



2<sup>nd</sup> October, 2013

Mr. Tariq Malik  
Chairman,  
National Database and Registration Authority,  
Islamabad.

Sub: Complaint of violation of Public Procurement Rules 2004 in revised RFP for  
NADRA tender 33/2013 for procurement of 20 million Security Paper for Child  
Registration Certificate (CRC)  
Complaint of making false statement by Dr.Tahir Akram, director-general of  
administration NADRA, and director procurement Naveed Akhtar Channa,

Dear Sir,

Transparency International Pakistan with great pains reports a serious complaint of making false statements by Dr. Tahir Akram, director-general of administration and ex-dy. Chairman NADRA, and wrong RFP prepared by director procurement Naveed Akhtar Channa, regarding RFP issued to bidders on 20 September 2013, which was NEVER APPROVED BY PPRA, and in fact it was rejected by PPRA.

Following are the alleged mis statements of NADRA officers;

1. According to email of Aug 21, 2013 from Mr Channa, on the RFP previously issued by NADRA in August 2013, following statement were made through emails;

1. **TIP:** NADRA has been procuring this very product in past based on Rule 36 and never on marking system, and always lowest priced bid was awarded contract.

*Director Procurement NADRA has always emphasized on transparency and has above aboard in all previous tender also we can consequently assure you that its conditions do not limit to any specific company or paper mill. On the contrary what TI is suggesting would be to favor one company that is PWPW which much regret cannot be done. All world class companies qualify for the above tender. We cannot become a party to help one company at TI request.*

*Meanwhile, we are seeking PPRA's guidance for further necessary action.*

TIP: The RFP had to be cancelled in August 2013 by NADRA due to the PPRA Objections.

2. **Chairman NADRA: 23 August 2013,** *I am escalating the matter of CRC procurement to Mr. Channa's superior in the chain of command i.e. Dr. Tahir Akram, DG Admin, NADRA, who is being copied on this email. He will be further looking into the matter and may also contact you in this regard. You may also feel free to contact him should you so desire.*



*I am pleased to inform you that PPRA-compliant procurement being the mutual objective of our MOU, NADRA has sought guidance from PPRA on the entire RFP for CRC procurement. My legal team advised me that "sub-section (1) and clauses (a), (e), (f) and (g) of sub-section (2) of section 5 of PPRA Ordinance, 2002 give ample powers to PPRA to monitor and make recommendations regarding procurement practices and implementation of their legal regimes for procurement by procuring agencies, including assistance for development and improvement of their public procurement activities." Rest assured that NADRA will follow PPRA's advice in the matter.*

**TIP 23 August 2013:** *NADRA procured 20 million CRC papers in 2011, and the procurement method was , technical evaluation, based on compliances of specifications, and tender conditions. Financial bids of non responsive bidders were returned un opened, and opening of financial bids of responsive bidders held publicly, as per rule 36. Lowest evaluated financial bid was awarded contract.*

3. **TIP on 1<sup>st</sup> October 2013:** TIP has received a complaint on the violation of Public Procurement Rules 2004 in revised RFP for NADRA tender 33/2013 for procurement of 20 million Security Paper for Child Registration Certificate (CRC) from manufacturers of Security Paper and/or Bank Notes.

**Dr.Tahir Akram, DG NADRA on 2 October 2013:** *Thanks for your email and letter regarding the subject procurement. I would like to apprise you that the RFP has been amended on more than one occasion to accommodate the observations received from your organization as well as other persons including the interested vendors. the latest RFP has been floated after thorough correspondence as well as interaction with PPRA. The clauses and conditions have been duly vetted by the regulatory body. As considerable time has elapsed and it is not possible to keep on amending the RFP endlessly, as the existing stocks have reached a critical level, it is therefore informed that NADRA is going ahead with processing of procurement on the basis of the RFP approved by PPRA.*

This is to inform the Chairman NARDA that the false statements, leading to mis guiding NADRA and PPRA , by Dr. Tahir Akram and Naveed Akhtar Channa is proved from PPRA letter to NADRA on 27 September 2013. ( Extracts from PPRA Letter Annex-A)

- I. Mr Naveed A Channa issued new RFP to bidders on 20<sup>th</sup> September 2013, without taking input of PPRA. The new RFP was sent to PPRA on 18<sup>th</sup> September 2013, 2 days before the RFP was issued to bidders for seeking advice of NADRA. But the RFP was issued without the approval of PPRA, not complying Chairman NARDA ordes of 23/8/2013.
- II. Dr.Tahir Akram informed TIP that NADRA is going ahead with processing of procurement on the basis of the RFP approved by PPRA. Whereas, PPRA on 27<sup>th</sup> September 2013, has raised eight serious shortcomings in the of new RFP . PPRA therefore advised NADRA to address all of these objections/shortcomings. PPRA also advised NADRA , in view of Rule 12, to re advertise this tender so as to enhance fair competition.





Chairman NADRA may note that PPRA has made serious objections on marking system of Categories B,C,D, & F, and did not approve the RFP.

TIP vide its letter dated 1 October, 2013, has also pointed out similar objection on no transparent marking, which is discretionary as stated below;

*Criteria A & B are the only two criteria which if complied 100% by the bidder, shall be the basis for Technical Evaluation, and are to be awarded 80Marks*

*In categories C, D, E 20 Marks for Proposed Technology. Companies participating to the tender shall have at least 5 different references of paper delivered with a window thread security feature to a government institution. 20 Marks for Proposed Work Methodology, Staffing capacity. (Participating company if have 2 working paper machines available for the manufacturing of the paper), and 10 Marks for Qualification and Competence of the key proposed staff, are irrelevant for a supply tender. The marks to be awarded in these three categories are discretionary.*

**Recommendations of Transparency International Pakistan for NADRA**

- A. NADRA to incorporate in the new RFP all amendments to address the shortcomings pointed out by PPRA on 27<sup>th</sup> September 2013.
- B. Either of the 3 Options suggested by TIP on 1<sup>st</sup> October 2013 may be used in new RFP.
- C. PPRA may be requested to allow 15 days time for inviting proposals, as all the interested bidders have local representatives in Pakistan. TCP has been getting this approval for their Tenders of import of Fertilizers, for 7 days time, instead of 30 days. This enable to maintain same tender opening date.
- D. NADRA may take action against Dr. Tahir Akram, director-general and Naveed Akhtar Channa director procurement, for efforts to bypass PPRA Rules, and making false statements that PPRA had approved the new RFP issued on 20<sup>th</sup> September 2013.

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

With regards,

Syed Adil Gilani,  
Adviser

Copies forwarded for the action under rules, and information of:

1. Secretary to the Prime Minister, Islamabad
2. Federal Minister for Interior, Islamabad,
3. Registrar SC, Islamabad.
4. Director General (A&P), NAB, Islamabad.
5. Managing Director, PPRA, Islamabad, TIP appreciate PPRA role in proper guidance being given to all procuring agencies, to comply with Public Procurement Rules 2013.

Annex-A.

2. Following are the views/comments of PPRA on the revised Bidding Documents forwarded by NADRA on 18-09-2013:-

- i) At Page-8 of bidding documents, under step 1 Clause – 17 of Public Procurement Rules, 2004 has been mentioned which may be corrected as Rule-17 of the Public Procurement Rules, 2004 (i.e. qualification of suppliers and contractors)
- ii) At page-9 under “**OTHER TERMS & CONDITION**” against condition (a) – “**Right to Accept the Bid**” the words “**without assigning any reason**” is mentioned which is against Rule 33(1) of Public Procurement Rules, 2004. The same may be corrected.
- iii) At Page-10, under **Bid Bond** following condition(c) is mentioned:-
  - c. Bid Bound should be valid for 180 days from the last date of bid submission.

The above condition may be made in the line with the condition:-

- g. Bid shall remain valid for the period of 180 days after the date of bid opening.
  - iv) The existing technical evaluation criteria under Sr, Nos. B,C,D & E needs further sub-classification.
  - v) Blacklisting of suppliers and contractors, arithmetic errors and conflict of interest may be properly numbered at relevant places. Moreover the relevant conditions for the blacklisting and the manner to permanently or temporarily bar the suppliers or contractors may be explained in bidding documents.
  - vi) Financial bid format as it may be deemed appropriate by NADRA may be annexed with the bidding documents. The inclusion or otherwise of all taxes in the financial bid needs elaboration.
  - vii) A draft contract to be signed with the successful bidder may also be made part of the bidding documents.
3. in view of above listed short-comings. PPRA is of the view that NADRA may re-advertise the procurement opportunity in accordance with Rule 12 of Public Procurement Rules, 2004 to enhance the open competition.