



TRANSPARENCY INTERNATIONAL-PAKISTAN

5-C, 2nd Floor, Khayaban-e-Itehad, Phase VII, Defence Housing Authority, Karachi
Tel: (92-21)-35390408, 35390409, Fax: 35390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk

12th March 2013

Mr. Ahad Khan Cheema,
Director General,
Lahore Development Authority
Government of Punjab,
Lahore

D.O.	13/3/13
No.	2833
Date	13/3/13
TDA	
D. G.	

Sub: MoU Signed for the for the implementation of the "Integrity Pact" in TDA.

Dear Sir,

CEIT

Transparency International Pakistan on 28th February 2013, was requested to review and comment on the procurement process of Provision of Metro Bus Project, of the awarded Contracts so far, under the terms of the MoU signed for the for the implementation of the "Integrity Pact".

In order to review the procurement process, the Lahore Development Authority on TIP's request provided the copy of the NAB Contract Evaluation Forms (**Annex-A**), for the 27 Contracts Awarded under this project, and details of infrastructure procurements of 25 Contracts.(**Annex-B**).

This is to state that article 19-A makes the right to access of information pertaining to a public authority a fundamental rights Justice Syed Mansoor Ali Shah in his landmark judgment Ataulhah Malik v. Federation of Pakistan laid down the following:

"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 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable". PLD 2010 Lahore 605

The procedure followed by the Lahore Development Authority, Govt. of Punjab in these procurement, as stated in **Annex-A and Annex-B** are summarized below:

That:

1. For the procurement of 27 KM Merto Bus Project procurement process commenced in February 2012, and Tenders were invited through Newspapers for 23 out of 25 Contracts in 2012 and 2013.
2. 23 Contracts for Rs 26,630 Billion were awarded on the basis of Open Bidding.
3. Two Contracts were awarded to M/s NLC on single source basis, with the approval of Punjab Government. These are Contract for Construction of Bus Rapid Transit System (BRTS) Ferozpur Road Lahore, at cost of Rs 1.6 billion, on 8.3.2012, and Second Contract for the Construction of Bus Rapid Transit System for Lahore



4. Ferozpur Road Corridor , Construction of Additional Bridge, at cost of Rs 849.691 million.
5. The 25 Contracts for the infrastructure for the 27 KM Merto Bus Project were awarded at cost of Rs 29.078 Billion.
6. Two Tenders for Metro Bus Operation on the Bus Corridor , and Security, were awarded separately. The Contract for procurement, operation and of 45 Buses for MBS, for 3 years period, was awarded on 28th September 2012 to the Turkish Company M/s Platform A.S Turkey, at Rs 1.137 Billion per annum, and Contract for Security Services at Rs 64.8 Million per annum was awarded on 5th December 2012 to M/s Security 2000 Pvt Ltd.
7. Copies of the Contract Agreements and the NAB Contract Evaluation Forms have been forwarded to NAB by Lahore Development Authority.

Based on the above information given by the Lahore Development Authority , prima facie it appears that the Punjab Procurement Rules 2009 have been followed in the procurement contract of Rs 29.078 to 25 Contractors and 2 Contracts for Metro Bus Supply & Operation and Security at annual cost of Rs 1.2018 Billion. However, TIP feels that the two unsolicited contracts awarded to M/s NLC, as stated above, shall also have been processed on the basis of competitive bidding as per Punjab Procurement Rules 2009.

LDA has also awarded Metro Bus Supply & Operation Contract to M/s Platform A.S Turkey at annual cost of Rs 1.137 Billion for 70,000 KM per bus, and Contract for Security Services to M/s Security 2000 Pvt Ltd at Rs 64.8 Million per annum.

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

With Regards,


Syed Afil Gilani,
Adviser

Encl: Annex-A (27 NAB Contract Evaluation Forms) & Annex B.

Copy forwarded for information of;

1. Chief Minister, Punjab, Lahore.
2. Chief Justice, Lahore High Court, Lahore.
3. DG NAB, Punjab, Lahore,
4. Managing Director, PPRA Punjab, Lahore