



6th April 2012

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

Sub: Complaint of Violation of PPRA Rules in Expression of Interest for development of Bundal, Buddo and other Islands /PQA water front areas and RFP acquire consultancy services for development of Bundal/ Buddo and other Islands / PQA

Dear Sir,

Transparency International Pakistan has received a complaint on the violation of PPRA Rules in RFP for Consultancy Services as well as Expression of Interest for development of Bundal, Buddo and other Islands /PQA water front area. The RFP and the Expression of Interest are oriented towards single parties, and needs to be based on open competition requirements.

The same project was awarded to a consultant in 2006, one Mr Shakeel was inducted as a party with M/s ECIL, without complying with PPRA Rules, and the project based on that person's evaluation report was awarded to EMAAR based on a single bid, with following conditions as reported in press.

Dubai: Emaar, September 28, 2006

the largest Arab property developer by market value, yesterday received government approval for a Dh157.81 billion (\$43 billion) project to develop two island resorts near Pakistan's port city of Karachi. With 85 per cent equity in the project, Dubai-based Emaar will build apartments, offices resorts and entertainment facilities at Bundal and Buddo Islands over 13 years, Ashfaque Hasan Khan, Pakistan government's economic adviser, told the media in Islamabad yesterday. Pakistan's Port Qasim, which has 15 per cent stake in the project, will provide the land to Emaar. The approval for the project was given by Prime Minister Shaukat Aziz in a meeting, he said.

TI Pakistan would like PQA to know that the Supreme Court of Pakistan in its Judgment on RPP HRC 7734-G/0930 announced on 30 March 2012, has rescinded and declared all RPP Contacts awarded in 2006 as well as in 2008 as illegal and against PPRA Rules.

"17. It is important to note that all the executive authorities are bound to enter into contracts for supplies at the least expense to the



public exchequer. Most significant consideration for every department of the Government must be the best economical mode of meeting the public needs. 84. (iii) The contracts of all the RPPs – solicited and unsolicited, signed off or operational, right from BHIKKI & SHARAQPUR upto PIRANGHAIB, NAUDERO-I & NAUDERO-II were entered into in contravention of law/PPRA Rules, which, besides suffering from other irregularities, violated the principle of transparency and fair and open competition, therefore, the same are declared to be non-transparent, illegal and void ab initio. Consequently, the contracts of RPPs are ordered to be rescinded forthwith and all the persons responsible for the same are liable to be dealt with for civil and criminal action in accordance with law “

TI Pakistan request the Chairman to kindly direct the department that these and all tenders shall comply with the mandatory requirements of PPRA Ordinance 2002, Public Procurement Rules 2004 and PPRA Regulation 2008, in order to avoid allegation of mis-procurement under Rule No 50.

Transparency International Pakistan is striving for the Rule of Law in Pakistan.

Yours sincerely,

Syed Adil Gilani

Adviser