



TRANSPARENCY INTERNATIONAL-PAKISTAN

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23 June 2010

Director Procurement (Sector P-3)
Ministry of Defence Production,
Sectt. No II, Adamjee Road,
Rawalpindi

Fax 052-5516307 Tel: 052-9271468

Sub: Complaint on the violation of Public Procurement Rules, 2004 in the procurement of Personal/Vehicle Access Control and Parametric Surveillance System

Dear Sir,

Transparency International Pakistan has received complaint in the Procurement of Personal/Vehicle Access Control and Parametric Surveillance System, Tender No. 090005/R-1006/370944, that the tender opened on 18th June 2010, though the date of tender opening was 19th June 2010.

The exact complaint is:

This tender was issued as per the instructions of P-37 DP Navy, Rawalpindi on 10 June, 2010. The Technical Opening was to be held on 16 June, 2010 at 1100 Hrs. Whereas on 15-June 2010 an amendment letter was issued that the subject tender opening will be conducted on 18 June, 2010 and time and venue was to remain same. When tender was submitted on 18 June, 2010 another letter was issued with another amendment letter with the same reference letter No: RRC/370944/P-37 Dated 18 June, 2010 which intimated us including another firm that the subject tender opening (Technical Opening) will be held 19 June, 2010 at 1400 Hrs instead of 18 June, 2010.

However when bidder came to attend the tender opening on 19 June, 2010 at 1400 Hrs, it was informed that the subject tender was opened on 18 June, 2010.

From the Tender documents TI Pakistan has also noted following violations:

1. Tender was advertised on 10 June 2010 and closing date was 18 June 2010, which is a violation of Rule no 17, as the minimum required time is 15 days. The Rule is quoted below:

13. Response time.-

** (1) The procuring agency may decide the response time for receipt of bids or proposals (including proposals for pre-qualification) from the date of publication of an advertisement or notice, keeping in view the individual procurement's complexity, availability and urgency. However, under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice. All advertisements or notices shall expressly mention the response time allowed for that particular procurement along with the information for collection of bid documents which shall be issued till a given date, allowing sufficient time to complete and submit the bid by the closing date:



2. The Bid Document did not include "Integrity Pact" no bribery agreement, required under Rule No 7.

3. In General Condition, Clause 11, Terms of payment states 60% on delivery of equipment, and 40% on final acceptance after tests and trials. But in Clause 23, terms of payment is 20% when the performance guarantee is supplied, 60% when equipment is delivered, and 20% on final acceptance after tests and trials. And in bid documents it is also stated that the terms of payment is negotiable.

The Government of Pakistan, Ministry of Finance vide S.R.O.432 (I)/ 2004 on 8th June 2004, have notified "Public Procurement Rules, 2004, which are mandatory on Pakistan Navy also, and overrides all other procedures.

Public Procurement Rules, 2004 have eliminated all discretions in procurement process.

Transparency International Pakistan therefore request you Sir, to kindly confirm whether the complaint is true or false, and also why the rule Nos. 7 and 17 are violated. TI Pakistan also point out that three different of terms of payment, and opening the tender one day earlier than the declared date, and 11 days time allowed to bidders are violations of Rules, which may render this procurement a mis-procurement under Rule no. 50.

Kindly also note that every contractor has to sign Integrity Pact, under which if corruption is deducted, the contractors are to be fined 10 times the amount of loss incurred by GoP due to the corruption, as well as face criminal prosecution under the Laws of Pakistan.

We would also like to inform you about the Supreme Court orders given on 28th April 2010 in case of disputed award of multibillion dollar LNG contract to GDF-Suez, in which the SC has announced that: "Here we may observe that it is duty of the court to ensure that the Public Procurement Regulatory Authority Ordinance 2002 read with the Public Procurement Rules 2004 are adhered strictly to exhibit transparency".

With regards,

Syed Adil Gilani,
Chairman,

Copies forwarded for information and necessary action to;

1. Chairman, Public Accounts Committee, Islamabad.
2. Admiral Noman Bashir, Chief of Naval Staff, **Naval Headquarters, Islamabad**
3. Registrar, Supreme Court of Pakistan, Islamabad
4. Auditor General Pakistan, Islamabad
5. Chairman, NAB, Islamabad,
6. Managing Director PPR, Islamabad.

DIRECTORATE OF PROCUREMENT (NAVY)
AT MINISTRY OF DEFENCE PRODUCTION BUILDING
PAK SECT - II, ADAMJEE ROAD
RAWALPINDI
TELE: 051-9271478
FAX MESSAGE

FROM : 051-5516307, DP (N) RAWALPINDI, PAKISTAN

TO : M/S

FAX :

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PROCUREMENT OF SURVEILLANCE SYSTEM - INDENT NO. 090005/R-1006/370944
DATED 30-2010

1. IT IS INTENDED TO PROCURE SURVEILLANCE SYSTEM INCLUDING ACCESS CONTROL AND PERSONNEL VEHICLE (.) IT IS REQUESTED THAT IF YOUR FIRM IS INTERESTED TO PARTICIPATE IN THE TENDERING PROCESS PLEASE COLLECT TENDER DOCUMENTS PERSONALLY FROM DP (NAVY) OFFICE. THE SAME WILL BE AVAILABLE FROM 11 JUNE 2010 (.) TECHNICAL OFFERS WILL BE OPENED ON 16 JUNE 2010 AT 1100 HRS AT DP (NAVY)

2. PLEASE ACKNOWLEDGE RECEIPT OF THIS FAX MESSAGE AND CONVEY YOUR WILLINGNESS OR OTHERWISE FOR PARTICIPATION IN TENDERING (.) FURTHER DETAILS IF ANY MAY BE OBTAINED FROM UNDER SIGNED ON 051-9271478/03315165958

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ABDUL JALIL
DNSO
For Director

No. RRC/370944/P-37 dated 10 JUNE 2010.

DIRECTORATE OF PROCUREMENT (NAVY)
AT MINISTRY OF DEFENCE PRODUCTION BUILDING
PAK SECT - II, ADAMJEE ROAD
RAWALPINDI
TELE: 051-9271478
FAX MESSAGE

FROM : 051-5516307, DP (N) RAWALPINDI, PAKISTAN

TO : M/S

FAX :

PROCUREMENT OF SURVEILLANCE SYSTEM - INDENT NO. 090005/R-1006/37094
DATED 30-2010

REFERENCE:

DP (N) FAX NO. 370944/P-37 10 JUNE 2010

IT IS INTIMATED THAT TENDER OPENING OF THE SUBJECT CASE WILL NOW BE CONDUCTED ON 18 JUNE 2010 INSTEAD OF 16 JUNE 2010 (.) TIME AND VENUE WILL REMAIN UNCHANGED


ABDUL JALIL
D N S O
For Director

No. RRC/370944/P-37 dated 15 JUNE 2010.

Azameer
15/6

DIRECTORATE OF PROCUREMENT (NAVY)
AT MINISTRY OF DEFENCE PRODUCTION BUILDING
PAK SECT - II, ADAMJEE ROAD
RAWALPINDI
TELE: 051-9271478
FAX MESSAGE

FROM : 051-5516307, DP (N) RAWALPINDI, PAKISTAN
TO : M/S *Storage Trading Co*
FAX : *2278265*

PROCUREMENT OF SURVEILLANCE SYSTEM - INDENT NO. 090005/R-1006/370944
DATED 30-2010

REFERENCE:

DP (N) FAX NO. 370944/P-37 10 JUNE 2010

IT IS INTIMATED THAT TENDER OPENING OF THE SUBJECT CASE WILL NOW BE
CONDUCTED ON 19 JUNE 2010 1400 HRS INSTEAD OF 18 JUNE 2010 (.)
INCONVENIENCE CAUSED IS REGRETTED

Handwritten signature
ABDUL JALIL
DNSO
For Director

Handwritten: 15 Bids

No. RRC/370944/P-37 dated 15 JUNE 2010.