The onus of calculating and charging the correct amount before stamping and registering the agreement lies with the GoS. Giving exemption to M/s. CWE - China was without recourse to KPT, is indicative of the fact that the payment of amount of stamp duty by M/s. CWE- China was completely an issue between them and KPT had no involvement what so ever. KPT was neither responsible to make the payment of stamp duty to GoS nor to arrange the same via contractor but to only receive the court stamped contract from the contractor before its execution..
 - d. The letter No CIS-6/CWE/786/2008 dated 02-07-2008 (copy attached) issued by the Chief Inspector of Stamps granting exemption to M/s. CWE - China towards payments of amount of stamp duty was in response to a request of M/s. CWE - China and not of KPT or via KPT. This also refers to the no involvement of KPT in above transaction. The contract was executed after ascertaining the genuineness of the stamping and the same has been cleared by legal affair division of KPT
 - e. As the transaction was strictly between CWE and GoS it is pertinent to mention that in the instant case the revenue collecting authority / office of GoS may be approached by the complainant for reasons of granting exemption and receiving short amount, as the KPT had no obligation or involvement in the matter.
 - f. M/s. CWE-China has signed the "Integrity Pact " which is an integral part of the contract (copy attached).
 - g. It is added that the visiting Federal Audit Team also highlighted the above issue and a similar clarification was submitted with an advice that the issue may be taken up at the time of carrying out audit of the revenue department of the Government of Sindh.

It is hoped the above clarification shall be to suit to your requirements and satisfaction.


SECRETARY