



14<sup>th</sup> May 2016

TL16/1705/1A

Managing Director,  
Karachi Water & Sewerage Board,  
Karachi.

Sub: Illegal Award of Unsolicited Contract against SPPRA Act , Rs. 25.5 Billion Karachi Water Supply Project, known as K-1V, to the Frontier Works Organization (FWO).  
FWO admission 12.12.2015 that unsolicited contract can not awarded in PPRA Rules

Dear Sir,

Transparency International Pakistan refers to the letter sent to MD on the above quoted subject vide No. TL16/3003/1A dated 30 March 2016, **on the Illegal Award of Unsolicited Contract against SPPRA Act** , and TL16/3103/1A dated 31.3.2016 on the Rs. 25.5 Billion Karachi Water Supply Project, K-1V, to the Frontier Works Organization (FWO).

This is to inform the Managing Director KWSB that in a recent corruption complaint on a Motorway Project on the allegation of not awarding contract to FWO by collusion in the Award of Karachi Lahore Motorway Project to M/s China Railway 20 Bureau and ZKB of Pakistan at a cost of Rs148.654bn causing loss of Rs 14 Billion, FWO has issued a press release on 12.12.2015, in which **FWO itself has admitted that its unsolicited proposal ( Tender) could not be entertained by NHA due to PPRA Rules. (Annex-A)**

**Rawalpindi December 12:-** *The official of Frontier Works Organization (FWO) has clarified a news item published in some section of the press on 12 Dec 2015, regarding the NHA has awarded a contract of Rs 148 Billion to a Pakistan - China Joint Venture Firm for building a 230 Km section of the Karachi - Lahore Motorway amid allegations of irregularities. FWO is annoyed after its bid was rejected despite submitting what it claims the lowest bid of Rs 134 Billion.*

*The FWO officials in a press release said, "It is clarified that FWO does not have any reservation on tendering process of NHA because FWO did not participate in the bidding process due to none fulfilling the pre-requisites. However after the opening of bid, FWO offered unsolicited proposal which NHA could not entertain due to PAPRA rules and procedures.*

*Col Zafar Iqbal  
Manager Media (FWO)  
Mob:0300-5803117*

<http://www.fwo.com.pk/news-info/latest-news/416-press-release-fwo-clarification-motorway-project>



The Managing Director is requested to act in accordance with the provisions of the Sindh Public Procurement ( Amended) Act 2013 and SPPRA Rules 2010, and also keep in record the FWO admission that unsolicited contracts can not be awarded under PPRA Rules, and invite open tenders of K-IV Projects, in order to avoid allegations of mis procurement and allegation of Corruption and corrupt practices against the 13 public office holders who approved the illegal exemption in the meeting held on 11.2.2016.

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

With Regards,

  
Sohail Muzaffar

Chairman

Copies forwarded for the action under rules to immediate address this major illegal act granting exemption from SPPRA , in order to have good governance in Pakistan;

1. Secretary to Prime Minister, PM House, Islamabad,
2. Governor Sindh , Governor House, Karachi,
3. Chief Justice, Sindh High Court, Karachi
4. DG, NAB, Karachi.
5. Chief Secretary Sindh, Karachi.
6. Minister of Finance, Karachi
7. Minister of Information, Karachi,
8. Secretary Finance, Karachi,
9. Secretary, LD Deptt, Karachi,
10. Syed Asif Haider Shah, Commissioner Karachi,
11. Chief PP&H P&D Deptt, Karachi
12. MD, SPPRA, Karachi.
13. MD, PPRA, Islamabad.
14. Registrar Supreme Court of Pakistan

<http://www.fwo.com.pk/news-info/latest-news/416-press-release-fwo-clarification-motorway-project>

**PRESS RELEASE FWO Clarification Motorway Project**

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The FWO officials in a press release said, "It is clarified that FWO does not have any reservation on tendering process of NHA because FWO did not participate in the bidding process due to none fulfilling the pre-requisites. However after the opening of bid, FWO offered unsolicited proposal which NHA could not entertain due to PAPRA rules and procedures.

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