



# TRANSPARENCY INTERNATIONAL-PAKISTAN

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18<sup>th</sup> January, 2017

TI.17/1801/1A

Mr. Syed Ahmed Iqbal Ashraf  
President,  
National Bank of Pakistan,  
Karachi.

Sub: Violation of PPRA Rule No. 47 in Tender ID: NBP/LSG/CRBG/06012017.

Dear Sir,

In continuation of earlier letter no TL16/0609/13A dated 6<sup>th</sup> September, 2016, it has been reported that the tender on the basis of complaint was cancelled.

TI-Pakistan has received another complaint regarding the same procurement (Copy Encl.) dated 17-01-2017.

The complainant has made following allegations;

1. This procurement is from Queue Management System, which in simple language is when customers visit bank branches and they get slip from the machine installed which has the serial number and when counter display serial number the customer goes to the counter in which his number is displayed.

The system is installed in almost 50% banks in Pakistan i.e. over 5000 branches and is a service provided by the Bank to its customers.

The bank installs the setup from its own funds and operates the maintenance of machinery either itself or through a maintenance contractor.

This revised tender issue on B.O.T. (Build, Operate and Transfer) basis which is quite strange and an unexplainable mode of tendering.

B.O.T. procurement is actually build, operate and transfer in which the bidder who wins the contract construct the project, finance the project from his own resources, operate the project and recover the cost of the project from the users within a defined time period from 10-40 years and after the time period is complete, hands over the project to the client at zero cost.

The NBP concept of B.O.T. in Queue Management is not practical and therefore should be reviewed by Board of directors of NBP.

2. The non-disclosure agreement has been given to bidders not to disclose certain confidential information namely;

### 3.0. Scope of this Agreement

3.1 "Confidential Information" means any Information directly or indirectly concerning, or related to the:

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3.1.1 Information about the activities of the NBP.

3.1.2 Information about the above mentioned project by NBP, including but not limited:

- Policies
- Procedure
- Business Rules
- Validation Checks, all project related information
- Process followed etc.

3.1.3. Any other information relating to the project the Recipient having obtained from NBP during the course of this exercise.

Complainant has objected on this non-disclosure requirement as there is nothing to stop the contractor or bidder to approach any organization after the bids have been opened and declared and evaluation report is given to bidder given under Rule No.35 and also posted on PPRA website.

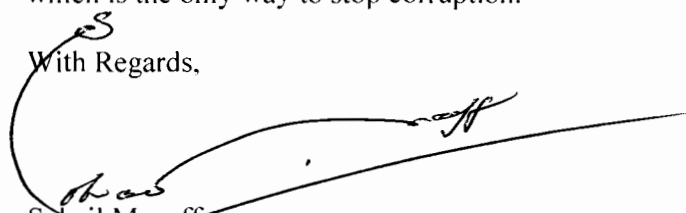
The evaluation report and as well as contract agreement are to be uploaded on procuring agency's website and on PPRA's website after award of contract and therefore these are requirements of transparent procurement of PPRA.

TI-Pakistan examined the complaint and prima facie appears that NBP is re-inventing the wheel as this project has been lingering on for last 2 years and mode of procurement have been changed which prima facie gives impression that NBP wants to award the contract to some particular company.

President, NBP is requested to examine the complaint and re-invite the tenders in accordance with PPRA Rules or update it without putting such conditionality. Normal procurement may be resorted to without the B.O.T. concept.

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. Director General, NAB, Karachi.
3. Chairman, Prime Minister's Inspection Commission, Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad.
5. Managing Director, PPRA, Islamabad.

January 17, 2017

**Mr. Sohail Muzaffar**  
Chairman  
Transparency International Pakistan  
4-C, 1st Floor, Khayaban-e-Ittehad, Phase VII, D.H.A.,  
Karachi.

**SUB: Violation of PPRA Rule No. 47 in Tender ID: NBP/LSG/CRBG/06012017**

Dear Sir,

In continuation of our complaint to your esteemed organization, we once again inform you that the subject tender which is a continuation of the previous three tenders announced by NBP which was later cancelled or postponed due to TIP's intervention has been floated again.

The anomaly this time is that they want to put the Cart before the Horse, asking the participants to sign and submit a **Non-Disclosure Agreement before the tender documents can be issued and that too for five years and this is a violation of PPRA Rules No. 47.**

In the new tender for Queue Management System, they have asked for supply on B.O.T. (Build, Operate and Transfer) basis which cannot be applied to Queue Management System because the basic purpose of this system is to manage a queue in the branch by issuing a queue ticket of a desired service required by the customer. The queue ticket will be called by the teller staff responsible to provide service by simply pressing a single button and after that the queue number will be displayed on the Counter Display and Waiting Area Display followed by a voice announcement and all this procedure will be performed by the Queue System automatically (no human intervention is required). So, the B.O.T concept is not applicable in this scenario there is nothing special that should be operated or transferred by the vendor.

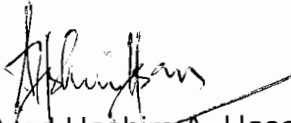
It is also very important to note that if queue system is supplied on BOT basis it will be much costlier because a rental will be charged resulting in huge loss to the National Exchequer as at the time of transfer the bank will get machines which will be ready for replacement after five years as that is much beyond the warranty period.

It is important to note here that in spite of our several offers to impart free training to their staff for the use of QMS, they have not availed this offer so on BOT basis how will the bank ensure that the handling will be done by trained staff.

We strongly feel that this NDA is being asked only to ensure that bank is allowed to do whatever it wants disregarding all norms of procurement since everyone will be bound not to approach any organization like yours in case of misconduct in the tender similar to the previous 3 tenders for the same.

We request you to look into this matter and stop this unlawful signing of NDA before the award of tender to save millions of Rupees of the government money.

Sincerely yours,

  
Syed Hashim A. Hasan  
Director  
0302 8208566

Encl: Copy of Tender Notice  
NDA Agreement  
Last Cancellation Notice of Tender

## Pakistan Office Automation (Private) Limited

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