



14th March 2013

Vice Admiral (R) Muhammad Shafi
Chairman,
Port Qasim Authority,
Port Qasim,
Karachi.

Sub: Illegal Award of Contract to Bahria Town, for the Development of the Diamond Bar
Island City (Bundal & Buddo Islands)

Dear Sir,

Transparency International Pakistan encloses copy of its objections on award of Diamond Bar Island City (Bundal & Buddo Islands) sent to Bahria Town on 13th March 2013.

Kindly note that as the Performance Bank Guarantee of 1% which is approx. Rs 40 billion was not deposited by Bahria Town Pvt Ltd, at the time of signing of LOI to with PQA, following vital Tender Conditions has been violated.

3.13 Performance Guarantee

The successful bidder shall submit the Performance Guarantee from any Scheduled Bank of Pakistan with at least a AA rating in favor of Port Qasim Authority, at the time of signing of the Letter of intent and the Head Terms Agreement. The amount of Performance Guarantee to be submitted by the Developer shall be 1% of the total Project cost and its validity shall be for 5 years, initially which will have to be continuously validated by the Developer till one year after successful completion of the Project.

Accordingly any further process of this procurement becomes automatically illegal, and Concession Agreement shall not be negotiated nor signed by PQA.

This is also to inform PQA that Col R. Najam of DG Sindh National Accountability Bureau has informed TIP today that DG NAB Sindh have taken up investigation of this deal, and has sought TIP assistance.

In view of the reported shortcomings in the bid of Bahria Town JV non responsive and against the tendered conditions, being declared by PQA in violations of Tendered Conditions as a single bidder, you are again requested to provide TIP for its review the

1. Detailed technical & financial evaluation report, conditional
2. Draft Letter of Award/Intent made by consultants,
3. The Draft letter of Award/Intent amended by PQA,
4. And the letter issued to PQA by the Secretary Ports & Shipping with objections on the award process .

TI Pakistan is striving to have transparency in procedures and Rule of Law in Pakistan, which is the only way to eliminate corruption and have good governance in country.



Yours Sincerely,


Syed Adh Gilani
Adviser

Copy forwarded for action to be taken under the rules regulations to;

1. Chairman Public Accounts Committee, Islamabad
2. Chairman NAB, Islamabad
3. Federal Tax Ombudsman, Islamabad
4. Dr. Khawar Jamil, Federal Secretary, Ports & Shipping, Islamabad,
5. Chairman, SECP, Islamabad,
6. Registrar, Supreme Court of Pakistan, Islamabad.
7. Governor State Bank of Pakistan, Karachi,
8. MD, PPRA, Islamabad .
9. Board of PQA Members, Karachi