

No.F.1(80)/DD-II/PPRA/2010
GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(CABINET DIVISION)
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Islamabad, the June 08, 2010.

From : Khalid Mahmood Lodhi,
Director – II,

To : Syed Adil Gilani,
Chairman,
Transparency International-Pakistan,
5-C, 2nd Floor,
Khayaban-e-Ittehad, Phase-VII,
Defence Housing Authority,
Karachi.

SUBJECT: ALLEGATION OF VIOLATION OF PUBLIC PROCUREMENT
RULES, 2004 BY PAKISTAN RAILWAYS IN THE TENDER FOR
PROCUREMENT OF 150 LOCOMOTIVES.

Please refer to your letter No. nil, dated 30th May, 2010 on the above
subject.

2. Your complaint was forwarded to Ministry of Railway for disposal under
Rule-48 of Public Procurement Rules, 2004. Procuring Agency has given the
comments on the complaint and the same is being enclosed for your kind perusal.


(KHALID MAHMOOD LODHI)



GOVERNMENT OF PAKISTAN
MINISTRY OF RAILWAYS
OFFICE OF THE
GENERAL MANAGER (MANUFACTURING & SERVICES)
ISLAMABAD.

No. M&S/150/D.E. Locos.

Dated : 04.6.2010.

Mr. Naeem Ahmad,
Dy. Director/II,
Public Procurement Regulatory Authority,
(Cabinet Division)
Government of Pakistan,
Islamabad.

Sub-: ALLEGATION OF VIOLATION OF PUBLIC PROCUREMENT
RULES, 2004 BY PAKISTAN RAILWAYS IN THE TENDER FOR
PROCUREMENT OF 150 LOCOMOTIVES.

Ref-: Your letter No.F.1(80)/DD-II/PPRA/2010 dated June 1, 2010.

With reference to your letter cited above regarding Rule 24(1), it is clarified that PPRA Rule 24(1) in fact has not been violated being not applicable/relevant in this purchase being dealt as per Rule 42 d(ii) prescribing alternative methods of procurements/negotiated tendering as per methodology in Rule 36(d) of PPRA for getting the good price in the situation as indicated below.

2. As per technical requirement of the bidding document, the prime-mover of the locomotive viz. Diesel Engine has been prescribed on technical grounds, which incidentally are proprietary item of two different manufacturers/competitors i.e. M/s General Electric, USA and M/s General Motors, USA. It is just a coincidence that both these Diesel Engine manufacturers belong to USA, giving an impression that a specific country (USA) has been favoured in violation of Rule 24(1) but factually it is not so, as explained above.

Moreover, U.S. EXIM Bank has indicated a tied loan for 85% financing.

3. As far as the problems apprehended by M/s General Motors, as indicated in TIP letter dated 30.5.2010, it is informed that the apprehensions have been removed after the participation of M/s General Motors and clarifications given in the pre-bid conference.

This issues with the approval of General Manager/M&S.


(Abdul Haseeb)
Staff Officer to
General Manager/M&S