



28 March 2022

TIP22/0328/2A

Mr. Abdul Haleem Shaikh,
Managing Director,
SPPRA
Secretariat 4A, Court Rd,
Saddar Karachi.

**Subject: Complaint of M/S R.M Associates & Developers on Violation of SPPRA Rules
2010 in Tender NIT ID T00786-21-0003-5 dated 25-01-2022 Serial No.2, and recovery of
Rs. 75 million under Integrity Pact**

Dear Sir,

Transparency International Pakistan has received a copy of the complaint from M/s R.M Associates sent to Chairman CRC/Superintendent Engineer Provincial Highways Circle Larkana and to MD SPPRA with allegation of violation of SPPRA rules in Tender NIT ID T00786-21-0003-5 dated 25-01-2022. (**Annex-A**)

The complainant has made the following allegations/objections:

That,

1. M/s R.M Associates which applied for work Serial No:02 namely Reconditioning of Road from Warah hamal road @ point chutta to village sahib khan tunio via junani shareef Mile 0/0-3/1=5kms having cost PKR 55.5 million, was declared technically qualified and eligible for open financial proposal as M/s R.M Associates & Developers the lowest rate bidder with -11.28% below from the estimated cost of the total amount 48,794,885 /-. But the Executive Engineer Provincial Highway Division Larkana uploaded a fake bid evaluation report BE 00786-21-0003-5 dated 24-03-2022, where his favourite contractor awarded the contract who quoted 2.42% above the estimated cost 56,333,213/- consequently loss the public funds approximately 7,538,328/-. M/s R.M Associates & Developers was not shown the attendance sheet whereas the Call Deposit, Tender fees, Attendance Sheet, and the submitted Bid are attached as evidence.
2. The Executive Engineer Provincial Highway Division Larkana violated SPP Rule 45(i) & (iii) which bound him to provide a brief statement about the reason of the rejection of their bid.
3. The procuring agency also violated SPP Rule 51 & 52 which bar negotiations with the bidder submitted the lowest evaluated bid.

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

TI Pakistan Comments:

- a) Based on the submitted documents, prima facie the complaint appears to be a gross violation of SPPRA rules by the procuring agency.
- b) The bid evaluation report indicates that only three bids were received in which the bid of the complainant was not included. The complainant has attached the photocopies of the bid security of the required amount, PKR Two Million Seven Hundred Seventy-Five Thousand,



issued by Soneri Bank submitted with the bid. The tender documents were issued by the procuring agency on 9th February 2022.

- c) The bid evaluation report was uploaded on 24th March 2022, and there is no record available which indicates that the copy of the bid evaluation report was provided to the complainant, within 03 days prior to the award of contract as required under SPP Rule 45.
- d) The loss to Exchequer of amount PKR 7,538,328/- is reported by the complainant, which if found to be correct, may result a recovery of 10 times of the amount from the contractor who was awarded the contract of Rs 55 million.

TI Pakistan Recommendations:

TI Pakistan requests MD SPPRA to look into the complaint which is made by the complainant within two days of posting of the evaluation report by the procuring agency, and take action to monitor the CRC and further processing of the procurement.

If the complaint is found to be genuine, action should be taken by CRC /Review Committee in accordance with SPPRA Rules 2010, recovery of Rs 107 million under Integrity Pact, and NAB Ordinance 1999 Section 9 & 10.

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. Chief Minister Sindh, Karachi
2. Director General NAB, Karachi
3. Registrar, Sindh High Court, Karachi
4. Chairman CRC, Superintendent Engineer Provincial Highways Circle Larkano
5. Executive Engineer Provincial Division, Larkana
6. The Complainant