



16th March, 2023

TL2023/1603/1A

Director General,
Punjab Anti- Corruption Department,
Lahore.

Sub: Allegation of Violation of Punjab PPRA Rules 2014 in Award of Contract by Irrigation Department Causing a Loss of Rs 48 Million to Exchequer.

Dear Sir,

Transparency International Pakistan on 14 March 2023 (Annex-A), has received a response on Citizen's portal, the reply of Project Director Small Dams Circle- I, Islamabad addressed to Deputy Director Technical, Anti- Corruption Establishment, Rawalpindi dated 23.08.2022 (Annex-B), on the TI Pakistan's letter of alleged irregularity of Violation of Punjab PPRA Rules 2014 in Award of Contract by Irrigation Department Causing a Loss of Rs 48 Million to Exchequer sent to the Chief Minister Secretariat, on 7.06.2022 (Annex- C).

The complainant has made the following allegations;

That;

1. Office of the Project Director, Small Dams Circle- I in violation of PPRA Rules, have falsely enhanced the quoted prices of complainant firm M/ AGES Consultants in consultancy services for "Feasibility Study of a Detailed Design of New Small Dams" from Rs 191 million to Rs 239 million, i.e. Rs 47.75 Million to favour another bidder. which is against the tender conditions quoted below:
 - a. RFP para 3.8, **The consultants are free to propose a staffing plan and skill mix necessary to meet the objectives and scope of services...** Following is the indicative list skill required for carrying out the assignment.
2. And the evaluation report was sent to bidders on 30.04.2022 (Saturday afternoon) just before the Eid holidays. As due to Eid Holidays and weekends, the letter posted by the client reached this office just the last day of allocated 10 days for complaint (which itself shows the vested interest behind it as the other letters by Client were sent by courier as well as in soft copy.
3. When complainant, being the last day of the complaint immediately approached the office through telephone to ask for name and address of the "Grievance Redressal Committee" they informed the complainant that they have no information about it.
4. And when JV Partner M/s BARQAAB also approached the Secretary Irrigation Office Lahore vide letter no. BQB/Q/2022/208 requesting for the two main replies i.e. "How the bid of our JV is increased?" and "Replies to the above-mentioned letter of Lead Partner AGES". A meeting of GRC was held in the Executive Engineer Small Dams Division Jhelum on 20.05.2022. Unfortunately GRC refused to address both the questions by responding that these are beyond the scope of GRC.



Transparency International Pakistan's Comments & Recommendations:

TI Pakistan requests DG, Punjab Anti- Corruption Department to kindly share the investigation report/action taken on the letter sent seven months ago by the Project Director, Small Dams Circle dated 23.8.2022, and if found correct action taken to recover the loss of Rs 48 million to the exchequer.

TI Pakistan is striving for across the board application of **Rule of Law**, which is the only way to stop corruption and achieve zero tolerance against Corruption.

With Regards,

(Advocate Daniyal Muzaffar)
Trustee/Legal Advisor
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. Prime Minister of Pakistan, PM House, Islamabad
2. Chief Minister Punjab, Chief Minister Secretariat, Lahore,
3. Chairman Public Accounts Committee, National Assembly, Islamabad
4. Chairman, NAB, Islamabad
5. Chairman, Prime Minister Inspection Commission, PMIC, Islamabad
6. Registrar Supreme Court of Pakistan, Islamabad
7. MD, PPRA, Islamabad

Annex-A

3/16/23, 10:53 AM

Gmail - Your Citizen Portal Complaint is Resolved | آپ کے سٹیزن پورٹل کی شکایت حل ہوگئی ہے



Transparency International Pakistan <ti.pakistan@googlemail.com>

Your Citizen Portal Complaint is Resolved | آپ کے سٹیزن پورٹل کی شکایت حل ہوگئی ہے

1 message

Pakistan Citizen Portal <support.pmdu@pmo.gov.pk>
To: ti.pakistan@gmail.com

Tue, Mar 14, 2023 at 2:13 PM

Respected Citizen! / محترم شہری

Following Officer (XEN Development Div VI Fateh Jang, Chakwal) closed your complaint code (PU210622-90089255) with following status (Relief Granted). Please see the remarks.

Officer Remarks:

The complaint has already been taken up by Anti Corruption Department, Punjab and a detailed reply supported with a record has been submitted . Hence it may be closed at this forum.

Email: support.pmdu@pmo.gov.pk
Pakistan Citizen Portal
PMDU|PMO|Islamabad, Pakistan



OFFICE OF THE PROJECT DIRECTOR
SMALL DAMS CIRCLE-I
ISLAMABAD
PH.051-9255756 Fax. 051-9255757
Email: pdsdoisd@gmail.com,

To:

Deputy Director Technical,
Anti Corruption Establishment
Rawalpindi.

No. PD/SDC-I/2022/ 2738/240-G.

, Dated: 23/8/2022

Subject: REPLY OF THE COMPLAINT LODGED BY M/S AGES CONSULTANTS REGARDING AWARD OF CONTRACT FOR THE PROJECT "FEASIBILITY STUDY AND DETAIL DESIGN OF NEW SMALL DAMS" (ENQUIRY NO. 207/2022)

Reference: Notice dated 12.08.2022 & 19.08.2022.

It is submitted that the Punjab Irrigation Department has procured consultancy services for the Project "Feasibility Study and detailed design of New Small Dams" through Chief Engineer, Irrigation Potohar Zone, the procuring agency. The undersign as Project Director, Small Dams Circle-I, Islamabad performed his duties as Secretary of the Consultant Selection Committee (CSC) constituted by the Procuring Agency under Rule 40 of PPRA 2014 for procurement of above said consultancy services. The allegations leveled in the complaint regarding wrong evaluation of Financial proposal of M/S AGES to favour another firm are strongly denied being incorrect and based on some misconception / misinterpretation. The facts are that the whole process of procurement of above said consultancy services has been carried out strictly in accordance with PPRA 2014 and standard procedure for evaluation of proposals for procurement of Engineering services. The sequence of proceedings conducted in this regard are explained / described as under please:

1. In pursuance to approval of PC-II for the project "Feasibility Study and detailed design of New Small Dams" by the Planning and Development Board Lahore (P&D), the Chief Engineer, Irrigation Potohar Zone (the head of Procuring Agency) constituted five members Consultant Selection Committee under Rule 40 of PPRA for hiring Consultancy Services for the above said project vide his office order No. CE/PTR/IRRI/2021/3011-14/FS-I, dated 05.06.2021. Subsequently, the procuring agency also constituted the Grievance Redressal Committee vide No. CE/PTR/IRRI/2021/4405/FS-II, dated 25-09-2021 to address the complaints of bidders. (Annexure-A)

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2. The "Quality and cost based" (QCB) Selection method was adopted for selection of consultants by fixing weightages for quality and cost as 80% and 20% respectively in accordance with Rule 45(e) of PPRA 2014. (Annexure-B).

3. Four numbers Prequalified Firms / JV's submitted their Technical and Financial Bids. As per procedure, in the first stage, the Technical Bids were evaluated as per criteria given in the "Request for Proposal" (RFP). The Technical score obtained by the four number Firms / JV's came as under. (Annexure-C).

Name of Firms / JV's	Technical Score
JV of M/s NESPAK (LEAD); EGC (JVP)and TURKPAK (SCs)	73.22
JV of M/s AGES (LEAD); BAK (JVP)and BARKAAB (JVP)	67.58
JV of M/s RHC (LEAD) and NDC(JVP)with DMC (SCs)	72.01
M/s MMP (Single Entity)	67.55

Copy of criteria for evaluation of Technical Proposal is attached as (Annexure-D).

These results were communicated to all firms against which no objection / grievance was received. It is clarified here that the complainants claim in the instant complaint that their proposed staffing plan in the Technical bid was accepted by the client during evaluation is not correct. The fact is that the proposed staffing plan had been rated below average and had secured score of only 4.5 against 15. The staffing plan proposed in the Technical bid was not consistent with the approved TOR's / RFP.

4. Subsequent to evaluation of Technical bids, the Financial bids of all four number Firms were opened on 14.04.2022 at 15:00 Hrs by the consultant Selection Committee in the presence of authorized representatives of the firms. The quoted bids prices were read out by the chair as under:

Name of Firm/JV	Competitive Financial Cost (PKR)	Non-Competitive Cost (PKR)	Total Financial Cost (PKR)
JV of M/s NESPAK (LEAD); EGC (JVP)and TURKPAK (SCs)	257,270,335	180,888,400	438,158,735
JV of M/s AGES (LEAD); BAK (JVP)and BARKAAB (JVP)	191,638,850	180,888,400	372,527,250
JV of M/s RHC (LEAD) and NDC(JVP)with DMC (SCs)	239,919,097	180,888,400	420,804,497
M/s MMP (Single Entity)	261,900,000	180,888,400	442,788,400

5. Subsequently, the financial bids of all four number firms / JV's were evaluated in the light of clause 5.6 of section 2 of RFP "Instructions to consultants" as well as clause 5.9.1 of standard procedure for evaluation of proposals for procurement of engineering

services set forth by Pakistan Engineering Council. The relevant parts of the above said clauses are reproduced as under:

Clause 5.6 of RFP:

"The Evaluation Committee will correct any computational errors. In case an activity or line item is quantified in the Financial Proposal differently from the Technical Proposal, (i) if the Time-Based form of agreement has been included in the RFP, the Evaluation Committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity and correct the total Proposal cost, (ii) if the Lump-Sum form of agreement has been included in the RFP, no corrections are applied to the Financial Proposal in this regard." (Annexure-E)

Clause 5.9.1 of PEC

"After obtaining clearance of the ranking of Technical Proposals by the competent authority the financial proposals of the top ranked three firms which crossed the technical quality threshold should be opened in the presence of the consultants representatives who care to attend. The financial proposals should be verified and adjusted to correct any mathematical errors after checking that proposals cover all the items of expenditure required under the sample/standard forms. Adjustments shall also be made for cost of any quantifiable non-material deviations or reservations or for any particular advantages enjoyed by any of the firm." (Annexure-F)

It is explained that the RFP's issued to the participating consulting firms / JV's contained approved TORs by the P&D Board Lahore which clearly described the staffing requirement, their qualification, Job description and duration of hiring against each position. (Annexure-G) The consultants were required to submit their bids in accordance with those provisions. Similarity of these provisions can be drawn with the bill of quantities (BOQ) in case of tendering of civil works. As in the case of tendering of civil works, the contractor are not at liberty to change quantity of any item of work given in the BOQ, similarly in the instant case of procurement of consultancy services, no deviations in the quantities of various provisions could be allowed because it was not a lump sum contract but a time based contract agreement.

In view of the above, the financial bids of all 4 Nos. firms were evaluated and wherever, any deviations / reservations were found, the same were corrected in accordance with the corresponding provisions in the approved TORs. In this regard the clause 1.5.4 of section I of RFP may also be referred which is reproduced as under:

"If a shortlisted Consultant could derive a competitive advantage from having provided consulting services related to the assignment in question, the Client shall make available to all interested Consultants together with this RFP all information that would in that respect give such Consultant any competitive advantage over competing Consultants." (Annexure-H)

In regard to evaluation of financial bid of the complainant firm M/S AGES, it is clarified that in their financial bid, certain quality compromising deviations were found as compared to corresponding provisions in the approved TOR's / RFP to gain advantage over the competing firms which were corrected to match with approved provisions to ensure parity with the competing firms. For example, the staff months given in the RFP against the positions of Principal Hydrologist, Principal Hydraulic Structure Specialist, Principal Engineer Dam Design, Senior Structural Engineer, Senior Geotechnical Engineer, Junior Geotechnical Engineer, Environmentalist, Senior Mechanical Engineer and economist were 20, 18, 18, 16, 20, 20, 20, 6 and 12 respectively, where as these man months were reduced to 10, 9, 9, 8, 10, 15, 10, 3 and 6 respectively. Such discrepancies and deviations from the approved TORs and integral part of RFP were going to compromise the quality of the assignment and gaining unfair advantage over the competing firms, therefore, the financial bids of all four number firms / JV's including the JV of M/S AGES (LEAD), BAK (JVP) and BARQAAB (JVP) were corrected with reference to the provisions in the RFP. After carrying out above said corrections, the evaluated financial bid of JV M/S AGES (LEAD), BAK (JVP) and BARQAAB (JVP) came to Rs. 239,370,100. The results of combined evaluations of Technical and Financial bids (evaluated prices) were prepared as per criteria described in the RFP as under (Annexure-I).

Sr. No	FIRM NAME	TECHNICAL EVALUATION					FINANCIAL EVALUATION			COMBINED	RANKING
		Technical Score Points	Technical Wt. Factor	Technical Points	Firm Proposed Price (PKR)	Evaluated Total Price (PKR)	Financial Score Points	Price Wt. Factor	Price Points	Total Evaluation Points	
		1	2	1 = 1 * 2	4	5	6	7	8 = 6 * 7	9 = 3 + 8	
1	JV of M/s NESPAK (LEAD); EGC (JVP) and TURKPAK (SCs)	73.22	0.08	58.58	257,270,335	256,170,430	93	0.1	18.54	77.32	2nd
2	JV of M/s AGES (LEAD); BAK (JVP) and BARQAAB (JVP)	67.58	0.08	54.06	191,638,850	239,370,100	99	0.2	19.84	73.91	3rd
3	JV of M/s RHC (LEAD) and NDC (JVP) with DMC (SCs)	73.01	0.08	57.61	239,919,097	237,409,884	100	0.2	20	77.61	1st
4	M/s MUP (Single Entity)	67.55	0.08	54.04	261,900,000	261,750,000	84	0.2	16.74	70.78	4th



7 June 2022

TIP22/0607/1A

Mian Muhammad Hamza Shahbaz,
Chief Minister Punjab
Chief Minister Secretariat
Lahore

Subject: Allegation of Violation of Punjab PPRA Rules 2014 in award of Contract by Irrigation Department causing a loss of Rs48 million to Exchequer.

Dear Sir,

Transparency International Pakistan has received a complaint from M/s Ages Consultant on the violation of Punjab PPRA Rules 2014 in consultancy services for “Feasibility Study of a Detailed Design of New Small Dams” by Irrigation department causing a loss of Rs48 million to exchequer. (Annex-A)

The complainant has made the following allegations/objections:

That,

1. The project for consultancy services was advertised in February 2022 by the Irrigation Division Potohar Zone and 04 consultants participated in the bidding process including joint ventures led by M/s Ages Consultants.
2. After the technical evaluation, financial bids were opened, and according to the announced priced bid, M/s Ages Consultants was to be ranked No.1 in the overall evaluation report:

Firm/JV (Lead)	Technical Score	80% of Test Score	Competitive Financial Cost (PKR)	Financial Score (20%)	Overall (Tech 80% +Fin20%)	Ranking
AGES	67.58	54.064	191,638,850	20.00	74.06	1
RHC	72.01	57.608	239,919,097	15.98	73.58	2
NESPAK	73.22	58.576	257,270,335	14.90	73.47	3
MMP	67.55	54.04	261,900,000	14.63	68.67	4
Minimum Competitive Financial Cost			191,638,850			

3. The overall Evaluation Result was shared by the Executive Engineer Small Dams Division Fateh Jang vide letter no. 569-71/118-W on 30-4-2022 and reached to the complainant office just the last day of allocated 10 days for complaint.
4. In the overall Evaluation Result shared by the department vide its letter no. 569-71/118-W on 30-4-2022, the second lowest bidder, M/s RHC was ranked no. 1, with a difference of Rs 48 million from the price quoted by the complainant M/s Ages, which is against the tender conditions quoted below:
 - a. RFP para 3.8, The consultants are free to propose a staffing plan and skill mix necessary to meet the objectives and scope of services....Following is the indicative list skill required for carrying out the assignment.



- b. According to the clause 5.6 of the RFP, In case an activity or line item is quantified in the financial proposal differently from the technical proposal.....

TI Pakistan has examined the complaint, and following are its comments and recommendations.

TI Pakistan Comments:

Based on the complaint, if the quoted prices have been increased by the department which is against the conditions of the RFP mentioned above 3(a) & 3(b), prima facie, this procurement may be declared as Mis-Procurement as per Punjab PPRA Rule 69, as the department is not allowed to increase the Man-month in the bid of any bidder.

TI Pakistan Recommendations:

TI Pakistan requests the Chief Minister Punjab to immediately taken up this complaint for investigation as it awarded 20% cost which may cost Rs 48 million to exchequer, and if the allegations are found to be correct, direct the concerned department to terminate the contract, and reinvoke the tender as per Punjab PPRA Rules 2014.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption, and achieve against Zero tolerance against corruption.

Regards

Ms. Yasmeen Lari
Sitara-e-Imtiaz, Hilal-e- Imtiaz
Chairperson
Transparency International Pakistan

Justice (Rtd) Nasira Iqbal
Vice Chair, Sitara-e-Imtiaz
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. Registrar, Lahore High Court, Lahore
2. Punjab Anti-Corruption Department, Lahore
3. MD, Punjab PPRA, Lahore
4. Chief Engineer, Irrigation Potohar Zone Rawalpindi/Islamabad

Ref: AGES-22-SMP-090

Date: May 26, 2022

Chief Engineer

Irrigation Potohar Zone Rawalpindi / Islamabad
Rawal Dam Colony, Islamabad
Telephone: (+92-51) 9255749
Email: ce_potohar@irrigation.punjab.gov.pk

PROJECT: CONSULTING SERVICES FOR "FEASIBILITY STUDY, DETAILED DESIGN OF NEW SMALL DAMS.

SUBJECT: COMPLAINT AGAINST MIS-PROCUREMENT AND WRONG EVALUATION OF THE CONSULTANTS

Dear Sir

This is with reference to the "Overall Evaluation Report" shared by the Executive Engineer Small Dams Division Fateh Jang vide letter no. 569-71/118-W dated 30-4-2022 for the consultancy services of the project "Feasibility Study, Detailed Design of New Small Dams". The letter / report has been issued on 30-4-2022 Saturday just before the Eid Holidays.

Above mentioned project for consultancy services was advertised by the Irrigation Division Potohar Zone and a number of consultants / JV participated in the bidding process including Joint Venture led by AGES Consultants. After the technical evaluation, financial bids were opened. The bid cost announced / read out in the financial opening is given in the table below. According to the announced price bid, AGES Led JV is to be ranked no. 1 in the overall evaluation as presented below.

Firm / JV (Lead)	Technical Score (out of 100)	80% of Tech Score	Competitive Financial Cost (PKR)	Financial Score (20%)	Overall (Tech 80% + Fin 20%)	Ranking
AGES	67.58	54.064	191,638,850	20.00	74.06	1
RHC	72.01	57.608	239,919,097	15.98	73.58	2
NESPAK	73.22	58.576	257,270,335	14.90	73.47	3
MMP	67.55	54.04	261,900,000	14.63	68.67	4

Minimum Competitive Financial Cost	191,638,850
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However in the overall evaluation received from the client vide above mentioned letters shows that M/s RHC led group is ranked first.

The Overall Evaluation Result was shared on 30-4-2022 (Saturday afternoon) just before the Eid Holiday. As you are aware that due to Eid Holidays and Weekends, the letter posted by the Client reached this office just the last day of allocated 10 days for complaint (which itself shows the vested interest behind it as the other letters by Client were sent by courier as well as in soft copy). Being last day of the complaint, we immediately approached the Office mentioned in RFP through telephone to provide name and address of the "Grievance Redressal Committee" but we have been informed that the office has no information about it. After several attempts, we have left with no other option but to launch our complaint to the Punjab Procurement Regulatory Authority vide our letter AGES-22-SMP-090 dated 09-05-2022 (copy shared with the Chief Engineer Irrigation Potohar Zone). Our points for the complaint are summarized below.

- Overall evaluation is against the provision / clauses of RFP issued by the Client. According to the RFP / TOR Para 3.8, "***The consultants are free to propose a staffing plan and skill mix necessary to meet the objectives and scope of services***" ***Following is an indicative list skill required for carrying out the assignment***" Accordingly our JV proposed "staffing plan" and "skill mix" in our technical proposal which was evaluated and accepted by the Client during evaluation of technical proposal. It is normal practice that client either "fix" the staffing schedule and skill mix or gives "freedom" to the consultants for change to get the ultimate goal in efficient manner and minimum cost. In both the cases, the consultants provide their technical and financial proposal according to the RFP.

As it was already allowed in the RFP, therefore "***adding cost over and above quoted price in the financial evaluation***" is against the RFP provision and clear indication of "favoritism".



2. According to the clause 5.6 of the RFP ".....In case an activity or line item is **quantified in the Financial Proposal differently from the Technical Proposal.....**". As we have already mentioned the same in technical proposal (evaluated and accepted by the client), there is no difference between our "technical proposal" and "financial proposal". In this case further adding cost over and above quoted price in the financial evaluation is against the RFP provision.
3. As envisaged from the bid price, the AGES led group is also **financially lowest** with a difference of 48 million from the bidder falsely ranked first in the overall evaluation of the client which is an additional **loss to the public exchequer / taxpayer money if proceeded further**.
4. It is pertinent that our firm did not compromise on the scope of services and all activities for the feasibility and design will be fulfilled by the JV as per TOR within the proposed budget.

Our JV Partner M/s BARQAAB also approached the Secretary Irrigation Office Lahore vide letter no. BQB/W/2022/208 requesting for the two main replies i.e. "How the bid of our JV is increased?" and "Replies to the above-mentioned letter of Lead Partner AGES". A meeting of GRC was held in the Executive Engineer Small Dams Division Jhelum on 20-5-2022. Unfortunately GRC refused to address both the questions by responding that these are beyond the scope of GRC.

We are, therefore, requesting to re-visit the **"Overall Evaluation Report" according to the RFP provision and Punjab PPRA guidelines by any independent panel**. We are ready to explain our grievances to your good-self or to any independent forum. We hope justice by your office.

Yours Truly



Zahoor Ahmed

Authorized Representative of Joint Venture
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Khyber Pakhtunkhwa, Pakistan
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cc:

1. Additional Chief Secretary Punjab Lahore
2. Secretary Irrigation Punjab, Lahore
3. Planning and Development Department Punjab Lahore
4. Monitoring and Evaluation Department Lahore
5. Punjab Public Procurement Regulatory Authority
6. Provincial Ombudsman
7. Chairperson, Transparency International Pakistan
8. Project Director, Irrigation Potohar Zone Rawalpindi
9. JV Partners (BAK & BARQAAB)

