

18th May 2022

TIP22/0518/1A

Mr. Rana Sanaullah Khan,
Federal Minister,
Ministry of Interior,
Islamabad.

Subject: Allegation of violation of PPRA Rules 2004 in award of contract of 30 Million Smart CNIC Cards worth \$ 29.7 Million on Single Bid basis against the market price of \$0.2970 in China (3 cent per card) at a loss of at least \$ 25 Million to the exchequer.

Dear Sir,

Transparency International Pakistan has received a complaint on the allegation of violation of PPRA Rules 2004 in award of contract of 30 Million smart cards, worth \$29.7 Million on Single Bid basis against the market price of 3 cent per card plus 7 cent for printing (including security features) and freight, at a loss of \$25 million to the exchequer.

The complainant has made the following allegations that;

1. National Database and Registration Authority (NADRA) invited tender for the procurement of 30 Million Smart Cards in February 2022. The bids were opened on 10th March 2022.
2. The bids were invited on a single stage, two envelop method in which the technical evaluation is carried out, and the technical evaluation report was to be posted on PPRA website, but NADRA did not post on PPRA website the Technical Evaluation Report accordance with Rule 35 on 28th June 2021. Sample from PPRA Website on the requirement of and Final Evaluation Report **Annex-A.**
3. Sample of posted Technical Evaluation Report on PPRA website by Ministry of IT No.3-1/2019-IT which includes the reason of non-compliance by one bidder is enclosed. **Annex-B.**
4. The smart card technology has changed in the last 10 years and now smart cards are manufactured and supplied from China which includes Sim/RFID, at advertised price of about 3 cents for the quantity of above 10,000 **Annex-C**
5. In presence of Sim/RFID on NADRA CNIC, security features are not necessary as it has become a common international practice, example; all banks issue ATMS/Credit Cards with inbuilt Sim, without any security feature. However, NADRA has retained unnecessary security features which have added to the price of the card, just to benefit the supplier.
6. NADRA shall activate RFID so that all information are available on line.



7. Three bids were received on 10th March 2022 and the bids of M/s Gemalto & M/s Idemia were declared **disqualified** and the bid of M/s SELP was declared qualified by NADRA. The evaluation report was posted on PPRA website in which the reason of rejection of 2 bidders was not provided **Annex-D**
8. According to PPRA Rule 35 (amended), the technical evaluation report was to be published on PPRA website and given to the bidders for objections, but was not given by NADRA.
9. On 7th April 2022, a single bid of M/s SELP was accepted at a price of \$0.99 per card at a total contract price of \$29.7 million.
10. Accordingly to PPRA **Rule 38B (revised in June 2021)** , a single bid can only be accepted if all the following four conditions are fully met:
 - a. "Meets the evaluation criteria, ensures compliance of specifications and other terms & conditions expressed in advertisement of bid solicitation documents;
 - b. Is not in conflict with any provision of the Ordinance;
 - c. Conforms to the technical specifications;
 - d. **Has financial conformance in terms of rate reasonability:**

Provided that except unsolicited proposal, in case of pre-qualification proceedings single bid shall not be entertained".

11. NADRA has violated two sub conditions of PPRA Rule 38 B while accepting single bid.

First violation is the rates should be reasonable which are 91% higher than the , market price.

Second violation is that when pre-qualification is conducted (as described in Evaluation Report that two bids are disqualified Annex-D) then a single bid cannot be accepted.

Transparency International Pakistan Comments

1. Transparency International Pakistan has examined the complaint, and if complainant allegations are found correct, the procurement is prima facie in violation of PPRA Rules and is deemed to mis-procurement. Under PPRA Rule 50
2. PPRA Rules for considering single bid are very stringent, and shall only be used very carefully. It only be used by a procuring agency if all the four conditions of PPRA Rule 38B especially condition (d), are met and all the bidders, and can not be used when the procuring agency is doing prequalification.
3. NADRA has not posted the Award of Contract on PPRA website as per PPRA Rule No. 47.

Transparency International Pakistan Recommendations

Transparency International Pakistan requests the Federal Minister Interior to examine the allegations, and if allegations are found to be correct, take immediate action to stop the award of contract, and issue orders for inviting new tenders for the procurement of smart cards,



eliminating difficult conditions of security features so government can save \$25 Million in a procurement of \$29.7 Million.

Transparency International Pakistan is striving for cross 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-i-Imtiaz
Chairperson
Transparency International Pakistan

Justice (R) Nasira Iqbal,
Sitara-e-Imtiaz
Vice-Chairperson
Transparency International Pakistan

Encl: Annex-A, B,C and D

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

1. Prime Minister of Pakistan, PM House, Islamabad
2. Secretary, Ministry of Interior, Islamabad
3. DG, FIA, Islamabad
4. MD, PPRA, Islamabad
5. Registrar, Supreme Court of Pakistan, Islamabad

Note: The information is being requested by TI Pakistan under Article 19-A of the Constitution of the Islamic Republic of Pakistan 1973, which empowers civil society to seek information and hold accountable public institutions.

Refer to the Lahore High Court Order by Jus. Syed Mansoor Ali Shah in Attaullah Khan Malik vs The Federation of Pakistan (2010 PLD Lahore 605) in which the following observation is given;
"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 19A empowers the civil society of this country to seek information from public institutions and hold them answerable. Article 19A, therefore, enthuses fresh life into Public Interest Litigation.**"



Evaluation Results

Announcement of Evaluation Reports as PP Rule-35

[Technical Evaluation Report Sample](#)

[Final Evaluation Report Sample](#)

Organization Name	Total Results
1 Engineer Battalion	2
303 Spares Depot EME	1
Accountant General of Pakistan Revenues	2
Accountant General Sindh	9
Airports Security Force	39
Allama Iqbal Open University	201
Archaeological Department and Museum	21
Auditor General Of Pakistan	18
Aviation Division	1
Banking Mohtasib Pakistan	16
Basic Military Training Wing EME Centre	1
Benazir Income Support Programme (BISP)	114
Bureau of Emigration and Overseas Employment	2
Cabinet Division	45
Canteen Stores Department (CSD)	1
Cantonment Board	245
Capital Development Authority	1
Central Directorate of National Savings	127
Central Power Purchasing Agency (Guarantee) Ltd	30
Chief Commissioner Office	3
Civil Aviation Authority	22
Collectorate of Customs, Custom House	6
Combined Military Hospital	3
Competition Commission of Pakistan	10
COMSATS	383
Consulate General of Pakistan	12
Controller General of Accounts	17
Controller Military Accounts	1
Department of Tourist Services	1
Diamer Basha Development Company (Private) Limited (DBDC)	1

Government of Pakistan
Ministry of Information Technology & Telecommunication

Digital Pakistan

No.3-1/2019-IT

TECHNICAL EVALUATION REPORT
(As per Rule 35 of PP Rules, 2004)

1.	Name of Procuring Agency:	Ministry of Information Technology & Telecommunication
2.	Method of Procurement:	Single Stage Two Envelope
3.	Title of Procurement:	Purchase of IT Equipments
4.	Tender Inquiry No.:	3-1/2019-IT
5.	PPRA Ref. No. (TSE):	TS475312E
6.	Date & Time of Bid Closing:	30.03.2022 at 11:00 am
7.	Date & Time of Bid Opening:	30.03.2022 at 11:30 am
8.	No of Bids Received:	Five (05)
9.	Criteria for Bid Evaluation:	As per tender documents
10.	Details of Bid(s) Evaluation:	Details are as under

Name of Bidder	Technical Marks (if applicable)	Rule / Regulation / SBD* / Policy / Basis for Technical Rejection / Acceptance as per Rule 35 of PP Rules, 2004.
M/s CMC Pvt. Ltd., Islamabad	-	Accepted
M/s Techaccess, Islamabad	-	Accepted
M/s EGS Pvt. Ltd., Islamabad	-	Accepted
M/s Megaplus, Islamabad	-	Accepted Subject to provision of authorized dealership certificate for the module of Huawei USG- 6390 firewall through proper channel.
M/s J & T Enterprises, Islamabad	-	Rejected Due to non-compliance of instructions issued by this Ministry

(Akram Shafique)

Section Officer (General)

Ministry of Information Technology and Telecommunication
8th Floor, New Secretariat (Kohsar Block), Islamabad.

Ph: 051-9206422



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High Quality Blank PVC Smart SIM Chip Cards for Inkjet Printer

Reference FOB Price / Purchase Qty. ●

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US \$0.09	US \$0.07	US \$0.045	US \$0.03
500-999 Pieces	1,000-4,999 Pieces	5,000-9,999 Pieces	10,000+ Pieces

Function: Identification, Payment, Encrypt/Decrypt, Information
 Structure: Super Smart Card
 Material: PVC
 Usage: Electronic Game Card
 Classification: PVC Card
 Power Supply Mode: Passive Card

Samples: US\$ 10/Piece 1 Piece(Min.Order) 📧 Request Sample

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Manufacturer/Factory

Product Description

Company Info.

Customer Question & Answer

Basic Info.

Model NO.	MJ-P2
Data Transmission Mode	Serial
Specification	85.5*54mm Thickness: 0.76mm/0.84mm/Customized
Origin	China
Production Capacity	100,000/Month

Carrier Frequency	High Frequency
Transport Package	Carton
Trademark	nops
HS Code	85235210

Product Description

High quality Blank PVC Smart Sim Chip Cards for Inkjet Printer

1. Inkjet PVC card for Inkjet printer.
2. ISO standard size and OEM.
3. Special material with nano-coating.
4. Manufacture with factory price

Product Description

Inkjet PVC Card (card tray not included)

Size: 85.5*54mm

Thickness: 0.76mm

Surface: glossy/matte, inkjet coated

Print type: two sides printable by inkjet printers

Print tool: ID card tray

Absorb ink: normal dye ink or pigment ink

Features: fast drying, waterproof, wear-resistant

Performance: vivid image after printing, can sign on the card with your pen (AI, PSD, CDR, WORD printing templates are available.

Customized cards can be offered)

Card type	RFID card/smart card/contact IC card/magstrip card/ID card/CPU card/PVC card
Materials	PVC/PET/ABS
Size	cr80 standar, 85.47-85.75 mm, 53.2-54.03 mm,
Thickness	Plastic card standard: 0.76mm or on demand
Chip frequency	125 KHz- ISO125KHz, rfid proximity cards
	13.56 Mhz-ISO 14443A:
	UHF(860z-960Mhz)-ISO15693:
	ISO18000-6B: HSL, ISO18000-6C:
Write cycle	100000
Reading Distance	Low frequency, High frequency (1-10cm), depend on enviroment, size,etc
	UHF(above 3 m) depend on enviroment, size,etc
Printing crafts	CMYK offset printing
	Silk-screen printing
	Thermal printing
	Digit printing
	Magnetic stripe
	Golden/silver hot-stamping
	Signature panel
	Series number printing and bar code
	UV printing
	UID number printing, laser engrave, etc.
	Embossing and gold/silver hot stamp
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- Customized Blank Card PV... US \$0.03-0.09 ...
- Membership Card on... US \$0.1-0.25 / ...

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🔍 Audited Supplier

Manufacturer/Factory

Registered Capital
1000000 RMB
Plant Area
<100 square meters

Screenshot

EVALUATION REPORT

1. Name of Procuring Agency: National Database and Registration Authority (NADRA)
2. Method of Procurement: Single Stage two envelopes
3. Title of Procurement: Procurement of 30 Million Smart Cards
4. Tender Inquiry No.: 13/2022
5. PPRA Ref. No. (TSE): TS-471348E
6. Date & Time of Bid Closing: 10th March 2022 1100 Hours
7. Date & Time of Bid Opening: Technical bid opened on : 10th March 2022 1130 hours
Financial Bid opened on : 7th April 2022 1130 hours
8. No of Bids Received: 03 x Bids
9. Criteria for Bid Evaluation: As per Bidding documents: 80% weightage was set for technical and 20% weightage was assigned to Financial
10. Details of Bid(s) Evaluation: As under

(As Per Rule 35 of PP Rules, 2004)

Name of Bidder	Marks		Evaluated Cost	Rule/Regulation/SBD*/Policy/ Basis for Rejection / Acceptance as per Rule 35 of PP Rules, 2004
	Technical	Financial		
M/s SELP	80	20	US \$ 0.99 per Card Total: US \$ 29,700,000/-	Technical bids of three firms i.e M/s Gemalto, M/s SELP & M/s IDEMIA were received. Bids were opened by Tender opening board on 10 th March 2022. Bids of M/s Gemalto & M/s Idemia were disqualified by Technical Evaluation Board & same was communicated to the firms (Annex-A). Financial bid of technically qualified bidder i.e M/s SELP was opened on 7 th April 2022. As per the evaluation, bid of M/s SELP has been declared as the most advantageous bid.

Most Advantageous Bidder : M/s SELP

11. Any other additional / supporting information, the procuring agency may like to share. Nil.

(Naveed A Channa)
(Naveed A Channa)
Head of Dept (Proc)
Dated 11/4/22