



# TRANSPARENCY INTERNATIONAL-PAKISTAN

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6<sup>th</sup> October 2009

Zaheer A. Hussain  
Chief Executive Officer  
Pakistan Textile City Ltd.  
First Floor, Tower B  
FTC Building  
Sharaf Faisal  
Karachi,

Sub: Complaint against Pakistan Textile City Ltd. in processing of the procurement for Water Works Package-III. Approximate cost Rs 400 million

Dear Sir,

Transparency International Pakistan has received complaint on the procurement for Water Works Package-III, which is sated to be against the Public Procurement Rules 2004.

On examining the complaint, TI Pakistan is of the view that Pakistan Textile City Ltd. is totally violating the Public Procurement Rules 2004. Kindly note that these rules, effective 8th June 2004, have eliminated all discretions in procurement process and made corruption low profit and high risk business. Public Procurement Rules 2004 ideal and most transparent are to provide tender documents which shall include all relevant information including the detailed evaluation criteria and bid award method, detailed specifications in the tender documents, Signing of Integrity Pact and declaration of Agent's Agreement, evaluation of Lifecycle cost for equipment, Evaluation to be conducted only on the criteria given in the bidding documents, Evaluation Report to be provided to bidders 10 days before award for filing objections, and also to be posted on PPRA website Contract for Supply, Works and Consultants to be awarded only to the lowest responsive Evaluated Bidder, Rights of bidders for complaint on evaluation report and reply by department, within 10 days, and Publication of Contract Agreement including BOQ and Evaluation Report on the website after the Award of Contract. Kindly also note that the method of the highest scoring firm on the basis of weight age technical and financial proposals in 80:20 or any other ratio has been forbidden.

You had invited tenders on incomplete bid documents, wrong evaluation criteria method of the highest scoring firm on the basis of weight age technical and financial proposals in 60:40 in May 2009, and also in re-tender in July 2009.

For competitive bidding, whether open or limited, the bidding documents shall have included the following, requirement under rule no. 23, most of which are not complied by you:-

- a) invitation to bid;
- b) instructions to bidders; form of bid;
- c) form of contract;
- d) general or special conditions of contract;
- e) specifications and drawings or performance criteria (where applicable); list of goods or bill of quantities (where applicable); delivery time or completion schedule;
- f) qualification criteria (where applicable);



- g) bid evaluation criteria;
- h) format of all securities required (where applicable);
- i) details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and
- j) any other detail not inconsistent with these rules that the procuring agency may deem necessary.

Under Rule No 47, we request you to kindly provide the following g mandatory information to TI Pakistan within 1 week, in order to verify the compliance or non compliance of PPRA Ordinance and Public Procurement Rules 2004 in this procurement.

1. Evaluation Report of May 2009 tender.
2. The discharge notice of all tenders, and reason recorded for the discharge.
3. Evaluation Report of July 2009 tender.
4. Integrity Pacts signed by each and every bidder.
5. All documents regarding award of Consistency Contract to NEPAK including competitive bidding process and evaluation criteria.
6. The reason on why you shall not be reported for corrupt practices under Rule No 2(g), for using the evaluation criteria which will cause million of rules loss to exchequer, and the lowest evaluated bidder is not being awarded the contract, which amounts to 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.
7. Kindly note that any violation of the 49 rules are treated as Mis-Procurement under rule No 50.

The above information is also needed to examine the process conducted, and in case of violation, to recommend to re- inviting of the tenders under the prescribed procedures.

With regards

  
**Syed Adil Gilani,**  
**Chairman**

Copy forwarded for the information of;

1. Chairman, Public Accounts Committee, National Assembly, Islamabad.
2. Auditor General of Pakistan, Islamabad.
3. Managing Director, PPRA, Islamabad.
4. Chairman, Pakistan Textile City Ltd., Karachi
5. Syed Azizul Haq, Chairman Evaluation Committee.