

No. F. 1(16)/DD-II/PPRA/2011
GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(CABINET DIVISION)
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Islamabad, dated 21st March, 2012

SUBJECT: **COMPLAINT ON THE TENDER OF TOLL FOR IQBAL SHAEED T/P, MANDRA T/P, TARRAKI T/P AND JEHULM T/P, AGAINST THE STANDARD USED BY NHA ON OTHER T/P.**

Reference Public Procurement Regulatory Authority's letter of even number dated 6th February, 2012 and Transparency International Pakistan letter No. Nil dated 3rd February, 2012 on the above noted subject.

2. Your request was forwarded to National Highway Authority (NHA), Islamabad for disposal under Rule – 48 of Public Procurement Rule, 2004. The comments of Procuring Agency are enclosed.


(Ali Temoor)
Asstt. Director-III

Syed Adil Gilani,
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NATIONAL HIGHWAY AUTHORITY
27-Mauve Area, G-9/1, Islamabad

No.16 (15)/NHA/OMU/DD(ETTM)/12/661

5 March 2012

✓ Mr Naeem Ahmed
Dy. Director-II,
PPRA,
Islamabad

Subject:- **COMPLAINT ON THE TENDER OF TOLL FOR IQBAL SHAHEED, T/P, MANDRA T/P, TARRAKI T/P AND JEHLUM T/P AGAINST THE STANDARD USED BY NHA ON OTHER T/P.**

Reference Dy. Director-II, PPRA's letter No.F.1(16)DD-II/PPRA/2011 dated 06.02.2012 on the subject noted above.

2. In response to the complaints raised by the Transparency International Pakistan over the tendering process of the Subject toll plazas, the under mentioned Para-wise comments are being offered: -

S.No.	Objection	Comments/Clarification
1.	Why two different standards of revenue collection methods are concurrently being tendered by NHA and Punjab Highway Department?	As for NHA is concerned, the entire toll plazas were being run on conventional tolling systems of net guaranteed receipts on monthly basis. However, it was observed that the NHA can generate more revenue through internationally recognized tolling system if modern techniques based on the electronic system are adopted to improve the mechanism. NHA is therefore gradually diverting to the ETTM system through which the computerized data of the vehicle passing through the toll plaza is maintained. Since on these Toll Plazas the record of all traffic category wise is automatically recorded with the help of cameras calling automatic vehicle classifier (AVC) installed on the toll plazas. Moreover this traffic data is directly transferring with live coverage through satellite system to the

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Operation centre established at NHA, HQs under control and command of NHA's officials. Hence chances of money pilferage are almost eliminated. Therefore, such toll plazas are allotted on percentage (%) share basis with respect to the total traffic passing through the toll plazas to the service provider i.e. operators. The total amount collected on toll plazas is deposited in the NHA's accounts on daily basis and after each month the operator is submitting his invoice for the percentage (%) share as quoted by him in the tender process where NHA after proper verification of the traffic count/data as recorded in the command and control centre process his invoice for release of payment. As this system of electronic toll plazas are being tendered and operated for the last so many years on the same system and it has been experienced that revenue collection has been considerably increased. In addition to the revenue the litigation regarding toll collection from operators side have also been discouraged because the toll operators while running the toll plaza on conventional system of depositing installments to the department, are using different tactics to do not deposit the due installment timely by making different excuses of loss where they are dragging the department in the courts of law for years. To avoid this kind of violation and to eliminate the human involvement, NHA has adopted modern electronic and computerized system of collection of toll revenue.

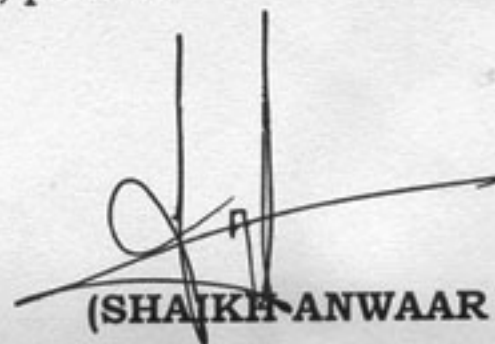
		<p>It is imperative to high lighted that this type of toll collection system is adopted world over specially in advanced countries like Japan, Germany, USA. Capital Development Authority (CDA) has also installed same system/equipment on the toll plaza at IJP Road and Rawat Toll plazas.</p>
2	<p>In case the Jehlum T/P Contract is awarded to highest bidder, what is the guarantee asked by NHA from the contractor for minimum revenue collection of Rs.812,283. And also how the NHA will protect its revenue for all other four toll contracts?</p>	<p>As a usual practice and under the contract agreement, every operator is supposed to deposit in advance the performance security worth Rs.20 Million which remain in the accounts of NHA 84 days after the expiry of contract agreement. Moreover, the contractor is bound to provide and maintain the insurance policies throughout the contract period which are more than enough to safe guard the interest of NHA: -</p> <ol style="list-style-type: none"> a. Insurance Policy for loss of revenue, on site and in transit, till deposition in NHA accounts:- b. Insurance policy against all assets of NHA handed over to the Operator. c. Comprehensive health insurance for all the staff. d. Insurance against injury or death of staff working on toll plazas. e. Third party insurance <p>In addition to above a complete watch and ward and monitoring system is operational directly under control of NHA with base centre established at NHA, Islamabad HQs where live operation of each toll plaza is viewed round the clock and if any tempering effort is being made, the same is immediately</p>

		sorted out as per ground reality i.e. to eliminate the leakage attempt and thus to ensure the actual collection.
3	Why the evaluation reports of these tenders have not been posted on PPRA website	There is no binding to place the evaluation reports on the website of PPRA, however accordingly to rule 16 of the PPRA rules as amended till 13.12.2006, the necessary prequalification criteria and the other related information detailed in bidding documents was posted on NHA's as well as on PPRA's web sites and accordingly issued to all pre-qualified operators.
4	Why tender notice of these tenders are not available on PPRA website	The advertisement was placed on the Website of NHA and PPRA as per Annexure-B.

3. Foregoing in view, it is evident that no deviation from prescribed procedures was committed rather strict adherence to the rules/laws was made.

4. It is pertinent to inform that in compliance to the instruction of NAB, Islamabad conveyed vide letter No.19(14)A&P/NAB/2008 dated 10.02.2012 (**Flag-A**), all the above mentioned tenders process have been withheld vide letter dated 24.02.2012 (**Flag-B**) till further orders as per approval of the Competent Authority. Anyhow, these are being planned for re-tendering in the light of revised policy, please.

Syed Adil Gilani,
Advisor,
Transparency International Pakistan
Karachi



(SHAIKH ANWAAR AHMAD)

Director (OMU)

Copy to: -

- Member (Operations), NHA
- PS to Chairman, NHA.

Syed Adil Gilani,
Advisor,
Transparency International,
Karachi.

→ With Reference to letter No. nil dated 03.02.2012 on the subject noted above.