



4<sup>th</sup> September, 2010

Mr. Ayaz Awan Dareshani,  
Chief Commercial Manager/P,  
Pakistan Railways,  
Head Quarters Office,  
Lahore

Sub: Violation of Public Procurement Rules, 2004

Invitation of Expression of Interest/ Prequalification of firms for Pakistan Railways

Dear Sir,

The notice of Invitation of Expression of Interest published in Daily Express on 28 August 2010, for Prequalification of firms for Pakistan Railways is against the Public Procurement Rules 2004, as the set of Prequalification Document is not provided, which is a mandatory requirement. The Rules are available on PPRA website [www.ppra.gov.pk](http://www.ppra.gov.pk) and [www.transparency.org.pk](http://www.transparency.org.pk).

Public Procurement Rules, 2004 have eliminated all discretion in procurement process, and the Rule No 16 requires you to prepare a set of prequalification documents, and provide detailed evaluation criteria to applicants, which is not being given to applicants on this project. Rule is quoted below for your information;

**16. Pre-qualification process.-**

- (1) The procuring agency engaging in pre-qualification shall announce, in the pre-qualification documents, all information required for pre-qualification including instructions for preparation and submission of the pre-qualification documents, evaluation criteria, list of documentary evidence required by suppliers or contractors\* to demonstrate their respective qualifications and any other information that the procuring agency deems necessary for prequalification.*
- (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.*



*Explanation. - For the purposes of this sub-rule price means the cost of printing and providing the documents only.*

*\* 2 (d) "contractor" means a person, consultant, firm, company or an organization who undertakes to supply goods, services or works;*

The evaluation criteria shall include a detailed criterion on how each mark will be awarded in each category, which makes these rules discretion free. Bidders must be informed how the scoring will be done for each category and what is the passing score in each category and overall score.

The above information is forwarded for the purpose of avoiding the mis-procurement charge under Rule No 50, and to re-advertise this prequalification notice under the prescribed procedures.

TIP would like to quote Supreme Court Order given on 28<sup>th</sup> April 2010, in the case of award of multibillion dollar LNG contract to GDF-Suez, in which the SC has announced that it is the duty of the Court to ensure the application of Public Procurement Rules 2004.

TI Pakistan is striving to have Rule of Law in Pakistan, which is the only way to eliminate corruption and have good governance in country.

With Regards,

Syed Adil Gilani

Chairman

Copy forwarded for information of;

1. Chairman, Public Accounts Committee, Islamabad
2. Auditor General Pakistan, Islamabad
3. Registrar Supreme court of Pakistan, Islamabad
4. Managing Director, PPR, Islamabad

