



# TRANSPARENCY INTERNATIONAL-PAKISTAN

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,  
Defence Housing Authority, Karachi.  
Tel: (92-21)-35390408, 35390409, Fax: 35390410  
E-mail: ti.pakistan@gmail.com  
Website: www.transparency.org.pk

8<sup>th</sup> November, 2014

Mr. Mohammad Zubair,  
Chairman,  
Privatisation Commission,  
Islamabad.

Sub: Violation of Public Procurement Rules 2004, in Request for Proposals for Financial Advisory Services for the Privatisation of Pakistan Steel Mills Corporation (PSMC).

Dear Sir,

TI-Pakistan has noted that Privatisation Commission is again not following Public Procurement Rules 2004 in procurement of services being advertised for Financial Advisory Services for the Privatisation of Pakistan Steel Mills Corporation (PSMC).

The most recent Expression of Interest published on 27<sup>th</sup> October, 2014 is Request for Proposals for Financial Advisory Services for the Privatisation of Pakistan Steel Mills Corporation (PSMC), which has violated Public Procurement Rules 2004, as Privatisation Commission has not uploaded prequalification documents on PPRA website.

The RFP should also be uploaded on the Privatisation Commission/ PPRA website, when it is issued to prequalified consortiums.

As per NAB instructions vide its letter No 5-2 (75) Pre/ A & P/ NABHQ/ 2013 (Copy encl), all procuring agencies should make available the bidding or prequalification documents and other related communication in downloaded format, for any interested bidder or party, at their website to use these documents for submitting bid(s) with admissible tender fee, if any, paid in bank as prescribes by procuring agency. NAB has also declared mis-procurement as liable for cognizance by NAB under relevant section of NAO 1999.

PPRA had also sent its objects to the Privatisation Commission, vide letter dated 30<sup>th</sup> March, 2014 quoting the following violations;

*"In terms of Rule 16(2), the procuring agency shall provide a set of pre-qualification documents to any supplier or contractor, on request and subject to payment of price."*

The above information is forwarded for the purpose of avoiding the mis-procurement charge under Rule No 50, and with request to upload RFP documents by issuing a corrigendum.

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

With Regards,

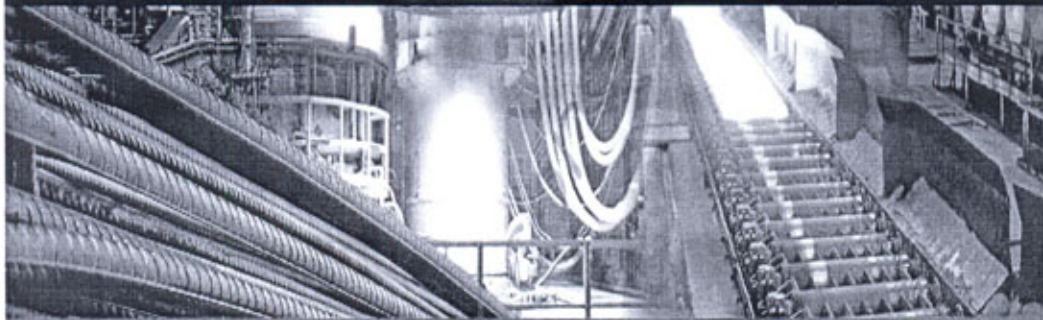
  
Sohail Muzaffar  
Chairman

Copies forwarded for the information with request to take action under their mandate to:

1. Secretary to Prime Minister, Islamabad.
2. Mr. Khurshid Shah, Leader of Opposition & Chairman, PAC, National Assembly, Islamabad.
3. Chairman, NAB, Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad.
5. Managing Director, PPRA, Islamabad.



# EXPRESSION OF INTEREST (EOI)



## REQUEST FOR PROPOSALS FOR FINANCIAL ADVISORY SERVICES FOR THE PRIVATISATION OF PAKISTAN STEEL MILLS CORPORATION (PSMC)

The Government of Pakistan (GOP) is currently implementing a comprehensive privatisation, reform and restructuring programme in PSMC. The Government's objectives for the privatisation of the Pakistan Steel Mills Corporation (PSMC) are:

- Promote rapid development and modernization of steel sector through liberalization and private sector participation.
- Improve performance and operational efficiency through injection of private sector capital, skills and technology.
- Maximize the sale proceeds from the privatisation process to be used for poverty alleviation and debt retirement.
- Re-define the role of Government from owner-operator to a policy maker.

Pakistan Steel is the largest and the only integrated Steel Plant of Pakistan with a production capacity of 1.1 million tons per year (MTPY) expandable up to 3.0 Million ton per annum. It was established in 1964 and is spread over an area of 18,600 acres. It has a work force of 15274 and comprises 20 units.

The GOP, through the Privatisation Commission (PC), intends to engage the services of a Consortium led by a reputable Investment Bank (FA) to assist in the privatisation of PSMC. The FA is expected to engage a multidisciplinary team of experts with a proven experience of corporate restructuring and privatisation in the steel sector, financial restructuring, legal review and analysis, technical and financial due diligence, human resource management and public relations and take overall responsibility of the project including but not limited to the ongoing restructuring approved by the GOP. Further details of the envisaged scope of work will be made available in the Request for Proposal (RFP) package.

Interested Parties/ consortia (IPs) are requested to submit an Expression of Interest (EOI) showcasing their expertise to undertake the assignment along with a proven track record of successfully managing and executing assignment of similar nature. IPs are advised to submit their EOIs as soon as possible along with a non-refundable processing fee of US \$ 100/- (One Hundred US Dollars) or equivalent Pakistani Rupees in the form of a pay order or bank draft payable to the Privatisation Commission, Government of Pakistan, at Islamabad at the address given below. RFP packages inviting technical and financial proposals would only be issued to IPs submitting their EOIs along with the requisite processing fee.

**Last date**  
for the submission  
of technical and  
financial proposals is  
**28-11-2014**  
at 1600 hours

This advertisement is not intended to be and should not be construed as any representation of warranty, express or implied, with respect to any statement made herein. An EOI shall not be construed as an offer.

**Mr. Anwar Malik**  
Director General  
Tel: 0092-51-9205369  
Email: info@privatisation.gov.pk

**Mr. Azeem Qadir Haye**  
Transaction Manager  
Tel: 0092-51-2274844  
Email: azeemhaye@privatisation.gov.pk



**Privatisation Commission**  
Government of Pakistan

5-A, EDB Building, Constitution Avenue,  
Islamabad, Pakistan  
Tel: 0092-51-9205146-47, Fax: 0092-51-9203076  
www.privatisation.gov.pk

MCOM PID(0) 1887/14

No.5-1/M&I/2014  
Government of Pakistan  
**Public Procurement Regulatory Authority**  
(Cabinet Division)  
◊◊◊

Islamabad, the 30<sup>th</sup> March 2014

Subject: **CLARIFICATION – APPLICATION OF PUBLIC PROCUREMENT RULES 2004**

Sir,

Reference Privatisation Commission's letter No.19(1)/PPRA/JP dated 21<sup>st</sup> March, 2014 on the subject cited above.

2. Privatisation Commission has committed the violation of Rule 16(2) of Public Procurement Rules, 2004 in the subject tenders which were received through email and uploaded on PPRA's website. In terms of Rule 16(2), the procuring agency shall provide a set of pre-qualification documents to any supplier or contractor, on request and subject to payment of price, if any. Please note that the price of pre-qualification documents shall be limited upto cost of printing and providing the documents. Other costs as mentioned in your letter cannot be charged on this account. Furthermore, the spirit of the Public Procurement Rules 2004 encourages maximum participants to ensure better competition amongst the bidders.

3. In the light of above, it is requested to revise the EOI in compliance of the rule as mentioned in PPRA's earlier letter dated March 13, 2014.

Yours faithfully

  
( Rizwan Mehmood )  
Assistant Director - II  
Ph: 9205726 38

Syed Zain Gillani  
Director (Admn)  
Privatisation Commission

Islamabad



GOVERNMENT OF PAKISTAN  
NATIONAL ACCOUNTABILITY BUREAU  
ATTA TURK AVENUE, G-5/2  
ISLAMABAD

AWARENESS & PREVENTION DIVISION

Mandated to educate, advise, assist and instruct in Prevention of Corruption and Corrupt Practices  
(Section 33B & C of NAO 1999)

5-2(75)Pre/A&P/NABHQ/2013

January 08, 2014 /40

All Ministries / Divisions /  
Departments / Regulatory Bodies  
and Corporation etc. (lst attached)

Subject: MEASURE FOR PREVENTION OF CORRUPTION IN PUBLIC  
PROCUREMENT PROCESS FOR TRANSPARENCY AND  
MERITOCRACY

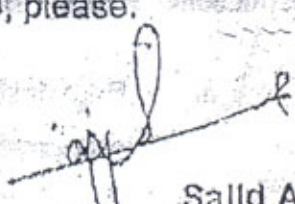
To plug the possible corruption holes during procurement process, National Accountability Bureau (NAB) under its Prevention Regime, as enshrined in section 33B and 33C of National Accountability Ordinance (NAO) 1999 read with Public Procurement Rules 2004, advises to abide by the following instructions, in order to ensure transparency in the public procurement process:

- a. Registration or enlistment of contractors on periodic basis a procurement agency is not needed under the Public Procurement Rules 2004 nor any charging of fee on this account is admissible. This practice should be stopped forthwith as it supports the Corrupt Practices of collusive/limited competition to favor the favorites.
- b. A procurement agency may adopt the process of pre-qualification of contractors to establish their ability to perform for a particular work; therefore enlistment of the contractors, as condition in pre-qualification is not required and cannot be imposed as condition for pre-qualification under Public Procurement Rules 2004.
- c. It is further required to completely specify the conditions and circumstances explained in rules 15 and 16 "pre-qualification of contractors and suppliers" and "pre-qualification process" of Public Procurement Rules 2004.

- d. All procuring agencies should make available the bidding or pre-qualification documents and other related communication in downloadable format, for any interested bidder or party, at their websites to use these documents for submitting bid(s) with admissible tender fee, if any, paid in bank as prescribes by procuring agency. This will break cartelization and collusive biddings. (Instructions under Prevention Regime of NAB)
- e. Mis-procurement declared and falling within Rule 50 of PP Rules 2004 at any stage shall be liable for cognizance by NAB under relevant Section of NAO 1999.

2. The above information be communicated to all subordinate offices responsible for procurement processes.

3. It is to inform that these instructions are issued after consultation with Public Procurement Regulatory Authority and with the approval of DG A&P NAB HQ / President Prevention Committee on Procurement, Projects and Auctions, constituted by Chairman NAB under Section 33C of NAO 1999, please.

  
Sajid Ali  
Deputy Director (Coord)  
(A&P Division) NAB HQ

Ph: 051-9245537  
Fax: 051-9245908

Copy for info to:-

- a. PS to Chairman NAB
- b. MD, Public Procurement Regulatory Authority (PPRA) Islamabad
- c. Addl. Directors Staff, All Regional NABs
- d. Director A&P, All Regional NABs
- e. MD, Punjab Public Procurement Regulatory Authority, Lahore