



Ref: A343/58

11th May 2010

Mr. Umair Khan
Managing Director,
SSGC Limited,
SSGC House, Sir Shah Suleman Road,
Gulshan-e-Iqbal, Karachi

Subject: Violation of PPRA Rules by SSGCL in Tanks Tender

Dear Sir,

Transparency International Pakistan has received a complaint against SSGCL regarding the LPG Storage tanks tender.

1. Complainant alleged that the bid price was Rs 5,290,000 per tank and order was placed to Hi-Tek Manufacturing Private Limited at Rs 6,590,000, this shows a difference of Rs1, 300,000 per tank. This is a violation of the PPRA Rules 2004 Rule No 36(b), and such action is covered under Rule 2(f).

(f) "corrupt and fraudulent practices" includes the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty;

2. No tender documents (as per PPRA format) have been provided to bidders by SSGCL, which is a violation of Rule No 23 of Public Procurement Rules 2004 quoted below:

23. Bidding documents-

(1) Procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.

We quote the Landmark Judgment announced by the Supreme Court on 24th April 2010, in the suo moto case of award of multibillion dollar LNG contract to GDF-Suez, in which the Court announce that it is the duty of the Court to ensure the application of Public Procurement Rules 2004.



Transparency International Pakistan requests you to kindly provide copy of tender document issued by SSGE and evaluation report of the tender, to satisfy the complainant.

Kind Regards,

Syed Adil Gilani
Chairman

cc: Managing Director PPRA
Chairman NAB, Islamabad
Chairman Public Accounts Committee, Islamabad