



2<sup>nd</sup> February, 2012

Managing Director,  
Sindh Public Procurement Regulatory Authority,  
8 Secretariat 4A Court Road,  
Karachi.

Sub: Violations of Sindh Public Procurement Rules, 2010  
KW&SB Procurement and Installation of 5 Nos: x 1 MGD Reverse Osmosis Desalination  
plants at different locations of Lyari Town. Project reported in press as Rs 4 Billion

Dear Sir,

Transparency International Pakistan has examined the evaluation report dated 24<sup>th</sup> June 2011 of tender of Reverse Osmosis Water Procurement and Installation of 5 Nos: x 1 MGD Reverse Osmosis Desalination plants at different locations of Lyari Town hoisted on SPPRA website.

The essence of SPPRA Rules 2010 is that the procurement shall be made in transparent manner and procuring agency shall observe that prudent procurement practices are applied, and wide participation of bidders are made possible, in order to achieve the best quality at the lowest evaluated responsive cost.

Transparency International Pakistan has observed that in this procurement out of 14 bidders who purchased the tender documents, only two bids were received, and one was declared non responsive, and thus only one bidder remained who was awarded the Contract.

The bid security of 20% advertised in the Tender Notice was one of the violation noted, which also could have been one of the reasons of non participation of 12 bidders. Maximum allowed bid security under Rule 37 is 5%, and this is a major caused of violation, which may declare this procurement as mis-procurement.

In TIP views, this procurement is in violation of Rule No 44.

*44. Discriminatory and difficult conditions - Save as otherwise provided, no procuring discriminatory 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.*

It has been reported in press ( Daily Dawn) on 18<sup>th</sup> January 2012 that over Rs4 billion mega project to install several reverse osmosis plants in defunct Lyari and Keamari towns will be made operational gradually in between February and June, and no such tender information is available on SPPRA website.



In view of the above observations, it is recommended that SPPRA shall made detailed inquiry into this procurement.

MD PPRA is requested to immediately put up this case also for the consideration of Chairman SPPRA after conducting inquiry for orders.

With Regards,

  
Syed Adil Gilani

Adviser

Encl: Copies of EV Report.



**KARACHI WATER & SEWERAGE BOARD**  
**OFFICE OF THE CHIEF ENGINEER, ZONE-II-A**

Date: 21/05/2011

**BID EVALUATION REPORT**  
**SPPRA ID # 4514/2011**

1. Name of Procuring Agency: KARACHI WATER & SEWERAGE BOARDS.

2. Tender Reference No: ADVT/KW&SB/753/11, KW&SB DPR/ADVT/2011/70, CDGK/AFVT/KW&SB-757/11, KW&SB DPR-2011-70, CDGK/AFVT/KW&SB-766/11, KW&SB ADVT/DPS/2011-82

3. Tender Description / Name of Work / Item: PROCUREMENT AND INSTALLATION OF 6 NOS. x 1 MGD REVERSE OSMOSIS WATER DECONTAMINATION PLANTS AT KEAMARI TOWN.

4. Method of Procurement: Through Press (Single Stage Two Envelopes System)

5. Tender Published: Daily Awami Awaz, Daily Express, Daily Dawn, Daily Intekhab, Daily Regional Times Dated 28-05-2011, respectively & The Daily Jang, Dated 30-05-2011. Corrigendum Published in Regional Times & Hikal-e-Pakistan Dated 29-05-2011, Nawa-e-Waqar & Dawn Dated 29-05-2011, Regional Times, Nawa-e-Waqar & Hikal-e-Pakistan Dated 03-06-2011, Dawn Dated 08-06-2011, Jang Dated 04-06-2011, Nawa-e-Waqar, Hikal-e-Pakistan & Regional Times Dated 14-06-2011.

6. Total Bid Distributions: 17 Nos.

7. Total Bids Received: 02 Nos.

8. Technical Bid Opening Date: 17-06-2011.

9. Financial Bid Opening Date: 01-06-2011.

10. Financial Bid Opening Date: 01-06-2011.

11. Financial Bid Opening Date: 01-06-2011.

**Bid Evaluation Report**

Name of Bidder	Price Offered by the Bidder	Ranking in terms of Cost	Compliance with Technical Conditions	Reason for Acceptance/ Rejection of Bid	Remarks
	Rs. 1,20,00,000/-	1	Yes	Accepted	Lowest

Signature of Chief Engineer, Zone-II-A:

Signature of Tendering Officer:

Signature of Deputy Secretary:

Signature of Chief Engineer, Zone-II-A:

Signature of Tendering Officer:

Signature of Deputy Secretary:



**ITB Reverse Osmosis Water Desalination Plants**  
**Karachi water & Sewerage Board Notice Inviting Tenders**  
**Procurements & Installation of**  
**5 Nos: X 1 MGD Reverse Osmosis Water Desalination Plants at Lyari Town**

1. The Karachi Water & sewerage Board (KW&SB) has received a grant from GOP/GOS towards the cost of Procurement and Installation of 5 Nos: x 1 MGD Reverse Osmosis Desalination plants at different locations of Lyari Town and it is intended that part of the proceeds of the grant will be applied to eligible payments under the contract for the subject work.
2. Bids are invited under SPPRA Rules 2010, from Local Suppliers / Firms / joint ventures must have valid Representation / Distribution Agreement with renowned International manufactures of Water Treatment /Reverse Osmosis Desalination Technologies. The bidder must possess sound financial and technical strength to undertake and complete mega water Reverse Osmosis Desalination Projects and must have adequate experience and proven track record to design, supply, install, commission, operate and maintain Brackish / Sea Water Reverse Osmosis Desalination Plants in the region.
3. **Scope of Project**
  - (a) Construction of storage Links, tube wells, pumping stations, plant's buildings, compound's wall, landscaping etc, with complete civil, electrical, mechanical and plumbing works.
  - (b) Supply install, Commission, Operate and Maintain Reverse Osmosis Desalination plants capacity up to one (1) Million Gallons per Day (MGD) in modular units preferably of 0.50 MOD at various sites in Keamari Town along with one year free Operation & Maintenance services and three years international comprehensive warranty for complete Reverse Osmosis plant/equipment & allied works. The completion period for the job would be six months.
4. As. Specified in SPPRA rules 46(2) Bid shall comprise a single package containing two separate envelops marked as 'Financial proposal' and Technical Proposal' in bold and legible letters to avoid confusion. The Technical Proposal found technically qualified under evaluation / marking criteria given in bidding documents would only be consider for participation in financial bidding.
5. Technical proposal must contain company Profile, Technical Specification of Proposed plant & machinery. Manufacturer's Authorization, Drawings, layout plans, Catalogue, Design of reverse Osmosis Plant certified & warranted by TO Technology provider. Membrane Projection, Proposed methodology and documentary information substantiating that bidder has proven track record of having earned reputation for product quality, performance, reliability, and business integrity and the firm has never been blacklisted or in litigation with any of its Client/ Government Department, reference of projects completed / under progress or in operation and list of technical manpower consultants on their payroll with relevant field experience for the execution of work. The bidder must demonstrate his ability to provider and install plants at five (05) locations.
6. The bidders should submit along with their bids three (3) years audited report and latest certificate (s) from the Scheduled Bank(s) to the effect that bidder is financially sound capable to undertake the job.
7. The bidding is open to all Bidders (independent Firms, manufacturers of joint Ventures) having valid registration with Pakistan Engineering Council (PEC) necessarily having specialization in CE -09, CE-10 and ME-06.
8. The detailed Terms of Reference (TOR) / Bidding Documents containing job description, Evaluation Criteria, terms & conditions, information and guidelines for preparation of Bid an be obtained from the office of the Chief Engineer, Zone-IIB, KW&SB, 1<sup>st</sup> Floor old KBCA Building, Behind Civic centre, Karachi upon payment of Rs. 10,000/- (non-refundable) as Tender Fee in shape of pay order in the name of "Karachi Water & sewerage Board", upto 14-06-2011.
9. All bids must be accompanied by a Bid Security as per SPPRA Rule-37 in the shape of Pay order 20% of quoted bid price must be enclosed with Financial proposal and must be delivered at the office of the Chief Engineer, Zone-II-B (KW&SB) on or before 11:30 a.m., 15<sup>th</sup>, June 2011. The Technical Proposals of bids will be opened by the procurement Committee KW&SB on the same day at 2.30 pm, in the office of the Chief Engineer Zone-II-B, KW&SB, in the presence of bidders representatives who choose to attend, at the same address. While the financial proposals of only the technically qualified bidders shall be opened on date & time to be notified later. The bids received beyond the schedule date and time will not be entertained. The KW&SB will not be responsible for any delay in postage.
10. The Competent Authority reserves the right to reject any or all the application as per relevant clauses of SPPRA Rules- 2010.