



OFFICE OF THE PROJECT DIRECTOR
MALIR EXPRESSWAY PROJECT

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Kamal Ataturk Avenue, Karachi Tele-021-99212314

No. PD/MEW/2020/AD-II/301(204-Karachi)

Dated: 16 August, 2024

To,

✓ Advocate Daniyal Muzaffar
Trustee/ Legal Advisor
Transparency International Pakistan,
Plot 72-F/2, 1st Floor, 9th Street, Jami Commercial,
Phase VII, Defence Housing Authority,
Karachi, Sindh.

SUBJECT: COMPLAINT AGAINST ALLEGATIONS OF VIOLATION OF SPPRA RULES 2010 IN THE CONSTRUCTION BID OF THE MALIR EXPRESSWAY PROJECT (MEX/MEW), KARACHI, CAUSING AN ESTIMATED LOSS OF PKR 27.5 BILLION TO THE EXCHEQUER.

The undersigned is directed to refer to your letter No. TIP2024/0809/1A dated 9th August 2024 on the subject captioned above and to state that this Department categorically denies the baseless allegations leveled by the complainant against the Malir Expressway Project's procurement process. The entire procurement process was conducted in strict compliance with the international competitive bidding procedures prescribed in the SPP Rules, 2010. All information required for public disclosure was made timely available to the SPPRA, which raised no objections.

2. As per the bid document, bidders were required to meet the eligibility criteria, including registration with tax authorities. To fulfill this requirement, bidders were required to submit a valid NTN certificate, tax returns for the last three years, and a relevant sales tax certificate, if applicable. Contrary to the complainant's allegations, SECP registration for each consortium member (except as required under the laws) was not a mandatory eligibility criterion.

3. In response to the procurement opportunity released through national and international newspapers, this Department received three (3) bids, including one from a consortium led by M/s J.N. & Co. together with M/s Niaz Muhammad Khan and Brothers, and Habib Construction Services Limited. The Technical & Financial Evaluation Committee (TFEC) conducted a thorough evaluation of the bids (technical proposals) and found all the bids substantially compliant/ technically qualified following the criteria and other terms & conditions detailed in the bid document.

4. Pursuant to the bid document requirements, M/s J.N & Co. consortium submitted all necessary documentation, including registration details as evidenced from the FBR certificate having reference number 1758771-9 depicting its incorporation with effect from 05th November 2003, to verify its eligibility and responsiveness. As a result of this technical and financial evaluation, the bid submitted by M/s J.N & Co. consortium was recommended as the best evaluated bid and awarded the contract in accordance with the SPP Rules, 2010.

5. Following this procurement contract award and in compliance with the requirements of the bid document (Section 1.6.7), the preferred/ successful bidder a consortium led by M/s J.N. & Co. together with M/s Niaz Muhammad Khan and Brothers, and Habib Construction Services Limited formed a special purpose vehicle, i.e., a local company incorporated in accordance with the laws of Pakistan with company title 'Malir Expressway (Private) Limited' and registration number 01-48-475 dated 02nd March 2020, to act as the Concessionaire for the purposes of the Malir Expressway Project. After that, this Department executed a concession agreement with the concessionaire, M/s Malir Expressway (Private) Limited on 21st April 2020.

6. It is important to clarify that M/s JN Construction Company (Pvt.) Ltd., mentioned in your letter with baseless allegations regarding the Malir Expressway Project, is a separate entity that neither participated in the bidding process nor was awarded the procurement contract. The anonymous complainant appears to lack understanding of the Project's procurement process and is making unsubstantiated allegations with intent to damage the Government's reputation and sabotage the Project.

7. Considering the aforementioned clarification, the Transparency International Pakistan is requested to take actions against the baseless allegations regarding the Malir Expressway Project and its procurement process. The Department remains committed to transparency and accountability and is open to clarifying any genuine queries or concerns regarding the Project.



**Project Director
Malir Expressway Project
Local Government & Housing
Town Planning Department**

A copy is forwarded for information to:

- 1) Director General PPP Unit, Finance Department, Government of Sindh.
- 2) PS to Chief Secretary Sindh, Government of Sindh.
- 3) PS to Principal Secretary to Chief Minister Sindh, Karachi.
- 4) PS to Additional Chief Secretary, Local Government Department, Government of Sindh
- 5) PS to Secretary Finance, Government of Sindh.
- 6) The Staff Officer to Chief Secretary Sindh, Karachi.