



2<sup>nd</sup> February, 2015

Mr. Kamran Michael,  
Federal Minister of Ports & Shipping,  
Government of Pakistan,  
Islamabad.

Sub: Complaint of Collusion between Nespak and Officers of Gwadar Port Authority, Ministry of Ports & Shipping on the Process to Award the Consultancy Contract for Project Management & Supervision of Eastbay Expressway of GWADAR PORT.

Dear Sir,

Transparency International Pakistan has received a complaint of Collusion between Nespak and officers of Gwadar Port Authority, Ministry of Ports & Shipping on the process to award the Consultancy Contract for project management & supervision of Eastbay expressway of GWADAR PORT.

The allegations of the complainant on the role of MOP&S Officers of apparent collusion for appointment of NESPAK are quoted below;

1. The RFP issued by Gwadar Port Authority in January 2015 for the proposal invited to be submitted by 9<sup>th</sup> Feb, 2015 are tailor made for selection of only NESPAK.
2. The criteria for experience "Experience – similar nature of projects", Consultants must have completed / ongoing five projects with each project of Rs.10, 000 million in Pakistan as well as abroad (i.e., five projects in Pakistan and five projects abroad) during the last ten years is discriminatory, under Rule No. 32 of the PPRA Rules.
3. The requirement for 30 Engineers of different disciplines must be in employment with the firm for last five years is discriminatory under PEC SBDS mandatory by PPRA Regulations 2008, which requires only one year period as permanent employee, and not 5 years. Under the criteria, 40 marks will only be awarded to NESPAK. This is a violation of PPRA Rules.
4. The criteria of minimum 25 years minimum time of establishment is discriminatory and violation of Rule 32.
5. The "Audit Financial statements of last five years", In order to obtain 30 marks, the company must have cumulative turnover for last 5 years up to Rs.2500 million. In Pakistan a company with Rs. 500 million annual turnover can only be a construction company. In Consultants, only NESPAK is having such turn over, being awarded unsolicited contracts of billion of rupees, a crime under PPRA Rules.
6. In stage 1, Positions with man month input, experience and qualification etc are not asked for from the bidders in their TOR, so that in pursuant to the requirements as stated every Consultant shall determine and estimate number of key professional staff and, their man months as the project is a supervisor assignment. Only NESPAK knows about the man months requirements.



The Minister is requested to take immediate action on this complaint, as NESPAK past records speaks of the failure of two major projects awarded in past without tendering. One is the ERRA Project, in which ERRA utilized about 50% of the \$ 7.5 Billion grant committed by International Donors in 2006. The project was awarded to NESPAK. ERRA had to abandon the project for technical failure. Second recently Coal Power Project Gadani Coal Park 6,600 MW Plants, which has failed to be feasible, and the government has deferred the project.

Another complaint about award of Dredging of Rs 1.5 billion contact to an inexperienced firm by GPA in 2014 also needs to be probed by the Minister.

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.