



19th August 2011

Brigadier (R) Rashid Siddiqi,
Executive Director (Administration),
Pakistan National Shipping Corporation,
PNSC Building,
M.T.Khan Road,
Karachi

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Sub: Complaint on violation of Public Procurement Rules 2004 in PNSC Tender of Project for
Car Parking Plaza.

Dear Sir,

Transparency International Pakistan has received complaint on cancelation of tenders of Car Parking Plaza, return of the bid security, re-invitation of tenders in press and PPRA website, and efforts to award the contract based on the discharged tenders to M/s High Tech Contactors.

PNSC has not followed Rule No 26, which is mandatory, if extension in the validity of bid security was required by PNSC, and instead PNSC has written to all the bidders to collect their bid securities.

- 26. Bid validity.- (1) A procuring agency, keeping in view the nature of the procurement, shall subject the bid to a bid validity period.*
- (2) Bids shall be valid for the period of time specified in the bidding document.*
- (3) The procuring agency shall ordinarily be under an obligation to process and evaluate the bid within the stipulated bid validity period. However under exceptional circumstances and for reason to be recorded in writing, if an extension is considered necessary, all those who have submitted their bids shall be asked to extend their respective bid validity period. Such extension shall be for not more than the period equal to the period of the original bid validity.*
- (4) Bidders who,-*
- (a) agree to extension of their bid validity period shall also extend the validity of the bid bond or security for the extended period of the bid validity;*
- (b) agree to the procuring agency's request for extension of bid validity period shall not be permitted to change the substance of their bids; and*
- (c) do not agree to an extension of the bid validity period shall be allowed to withdraw their bids without forfeiture of their bid bonds or securities.*

PNSC thereafter did abide with Rule No 34 and invited fresh bids.



34. Re-bidding.- (1) If the procuring agency has rejected all bids under rule 33 it may call for a re-bidding.

(2) The procuring agency before invitation for re-bidding shall assess the reasons for rejection and may revise specifications, evaluation criteria or any other condition for bidders as it may deem necessary.


In these circumstances, PNSC took a right decision of inviting new bids, as the old bids stood discharged under Rule No 23.

It is recommended that the complaint may be addressed according to the Public Procurement Rules 2004, and as the old bids stood discharged under Rule No 23, tenders shall be invited for the subject works accordingly.

TIP refer to the Supreme Court order given on 28th April 2010 in case of disputed award of multibillion dollar LNG contract to GDF-Suez, in which the SC has announced that "Here we may observe that it is duty of the court to ensure that the Public Procurement Regulatory Authority Ordinance 2002 read with the Public Procurement Rules 2004 are adhered strictly to exhibit transparency".

TI Pakistan is for across the board Rule of Law in Pakistan.

.With Regards


Syed Adil Gilani
Adviser,