



# TRANSPARENCY INTERNATIONAL-PAKISTAN

01<sup>st</sup> February 2012

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**Advisory Committee**

Mr. Muhammad Shakil Durrani,  
Chairman,  
Water And Power Development Authority,  
701, WAPDA House, Lahore.

**Sub: Complaint on violation of Public Procurement Rules 2004 in Tender No. OP/ITR-270 of Tarbela Power Station: Award of Contract to the second lowest responsive bidder causing loss of Rs. 38.66 million to the exchequer – TI-P Letters dated 30<sup>th</sup> June 2011, 18<sup>th</sup> July 2011, 17<sup>th</sup> August 2011 & 10<sup>th</sup> September 2011 and WAPDA Letters dated 05<sup>th</sup> August 2011 & 01<sup>st</sup> December 2011.**

Dear Sir,

Transparency International Pakistan is in receipt of Mr. Muhammad Qasim Khan, Member (Power), WAPDA's letter No. GMH/CEHO/TRB-4/15234 dated 01<sup>st</sup> December 2011 sent in response to TI-Pakistan's letters on the above subject.

TI-Pakistan appreciates the steps taken by WAPDA to resolve the complaint forwarded by TI-P, however TI-P would refer to the Member (Power)'s letter No. 8442/MP/GMH/CEHO/TRV-4 dated 05<sup>th</sup> August 2011 where he had stated that:

*"It is highlighted that Cost was never the sole criteria for selection of the best proposal for carrying out the subject work rather all the proposals were evaluated by the evaluation committee on the basis of 'Quality Based Selection (QBS)' keeping in view the following 'Technical Qualification Criteria' as per requirement of tender and work."*

TI-Pakistan would like to mention that the chosen method of selection is only allowed for consultancy services under the Public Procurement Regulations for Procurement of Consultancy Services Regulations 2010, notified by the Cabinet Division on 26<sup>th</sup> November 2010, whereas a Turn-Key project shall be based only on Rule No. 36, and only technically qualified bids shall be processed and the contract awarded to the lowest evaluated financial bidder.

It should be noted that the subject work does not fall under the definition of consulting services and therefore Quality Based Selection cannot be used to evaluate the bidders. WAPDA is advised to refer to Rule No. 36 of the Public Procurement Rules 2008 to adopt the method for selection of bidder to carry out the subject work.

The above information is forwarded for the purpose of avoiding the mis-procurement charge under Rule No 50, and with request to re-invite the tender under the prescribed procedures.

TI Pakistan is striving to have Rule of Law in Pakistan.

With Regards,

Syed Adil Gilani  
Adviser

Copies forwarded for the information of:

1. Joint Secretary, Public Accounts Committee, Islamabad.
2. Chairman, NAB, Islamabad.
3. Minister of Water and Power, Islamabad.
4. Daniel Alterman, OIG USAID, Islamabad.
5. Registrar, Supreme Court.
6. Auditor General, Islamabad.
7. Managing Director, PPRA, Islamabad.