



7<sup>th</sup> February, 2014

Senator Kamran Michael,  
Federal Minister for Ports & Shipping,  
Government of Pakistan,  
Secretariat Block D,  
Islamabad.

**3<sup>rd</sup> Reminder**

**Sub: Complaint on the Irregularities committed in the Dredging Contract by M/s China International Water and Electric Co. Ltd expected to cause loss of more than Rs. 18.5 Billion of Rupees to Exchequer. TIP letter 3<sup>rd</sup> August 2013**

Dear Sir,

Further to the complaint sent to the Minister by TI-Pakistan, on 3<sup>rd</sup> August 2013, alleging that KPT, Consultants and Contractor are in collusion, trying to cause a loss to exchequer of over Rs 9 Billion, another complaint on this very Contract is received.

The complainant has sent copy of the Tender Document issued by KPT to all bidders for carrying out 33 million cubic meters (mcm) capital dredging for the approach channel of PDWCP, which includes following directions to all bidders. **Annex-A.**

*2.1.3 Site Information*

*The Contractor's attention is drawn to the site investigation information referred in the Contract and the requirements herein to carry out additional site investigations and surveys under this Contract.*

*The Contractor will be deemed to have familiarised himself with all the above information, with the core samples available for examination through the Employer, with all published Admiralty and Port Authority Charts and tidal information relating to the site and with the prevailing weather, wave, current conditions and sediment transportation experienced in the area.*

*Notwithstanding any statements, recommendations or conclusions made in the above reports, the Contractor is solely responsible for assessing all data and carrying out his own interpretations, taking into account any potential time related changes in the conditions of the samples which may occur between the time of extraction and the time when testing or assessment be made.*

*2.1.4 Materials to be dredged*

*The Contractor shall make his own assessment of the quality and nature of the materials to be dredged and provide the most suitable plant to achieve the required dredging profiles and required quality of reclamation material.*

If the document provided to TI Pakistan (**Annex-A**) is a genuine document, then any claim by the Contractor for additional payment on account of hard soil is not tenable nor justified.



This document also does not allow the Consultant to recommend any additional payment to Contractors, M/s CWE, for hard soil, in view of the instructions given to bidders in tender documents that notwithstanding any statements, recommendations or conclusions made in the above reports, the Contractor is solely responsible for assessing all data and carrying out his own interpretations, taking into account any potential time related changes in the conditions of the samples which may occur between the time of extraction and the time when testing or assessment be made, and that the Contractor shall make his own assessment of the quality and nature of the materials to be dredged and provide the most suitable plant to achieve the required dredging profiles and required quality of reclamation material.

The Federal Minister for Ports & Shipping along with Mr G.A. Memon, GM (P&D) KPT and Mr Noman Bashir SA to the Minister, is also reported to have met the Consultant in England during his visit in December 2014 on CWE Claim, and regarding alleged Irregularities committed in the Dredging Contract by M/s China International Water and Electric Co. Ltd.

The Minister, who has not responded since last 6 months on the complaints against M/s CWE, KPT and Consultants, is again requested to look into the complaint, and if found to be correct, direct KPT to submit a report on the allegations against M/s CWE, and also take action to protect exchequer money of over Rs 9 billion.

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 Muzzafar  
Chairman

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

1. Secretary to Prime Minister, Islamabad.
2. Chairman, PAC, Islamabad
3. Chairman, NAB, Islamabad.
4. Secrteatry, Ports & Shipping, Islamabad.
5. Registrar, Supreme Court of Pakistan, Islamabad.
6. Managing Director, PPRA, Islamabad.

## 2 DREDGING & RECLAMATION

### 2.1 General

#### 2.1.1 Scope

The Drawings define the extent of dredging and areas to be reclaimed.

Suitable dredged materials shall be used in the reclamation. The various grades of dredged seabed material shall be carefully selected as required for the reclamation areas. Material to be hydraulically placed and compacted shall be free of clay or deleterious substances and shall have a fines content (after placing in the reclamation area) not exceeding the limits stated herein.

#### 2.1.2 Definitions

For the navigable areas, the dredging profile is the surface defined by the lines, levels and slopes shown on the Drawings, above which no seabed material regardless of type or nature protrudes at the time of the final survey under the Contract.

The Final Surface of any reclamation work is the surface defined by the lines and levels shown on the Drawings to which, following any settlement which occurs before expiry of the Maintenance Period for the Works or the relevant Section of the Works, the works under the Contract are to be finished within the tolerances stated herein.

#### 2.1.3 Site Information

The Contractor's attention is drawn to the site investigation information referred in the Contract and the requirements herein to carry out additional site investigations and surveys under this Contract.

The Contractor will be deemed to have familiarised himself with all the above information, with the core samples available for examination through the Employer, with all published Admiralty and Port Authority Charts and tidal information relating to the site and with the prevailing weather, wave, current conditions and sediment transportation experienced in the area.

Notwithstanding any statements, recommendations or conclusions made in the above reports, the Contractor is solely responsible for assessing all data and carrying out his own interpretations, taking into account any potential time related changes in the conditions of the samples which may occur between the time of extraction and the time when testing or assessment be made.

#### 2.1.4 Materials to be Dredged

The Contractor shall make his own assessment of the quality and nature of the materials to be dredged and provide the most suitable plant to achieve the required dredging profiles and required quality of reclamation material.