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10th January, 2021

Mr. Faisal Hasnain, Chief Executive Officer, Pakistan Cricket Board Gaddafi Stadium, Ferozepur Road, Lahore TL2021/0110/1A

Sub: Complaint on the allegation of violation of PPRA Rules 2004, in award of contract of Media Rights for PSL 2022 and 2023 by PCB and PTV, to PTV-ARY consortium in violation of PPRA Rules 2004.

Dear Sir,

- 1.Transparency International Pakistan refers to your response via letter No. NIL dated 5<sup>th</sup> January 2022 to TI Pakistan letter No. TL2021/1227/1A dated 27<sup>th</sup> December 2021, addressed to Chairperson and Vice-Chair TI Pakistan.
- 2. This is to inform PCB that TI Pakistan operates under the constitutional right given 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, as quote below.

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."

- 3. Under PPRA Ordinance 2002, Pakistan Cricket Board (PCB) is a procuring agency, and is obliged to follow PPRA Ordinance 2002 and PPRA Rules 2004. The procedure of award of contract by PCB for Media Rights for PSL 2022 and 2023 to PTV-ARY consortium should have followed the following procedures prescribed in PPRA Rules 2004.
  - i. Rule No 23. Bidding Documents. For competitive bidding, whether open or limited, the bidding documents shall include the following, namely:-
    - (a) invitation to bid;
    - (b) instructions to bidders;
    - (c) form of bid;
    - (d) form of contract;
    - (e) general or special conditions of contract;
    - (f) specifications and drawings or performance criteria (where applicable);
    - (g) list of goods or bill of quantities (where applicable);
    - (h) delivery time or completion schedule;
    - (i) qualification criteria (where applicable);



#### (j) bid evaluation criteria;

(k) format of all securities required (where applicable);

(l) details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and

(m) any other detail not inconsistent with these rules that the procuring agency may deem necessary.

ii. Rule No.7. Integrity Pact. Procurements exceeding the prescribed limit shall be subject to an integrity pact, as specified by regulation with approval of the Federal Government, between the procuring agency and the suppliers or contractors (Annex-A).

#### iii. Rule 35. Announcement of evaluation reports.-

Based on the procedure adopted for the respective procurement, the procuring agency shall announce the result of bid evaluation, in the form of final evaluation report giving justification for acceptance or rejection of bids at least fifteen days prior to the award of procurement contract:

Provided that in case where technical proposal is to be evaluated separately, prior to opening of financial proposal, the technical evaluation report shall be announced before opening of the financial proposal.

#### iv. Rule 29. Evaluation criteria.-

Procuring agencies shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated. Such evaluation criteria shall form an integral part of the bidding documents. Failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.

How many marks will be given, how many marks will pass, how each mark will be awarded to each bidder, on their Technical Proposal etc.

#### v. Rule 47. Public access and transparency.-

As soon as a contract has been awarded the procuring agency shall make all documents related to the evaluation of the bid and award of contract public:

#### vi. Rule 50. Mis-procurement.

Any unauthorized breach of these rules shall amount to mis-procurement.

- 4. Furthermore, complaints are received by TI Pakistan and if they are found genuine, TI Pakistan write to the procuring agencies to take action if the complaint is established as correct by the procuring agency. If PCB considers that they followed the PPRA Rules 2004 then no action is required by any regulator.
- 5. However, TI Pakistan has noted following shortcoming in this procurement.
- 1. PCB did not post the Evaluation Report on PPRA website as required per Rule No 35, which is mandatory.



- 2. PCB has not posted the Contract Agreement on PPRA website as per Rule No 47, which is mandatory.
- 3. Similarly, we don't know whether under the National Accountability Bureau Ordinance NAO 1999, Section 33B, PCB has submitted Contract Agreement to NAB after signing of the contract.
- 4. Further, PCB has not posted any contract document it has awarded, on PPRA website. Managing Director PPRA vide letter F: No. 1/11/2013/Legal/PPRA/Pt, dated 28.10.2020 has also issued instructions to all Federal Secretaries to make sure that all Procuring Agencies comply with Rule 47, and as per Contract Award Proforma A-I & A-II, with copy of the Contract Agreement including are also posted on PPRA website. <a href="Annex-B.">Annex-B.</a>

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

With Regards,

Ms. Yasmeen Lari

Garman La

Sitara-e-Imtiaz, Hilal-e- Imtiaz Chairperson

Transparency International Pakistan

Justice (R) Nasira Iqbal

Sitara-e-Imtiaz Vice Chair,

Transparency International Pakistan

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

- 1. PSPM, Prime Minister's House, Islamabad, Patron PCB
- 2. Chairman, PAC, National Assembly, Islamabad
- 3. Chairman NAB, Islamabad
- 4. Federal Secretary Information, Islamabad
- 5. Chairman, PCB, Islamabad
- 6. Chairman PTV, Islamabad
- 7. Registrar Supreme Court of Pakistan. Islamabad
- 8. President, ICC: contactACU@icc-cricket.com



PCB
Pakistan Cricket Board
GADDAFI STADIUM LAHORE

UAN: 111 22 77 77

Tel: (92-42) 3571 7231-4

MS YASMEEN LARI, Chairperson JUSTICE (R) NASIRA IQBAL, Vice Chair Transparency International Pakistan Plot 72-F/2, 1st Floor, 9th Street Jami Commercial Phase VII Defense Housing Authority KARACHI

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Through Courier

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COMPLAINT ON THE ALLEGATION OF VIOLATION OF PPRA RULES 2004, IN AWARD OF CONTRACT OF MEDIA RIGHTS FOR PSL 2022 AND 2023 BY PCB AND PTV, TO PTV-ARY CONSORTIUM IN VIOLATION OF PPRA RULES 2004

Reference to your letter dated 27-12-2021 bearing reference number TL2021/1227/1A with regard to subject matter:

- 1. At the outset, we bring on record our observations that Transparency International Pakistan (TI) has no power, authority or jurisdiction to entertain complaints or seek answers from a body-corporate, statutory or government in this case, Pakistan Cricket Board (PCB).
- We also bring on record that PCB has not been provided a copy of the so-called complaint. Further, TI has failed to disclose the name of the complainant which leads to the assumption that TI may be acting on some anonymous complaint, which would be surprising.
- Further, TI has made no effort to determine the correct facts prior to writing the subject letter. Had it done so, it would have been able to ascertain the true facts, which would have been in our collective interest.
- 4. Be that as it may, since TI has questioned the integrity of the process adopted by PCB regarding award of contract in the interest of resolution and transparency, we are bringing on record the true facts for TI's benefit, which are as follows;
  - i. Eleven parties expressed their interest in and collected/acquired the Invitation to Tender (ITT) documents for the television broadcasting media rights for PSL 2022-2023.
  - ii. Two bidders namely Independent Media Corporation (IMC) (Pvt.) Ltd. and a Consortium comprising ARY Communications Pvt. Ltd and Pakistan Television Corporation Limited (PTVC) submitted proposals.
  - iii. The technical proposals of both parties were found to be technically compliant.

- iv. During the bidding process, the representative of IMC questioned the validity of the ARY-PTVC Consortium, in relation to which they were advised to direct their queries towards the PTVC.
- v. Upon being satisfied that there were no other concerns or objections, the PCB Bid Committee announced the reserve price for the TV media rights of PKR. 3.58 Billion for an aggregate of two years.
- vi. The financial proposals of parties were opened in the presence of representatives of both bidding entities wherein as required by the terms and conditions of the ITT document;
  - The Consortium (ARY-PTVC) offered an amount of PKR. 2,108,786,786.00 for an aggregate of two years.
  - IMC had offered an amount of PKR. 3,360,000,000.00 for an aggregate of two years.
- vii. Since both parties failed to meet the reserve price, they were asked to submit their revised offer by 4:45 PM PST on the same day i.e. 23-12-2021.
- viii. The revised offers submitted by both the parties was as follows;
  - The Consortium (ARY-PTVC) offered an amount of PKR. 4,350,786,786.00 for an aggregate of two years.
  - IMC offered an amount of PKR. 3,740,000,000.00 for an aggregate of two years.

As the offer of ARY/PTVC was higher than IMC's and in fact, also exceeded the reserve price set by the PCB; therefore, the Bid Committee recommended that TV Broadcast Rights be awarded to the ARY/PTVC Consortium for a period of two years.

This process was also explained by way of a Media Release issued by the PCB on 28 December 2021, a copy of which can be accessed via the link - <a href="https://www.pcb.com.pk/press-release-detail/pcb-explains-process-for-awarding-tv-broadcast-rights-for-hbl-psl-2022-and-2023-.html">https://www.pcb.com.pk/press-release-detail/pcb-explains-process-for-awarding-tv-broadcast-rights-for-hbl-psl-2022-and-2023-.html</a>

- 5. The above acts, representations and offers made by the parties/bidders and PCB were carried out in accordance with the procedure prescribed under the ITT of which both the Consortium (ARY-PTVC) and IMC were aware of and under which they in fact participated in the bidding process without raising any objection(s).
- 6. The unsuccessful party after failing to obtain the said Rights even filed a Constitutional Petition <u>W.P.</u>

  No.99/2022 Independent Media Corporation (Pvt.) Ltd. Vs. Pakistan Cricket Board Etc. which was

on 04 January 2022 'dismissed as withdrawn' (in favor of the PCB). The Media Release dated 4th January 2022 summarising the proceedings can be accessed via the link https://www.pcb.com.pk/press-release-detail/update-on-hbl-psl-tv-rights-bid-process.html . Accordingly, TI Pakistan should refrain from passing any further judgment or speculation in the matter, particularly when the same has been examined by the Honorable Lahore High Court; Lahore and no finding has been given against PCB.

7. It is also disappointing to have become aware of TI's letter dated 27-12-21 addressed to the PCB Chief Executive Officer through the media, in particular on GEO TV prior to even having received it at the PCB offices. Needless to add that this resulted in casting unfounded doubt on the integrity of the PCB's bid process, which as explained above was conducted on merit and in accordance with applicable provisions. Moreover, the negative publicity generated caused irreparable loss and damage to the PSL brand which not only has global recognition but is one of Pakistan's most valuable assets.

Accordingly, we hope that Transparency International will withdraw its letter dated 27-12-2021, and the matter can then be considered as closed.

Yours Etc.

XMÎLII HASAN

Director Media and Comp

CC.

PSPM, Prime Minister's House, Islamabad, Patron PCB

1. Chairman, PAC, National Assembly, Islamabad

2. 3. Chairman NAB, Islamabad

Federal Secretary Information, Islamabad

Chairman, PCB, Lahore

6. 7. 8. Chairman PTV, Islamabad

Registrar Supreme Court of Pakistan, Islamabad

President, ICC: contactACU@icc-cricket.com

Chief Executive Officer, PCB, Lahore

05 January 2022



.From: Mr. Sajid Hassan

Addl. Finance Secretary(Exp)/MD

Tele: 9201496

Ministry of Finunce Government of Pakistan

Public Procurement Regulatory Authority

Islamabad the P.C. 44000 5-10-2002

D.O.No.F.3(7)/2002/PPRA

Subject:-

DECLARATION OF FEES, COMMISSIONS AND BROKERAGE

ETC., PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES

AND WORKS

My dear Secretary

I am directed to say that in a meeting of the Economic Coordination Committee of the Cabinet held on 23<sup>rd</sup> September, 2002 the question of adoption of good procurement practices by the public sector agencies was discussed. After due discussion, it was decided that all the public sector agencies, whether attached/subordinate or autonomous working under a Ministry will always demand a certificate, as attached herewith while procuring goods & services worth Rs 10 million or more. This certificate inter alia, will be checked by the Auditors at the time of audit. This requirement is mandatory and may be complied with in all circumstances.

 You are requested to convey this decision to all attached Departments, Subordinate Offices, Autonomous/Semi Autonomous Bodies and Corporations etc., working under your Ministry for strict compliance.

With regards,

Yours sincerely,

(Sajid Hassar

All Secretaries to the Ministries/Divisions.

### **Integrity Pact**

## DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC. PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN CONTRACTS WORTH RS.10.00 MILLION OR MORE

Contract Number: Dated	l:
Contract Value:	
Contract Title:	
[name of Supplier] hereby declares that it has not of procurement of any contract, right, interest, privilege or other of Government of Pakistan or any administrative subdivision or age entity owned or controlled by it (GoP) through any corrupt business	oligation or benefit from ency thereof or any other
Without limiting the generality of the foregoing, and warrants that it has fully declared the brokerage, commi payable to anyone and not given or agreed to give and shall not anyone within or outside Pakistan either directly or indirectly juridical person, including its affiliate, agent, associate, brok promoter, shareholder, sponsor or subsidiary, any commission finder's fee or kickback, whether described as consultation fee object of obtaining or inducing the procurement of a contract, rigother obligation or benefit in whatsoever form from GoP, exceenses ly declared pursuant hereto.	ssion, fees etc. paid or give or agree to give to through any natural or er, consultant, director, on, gratification, bribe, e or otherwise, with the tht, interest, privilege or
[name of Supplier] certifies that it has made and will magreements and arrangements with all persons in respect of or r with GoP and has not taken any action or will not take any a above declaration, representation or warranty.	elated to the transaction
[name of Supplier] accepts full responsibility and strict false declaration, not making full disclosure, misrepresenting falikely to defeat the purpose of this declaration, representation and any contract, right, interest, privilege or other obligation or beneas aforesaid shall, without prejudice to any other right and renunder any law, contract or other instrument, be voidable at the op	cts or taking any action I warranty. It agrees that efit obtained or procured nedies available to GoP
Notwithstanding any rights and remedies exercise [name of Supplier] agrees to indemnify GoP for any loss or damage incits corrupt business practices and further pay compensation equivalent to ten time the sum of any commission, gratificatio kickback given by [name of Supplier] as aforesaid for the purpose of o procurement of any contract, right, interest, privilege or other whatsoever form from GoP.	urred by it on account of to GoP in an amount n, bribe, finder's fee or obtaining or inducing the
 [Buyer]	[Seller/Supplier]

#### Annex-B



# F. No. 1/110/2013/Legal/PPRA/Pt PUBLIC PROCUREMENT REGULATORY AUTHORITY CABINET DIVISION GOVERNMENT OF PAKISTAN

Islamabad, the 28th October, 2020

Subject:

POSTING/UPLOADING OF CONTRACT AWARD OF VALUE ABOVE RUPEES FIFTY MILLION (50 MILLION) ON PPRA'S WEBSITE

My dear Secretary,

The Public Procurement Regulatory Authority (PPRA) has been mandated to ensure transparency, economy, fairness, efficiency and accountability of the public sector procuring agencies / organizations through monitoring and implementation of Public Procurement Rules, 2004 and Regulations made thereunder.

- 2. In pursuance of Rule 47 of the Public Procurement Rules, 2004, the procuring agency immediately after the award of Contract is under obligation to make all the documents public with regard to the evaluation of bids and award of Contract. Posting / Uploading of all Public Contract awards of Works, Services and Goods worth fifty million rupees or more by all Procuring Agencies within or outside Pakistan on PPRA's website on the set pro-forma is mandatory in accordance with Regulation 2 of the Public Procurement Regulations, 2009 (Annex-I). Failure to do so may leads to mis-procurement which cannot be condoned either under the PPRA Ordinance, 2002 or any other law of the land.
- 3. In spite of the above clear cut mandatory requirements of the said Regulations, most of the procurement agencies do not post / upload Contract Awards of monetary value of fifty million rupees or above on the PPRA's website. Please note that any award of Contract over fifty million rupees without posting / uploading on the PPRA's website is a misprocurement, under the Public Procurement Rules, 2004.
- 4. All Ministries, Divisions, attached Departments of the Federal Government, statutory corporations or authorities established by the Federal Government or owned and controlled by the Federal Government are required to post / upload all Contract Awards over fifty million rupees on the PPRA website on the enclosed pro-forma (Annex-II & III).

Cont'd ..... P/2

NOTE: Please seek prior approval of the Authority in case of the disclosure of any information is of proprietary nature or against the public interest.

 I shall be grateful if you would kindly circulate these instructions to all public sector agencies / autonomous bodies / corporations under the administrative control of your Ministry for strict compliance.

With best regards,

Encl: as above

Yours sincerely,

(RIZWAN MALIK)

**ALL FEDERAL SECRETARIES** 

