



25th March, 2019

TL19/2503/1A

Chairman WAPDA,
Room # 701- WAPDA House,
Sharah-e-Quaid-e-Azam,
Lahore.

Sub: Violation of Country Regulations In Seeking Consultancy Services for Mohmand Dam Project, Causing Loss of Rs 10 Billion to Ex- cheaquer.

Dear Sir,

Transparency International Pakistan has received a complaint from Society for Advancement of Contracts and Arbitration vide letter No. Ref : SACA/ 53-1/27 of Sub: Violation of Country Regulations In Seeking Consultancy Services for Mohmand Dam Project address to Chairman WAPDA on 12th March, 2019 (Annex- A).

Daily Ummat has also published this complaint with caption of 'Causing Loss of Rs 10 Billion to Ex- cheaquer' on 23-3-2019 (Annex- B).

The complaint is of very serious nature in which it is alleged that WAPDA has invited his consultancy tenders twice.

In the first tender, invited in June, 2017 the method of evaluation was Quality and Cost Based Selection (QCBS) and the bid was submitted and opened in which the consortium of M/s NESPAK and M/s SMEC International submitted bid of Rs. 4.34 Billion, but this tender was discharged by WAPDA as alleged (Annex- C).

The 2nd tender was invited in Dec, 2018 on Quality Based Selection (QBS) method by same consortia of M/s NESPAK and M/s SMEC International submitted bid of Rs. 14.88 Billion (Annex- D).

The allegation is that, there is a loss to ex-chaquer of over Rs. 10 Billion, just by unexplainable discharge of the first tender of Rs. 4.34 Billion. This is also understood that same consortia was also awarded design consultancy for this Dam, and have also, carried out evaluation of the controversial construction bid.

The detail of the complaint is as under;

Consultancy Services for the subject project was initially invited under Quality and Cost Based Selection (QCBS) with the ratio of 80% for Quality and 20% for Cost to award the Contract for the above services.

All such received proposals were evaluated; and cost proposals were opened in the presence of the proposers, but the contract was not awarded. Subsequently, WAPDA re-advertised by revising few RFP provisions which are in contradictions with PPRA Rules 32, seeking fresh proposals based on Quality Based Selection (QBS). Resultantly, proposal of only one consultant was received. Other Consultants of Pakistan abstained from participation to submit the proposals



on QBS system having manipulated provisions; as it was abundantly clear during early such proposal in Diamer Basha Dam that WAPDA is bent upon to award the Consultancy Contract to a targeted Consultant; and for this reason, WAPDA amended the RFP accordingly.

According to the results, Consultancy Cost on QCBS system was approximately Rs. 4.34 Billion which is now approximately 14.88 billion under QBS causing straight forward Rs. 10 billion loss to the National Exchequer. Please appreciate that award of Consultancy contract based on the above proposal on QBS is against the provision of Competition Commission of Pakistan (CCP), Federal PPRA and Pakistan Engineering Council (PEC), as such system do not meet the essence of competition.

We would like to highlight that QCB is an outdated selection method which the funding agencies are avoiding giving first preference to QCBS. For important project, the weightages on quality can be extended up to 90% and the cost up to 10%. The above phenomena of more than 300% cost is due to the reason that in a QCBS system, the cost factor is a deterrent for the proposers who remember very well that if they give high cost, they might be ousted from the competition due to the weighted evaluation on quality and cost. In QCB, only one Financial Proposal is opened who is the technically top ranked consultant without disclosing the cost of other

In view of the above, you are kindly requested to re-invite promptly the consultancy proposals on QCBS by updating the RFP giving level playing field to all such other Consultants. Such advice was conveyed to you previously vide our letter No. ACEP/20 18/ 19/019 dated November 12, 2018 in case of Diamer Basha Dam also.

Chairman WAPDA is requested to kindly examine the complaint, and if found genuine, take necessary action against all those officers involved in corrupt practices, and process this tender on QCBS basis as was done on 2017, the order to save Rs. 10 Billion, which is equivalent to total donations received in Prime Minister/ Supreme Court Dam funds.

TI Pakistan is striving to have Rule of Law in Pakistan, which is the only way to eliminate corruption and have good governance in country.

With Regards,

Justice Zia Perwez
Former Judge of Supreme Court of Pakistan
Trustee- TI-Pakistan

Copies forwarded for the information and for action under rules:

1. Secretary to Prime Minister, Islamabad.
2. Director General, NAB, Rawalpindi.
3. Chairman, Prime Minister's Inspection Commission, Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad.
5. Managing Director, PPRA, Islamabad.

SOCIETY FOR ADVANCEMENT OF
CONTRACTS AND ARBITRATION

Ref: SACA/53-1/27

Dated: March 12, 2019

Chairman WAPDA
Room # 701, WAPDA House
Shahrah-e-Quaid-e-Azam
Lahore

Tel: 042-99202222

Subject: **VIOLATION OF COUNTRY REGULATIONS IN SEEKING
CONSULTANCY SERVICES FOR MOHMAND DAM PROJECT**

Dear Sir,

Consultancy Services for the subject project was initially invited under Quality and Cost Based Selection (QCBS) with the ratio of 80% for Quality and 20% for Cost to award the Contract for the above services.

All such received proposals were evaluated; and cost proposals were opened in the presence of the proposers, but the contract was not awarded. Subsequently, WAPDA re-advertised by revising few RFP provisions which are in contradictions with PPRA Rules 32, seeking fresh proposals based on Quality Based Selection (QBS). Resultantly, proposal of only one consultant was received. Other Consultants of Pakistan abstained from participation to submit the proposals on QBS system having manipulated provisions; as it was abundantly clear during early such proposal in Diamar Basha Dam that WAPDA is bent upon to award the Consultancy Contract to a targeted Consultant; and for this reason, WAPDA amended the RFP accordingly.

According to the results, Consultancy Cost on QCBS system was approximately Rs. 4.34 Billion which is now approximately 14.88 billion under QBS causing straight forward Rs. 10 billion loss to the National Exchequer. Please appreciate that award of consultancy contract based on the above proposal on QBS is against the provision of Competition Commission of Pakistan (CCP), Federal PPRA and Pakistan Engineering Council (PEC), as such system do not meet the essence of competition.

We would like to highlight that QCB is an outdated selection method which the funding agencies are avoiding giving first preference to QCBS. For important project, the weightages on quality can be extended up to 90% and the cost up to 10%. The above phenomena of more than 300 % cost is due to the reason that in a QCBS system, the cost factor is a deterrent for the proposers who remember very well that if they give high cost, they might be ousted from the competition due to the weighted evaluation on quality and cost. In QCB, only one Financial Proposal is opened who is the technically top ranked consultant without disclosing the cost of other

In view of the above, you are kindly requested to re-invite promptly the consultancy proposals on QCBS by updating the RFP giving level playing field to all such other Consultants. Such advice was conveyed to you previously vide our letter No. ACEP/2018/19/019 dated November 12, 2018 in case of Diamer Basha Dam also.

Regards;



Engr. M. Mazhar-ul Islam
President, SACA

Copy to:

1. Secretary, Ministry of Water Resources
2. Chairman PEC, Islamabad
3. Chairman CCP, Islamabad
4. PM's Monitoring Cell, Islamabad
5. DG Monitoring & Evaluation, PPRA, Islamabad

روزنامہ امت کراچی

مہمند کی ٹھیکے میں ساڑھے 10 ارب روپے بین پہنچانے کا الزام

من پسند غیر ملکی کمپنی کو کوئی گنازا آمد قیمت پر دیا۔ سوسائٹی فار ایڈوانسمنٹ آف کانٹریکٹس کا چیئرمین واہد اکو خط

اسلام آباد (ادیس احمد) واہد احکام کی جانب سے مہمند ایم منصوبے کی کنسلٹنسی سروسز کے ٹھیکے میں غیر قانونی طور پر پاکستانی کمپنیوں کو نظر انداز کرتے ہوئے من پسند غیر ملکی کمپنی کو کوئی گنازا آمد قیمت پر واہد احکام نے انکشاف ہوا ہے، جس سے قومی خزانے کو ساڑھے 10 ارب روپے سے زائد کا نقصان ہوا ہے۔ اس بات کا انکشاف سوسائٹی فار ایڈوانسمنٹ آف کانٹریکٹس اینڈ آر بیٹریشن (ایس ایس اے اے) کی جانب سے چیئرمین واہد اکو لکھے گئے خط میں کیا گیا ہے، جبکہ خط کی نقول وزیر اعظم مانیٹرنگ ٹیم، سیکرٹری پانی و بجلی، پیمرا، پاکستان انجینئرنگ کونسل و دیگر کو بھی بھجوائی گئی ہیں۔ چیئرمین ایس اے اے انجینئر محمد مظہر الاسلام کی جانب سے لکھے گئے خط میں کہا گیا ہے کہ واہد احکام نے مہمند ایم منصوبے کے لیے کنسلٹنسی سروسز کے حصول کے لیے کیوسی بی ایس (معیار اور قیمت کی بنیاد پر انتخاب) کی بنیاد پر بولیاں طلب کی تھیں، جس کے جواب میں مختلف کمپنیوں نے اپنی بولیاں جمع کروائیں۔ بولی دہندگان کی موجودگی میں یہ بولیاں کھولی گئیں، تاہم واہد احکام نے کسی بھی کمپنی کو ٹھیکہ نہیں دیا، بلکہ اسے منسوخ کر دیا اور کیوسی بی ایس (معیار کی بنیاد پر انتخاب) کی بنیاد پر نیا اشتہار جاری کر دیا۔ تاہم نئے اشتہار میں قیمت کو نظر انداز کرتے ہوئے صرف معیار کی بنیاد پر کنسلٹنسی سروسز فراہم کرنے والی کمپنیوں سے بولیاں طلب کی گئیں۔ پہلے بولی کے موقع پر واہد احکام کا رویہ اور ٹھیکے کی شرائط کو دیکھتے ہوئے اس مرتبہ کسی بھی پاکستانی کمپنی نے بولی جمع نہیں کروائی۔ خط کے مطابق اس سے قبل واہد احکام دیا مر بھاشا ڈیم منصوبے میں بھی یہی کام کر چکے تھے۔ پاکستانی کمپنیوں کی جانب سے بولی نہ دینے کے باعث صرف ایک کمپنی کی جانب سے بولی آئی، کیوں کہ واہد احکام کی جانب سے طے کردہ شرائط کے مطابق صرف وہی کمپنی ان شرائط پر پورا اترتی تھی۔ خط میں واہد احکام پر بددیانتی کا الزام لگاتے ہوئے کہا گیا ہے کہ انہوں نے من پسند کمپنی کو ٹھیکہ دینے کے لیے جان بوجھ کر پاکستانی کمپنیوں کو ٹھیکے سے باہر رکھا اور ایسی شرائط طے کیں جن پر صرف ایک غیر ملکی کمپنی ہی پورا اترتی تھی۔ انہوں نے مزید لکھا کہ کنسلٹنسی فرم ہائیر کرنے کے لیے کیوسی بی ایس عالمی سطح پر ترجیحی طریقہ انتخاب ہے، جبکہ کیوسی بی ایس اب پرانا طریقہ ہو چکا ہے اور فنڈنگ ایجنسیاں اب عام طور پر اسے استعمال نہیں کرتیں۔ یہی نہیں، بلکہ خط کے مطابق کیوسی بی ایس کے تحت ٹھیکے کی کنسلٹنسی کا تخمینہ 4 ارب 34 کروڑ روپے لگایا گیا تھا، تاہم پہلی بولی منسوخ کر کے نئی بولی طلب کرنے کے بعد اس کنسلٹنسی سروس کا تخمینہ 14 ارب 88 کروڑ روپے تک پہنچ گیا ہے جس سے قومی خزانے کو ساڑھے 10 ارب روپے کا نقصان بھی پہنچا ہے۔ خط میں کہا گیا ہے کہ یہ ٹھیکہ پیمرا، کمیشنیشن کمیشن آف پاکستان اور پاکستان انجینئرنگ کونسل کے قواعد کی خلاف ورزی ہے، کیوں کہ اس ٹھیکے میں مسابقت کو نظر انداز کرتے ہوئے صرف ایک کمپنی کو فائدہ پہنچانے کی کوشش کی گئی ہے۔ چیئرمین واہد اکو مخاطب کرتے ہوئے کہا گیا ہے کہ اس ٹھیکے کے لیے دوبارہ کیوسی بی ایس کے تحت بولی طلب کی جائے تاکہ دلچسپی رکھنے والی تمام فرمیں مسابقت کا مناسب موقع پاسکیں اور قومی خزانے پر بے جا بوجھ بھی نہ پڑے۔

☆☆☆☆☆

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ANNEX-C

INVITATION FOR EXPRESSION OF INTEREST (EOI)

1. Pakistan Water and Power Development Authority (WAPDA), an autonomous body which is mandated for development of Water and Hydropower resources under the administrative control of Federal Government invites Expression of Interest (EOI) from the Local/Foreign consulting firm(s) Joint Venture(s) for the **Services of Design Review, Construction Supervision and Contract Administration of Mohmand Dam Hydropower Project** by forming a Joint Venture with Pakistan firms, as per Pakistan Engineering Council (PEC) conduct and practice of Consulting Engineers bye-laws. The JV may comprise maximum of 05 members if Foreign Firm(s) is (are) involved. In case of local firms, members are limited to 04. The firm(s) may apply who are on Active Tax Payer List of Federal Board of Revenue, Pakistan and registered with PEC. Quality and Cost Based Selection Method (QCBS - 80:20) will be used for procurement.
2. Expression of Interest document (containing detailed description of terms and conditions of services and evaluation criteria) is available for the interested bidders at office of **General Manager (Hydro Planning) WAPDA, Sunny View Estate, Kashmir Road, Lahore**. Price of the EOI documents of Rs. 500. EOI documents can also be downloaded from www.wapda.gov.pk free of cost.
3. The expression of interest, prepared in accordance with the instructions in the EOI documents, must reach at the **O/o General Manager (Hydro Planning) WAPDA, Sunny View Estate, Kashmir Road, Lahore** on or before **7th July, 2017** at 1100 hours. This advertisement is also available on PPRA website at www.ppra.org.pk.

**MUHAMMAD RAFIQ, GENERAL MANAGER
HYDRO PLANNING ORGANIZATION, WAPDA
SUNNY VIEW ESTATE, KASHMIR ROAD,
LAHORE, PAKISTAN.**

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REQUEST FOR PROPOSAL (RFP)

Annex - D

- 1. Pakistan Water and Power Development Authority (WAPDA)**, an autonomous and statutory body which is mandated for development of Water and Hydropower resources under the administrative control of Federal Government, invites Proposals from the Consulting Firm(s)/Joint Venture(s) (as per **Pakistan Engineering Council (PEC)** conduct and practice of Consulting Engineers bye-laws) for consultancy services of **Construction Design, Construction Supervision and Contract Management of Mohmand Dam Hydropower Project**. It is mandatory for local consulting firms that they should be on **Active Tax Payer List (ATL)** of the **Federal Board of Revenue (FBR)**, Pakistan and registered with **Provincial Revenue Authorities**. Method of selection will be **Quality Based Selection (QBS)** with single stage two envelope procedure.
- 2. Request for Proposal (RFP) Document**, (containing detailed terms and conditions, evaluation criteria etc.) is available for interested Consulting Firm(s)/Joint Venture(s) at the address given below. Price of the RFP documents is **Rs. 1,000/-**. RFP documents can also be downloaded from www.wapda.gov.pk free of cost.
- 3. Proposals**, prepared in accordance with the instructions in the RFP document, must reach at the address given below on or before **1100 hours** on **January 24, 2019**. The Technical Proposals will be opened on the same day at **1130 hours**. This advertisement is also available on PPRA website (www.ppra.org.pk) and WAPDA website (www.wapda.gov.pk).

**GENERAL MANAGER (HYDRO PLANNING), WAPDA
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DONATE FOR DIAMER BASHA AND MOHMAND DAMS