



TRANSPARENCY INTERNATIONAL-PAKISTAN

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Advisory Committee

26th November 2011

Chairman,
Port Qasim Authority,
Port Qasim,
Karachi.

Sub: Complaint received about Fraud in the awarding of the contract of Eastern Industrial Zone,
Port Qasim Authority, Package No.1 and 2 to M/S NLC and FWO.

Dear Sir,

This is a complaint received against Port Qasim Authority regarding manipulation of tender by PQA by bypassing the Public Procurement Rules 2004 to award multi-billion rupees contracts to M/S NLC and M/S FWO.


It is also to inform you that it was reported in 2009 by TI Pakistan to PQA that FWO and NLC did not provide the performance guarantee and insurance policies in package III and IV.

This issue was discussed with PQA and they were informed about the complaint, and it was suggested that the pre-qualification has to be conducted for each and every work.

PQA Director General insisted that the pre-qualification done 2-3 years ago cannot be reopened. This is in violation of Rule No. 15 of the Public Procurement Rules 2004, and it is to pinpoint that this act of PQA, as reported by the complainant, is a violation of Public Procurement Rules 2004, discriminatory and liable to be acted upon under Rule 2(f) Corrupt and fraudulent practices.

TI Pakistan requests the Chairman to kindly look into this complaint which concerns two contractors belonging to armed forces in order to save criticism made on the armed forces because of such illegal acts of FWO and NLC, and kindly, again invite pre-qualification for these works.

With Regards,



Syed Adil Gilani
Adviser

Copies forwarded for the information of:

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

To,
Honorable Chief Justice,
Islamabad,
Pakistan.

Subject: Fraud in the awarding of the contract of Eastern Industrial Zone, Port Qasim Authority Package No. 1 and 2 to M/s NLC and FWO

Honorable Sir,

We want to request you to stop the fraud in Port Qasim Authority that cause billions of Pakistan rupees. On November 4th, 2011 a board meeting was conducted in Port Qasim where the agenda of Package No. 1 and 2 was discussed and in that they decided to do the tender between already qualified companies M/s FWO and M/s NLC which already working on Package 3 and 4 of Eastern Industrial Zone. There few points that should be noted which are as follow:

1. The prequalification on which NLC and FWO were awarded the contract is 4 years old. And as per PEPR rule a fresh pre-qualification should be conducted.
2. As per PEPR rule the tender can't be don't between only two parties.
3. As per PEPR rule the work of 6,463 million Pak Rupees (For Package 1 only) shall be published in news papers.
4. The work that was awarded to NLC and FWO are still not finished. And the point to note in this is that they both always sub-let the project to other Parties by keeping upto 30% of the contract price. And right now the existing work is done by other parties. Further the sub-contractor has to pay 20% of the contract amount to the political parties.
5. NLC and FWO are basically two division of the same organization.
6. And the pipe that is being used in these projects are imported that cost a lot.

If the fresh pre-qualification is done then these things can happen:

1. Government can save upto 50% has new organization can participates in the bidding and by this the contractor don't have to pay 30% to NLC or FWO nor they have to pay 20% to political parties.
2. If new organization participates then new and better means of employment will be created.
3. The saved amount can be used in other projects that in improve and increase the performance and efficiency of the government.

The pipe that is used in these projects are now being manufactured in Pakistan of the same specification and quality which is already used DHA Karachi, Islamabad and many other organizations and part of Pakistan. If they use this pipe then they can save around 60% of the pipe cost and also a huge amount of

foreign exchange will be save as we don't had to pay to another country for importing this pipe. And also by doing this we will encourage the local manufacturing for investing the huge amount for the factory of GRP pipes.

We are not disclosing our identity has you yourself can think that in this issue many high power of people are involved and we are very poor. So please look into this save the precious rupees of Pakistan.

We pray to God that you will look into this matter and do that is right and in the interest of the country.

Thanking you.

Citizen's of Pakistan.

Cc to:

- . Mr. Syed Adil Gilani
- . Mr. Kamran Khan (Geo News)