



19th August 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
PIA Reply to PPRA Dated 8-8-2011

Dear Sir,

Transparency International Pakistan has received PIA reply to PPRA, vide PPRA letter dated 11 August 2011 on the above complaint of favouring a single party, in processing and award of Dry Ice Plant on BOT Basis.

This regretted to state that an email reply sent by Syed Kamran Jawed, Director P&L, PIA to TIP on 13 October 2010 is quoted as the clarification sent to TIP.

However, PIA has failed to inform PPRA that the above emailed reply was objected on the same day 13 Oct 2011 by TIP in return email sent to the MD PIA (ANNEX A & B) . TIP reply of is quoted below

The clarification confirms that PIA do not understand Rule No 23. I repeat the documents required to be given to bidders under this rule.

Bid Documents shall have included all information beside signing of the anti bribery pact " Integrity Pact " as required under rule no. 7, all information under Rule No 23 viz. , 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.

PIA also has two evaluation criteria, and the one of them viz. 'Evaluation Criteria part of the Pre-Qualification document on piac web site, has to be omitted from this tender.

Kindly confirm that these requirements are met by PIA and included in the tender documents to be issued to bidders.



PIA has also violated PPRA Ordinance 2002 , Public Procurement Rules, 2004 and PPRA Notifications, under which PPRA website shall have Evaluation Report, Contract Award Details , Public Contracts of Works, Services & Goods Worth RS.50 Million or More..

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,
Adviser

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. Chairman NAB, Islamabad
6. MD, PPRA, Islamabad

Note: NAB may please also check wheatear PIA has provided the Contract Agreement of this procurements and other PIA procurements to NAB under NAO 1999 Article, **33B**. All Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial and local governments, statutory corporations or authorities established by the Federal Government or Provincial Government and holders of public office shall furnish to NAB a copy of any contract, entered into by such Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial Government or local government, statutory corporations or authorities established by the Federal Government or Provincial Government or such holder of public office on its behalf, as the case may be, of the minimum monetary value of fifty million rupees or more, within such time as is reasonably practicable from the date of signing such contract.



sayyed Gillani <gilaniadil@gmail.com>

EOI to Setup Dry Ice Plant (Anomalies noticed by Transparency Intl)

khijhpk <khijhpk@piac.aero>

Wed, Oct 13, 2010 at 2:28 PM

To: gilaniadil@gmail.com

Cc: Managing Director PIAC <mdpiac@piac.aero>, Deputy Managing Director PIAC <dmdpiac@piac.aero>, Chief Financial Officer <cfo@piac.aero>, khidvpk <khidvpk@piac.aero>

Dear Gilani Sb,

Reference to your email and letter dated October 6th 2010, regarding above captioned subject.

PIA being a public sector organization it has always been our endeavor to carry out all procurement actions strictly according to PIA procurement manual and PPRA rules.

Response Time :(Rule13 PPRA Rules 2004)

The subject tender was published in two leading local news papers the daily Dawn & Express news on 10 Sep 2010 and also placed on PIA & PPRA websites with tender opening date as 13 Oct 2010 giving **clear 33 days response time as required for international Tenders as per Rule13 PPRA Rules 2004**. However keeping in view your point same has been further extended to 29 Nov 2010. Through a corrigendum in web and print media thus giving ample opportunity to all national & International vendors to participate, the bid validity has also been reduced to 120 days bringing the anomaly in line with Rule position.

Bidding Documents :(Rule23PPRA Rules 2004)

In this case, Two Stage Two Envelope mode of tendering is being exercised purposely to give ample time for incorporation of any additional parameters by the end users and at the same time provision of any information/data/specimens to the bidders as may be required in conformity to Rule 23 of PPRA Rules 2004. All this to be fine tuned as we go along the process of due diligence/evaluation/wetting of EOIs in the first stage.

Conflicting Evaluation Criteria

Towards this may I clarify that Evaluation Criteria part of the Pre-Qualification document on piac web site (**web content PIA for Business**) is generic in nature meant for evaluation of all perspective vendors seeking to do business with PIA, where as The Evaluation Criteria specifically developed for the subject tender (EOI to setup Dry Ice Plant) is to have tangible evaluation parameters for assessment of vendors participating in this particular tender.

We hope the above clarifies.

With Kind Regards,

(Syed Jawed Kamran)

Director P&L



sayyed Gillani <gilaniadil@gmail.com>

EOI to Setup Dry Ice Plant (Anomalies noticed by Transparency Intl)

Adil Gilani <gilaniadil@gmail.com>

Wed, Oct 13, 2010 at 3:03 PM

To: khijhpk <khijhpk@piac.aero>

Cc: Managing Director PIAC <mdpiac@piac.aero>, Deputy Managing Director PIAC <dmdpiac@piac.aero>, Chief Financial Officer <cfo@piac.aero>, khidvpk <khidvpk@piac.aero>

Bcc: Fawad Gilani <fawadg@gmail.com>, Saad Rashid <saadr2@googlemail.com>

Dear Aijaz,

The clarification confirms that PIA do not understand Rule No 23. I repeat the documents required to be given to bidders under this rule.

Bid Documents shall have included all information beside signing of the anti bribery pact'' Integrity Pact'' as required under rule no. 7, all information under Rule No 23 viz. , 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.

PIA also has two evaluation criteria, and the one of them viz. 'Evaluation Criteria part of the Pre-Qualification document on piac web site, has to be omitted from this tender.

Kindly confirm that these requirements are met by PIA and included in the tender documents to be issued to bidders.

Please also direct them, to email a copy of amended tender document to TIP.

Regards,

Syed Adil Gilani

[Quoted text hidden]

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Syed Adil Gilani

cell 923218229086

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