



TRANSPARENCY INTERNATIONAL-PAKISTAN

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority, Karachi.
Tel: (92-21)-5390408, 5390409, Fax: 5390410
E-mail: t.pakistan@gmail.com
Website: www.transparency.org.pk

30th January 2010

Vice Admiral M. Asad Qureshi, HI (M),
Chairman,
Port Qasim Authority,
Port Qasim,
Karachi.

**Subject; Sub: Mis-Procurement by PQA causing loss of Rs 87 Million
Channel Maintenance Dredging Works 2009-2010-Complaint**

Dear Sir,

TI Pakistan in reply to its compliant sent on 8th January 2010 received the written response of PQA dated 23 January 2010, by fax on 25th January 2010. TIP had also sent you a reminder which indicated serious violations committed by PQA on dated 25th January 2010, and copies sent to the Minister of Finance, Ministry of Finance, Chairman, Public Accounts Committee, National Assembly, Auditor General Pakistan, Chairman, NAB and Managing Director, PPRA, Islamabad.

PPRA has also forwarded the letter to PQA vide their reference number No F.I (6)/DD-11/PPRA/2010 dated 29th January 2010. The report of PQA (so called inquiry report, not made by tender evaluation committee which is the authorized grievance committee under the rules of PQA under approved PQA Procurement Manual) sent to PPRA dated 23 January 2010, also conforms that a number of violations have been committed by PQA in the procurement process of this award. (copies of referred documents of PQA attached)

**The violations by PQA in this procurement which may render the whole process as mis-
procurement under rule no. 50 are detailed below;**

1. The Tender of Capital Dredging, Deepening and Widening of Channel has not been discharged, and Maintenance Dredging tenders were invited, which is an authorized breach of Public Procurement Rules 2004, and is a gross violation of Rule No. 33 and 34, as a procuring agency can not reinvide tender when the original tender has not been discharged.
2. The Capital dredging Tender has a BOQ item for the first year maintenance dredging of 5 million cum. also. That PQA requested the lowest responsive bidder to confirm their rates of one year maintenance dredging, and that they have reconfirmed that for 5 million cum. it is Rs 1.7 billion, which works out to be Rs 1.09 billion for 3 million cum. PQA has awarded the Contract for 3 million cum at Rs. 1,176,903,650, which is approximately Rs 87 million higher than the lowest available tendered rates of the Joint Venture of Capital Dredging, Deepening and Widening of Channel.
3. The Tender of M/s Van Oord ACZ was unsigned, and as per tender documents, PQA Evaluation Committee declared this tender as non-responsive in its evaluation report dated 23 December 2009. PQA Board Members Committee, or as a matter of fact under PPRA Rules no one including GoP, has any authority to change any non-responsive tender as responsive tender. TIP quote conditions from PQA procurement manual and capital dredging tender documents;

Substantially non-responsive;

A Tender determined as substantially non-responsive will be rejected and will not subsequently be made responsive by the Tenderer by correction of the non-conformity.

