



7 June 2022

TIP22/0607/1A

Mian Muhammad Hamza Shahbaz,  
Chief Minister Punjab  
Chief Minister Secretariat  
Lahore

**Subject: Allegation of Violation of Punjab PPRA Rules 2014 in award of Contract by Irrigation Department causing a loss of Rs48 million to Exchequer.**

Dear Sir,

Transparency International Pakistan has received a complaint from M/s Ages Consultant on the violation of Punjab PPRA Rules 2014 in consultancy services for “Feasibility Study of a Detailed Design of New Small Dams” by Irrigation department causing a loss of Rs48 million to exchequer. (Annex-A)

The complainant has made the following allegations/objections:

That,

1. The project for consultancy services was advertised in February 2022 by the Irrigation Division Potohar Zone and 04 consultants participated in the bidding process including joint ventures led by M/s Ages Consultants.
2. After the technical evaluation, financial bids were opened, and according to the announced priced bid, M/s Ages Consultants was to be ranked No.1 in the overall evaluation report:

Firm/JV (Lead)	Technical Score	80% of Test Score	Competitive Financial Cost (PKR)	Financial Score (20%)	Overall (Tech 80% +Fin20%)	Ranking
AGES	67.58	54.064	191,638,850	20.00	74.06	1
RHC	72.01	57.608	239,919,097	15.98	73.58	2
NESPAK	73.22	58.576	257,270,335	14.90	73.47	3
MMP	67.55	54.04	261,900,000	14.63	68.67	4
Minimum Competitive Financial Cost			191,638,850			

3. The overall Evaluation Result was shared by the Executive Engineer Small Dams Division Fateh Jang vide letter no. 569-71/118-W on 30-4-2022 and reached to the complainant office just the last day of allocated 10 days for complaint.
4. In the overall Evaluation Result shared by the department vide its letter no. 569-71/118-W on 30-4-2022, the second lowest bidder, M/s RHC was ranked no. 1, with a difference of Rs 48 million from the price quoted by the complainant M/s Ages, which is against the tender conditions quoted below:
  - a. RFP para 3.8, The consultants are free to propose a staffing plan and skill mix necessary to meet the objectives and scope of services....Following is the indicative list skill required for carrying out the assignment.



- b. According to the clause 5.6 of the RFP, .... In case an activity or line item is quantified in the financial proposal differently from the technical proposal.....

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

**TI Pakistan Comments:**

Based on the complaint, if the quoted prices have been increased by the department which is against the conditions of the RFP mentioned above 3(a) & 3(b), prima facie, this procurement may be declared as Mis-Procurement as per Punjab PPRA Rule 69, as the department is not allowed to increase the Man-month in the bid of any bidder.

**TI Pakistan Recommendations:**

TI Pakistan requests the Chief Minister Punjab to immediately taken up this complaint for investigation as it awarded 20% cost which may cost Rs 48 million to exchequer, and if the allegations are found to be correct, direct the concerned department to terminate the contract, and reinvoke the tender as per Punjab PPRA Rules 2014.

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. Registrar, Lahore High Court, Lahore
2. Punjab Anti-Corruption Department, Lahore
3. MD, Punjab PPRA, Lahore
4. Chief Engineer, Irrigation Potohar Zone Rawalpindi/Islamabad

Ref: AGES-22-SMP-090

Date: May 26, 2022

**Chief Engineer**

Irrigation Potohar Zone Rawalpindi / Islamabad  
Rawal Dam Colony, Islamabad  
Telephone: (+92-51) 9255749  
Email: [ce\\_potohar@irrigation.punjab.gov.pk](mailto:ce_potohar@irrigation.punjab.gov.pk)

**PROJECT: CONSULTING SERVICES FOR "FEASIBILITY STUDY, DETAILED DESIGN OF NEW SMALL DAMS.**

**SUBJECT: COMPLAINT AGAINST MIS-PROCUREMENT AND WRONG EVALUATION OF THE CONSULTANTS**

Dear Sir

This is with reference to the "Overall Evaluation Report" shared by the Executive Engineer Small Dams Division Fateh Jang vide letter no. 569-71/118-W dated 30-4-2022 for the consultancy services of the project "Feasibility Study, Detailed Design of New Small Dams". The letter / report has been issued on 30-4-2022 Saturday just before the Eid Holidays.

Above mentioned project for consultancy services was advertised by the Irrigation Division Potohar Zone and a number of consultants / JV participated in the bidding process including Joint Venture led by AGES Consultants. After the technical evaluation, financial bids were opened. The bid cost announced / read out in the financial opening is given in the table below. According to the announced price bid, AGES Led JV is to be ranked no. 1 in the overall evaluation as presented below.

Firm / JV (Lead)	Technical Score (out of 100)	80% of Tech Score	Competitive Financial Cost (PKR)	Financial Score (20%)	Overall (Tech 80% + Fin 20%)	Ranking
AGES	67.58	54.064	191,638,850	20.00	74.06	1
RHC	72.01	57.608	239,919,097	15.98	73.58	2
NESPAK	73.22	58.576	257,270,335	14.90	73.47	3
MMP	67.55	54.04	261,900,000	14.63	68.67	4

Minimum Competitive Financial Cost	191,638,850
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However in the overall evaluation received from the client vide above mentioned letters shows that M/s RHC led group is ranked first.

The Overall Evaluation Result was shared on 30-4-2022 (Saturday afternoon) just before the Eid Holiday. As you are aware that due to Eid Holidays and Weekends, the letter posted by the Client reached this office just the last day of allocated 10 days for complaint (which itself shows the vested interest behind it as the other letters by Client were sent by courier as well as in soft copy). Being last day of the complaint, we immediately approached the Office mentioned in RFP through telephone to provide name and address of the "Grievance Redressal Committee" but we have been informed that the office has no information about it. After several attempts, we have left with no other option but to launch our complaint to the Punjab Procurement Regulatory Authority vide our letter AGES-22-SMP-090 dated 09-05-2022 (copy shared with the Chief Engineer Irrigation Potohar Zone). Our points for the complaint are summarized below.

- Overall evaluation is against the provision / clauses of RFP issued by the Client. According to the RFP / TOR Para 3.8, "***The consultants are free to propose a staffing plan and skill mix necessary to meet the objectives and scope of services***" ..... ***Following is an indicative list skill required for carrying out the assignment***" Accordingly our JV proposed "staffing plan" and "skill mix" in our technical proposal which was evaluated and accepted by the Client during evaluation of technical proposal. It is normal practice that client either "fix" the staffing schedule and skill mix or gives "freedom" to the consultants for change to get the ultimate goal in efficient manner and minimum cost. In both the cases, the consultants provide their technical and financial proposal according to the RFP.

As it was already allowed in the RFP, therefore "***adding cost over and above quoted price in the financial evaluation***" is against the RFP provision and clear indication of "favoritism".



2. According to the clause 5.6 of the RFP ".....In case an activity or line item is **quantified in the Financial Proposal differently from the Technical Proposal**.....". As we have already mentioned the same in technical proposal (evaluated and accepted by the client), there is no difference between our "technical proposal" and "financial proposal". In this case further adding cost over and above quoted price in the financial evaluation is against the RFP provision.
3. As envisaged from the bid price, the AGES led group is also **financially lowest** with a difference of 48 million from the bidder falsely ranked first in the overall evaluation of the client which is an additional **loss to the public exchequer / taxpayer money if proceeded further**.
4. It is pertinent that our firm did not compromise on the scope of services and all activities for the feasibility and design will be fulfilled by the JV as per TOR within the proposed budget.

**Our JV Partner M/s BARQAAB also approached the Secretary Irrigation Office Lahore vide letter no. BQB/W/2022/208 requesting for the two main replies i.e. "How the bid of our JV is increased?" and "Replies to the above-mentioned letter of Lead Partner AGES". A meeting of GRC was held in the Executive Engineer Small Dams Division Jhelum on 20-5-2022. Unfortunately GRC refused to address both the questions by responding that these are beyond the scope of GRC.**

We are, therefore, requesting to re-visit the **"Overall Evaluation Report" according to the RFP provision and Punjab PPRA guidelines by any independent panel**. We are ready to explain our grievances to your good-self or to any independent forum. We hope justice by your office.

Yours Truly



**Zahoor Ahmed**

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cc:

1. Additional Chief Secretary Punjab Lahore
2. Secretary Irrigation Punjab, Lahore
3. Planning and Development Department Punjab Lahore
4. Monitoring and Evaluation Department Lahore
5. Punjab Public Procurement Regulatory Authority
6. Provincial Ombudsman
7. Chairperson, Transparency International Pakistan
8. Project Director, Irrigation Potohar Zone Rawalpindi
9. JV Partners (BAK & BARQAAB)

