



22nd July, 2009

Mr. S. Ali Raza
President,
National Bank of Pakistan,
NBP Head Office Building,
I.I. Chundriger Road,
Karachi.

Sub: Frequent Violations of Public Procurement Rules 2004 in NBP

Dear Sir,

Transparency International Pakistan has been reporting regularly the violations of Public Procurement Rules 2004 by NBP, and frequent misuse of prequalification provision and the Single stage – two envelope procedure of tendering, which may amounts to collusive practices as defined in Rule No 2.

2(f) **corrupt and fraudulent practices**” includes the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty.

The procurement method prescribed in Rules is; **21. Open competitive bidding.-**

**Subject to the provisions of rules 22 to 37 the procuring agencies shall engage in open competitive bidding if the cost of the object to be procured is more than the prescribed financial limit which is applicable under sub-clause (i) of clause (b) of rule 42*

There is no provision in the Public Procurement Rules 2004 for the enlistment. But NBP has been doing the enlistment disregarding rules.

Almost non of the procurement of NBP is made through open tendering.

Procuring Agency is allowed to use the prequalification process in certain cases, but even in those cases the procedure described in Rules 15, 16 and 17 has to be performed for each and every procurement separately.

TI Pakistan refers to the following procurements which have been objected by TI Pakistan without getting justifications of the violations committed by NBP.





1. Prequalification of PR Agency, refer TIP letter dated 2 July, 2009
2. After the stage of public announcement of successful bidder on NBP website, cancellation of Tender of Project Management Consultancy Services in implementation of Core Banking Application at NBP Tender ID: NBP/ITG/PU/30012009. Refer TIP letters 20.6.2009, 24.6.2009 and 2.7.2009.
3. The issue of one vendor specific requirements made in the Draft tender documents of hardware by Fidelity Information Systems (FIS), the CBA vendor. Refer TIP letters 20.6.2009, 24.6.2009 and 2.7.2009.

TI Pakistan refers to the following recent procurements made by NBP which shows that few selected firms have been enlisted in multiple categories as contractors and suppliers, and procurements are made not complying competitive bidding.

1. Construction of Boundary Wall at Rs 983,990 at NBP Hut No.N-38 Sandspit Karachi, awarded in July 2009 to M/s Ghulam Company, where M/s S.A Enterprises was the 2nd lowest bidder and M/s. Decent Trading Co was the highest bidder. (Copy of NMP report attached).
2. Supply of furniture at NBP Guest House DHA Karachi in Feb 2009, awarded to M/s MARCO Builders & Developers Rs.738,000.00, where M/s S.A Enterprises was the 2nd lowest bidder and M/s. Decent Trading Co was the highest bidder (copy of NBP report attached).
3. Supply of furniture at 5th. Floor IT Group NBP HO Karachi awarded in Feb 2009 to M/s. Decent Trading Co at Rs 710,000.
4. Repair, Renovation and Refurbishment of NBP Branch at Sindh Sectt. Karachi awarded in Feb 2009 to M/s. Decent Trading Co at Rs 1,638,739.

The above four procurements indicates that M/s Decent Trading Company is a Furniture Manufacturer, a Civil Contractors, and a General Contractor. Such incidents in NBP are many.

Following procurements are based on technical and financial scoring system, not allowed in the Public Procurement Rules 2004.

1. Selection of Service Provider for Share Registrar Services, awarded in June 2009 at the highest quoted prices to M/s Central Depository Company of Pakistan, using 70:30 weight age system, and that too in wrong manner (Prices not declared by NBP for reason best known to NBP).





ALAC
Pakistan

72 F / II, 1st Floor, Jam Commercial,
Street No 9, Phase VII, D.H.A., Karachi,
Tel: (92-21)-5381481
E-mail: alacpakistan@gmail.com
Website: www.alacpakistan.com

2. ATM Expansion and Service Improvement awarded to M/S. WEBDNAWORKS (PVT) LITD, without any competition.(Price not declared in Report for reason best known to NBP IT Department)

The Rule No 48 Redressal of grievances by the procuring agency, requires NBP to investigate these violations, and after the inquiry is completed, please provide a copy of the decision taken by NBP on these alleged mis-procurements..


Syed Adil Gilani
Chairman,
Transparency International Pakistan
Email: gilanmiadil@gmail.com
Fax: 021-5390410

Copy forwarded for the information and necessary actions to

1. Mr. Tanwir Ali Agha, Auditor General Pakistan, Islamabad.
2. Chairman, PAC, Islamabad
3. Chairman, National Accountability Bureau, Islamabad
4. Managing Director, PPRA, Islamabad. .



Engineering Wing
Operations Group

EW/OPG/HO/09/
July 07, 2009

BID EVALUATION REPORT

Construction of Boundary Wall at NBP Hut No.N-38
Sandspit Karachi

Sealed Tenders were invited from the Bank's pre-qualified / enlisted contractors for Execution of subject work as per PPRA rules.

Tenders were received and opened on the due date i.e. July 06th 2009 at 12.00 hours in presence of tender opening committee and contractors or their agents. Following is the comparative statement of the bids.

S #	Name of Contractor	Tender Amount (Rs.)	Position
1	M/s Ghulam Company	Rs. 983,990/-	1 st Lowest
2	M/s S.A Enterprises	Rs.1,0232,50/-	2 nd Lowest
3	M/s Contech Construction	Rs.1,059,835/-	3 rd Lowest
4	M/s. Decent Trading Co.	Rs.1,163,250/-	4 th Lowest

The tender of M/s.Ghulam Company is the lowest bidder with tender amount of Rs.983, 990/-. The rates quoted by the contractor are fair, reasonable and justified.

(M. Matiur Rehman)
Chief Engineer (South)



NBP

National Bank of Pakistan



ENGG /HO/2009
February 18, 2009

BID EVALUATION REPORT

1. Supply of furniture at NBP Guest House DHA Karachi

Sealed Tenders were invited from the Bank's pre-qualified/ enlisted firms for execution of subject works, as per PPRA rules.

Tenders were received and opened on the due date 13/02/2009 at 12.00 hours in presence of tender opening committee and contractors or their agents. Following is the comparative statement of the bids.

1. M/s MARCO Builders & Developers	Rs.738,000.00	1 st . lowest
2. M/s S. A. Enterprises	Rs.762,000.00	
3. M/S Decent Trading Company	Rs.762,000.00	

M/s MARCO Builders & Developers are the lowest bidder quoted the lowest tender for Rs.738,000.00

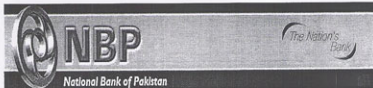
2. Supply of furniture at 5th. Floor IT Group NBP HO Karachi

Sealed Tenders were invited from the Bank's pre-qualified/ enlisted firms for execution of subject works, as per PPRA rules.

Tenders were received and opened on the due date 13/02/2009 at 12.00 hours in presence of tender opening committee and contractors or their agents. Following is the comparative statement of the bids.

1. M/s Decent Trading Company	Rs.710,000.00	1 st . lowest
2. M/s New Ideal Furniture Mart.	Rs.760,000.00	
3. M/s Beauty Furnishing Company	Rs.800,000.0	

M/s Decent Trading Company are the lowest bidder quoted the lowest tender for Rs.710,000.00



3. Repair, Renovation and Refurbishment of NBP Branch at Sindh Sectt. Karachi

Sealed Tenders were invited from the Bank's pre-qualified/ enlisted firms for execution of subject works, as per PPRA rules.

Tenders were received and opened on the due date 13/02/2009 at 12.00 hours in presence of tender opening committee and contractors or their agents. Following is the comparative statement of the bids.

1. M/s Decent Trading Company	Rs.1,638,739.00	1 st . lowest
2. M/s Beauty Furnishing Company	Rs.1,844,223.00	
3. M/s Shaheen Construction Company	Rs.1,857,025.00	

M/s Decent Trading Company are the lowest bidder quoted the lowest tender for Rs.1,638,739.00

4. Additional work for customer facilitation center at NBP Sakhi Hassan Branch Karachi

Sealed Tenders were invited from the Bank's pre-qualified/ enlisted firms for execution of subject works, as per PPRA rules.

Tenders were received and opened on the due date 13/02/2009 at 12.00 hours in presence of tender opening committee and contractors or their agents. Following is the comparative statement of the bids.

1. M/s Afeef Trading & Furniture	Rs.960,000.00	1 st . lowest
2. M/s Fuzail Enterprises	Rs.1,098,500.00	
3. M/s Ali Enterprises	Rs.1,044,500.00	

M/s Afeef Trading & Furniture are the lowest bidder quoted the lowest tender for Rs.960,000.00

Chief Engineer (South)

BID EVALUATION REPORT

SELECTION OF SERVICE PROVIDER FOR SHARE REGISTRAR SERVICES

In response to the advertisement for Provision of Share Registrar Services, the following four companies submitted their proposals by the last submission date and time i.e. May 30, 2009 at 11:00 AM:

- M/s Central Depository Company of Pakistan
- M/s Famco Associates (Pvt.) Limited
- M/s Noble Computer Services (Pvt.) Limited
- M/s THK Assocites (Pvt.) Limited

The bidders' evaluation was done on the basis of weightage assigned to technical and financial aspects (as mentioned in the RFP), after which final scores were calculated. Standing of the bidding companies as per scores achieved is as follows:

S. No.	Name of the Company	Technical Score	Financial Score	Final Score
		(70% weightage)	(30% weightage)	
1.	M/s Central Depository Company of Pakistan	81.20	23.45	104.65
2.	M/s Famco Associates (Pvt.) Limited	63.70	30.00	93.70
3.	M/s THK Assocites (Pvt.) Limited	59.50	27.10	86.60
4.	M/s Noble Computer Services (Pvt.) Limited	58.80	24.20	83.00

As M/s Central Depository Company of Pakistan's score is the highest, the contract is being outsourced to M/s Central Depository Company of Pakistan.

As M/s Famco Associates (Pvt.) Limited is second on the merit list, it has been brought on the panel for contingency requirements.

RESULT ANNOUNCEMENT

ATM EXPANSION AND SERVICE IMPROVEMENT
(OUTSOURCE CATEGORY)

VENDOR NAME	RESULT
M/S. WEBDNAWORKS (PVT) LTD	QUALIFIED & SUCCESSFUL BIDDER

Head of I.I Procurement
National Bank of Pakistan