



27th May 2009

Altaf Ahmad Chaudhry,
Chairman,
National Highway Authority,
NHA HQ, 27, Mauve Area, G-9/1,
Islamabad.

Fax: 051-9260404

Sub: Shershah bridge Collapse- The probe report has been tampered with

Dear Sir,

Transparency International Pakistan on 5th May 2009, requested the Chairman Prime Minister Inquiry Committee, for the copy of the full Inquiry Report with all annexure comprising of over 5000 pages, and same request was also sent to you, as one member of the Inquiry Team had made allegations of tampering with the actual contents of the report as reported in press.

TI Pakistan has not been provided the copy of the Inquiry Report by the Chairman, Prime Minister Inquiry Committee, and we request NHA to kindly provide a copy.

However, the cost of losses of third party including reconstruction cost is to be paid by Insurance Company according to the Conditions of Contract, signed between NHA and the Contractor on 22nd April 2002. We quote the relevant clauses of the Conditions of Contract.

21.1 Insurance of Works and Contractor's Equipment

The Contractor shall, without limiting his or the Employer's obligations and responsibilities under Clause 20, insure:

- (a) the Works, together with materials and Plant for incorporation therein, to the full replacement cost (the term "cost" in this context shall include profit),
- (b) an additional sum of 15 per cent of such replacement cost, or as may be specified in Part II of these Conditions, to cover any additional costs of and incidental to the rectification of loss or damage including professional fees and the cost of demolishing and removing any part of the Works and of removing debris of whatsoever nature.

Under Clause 21.2, Scope of Cover, insurance shall be in the joint names of the Contractor and the Employer and shall cover the Employer and the Contractor against all loss or damage from whatsoever cause arising, other than as provided in Sub-Clause 21.4, from the start of work at the Site until the date of issue of the relevant Taking-Over Certificate in respect of the Works or any Section or part thereof as the case may be.



Exclusions under 21.4 is ; war, hostilities (where war be declared or not), invasion, act of foreign enemies, rebellion, revolution, insurrection, or military or usurped power, or civil war, ionising, radiations, or contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof, or pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds.

TI Pakistan would like to point out that in case the Contractor has not taken out the Insurance Policy, it was the responsibility of NHA to do so under Clause 25.3.

25.3 Remedy on Contractor's Failure to Insure

If the Contractor fails to effect and keep in force any of the insurances required under the Contract, or fails to provide the policies to the Employer within the period required by Sub-Clause 25.1, then and in any such case the Employer may effect and keep in force any such insurances and pay any premium as may be necessary for that purpose and from time to time deduct the amount so paid from any monies due or to become due to the Contractor, or recover the same as a debt due from the Contractor.

NHA is requested to confirm that the Contractor has taken out the Insurance Policy and the cost of reconstruction is being paid by the Insurance Company, and not by the Government of Pakistan.

It has been reported that in the case of reconstruction of Coastal Highway the Contractor had defaulted on the Insurance Policy Clause, and tens of millions of rupees were paid by the Government of Pakistan and not the Insurance Company. TI Pakistan also request NHA to implement in letter and spirit Public Procurement Rules 2004, and PEC Standard Bidding Documents even on NLC, FWO and NESPAK, which are mandatory requirements under PPRA Ordinance.

Regards,



Syed Anis Gilani
Chairman

Copies forwarded for information. We request you to kindly provide the correct version of the Inquiry Report.

1. Minister of Communication, Government of Pakistan, Islamabad.
2. Chairman, Public Accounts Committee, Islamabad.
3. Lt. Gen. (R) Farooq Ahmad Khan, Chairman, Prime Minister Inquiry Committee, National Disaster Management Authority (NDMA), Prime Minister's Secretariat, Islamabad.