



TRANSPARENCY INTERNATIONAL-PAKISTAN

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11th September 2009

Mr. Shaukat Tareen,
Federal Minister of Finance,
Government of Pakistan.
Block F,
Secretariat Building,
Islamabad

Fax: 051-920-1857

Sub: Violation of Public Procurement Rules, 2004
Selection of Consultants by Ministry of Finance

Dear Sir,

The Prequalification notices published by the Deputy Secretary (IF), Finance Division, (Internal Finance Wing), in Daily Khabrain dated 10th September 2009 inviting proposals of Consultancy for Feasibility Study is lacking Transparency and is in gross violation of "Public Procurement Rules, 2004", as the mandatory requirement is issue Tender Documents, which is not being followed in this procurement.

TI Pakistan would like inform you Sir that Secretary Finance is also the Chairman of PPRa , and if the Division of Chairman PPRa is not abiding with the requirements of Public Procurement Rules, 2004, what are the moral grounds for PPRa to question any department for not observing the rules. Ministry of Defence, State Bank of Pakistan, SECP, NEPRA, Privatization Commission and many other are blatantly violating Public Procurement Rules, 2004, and the result are determined in the World Bank report prepared for Planning Commission of Pakistan. All PPRa GOP Board Members are also violators of PPRa rules.

In the Executive Summary in the assessment of the Pakistan Infrastructure Implementation Capacity (PIICA) which was carried out at the request of the GoP, jointly by World Bank and Planning Commission of Pakistan and report releases on 8th Feb. 2008, it has confirmed that about 15 % is the cost of corruption in procurement.

<http://siteresources.worldbank.org/SOUTHASIAEXT/Resources/Publications/448813-1202436185914/PIICfull.pdf>

Sir, this pilferage of funds by corrupt practices @ 15% come to Rs 225 billion (US \$ 3) Billion on Rs 1,500 billion development budget for FY 2009-20210, of federal government, defence , provincial governments and public corporations procurements.

Transparency International Pakistan request the Federal Minister to take out some time from his over burdened schedule for PPRa, and sort out these issues, so that all procurements are made discretion free, and according to rules, which will generate good quality work at the most economical cost, as well as savings of about US \$ 3 billion for reinvestment in Pakistan economy.

Yours Sincerely,


Syed Anil Gilani
Chairman

Enclosed copy of the letter sent to the Secretary Finance.



TRANSPARENCY INTERNATIONAL-PAKISTAN

12th September 2009

S-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority, Karachi.
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Mr. Salman Siddique
Secretary, Finance Division,
Government of Pakistan.
Block F,
Secretariat Building,
Islamabad

Fax: 051-920-1857

Sub: Violation of Public Procurement Rules, 2004
Selection of Consultants

Dear Sir,

The Prequalification notices published the Deputy Secretary (IF), Finance Division, (Internal Finance Wing), in Daily Khabrain dated 10th September 2009 inviting proposals of Consultancy for Feasibility Study is lacking Transparency and is in gross violation of "Public Procurement Rules, 2004".

Transparency International Pakistan would like to remind you Sir, that Public Procurement Rules, 2004 are applicable even on PPRA and Ministry of Finance, which are headed by you as Chairman and Federal Secretary.

Violations are detailed below;

1. MOF shall according to Rule No. 23 provide a set of bidding documents. The information to be included in the bid documents are not being provided by MOF in this procurement.
2. These documents shall include TOR, Detailed Evaluation Criteria, Form of Contract, Sample Contract Agreement, Integrity Pact, which are not being provided by MOF.
3. According to rules Contract for Supply, Works and Consultants are to be awarded only to the lowest responsive evaluated bidder. The system of scores awarded to bidders on the basis of weight age, marks, and that the highest scoring firm to be awarded Contract on his tendered cost has been banned. MOF is using an illegal evaluation criteria not allowed in Public Procurement Rules, 2004.

The Evaluation Criteria has to include sun-criteria, and how the marks will be awarded. The Criteria given in the press advertisement is not standard as prescribed by World Bank, ADB or PEC, which shall have been consultant. Along with the revision of Criteria, Sun Criteria for each section shall also be described and included in the bidding documents.

Following criteria will be followed for evaluation of Technical Proposals :

S. No. Parameter Requirement for scoring

- 1 *Assignment Related Experience of the firm (30 points)*
- 2 *Adequacy of Proposed Work Plan/Methodology (30 points)*
- 3 *Qualification and Competence of Key Staff (30 points)*
- 4 *Transfer of Knowledge/Training (05 points)*
- 5 *Induction of local staff (05 points)*

Total: (100 points)



The above information is forwarded for the purpose to avoid the mis-procurement charge under Rule No 50, and to re- invite the tender, and issue a set of bidding documents, which shall be based on the procedures prescribed by Public Procurement Rules, 2004.

With Regards,


Syed Adil Gilani
Chairman,

Copy forwarded for the information of,

1. Mr. Shaukat Tareen, Federal Minister of Finance, Islamabad
2. the Managing Director PPRA, Islamabad