



13th July 2012

Air Chief Marshal (Retd.) Rao Qamar Suleman,
Chairman / Managing Director,
Pakistan International Airlines,
Jinnah Terminal, Karachi.

Sub: Complaint about violation of Public Procurement Rules 2004, Management Airport Hotel, Karachi, Tender Notice for Shuttle Service.

Dear Sir,

Transparency International Pakistan has received a complaint from "Defence Transport Services and Rent a Car" about violation of Public Procurement Rules 2004 in Management, Airport Hotel, Karachi's tender notice for shuttle service.

The complainant has alleged that since 2009 PIA is inviting the bids for shuttle service but cancels the process every time without assigning any reason to the bidders, which is in violation of Rule 33 (1). According to the Rule, "...the procuring agency shall upon request communicate to any supplier or contractor who submitted a bid or proposal, the grounds for its rejection of all bids or proposals, but is not required to justify them".

It may be noted that in case a procuring agency decides to go for re-bidding after rejecting all bids, under Rule 34(2) it may revise specifications, evaluation criteria or any other condition for bidders as it may deem necessary. If PIA has not reviewed the specifications or other conditions before re-inviting the tenders, the act of re-inviting the same tender for five times may be termed as "corrupt and fraudulent practices" under Rule 2(f) and may be declared mis-procurement in accordance with Rule 50.

The complainant has also reported that he had been writing to PIA since 2011 (including a letter to Chairman PIA on 23rd June 2012) inquiring about the reason behind tender cancellation but no reply had been sent either to him or the Public Procurement Regulatory Authority, which had asked PIA to furnish comments on the complaint of Defence Transport Services vide its letters dated 08th August 2011 and 18th June 2011.

This alleged act of PIA is also against Rule 48 of the Public Procurement Rule 2004, which is quoted below for your reference;

48. Redressal of Grievances and Settlement of Disputes.- (1) *The procuring agency shall constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract.*

(3) *The committee shall investigate and decide upon the complaint within fifteen days of the receipt of the complaint.*

TI-P would also like to point out that this alleged act of PIA is in violation of PPRA's notification No. F .3 (5) / DD-II/PPRA/2009 dated 23rd December 2009 and notification No. 3(5)/DD-II/PPRA/2009 dated 10th February 2010.



TI-Pakistan requests PIA, under Article 19-A of the Constitution, to kindly provide copies of the bidding documents issued to the bidders in the five tenders to TI-P for review purposes. Please also take necessary action under the law, if the complaint is found correct / genuine.

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



Defence
TRANSPORT SERVICES
& RENT A CAR

Office # 45, Block # 47, Defence Garden Apartment,
Phase-1, Defence Housing Authority Karachi.
Ph: 021-35897777, 021-35898888, Fax: 021-35899786,
Cell: 0300-2338886, 0321-2117478

To,

23rd June 2012

The Transparency International
Pakistan

Respected Sir,

I am working as Transport Contractor with Airport Hotel a subsidiary of PIA. Airport Hotel Flot Registration of qualification of parties on 29th July 2009 through news paper daily JANG. After the prequalification of parties and open the commercial rate bid, the hotel cancelled the prequalification process without giving any reasons.

The second time date 10th April 2011 the hotel was published a public notice for tender in daily DAWN, but they also repeated a same exercises and prequalification of the parties and not open the commercial rate bid. the Hotel Management told me that the Tender has been cancelled and I re-submitted an application with documents to Hotel Management for reason of cancellation of tender but till to date I have not yet received any response from their side. In such event I have submitted several applications but no response from hotel.

Third time date 24th July 2011 the hotel was again published a public notice for tender in daily DAWN and daily EXPRESS, but they also repeated a same exercises and prequalification of the parties and open the commercial rate bid 27th Sept 2011 for the shuttle services and Defence Rent-A-Car my company was lowest bidder.

Thereafter they issued me letter on 14th October 2011 and advice me through this letter for renovation / refurbishment of vehicles. As per instruction of Hotel Management a vehicle provided by me for necessary inspection of vehicle. But till to date they not give me any reply.

Similarly after some days, the Hotel Management 4th times published public notice for tender of shuttle services on 08th April 2012, however I participated the entire tender but till to date they still tollaring to us and other bidders and searching their like person. Against this attitude I informed them through letter on 21-05-2012 that if you not open the tender / commercial bid in such event I will close the services on 24-05-2012. against my letter they informed me through their letter that "carry your work on 31-05-2012 and thereafter close your services". After 31-05-2012 the completed closed my service and returned my all vehicles.



Defence
TRANSPORT SERVICES
& RENT A CAR

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Sir, without opening Tender published news paper on 8th April, 2012 they published 5th time TENDER on 10th June 2012 and after that they return the documents of previous bidders.

Honourable Sir, they give me losses of lacs of moneys and they renovate / refurbishment my vehicles.

You are humbly requested to please take immediate and stick action against the Hotel Management for delaying of Tender and awarded the Tender to their like person who give them commission or other gifts.

The above cancellation of tender after opening of rates is not understand able justified and it is come to our mind and we are sure that the hotel Management is involved to bring the contractors of their own choice and it is very likely hood that they wants to help the disqualified contractors or no w then this rate are opened to all, they wanted to given the above tender to the favcourate contractor, who have been disqualified or who were higher bidders in tender rates.

It is an illegal act, it is our responsibility to bring this affairs in your notice as a regulatory authority to stop them with this act.

Yours obediently
For DEFENCE RENT-A-CAR

(MUHAMMAD ARIF KAYANI)
Proprietor

C.C. TO :

Air Chief Marshal (R) Rao Qamar Suleman
Chairman PIA

Executive Corridor, 1st floor
PIA Head office, Air Port
Karachi.

REMINDER

No. F. 1(132)/DD-II/PPRA-2011
GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(CABINET DIVISION)
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Islamabad, the August 08, 2011

Subject: VIOLETION OF PUBLIC PROCUREMENT RULES, 2004.

Reference Public Procurement Regulatory Authority's letter of even number, dated 18th June, 2011, on the subject cited above.

2. It is pointed out that no comments have been received so far from SRL Airport Hotel nor the complaint has been disposed off under Rule 48 as the complainant has again filed a reminder of the complaint. It is stated that PPRA is empowered under Section 5(2) clause (I) of Public Procurement Regulatory Authority Ordinance, 2002 to seek assistance of Procuring Agencies in its functions and call for any information from such agencies in pursuance of its objectives and functions.

3. It is once again requested that comments may kindly be sent to PPRA, immediately.



(Naeem Ahmad)
Deputy Director-II

The General Manager,
SRL Airport Hotel,
Airport,
KARACHI.

cc:

Mr. M. Arif Kiyani, Proprietor, Defence Rent A Car, Shop No. 45,
Block No. 47, Defence Garden Apartment, Phase 1, Main Korangi
Road, DHA, KARACHI.

Received
15-08-2011
3-P.M

No. F. 1(132)/DD-II/PPRA/2011
GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(CABINET DIVISION)
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Islamabad, the June 18, 2011

SUBJECT: VIOLATION OF PUBLIC PROCUREMENT RULE, 2004.

Reference Complaint received from M/s Defence Rent A Car, on the subject cited above. (Copy enclosed)

2. It is requested that a comprehensive report / comments on the contents of complaint may kindly be sent to this Authority at the earliest. This information is being called by PPRA under the powers vested under Section 5(2)(i) of Public Procurement Regulatory Authority Ordinance, 2002 for necessary action.



(Naeem Ahmed)
Deputy Director-II

The General Manager,
SRL Airport Hotel,
Airport,
KARACHI.

o/c

CC:-

Mr. M. Arif Kayani, Proprietor, Defence Rent A Car,
Shop No. 45, Block No. 47, Defence Garden Apartment,
Phase 1, Main Korangi Road, DHA, KARACHI

Issued
18/7/11