



TRANSPARENCY INTERNATIONAL-PAKISTAN

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Advisory Committee

13th July 2011,

Capt. Nadeem Khan Yousufzai ,
Managing Director,
Pakistan International Airlines,
Karachi

Sub; Violation of Public Procurement Rules, 2004
Setup of Dry Ice Plant on BOT Basis/Joint Venture Basis

Dear Sir,

Transparency International Pakistan has received complaint on Violation of Public Procurement Rules, 2004 and favouring a single party, in processing and award of Dry Ice Plant on BOT Basis/Joint Venture tendered by PIA in October 2010, as PIA has equity share in the project.


A letter was also sent by TIP on 6 October 2010, on PIA tendering manipulation by shortening the mandatory time of tender from 30 days to 15 days. PIA had also failed to provide a set of complete tender documents which shall also have included draft contract agreement. .

TIP has also reported The other ambiguity in the conflicting Evaluation Criteria, in the Tender Document, and the Prequalification Documents as desired by PIA in the RFP.

We request the Managing Director, that if the Project has been awarded by PIA, the Evaluation Report and Contract Agreement, may be provided to TI Pakistan, under the Rules No 48.

The above information is forwarded for the purpose to avoid the mis-procurement charge under Rule No 50, and to re- invite the tender which shall be based on the procedures prescribed by the Public Procurement Rules, 2004.

With Regards,


Syed Adil Gilani,
Chairman,
Advisory Committee

Copies forwarded for appropriate to;

1. Chairman Public Accounts Committee, Islamabad
2. Minister of Defence, Government of Pakistan, Islamabad
3. Auditor General Pakistan, Islamabad
4. Registrar, Supreme Court of Pakistan, Islamabad
5. DG, NAB, Sindh, Karachi
5. MD, PPRA, Islamabad
6. Dy. Director, FIA, Karachi



6th October, 2010
Captain Mohammad Aijaz Haroon,
Managing Director,
Pakistan International Airlines,
Karachi

Sub: Violation of Public Procurement Rules, 2004

Expression of Interest to Setup Dry Ice Plant on BOT Basis/Joint Venture Basis

Dear Sir,

The Expression of Interest to Setup Dry Ice Plant on BOT Basis/Joint Venture Basis, available on PIA website is lacking Transparency and violating the "Public Procurement Rules, 2004".

Rule No. 13 response time for international Tender is minimum 30 days, whereas PIA has allowed only 15 days i.e. violating tender period by shortening it by 15 days.. Although normally the bids are to be valid for 90 days or 120 days, but in this procurement PIA has asked for 180 days validity, but the tender period is shortened by 100% time. The other vital violation committed by PIA is that of Rules No.23, which required PIA to provide a set of complete tender documents, comprising of 12-13 documents, including draft contract agreement also.

23. Bidding documents.-

(1) Procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.

(2) For competitive bidding, whether open or limited, the bidding documents shall include the following, namely, (a) invitation to bid; (b) instructions to bidders; (c) form of bid; (d) form of contract; (e) general or special conditions of contract; (f) specifications and drawings or performance criteria (where applicable); (g) list of goods or bill of quantities (where applicable); (h) delivery time or completion schedule; (i) qualification criteria (where applicable); (j) bid evaluation criteria; (k) format of all securities required (where applicable); (l) details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and (m) any other detail not inconsistent with these rules that the procuring agency may deem necessary.

(3) Any information, that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the prospective bidders, shall be provided in a timely manner and on equal opportunity basis. Where notification of such change, addition, modification or deletion becomes essential, such notification shall be made in a manner similar to the original advertisement.

The other ambiguity noted is the conflicting Evaluation Criteria, in the Tender Document, and the Prequalification Documents as desired by PIA in the RFP, Please download and

complete PIA Pre-Qualification Document from www.piac.com.pk (web content PIA for Business). This document is a integral part of the Prequalification Process. PIA shall note that this is a Tender Notice, and not prequalification notice, and therefore PIA shall delete this requirement.

Transparency International Pakistan again request PIA to kindly to make this as well as all other procurement in accordance with the requirements of Public Procurement Rules 2004, and prepare Tender Documents required under Rule 23, and issue the set of tender documents to the bidders.

The above information is forwarded for the purpose to avoid the mis-procurement charge under Rule No 50, and to re- invite the tender which shall be based on the procedures prescribed by the Public Procurement Rules, 2004.

With Regards,



**Syed Adil Gilani,
Chairman,**

Copies forwarded for appropriate action to;

1. Chairman Public Accounts Committee, Islamabad,
2. Minister of Defence, Government of Pakistan, Islamabad,
3. Auditor General Pakistan, Islamabad
4. Registrar, Supreme Court of Pakistan, Islamabad
5. MD, PPRA, Islamabad


No. F. 1(177)/DD-II/PPRA/2010
GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(CABINET DIVISION)
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Islamabad, the October 19, 2010

SUBJECT: **TENDER FOR THE FY 2010-11 OPENED ON 12.10.2010**

Reference complaint No. NIL dated 06.10.2010 received by the
M/s Transparency International, 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 PPRA. This information is being
called by PPRA under the powers vested in this Authority under Section 5(2)(i) of
Public Procurement Regulatory Authority Ordinance, 2002.


(Naeem Ahmed)
Deputy Director-II

Captain Mohammad Aijaz Haroon,
Managing Director,
Pakistan International Airlines,
Karachi

CC:-

Syed Adil Gillani, Chairman, Transparency International-Pakistan,
5-C, 2nd Floor, Khayaban-e-Ittehad, Phase-VII, Defense Housing
Authority, **Karachi**