



17th June, 2015

Syed Hashim Raza Zaidi,
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.

CONTRACT FOR ENGINEERING CONSULTANCY SERVICES

between



KARACHI WATER & SEWERAGE BOARD

and



Engineering · Architecture · Planning · Mapping · Technology
Osmani & Company (Pvt) Limited
In association with



Doxiadis Associates

for

**DETAILED DESIGN AND CONSTRUCTION SUPERVISION OF GREATER
KARACHI BULK WATER SUPPLY SCHEME K-IV, PHASE-I, 260 MGD**

JANUARY 2015

- r) Detail mathematical modeling of hydraulic design of bulk rising main to simulate normal and hammer conditions has to be carried out for all components, exposed to water hammer.
- s) K-IV Project also involves procurement of equipments and machinery from abroad like Pumps, motors, mechanical screens, band screens, besides equipments and machinery for filtration, chlorination, and other related processes, which require a very high level of Technical competence and an international Procurement Specialist for the success of the project.

SCOPE OF SERVICES (DESIGN STAGE)

Consultants are required to carry out an extensive survey from Kinjhar Lake and terminate at Northern Bye-pass of its end point i.e.. approx. 124 km long route comprising of Rising Mains, Canal, Conduits, Siphons, Aqueducts fore-bay and all kinds of chamber and anchor blocks etc. etc. or any structure indicated by the Consultants after the detailed design.

- Consultants shall be responsible to authenticate and device the most technically suitable and hydraulically viable water conveyance route from Kinjhar to Karachi.
- Consultants after careful review of feasibility study may implement any or all improvements that may enhance the viability, and improve the performance of K-IV Project. Consultants may propose and implement with KW&SBs approval, any other work i.e. deemed to be essential for success of K-IV Project.
- The Consultants shall ensure the most effective and efficient hydraulic and structural design parameters for all the Bulk Water Supply components, right from the beginning upto the final destination of K-IV Project.
- The Consultants shall also be responsible for augmentation of K-IV Project with the existing network of KW&SB in the city of Karachi and around, as and wherever required. In this regard, the initial plans for dovetailing of existing network with K-IV water supply system may be submitted in the Inception Report.
- The Consultant shall carry out extensive Environmental Examination and Environmental Impact Assessment complete in all respect including public hearing and obtain approval from the Sindh Environmental Protection Agency, Government of Sindh.

Consultants shall provide following more services :-

- 1) Complete detail design and preparation of engineering estimates. The design will be completed upto the tender evaluation stage.
- 2) For Pumping Stations, and Treatment works, the Consultants may propose any method like, EPC, Turn-key, or works Contract etc. that is most suitable and in the interest of KW&SB.
- 3) Prepare tender documents. All reasonable care will be taken to ensure that the documentation is in conformity to Sindh Public Procurement Rules 2010 or Internationally accepted Engineering standards as directed by KW&SB.
- 4) Pre-qualification of Civil and E/M Contractors and preparation of short list thereof.


 Managing Director
 KW & SB
 OSMANI & CO.



- 5) To respond to the tenders' queries, detailed evaluation and submission of the tender evaluation report with firm recommendations and assist K W & SB in negotiations with contractors and preparation of contract documents.
- 6) The total services shall also include any other assignment relating to the Project by the competent authority of KW&SB or any extra work not covered in the Contract. This should be carried out on mutually agreed terms and conditions.
- 7) Provide site supervision services for all contracts with an integrated team of experienced and qualified Engineers of the relevant disciplinary. The proposed site supervisory organization will be setup accordingly.
- 8) Provide specialized services during construction of the entire project, i/c. Pumping Stations, canal Rising Mains, Filter Plants, Reservoirs etc. for Greater Karachi Bulk Water supply scheme, K-VI Project.
- 9) Check and review as -built drawings to be prepared by the contractors.
- 10) Supervision of commissioning and setting to work to the specified standard.
- 11) Reporting:

Submit Complete & comprehensive Design report including soil investigations; technical parameters, design calculation of the K-IV Project prior' to the commencement of the construction phase for K-4 Project, Phase-I; with modular design approach and route alignment for subsequent phases, of K-4 Project, with-in the available Corridor, & Right of Way as indicated in the list of Deliverables. Monthly progress reports as per TOR including inception/final report covering all aspects of design including calculation of design data etc.

12) Preparation of PC-IV of the Project.

13) Man Months

KW&SB estimated a requirement of **879 Man Months** for Design Stage. (Detail attached).

For Supervision stage, a total requirement of **4266 Man Months** (Detail attached).

IMPORTANT NOTE: The Engineering Firms shall make himself aware of all the existing Surveys carried out, Soils Investigation and other relevant information prepared by the Engineering Firms during the K-IV Project. He shall not claim any extra costs for this work. In case the Engineering Firms requires additional Surveyor Soil investigation or other Services or not mentioned in the TOR for the K-IV Project, the Engineering Firms must then specify the costs for the same if this is omitted in his proposal then such work be done by the Engineering Firms with the detailed total costs specified in his Financial Proposal.

SCOPE OF SERVICES (SUPERVISION STAGE)

The project Management team shall be severely and absolutely responsible to diligently expedite all aspects of the design, by inter-phasing with the different departments of the design team, and at the same time, with client, land department, Government and other agencies. The project Management team shall be solely responsible for gearing up of all activities, and complete the final design report in time.

Site Supervision Stage

13.6.1 Provide site supervision services for all contracts with an integrated team of Engineers. The proposed site supervisory team will be made accordingly.

Managing Director
KW & SB.

