



09th August 2012

Dr. Nadeem ul Haq,
Deputy Chairman,
Planning Commission of Pakistan,
Government of Pakistan,
Islamabad.

1st REMINDER

Subject: Exemption to M/S NLC and M/S FWO from providing bank guarantee against performance security and mobilization advance –TIP Letter dated 01st June 2012.

Dear Sir,

This is with reference to the TI-Pakistan's letter dated 01st June 2012 sent to you on the above subject. However no response has been received by you even after a lapse of 02 months.

TI Pakistan had referred to Deputy Secretary (N&C), Ministry of Defence's (Defence Division), letter No. F.5/5/2008/D-14/N-II, dated 15th May 2012, according to which FWO is providing bid guarantees, project insurance and retention money in all its projects. Ministry of Defence had also elucidated that being a public sector organization, FWO provides Performance Warranty and Mobilization of Advance Warranty in place of guarantees whenever requested by a client organization.

The particular statement of Ministry of Defence had contradicted PQA's version that NLC and FWO are exempted from the payment of guarantees.

TI-Pakistan again requests the Planning Commission to review the case and cancel the exemption given to M/S NLC from providing bid guarantees, project insurances and retention money in all projects, which are mandatory under the Public Procurement Regulatory Authority Ordinance 2002.

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

Regards,


Syed Adil Gilani
Adviser

Copies forwarded for the information of:

1. Chairman, Public Accounts' Committee, Islamabad.
2. Registrar, Supreme Court of Pakistan, Islamabad.
3. Chairman, NAB, Islamabad.
4. M.D. PPRA, Islamabad - *with a request to take action under section 5(2) (a) "monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to, procurement" and under section 5(2) (i) of the PPRA Ordinance 2002.*



TRANSPARENCY INTERNATIONAL-PAKISTAN

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Advisory Committee

01st June 2012

Dr. Nadeem ul Haq,
Deputy Chairman,
Planning Commission of Pakistan,
Government of Pakistan,
Islamabad.

Subject: Illegal Exemption granted by Planning Commission to M/S NLC from providing performance security, mobilization advance and Insurance bondings.

Dear Sir,


This is with reference to the telephonic conversation held with you on 30th May^a 2012 regarding the above subject and the alleged disputed exemptions from fiscal guarantees given to M/s FWO and M/s NLC. By Ministry of Defense and Planning Commission respectively.

TI Pakistan refers to Deputy Secretary (N&C), Ministry of Defence's (Defence Division), letter No. F.5/5/2008/D-14/N-II, dated 15th May 2012 according to which M/s FWO has not given blanket exemptions, and that FWO providing the bid guarantees, project insurance and retention money in all projects they are awarded on the requirements of Client. It has also been confirmed that M/s FWO provides Performance Warranty and Mobilization of Advance Warranty in place of bank guarantees whenever requested by a client organization. This is to inform you that according to PPRA Regulations, Performance and Mobilization of Advance Guaranties are allowed to be provided on bidders option from AA rating Insurance Companies.

TI-Pakistan therefore requests the Planning Commission to issue a fresh notification for M/s NLC to provide the bid guarantees (Bid Bond and Performance Bond), project insurances and pay retention money in all projects they are awarded according to the requirements of the Public Procurement Regulatory Authority Ordinance 2002.

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Regards,


Syed Adil Gilani
Adviser

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