



PORT QASIM AUTHORITY

GATEWAY TO NATIONAL PROSPERITY

No. PQA/Ops/NIT/TIP/11/1421.

Date 13th July, 2011

✓ Syed Adil Jilani
Chairman
Transparency International Pakistan
Karachi.
Fax No. 35390410

Subject : **Complaint on procurement of Navigation Channel Buoys.**

This has reference to your letters dated 29th June, 2011 and 01st July, 2011 respectively. In this regard, we would like to inform you that PQA has strictly followed the Public Procurement Rules-2004 in letter and spirit since its promulgation. The allegations of violations in the subject procurement as indicated in your letters referred above, are not true.

2. The factual position is that shortcomings/shortfalls in shipping channel light Buoys have been observed, which require to be attended for replacement/renewal on top priority/extreme urgency basis. The Marine Operation Department has put up requirement of 28 Nos. Buoys on most urgent basis, which are to be arranged in minimum time to sustain safe and smooth shipping operations in 45 KM long navigation channel of Port Qasim (which is about 8 times that of Karachi Port).

3. In normal tendering process for fabrication and supply of Buoys, it could take a long period of about six months upto supply of SKS Buoys 28 Nos. which is not sustainable. Therefore, keeping in view the urgency, PQA has adopted Clause 42 (d) Negotiated tendering, sub clause (iii) for reasons of extreme urgency which provides that **“a procuring agency may engage in negotiated tendering with one or more Suppliers or Contractor with or without prior publication of a procurement notification” under the given conditions.**

4. Accordingly, PQA issued Notice Inviting Tenders through letter/fax on 24th June, 2011 to known firms (05 firms) having capabilities in the relevant field. The date of collection and submission of tender documents was fixed as per provision of clause 42 (d) of PPRA-2004.

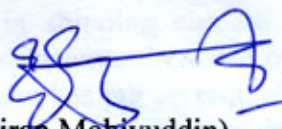
5. It is reiterated that this is a case of also Negotiated tendering and Notice Inviting Tender first issued on 24-06-2011 and later also published in newspapers on 01-07-2011 on the recommendations of TIP to provide opportunity to even more bidders. However, the tender requirements for urgent procurement of Buoys was maintained. Accordingly, Tender documents have been purchased by twelve (12) firms for supply of required buoys within 45 working days and todate, except one or two (including probably the

complainant) no other prospective bidder has raised query/objection in writing to extend bid submission date or delivery period for supply of buoys, beyond the specified time. It may kindly be understood that in Negotiated tendering for extreme urgent requirement, even a single bidder may be awarded contract, in line with PPRA rules.

6. Considering the estimate of Bid's price, the Bid Security/Earnest Money has been reduced substantially by PQA, but restricted only as Bank Pay Order (refundable) of Rs. 400,000/= issued in the name of Port Qasim Authority, to save the Bid/s from difficult situation or risk of rejection, on opening of Bid/s in case of any shortcomings (draft / words / format) of Bid Security Bank Guarantee which is possible in its preparation by Bank at short notice.

7. Nevertheless, it may be worth mentioning that in this tender, the Performance Bond (10% of Bid Price) has to be submitted in the form of Bank Guarantee (by successful bidder), issued from Commercial sector bank, scheduled AA rating (located at Karachi), as per format prescribed in the tender document as per PPRA Rules.

8. It is hoped that above clarification adequately satisfies the concerns raised by TIP. Besides, PQA reiterates its commitment to abide by the PPRA Rules-2004 and assures that no violation or any mis-procurement would be tolerated.


(Miran Mohiyuddin)
Secretary

Copy forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad
2. Registrar, Supreme Court
3. Auditor General, Islamabad
4. Director General NAB, Sindh, Karachi
5. Managing Director, PPRA, Islamabad