



GOVERNMENT OF PAKISTAN
MINISTRY OF WATER AND POWER
(PRIVATE POWER & INFRASTRUCTURE BOARD)

No. 1(102) PPIB /11/PRJ

November 29, 2011

Mr. Muhammad Zargham Eshaq Khan
Joint Secretary (Power)
Ministry of Water & Power
Islamabad

Subject: Violation of PPRA Ordinance 2002 and Public Procurement Rules, 2004 in Privatization of 09 Public Sector Power Stations generating 4679 MW

Dear Sir,

Reference Transparency International Pakistan (TIP) reminder addressed to the Federal Minister for Water & Power dated 22nd November 2011 (copy enclosed for ready reference) of their earlier letter dated 2nd November 2011 whereby they objected on the amount of fees charged for registration and providing of Pre-qualification Documents (PQDs) to bidders with regards to the outsourcing of Management, Operation, Maintenance and Rehabilitation of public sector power stations.

2. PPIB has already proposed a draft reply therefor to Ministry of Water & Power (copy enclosed for ready reference) which may please be expedited.

With best regards,

Yours sincerely,

(Asif Ali Abro)
Director Projects

Encl: as above

cc:

- i. Secretary, Ministry of Water & Power, Islamabad
- ✓ ii. Adviser, Transparency International Pakistan, Karachi

(No. 1(102) PPIB/11/PRJ) - TIP
GOVERNMENT OF PAKISTAN
MINISTRY OF WATER AND POWER
(PRIVATE POWER & INFRASTRUCTURE BOARD)

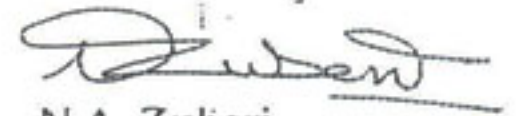
Subject: Violation of PPRA Ordinance 2002 and Public Procurement Rules, 2004 in Privatization of 09 Public Sector Power Stations generating 4679 MW

Transparency International Pakistan (TIP) vide its letter dated 3rd October 2011 expressed concerns over the outsourcing of management, operation, maintenance and rehabilitation of public sector power plants contending that violation of rules 12 and 50 of PPRA's Public Procurement Rules 2004 had been committed. On 4th October 2011, PPRA vide its letter enclosed copy of TIP's letter referenced above and sought clarifications on the issues raised by TIP.

2. PPIB prepared draft replies to the aforesaid letters by TIP and PPRA and sent the same for issuance by Ministry of Water & Power through your goodself (F/A). We believe that Ministry of Water & Power would have issued those letters.

3. Transparency International Pakistan (TIP) has again objected on the amount of fees charged for registration and providing of Pre-qualification Documents (PQDs) to the bidders (E/B). Moreover, PPRA has also forwarded copy TIP's aforesaid letter (F/C). PPIB has drafted replies to these letters which are placed at F/DEA s.

4. It is requested that concerned quarters of Ministry of Water & Power may issue the letters to TIP and PPRA, please.



N.A. Zuberi

Managing Director

17th November, 2011

Chairman



GOVERNMENT OF PAKISTAN
MINISTRY OF WATER AND POWER

JOINT SECRETARY

No. _____
November, 2011

Syed Adil Gilani
Adviser
Transparency International Pakistan
Islamabad

Subject: Violation of PPRA Ordinance 2002 and Public Procurement Rules, 2004 in Privatizing 9 Power Stations generating 4679 MW

Dear Sir,

This has reference to your letter to the Federal Minister for Water & Power dated 2nd November 2011 on the subject cited above whereby you have objected on the amount of fees charged for registration and providing of Pre-qualification Documents (PQDs) to bidders with regards to the outsourcing of Management, Operation, Maintenance and Rehabilitation of public sector power stations.

2. It is clarified that the cost of PQDs and registration fee has been duly approved by the Government of Pakistan under Policy for Power Generation Projects 2002. Keeping in view, the capital intensive requirements of power sector and in order to avoid frivolous parties such charges are not exorbitant.

With best Regards,

Yours Sincerely,

(Muhammad Zargham Eshaq Khan)

CC:

1. Chairman, Public Accounts Committee, Islamabad
2. Federal Minister of Water & Power, Islamabad
3. Federal Minister of Finance, Islamabad
4. Auditor General Pakistan, Islamabad
5. Chairman WAPDA, Lahore
6. Chairman, SECP, Islamabad
7. Registrar, Supreme Court of Pakistan, Islamabad
8. Managing Director, PPRA, Islamabad



GOVERNMENT OF PAKISTAN
MINISTRY OF WATER AND POWER

JOINT SECRETARY

No. _____
November, 2011

Mr. Hafeez ur Rehman
Managing Director
Public Procurement Regulatory Authority
Islamabad

Subject: Violation of PPRA Ordinance 2002 and Public Procurement Rules, 2004 in Privatization of 09 Public Sector Power Stations generating 4679 MW

Dear Sir,

This has reference to PPRA's letter no. F.1(85)/DD-II/PPRA/2011 dated 10th November 2011 enclosing copy of letter from Transparency International Pakistan (TIP) whereby it has objected on the amount of fees charged for registration and providing of Pre-qualification Documents (PQDs) to bidders with regards to the outsourcing of Management, Operation, Maintenance and Rehabilitation of public sector power stations.

2. It is clarified that the cost of PQDs and registration fee has been duly approved by the Government of Pakistan under Policy for Power Generation Projects 2002. Keeping in view, the capital intensive requirements of power sector and in order to avoid frivolous parties such charges are not exorbitant.

3. We believe that the above explained clarifications adequately address the objections raised by TIP. Nonetheless, if PPRA also has any objections then they may please be communicated so that necessary steps be taken to rectify them.

With best Regards,

Yours Sincerely,

(Muhammad Zargham Eshaq Khan)

CC:

1. Federal Minister of Water & Power, Islamabad
2. Secretary, Ministry of Water & Power, Islamabad



TRANSPARENCY INTERNATIONAL-PAKISTAN

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E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk
Advisory Committee

22nd November 2011

Mr. Syed Naveed Qamar,
Minister for Water & Power and Chairman,
Private Power & Infrastructure Board,
Government of Pakistan,
50, Nazimuddin Road, F-7/4,
Islamabad.

1st REMINDER

**Subject: PPIB Violating PPRA Ordinance 2002 and Public Procurement Rules 2004
in privatizing 09 Power Stations generating 4679 MW- TIP Letters dated 03th
October 2011 & 02nd November 2011 and PPRA Letters dated 04th October 2011 &
10th November 2011.**

Dear Sir,


Please find attached copy of our letter dated 02nd November 2011, which had been sent to you earlier. As of date we have not received any reply.

We would greatly appreciate if you would kindly reply to our attached letter and inform us about any rectification that has been done in this regard.

In case of violation, it is recommended to re-invite the tender.

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

Regards,


Syed Adil Gilani
Adviser

Copies forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad.
2. Federal Minister of Finance, Islamabad.
3. Chairman, NAB, Islamabad.
4. Chairman, WAPDA, Lahore.
5. Registrar, Supreme Court.
6. Auditor General, Islamabad.
7. Chairman, SECP, Islamabad.
8. Managing Director, PPIB, Islamabad.
9. Managing Director, PPRA, Islamabad.