



17th June, 2015

Mr. Qutub-ud-din Shaikh,
Managing Director,
Karachi Water & Sewerage Board,
Karachi.

Sub: Tender for "Supply and Fixing of Boundary Pillars and Walls" for K-IV Project.

Dear Sir,

In accordance with the terms of MOU signed between KW & SB and Transparency International Pakistan on 8th June, 2015 for compliance of SPPRA Rules in the K-IV Project, the process of the "Supply and Fixing of Boundary Pillars and Walls" for K-IV Project has been examined.

- i. KW & SB has stated that thirteen bidders purchased the tender document, and only three bidders submitted the technical and financial bids.
- ii. The procurement committee formed by the Managing Director, KW & SB on 5th March, 2015, conducted the evaluation of the tenders.

This is to inform KW & SB that the Procurement Committee formed by the MD, had no authority to conduct the evaluation of the tenders.

This is the responsibility of Consultants, according to Contract Agreement 'Engineering Consultancy Services' awarded to M/s Osmani & Company (Pvt.) Limited, dated 30th January, 2015.

It is the consultant's responsibility under the TOR, to "Conduct detailed evaluation, and submission of the tender evaluation report with firm recommendations, and assist KW & SB in negotiation with contractors and preparations of contract documents."

This is defined in the Consultants Scope of Services (page 28 & 29) (Annexure A).

The procedure of calling technical and financial proposal has been amended by SPPRA Board, in March, 2015 which are under the approval of Chief Minister Sindh.

The revised rules include inviting the technical proposals, without financial proposals in the first stage, if prequalification is not carried out.

And after the technical evaluation, only the bidders, who pass the technical evaluation, are to be invited to submit financial bids.

Another amendment is about the Bank Guarantee for Bid Bond, Performance Bond, and Mobilization Advance Bond, which have been amended, and bidders are allowed to give Insurance Guarantee from AA rating companies if they want.



As the evaluation is not carried out by Consultants, and unauthorized Procurement Committee declared two bidders as non-responsive, which left only one bidder, TI- Pakistan's observation is that the process is not followed according to SPPRA Rules and the Consultant was not asked to perform his responsibilities.

Recommendations;

- i. This tender shall be discharged.
- ii. KW & SB shall invite this tender according to SPPRA Rule No. 46 (1). 'Single Stage – One Envelope Procedure' for this procurement.
- iii. And for other K-IV procurements, Consultants should be advised to issue pre-qualification for all future packages, and the process shall be completed within a period of 90 days.
- iv. The bids then shall be invited as per SPPRA Rule No. 46 (1).

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

With Regards,

Saad Rashid,
Executive Director

CC:

1. Managing Director, SPPRA, Karachi.