



6th July, 2015

Secretary,
Health Department,
Government of Punjab,
Punjab Civil Secretariat,
Lahore.

Sub: Complaint against Biased Decision in Tender Process (at a higher Prices) and making loss of USD 54,792/= to Punjab Government Exchequer.

Tender # 2014-15/7 (Package No 2, Resuscitation Trolley) Upgradation of Neonatal Units of DHQ Hospitals in Punjab

Dear Sir,

Transparency International Pakistan has received a complaint against abuse of entrusted power by Punjab Government Officials (Tender # 2014-15/7) from M/s Biotech Pakistan dated 2nd July, 2015. (Copy Enclosed).

The complainant has made following allegations;

1. That, the entire bidding process was influenced and headed by Punjab Health Department official towards only one bidder of choice i.e. M/s Eastern Medical in order to favor them.
2. That, the officials interacted and took biased decision by manipulating the policies and rules of procedure in the allocation of resources by abusing their position at the expense of the valuable public / tax payers money (Approx. USD 54,792/-)
3. That, M/s Eastern Medical also submitted their offer having the same products and of same manufacturer what we offered (Same manufacturer, Same items).
4. That the committee rejected their offer saying that M/s Fisher and Paykel Healthcare Ltd. has authorized only M/s Eastern Medical for the said project and not M/s Biotech Pakistan, and kept their offer unopened which is still unopened and lying with Health Department in a sealed envelope.
5. The Manufacturer, M/s Fisher and Paykel Healthcare, clarified and confirmed this matter through their (manufacturer's) official letter to Punjab Health Department which has been addressed to Mr. Hamayun that both M/s Biotech Pakistan and M/s Eastern are authorized to participate in subject Tender.
6. That, during the financial opening/ result the offered prices by M/s Eastern Medical was **USD 680,400/=** whereas in the complainant's offer (which still unopened and lying with Health Department in a sealed envelope) the prices offered is **USD 625,608/=** the lowest as well.
7. That, if the offer of Biotech Pakistan was considered and accepted, the Punjab Government could have saved public money amounting to **USD 54,792/=**, this is a waste of USD 54,792/= (Approx. Pak Rupees 5,588,784) valuable public and tax payers money.



The Secretary, Health Department (Punjab) is requested to kindly examine the complaint, and if the allegations are found correct, take necessary action against all those who are involved in the corrupt practices.

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

With Regards,

Sohail Muzzafar
Chairman

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

1. Chief Minister, Government of Punjab, Lahore
2. Director General, NAB, Punjab.
3. Chief Secretary, Government of Punjab, Lahore.
4. Registrar, Lahore High Court, Lahore.
5. Managing Director, Punjab PRA, Lahore.

----- Forwarded message -----

From: **Anwar Punjani** <anwar@biotechpakistan.com>

Date: Thu, Jul 2, 2015 at 1:30 PM

Subject: Abuse of entrusted Power by Punjab Government Officials (Tender # 2014-15/7)

To: ti.pakistan@gmail.com

July 02, 2015

Mr. Sohail Muzaffar
Chairman
Transparency International
Address: 5-C, 2nd Floor, Khayaban-e-Ittehad,
Phase VII, D.H.A.,
Karachi.

Sub: Abuse of entrusted Power by Punjab Government Officials for Private Gain

Case Reference:

Biased Decision in Tender Process (at a higher Prices) and making loss of USD 54,792/= to Punjab Government Exchequer.

Tender # 2014-15/7 (Package No 2, Resuscitation Trolley) Upgradation of Neonatal Units of DHQ Hospitals in Punjab

Dear Sir,

We would like to bring it in your kind attention towards the influenced and biased decision taken in awarding/ accepting subject tender

We have briefed below on how the entire bidding process was influenced and headed by Punjab Health Department official towards only one bidder of choice i.e. M/s Eastern Medical in order to favor them. How the abuse of entrusted power exercised by Punjab Health Department official for private/personal gain committed distorting policies or the central functioning of the state, enabling official to benefit and how these official interacted and taken biased decision by manipulating the policies and rules of procedure in the allocating the resources by abusing their position at the expense of the valuable public / tax payers money (Approx. USD 54,792/=)

Recognizing the importance of this case and such malpractices, which is a serious in nature, we hope you would address this matter to Ministries of Finance, Health and others stakeholder calling for an urgent investigation in order to identify the culprit and reclaim more than Pak Rupees 5.5 million of public money We are approaching to you for kind support and proper investigation. We assure you to provide you the proof / evidence to back up this case

Soon after the publishing of subject tender, we (Biotech Pakistan) submitted our offer for relevant products of M/s Fisher and Paykel Healthcare (The Manufacturer), New Zealand after necessary approval and authorization to participate in the subject Tender. Biotech Pakistan is a Distributor of M/s Fisher and Paykel Healthcare (The Manufacturer), New Zealand for **more than ten years**. M/s Biotech Pakistan is already on website of M/s Fisher and Paykel Healthcare as distributor since long.

M/s Eastern Medical also submitted their offer having the same products and of same manufacturer what we offered (Same manufacturer, same items). It is noteworthy that M/s Eastern Medical is not a regular distributor of M/s Fisher and Paykel Healthcare. In addition, As informed by the Manufacturer, a few individuals declaring them as Punjab Health Department officials have contacted M/s Fisher & Paykel asking/forcing to authorize M/s Easter Medical (since M/s Easter Medical was not authorized to participate) in addition to M/s Biotech Pakistan and to add the name of M/s Eastern Medical as distributor on their website telling, "it is must, if Fisher and Paykel wants to win this tender". Soon after, the Name of M/s Eastern Medical was added on website of M/s Fisher and Paykel but after the submission of offer by M/s Eastern Medical.

It is important to mention here that committee rejected our offer saying that M/s Fisher and Paykel Healthcare Ltd. has authorized only M/s Eastern Medical for the said project and not M/s Biotech Pakistan, they kept our offer unopened which still unopened and lying with Health Department in a sealed envelope.

However, The Manufacturer, M/s Fisher and Paykel Healthcare, clarified and confirmed this matter through their (manufacturer's) official letter to Punjab Health Department which has been addressed to Mr. Hamayun that both M/s Biotech Pakistan and M/s Eastern are authorized to participate in subject Tender. We have also submitted this letter to Mr. Salman Mufti, Special Punjab Health Secretary. Copy of letter of The Manufacturer in this regard is attached which self-explanatory. Manufacturer's reason and drive behind authorizing two distributors for the same tender is to pass on their **competitive prices** to end-users ultimately, that means that the tender should be awarded to **the lowest bidder** i.e. Biotech Pakistan as described here under:

This is how, inspite of clarification from the Manufacturer and documentary proof, committee rejected our offer (of M/s Biotech Pakistan) saying that M/s Fisher and Paykel Healthcare Ltd. has authorized only M/s Eastern Medical for the said project and not M/s Biotech Pakistan, they kept our offer unopened which still unopened and lying with Health Department in a sealed envelope. Committee's this decision / approach undoubtedly indicates that there is an involvement of a strong personal (vested) interest in order to get an advantage from it as well as an interference and a biased approach by the vested interest.

During the financial opening/ result the offered prices by M/s Eastern Medical was **USD 680,400/=** whereas in our offer (which still unopened and lying with Health Department in a sealed envelope) the prices offered is **USD 625,608/=** the lowest as well. You can see that had the offered of Biotech Pakistan was considered and accepted, the Punjab Government could have saved public money amounting to **USD 54,792/=**, this is a waste of USD 54,792/= (Approx. Pak Rupees 5,588,784) valuable public and tax payers money, but due to committee's biased decision

an involvement occurred a huge corruption in the process. As mentioned earlier, please note that the products offered by Eastern Medical and Biotech Pakistan are same, and from one Manufacture i.e. M/s Fisher and Paykel, then why a waste of USD 54,792/= (Pak Rupees 5,588,784) valuable public and tax payers money due to this biased decision.

All proofs / evidences are with Punjab Health Department (what we submitted them earlier) i.e. our unopened offer (sealed envelope) is with them. We are sure that Committee's this decision / approach undoubtedly indicates that there is an involvement of a strong personal (vested) interest in order to get an advantage from it as well as an interference and a biased approach by the vested interest. Punjab government would suffer a loss of USD 54,792/= (Pak Rupees 5,588,784) valuable public and tax payers money due to this biased decision. Therefore, this is not a transparent process and seems something messy.

Should you require any further **information / clarification / verification** in this regards, please call us or allow us to meet you in personal.

Note: Through our various letter/complaint, we have already brought above in knowledge of Punjab Secretary health and other government authority, unfortunately there is no response in this regards.

With kind regards

Anwar Punjani
Manager
Customer Service
(Domestic/International)
On behalf of



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