



19th July, 2023

TL2023/0719/1A

Capt. (Retd.) Noor-ul-Amin Mengal,
Chairman,
Capital Development Authority (CDA),
Government of Pakistan,
Islamabad.

**Sub: Complaint Against Allegation of Violation of PPRA Rules 2004, Grievance On
Procurement, Installation, & Maintenance of Automated Fare Collection System, Bus
Scheduling System & Bus Video Surveillance System (AFC-BSS-BVSS) For 160 Feeder
Route Bus Services In Islamabad On "G-TO-G BASIS" Instead Of Publishing Tender
For The Transparent Bidding Process.**

Dear Sir,

Transparency International Pakistan has received a complaint against allegation of violation of PPRA Rules 2004, "Grievance on Procurement, Installation, & Maintenance of Automated Fare Collection System, Bus Scheduling System & Bus Video Surveillance System (AFC-BSS-BVSS) For 160 Feeder Route Bus Services in Islamabad on "G-to-G BASIS" Instead of Publishing Tender for the transparent bidding process" letter No IBTL/CDA/786/0001 dated 19th June 2023 **(Annex-A)**.

The complainant has made the following allegations;

That;

1. The CDA (Capital Development Authority) is considering a proposal for Installation, & Maintenance of Automated Fare Collection System, Bus Scheduling System & Bus Video Surveillance System (AFC-BSS-BVSS) For 160 Feeder Route Bus Services In Islamabad On "G-TO-G BASIS" instead Of Publishing open Tender For The Transparent Bidding Process.
2. No government organization in Pakistan possesses the requisite manufacturing or in-house expertise in the field of Intelligent Transport System (ITS) or Automated Fare Collection (AFC) System.
3. The effort to award the subject contract on Government to Government (G to G) basis involves utilizing PPRA (Public Procurement Regulatory Authority) Rule No. 42, which permits a procuring agency to directly engage in contracting with state-owned entities.
4. However, PPRA Rule 42 clearly stipulates that the possibility of a procuring agency engaging with another government organization (G-to-G contract) depends on the latter's capability to independently execute the entire project using its own resources, without enlisting the involvement of the private sector either as a partner, in the form of a joint venture, or as a sub-contractor.
5. Given that no government organization in Pakistan possesses the essential manufacturing or in-house expertise in the Intelligent Transport System (ITS)/Automated Fare Collection (AFC) System, the government organization to which the contract will be awarded by CDA without an open bidding process will need to involve the private sector as a partner, or in the form of a joint venture or sub-contractor, for the procurement, installation, and maintenance of AFC-BSS-BVSS, which is a clear violation of PPRA Rules 2004, Rule No. 42.



Transparency International Pakistan Comments

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie the allegations seem correct. Following are TI Pakistan comments;

1. On 29th June 2021, the federal government notified the amended Public Procurement Regulatory Authority (PPRA) rules which allow the government to award contracts to the state-owned enterprises without floating public tenders, quoted below:

Amended rule 42 (f): "A procuring agency may engage in direct contracting with state-owned entities such as professional, autonomous or semi-autonomous organizations or bodies of the federal or provincial governments for the procurement of such works and services, including consultancy services, which are time-sensitive and in the public interest"

2. It is to be noted that the amended rule 42 (f) allow direct contracts between the government entities only on the conditions that the organization or the body is eligible to perform the services and accomplishes the work exclusively through its own resources without involving the private sector as a partner or in the form of a joint venture or as a sub-contractor.
3. In the subject tender/procurement, considering the unavailability of essential manufacturing or in-house expertise in the ITS/AFC System sector for the installation and maintenance of the Automated Fare Collection System, Bus Scheduling System, and Bus Video Surveillance System (AFC-BSS-BVSS) for the 160 Feeder Route Bus Service, it is clear that Capital Development Authority will rely on the service of the private company and that the state owned companies cannot alone perform the work required under the subject tender.
4. Any breach of PPRA rules shall amount to mis-procurement under **Rule 50** of PPRA Rules.

Transparency International Pakistan Recommendations

Transparency International Pakistan requests the Chairman, Capital Development Authority (CDA), to examine the complaint in light of PPRA Rules and if found correct, issue directives for ensuring public tender in accordance with PPRA Rules 2004, to allow for a competitive, fair and transparent bidding and in compliance with PPRA Rules 2004 to avoid mis-procurement under Rule 50.

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. Principal Secretary to PM, PM House, Islamabad
2. Minister, Ministry of Interior, Islamabad
3. Secretary, Ministry of Interior, Islamabad
4. Chairman, NAB, Islamabad
5. Chairman, Prime Minister Inspection Commission, PMIC, Islamabad
6. Managing Director, PPRA, Islamabad.
7. Registrar, Supreme Court of Pakistan, Islamabad



Note:

This is to clarify that Transparency International Pakistan is not a complainant, it acts as a whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, Justice Syed Mansoor Ali Shah in his landmark judgment in case of *Ataullah Malik v. Federation of Pakistan* includes following order.

Right to information is another corrective tool which allows public access to the working and decision making of the public authorities. It opens the working of public administration to public scrutiny. This necessitates transparent and structured exercise of discretion by the public functionaries. Article 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable. PLD 2010 Lahore 605.