



19th August, 2014

Managing Director,
Sindh Public Procurement Regulatory Authority,
Karachi

Sub: Manager Grievance SPPRA letter to KWSB dated 11-8-2014, declaring LCS
Method used by KWSB for Consultants of K-IV.

Dear Sir,

Transparency International Pakistan refers to the Manager Grievance SPPRA letter to KWSB dated 11-8-2014, declaring LCS Method used by KWSB for Consultants of K-IV as mis-procurement. **Annex-A.**

This is to inform the MD that K-IV has been taken up by the Government of Sindh and Government of Pakistan on top priority basis, TIP has been made member of the Evaluation Committee as Observer in K-IV Project.

TI Pakistan was also associated in K-III project in 2002, under a MoU signed between KWSB and TIP for "Integrity Pact". In 2002 KWSB used the lowest price method, and against the approved PC-I cost of Consultancy of Rs 249 million, the Contract was awarded at 25%, i.e. Rs 62 Million to technically evaluated best consultants. Due to this project, the Government of Pakistan in 2002 notified that "Integrity Pact" shall be part of each and every Contract worth more than Rs 10 million, and since in 2004, Integrity Pact is included as rules in SPPRA, PPRA 2004, PPRA Rule Punjab 2012, and PPRA Rules KPK 2014.

The RFP prepared by KWSB is fully complainant, to SPPRA, and is in accordance with the Standard Request for Proposals applicable to Consultant assignments by the procuring agencies of Sindh Province, under Sindh Public Procurement Rules, 2010, notified on 21st January 2012. The RFP included restriction that Rule No 72 (1) [Least Cost Selection Method] shall be adopted for assignments of standard or routine nature where well established practices and standards exist. **Annex-B.**

As informed above, this is the Fourth Project of Greater Karachi Bulk Water Supply Scheme, taken up by KWSB, and nothing is new to KWSB as well a Consultants, or unknown to the prequalified Consulting Firms. KWSB is rightly moving toward following the provision of



SPPRA Rules, and in order to award the contract to the best technical qualified and experience firm, fully compliance to RFP, at the most economical cot, thereby eliminating the discretionary methods.

TIP quotes the Supreme Court order given on 28th April 2010 in case of disputed award of multibillion dollar LNG contract to GDF-Suez, in which the SC has announced that "Here we may observe that it is duty of the court to ensure that the Public Procurement Regulatory Authority Ordinance 2002 read with the Public Procurement Rules 2004 are adhered strictly to exhibit transparency".

The Managing Director SPPRA is requested not to let any manager of SPPRA issue such irresponsible letters, and not to interfere with any Procuring Agency for applying Rule No 72, which is against the PPRA Rules itself, and withdraw the letter dated 11 August 2014 issued to KWSB.

TI Pakistan is striving to have Rule of Law in Pakistan, which is the only way to eliminate corruption and have good governance in country.

With Regards,

Syed Adil Gilani
Adviser TIP, Member SPPRA Board

Copies forwarded for information to:

1. DG, NAB, Sindh, Karachi
2. Registrar, SHC, Karachi
3. MD, KWSB, Karachi
4. Project Director, K-IV, KWSB, Karachi



Amir A.

No. DD (Enf-II)K491(KWSB)/SPPRA/100-1/13-14 / 701

GOVERNMENT OF SINDH
SINDH PUBLIC PROCUREMENT REGULATORY
AUTHORITY

Karachi, Dated: August 11 - 2014

The Project Director K-IV,
Karachi Water & Sewerage Board,
Karachi.

P.D. (K-IV) K.W.&S.B.
Diary No: 177/c
Date: 12-8-2014

SUBJECT: REF: NO.CE-P/KW&SB/2014/336, DATED 14.02.2014, SPPRA SR. NO.19559.

I am directed to refer to the bidding documents of subject NIT and to state that M/s MM Pakistan Pvt. Ltd. has pointed out that the Procuring Agency has used Least Cost Selection Method for subject procurement, which is not appropriate, because said method shall be adopted for assignments of standard or routine nature projects. This Authority has examined the Standard Bidding Documents (SBDs) and endorses the view point of M/s MM Pakistan Pvt. Ltd.

2. It is, therefore, advised to furnish justification / clarification for adopting Least Cost Selection Method for subject procurement, immediately.
3. Moreover, you are again advised to furnish copy of PC-I along with minutes of the pre bid meeting held on 14.04.2014, at the earliest.
4. The early compliance will be highly appreciated and non-compliance of SPP Rules shall render the Procurement "mis-procurement" under relevant provisions of SPP Rules, 2010 (amended 2013).

(Musharraf Ahmed Bhatti)
Manager (Grievances)

Chief Engineer (Projects) K-IV
Inward/Outward No: 186
18-08-2014
Karachi Water & Sewerage Board

D.P.M (K-IV Project)
Diary # 24
Date 13-8-14
Projects Wing (K-IV)

A copy is forwarded for information to the Managing Director, Karachi Water & Sewerage Board, Karachi.

C.E (KIV) URGENT

Please review & put up
for further course of
action as per SPPRA 2010

PD - KIV

DPM (C-5)/K-IV

P3: put up a draft
letter, as required/directed.

P3: treat as very urgent.

12/08/14.

Amna B

**SPPRA REQUEST FOR PROPOSALS
DOCUMENT
SELECTION OF CONSULTANTS**



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Sindh Public Procurement Regulatory Authority

21ST January 2012

Preface

1. This document Standard Request for Proposals (SRFP) is to be used for various selection methods described in the SPPR 2010.
2. Before preparing an RFP, the procuring agency/ user must be familiar with the SPPR 2010, and Rule No 72
3. Rule No 72 (1) shall be adopted for assignments of standard or routine nature where well-established practices and standards exist.
3. In case Rule No 72 (1) is not to be used, as the assignment is not an standard or routine nature, and standards and practices are not well-established, and procuring agency choses other method of selection according to Rule No 72 (2), (3), (4), (5), and (6), the reason shall be recorded in writing by the competent authority, and also sent to SPPRA with RFP.
4. The SRFP includes a standard Letter of Invitation, standard Instructions to Consultants, Terms of Reference, and a standard Form of Contract. The standard Instruction to Consultants and the standard General Conditions of Contract may not be modified under any circumstances. However, the Data Sheet and the Special Conditions of Contract may be used to reflect particular assignment conditions.