



17th May 2022

TIP22/0517/1B

Mr. Mohsin Mushtaq
Additional Secretary (Incharge) IT & Telecommunication,
Ministry of Information Technology and Telecom,
7th Floor, Kohsar Block Pak Secretariat,
Islamabad.

Subject: Complaint against the violation by NITB of PPRA Rules 2004 in Rs 0.2 Billion Tender of National E-Parliament System being awarded to a single bidder M/s ABACUS at Rs 0.51 Billion who was previously involved in allegations of irregularities in PIA

Dear Sir,

Transparency International Pakistan has received a complaint against the violation by NITB of PPRA Rules 2004 in Rs 0.2 Billion Tender of National E-Parliament System being awarded to a single bidder M/s ABACUS at Rs 0.51 Billion who was previously involved in allegations of irregularities in PIA

The complainant has made the following allegations/objections:

1. NITB has announced the technical evaluation results of a sole bidder M/s ABACUS, on April 28, 2022, just before the Eid holidays, so that no one can file a grievance against the technical evaluation results during the holidays.
2. More than a dozen IT companies including five to six leading national IT companies have participated in the pre-bid meeting held on March 2, 2022, all of them protested against the eligibility criteria favoring the specific bidders.
3. There are controversial Joint Venture terms engineered to favour specific chosen bidder like RFP clause 3.7 (C) which is "Financial strength that will be considered only by the Lead Bidder. Such a clause is in contradiction with the spirit of PPRA rules and the Pakistan/PEC Standard Bidding document.
4. There was another controversial JV clause engineered "Joint venture (JV) arrangement maybe to pool their resources (Technical and HR only), however, all the JV companies must be in IT business, and all must be registered with SECP at least for the last 04 years" which means companies can preferably form JV with HR companies to pool IT resources only, which is against the typical spirit of JV arrangement and all must be registered with SECP with a very specific period of time i.e. last 04 years.
5. Clause 11.1 Eligibility and 11.2 Technical Evaluation Criteria of the RFP are favoring to give the marks distribution preference to the sole bidder.
6. All the bidders requested NITB to give three to four weeks' extension in the bid submission date in the Software development component E-parliament project as per the meeting of pre-bid minutes however, the department had declined the request for extension in the bid submission date on March 4, 2022, late evening due to which not



only the bidders fail to prepare 2% of the bid security amount on the closure of banks. Eventually, NITB received only one bid on March 7, 2022.

7. After technical evaluation results, NITB opened a financial bid of Rs522 million quoted by firm Abacus, whereas the planning commission in PC-1 allocated Rs212 million for the software development component.
8. NITB has also published another tender “Broadcast Camera, Master control Room, Video Conferencing System, Microphone Conference System & SIS System for Parliament” which is the sub-component of the E-parliament system in parallel dated March 12, 2022. The tender got extended 3rd time until May 16, 2022, which means NITB was deliberately involved in not extending the Software development component E-parliament project to manage for the sole bidder which is technically more complex and comprehensive than the broadcast, audio-video conferencing and SIS system.
9. Loss to exchequer of Rs 0.3 Billion in a contract of Rs 0.2 billion, i.e. 150% Corruption must be stopped.

TI Pakistan has examined the complaint, and following are its comments and recommendations.

TI Pakistan Comments:

- a) According to the PPRA Rule 10, the procuring agency shall allow the widest possible competition by defining such specifications that shall not favour any single contractor or supplier nor put others at a disadvantage.
- b) Prima facia, NITB did not comply with the Rule 10 of PPRA Rules 2004 by introducing clauses favoring specific bidders. And any unauthorized breach of any of the rules shall amount to mis-procurement under rule 50 of PPRA Rules 2004.
- c) According to PPRA Rule 38B (d): “Procuring agency should have financial conformance in terms of rate reasonability”. How can the estimated rate of approval in PC-I of Rs. 212 Million, can be equated to the quoted rate of Rs. 522 Million.
- d) No Rule made by any Regularity Authority allows a Contract at approved PC I Cost of Rs 0.2 Billion, awarded at 1-1/2 time, Rs 0.51 Billion.

TI Pakistan Recommendations:

TI Pakistan requests the Federal Secretary to investigate the alleged non-compliance of PPRA Rules, and if the complaint is found to be correct, please order cancellation and re-advertisement of this tender according to the PPRA rules, and also take action against the officers found responsible to any violation of PPRA Rules, Integrity Pact and NAB Ordinance, 1999.



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

Regards

Ms. Yasmeen Lari
Sitara-e-Imtiaz, Hilal-e- Imtiaz
Chairperson
Transparency International Pakistan

Justice (Rtd) Nasira Iqbal
Vice Chair, Sitara-e-Imtiaz
Transparency International Pakistan

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

1. Prime Minister of Pakistan, PM House, Islamabad (for personal action)
2. Federal Minister, Ministry of Information Technology and Telecommunication
3. Chairman NAB, Islamabad
4. Registrar, Supreme Court of Pakistan, Islamabad
5. MD, PPRA, Islamabad