



FALCON CONSTRUCTION & GENERAL ORDER SUPPLIERS

Government Approved Contractor

30 June, 2010

✓ Mr. Syed Adil Gilani,
Chairman,
Transparency International-Pakistan,
5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII, D.H.A.,
Karachi.

Subject: Fraudulent/ Corrupt malpractices in awarding tenders by PNSC - Water proofing of roof top of Old Rally Building.

Respected Sir,

Your kind attention is drawn to the fax received from Manager Technical PNSC dated June 15, 2010 informing that we had calculation error in our financial bid. Unfortunately the information is sent to us after 2 ½ months of financial bid opening in response to our various verbal and written requests to **Manager Technical and Chairman, PNSC** for awarding of work to us being the lowest bidder.

For correction of record concise summary of facts is expressed below:

1. The Financial Bid for subject tender was opened on 5th April 2010 **after pre-qualification** of the following bidders; the comparative statement of the financial bids is as under:

2. <u>S#</u>	<u>Name of Firms</u>	<u>Quoted Amount</u>
1.	M/s Falcon Construction	Rs. 1,307,000/-
2.	M/s Navaish Enterprises	Rs. 1,757,000/-
3.	M/s Mansoor Ali Contractor	Rs. 2,058,000/-

3. M/s Falcon Construction was the lowest by the margin of Rs.450, 000/- Being the lowest bidder the work must be awarded to M/s Falcon Construction but the work was awarded to 2nd lowest M/s Navish Enterprises. This act of Manger Technical is a gross violation of rules and mis procurement under PPRA rules and resulting in a huge financial loss to PNSC. (As per PPRA Rule 36(b) (viii) and 36(b) (ix) the technically responsive bid found to be the lowest evaluated bid shall be accepted, the technically non responsive bids shall be returned un opened to the respective bidders).
4. The calculation error was never informed to us either at the time of opening of the tender or in any correspondence with us. **In no way we have ever been informed that we have made an error.**

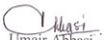


FALCON CONSTRUCTION & GENERAL ORDER SUPPLIERS

Government Approved Contractor

5. We quote rate of Rs. 4.5/ for item no.4 but it may visible as Rs. 45/, for this ambiguity clarification can be obtained from us. However **this leaves no impact on the following:**
- Grand Total
 - Sub Total of item no.4.
 - In Words Total Rupees Exact when calculated with 4.5
 - In Figures Total Rupees Exact when calculated with 4.5
 - Pay Order Exact when calculated with 4.5
6. Due to this insignificant and impact less error, turning down the lowest bidder is an act of corrupt and fraudulent practices as per PPRA rule 2(f). The purpose of presenting facts to PNSC is to highlight the abuse of laws by misreporting to top management with vested interest which causing financial loss to PNSC. We have also seen irregularities and contravention of PPRA rules in other tenders pertaining to Technical section of PNSC.

We submit this information ~~to the Honorable Minister~~ for action as deem fit according to PPRA rules.


Umair Abbasi
MBA
General Manager

Copy for information and necessary action to:

1. **Mr. Hafeez ur Rehman, (MD, PPRA).**
1st Floor FBC Building Near State Bank,
Sector G-5/2, Islamabad-Pakistan