



TRANSPARENCY INTERNATIONAL – PAKISTAN
“STRIVES FOR A BETTER WORLD TO LIVE IN”

**PHASE 1
FINAL REPORT**

Integrity pact
With the
Karachi Water and Sewerage Board

Submitted
To the
Partnership for Transparency Fund
By
Transparency International – Pakistan
Karachi Chapter

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65 – C NATIONAL HIGHWAY
PHASE II
DEFENCE HOUSING AUTHORITY

“STRIVES FOR A BETTER WORLD TO LIVE IN”



Integrity Pact
For
Transparency in Public Procurement Procedures
With the
Karachi Water & Sewerage Board

Greater Karachi Water Supply Scheme
Phase-V, Stage-II ,
2nd 100 MGD, K-III Project

Transparency International-Pakistan
65-C, National Highway,
Defence Housing Authority – Phase II extn.
Karachi.



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THE COLLABORATION PTF – NEDIANS – TI-PAKISTAN

History

In February, 2000 Shaukat Omari – Chairman NEDIANS Association and Executive Committee Member Karachi Water & Sewerage Board (KW&SB) put forward a Proposal to the KW&SB for the implementation of the “Integrity Pact” and Transparency in Public Procurement Procedures. This proposal was placed on the Agenda of a meeting of the Board held on February 10, 2000. In its discussions, the Board decided to review such a proposal.

The following was agreed and resolved:

“The Chairman agreed with the suggestion of the member of the Board Mr. Shaukat Omari and requested him to prepare and circulate a proposal in this regard (that is to provide Transparency in Public Procurement Procedures) which would be discussed in the next meeting”

In response to the request of the Chairman and the Board, a proposal was then submitted to the Managing Director, an “Introduction to Transparency in Public Procurement Procedures”.

At this February 10th. 2000, meeting, the Chairman and most of the Members of the Board recognized and accepted the fact that the KW&SB should go for Transparency in its Procurement Procedures.

Unfortunately there continued to be an impasse on the above resolution and reluctance on the part of the Managing Director to carry out the decisions of the Board.

The NEDIANS Association (TI-Pakistan not having been recognized till then) invited experts from Transparency International – Berlin, to present the “Integrity Pact” for Transparency in Public Procurement Procedures at a Seminar held in November 2000. This Seminar was followed by Presentation made to the Managing Director and the Chairman of KW&SB In this presentation the implementation of Transparency in Procurement Procedures within the KW&SB was approved in Principle.

The acceptance in Principle for submission of a proposal for the implementation of the “Integrity Pact” and Transparency within the KW&SB was followed up by a request from Transparency International – Pakistan to the President of the Partnership for Transparency Fund – Mr. Pierre Landell-Mills for funding of this “Integrity Pact” This request was made on the 22nd. December 2000.

In March 2001, PTF sent TI-Pakistan a formal agreement for funding the Integrity Pact.

As Transparency International – Pakistan still lacked an official registration as a legal entity and also a lack of any Logistic support, it was decided to form collaboration with the NEDIANS Association. The PTF recognized this collaboration.

In a special meeting of the KW&SB held on April 13, 2001, the executive committee once again supported the earlier decision of the Board (February 10, 2000) and decided, that there was a need for Transparency within the workings of the KW&SB and that Shaukat



Omari – Member Board with the assistance of Transparency International – Pakistan should assist the KW&SB in this matter. The Board recommended that the Managing Director establish a coordinating committee to implement its decision.

On April 16, 2001, the Managing Director issued a formal letter accepting the assistance of TI-Pakistan for implementation of the “Integrity Pact” and Transparency in the workings of the KW&SB with regards its Public Procurement.

In its first meeting, the coordinating committee and the TI-Pakistan decided to implement the “Integrity Pact” in the Greater Karachi Water Supply Scheme (K-III Project) with an estimated contract value of more than Rupees Six Billion or nearly US Dollars One Billion.

TI-Pakistan once again approached the PTF for funding of the Integrity Pact, which was then granted to the NEDIANS Association after it submitted relevant information about itself to the PTF.

The PTF-NEDIANS Agreement for funding was finalized in June and funding was received in August 2001. The NEDIANS Association received the total tranche of US\$ 19,000/-. The project was to initially last for three months, from August – October 2001..

We would like to point out at this juncture, that the moral and financial support of the PTF to the implementation of the “Integrity Pact” was a major reason for the success of the program. The possibility of organizing seminars, media cooperation and the availability of National and International technical assistance was an invaluable contribution. It would have been nearly impossible at the time for the NEDIANS or TI-Pakistan to mobilize any form of monetary resources from within the country. The support of the PTF should therefore not be underestimated in the ultimate success of this program.

The First Interim Report was sent to the PTF in July.

The second Interim Report was submitted in October 2001.

Due to the unfortunate tragedy of 11th. September there was a complete stop to all activities.

The Draft of the Final report was submitted to the PTF in February 2002.



The Integrity Pact A Chronology

The first meeting to discuss the “Integrity Pact” and the Transparency in Public Procurement Procedures was held in early 1998 with the former Governor Lt. Gen Moinuddin Haider.

A subsequent meeting to meet the Governor was then arranged to introduce Margit Van Ham, executive Director TI-Secretariat, who was visiting Karachi. She explained to the Governor the concept of the “Island of Integrity” (Integrity Pact), and the benefits of Transparency in Public Procurement Procedures as a process of good governance. In this meeting the Governor extended his complete support to TI and suggested that the “Integrity Pact” could be immediately implemented on the Korangi Wastewater Management Project.

He also accepted in principle to implement Transparency in Procurement Procedures in all the Government Departments of the province of Sindh. In support of his intentions, Mr. Shaukat Omari – Chairman NEDIANS Associations was placed on the Steering Committee, as one of four members introduced to act as “Citizens Watchdogs” on this project. He also placed one member from TI-Pakistan (in formation) on a Task Force to act as watchdog and recommend Transparency in government.

In March 1999 an Invitation was sent by the Governor to Dr. Michael Wiehen - President TI-Germany to discuss the implementation of the “Integrity pact” and Transparency in Public Procurement Procedures.

Due to unavoidable circumstances the implementation of the Integrity Pact proposal had to be withdrawn.

The former Governor also placed Mr. Shaukat Omari representative of the NEDIANS Association along with three other Citizens on the Board of the KW&SB to act as Citizens Watchdogs.

On February 10, 2000 a Proposal was put forward to the Board of the KW&SB by Shaukat Omari – Member Board for the “Integrity Pact” and Transparency in Public Procurement Procedures to be implemented within the workings of the KW&SB. The Board in a resolution accepted to review such a proposal.

The following was agreed and resolved:

“The Chairman agreed with the suggestion of the member of the Board Mr. Shaukat Omari and requested him to prepare and circulate a proposal in this regard (that is to provide Transparency in Public Procurement Procedures) which would be discussed in the next meeting”

The Resolution # 11 on the above by the Board stated:

“The Board after discussing the above agenda in detail, resolved that the M.D., the D.M.D. (T.S.), the D.M.D. (RRQ) as well as the Chief Engineer concerned should pay due attention to the points raised by both the honourable Members as they are public representatives and comparatively more aware of the public opinion as well as the situation prevailing in the city. Preferably reports on the said points should be placed before the Board in its next meeting indicating the progress achieved in this respect.”



In response to the request of the Chairman and the Board, Shaukat Omari then submitted to the Managing Director, an “Introduction to Transparency in Public Procurement Procedures”.

Unfortunately there continued to be an impasse with the Managing Director. Brig. Mansour Ahmed who continued to oppose the implementation of the Board’s directive for one reason or another, mostly by not allowing it to be brought up in the Agenda of the Board meetings.

In fact to avoid the issue no meetings were convened during February 10, 2000 and April 2001 in which this subject could be discussed. Subsequent meetings held would always be terminated before this item could be brought up to be discussed. The Board accepted the need for Transparency, but could not find time to discuss it. This impasse continued till a new Managing Director was appointed.

On the appointment of the New Managing Director Brig. Mohammad Behram Khan, we arranged a workshop on the ISO 9002 to bring about an appropriate environment for the implementation of the resolution of the Board for Transparency. This was very successful.

As a follow up the NEDIANS Association (TI-Pakistan not having been recognized till then) invited experts from Transparency International – Berlin, to present to the New Managing Director and the Chairman of the KW&SB at a Seminar the “Integrity Pact” for Transparency in Public Procurement Procedures. Consequently, presentations were made by the TI experts Mr. Rene Ribic and Margit Van Ham on Friday 24th November to the Chairman of the Board Dr. Matawakkal Kazi at his office and on the same day to the Managing Director and his senior personnel. At these presentations and meetings the “Integrity Pact” for Transparency in Public Procurement Procedures was tentatively approved in principle.

To further understand the methodology of the “Integrity Pact” in Public Procurement Procedures, a workshop was arranged by TI-Pakistan on Saturday 26th. November 2000, where the experts from Transparency International introduced the “Integrity Pact” for Transparency in Public Procurement procedures. In this Seminar Mrs. Shahida Jamil, the Provincial Law Minister (who a few days later became the Federal Law and Parliamentary Minister) acted as the chief Guest. Unfortunately due to an **emergency** meeting with the Governor, both the KW&SB members were unable to attend and their representative Chief Engineer Amjad Habib attended the Workshop in their stead.

The NEDIANS Association represented by Shaukat Omari then sent a proposal to the Managing Director KW&SB introducing the “Integrity Pact” and the Possibility of implementing Transparency in Procurement Procedures within the KW&SB with the help of TI-Pakistan..

We then received a reply from the Managing Director, saying that there was no need for any proposals for Transparency within the KW&SB as the organization was very transparent and was following all the necessary anti-corruption Laws and Ordinances and had at the same time built in mechanism within the KW&SB to protect itself from corruption.

In March 2001, the NEDIANS Association wrote to the new Governor of Sindh - Mohammadmian Soomro, informing him of the dire need for Transparency in the workings of the KW&SB. Citing many reasons for its immediate need, including inefficiency, mismanagement and corrupt practices within the KW&SB.

In April 2001, Shaukat Omari, on a ‘point of order’ requested for a special meeting to be convened, to decide on the earlier decision of the Board with regards to the “Integrity Pact”



and Transparency in the KW&SB. Subsequently a special meeting was then convened on April 13, 2001.

The KW&SB Board in this special meeting, which met on April 13, 2001, again supported the earlier decision of the Board (February 10, 2000) and decided, that there was a need for Transparency within the workings of the KW&SB and that Shaukat Omari – Member Board with the assistance of Transparency International – Pakistan should assist the KW&SB in this matter. The Board Also recommending that a coordinating committee be set up by the Managing Director, to coordinate with TI-Pakistan.

On April 16, 2001, the Managing Director issued a formal letter accepting the assistance of TI-Pakistan for implementation of the “Integrity Pact” and Transparency in the workings of the KW&SB with regards its Public Procurement.

The letter written by the Managing Director was as follows:

“In a special meeting convened on April 13th. 2001 to discuss “the Integrity Pact and the Transparency in Public Procurement Procedures., that the Karachi Water & Sewerage Board request that you may submit the concept of transparency and for Transparency International – Pakistan to establish procedures which should be built to include the Integrity Pact for Transparency In Public Procurement procedures within the KW&SB....”

In its first meeting, the coordinating committee of the KW&SB and TI-Pakistan decided to implement the “Integrity Pact” in the Greater Karachi Water Supply Scheme (K-III Project) with an estimated contract value of more than Rupees Six Billion or nearly US Dollars One Billion.

Since the first meeting on May 1, we have held Seventeen meetings of the coordinating Committee to-date in which many major decisions have been taken (Minutes of the meetings are attached along with)

One of the most major decisions which will revolutionize contracting procedures within the KW&SB is the removal of all discretionary powers with regards the evaluation of Consultants and Contractors both in the short listing and in the tendering stages.

The second milestone decision has been the acceptance of the consultants and Contractors bidding for the project and the signing by 10 Leading Consultants and 44 Major contractors of the “Integrity Pact”. This is a major breakthrough in the history of contracting in Pakistan.

The project description of the Greater Karachi Water Supply scheme is attached along with.

Another major decision taken by the Coordinating Committee is the implementation of the “Integrity Pact” with regards to the **Access to information** by prospective Consultants, Contractors and Material procurement Vendors. The KW&SB has decided to go for a WEB Site, which is being provided by Transparency International – Pakistan (TI-Pak) free of charge. All information related to the project and the workings of the KW&SB shall be available on the WEB site. (www.kwsb.gov.pk)

The Coordinating Committee (CC) has also taken a decision to set up a six or seven member independent “Monitoring Committee” (MC) including one member from TI-Pakistan, which will in future supervise all decisions of the Coordinating Committee (CC). The Transparency and the “Integrity Pact” is an on-going process and we hope that the



independent “Monitoring Committee (MC) will strictly implement all procedures established by the Coordinating Committee.

At the end of May 2001, to confirm the establishment of the “Integrity Pact” a Workshop was specifically arranged for the Karachi Water and Sewerage Board by TI-Pakistan. This Workshop was chaired by the Managing Director and attended by the Deputy Managing Directors, Senior Engineers and Administration, a total of nearly 50-officials of the KW&SB.

The Keynote speaker on this occasion was Dr. Michael Wiehen, President TI-Germany, who introduced the Integrity Pact principle and its benefits in providing Transparency in Public Procurement. The Workshop was followed by a lengthy Question – Answer session in which the Managing Director participated very enthusiastically. This workshop also confirmed the whole-hearted cooperation of the Management of the KW&SB in the implementation of the Integrity Pact and the chances of its success was nearly assured.

The completion period of the Greater Karachi Water Supply Scheme is estimated as 36-months. We hope that all major decisions for implementation of the “Integrity Pact” and Transparency in Procurement Procedures within KW&SB for the project shall be completed by end October 2001.

In June 2001 all members of the Coordination, Evaluation and Steering Committees were requested to sign the Pakistan Engineering Council “Code of Conduct” for Engineers. Due to some delay of setting up of the Steering Committee a revised schedule for the Project was recommended to be prepared by the Coordination Committee. The Government of Pakistan through the Provincial Government – Planning and Development Department had approved a Budget of Rs. Two Billion for the year 2001-2002 which was expected to be released in the 2nd. Week of July.

There has been no real activity in the month of July in that the KWSB – projects department was preparing the Letter of Invitation. This was following the Short Listing of Consultants which was finalized this month. Six Consultants most of whom were in Joint Venture either with Local Consultants or Foreign Consultants were finalized.

In August the Letter of Invitation was presented to the Coordination Committee and TI-Pakistan for review before sending it to the Short Listed Consultants. The Evaluation Criteria specified the LEAST COST METHOD for selection of Consultants. The Two proposal Method was employed. The Technical Proposal limiting itself to the Responsiveness of the Consultants. The Consultants were further requested to submit their Approach and Methodology to the Project in which their responsiveness only would be evaluated. Another aspect of the input in the Technical Proposal was the importance of the existence of permanent employees with the firm and the Present Work Load.

At the end of August we again invited Dr. Michael Wiehen to come to Karachi. We arranged a meeting with the Coordination Committee in which detailed discussions and a question – Answer session was held. The Managing Director Brig. Mohammad Behram Khan also attended the meeting and reassured the Coordination Committee as well as Dr. Michael Wiehen that there would be complete Transparency in the evaluation and award to Consultants as well as contractors.

A pre-bid meeting was also held in this month prior to the submission of Bids. There was a full attendance by the short listed consultants. Initially there was quite some resistance from the consultants with regards to the method of “Least Cost” for award of the project, but after explaining the benefits. It was unanimously accepted.



In September the Short Listed Consultants submitted their bids. The evaluation took quite some time, as the process advocated by the coordination committee was new. An important aspect in this submission was that all Consultants participating in the bid actually signed the TI- Pakistan's Integrity Pact which was incorporated within the LOI without any resistance or comments to the Integrity Pact or the application of the "Least Cost Method" for Award.

In October representatives from TI-Pakistan attended the 10th. International Anti Corruption Conference held in Prague between October. 6-10. The implementation of the Integrity Pact for Transparency in Public Procurement within the KW&SB was a part of a Workshop: organized at the Conference. The Speaker representing TI-Pakistan at this workshop was Engr. Syed Adil Gilani the Project Director of the IP-Project with the KW&SB. It was well received and there were many questions asked as to the reaction to the Integrity Pact by the KW&SB and the Consultants bidding on the Project.

The Letter of Invitation issued to short listed Consulting Firms was based on the Least Cost Selection Method, the Criteria set by the World Bank in 1997.

Under this method, a "minimum" qualifying mark for the "quality" were established. Proposals were to be submitted by short listed Consultants in two envelopes containing the Technical and Financial proposals separately. The Technical envelopes were first opened and evaluated for responsiveness. Those securing less than the minimum marks were rejected and the financial envelopes of the remaining Consultants were opened in the presence of the Consultant's representatives. The firm with the lowest price was then to be awarded the project. Under this method, the qualifying minimum marks were 65%.

The evaluation procedure described in Letter of Invitation is quoted below,

Evaluation of Technical Proposals

6.3 The individual member of the evaluation committee appointed by KW&SB will carry out the evaluation of proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria and point system. Each responsive proposal will be given a technical score. A proposal to be considered unsuitable shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference, declared as Non Responsive, or if it fails to achieve the minimum technical score of 65 %. The KW&SB shall notify Engineering Firms of the rejection of their technical proposal indicating that their financial proposals if any will be returned unopened after completing the selection process.

Public Opening and Evaluation of Financial Proposals

6.4 All the qualified financial proposals will be opened in presence of representatives of the firms and KW&SB evaluation committee, and total cost will be publicly announced.

6.5 The Evaluation Committee will check and make the arithmetical corrections if required, and examine compliance of all financial inputs by each bidder.

6.6 In case of difference of rate in words and numerical, rate in words will be taken as correct and will be multiplied (if required) and cost of the item corrected accordingly.

6.7 Any financial item not priced it will be evaluated as works to be performed at no cost.

6.8 The firm/JV which has submitted the Least Cost in its financial proposal will be invited for negotiations to award the assignment.



However, after the Proposals were received, and technical evaluation completed which took 45 days, a complaint was made by one of the participating firm. The , Pakistan Engineering Council which is the regulatory body under PEC ACT 1976, approached KWSB and informed them to follow the standard PEC Procedures for selection of Consultants..

The Financial Proposals from 6 firms were then returned by KWSB, and BOTH the Technical & Financial were re-invited. The firms were instructed to follow PEC procedures and comply 100% with all rules of PEC. The PEC Rules were not what the coordination Committee had originally recommended but close enough to satisfy TI-PAKISTAN with regards to the Transparency in evaluation and the selection of Consultants.

The PEC procedure was slightly different to what we had proposed but acceptable to TI-Pakistan. It stated that **“after evaluating the Technical Proposals, the financial proposals of Top Three Ranking Firms are to be opened in presence of representatives of these firms”**.

TI-Pakistan held urgent meeting with the Managing Director of KWSB and discussed the issue, but the Managing Director KW&SB stated that the decision has been taken on the reinvention of bids and it could not be changed.

TI-Pakistan then held a meeting with Mayor of Karachi, Mr. Naimatullah Khan and explained to him that the Least Cost Method had been applied on more than 15 Projects in Pakistan, and firms who had vested interests were trying to manipulate the process.

The Mayor then directed KWSB to proceed with PEC procedures but instructed him to ensure that the evaluation and awarding procedures should be transparent and awarded on the basis of the lowest cost as per the PEC Rules.

The following procedure of PEC was then included in the new LOI.

- *The award procedure of PEC is that the Top Ranking Firm is invited to negotiate the financial costs, and if negotiations fails with the Top ranking firms, then 2nd Ranking Firm is invited for negotiations, and if it also fails, the 3rd ranking firm is invited.*
- *In the LOI it was declared that the negotiations of financial costs may result in award of contract at the cost even lower than the lowest bid.*

To satisfy itself that the PEC procedures would be adopted, TI-Pakistan met with the Chairman Pakistan Engineering Council, Dr Jamil Ahmed Khan. A meeting was then scheduled between the Deputy Registrar PEC and the KWSB Evaluating Committee. This exercise was carried out in order to avoid any ambiguity in the evaluation process and to the satisfaction of all the stakeholders including TI-Pakistan

One of the participating Consultants could not be considered for inclusion in the financial opening as one of its partners was declared Blacklisted by the Government of Sindh.

Due to the blacklisting of the 2nd Top Ranking firm, the 4th Top ranking Firm was included in the Financial Opening as per the PEC by-laws..

The following results were then announced on the opening of the bids on the basis of the Three Top Ranking Firms.

1 st .Techno Consult	Rs. 74,976,786
2 nd .Osmani Associates	Rs. 62,170,500
3 rd .Engineering Associates (with Louis Berger of USA)	Rs. 90,049,000



The very next day, a political party Pakistan Peoples Party issued press statement in press criticizing KWSB and the City Govt. (see attached media reports)

On the third day of financial bid opening, M/s NESPAK one of the Consultants in the Joint Venture which was black listed sent out a statement to the press..

Govt's right to blacklist Nespak disputed

The NESPAK on its part also cried foul after being black listed by the Sindh government. "There is something more than what meets the eyes," a Nespak official claimed. The Supreme Court has also set a procedure for black listing a company that has not been observed by the Sindh government, he said.

The company went into damage control exercise on Friday when its MD spoke to Sindh governor and offered to hold an independent inquiry into the matter. The governor reportedly promised an early decision.

About the dispute, the NESPAK official said that the company was hired for consultancy services for a few housing colonies. Interruption in release of funds and undue delays in implementation of plans forced the Nespak to opt out. It requested the Sindh government in 1998 and the contract was terminated in October 2000. The termination letter did not include any of the allegations leveled by Sindh now.

The official said that the decision has been motivated by Nespak's successful bid for two projects - the Greater Karachi Bulk Water Supply Scheme and a few roads and bridge projects by the Karachi Development Authority worth billions of rupees.

The KWSB however has completed the negotiations on the technical and financial aspects of the Contract, and M/s Techno Consult has submitted in writing to KWSB their consent to reduce the cost to Rest 61,918,170.

THE CONTRACT WAS FINALLY AWARDED TO THE CONSULTANT AND THE AWARD PUBLISHED IN THE MEDIA ON FEBRUARY 14TH. 2002

CONCLUSION

Transparency International would like to point out that the success of the "Integrity Pact" and Transparency in the Procurement Procedures have together been far beyond our expectations. A resounding success - no less. The involvement of TI-Pakistan with the support of the PTF on this project with the Karachi Water & Sewerage Board, has proved beyond a doubt that Transparency in Procurement Procedures with the elimination of Discretion during evaluation by allocating fixed criteria for evaluation of Capability and the implementation of the LEAST COST Method in the Award must be a part of the Integrity Pact – a tool which can collectively combat Bribery and corruption in award of contracts.

The psychological and practical impact of the Integrity Pact on award of contracts has been proved beyond a doubt. It has not been easy. The resistance to the Integrity Pact and the Transparency in the Procurement Procedures by all stake holders was amplified by the involvement of political parties in denying the ultimate results. The resistance to the idea of the Integrity Pact with the success of this particular project will and has already lessened. Most consultants even now are not wholly in favor, but we feel that it has paved the way for an **even playing field** which will and as this project has proved give an opportunity to other consultants to obtain contracts. The process of award has not been solely on the basis of the



Least Cost which still carries a certain stigma where award of Contracts to Consultants are concerned and has been looked down upon by many Donor Agencies in the Past.

We would also like to point out that the Technical capabilities of the Consultants have continued to be given prime consideration. Thus offering the Contract to the TOP RANKED Consultant at the LOWEST PRICE offered by any one of the THREE TOP RANKED - SHORT LISTED CONSULTANTS may continue to offer some resistance but it must be realized that all the three top ranked consultants have the capability, it is only to a certain degree that any one of the three Top Ranked Consultants may be less or more capable than the other. This may vary in the Track record, the Key Personnel, Present Projects being executed, Approach and Methodology etc. of any one of the three Top Ranked Consultants.

It is not that the client has invited only three Consultants of its choice. There is a pre-qualifying and then a short listing of the consultants. In many projects in Pakistan there are more than 20 consultants that apply for prequalification.

Then the procedure can be changed if the project is highly technical, such as Nuclear Plants, Dams or Power Stations etc.

The original Estimate by the KW&SB based on a similar project the K-II Water Supply Project completed in 1998 but initiated in 1988 – ten years earlier and FUNDED BY THE WORLD BANK and which is in fact being replicated in the present K-III project was nearly Rupees Two Hundred and Fifty million.

We would like to mention here that the Total cost of the Karachi Water & Sewerage Board's K-III Water Supply Scheme including Construction is estimated as Rupees Six Billion.

This Phase that TI-Pakistan and PTF have now successfully completed is only the first phase which was concluded with the award of the Engineering Design and Construction Supervision.

TI-Pakistan feels that there is still a major portion of the project that is yet to be completed and which will probably cover other 30-months.

We recommend to the Partnership for Transparency Fund that TI-Pakistan continue its association with the support of the PTF to implement the IP for the next 30-months to complete the project if we really want to see substantial results. The Integrity Pact and transparency in the Procurement Procedures adopted in this K-III Water Supply Scheme can then be replicated by the World Bank and other Donor Agencies, not only in Pakistan but probably in all third world countries, including Afghanistan, which will be undergoing massive reconstruction in the next ten years.



Integrity Pact

Introduction.

Transparency International (TI) is an international not-for-profit, non-governmental organization (NGO) devoted to curbing corruption world-wide. TI was founded in 1993 and has since achieved global recognition as the leading civil society organization dedicated to the fight against corruption. TI takes credit in having helped place corruption on the world agenda and sees maintaining this vital issue uppermost in global consciousness as a major element of its continuing mission.

TI attempts to tackle corruption both at the national and international levels through a non-investigative approach. Rather than focusing on “naming names” and denouncing corrupt individuals, governments or companies, TI is committed to creating and working with broad coalitions of individuals and organizations in preventing corruption and reforming systems. TI is also politically non-partisan.

Internationally, the TI movement’s main aim is to strengthen the global value system by making transparency and accountability more relevant public norms. Corruption can have many manifestations, and countries, typically develop a complex set of institutions, laws, rules and regulations (the “integrity system”) in order to combat corruption.

Bribery and extortion in public sector procurement of goods and services are key manifestations of corruption. “Public sector” in this context includes national or provincial governments, administrations of cities or local communities as well as parastatals and other organizations carrying out public functions.

Corruption is no longer business as usual. The OECD Convention to combat bribery went into effect on 15 February 1999. The Convention makes it a crime to offer, promise or give a bribe to a foreign public official in order to obtain or retain international business deals. A related text effectively puts an end to the practice according tax deductibility for bribe payments made to foreign officials. The Convention is going to have a major impact on the global fight against Corruption. The Convention commits 34 signatory countries, including all the world’s biggest economies, to adopt common rules to punish companies and individuals who engage in bribery transactions. So far, twenty-one countries have been subjected to close monitoring to determine the adequacy of their implementing legislation, including Austria, Australia, Belgium, Bulgaria, Canada, the Czech Republic, Finland, Germany, Greece, Hungary, Iceland, Japan, Korea, Mexico, Norway, the Slovak Republic, Spain, Sweden, Switzerland, the UK and the US. For each country reviewed, the Working Group on Bribery has adopted a report, including an evaluation, which has been made available to the public. Also, all signatory states will abolish the tax deductibility of bribe payments. Thus companies doing international business will face a totally new legal situation with regard to their business practices.

Many governments and business leaders have recognized the high risk and cost of bribery and extortion and seek ways to curb and eventually eliminate corruption in such transactions. Many business leaders have expressed their desire to stop paying bribes but are held back by the fear of losing orders if their competitors continue to pay bribes.

“Integrity Pact” in KWSB.

As the Government of Pakistan has embarked on a program to curb corruption, KWSB has agreed to use the Integrity Pact (IP) concept for Greater Karachi Water Supply Scheme



Phase-V, Stage-II, 2nd 100 MGD Project as an important tool developed and practiced in many countries through TI National Chapters.

Purpose of the Integrity Pact (IP).

Apart from imbibing and disseminating values, principles and policies against corruption, Transparency International, as the only Organization with the sole objective of mobilizing civil society and building coalition for combating corruption, has also developed certain helpful instruments for application in government and individual organizations and entities. The concept of an Integrity Pact designed to make public procurement practices transparent is one of them.

TI has developed and adjusted the model for the “ Integrity Pact” on the basis of extensive discussions with governments and international agencies such as the World Bank, the Inter-American Development Bank, the Asian Development Bank, the International Finance Corporation, UNDP, the Court of Arbitration of the International Chamber of Commerce and FIDIC. The Project Director has also stated that IP is at present already in practice on various procurement projects in Argentina, Colombia, Italy, Korea, Nepal, Ecuador and Panama.

“Integrity Pact” is a system which insures that all activities and decisions of public offices are transparent and that the projects/works are implemented, services are provided or taken, and goods/materials are supplied without giving or taking any kind of benefit, financial or otherwise. Justification of the decisions taken is provided without much ado to the parties concerned or to any interested individual or institution/organization.

The Integrity Pact (IP) is intended to accomplish two objectives:

- i) to enable companies to obtain from bribing by providing assurances to them that
- ii) their competitors will also refrain from bribing and
- iii) government procurement agencies will undertake to prevent corruption, including extortion, by their officials and to follow transparent procedures; and
- iv) to enable governments to reduce the high cost and the distortionary impact of corruption on public procurement.

The IP concept could also be applied in similar situation, e.g. when a government as part of its privatization program, invites bidders to tender for the acquisition of government assets, or for the granting of telecommunications, transport, mining logging or other such licenses.

Considering the critical role normally played by consulting engineers (or other consultants) in preparing the procurement documents, evaluating the bids and supervising the contract execution, their selection should be subject to the IP concept as well.

In practically all countries, all forms of domestic corruption are illegal, and one should assume that the government will continue to prosecute all offenders.

The IP however focuses on bribery in order to obtain or retain a contract or other improper advantage

This includes any payments or other favors offered or granted in order to

- i) win a contract award
- ii) get a contract change order (adjusting the price, the specifications, the time frame for implementation or any other important contract components) approved by the government,



- iii) get sub-standard or sub-specification performance approved by a public official or the supervising consultant and their staff,
- iv) circumvent tax, duty, license or other legal obligations, or
- v) Induce an official to breach his/her official duties in any other way.

Main Features of the IP.

The IP is an agreement among the government/government agency and the bidders/companies, who participate in the bidding process for the supply of goods or services for a selected contract/project, that bribes will not be offered, granted or sought, both during the bidding process and during implementation of the contract by the successful bidder. The IP has the following main features:

- A formal no-bribery commitment by the bidder, as part of the signed tender document, [supported by a company Code of Conduct and a Compliance Program];
- A corresponding commitment of the government to prevent extortion and the acceptance of bribes by its officials;
- Disclosure of all payments to agents and other third parties;
- Sanctions against bidders who violate their no-bribery commitment; and
- An involvement of Civil Society in monitoring the bid evaluation, the award decision process and the implementation of the contract. Alternatively to the involvement of Civil Society, or preferably in addition to it:
- Public disclosure of the award decision, including the major elements of the evaluation and the reasons for the selection of the successful bidder.

The IP would function as follows:

The government/government agency, when inviting contractors or suppliers of goods or services to tender for a specific contract, informs the potential bidders that their tender offer must contain a formal commitment, on behalf and in the name of the bidder's CEO, not to offer or grant any payments or favors in order to obtain or retain this contract or other improper advantage, and not to collude with other actual or potential bidders with the aim of restricting competition. The bidder's commitment will have to cover all managers and employees of the company as well as agents consultants, subcontractors and consortium partners of the bidder. The government on its part will commit itself to prevent extortion and the acceptance of bribes by its officials, and to follow transparent procurement rules. In substance, these commitments are nothing other than an agreement to respect and apply the existing laws of the country.

Because a bidding company acts through many employees and agents, the company's and CEO's commitment should (not least for the CEO's own protection) be supported by a company-wide no-bribery policy (a "Code of Ethics" or "Code of Conduct") and implemented through a compliance program which assures that all employees and agents will be familiar with, and observe, the no-bribery policy and commitment. Where the company already has a written no-bribery policy in effect, it can furnish a copy of that policy together with the compliance program implementing that policy. Where a company does not have such a policy, or does not have a written compliance program, it can prepare a compliance program for the particular contract.

A Code of Conduct and compliance program would normally address the following issues:

- An unequivocal statement of the company's policy prohibiting all forms of bribery and collusion;
- The company's policy regarding gifts and entertainment, travel and lodging expenses, political contributions etc;
- Distribution of the policy (in appropriate languages) to all managers and employee;



- An acknowledgement of receipt and acceptance by the employees, to be renewed annually;
- Training controls, external audit and record keeping; and
- Application of appropriate sanctions (including possibly termination of employment) in case of violation.

The government would not need to evaluate the no-bribery policy /code of conduct and the compliance program adopted by every bidder at the time of bid submission. Only if and when there is cause to suspect malpractice by one of the bidders, that bidder's policy and compliance program will be evaluated. Any shortcomings identified then would be relevant to the sanctions, including the length of any period of debarment to be imposed for breach.

While it is highly desirable that all companies develop and apply a no-bribery policy and a compliance program, its existence is not mandatory under the IP. Disclosure of Payments to Agents and other Third PARTIES.

One key lies in transparency relating to payments to agents and other third parties in connection with the contract. There are, of course, good and valid reasons why agents may be engaged to perform legitimate services, and be paid an appropriate amount for such services. However, agents' commissions are a traditional avenue for the concealing of bribes. The IP concept therefore requires that all past and intended future payments to agents and other third parties be disclosed at the bidding stage, and that they be formally recorded and reported during the execution stage by the successful bidder, with certification by an appropriate senior manager. This certification is necessary so that senior managers and the CEO will not be able to disclaim knowledge of malpractice as presently often is the case. This requirement is bolstered by the compliance program which the successful bidder should have in place.

Sanctions.

Bidders who violate their no-bribery commitment during the contract award process, or the successful contractor or supplier, who violates the no-bribery commitment during the contract execution phase, will be subject to significant sanctions.

Sanctions normally will include denial/cancellation of the contract, liability for damages (to the government as well as to the competing bidders), and forfeiture of the bid security and debarment of the offender from all business with that government for an appropriate period of time.

In case where the government debar an offender from government business because of a violation of the no-bribery commitment under an IFI/external donor financed contract, the IFI/external donor should also seriously consider debarring that offender from eligibility for contracts financed by it globally.

Damage claims by the government could be open-ended or they could be in the form of liquidated damages where a certain percentage of the contract value (say, five or ten percent) is pre-agreed as "the damage" unless either party can demonstrate and prove that the actual damage is larger or smaller. Damage claims by competitors could also be pre-set as a percentage of the contract value (say, one-half of one percent or one percent), unless higher or lesser damage can be proven. The legal route for enforcing the damage claims, to be announced in advance by the government, may be any suitable national court system, or it may be arbitration e.g. under the auspices of the International Chamber of Commerce. By empowering unsuccessful bidders to enforce sanctions themselves (through the courts or by



international arbitration) their confidence in the integrity of the process as a whole will be increased.

Role of Civil Society.

It is essential that a process be employed which involves consultation among key parties and which leads to the adoption of a methodology which enjoys the confidence of the private sector. Where an effective civil society structure exists, possibly also a National Chapter of TI, it will be highly desirable to enlist its support by providing access for an effective monitoring role – directly or through expert consultants – and thereby create transparency and credibility to the process. It is therefore important that a government does not seek unilaterally to impose such system but it is recommended that the government arrange for prior consultation, possibly in the form of a hearing or hearings with the key actors.

A government may also, either in addition to the involvement of Civil Society, or possibly in its place, adopt a policy of total transparency of the bidding, bid evaluation, award selection and contracting process, through outright publication of all the critical documents or by giving easy access to relevant documents and information to any interested party.

Provision for suggestions and complaints:

- i) A suggestions box should be placed in the office premises to encourage suggestions from the concerned or other interested parties.
- ii) Arrangements for the analysis of and implementation of feasible suggestions be made.
- iii) An official should be designated to respond to the suggestions and complaints thus received. Complaints be studied and redressed as soon as possible. All these processes be made public.

Concluding Remarks.

The IP concept should be presented to the respective bidders as early in the process as possible, so as to assure that the new rules are established before interested parties have had the opportunity to enter into different (traditional) arrangements. This means inter-alia that for any contract with pre-qualification procedures (e.g. major civil works contracts) the bidders are requested to present their commitment as part of their submission for pre-qualification, or at least that the companies invited to apply for pre-qualification are informed of the use of the IP concept in the bidding process.

The government may begin by testing this IP concept on major contracts for one or several selected projects, or for all projects in a particular sector. Broader application could then follow at a later date when sufficient experience has been gained, and any desirable modifications may have been introduced.

The attachments to this memorandum contain:

- i) A model communication Attachment- I form to be given by the KWSB to the bidders for the selected contract, which would normally be incorporated into the government's Invitation to Tender; and
- ii) A model of " Integrity Pact" Attachment-II by the KWSB.
- iii) A model of " Memorandum of Understanding" between KWSB and TI-Pakistan
- iv) Public Notice
- v) Public Bill Board
- vi) Commitment of the officers/ employees of KWSB
- vii) Proposed "Access to Information" Policy
- viii) Code of Conduct of Engineers



These above “Models” would be attached to the government’s invitation to bidders. These model documents would be adjusted to the specific requirements of the selected contract.

Applying the Integrity Pact concept would be one step for the government towards bringing more transparency and integrity into its procurement process. The broader government program to combat corruption should be implemented concurrently as rapidly as possible.



IMPLEMENTATION OF THE “INTEGRITY PACT” AND TRANSPARENCY IN THE K-III KARACHI WATER SUPPLY SCHEME.

THE RELUCTANCE – THE RESISTANCE – AND THE RESIGNATION.

If Transparency International – Pakistan were to try and describe the process of Implementation of the “Integrity Pact” in the K-III project and Transparency in the Procurement Procedures within the KW&SB, the answer to this would simply be, that it was with Reluctance, Resistance and Resignation and finally with the total cooperation of most of the stakeholders.

The Reluctance of the KW&SB to establish Transparency has been detailed in the Chronology of the Integrity Pact, but it included:

- Reluctance to admit the subject in the agenda of the Executive Committee.
- Reluctance to discuss the subject of transparency when brought into the agenda.
- Reluctance to hold regular meetings of the Board, which we feel was due to the many subjects which involved transparency within the KW&SB.
- The initial reluctance by the Coordination Committee which was established in response to the Resolution of the Board dated April 2001 for Transparency within the KW&SB.
- The Reluctance of the Consultants to the “Integrity Pact” and the “Least Cost Option” as evidenced in the Pre-bid meeting organized by the KW&SB.
- The Reluctance of the Consultants to accept the results of the first Technical Evaluation and the re-invitation of the bids.

The Resistance by the Managing Director from 1999 to 2001 to:

- Discuss the issue of transparency and when decisions were taken by the Board would not accept the implementation of the Resolution.
- The resistance to transparency shown in a reply sent to us, in response to our first approach to the MD as a follow up to the Resolution of the Board. In February 2000. The letter very clearly informs us that transparency was not required within the KW&SB as they were already sufficiently transparent.
- There was an initial resistance by the coordination committee to the idea of Transparency and what it entailed. This was with regards to the evaluation criteria being prepared and allowing the Consultants to evaluate themselves and even receive a copy of the final evaluation report if requested for.
- There was also an initial resistance to the idea of removing all discretionary powers of the evaluation committee with regards to the evaluation of the Technical proposals by setting up criteria which totally eliminated discretion.
- The resistance to the idea of the “Integrity Pact” and is still not fully accepted by the Consultants even though all consultants have signed the pact. They could not understand how it would really help them, and that it would provide an “even playing field” for all. This was to be proved by the results. Where Consultants were eliminated for non-compliance of the PEC procedures for selection, which are presently being by-passed by nearly all other government departments and agencies, and those consultants who did not ever expect to be in the race were actually awarded the project.



The Resignation and total co-operation by the stakeholders is evidenced by:

- The total commitment to the Integrity Pact and Transparency within the KW&SB by the Managing Director – Brig. Mohammad Behram Khan and his complete cooperation in the implementation. Without his support it would never have been possible or successful.
- The cooperation of the Coordination Committee evidenced by the minutes of the meetings and the cooperation in establishing the evaluation criteria.
- The resignation of most of the Consultants to the imposition of the Integrity Pact following the pre-bid meeting.
- The resignation by the consultants to the criteria for the evaluation of the Technical proposals.
- The acceptance by most of the Consultants of the final results, even though there was some who continued to deny the results and even went to the press with their grievances.



Problems Encountered in Implementation

1. The Letter of Invitation issued to short listed Consulting Firms was based on the Least Cost Selection Method, the Criteria set by the World Bank in 1997.

Under this method, a “minimum” qualifying mark for the “quality” were established. Proposals were to be submitted in two envelopes and Engineering Firms invited from a short list. Technical envelopes are opened first and evaluated. Those securing less than the minimum are rejected and the financial envelopes of the rest are opened in public. The firm with the lowest price was then to be selected. Under this method, the Consultants qualifying with the minimum marks would then compete only on “cost.” The minimum mark stated in the LOI was 65%.

The evaluation procedure described in LOI is quoted below,

Evaluation of Technical Proposals

6.3 The individual member of the evaluation committee appointed by KW&SB will carry out the evaluation of proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria and point system. Each responsive proposal will be given a technical score. A proposal to be considered unsuitable shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference, declared as Non Responsive, or if it fails to achieve the minimum technical score of 65 %. The KW&SB shall notify Engineering Firms of the rejection of their technical proposal indicating that their financial proposals if any, will be returned unopened after completing the selection process.

Public Opening and Evaluation of Financial Proposals

6.4 All the qualified financial proposals will be opened in presence of representatives of the firms and KWSB evaluation committee , and total cost will be publicly announced.

6.5 The Evaluation Committee will check and make the arithmetical corrections if required, and examine compliance of all financial inputs by each bidder.

6.6 In case of difference of rate in words and numerical, rate in words will be taken as correct and will be multiplied (if required) and cost of the item corrected accordingly.

6.7 Any financial item not priced, will be evaluated and the works to be performed Will be carried out at no cost to the client.

6.8 The firm/JV which has submitted the Least Cost in its financial proposal will be invited for negotiations to award the assignment.

2. However, after the Proposals were received, and technical evaluation completed in 45 days, on complaint of one of the participating firm, Pakistan Engineering Council which is the regulatory body under PEC ACT 1976, approached KWSB to follow the PEC Procedures.



3. The financial Proposals from 6 firms were then returned by KWSB, and Proposals Technical & Financial were once again invited. The firms were instructed to follow PEC procedures and comply 100% with all rules of PEC. Under PEC procedure, after evaluating the Technical Proposals, the financial proposals of Top three Ranking Firms are to be opened in presence of three firms.

4. TI-Pakistan held urgent meeting with the Managing Director of KWSB and discussed the issue. The Managing Director stated that the decision has been taken for once again inviting bids and the decision cannot be changed.

5. TI-Pakistan then held a meeting with Mayor of Karachi , Mr. Naimatullah Khan and explained to him that the Least Cost Method has been applied on more than 15 Projects in Pakistan, and firms who have vested interests have manipulated to stop this process.

The Mayor immediately directed the KWSB to proceed with PEC procedures but also to ensure that the contract should be awarded on the lowest cost. The following procedure of the PEC were then included in the LOI.

6 The award procedure of PEC is that the Top Ranking Firm is invited to negotiate the financial costs, and if negotiations fail with the Top ranking firms, then 2nd Ranking Firm is invited for negotiations, and if it also fails, the 3rd ranking firm is invited.

In the LOI it was declared that the negotiations of financial costs may result in award of contract at the cost even lower than the lowest bid.

7. TI-Pakistan discussed the matter with Chairman Pakistan Engineering Council, Dr Jamil Ahmed Khan, and arranged a meeting of Dy Registrar PEC with the KWSB Evaluating Committee. This exercise was carried out in order to avoid any ambiguity in the evaluation process and to the satisfaction of all bidders and the PEC. Minutes of the meeting were also issued.

8. One of the participating Join Venture could not be considered for inclusion in the financial opening as one of its partners was declared Blacklisted by the Government of Sindh on performance of some project. It was told by the KWSB that this group was evaluated as the 2nd Top Ranking Firm in its technical evaluation.

Due to the blacklisting of 2nd Top Ranking firm, the 4th Top ranking Firm was included in the Financial Opening.

9. The estimated cost of consulting fee was Rs 249 million. On the financial opening following results were announced on the basis of Ranking.

1st.Techno Consult	Rs. 74,976,786
2nd.Osmani Associates	Rs. 62,170,500
3rd.Engineering Associates (with Louis Berger USA)	Rs. 90,049,000

10.. The very next day, a major political party- the Pakistan Peoples Party issued a press statement which was published in the leading newspapers criticizing KWSB and the City Govt.

In a press statement on Friday, PPP leaders expressed surprise over the reported decision, saying other experienced firms, which had applied to form a consortium for carrying out this work, were not considered.



They criticized the city government for "undue interference" in the evaluation process and efforts to award the work solely on party basis instead of merit.

11. On the third day of financial bid opening, One of the disqualified Engineering Firms M/s NESPAK got the following news report published. (see press releases)

Govt's right to blacklist NESPAK disputed

The M/s. NESPAK on its part also cried foul after being black listed by the Sindh government. "There is something more than what meets the eyes," a NESPAK official claimed. The Supreme Court has also set a procedure for black listing a company that has not been observed by the Sindh government, he said.

The company went into damage control exercise on Friday when its MD spoke to Sindh governor and offered to hold an independent inquiry into the matter. The governor reportedly promised an early decision.

About the dispute, an M/s. NESPAK official said that the company was hired for consultancy services for a few housing colonies. Interruption in release of funds and undue delays in implementation of plans forced the NESPAK to opt out. It requested the Sindh government in 1998 and the contract was terminated in October 2000. The termination letter did not include any of the allegations leveled by Sindh now.

The official said that the decision has been motivated by NESPAK's successful bid for two projects - the Greater Karachi Bulk Water Supply Scheme and a few roads and bridge projects by the Karachi Development Authority worth billions of rupees.

12. The KWASB however has completed the negotiations on the technical and financial aspects of the Contract, and M./s Techno Consult has submitted in writing to KWSB their consent to reduce the cost to Rs 61,918,170.



THE ACHIEVEMENTS OF THE INTEGRITY PACT.

The achievements of the program can be best illustrated by the Press releases which were published on the project these are given below:

KWSB Goes Transparent in the Implementation of Rupees 6 Billion K-III 100 mgd Project.

Karachi Water & Sewerage Board in collaboration with Transparency International Pakistan, Chapter has introduced “ Integrity Pact (IP)” as anti corruption measure in KWSB Tenders for K-III 100 mgd water supply project. The scheme is part of 13 point Program for Economic Revival of Karachi (PERK) announced by General Perwez Musharraf, the Chief Executive Pakistan on 14 April 2001. While inviting Short-listing and pre-qualification for Consultants and Contractors, KWSB has announced that “Integrity Pact ” (IP) a tool developed by Transparency International (TI) to fight corruption in the field of public contracting, a condition to be accepted by all bidders. Muhammadmian Soomro - Governor Sindh, Javed Ashraf - Chief Secretary Sindh, Mr. Shazado Shaikh - Additional Chief Secretary Planning & Development Sindh and Chairman KWSB, Brigadier Bahram Khan - Managing Director KWSB and Board Members of KWSB have taken up the challenge of completing the K-III 100 MGD Project in shortest possible time of 36 months and within the estimated cost.

Further in line with the Government of Pakistan’s commitment to fight corruption in public contracting, as part of this program, Karachi Water & Sewerage Board (KW&SB) has reviewed its arrangements for the letting and implementation of contracts against criteria of transparency and accountability. KW&SB has announced that it has also set up a special office in the Office of the Managing Director for the investigation and handling of any reports of extortion or bribery in public procurement.

Further in line with the Government of Pakistan's commitment to fight corruption in public contracting, the Karachi Water & Sewerage Board (KW&SB) is completely revamping its arrangements for the Tendering and implementing of all its contracts and its major stress will lie on Transparency and for providing suitable in-built Checks and Balances within all its Procurement Procedures. Transparency along with Accountability in all its dealing will be emphasized.

The Board of the KW&SB and Managing Director has also decided to set up a Web Site which will be a part of the Transparency to allow for access to information. All important activities and decisions along with information on the KW&SB itself shall be posted on the Web Site allowing the Public access to most information. Details of this shall be announced later.

The KWSB “ Integrity Pact ” has the main features such as, a formal and voluntary no-bribery commitment by the bidders, in a separate formal document not to bribe, not to collude with other bidders, to disclose all payments, to report the violation of the IP by other bidders during the bidding process and during the execution of the service a corresponding commitment by the Managing Director KWSB (on behalf of all the officials of that office) not to demand or accept any bribes, and to prevent extortion and the acceptance of bribes by other officials, threat of sanctions by the government office against any officials violating their no-bribery commitment, threat of sanctions by government against any bidders who violate their no-bribery, transparent procurement procedures, evaluation to tenders by



independent committee comprising of experts from professional bodies, commitment involvement of Civil Society in monitoring the bid evaluation, the award decision process and the implementation of the contract, public disclosure of the award decision, including the major elements of the evaluation and the reasons for the selection of the successful bidder.

About 40 Contractors and 10 Consulting Firms who applied for pre-qualification and short-listing for K-II Project have accepted to sign the " Integrity Pact". The Transparency International - Pakistan (TI-Pak) with the support of Transparency International - Berlin is giving its full support to the KW&SB in this commendable effort. Earlier in November 2000 the Transparency International - Pakistan organized a Workshop especially for the KW&SB, to explain the workings of the "Integrity Pact: and particular Procedures for Implementing Transparency in all its procurement. The Workshop was chaired by Barrister Shahida Jamil, Minister for Law. In this workshop Two Technical Experts from TI-Berlin and TI-Switzerland were the main speakers.

THE NEWS KARACHI

Wednesday, June 27, 2001-- Rabi-us-Sani 04,1422 A.H

KWSB bidders made to sign 'integrity pact'

By our correspondent

KARACHI: All bidders pre-qualifying for the 100 MGD (mega-gallons daily) Greater Karachi Water Supply Scheme (K-III) of the Karachi Water and Sewerage Board have been made to sign an "Integrity Pact", (IP), a tool developed by Transparency International to fight corruption in the fields of public contracting.

The IP features a formal and voluntary no-bribery commitment by the bidders and they would not indulge in bribery. A similar commitment has been made by the Managing Director on behalf of all employees of the KWSB that they would not demand or accept any bribes.

Besides, the KWSB would also be setting up a special office under the supervision of the Managing Director for investigation in any report of malpractice or bribery in public procurement said a statement here on Tuesday.

This is part of a programme launched by the international body to bring about transparency in public procurement procedures in the KWSB. The decision to implement the IP had been taken by a meeting of a special committee constituted by the KWSB Board of Directors.

[The News International, Pakistan](#)



THE BUSINESS RECORDER

Water and Sanitation

Karachi Water and Sewerage Board save Rs 180 million through clean bidding in K-III water supply scheme

RECORDER REPORT

KARACHI (February 05 2002) : By amending the standard procedure, laid down by the Asian Development Bank, and adopting a more transparent methodology for awarding consultancy work on projects, the Karachi Water and Sewerage Board (KW&SB) has been able to reduce the cost by 64 percent, it is learnt.

The ADB in a communication has indicated that it would place the new methodology for adoption by its Board of Directors in April this year.

Last week, the Karachi Water & Sewerage Board opened the bids for its K-III Water Supply Scheme of the three top ranking consultants. The bids were opened in conformity with Pakistan Engineering Council's Procedures of Award and on the insistence of Karachi City Government that the process must be completely transparent. The bid of the consultant offering the lowest financial cost was Rs 62.5 million.

It is known that the estimated cost for detailed engineering design and construction supervision in the ECNEC-approved PC-I of Rs 6 billion Karachi Water Supply Scheme (Project for K-III 100 MGD) was Rs 249 million. The present policy of the City Government for transparency in procurement procedures which it is trying to implement in all departments has already started paying dividends. This award may well give the KW&SB a net saving of 75 percent, which is about Rs 185.5 million.

This Rs 6 billion Scheme K-III is part of the 13-point 'Programme for Economic Revival of Karachi' (Perk), announced by President Pervez Musharraf on 14 April, 2001, and the federal government has approved full cost as 'grant', and also sanctioned Rs 2 billion in the budget for 2001-02.

The Procedures for Selection of Consultants, prescribed by Pakistan Engineering Council (PEC), adopted for evaluating the technical proposals submitted by the pre-qualified bidders are unique in that KW&SB had to fix a predetermined set of valuation criteria which removed all discretionary powers of the committee and even allowed the bidders to evaluate their bids themselves. The evaluation criteria were also provided to all bidders. The evaluation committee formed by the Managing Director, KWSB, included two members of KW&SB and three from outside--one each from Army 5 Corps, KDA, and Government of Sindh.

In evaluating the proposals the evaluating committee restricted itself to the evaluation criteria and PEC bylaws. The three responsive top ranking bidders were then invited for public opening of their financial bids with the following rankings and costs.

First, Techno Consult---Rs 70 million plus; Second, Osmani Associates - Rs 60 million plus; Third, Engineering Associates with Louis Berger USA - Rs 90 million plus.

The net saving for the KWSB is estimated at nearly Rs 185.5 million, from the PC-1 estimate of nearly Rs 249 million.



Karachi City Nazim Naimatullah Khan and KWSB Managing Director Brigadier Mohammad Bahram Khan must be pleased at this outcome.

Independent observers commented that this policy of KW&SB should serve as an example which should be a challenge for other departments of the City Government and if applied to other projects will surely save, for the exchequer, a substantial sum of money which can be utilized elsewhere for much needed improvements planned by the City Government.

The City Government also intends to apply the same transparent evaluation criteria in its forthcoming projects for the construction of three bridges on Share-a-Faisal.

Another project that is presently under consideration by Sindh Irrigation Department and is being monitored by the 5 Corps, which may also give a considerable saving to the Government if the PEC Bye-laws are similarly applied, is the detailed engineering design for the RBOD Sehwan-Gharo Drainage Scheme, where the difference between the submitted bids of first and third top ranking consultants is nearly Rs 120 million, the first ranking having bid the price of Rs 180 million in comparison to the third ranking firm's bid price of Rs 60 million.

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Daily Dawn Karachi

06 February 2002 Wednesday 22 Ziq'a'd 1422

KARACHI: KWSB OPENS BIDS FOR WATER PROJECT

KARACHI, Feb 5: The Karachi Water and Sewerage Board opened the bids of three top ranking consultants for its K-III 100mgd additional water supply project last week. The bids were opened in conformity with the Pakistan Engineering Council's procedures of award and the city government's emphasis on maintaining transparency.

The consultants offering the lowest financial cost was 62.5 million as against the reported estimated cost for detailed engineering design and construction supervision in the ECNEC- approved PC-1 of Rs Billion. If awarded, the contract would save the KWSB a net saving of 75 per cent, which comes to about Rs185.5 million.

The Rs 6 billion K-III project is part of the 13-point Programme for Economic Revival of PERK. The federal government has approved the full cost of the project as a grant and sanctioned Rs2 billion in the 2001-2002 budget.

The coordination committee, in its very first meeting held with the Transparency International, Pakistan, decided to implement the resolution of the Water Board and with the support of its managing director decided to adopt and implement the "integrity pact" which would bring transparency within the procedures for selection of Consultants and contractors in its K- III project.

The procedures for selection of consultants prescribed by the PEC and adopted for evaluating the technical prospects submitted by pre-qualified bidders were unique in that the KWSB fixed a pre-determined set of valuation criteria which removed all discretionary powers of the committee and even allowed the bidders to evaluate their bids themselves.



In evaluating the proposals, then evaluating committee restricted itself to the evaluating criteria and the PEC's by-laws thereafter the three top bidders were invited for public opening of their financial bids.

The policy of the KWSB was described as an example worth- emulating by other departments of the city government for application in the projects of similar magnitude.-**Associated Press of Pakistan**

Daily Dawn

27 January 2002 Sunday

Govt's right to blacklist NESPAK disputed

By Our Staff Reporter

LAHORE, Jan 26: The Pakistan Engineering Council disputed on Saturday the Sindh government's right to blacklist the National Engineering Services Pakistan (NESPAK).

In a letter to the Sindh government, it said that the PEC "is the only authority to determine professional misconduct and subsequent action against a consulting engineer." It also asked for an immediate withdrawal of the decision. "Normally, a procedure to resolve a dispute is written in the agreement prior to starting the work. In the absence of such clause, the Sindh government could have invoked the Professional Liability Clause according to the law. But declaring a consultant engineer black listed is the sole right of the PEC under Article-20 of the PEC Act-V of 1976."

The PEC further asked the Sindh government to furnish details of its complaints against Nespak so that a proper decision could be taken.

The NESPAK on its part also cried foul after being black listed by the Sindh government. "There is something more than what meets the eyes," a NESPAK official claimed.

The Supreme Court has also set a procedure for black listing a company that has not been observed by the Sindh government, he said.

The company went into damage control exercise on Friday when its MD spoke to Sindh governor and offered to hold an independent inquiry into the matter. The governor reportedly promised an early decision.

About the dispute, the NESPAK official said that the company was hired for consultancy services for a few housing colonies. Interruption in release of funds and undue delays in implementation of plans forced the NESPAK to opt out. It requested the Sindh government in 1998 and the contract was terminated in October 2000. The termination letter did not include any of the allegations leveled by Sindh now.

The official said that the decision has been motivated by Nespak's successful bid for two projects - the Greater Karachi Bulk Water Supply Scheme and a few roads and bridge projects by the Karachi Development Authority worth billions of rupees.



Daily Dawn

January 26 2002

City Govt criticized on K3 contract

By Our Reporter

KARACHI, Jan 25: The Pakistan People's Party has criticized the efforts by the KWSB to award the designing and supervision of the K-3 water supply project to an "inexperienced" firm , whose sole qualification is that their tax adviser is the current Nazim of Karachi.

One of the employees of the firm was the current Naib Nazim of a Town in Karachi, it added.

In a press statement on Friday, PPP leaders expressed surprise over the reported decision, saying other experienced firms, which had applied to form a consortium for carrying out this work, were not considered.

They criticized the city government for "undue interference" in the evaluation process and efforts to award the work solely on party basis instead of merit.

They demanded of the government to investigate the matter and connection of the Nazim/Naib Nazim with the firm. Those who criticized the perceived move included Syed Qaim Ali Shah, Syed Khursheed Shah, Nisar Khuhro and Taj Haider.



BENEFITS OF THE INTEGRITY PACT

The Financial Aspect

The Estimate for the Consultancy Fee for Design and Supervision made by the Karachi Water & Sewerage Board for the K-III Water Supply project and recommended to the ECNEC through its PC-I for approval was approximately Rupees Two Hundred and Forty Nine Million. This estimate for carrying out the Design and Supervision was based on a similar project the K-II Water Supply Project completed in 1998 but initiated in 1988 – ten years earlier and FUNDED BY THE WORLD BANK. We can safely say that the K-III project is a replication of the K-II project funded by the World Bank. The PTF probably has access to the K-II project and can verify our statements.

The estimated cost for Design and Supervision as estimated in the PC-I and sent for approval to the ECNEC was Rs 249 million. On the opening of the Financial Proposal, the results announced on the basis of the Ranking of the consultants were:

1 st .Techno Consult	Rs. 74,976,786
2 nd .Osmani Associates	Rs. 62,170,500
3 rd .Engineering Associates (with Louis Berger of USA)	Rs. 90,049,000

Implementation of new projects.

Another very important benefit of the Integrity Pact being having been implemented at this stage and which has far greater Significance in the present climate of investigations into corruption by the present government, is that governmental departments and agencies were not keen on awarding of projects. There was too much at stake and was not worth the risk of being investigated and being constantly under the surveillance of the investigative agencies.

The K-III Water Supply project is one of the major projects awarded in Karachi after a lapse of nearly two years. This award we feel, has not only opened the gates, but Transparency International – Pakistan has now been requested by the City District Government Karachi to implement the “Integrity Pact” in two other projects involving the Construction of Bridges and Roads.

Change of Award Criteria for Consultants

Another important benefit and which the World Bank and other International Financial Institutions (IFI’s) and Donor Agencies must take cognizance, is that the “Integrity Pact” along with the “Least Cost Method” for award to Consultants really works. Also that it is not a process that is applicable to Third World Countries (TWC’S) only.

Most Engineering Firms should no longer be considered as a breed offering its technical expertise only. Evaluation on the basis of “Quality Based Proposals” should be the exception. Engineering Firms must now be considered as vendors. The evaluation of Consultants should be based on the ability to perform. A minimum marking criteria should be stipulated in the Evaluation process, The Financial Proposals of all those consultants obtaining this minimum mark should then be opened and the Contract awarded to the lowest bidder.

There is ample circumstantial evidence that the QBS is being manipulated, at least in Pakistan, and projects are being awarded to Consultants on the QBS at costs three



times the normal costs of the lowest bidder, even after consultants are pre-qualified and short listed as being capable of carrying out the project. There is no room for any other consideration if corruption – through collusion is to be eliminated in Pakistan or other Third World Countries.

Transparency International – Pakistan has taken up such a case, where the client the Water and Power Development Authority and the Irrigation Department have been manipulating the QBS to award projects causing losses of Hundreds of Millions of Rupees to the government to the benefit of the consultants.

We are submitting along with one such case in question, in support of our allegation of possible collusion between the Client and the Consultants, and where TI-Pakistan feels that the implementation of the “Integrity Pact” and the Least Cost method would enormously benefit the IFI;s, the Donor Agencies and the Governments of Third World Countries.



Communications by the KW&SB to all Firms for Short listing/pre-qualification for Greater Karachi Water Supply Scheme Phase-V, Stage-II , 2nd 100 MGD Project.

Attachment 1

Invitation to Firms for KW&SB Contract

1. The Government of Pakistan (GOP) is committed to fight corruption in public contracting as part of this program, Karachi Water & Sewerage Board (KW&SB) has reviewed its arrangements for the letting and implementation of contracts against criteria of transparency and accountability.
2. In an effort to limit the scope for abuse, KW&SB is introducing new procedures, which KW&SB is sure your company will wish to support. The objective is to ensure that there is fair competition for government business, and that competition takes place openly and in a manner that provides fair and equal opportunity for all competitors. The new procedures will also apply to the execution of contracts by the successful bidder/supplier. The new Procurement Procedures will be set out in the Letter of Invitation/Tender Documents.
3. As part of our confidence building strategy, KW&SB will treat the oversight and monitoring of the implementation of these new procedures with the highest priority. KW&SB will pay particularly close attention to the need to prevent any case of extortion, or acceptance of bribes, by KW&SB officials. We are asking all those bidding for KW&SB business to assist the government by reporting any instances of this occurring.
4. A special office for the investigation and handling of any reports of extortion or bribery in public procurement has been set up in the Managing Director's Office.
5. KW&SB hopes to obtain your company's endorsement of these procedures as fair and reasonable, and as having your full support.



Attachment 2

The Integrity Pact

1. Karachi Water & Sewerage Board Procedures for Bidding for Public Sector Contracts:
2. The following procedures will apply to the letting of contracts for Short-listing of “ Consultants Services for the Greater Karachi Water Supply Scheme Phase-V, Stage-II , 2nd 100 MGD Project”.

Or

(The following procedures will apply to the letting of contracts for Pre-qualification of Contractors for “ Procurements Contracts for the Greater Karachi Water Supply Scheme Phase-V, Stage-II , 2nd 100 MGD Project”.)

- 3 These procedures are in addition to the standard legal and administrative requirements.
- 4 They will form part of the terms and conditions of each contract and will be actionable, in the event of breach, by the KW&SB and any of the competing bidders.
- 5 Each bidder must submit a statement, as integral part of the Tender documents, with the following text:
 - a) This Company places importance on competitive tendering taking place on a basis that is free, fair, competitive and not subject to abuse. This Company is pleased to confirm that (i) it has not offered or granted, and will not offer or grant, either directly or indirectly through agents or other third parties, any improper inducement or reward to any public official, their relations or business associates, in order to obtain or retain this contract or other improper advantage, and (ii) it has not colluded, and will not collude, with others in order to limit competition for this contract.
 - b) This Company has a No-Bribery Policy/Code of Conduct and a Compliance Program which includes all reasonable steps necessary to assure that the no-bribery commitment given in this statement will be complied with by its managers and employees, as well as by all third parties working with this company on the Karachi Water Supply Scheme Phase-V, Stage-II , 2nd 100 MGD Project, , including agents, consultants, consortium partners, subcontractors and suppliers. Copies of our No-Bribery Policy/Code of Conduct and Compliance Program are attached.

Or

In cases where companies participate in the bidding which do not yet have a general no-bribery policy/Code of Conduct:“

- c. This Company has developed, for the purposes of this tender, a Compliance Program – copy attached – which includes all reasonable steps necessary to assure that the no-bribery commitment given in this statement will be complied with by its managers and employees, as well as by all third parties working with this Company on the Greater Karachi Water Supply Scheme Phase-V, Stage-II , 2nd 100 MGD



Project, including agents, consultants, consortium partners, subcontractors and suppliers.”

- d. This commitment is in the name and on behalf of this Company's Chief Executive Officer
 - e. This Company agrees for the resolution of any damage claims arising from this contract under Law of Pakistan.”
- 6 Where a bidding company is a foreign company and has a subsidiary in Pakistan, the commitment must extend to that subsidiary and its managers and employees as well. If the tender is submitted by the subsidiary in Pakistan, the no-bribery commitment needs to extend also to the parent company and its managers and employees.
- 7 Bidders will also be required to submit similar no-bribery commitments from their subcontractors and consortium partners. The bidder may however cover the subcontractors and consortium partners in its own statement, provided the bidder assumes full responsibility.

All payments shall be limited to appropriate compensation for legitimate services.

- 8. Each bidder will make full disclosure in the bid documentation of the beneficiaries and amounts of all payments made, or intended to be made, relating to the bid and, if successful, the implementation of the contract.
- 9. The successful bidder will also make full disclosure semi-annually of all payments to agents and other third parties during the execution of the contract.
- 10. Within one year of the completion of the performance of the contract, the successful bidder will formally certify that no bribes or other illicit commissions have been paid in order to obtain or retain this contract. The final accounting shall include brief details of the goods and services provided that are sufficient to establish the legitimacy of the payments made.
- 11. Statements required according to subparagraphs (b) and (d) of paragraph 5 will have to be certified by an appropriate senior corporate officer.
- 12. In Pakistan, all forms of corruption are illegal, and the Government will continue to prosecute offenders.
- 13. This IP however focuses on bribery in order to obtain or retain the contract or other improper advantage, including collusion with others in order to limit competition for this contract. This includes any payments or other favours offered or granted in order
 - i) To win a contract award,
 - ii) To get a contract change order (adjusting the price, the specifications, the time frame for implementation or any other important contract components) approved by KW&SB,
 - iii) To get sub-standard or sub-specification performance approved by a public official the supervising engineer or his staff,
 - iv) To circumvent tax, duty, license or any other legal obligations that should be met, or
 - v) To induce an official to breach his/her official duties in any other way.



If a bidder fails to comply with its no-bribery commitment, the following sanctions will apply:

- i) denial or cancellation of the contract;
 - ii) liability for damages to KW&SB, in the amount of five percent of the contract value, unless KW&SB can demonstrate a higher damage, or the bidder can demonstrate a lesser damage;
 - iii) forfeiture of the bid security; and
 - iv) Debarment by KW&SB from bidding for further public contracts for such period as the KW&SB may deem appropriate.
- 14 KW&SB has made special arrangements for adequate oversight and monitoring of the procurement process and the execution of the contract. In this regard, KW&SB has provided for public hearings on the procurement process, and for access by Civil Society including representatives of the local TI-Pakistan, to the minutes of the meetings of the Tender Board and to all documents relating to the evaluation of the competitive tenders, the award decision process and the execution of the project.
- 15 KW&SB has also set up a special office in the Office of the Managing Director for the investigation and handling of any reports of extortion or bribery in public procurement.
- 16 The KW&SB will publicly disclose the award decision including the evaluation report and the reasons for the selection of the successful bidder.

Bids which do not conform to the requirements of these procedures will not be considered.



Memorandum of Understanding.
between
The Karachi Water & Sewerage Board and TI-Pakistan

This Memorandum of Understanding is executed on the----- day of May 2001, between Karachi Water & Sewerage Board and Transparency International Pakistan, Karachi for the purpose of implementing Transparency in Public Procurement Procedures within KW&SB and the “Integrity Pact” in the Greater Karachi Water Supply Scheme Phase-V, Stage-II , 2nd 100 MGD Project.

Whereas KWSB and TI-Pakistan, Karachi have initiated the process by finalizing the “Integrity Pact” and a “ Transparent Evaluation Criteria” for short-listing / pre-qualification of Firms, and that the KWSB has included the two as an integral part of the procurement process. It is also agreed that KW&SB along with TI-Pakistan will work jointly in the implementation of the Board’s decision for providing Systemic improvements within the KW&SB. It will include Transparency in all its dealings and incorporate the necessary Checks and Balances in KW&SB’s effort to reduce corruption. The process will comprise the formation of the following three basic Committees:

Coordinating Committee.

This committee has been set up by the KW&SB Board comprising the Officials of KW&SB and the Representative of TI-Pakistan. This coordinating Committee will:

Identify and list all transparency issues and criteria for evaluation of tenders in the procurement bidding documents, discretionary conditions of contract, and revision of such clauses.

Prepare ways and means to be included in Contract Documents to eliminate/reduce delays to a bare minimum and in approvals by providing mandatory time limits for submittals by consultants/contractors and approvals by client/consultants.

Introduce systems to complete the Project at a most economical cost and within the scheduled time.

Steering Committee.

This will comprise of Managing Director of the Water Board as Chairman along with representative of the Monitoring cell, TI-Pakistan, Pakistan Engineering Council, the Institute of Chartered Accountants.

This committee will receive the Evaluation reports from the Evaluation Committees (to be set up by the KW&SB) to examine the compliance of the procurement Procedures, Evaluation Criteria and Transparency in award of Contract.

The committee will also oversee and monitor the implementation of the Board’s decision for providing Systemic improvements within the KW&SB, compliance to “ Integrity Pact” and timely completion of K-III Project.



Evaluation Committees

These committees by the Managing Director KW&SB and will comprise of officials from the Engineering, Finance and Legal departments of the KW&SB.

These evaluation committees will carry out detailed evaluation of tenders/bids in accordance with predetermined evaluation criteria issued with tender documents to all firms.

The evaluation report will comprise of detailed analysis and reason of recommendations to award the contract to the most responsive evaluated bidder / tenderer.

This MOU will be effective from the date of signing and will expire on the Completion of K-III Project.

Brig. Mohammed Behram Khan,
Managing Director,
Karachi Water & Sewerage Board,
Shara-e-Faisal, Karachi.

Syed Adil Gilani,
Project Director, “ Integrity Pact”
Transparency International,
Pakistan, Karachi - Chapter.



**PUBLIC NOTICE TO BE PUBLISHED BY THE AGENCY
CONCERNED WHILE IMPLEMENTING INTEGRITY PACT**

It is well known that Karachi Water & Sewerage Board has been providing services in the field of public welfare. It is notified to all concerned that a Pact to make the activities of the institutions transparent is being introduced, whereby, all concerned individuals or institutions or organizations would have easy access to the information and details of our activities. Thus, this institution requests all concerned to provide comments/suggestions related to our activities. In addition, the Managing Director KWSB can be consulted for the detailed information about the activities carried out by this institution.

Quality of service would not be compromised. It is also informed that no compromise shall be made in the quality as well as the regularity of the services.

No payment be made except tax and fee provided for by the law

No payment is required to be made, except legally provided for, to this Project by concerned individual, firm or company, while supplying goods or providing services, in the form of commission, cash, fee, tips or any kind of financial benefit – in cash or otherwise – directly or indirectly, to the officials or any employees of this institution.

Complaints are invited in case of delay and/or illegal activities

Complaints/information on any deed committed by any official or employee of KWSB against this notice is welcome. It is requested that such complaints/information be sent to the Managing Director KWSB. Informant will be awarded with Rs. 100,000 if the information thus supplied turns out to be correct. Name and address of the informant will be kept confidential.

Cooperation of all concerned is expected

Cooperation from all concerned is expected in effectively implementing the Integrity Pact by making all its activities transparent and providing services/facilities smoothly.

Thanks

Brig. Mohammed Behram Khan,
Managing Director,
Karachi Water & Sewerage Board,
Shara-e-Faisal, Karachi.



**PUBLIC BILL BOARD TO BE PLACED
AT THE CONSTRUCTION
SITE (SAMPLE)**

Construction work:

Construction procedure (Tender/Negotiation):

Contractor's Name:

Estimated cost:

Sources of expenditure:

Amount agreed for the work:

Date of commencement of the work:

Date of completion of the work:

Construction site: Ward No..... Area.....

Name of the supervisor (technical employee):

Project chief:

The construction work is being carried out by KWSB through the mobilization of government resources. The public is hereby informed that any complaint regarding the quality or any other aspects of this construction work, be filed at the Office of the Managing Director, KWSB, 9th Mile, Shara-e-Faisal, Karachi.



COMMITMENT OF THE OFFICERS/EMPLOYEES OF KWSB CONCERNED WHILE IMPLEMENTING INTEGRITY PACT

I on (date)..... Hereby pledge that, in accordance with the Integrity Pact, will do the following:

1. While performing any work under my jurisdiction, I myself or through my family members, will not accept any financial benefit – in cash or otherwise (in the form of commission, cash, reward, fee, tips) for providing or receiving services or while procuring goods/materials.
2. I hereby guarantee that a clause of the date of payment for the services or goods to be supplied, be included in the agreement thereof, and the payment be made by the date mentioned in the contract/agreement or after the completion of the work.
3. I hereby commit that transparency will be maintained in all the activities undertaken under my jurisdiction.
4. While performing duty under my jurisdiction during the implementation and even after the completion of the project of Integrity Pact, I will not allow any situation adversely affecting the functioning of the Integrity Pact.
5. I will promptly provide the details as demanded by any interested individuals or institutions or organizations regarding the issues and activities under my jurisdiction.

Name:

Designation:

Signature:



PROPOSED
KW&SB's Freedom of Information Policy
INFORMATION TO BE PLACED ON THE WEB SITE
July 2001

Preamble

In a Special meeting convened by the KW&SB Board on April 13, 2001 to discuss the "Integrity Pact" for Transparency in Public Procurement Procedures, it was decided and Resolved by the Board vide Resolution # 11. to support the self-evident principles of Transparency in Public Procurement Procedures within the KW&SB.

The Resolution confirmed vide a letter written by the Managing Director was as follows:

"In a special meeting convened on April 13th. 2001 to discuss "the Integrity Pact and the Transparency in Public Procurement Procedures., that the Karachi Water & Sewerage Board request that you may submit the concept of transparency International – Pakistan to establish procedures which should be built to include the Integrity Pact for Transparency In Public Procurement procedures within the KW&SB...."

In the same meeting it was also decided that the KW&SB should set up a Web Site to provide "access to information" to the Citizens of Karachi as a part of the policy of good governance and Transparency within the KW&SB.

The Procurement Procedures to be adopted within the KW&SB are solely to inform the public of the transparent workings of the KW&SB, so as to make all information within the KW&SB that is relevant available to the citizen. It is to provide the necessary Checks and balances and Good Governance within the workings of the KW&SB. This Policy of Good Governance and Transparency, is in line with the policy of the present government to reduce corruption in Government Departments and Civic Agencies and to hold its Officials more accountable.

Procedures

To ensure that the public has "access to information" within all departments of the KW&SB, the following procedures shall be adopted:

- **That the KW&SB shall through its Web Site and / or the Official Sindh Gazette make available all relevant information and guidance to the public,**
- The KW&SB Act of 1996 and the Basic Fact Book 2001-2002 shall be placed on the Web Site and made available to the public at a reasonable pre-determined cost.
- An Organizational Chart describing the duties and responsibilities of its Management and technical personnel shall also be published on the Web Site.
- The location and other contact information of the above personnel including Telephone, Facsimile, e-mail shall be made available on the Web Site and on



a Notice Board placed in a conspicuous place at the Head and Site offices. This is to facilitate and simplify the access of the Citizens to the KW&SB.

- **Complaint centers shall be manned by responsible personnel no less than an Executive Engineer (or grade 18 officer) to respond to complaints and requests of the public with sufficient decision making powers.**
- A description of the different functions and departments of the KW&SB must be published in newspapers and put on the Web Site along with relevant contact information of the responsible person.
- Formal and informal Procedures for different functions and requirements such as redress of complaints, billing etc must be placed on the Web Site or on a Notice Board located in a prominent place at the Head and Site offices of the KW&SB
- Rules of procedures, description of forms available or the places at which these forms may be obtained must also be made available to the common citizen.
- All Rules, Laws and their amendments or Decisions of the Board applicable to the normal workings and procurement procedures must be published on the Web Site and the formalities for obtaining copies of the same must be placed on a Notice Board.
- Facilities for Complaints and requests for information can be registered on the Web Site. The necessary forms applicable to the same can be downloaded and must be readily available to the public at the Head and Site offices of the KW&SB Copies of the same shall be handed over to the Citizen for future reference. In case of non-compliance of complaints or requests redress shall be through a senior officer (Grade 18 or higher) delegated for this purpose.
- All proposed projects must be announced in the Web Site along with the necessary forms for pre-qualification and short-listing. The Evaluation criteria for the same will also be made available vide the Web Site or can be requested for from the “Public Information Counter” that shall be set up by the KW&SB at its Head Office.
- Copies of the official Gazette with the above information shall be available for the public at the KW&SB “*Public Information Counter*”.
- The Web page must be set up within 30 –days and that it shall contain all the above described information within 60-days.. Additionally, other supplementary information, lists and data will be posted from time to time so as to be easily accessible to the public without them having to apply for the same.
- Information on customer dues, billing information and assessment criteria for billing shall also be made available on the Web Site within a reasonable period not exceeding 90 –days. The criteria for billing shall also be available on the We Site and at the “Public Information Counter”



- The KW&SB shall establish within 30-days a properly manned KW&SB “*Public Information Counter*” at the Head Office 9th. Mile Sharaf Faisal, to enable citizens to apply for information, register complaints and purchase of any of the documents described above.
- The working of the “*Public Information Counter*” shall be under the control of the KW&SB “*Public Information Chief*”, who will submit a monthly report, with complete and detailed statistics, on the operation of the Counter to the Managing Director KW&SB.
- The “*Public Information Chief*” (officer Grade 18 or higher), will promote and expedite the objectives and practical implementation of KW&SB’s “Access to Information” and Policy of Transparency approved by the Board. All employees and department/agencies of the KW&SB shall cooperate with and facilitate the functioning of the KW&SB “*Public Information Chief*”.
- The Board of the KW&SB must provide an environment for the open and transparent policy of the KW&SB by allowing a limited number of observers (say 10 persons) by application in writing to attend any meeting of the Board. This limitation in number is solely due to the limited seating capacity. This matter must be addressed in the next meeting of the Board to formulate a detailed set of rules for allowing this attendance.
- Copies of the following current/updated information shall be made available at the “*Public Information Counter*” for inspection and public sale within the next 60-days:
 1. KW&SB Basic Facts Book 2001-2002
 2. Sindh KW&SB Act of 1996
 3. List of Board members with their telephone and Facsimile numbers
 4. List of Complaint centers with the names of the engineer in charge and their telephone and Facsimile numbers.
 5. Names of Senior Management and technical staff with their duties and responsibilities defined
 6. Contact numbers of Senior Management and Technical personnel.
 7. All relevant forms for complaints and requests
 8. Annual report, budget and auditors report.
 9. Information on proposed projects.
 10. Other information as described above.

The sole exceptions / exemptions to the broad norm given above, that all information in the KW&SB is available for access by the public is the following:

- Records relating to the personal privacy of any KW&SB employee
- Minutes of KW&B meetings before they are confirmed
- Matters which are specifically authorized under criteria established by a Sindh Governor’s / President’s order to be kept secret in the interest of national defense / security or foreign policy, and are in fact properly classified pursuant to such an order.
- Trade secrets and commercial or financial information obtained from a person and privileged or confidential.



- Any portion of a record/document that can be reasonably separable shall be provided to any person requesting such material after deleting such portions that are exempt from access..
- All documents and copies of bills shall be provided on request within a reasonable time not exceeding 2-weeks for documents and not exceeding 3-days for copies of bills etc. Bills downloaded from the Web Site shall be acceptable.
- Fees and costs for purchase of the above items shall be determined and spelled out on the notice board.
- Reduction or waiver of fees may be considered for requests made in the public interest which are not for commercial use.

Any person who is not supplied the applied-for information within a period of 2 weeks shall appeal in writing to the “*Access to Information Appeals Sub-Committee*” of the KW&SB established by the Managing Director under his Chairmanship. All appeals shall be disposed off within 2 weeks.

Disciplinary action under Sindh Efficiency & Discipline Rules shall be taken against KW&SB employees who have acted arbitrarily or capriciously in withholding information, or in providing false information, as determined during the appeals procedure.



“ENGINEERS CODE OF CONDUCT”

Pakistan Engineering Council

(SRO 1463(1) / 78)

All Engineers working in KW&SB are now to comply with this.

Article 1

1. This Code Conduct may be called the Pakistan Engineering Council Code of Conduct
2. This shall come into force at once
3. This shall apply to all members of the Pakistan Engineering Council.

Article 2

1. To maintain, uphold and advance the honor and dignity of the engineering profession in accordance with this Code, a member shall-
 - (a) uphold the ideology of Pakistan;
 - (b) be honest, impartial and serve the country, his employer, client and the public at large with devotion;
 - (c) Strive to increase the competence and prestige of the engineering profession;
 - (d) Use his knowledge and skill for the advancement and welfare of mankind;
 - (e) Promote and ensure the maximum utilization of human and material resources of Pakistan for achieving self-reliance; and
 - (f) Not sacrifice the national interest for any personal gain.

Article 3

1. A member shall be guided in all professional matters by the highest standards of integrity and act as a faithful agent or a trustee for each of his client and employer.
2. A member shall-
 - (a) be realistic and honest in all estimates, reports statements and testimony and shall carry out his professional duties without fear or favor;
 - (b) admit and accept his own errors when proved and shall refrain from distorting or altering the facts justifying his decision action;
 - (c) advise his client or employer honestly about the viability of the project entrusted to him;
 - (d) not accept any other employment to the detriment of his regular work or interest without the consent of this employer;
 - (e) not attempt to attract an engineer from another employer by false or misleading pretenses;
 - (f) not restrain an employee from obtaining a better position with another employer; and
 - (g) Not endeavor to promote his personal interest at the expense of the dignity and integrity of the profession.

Article 4

1. A member shall have utmost regard for the safety, health and welfare of the public in the performance of these professional duties and for the purpose he shall-
 - (a) regard his duty to the public welfare as paramount;



- (b) Seek opportunities to be of service in civic affairs and work for the advancement of the safety, health and well being of the community.
- (c) not undertake, prepare, sign approve or authenticate any plan, design or specifications which are not safe for the safety, health, welfare of a person or persons, or are not in conformity with the accepted engineering standards and if any client or an employer insists on such unprofessional conduct, he shall notify the authorities concerned and withdraw from further service on the project; and
- (d) Point out the consequences to his client or the employer if his engineering judgment is over-ruled by any non-technical person.

Article 5

1. A member shall avoid all acts or practices likely to discredit the dignity or honor of the profession and for that purpose he shall not advertise his professional services in a manner derogatory to the dignity of the profession. He may, however, utilize the following means of identification.
 - a) Professional cards and listing in recognized and dignified publications and classified section of the telephone directories,
 - b) sign boards at the site of his office or projects for which he renders services; and
 - c) Brochures, business cards, letter-heads and other factual representations of experience, facilities, personnel and capacity to render services.
2. A member may write articles for recognized publications but such articles should be dignified, free from ostentatious or laudatory implications, based on factual conclusions and should not imply other than his direct participation in the work described unless credit is given to others for their share of the work
3. A member shall not allow himself to be listed for employment using exaggerated statements of his qualifications.

Article 6

1. A member shall endeavor to extend public knowledge and appreciation of engineering profession, propagate the achievements of the profession and protect it from misrepresentation and misunderstanding.

Article 7

1. A member shall express an opinion of an engineering subject only when founded on adequate knowledge, experience and honest conviction.

Article 8

1. A member shall undertake engineering assignments only when he possesses adequate qualifications, training and experience. He shall engage or advise for engaging of the experts and specialists whenever the client's or employer's interest is best served such service.
2. A member shall both discourage the necessity of other appropriate engineering services, designs, plans or specifications or limit-free competition by specifying materials of particular make or model.

Article 9

1. A member shall not disclose confidential information concerning the business affairs or technical processes of any present or former client or employer without his consent.



Article 10

1. A member shall uphold the principles of appropriate and adequate compensation for those engaged in engineering work and for that purpose he shall not-
 - a) undertake or agree to perform any engineering service free except for civic, charitable, religious, or non-profit organizations or institutions;
 - b) Undertake professional engineering work at a remuneration below the accepted standards of the profession in the discipline; and
 - c) Accept remuneration from either an employee or employment agency for giving employment.
2. A member shall offer remuneration commensurate with the qualifications and experience of an engineer employed by him.
3. A member working in any sales section of department shall not offer or give engineering consultation, or designs, or advice other than specifically applying to the equipment being sold in that section or department.

Article 11

1. A member shall not accept compensation, financial or otherwise, from more than one party for the same service, or for services pertaining to the same work unless all interested parties give their consent to such compensation.
2. A member shall not accept-
 - a) Financial or other consideration, including free engineering design, Form material or equipment suppliers for specifying their products; and
 - b) Commissions or allowances; directly or indirectly, from contractors or other parties dealing with his clients or employer in connection with work for which he is professionally responsible.

Article 12

1. A member shall not compete unfairly with another member or engineer by attempting to obtain employment, professional engagements or personal gains by taking advantage of his superior position or by criticizing other engineers or by any other improper means or methods.
2. An engineer shall not attempt to supplant another engineer in a particular employment after becoming aware that definite steps have been taken towards other's employment.
3. A member shall not accept part-time engineering work at a fee or remuneration less than that of the recognized standard for a similar work and without the consent of his employer if he is already in another employment.
4. A member shall not utilize equipment, supplies, and laboratory or office facilities of his employer or client for the purpose of private practice without his consent.

Article 13

1. A member shall not attempt to injure, maliciously or falsely, directly or indirectly, the professional reputation, prospects, practices or employment of another engineer or member.



2. A member engaged in private practice shall not review the work of another engineer for the same client, except with knowledge of such engineer or, unless the connection of such engineer with work has been terminated;
3. Provided that a member shall be entitled to review and evaluate the work of other engineers when so required by his employment duties.
4. A member employed in any sales or industrial concern shall be entitled to make engineering comparisons of his products with products of other suppliers.

Article 14

1. A member shall not associate with, or allow the use of his name by an enterprise of questionable character nor will he become professionally associated with engineers who do not conform to ethical practices or with persons not legally qualified to tender the professional services for which the association is intended.
2. A member shall strictly comply with the bye-laws, order and instructions issued by the Pakistan Engineering Council from time to time in professional practice and shall not use the association with Non-engineering Corporation, or partnership as a cloak for any unethical act or acts.

Article 15

1. A member shall give credit for engineering work to those to whom credit is due, recognize the proprietary interest of others and disclose the name of a person or persons who may be responsible for his design, inventions, specification, writings, or other accomplishments.
2. When a member uses designs, plans specifications, data and notes supplied to his by a client or an employer or are prepared by his in reference to such client or the employer's work such designs, plans, specification, data and notes shall remain the property of the client and shall not be duplicated by a member for any use without the express permission of the client.
3. Before undertaking any work on behalf of a person or persons for making improvements, plans designs, inventions or specifications which may justify copyright or patent, a member shall get ownership of such improvements, plans, designs, inventions or specifications determined for the propose of registration under the relevant copyright and patent laws.

Article 16

1. A member shall disseminated professional knowledge by interchanging information and experience with other members or engineers and students to provide them opportunity for the professional development and advancement of engineers under his supervision.
2. A member shall encourage his engineering employees to improve their knowledge, attend and present papers at professional meetings and provide a prospective engineering employee with complete information on working conditions and his proposed status of employment and after employment keep his informed of any change in such conditions.

Article 17

1. A member employed abroad shall order his conduct according to this code, so far as this is applicable, and the laws and regulations of the country of his employment.



Article 18

1. A member shall report unethical professional practices of an engineer or a member with substantiating data to the Pakistan Engineering Council and appear as a witness, if required.

(*Authority:* THE GAZETTE OF PAKISTAN EXTRAORDINARY)
DECEMBER 20, 1978



SHORTLISTING OF ENGINEERING FIRMS WHO HAVE SIGNED THE INTEGRITY PACT

May 15, 2001

LIST OF ENGINEERING FIRMS APPLIED FOR SHORTLISTING & AGREED TO SIGN
THE "INTEGRITY PACT".

(Total 10 Nos)

Pakistan Environmental Planning &
& Architectural Consultants Pvt Ltd.
Rashid Plaza D-24 3rd Floor Blue Area (F/6)
Islamabad
Phone: 9204721

Meinhardt (Pakistan) Pvt. Ltd.
Consulting Engineers
Planners, Managers
D-91/3,
Main Tipu Sultan Road,
KDA Scheme No.1
Karachi-75350
Phone: 4541771-2

International Consultants
5th Floor, Syeda Chamber
SB-4, Block-13-C
University Road
Gulshan-e-Iqbal
Karachi-75300
Phone: 4987671, 4986690, 473851

MMP
MM Pakistan Pvt. Ltd.
Dolmen Estate, 1st Floor, 18-C,
Block-7-8
Union Commercial Area,
Shaheed-e-Millat Road
Karachi-753502
4543944, 4524819
Engineering Associates

Indus Associated Consultants Pvt. Ltd.
Consulting Engineers
Environment & Planning Consultants
404, Al-Farid Centre
5th Floor, Moulvi Tamizuddin Khan Road
Karachi-75530
Phone: 5686785



Osmani & Co. (Pvt.) Ltd.
Consulting Engineers-Architects-Planners-Surveyors
Osmani House, 245/2-K, B1-6, PECHS
Karachi-75400
Phone: 4536007-8, 4546541-2

Techno – Consult
Consulting Engineers
37-K, Block-6, P.E.C.H.S
Karachi-75400
Phone: 4530630-31-32

Consult – Tech
Consulting Engineers & Planners
Mazhar Arcade, 121 – Alamgir Road Karachi-74800
Phone: 4925204

Consulting Engineers, Architects,
Economists & Planning Experts
AL-9, 15th Lane, Khayaban-e-Hilal
Phase VII, Defence Housing Authority
Karachi-75500
Phone: 5841821-24

VA TECH
International GMBH
Liaison Office of Pakistan
18/C Mezzanine Floor, Stadium Lane No. 3
Phase-V, D.H.S
Karachi
Phone: 5854685, 5853542, 5845774



**PREQUALIFIED CONTRACTORS
WHO HAVE SIGNED THE INTEGRITY PACT
May 15, 2001**

(CIVIL WORK) (Total 44 Nos.)

LIST OF CONTRACTOR APPLIED FOR PREQUALIFICATION & AGREED TO SIGN THE
“INTEGRITY PACT”.

Engineering Construction
International (Pvt) Limited
21-G/1, Block-6
P.E.C.H.S
Karachi-75400
Phone: 4380001-2, 4388108, 4381539

Haji Fayyaz & Brothers
Importers of Heavy Earth Moving Equipment
B-39, Mezzanine Floor,
Al-Shams Centre, Block-13-A
Main University Road, Gulshan-e-Iqbal
Karachi
Phone: 4980898

Builders Associate (Pvt) Ltd.
15 Abubakar Block-A,
New Garden Town, Lahore.
Head office 042-5864130, 5867401, 2637799

Frontier Works Organization
Head quarter 494 Engr. Group
Karachi Cantt.
Phone No.9201625

K.M. Sharif & Company
Engineers & Contractors
M-73/6, P.E.C.H.S
Karachi
Phone: 4542195

IIW-Industrial Engineers & Contractors
Civil, Electrical and Mechanical Enterprises
3/27, Sector-21,
Korangi Industrial Zone
Karachi
Phone: 5011936, 5016901

Techno International
Civil Engineers & Contractors
Suit # 11, 2nd Floor
Plot # 4-D/11, Hill Top Arcade
Gizri Boulevard Phase-IV, DHA Karachi Phone: 5864692-93



Noble Engineers
Civil, Air-conditioning, Electrical & Mechanical
Phone: 4557095
Fax: 4924406

Usmani Associates
Engineers & Contractors
109, 1st Floor, Progressive Plaza
Beaumont Road - Karachi-75530

China National Chemical
Engineering Corporation
42/II, 8th Street,
Khayaban-e-Momin
Phase-V,
Defence Housing Authority
Karachi
Phone: 5842704

Metal Engineering Complex (Pvt) Ltd
9-C, 13th Commercial Street
Phase-II Ext.
Defence Housing Authority
Karachi
5894428-29, 5894432

Shaukat & Raza (Pvt.) Ltd.
9th Floor, Rimpa Plaza
M.A. Jinnah Road
Karachi-74400
Phone: 7720043-45, 7734369

Shaikh Mohabbat Khan
Engineers & Contractors
94-A, Block-2,
P.E.C.H.S
Karachi-75400
Phone: 4312578, 4552321, 6634900,6638170

Sardar Muhammad Ashraf D. Baluch Pvt. Ltd.
Civil Engineers & Contractors
5th Floor, Panorama Centre
Building # 2
Raja Ghazanfar Ali Khan Road
Saddar
Karachi
Phone: 5682256, 5682436

KKP (Pvt) Ltd.
Sindh Regional Office
Flat VIP-12, Ground Floor
Mehmoodabad House
Rose Farm Road Clifton Karachi Phone: 5836018



Al-Tariq Constructors (Pvt.) Ltd.
Contractors-Engineers-Representatives
Suit # 1301, 13th Floor
Uni Centre
I.I. Chundrigar Road
Karachi-74000
Phone: 2427800, 2427803, 2427820

China Beijing Corporation for
International Economic Cooperation
D-206, Block-5, KDA Scheme-5
Kehkashan, Clifton
Karachi-75600
Phone: 5873618-20

R.M. Gulistan
Engineers & Contractors Private Ltd.
Head Office: House No. 15,
Al-Humra Cooperative Housing Society Ltd.
Off Shaheed-e-Millat Road
Karachi-75350
Phone: (92-21) 4311214-5

(Group-1 only)

PARAGON Constructors Pvt. Ltd.
Engineers & Contractors
503, Windsor Place, Block-7 & 8
K.C.H.S, Off Shaheed-e-Millat Road
Karachi
Phone: 4534435-36

(Group-1 only)

Kingcrete Builders (Private) Ltd.
2-C, South Pak Avenue
Phase-2, Defence Housing Authority
Karachi-75500
Phone: 5888394, 5888355

(Group-II only)

Sadaat Enterprises
Plot # 390, Sector 1-9
Industrial Area
Islamabad
Phone: (0092-051) 4444390

(Group-II only)

Amir & Khawaja Corporation
202, Haffz Centre
A-34, Block-7& 8
C.C. Area, K.C.H.S.U
Shahra-e-Faisal
Karachi-75350
Phone: 4525061, 4527329



Astron Construction Company Pvt. Ltd.
C-31/C, South Park Avenue
Phase-II (ext.)
Defence Housing Authority
Karachi-75500
Phone: 5883681

Habib Rafiq (Pvt) Limited
188-1-A, Block-02
Suit # 8
P.E.C.H.S
Karachi
Phone: 4545954

Or
B-187, Phase-II
Gulshan-e-Hadeed, Bin Qasim
Karachi
Phone: 714945
Descon Engineering Limited
Akhavan House
38- Sir Agha Khan III Road
P.O. Box-1201
Lahore-54000
Phone: +92 (042) 6365134

National Construction Limited
Institution of Engineers Building
Shahra-e-Faisal
P.O. Box # 8549
Karachi
Phone: 516046- 5 lines

]Ayaz Builders
4-A/1, 4th East Street
Phase-1, Defence Housing Authority
Karachi
Phone: (92-21) 5384638

ACL
Associated Constructors Ltd.
Engineers-Contractors
1103-1104, Mehdi Towers
115/A, S.M.C.H.S
Shahra-e-Faisal
Karachi-75400
Phone: 4520351-52, 4548550-51

Ramzan & Sons (Pvt) Limited
Engineers & Contractors
Ahmed Arcade, E-17/7
Khayaban-e-Jami
Clifton Karachi-75600 Phone: 5872176, 5861913



Faryad Construction Co.
Civil Engineer & Govt. Approved Contractors
Plot # 178/A,
Khatija-tul-Kubra Manzil
"C" Road, Behar Colony
Karachi - Phone: 747490

Saadullah Khan & Bros.
Engineers & Contractors
145-A/2, Allama Iqbal Road
P.E.C.H.S
Karachi
Phone: 4553635, 4553789, 4553426

Indusmens Corporation
47-A, 2/6,
Nursery Main Shahra-e-Faisal
P.E.C.H.S
Karachi-75400
Phone: 4520100, 4380234

Interhom (Pvt) Limited
4-A, Central Commercial Area
Block-7 & 8
K.C.H.S
Karachi-8008
Phone: 4527433, 4521586, 0303-7338627

C W H E C
China National Water Resources
& Hydropower Engineering Corporation
15/1, Khayaban-e-Shaheen
Phase-V, D.H.A
Karachi
Phone: 5832608

ECHO West International (Pvt.) Ltd
Echo House, C-27, KDA Scheme # 1,
Main Karsaz Road
Karachi
Phone: 11017-20, 4524135-6

Muhammad Ayub & Bros.
Engineers & Contractors
815/C, Block-2
P.E.C.H.S
Karachi
Phone: 4534458, 4388884
Phone: 5653501

Lilley International (Pvt.) Ltd.
Civil Engineers & Contractors
39A1, 8th Floor, Jason Trade Centre P.E.C.H.S Karachi - Phone: 5676192-93



Joannou & Paraskevaides (Overseas) Ltd.
Building & Civil Engineering Contractors
C-39, Muhammad Ali Cooperative Housing Society Tipu Sultan Road
P.O. Box # 13084
Karachi-75350
Phone: 4545853-6

Shamsi Builders Ltd.
8th floor, Kashif Centre
Shahra-e-Faisal
Karachi
Phone: 5675464, 5675474, 5675686

NOPAWONG Construction Co. Ltd.
Area office: House No.12,
Street 90, G-6/3
Islamabad
Phone: 0300-9550706, 0300-9554789

Alladin
Govt. Contractor
House # 615B
Nursat Bhutto Colony North Nazimabad
Karachi.
Phone : 6672016

Group-1 only

Interglobe Commerce Pakistan (Private) Limited
Engineering Division
99-CF – 1/5
Clifton, Karachi
Phone: 5831204-5, 5831906-8, 5831209-10

(Group-II only)

United Engineers &
Contractors (Pvt.) Ltd.
2-L 1st Floor
(Commercial) Phase-1
D.H.A.
Lahore Cantt.
Phone: 5728667, 5732107

(Group-II only)

S & N International
Plot NO. 119-B Street 8
I 10/3 Industrial area
Islamabad



**MINUTES OF THE MEETING
OF THE COMMITTEE “THE INTEGRITY PACT” FOR “TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES” IN KW&SB**

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: First Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: May 2, 2001
Time: 11:00 A.M.

PRESENT :

KWSB

- | | | |
|----|-----------------------------|----------------------------|
| 1 | Mr. Munawar Hussain | Convener/DMD (Fin) |
| 2 | Mr Shaukat Umeri | Member - KWSB Board |
| 3. | Mr. Shahid Saleem | Member / DMD (Planning) |
| 4. | Mr. Syed Mashkoo-ul-Hasnain | Member/ PM (K-III) |
| 5. | Mr. Muhammad Ali, | Member/Director (Planning) |
| 6. | Mr. Aziz ul Haque, | Secretary/PM (W) |

TI-Pakistan

Mr Syed Adil Gilani

Member / Contract Specialist, Project
Director Integrity Pact Project, TI-Pakistan

Introduction :

As a follow up of the decision taken in the Board meeting held on 13-4-2001 the 1st meeting of the designated Committee was held in KW&SB on 02-5-2001.

Mr. Shaukat Umeri briefed the participants about the Integrity Pact for Transparency in Public Procurement Procedures.

Mr. Adil Gilani briefed on the anticorruption measure introduced in procurement being taken by the World Bank, Asian Development Bank & FIDIC.

The existing procurement procedures being followed by KWSB under following laws, rules and regulations were discussed and a set of following documents was provided to the members:-

Karachi Water and Sewerage Act 1996

1. Contract Rules 1980
2. West Pakistan Works Rules 1969
3. Purchase Manual
4. World Bank and Asian Development Bank Guidelines for procurement
5. Pak PWD Form-7
6. Specimen of contract / agreement
7. Procedures for approvals in KW&SB and delegation of powers



The need to adopt suitable ways and means with the objective to ensure complete transparency within KW&SB in all its procurement procedures as emphasized by the Chairman, Managing Director KW&SB and Member Board KW&SB.

After detailed discussions on the steps to be taken and procedures to be adopted it was agreed that TI-Pakistan with the assistance of the KW&SB Committee will finalize documentation for Transparency in Public Procurement Procedures.

In the meeting it was also decided that the transparency in procurement procedures will be initiated with the “Integrity Pact” being implemented within the scope of second 100 mgd K-III project. To begin with an evaluation criteria would be prepared for the pre-qualification of engineering firms and contractors.

In next meeting Mr. Muhammad Ali, Director (Planning) KW&SB will make presentation on the Procedure-2000 for enlistment / registration of contractors in KW&SB.

The next meeting will be held on 07-5-2001 at 2.30 P.M. in Committee Room Block – C, KW&SB Office 9th Mile.

The meeting ended with a note of thanks.



**MINUTES OF THE MEETING
OF THE COMMITTEE “THE INTEGRITY PACT” FOR “TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES” IN KW&SB**

Project Title: “The Integrity Pact” for Transparency Public Procurement Procedures.
Subject: Second Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: May 7, 2001
Time: 2:30 P.M.

PRESENT :

KWSB

- | | | |
|----|------------------------------|----------------------------|
| 1 | Mr. Munawar Hussain | Convener/DMD (Fin) |
| 2 | Mr Shaukat Umeri | Member - KWSB Board |
| 3. | Mr. Shahid Saleem | Member / DMD (Planning) |
| 4. | Mr. Syed Mashkoor-ul-Hasnain | Member/ PM (K-III) |
| 5. | Mr. Muhammad Ali, | Member/Director (Planning) |
| 6. | Mr. Aziz ul Haque, | Secretary/PM (W) |

TI-Pakistan

Mr Syed Adil Gilani

Member / Contract Specialist, Project
Director Integrity Pact Project, TI-Pakistan

INTRODUCTION :

The second meeting of the designated Committee was held in KW&SB on 07-5-2001.

At the out-set Mr. Muhammad Ali Director (Planning) KW&SB made presentation on the KW&SB Procedure 2000 for enlistment/registration of contractors. The process was found to be functioning satisfactorily. It was decided that this procedure would form part of the overall procurement document.

The draft evaluation criteria for pre-qualification of engineering firms and contractors prepared by Mr. Shaukat Umeri and Mr Adil Gilani as well as that prepared by Mr. Mashkoorul Hasnain, PM (K-III) was discussed & deliberated. **It was decided to finalize the criteria for pre-qualification of Engineering firms and Contractors in the light of discussions and put up to the Managing Director for approval and forwarding to the engineering firms.**

The draft of Integrity Pack prepared by TI-Pakistan was also discussed and as per the decision take in the First Meeting held on 2nd May 2001, this “Integrity Pact” document would be implemented within the Scope of the Second 100 mgd K-III project of the Greater Water Supply Scheme for Karachi. And that this “Integrity Pact” document is to be incorporated into the K-III Contract documents for Engineering firms and contractors as an additional condition to ensure Transparency in Procurement Procedures/Implementation.

It was also decided that the two documents (I) The Criteria for Evaluation of Engineering Firms and (II) The “Integrity Pact” would be forwarded to the Engineering Firms within the next two or three days.

It was also decided that the next meeting would be held on Thursday May 17, 2001 at 2:30 P.M.. The venue remaining the same.

The meeting ended with a note of thanks.



**MINUTES OF THE MEETING
OF THE COMMITTEE “THE INTEGRITY PACT” FOR “TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES” IN KW&SB**

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Third Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: May 17, 2001
Time: 11:00 A.M.

PRESENT :

KWSB

- | | | |
|----|------------------------------|-----------------------|
| 1. | Mr. Munawar Hussain | Convener/DMD (Fin) |
| 2. | Mr Shaukat Umeri | Member - KWSB Board |
| 3. | Mr. Syed Asrar Hussain Zaidi | Member/ CE (Projects) |
| 4. | Mr. Syed Mashkoor-ul-Hasnain | Member/ PM (K-III) |
| 5. | Mr. Aziz ul Haque | Secretary/PM (W) |

TI-Pakistan

Mr Syed Adil Gilani

Member / Contract Specialist, Project Director Integrity Pact Project, TI-Pakistan

Apologies

- | | | |
|----|-------------------|----------------------------|
| 1. | Mr. Shahid Saleem | Member / DMD (Planning) |
| 2. | Mr. Muhammad Ali, | Member/Director (Planning) |

Introduction :

The third meeting of the Committee was held on the date and time stated above and the following matters were discussed.

Short listing of Engineering Firms / PQ's :

PM KIII stated that ten Engineering firms have purchased and all the ten firms have submitted their prequalification documents for the KIII Design and Supervision Consultancy.

He further informed that approximately 44 contracting firms have also purchased and submitted their prequalification documents group wise.

PM also informed that all the applicants have agreed to sign the “Integrity Pact” with KWSB:

It was proposed that the Evaluation Committee for short listing / PQ's shall be formulated by the MD KWSB to examine and evaluate the submissions of the firms, and prepare Evaluation Report to be submitted to Project Steering Committee of the Evaluation Report with recommendation of the PSC will be forwarded for the approval of Board of KWSB, as the stating authority. It was suggested that the evaluation committee may consist of :

- | | | |
|----|-------------------|------|
| 1) | Chairman/Convenor | 1 No |
|----|-------------------|------|



- | | | |
|----|-------------------------|-------|
| 2) | Member | 4 Nos |
| 3) | Nominee of Corps 5//GOS | 2 Nos |

PQ Report

It was also agreed that Project Manager KIII will prepare tabulation sheets for the evaluation of the firms, so that the level of marking and assessment is maintained uniformly.

It was also decided that all the members of Evaluation Committee shall prepare independent assessment of each firm and submit their report to the Chairman/Convenor for finalization.

CE (Projects) questioned the limitations of the number of firms for the prequalification in the design and supervision consultancy contract as well as the Civil work contracts. CE (Projects) suggested that the number of firms to be prequalified may be limited and determined in accordance with the experience, financial capability and the adequacy of the resources. This exercise will help in meeting the quality of work.

However of the detail deliberation it was decided that the limitation of nos of firms for participating in the bid cannot be restricted keeping in view of the transparency and fair competitions, the firms getting required points stands Pre-qualified & are competent to participate in the bid.

It was also agreed that the Term of Reference (TOR) for the Consultancy contract shall be prepared in advance.

Next Meeting

The next meeting will be held on Wednesday, May 23, 2001 at 2:30 p.m.

The meeting ended with a note of thanks.



**MINUTES OF THE MEETING
OF THE COMMITTEE “THE INTEGRITY PACT” FOR “TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES” IN KW&SB**

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Fourth Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: May 23, 2001
Time: 2:30 P.M.

Present:

KWSB

1.Mr. Munawar Hussain	Convener/DMD (Fin)
2.Mr Shaukat Omari	Member - KWSB Board
3.Mr. Shahid Saleem	Member / DMD (Planning)
4.Mr. Syed Asrar Hussain Zaidi	Member/ CE (Projects)
5.Mr. Syed Mashkoo-ul-Hasnain	Member/ PM (K-III)
6.Mr Amjad Habib	PM (E&M)
7.Mr. Muhammad Ali,	Member/Director (Planning)
8.Mr. Aziz ul Haque	Secretary/PM (W)

TI-Pakistan

6. Mr Syed Adil Gilani	Member / Contract Specialist, Project Director Integrity Pact Project, TI-Pakistan
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Introduction :

The fourth meeting of the Committee was held on the date and time stated above.

Following matters were discussed:

Minutes of the meeting held on 17th May 2001 were confirmed with minor modifications.

All the engineering firms who applied in KWSB for pre-qualification for KIII project be requested to provide details as an additional information regarding installation of pumping units and its related works.

PM KIII would brief the Committee in its next meeting about the work program drawn for KIII project.

The Committee was informed that upon nomination of officers from Engrs. 5 Corps & FMCC for KIII project the Evaluation Committee shall be notified to scrutinize EOIs submitted by the Engineering Firms and Contractors.



Web Site

Mr Shaukat Umeri introduce Mr Athar Latif, an expert on the web pages and will provide complete coordination and assistance in the preparation of web pages for KWSB. PM KIII will provide the necessary information and coordinate in this respect. Mr Athar Latif will have a detail discussions with PM KIII next day.

Next Meeting

The next meeting will be held on Wednesday, May 30, 2001. Time and place will remain same.

The meeting ended with a note of thanks.



**MINUTES OF THE MEETING
OF THE COMMITTEE “THE INTEGRITY PACT” FOR “TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES” IN KW&SB**

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: FIFTH Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: May 30, 2001
Time: 2:30 P.M.

Present:

KWSB

1.Mr. Munawar Hussain	Convener/DMD (Fin)
2.Mr Shaukat Umeri	Member - KWSB Board
3.Mr. Shahid Saleem	Member / DMD (Planning)
4.Mr. Syed Asrar Hussain Zaidi	Member/ CE (Projects)
5.Mr. Syed Mashkoo-ul-Hasnain	Member/ PM (K-III)
6.Mr Amjad Habib	PM (E&M)
7.Mr. Muhammad Ali ,	Member/Director (Planning)
8.Mr. Aziz ul Haque	Secretary/PM (W)

TI-Pakistan

Mr Syed Adil Gilani	Member / Contract Specialist, Project Director Integrity Pact Project, TI-Pakistan
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Introduction :

The Fifth meeting of the Committee was held on the date and time stated above.

Dr Michel Wehen Head of the Transparency International also attended the meeting and provided his opinion and suggestions during discussions of the points.

Mr Shaukat Umeri also introduce Mr Fazeel from AA Associates who will assist in the preparation of the project data.

Following matters were discussed:

Minutes of the meeting held on 23th May 2001 were confirmed with minor modifications.

PM-KIII Project explained the salient features of work programme for K-III project.

The Committee identified following as the critical areas which required to be vigorously pursued by KWSB at appropriate forms:



- 1) The Engineers 5 Corps and GOS are to be approached again for nomination of members on the evaluation Committee.
- 2) Timely release of funds throughout the project period is essential for completion of project according to the schedule contained in the PC-1 approved by the ECNEC.
- 3) The work program heavily depends upon production of PRCC pipes by KDA Pipe Factory. Accordingly the Committee emphasized the need for signing an agreement or MOU between KWSB & KDA for working out a formula for timely availability of PRCC pipes.

Next Meeting

The next meeting will be held on Saturday, June 9, 2001. Time and place will remain same.

The meeting ended with a note of thanks.



**MINUTES OF THE MEETING
OF THE COMMITTEE “THE INTEGRITY PACT” FOR “TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES” IN KW&SB**

MINUTES OF THE MEETING

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Sixth Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: June 9, 2001
Time: 2:30 P.M.

Present:
KWSB

- | | | |
|----|-------------------------------|----------------------------|
| 1. | Mr. Munawar Hussain | Convener/DMD (Fin) |
| 2. | Mr Shaukat Omari | Member - KWSB Board |
| 3. | Mr. Shahid Saleem | Member / DMD (Planning) |
| 4. | Mr. Syed Asrar Hussain Zaidi | Member/ CE (Projects) |
| 5. | Mr. Syed Mashkoo-ul-Hasnain | Member/ PM (K-III) |
| 6. | Mr Amjad Habib | Member/PM (E&M) |
| 7. | Mr. Muhammad Ali, | Member/Director (Planning) |
| 8. | Mr. Aziz ul Haque | Secretary/PM (W) |
| 9. | Mr. Adnan Mustafa Danishmandi | Director MIS |

TI-Pakistan

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| 1 | Mr. Syed Adil Gilani | Member / Contract Specialist, Project
Director Integrity Pact Project, TI-Pakistan |
| 2. | Mr. Athar Latif | MIS specialist, and Resource person
of TI-Pakistan |

Introduction :

The Sixth meeting of the Committee was held on the date and time stated above.
The minutes of the fifth meeting held on 2nd June 2001, were accepted with minor corrections.
The committee was informed by PM K-III that;

- i. Representative of Army Monitoring Team for the steering committee is yet to be nominated by the 5th Core.
- ii. The tentative revised 36 month Schedule for K-III Project has been forwarded to the Managing Director KWSB for approval.
- iii. Director General KDA has been requested to give KDA schedule and the estimated cost of pre-stressed pipe supply from KDA Pipe Factory,.
- iv. The date of start of K-III will be w.e.f. the date of the release of funds for the project.
- v. Government has been requested for use to KW&SB Web Site use on gov.org, which is a free facility for government organizations.
- vi. GOS Planning & Development Division has asked KWSB vide their letter no PD/PP&H/SLG-14/2/2000 dated 30 May 2001 clarifications on the MPU to be signed between KWSB & TI-Pakistan for further monitoring to K-III Project.; Recommendation of the Committee formed by the Board in its special meeting on 13-4-2001, Analysis of the



proposed MOU with reference to existing Rules, Regulations, etc. and Recommendations of KW&SB on the MOU.

Mr. Shaukat Omari introduced Mr. Athar Latif TI-Pakistan MIS resource specialist who is assisting in the preparation of the KW&SB Web Site.

After detailed discussions held on K-III schedule, KDA Pipe Factory limitations, financing arrangements, measures to avoid delay and completion of K-II within 3 years, Web page for KW&SB and the PEC pre-qualification documents Marc 2001, the Committee identified following as the critical areas which required to be vigorously pursued by KW&SB at appropriate forms to avoid delay in K-III Project, as Chief Executive have announced 2 months ago that his project will be completed in 36 months:

- 4) The Engineers 5th. Corps to be requested again for nomination of members on the steering Committee. Evaluation Committees are to be finalized by KW&SB urgently so that evaluation can begin.
- 5) All members of Steering Committee Coordination Committee and Evaluation Committee, to sign the code of conduct for engineers of PEC. (document given to Mr. Munawar Hussain)
- 6) The PEC Pre-qualification Criteria notified in March 2001 is to be strictly followed.
- 7) GOP to be approached for timely release of funds throughout the project. In the next meeting committee to finalize recommendations for revised payment mechanism to contractors such as Opening of local letter of credit,/ escrow account/special project account.
- 8) KDA to be persuaded to confirm within 2 weeks supply of PRCC pipes from its Pipe Factory.
- 9) Pipe supply is the critical activity of K-III Project, and therefore KW&SB shall prepare and finalize alternate source of pipe and cost as well as time comparison against PRCC of KDA.
- 10) Reply to GOS on MOU to be expedited. However it is agreed that once the Board has approved the “ Integrity Pact”, MD KW&SB is competent to proceed with other formalities.
- 11) TI-Pakistan and KW&SB MIS persons will meet and discuss web page contents, which will be finalized in two weeks.

Next Meeting

The next meeting will be held on Wednesday 27 June. Time and place will remain same.

The meeting ended with a note of thanks.



**MINUTES OF THE MEETING
OF THE COMMITTEE “THE INTEGRITY PACT” FOR “TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES” IN KW&SB**

MINUTES OF THE MEETING

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Seventh Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: June 27, 2001
Time: 2:30 P.M.

PRESENT :

KWSB

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| 1. | Mr. Munawar Hussain | Convener/DMD (Fin) |
| 2. | Mr Shaukat Omari | Member - KWSB Board |
| 3. | Mr. Shahid Saleem | Member / DMD (Planning) |
| 4. | Mr. Syed Asrar Hussain Zaidi | Member/ CE (Projects) |
| 5. | Mr. Syed Mashkoor-ul-Hasnain | Member/ PM (K-III) |
| 6. | Mr. Muhammad Ali, | Member/Director (Planning) |
| 7. | Mr. Adnan Mustafa Danishmandi | Director MIS |

TI-Pakistan

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| 1 | Mr. Syed Adil Gilani | Member / Contract Specialist,
Project Director Integrity Pact
Project, TI- Pakistan |
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Introduction :

The Seventh meeting of the Committee was held on the date and time stated above.

The minutes of the Sixth meeting held on 9th June 2001, were accepted with minor corrections.

The committee was informed by PM K-III that;

- vii. Col. Ghazali has been nominated by the 5th Core as the Representative of Army Monitoring Team for the steering committee, and a representative for the evaluation committee is yet to be nominated.
- viii. The revised schedule for K-III Project is still with the Managing Director KWSB for approval.
- ix. Director General KDA has responded to provide KDA schedule and the estimated cost of prestressed pipe supply from KDA Pipe Factory,.
- x. Planning & Development Department (PP&H Section) GOS has informed vide letter No PD/PP&h/SLG-14/2/2001 DATED 27-6-2001 that Government of Pakistan has included K-III Project in PSDP 2001-2002 with allocation of Rs 2 billion which is expected to be



released in the 1st week of July 2001, and has requested to submit Implementation Schedule for each component of K-II Project for the year 2001-2002 by 30 June 2001.

- xi. The reply to GOS Planning & Development Division letter no PD/PP&H/SLG-14/2/2000 dated 30 May 2001 will be sent after the Board Minutes has been amended.

The Committee appreciated the 5th. Core nomination of Brig. Ghazali and the decision of the MD KW&SB to add more members to the Steering Committee and Evaluation Committee which are positive steps for the purpose of Transparency, and stressed the need to pursue nominations of other officers from Army and GOS so that evaluations of proposals received could be more Transparent. The following decisions were taken.

- 12) The Engineers 5th. Corps and GOS to be requested again for nomination of members on the evaluation Committee. Evaluation Committees are to be finalized by KW&SB urgently so that evaluation can begin.
- 13) The members of the Steering Committee have been increased by the Managing Director of KWSB, to include Director General KDA and a nominated member of GOS. Similarly members of Evaluation Committee have also been increased to include representative of Army Monitoring Team and GOS. The Committee appreciated the inclusions and stressed upon need to send requests to the Chairmen of Pakistan Engineering Council and Institute of Chartered Accountants for their representatives in the Steering Committee this was decided in an earlier meeting of the coordinating Committee..
- 14) KDA to be persuaded to confirm within 1 week the supply schedule of PRCC pipes from its Pipe Factory.
- 15) KW&SB shall prepare and finalize alternate sources of pipe and cost as well as time comparison against PRCC of KDA in 2 weeks in case of failure of the KDA Pipe factory to supply the needs of the K-III Project..
- 16) Reply to GOS on MOU to be sent on receipt of Modified Board Minutes as discussed with the Secretary KW&SB Mr. Bpkhari.
- 17) TI-Pakistan and KW&SB-MIS will further discuss Web Site contents.
- 18) In view of the vital importance for a most economical and timely completion of K-III Project, it was agreed that the issue of financing and payments to contractors is to be taken up on the highest priority basis.

Fast Track arrangements as per Instructions of the Chief Executive of Pakistan requires assured funding mechanism. Following proposal is to be submitted for approval of Board and then to Government in connection with release of funds for timely completion of K-III Project.

- a. Implementation Schedule to be prepared is which is dependent on the disbursement schedule.
- b. It is recommended that a Separate project Account should be established in National Bank of Pakistan for K-III Project.



- c. Funds released by the Federal Government Rs 2000 million for FY 2001-2002 shall be in one trench, and be kept as revolving funds/seed money.
- d. When funds in this account falls below Rs 500 million, it may be recouped for the smooth cash flow of the project.
- e. When sanction of a Contract is accorded, local LC of the National Bank of Pakistan will be established against each Contract.

Next Meeting

The next meeting will be held on Wednesday 4th July 2001. Time and place will remain same.

The meeting ended with a note of thanks.



**MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR
TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB**

MINUTES OF THE MEETING

**PROJECT TITLE: THE INTEGRITY PACT FOR TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES.**
**SUBJECT: EIGHT MEETING OF THE TRANSPARENCY IN
PROCUREMENT PROCEDURES IN KW&SB.**
LOCATION: COMMITTEE ROOM, BLK C, PROJECT WING, KW&SB.
DATE: WEDNESDAY JULY 5TH, 2001.
TIME: 2:30 PM.

PRESENT:

KWSB

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| 1. MR.MUNAWAR HUSSAIN | CONCENER / ADVISOR (FIN) |
| 2. MR.SHAUKAT OMARI | MEMEBR – KWSB BOARD |
| 3. MR.SHAHID SALEEM | MEMBER / DMD (PLANNING) |
| 4. MR.SYED ASRAR HUSSAIN ZIADI | MEMBER / CE (PROJECTS) |
| 5. MR. SYED MASHKOOR –UL-HASAIN | MEMBER / PM (K-III) |
| 6. MR.AMJAD HABIB | PM (E&M) |
| 7. MR.AZIZ UL HAQUE | SECRETARY / PM (W) |

TI-PAKISTAN

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| 1. SYED ADIL GILANI | MEMBER / CONTRACT
SPECIALIST, PROJECT
DIRECTOR, INTEGRITY
PACT PROJECT, PAKISTAN. |
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INTRODUCTION:

THE EIGHT MEETING OF THE COMMITTEE WAS HELD ON THE JULY 5,2001 AS STATED ABOVE.

THE FOLLOWING POINTS WERE DICUSSED.

1. THE MINUTES OF THE PREVIOUS MEETING WAS DISCUSSED, MODIFICATION SUGGESTED AND THE CORRECTED VERSION IS REQUIRED TO NBE ISSUED IMMEDIATELY.

K-III WATER :

THE COMPLETION SCHEDULE FOR K-III WATER WAS REVISED NAND THE WORK WAS TENTATIVELY PLANNED TO BE COMPLETED IN 36 MONTHS TIME.THE DATE OF START WAS PROPOSED TO BE RECKONED FROM THE DATE OF RELEASE OF FUNDS.



THE PM, K-III AGREED TO PREPARED SCHEDULE OF THE WORKS AND THE COPY OF THE WORK PROGRAM TO BE PLACED IN THE NEXT MEETING.

PM . K-III FURTHER STATED THAT THE PROCESS OF EVALUATION HAVE STARTED AND THE RESULTS OF THE SHORT LISTING OF FIRMS WILL BE MADE AVAILABLE UPON COMPLETION OF THE EVALUATION .HE FURTHER STATED THAT A PRELIMINARY WORK SCHEDULE HAS BEEN PREPARED AND SUBMITTED TO MD-KWSB FOR HIS REVIEW AND CONCURRENCE.

LARGE DIA PRE-STRESSED PIPE:

THE MATTER OF THE MANUFACTURE AND SUPPLY OF LARGE DIA PRE-STRESSED PIPE WAS DISCUSSED IN DETAIL. KW&SB STATED THAT THE KDA PIPE FACTORY IS AT THE MOMENT CLOSED, NEGOTIATIONS ARE PROGRESSING AND A MEMORANDUM OF UNDERSTANDING WILL BE SIGNED FOR THE MANUFACTURE AND SUPPLY OF PRE-STRESSED PIPE. MR.SHAUKAT OMARI STATED THAT KW&SB NEED NOT TO BE TOTALLY DEPENDENT UPON SUPPLY OF PIPES FROM KDA PIPE. FACTORY BUT ALTERNATE SOURCE FOR THE PIPE SHOULD ALSO BE WORKED OUT SO AS TO MEET ANY EMERGENCY.HE HAS SHOWN HIS DESIRE TO VISIT KDA PIPE FACTORY AND EVALUATE THE CAPABILITY OF KDA PIPE FACTORY TO FULFIL THE KW&SB DEMAND WITHIN THE SPECIFIED PROJECT COMPLETION SCHEDULE .THE VISIT ALSO IDENTIFIED THE PRESENT RESOURCES OF KDA AND ALSO DETERMINE THE IMPEDIMENTS IF ANY.

CONCLUSION:

THE COMMITTEE SUGGESTED THAT THE OPERATIONS OF K-III PROJECT SHALL BE A MODEL FOR OTHERS BY EXTENDING THE COMPLETE SUPPORT TO MAKE THE SCHEME SUCESSFUL. THE COMMITTEE HAS ALSO SUGGESTED THAT IF NEEDED ADDITIONAL STAFF CAN BE ARRANGED TO MEET THE TARGETS.

NEST MEETING :

THE NEXT MEETING WILL BE ON JULY 12, 2001.THE TIME AND PLACED WILL REMAIN SAME.

THE MEETING ENDED WITH A NOTE OF THANKS.



**MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR
TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB**

MINUTES OF THE MEETING

**PROJECT TITLE: THE INTEGRITY PACT FOR TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES.**
**SUBJECT: NINTH MEETING OF THE TRANSPARENCY IN
PROCUREMENT PROCEDURES IN KW&SB.**
LOCATION: COMMITTEE ROOM, BLK C, PROJECT WING, KW&SB.
DATE: JULY 16TH, 2001.
TIME: 2:30 PM.

PRESENT:

KWSB

8. MR.MUNAWAR HUSSAIN	CONCENER / ADVISOR (FIN)
9. MR.SHAUKAT OMARI	MEMEBR – KWSB BOARD
10. MR.SHAHID SALEEM	MEMBER / DMD (PLANNING)
11. MR.SYED ASRAR HUSSAIN ZIADI	MEMBER / CE (PROJECTS)
12. MR. SYED MASHKOOR –UL-HASAIN	MEMBER / PM (K-III)
13. MR.AMJAD HABIB	PM (E&M)
14. MR.AZIZ UL HAQUE	SECRETARY / PM (W)

TI-PAKISTAN

1. SYED ADIL GILANI	MEMBER / CONTRACT SPECIALIST, PROJECT DIRECTOR, INTEGRITY PACT PROJECT, PAKISTAN.
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INTRODUCTION :

THE 9TH MEETING OF THE COMMITTEE WAS HELD ON JULY 16TH, 2001 AS SATED ABOVE.

K-III PROJECT:

PROJECT MANAGER, K-III PROVIDED THE COPY OF THE SCHEDULE TO MR.SHAUKAT OMARI.

THE PM. K-III AGREED THAT THE TOR FOR THE CONMSULTANTS WILL BE MADE AVAILABLE BY JULY 20, 2001.

THE COMMITTEE DECIDED THAT THE CONSULTANTS SHALL BE GIVEN FOUR WEEKS TO SUBMIT THEIR PROPOSAL.

KDA PIPE FACTORY:

CHIEF ENGINEER (PROJECTS) STATED MD KW&SB HELD MEETING WITH DG-KDA ON 12TH JULY ,2001. THE MEETING WAS POSITIVE AND MAIN ISSUE OF MANUFACTURE AND SUPPLY OF PRESTRESSED PIPE WAS EXPLAINED AND DISCUSSED WITH DG-KDA.THE SCHEDULE OF COMPLETION OF K-III SCHEME IN 36 MONTHS WAS EXPLAINED TO DG-KDA WITH A TOTAL PIPE REQUIREMENT . AFTER APPRAISING , DG-KDA HAS FINALLY ADVISED THAT THE PIPE FACTORY WILL ACTIVATE WITHIN THREE MONTHS TIME AND SUBSEQUENTLY WILL REQUEST KW&SB TO ENTER INTO FORMAL AGGREEMENT FOR THE MANUFACTURE OF LARGE DIAMETER PRESTRESSED PIPE.DG-KDA ALSO STATED THAT THE SCHEDULE OF SUPPLY / MANUFACTURE WILL THEN WILL BE PREPARED AND PROVIDED TO KW&SB.

MR.SHAUKAT OMARI FURTHER REMINDED THAT KW&SB SHALL KEEP AN ALTERNATE SOURCE FOR THE SUPPLY OF LARGE DIA PRESTRESSED PIPE LOCALLY AND INTERNATIONALLY TO MEET ANY EVENUALITY.

OTHERS:

THE COMMITTEE ALSO DECIDED THAT MD-KWSB SHALL BE BRIEFED OF THE PROCEEDING OF THE MEETING TILL DATE .

NEXT MEETING:

THE NEXT MEETING WILL BE HELD ON JULY 21,2001.. TIME AND PLACE WILL REMAIN SAME.

THE MEETING ENDED WITH A NOTE OF THANKS.



**MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR
TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB**

MINUTES OF THE MEETING

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Tenth Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: August 12, 2001
Time: 2:30 P.M.

PRESENT :

KWSB

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| 1 | Mr. Munawar Hussain | Convener/DMD (Fin) |
| 2. | Mr Shaukat Omari | Member - KWSB Board |
| 3. | Mr. Aftab Ahmad | Dy. Managing Director |
| 4. | Mr. Shahid Saleem | Member / DMD (Planning) |
| 5. | Mr. Syed Asrar Hussain Zaidi | Member/ CE (Projects) |
| 6. | Mr Amjad Habib | PM (E&M) |
| 7. | Mr. Syed Mashkooor-ul-Hasnain, | Member/ PM (K-III) |
| 8. | Mr. Aziz ul Haque | Secretary/PM (W) |

TI-Pakistan

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| 1. | Syed Adil Gilani | Member / Contract Specialist, Project
Director Integrity Pact Project, TI-Pakistan |
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Introduction :

The Tenth meeting of the Committee was held on the date and time stated above, and minutes of the ninth meeting were approved.

The Committee was informed that the Shortlisting of Consulting Firma/Consortium has been completed and approved by the Managing Director KWSB.

The Draft Letter of Invitation (LOI) as examined and detailed discussions were held. It was suggested by Syed Adil Gilani that the LOI shall include all information with regard to Scope of Work, which shall be very comprehensive and all unknown factors to be eliminated in order to avoid any additional work by Consultants during Contract Implementation. The Evaluation Criteria based on the least Cost Method of Selection, and Criteria to evaluate the technical proposals for responsiveness was agreed. Draft LOI was handed over to TI-Pakistan for incorporating the transparent and discretion free clauses so that the offers from short listed firms/consortiums are comprehensive, technically sound and competitive.

It was again agreed that the work programme heavily depends upon production of PRCC pipes by KDA Pipe Factory. Accordingly the Committee emphasized the need for approaching KDA for ensuring timely availability of PRCC pipes.

Next Meeting will be held on 28th August, 2001 at 11 am in the Conference Hall of KWASB



MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB

MINUTES OF THE MEETING

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Eleventh Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: August 28, 2001
Time: 11:30 A.M.

PRESENT : **KWSB**

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| 1. | Brig. Muhammad Bahram Khan | Managing Director |
| 2. | Mr Shaukat Omari | Member - KWSB Board |
| 3. | Mr. Aftab Ahmad | Dy. Managing Director |
| 4. | Mr. Munawar Hussain | Convener/DMD (Fin) |
| 5. | Mr. Shahid Saleem | Member / DMD (Planning) |
| 6. | Mr. Syed Asrar Hussain Zaidi | Member/ CE (Projects) |
| 7. | Mr. Adnan Mustafa Danishmandi | Member/Director MIS |
| 8. | Mr Amjad Habib | PM (E&M) |
| 9. | Mr. Muhammad Ali, | Member/Director (Planning) |
| 10. | Mr. Aziz ul Haque | Secretary/PM (W) |

Mr. Syed Mashkooor-ul-Hasnain, Member/ PM (K-III) was on official visit to Islamabad.

TI-Pakistan

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| 1. | Dr. Michael Wiehen | Chairman TI-Germany. |
| 2. | Syed Adil Gilani | Member / Contract Specialist, Project
Director Integrity Pact Project, TI-Pakistan |

Introduction :

The Eleventh meeting of the Committee was held on the date and time stated above.

Dr Michael Wiehen Chairman Transparency International, Germany and Integrity Pact Specialist Transparency International, specially came from Berlin to attend the meeting, and to guide KWSB on the further steps to implement the “ Integrity Pact” in K-III Project and other Project also.

Mr. Shaukat Omari briefed the meeting on the successful adoption by KWSB of Transparency in Procurement Procedures, initially in the Selection of Consultants including overwhelming response from 10 Consultants/ Consortiums for accepting the “ Integrity Pact”, and thanked the Managing Director KWSB and the members of Coordination Committee for their sincerity and hard work



Dr Michael Wiehen Chairman Transparency International, Germany Congratulated KWSB on production of a transparent “ Letter of Invitation (LOI)” for shortlisted Consultants/Consortiums in a very short time, and on the most transparent and non-discretionary evaluation of the firms. He informed that the LOI produced by KWSB is first of its kind in international bidding and that Transparency International will consider its adoption by other 80 Countries national Chapters. He stated that at the head office of Transparency International in Berlin, KWSB Short listing Documents are highly appreciated. He said that the KWSB Documents are now available on TI Internet. Dr Michael Wiehen said that TI is pleased with the professional quality of the documents prepared by KWSB and that this is the first time it has been done globally and it will go into the records of TI.

Brig. Muhammad Bahram Khan, Managing Director said that he is grateful to TI for their sincere and professional efforts in assisting KWSB to go Transparent, and the technical support it has given to produce these two documents. The Managing Director assured that other documents viz. Contract Agreement, Evaluation of Contractors and Conditions of Contract will also made Transparent and discretion free. He also declared that all forthcoming procurement projects of KWSB will follow the same procedures.

It was discussed that the Consortiums shortlisted are to be advised on the professional inputs by each consortium members, as it has been shortlisted on the best scores of each member firm of the group in various categories, and the proposals from the consortium shall have the professional input on the same basis. It was also decided that a meeting with shortlisted firms shall be held on 10th September for all clarifications.

Syed Adil Gilani informed that TI-Pakistan held a meeting with Major General Moinuddin Haider, Federal Minister of Interior, and that the Minister was glad to know the steps taken by KWSB for Transparency in procurement. The Minister also desired that his appreciation message shall be communicated to Brig. Muhammad Bahram Khan, Managing Director KWSB. Mr. Shaukat Omari also informed that TI-Pakistan has planned a Workshop in last fortnight of September 2001 on KWSB Transparent Procedures for Procurements including adoption of Integrity Pact for all the other Civic Bodies of Karachi, which is to be Chaired by Major General Moinuddin Haider, Federal Minister of Interior, presided by Mrs. Shahida Jamil, Federal Minister for Law and Human Rights, and address by Brig. Muhammad Bahram Khan, Managing Director KWSB.

Brig. Muhammad Bahram Khan, Managing Director KWSB agreed to the proposed workshop and extended full support of KWSB as well as his personal involvement, and stated that it will be an honour for KWSB to help other civic bodies for making Transparent Procurements Procedures for them.

Next Meeting

The next meeting will be held on 10th September 2001. Time and place will remain same. The meeting ended with a note of thanks.



MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB

MINUTES OF THE MEETING

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Twelfth Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: October 25, 2001
Time: 2:30 pm.

PRESENT:

KWSB

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| 1. Mr Shaukat Omari | Member - KWSB Board |
| 2.Mr. Aftab Ahmad | Dy. Managing Director |
| 3.Mr. Shahid Saleem | Member / DMD (Planning) |
| 4.Mr. Syed Mashkoo-ul-Hasnain, | Member/ PM (K-III) |

TI-Pakistan

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| 1. Syed Adil Gilani | Member / Contract Specialist, Project
Director Integrity Pact Project, TI-Pakistan |
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The Twelfth Meeting of the Committee was held on the date and time stated above.

Mr. Shaukat Omari briefed the meeting about the appreciation given to the KW&SB efforts to implement “Integrity Pact”, in the Annual General Body meeting of Transparency International at Prague, held on 6th October 2001. The meeting was also informed that KW&SB efforts for Transparency in Procurement Procedures and overwhelming response from 10 Consultants/ Consortiums for accepting the “ Integrity Pact” was one of the main subject of a Workshop on Procurement in the 10th International Anti Corruption Conference held in Prague on 8th October 2001, which was attended by Syed Adil Gilani and Shaukat Omari on the special invitation of Government of Czech Republic.

Mr. Mashkoo Hasnain informed that the Agreement for Supply of PRCC Pipes has been signed with KDA, and advance payment to KDA has been processed. On the evaluation of Consultants Proposal he informed that it is in the final stages of Technical Evaluation.

Syed Adil Gilani pointed that according to the agreed Schedule of K-III Project, the Contract of Consultants was to be awarded/signed latest by 15 September 2001, and any further delay will have detrimental effect of the project Schedule as well as on the estimated project cost. Mr. Mashkoo Hasnain assured that this contract will be awarded by 15th November and there is enough float available in the Schedule to adjust this delay.

It was agreed that Technical Evaluation will completed by 27th October 2001 and all the bidders who passes technical evaluation will be invited in the opening of financial proposals on 1st November 2001. It was also agreed that the Contract will be awarded latest by 15th November 2001.

Next Meeting will be held on 29th October 2001. Time and place will remain same.

The meeting ended with a note of thanks.



**MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR
TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB**

MINUTES OF THE MEETING

**PROJECT TITLE: THE INTEGRITY PACT FOR TRANSPARENCY IN PUBLIC
PROCUREMENT PROCEDURES.**
**SUBJECT: Thirteenth Meeting TRANSPARENCY IN PROCUREMENT
PROCEDURES IN KW&SB.**
LOCATION: COMMITTEE ROOM, BLK C, PROJECT WING, KW&SB.
DATE: OCTOBER 25, 2001.
TIME: 2:30 PM.

PRESENT:

KWSB

15. MR.SHAUKAT OMARI	MEMBER – KW&SB BOARD
16. MR.AFTAB AHMED	DY.MANAGING DIRECTOR
17. MR.SHAHID SALEEM	MEMBER / DMD (PLANNING)
18. MR. SYED MASHKOOR –UL-HASAIN	MEMBER / PM (K-III)

TI-PAKISTAN

1. SYED ADIL GILANI	MEMBER / CONTRACT SPECIALIST, PROJECT DIRECTOR, INTEGRITY PACT PROJECT, PAKISTAN.
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THE THIRTEEN MEETING OF THE COMMITTEE WAS HELD ON THE DATE AND TIME STATED ABOVE.

MR.SHAUKAT OMARI BRIEFED THE MEETING ABOUT THE APPRECIATION GIVEN TO THE KW&SB EFFORTS TO IMPLEMENT “ INTEGRITY PACT” , IN THE ANNUAL GENERAL BODY MEETING OF TRANSPARENCY INTERNATIONAL AT PRAGUE , HELD ON 6TH OCTOBER , 2001.THE MEETING WAS ALSO INFORMED THAT KW&SB EFFORTS FOR TRANSPARENCY IN PROCUREMENT PROCEDURES AND OVERWHELMING RESPONSE FROM 10 CONSULTANTS / CONSORTIUMS FOR ACCEPTING THE “ INTEGRITY PACT “ WAS ONE OF THE MAIN SUBJECT OF A WORKSHOP ON PROCUREMENT IN THE 10TH INTERNATIONAL ANTI CORRUPTION CONFERENCE HELD IN PRAGUE ON 8TH OCTOBER ,2001. WHICH WAS ATTENDED BY SYED ADIL GILANI AND SHAUKAT OMARI ON THE SPECIAL INVITATION OF GOVERNMENT OF CZECH REPUBLIC?

MR. MASHKOOR HASNAIN INFORMED THAT THE AGREEMENT FOR SUPPLY OF PRCC HAS BEEN SIGNED WITH KDA, AND ADVANCE PAYMENT TO KDA HAS BEEN PROCESSED. ON THE EVALUATION OF CONSULTANTS PROPOSAL HE INFORMED THAT IT IS IN THE FINAL OF TECHNICAL EVALUATION.

SYED ADIL GILANI POINTED OUT THAT ACCORDING TO THE AGREED SCHEDULE OF K-II PROJECT, THE CONTRACT OF CONSULTANTS WAS TO BE AWARDED / SIGNED LATEST BY SEPTEMBER, 2001, AND ANY FURTHER DELAY WILL HAVE DETRIMENTAL EFFECT OF THE PROJECT SCHELDULE AS WELL AS ON THE ESTIMATED PROJECT COST.MR. MASHKOOR

HASNAIN ASSURED THAT THE CONTRACT WILL BE AWARDED BY 15TH NOVEMBER AND THERE IS ENOUGH FLOAT AVAILABLE IN THE SCHEDULE TO ADJUST THIS DELAY.

IT WAS AGREED THAT TECHNICAL EVALUATION WILL COMPLETE BY 27TH OCTOBER, 2001, AND ALL THE BIDDERS WHO PASSES TECHNICAL EVALUATION WILL BE INVITED IN THE FINANCIAL PROPOSALS ON 1ST NOVEMBER, 2001. IT WAS ALSO AGREED THAT THE CONTRACT WILL BE AWARDED LATEST BY 15TH NOVEMBER, 2001.

NEXT MEETING.

THE NEXT MEETING WILL BE HELD ON 29TH OCTOBER, 2001. TIME AND PLACE WILL REMAIN SAME. THE MEETING ENDED WITH A NOTE OF THANKS.



MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB

MINUTES OF THE MEETING

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Fourteenth Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: December 4, 2001
Time: 2:00 pm.

PRESENT:

KWSB

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|--------------------------------|-------------------------|
| 1. Mr Shaukat Omari | Member - KWSB Board |
| 2.Mr. Aftab Ahmad | Dy. Managing Director |
| 3.Mr. Munawar Hussain | Convener/Advisor (Fin) |
| 4.Mr. Shahid Saleem | Member / DMD (Planning) |
| 5.Mr. Syed Asrar Hussain Zaidi | Member/ CE (Projects) |

TI-Pakistan

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| 1. Syed Adil Gilani | Member / Contract Specialist, Project
Director Integrity Pact Project, TI-Pakistan |
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The Fourteenth Meeting of the Committee was held on the date and time stated above.

Mr. Shaukat Omari briefed the meeting about the presentation on the Transparency in City Government given to the City Mayor on 26th November 2001, and also TI-Pakistan’s on going Project with KW &SB “The Integrity Pact” for Transparency in Public Procurement Procedures. The participants were also informed that the City Nazim was explained the status of Consultancy contract and that KW &SB has taken a decision to cancel the Bids and called fresh Bids based on the pretext of the procedural ambiguity in the PEC Procedures. Application of Least Cost Method of evaluation of bids was recommended to be implemented in KW &SB as it is already used in at least 15 projects by other agencies. The decision to revise the requirements for bidding is contradictory to the decision taken by the Coordination committee to apply the Least Cost Method, following technical evaluation and short-listing of firms.

The revised LOI issued to bidders was then examined and following points were agreed.

1. The Evaluation Criteria after page 39 of the revised LOI [quoted below] is missing which will be issued according to the original LOI.

“The above markings shall be given on the Basis of YES / NO that is if the Engineering Firms has complied with the above request satisfactorily it shall be considered as a YES. If the Engineering Firms does not answer the marking will be based on a NO.

Non-responsiveness or non-compliance of the Technical Proposal to the information required by the TOR and Scope of Work may result in the rejection of the Technical proposal and return of the Financial Proposal unopened to the Engineering Firms.



The Evaluation Criteria submitted to the Engineering Firms during the Pre-qualification stage (Qualification of Firm, Key Personnel and Team Leader etc) shall still apply. So formats and documents should be prepared and submitted accordingly.”

2. That there will be no further subdivision of evaluation main items as it is against objectives of Transparency.
3. That all the 7 items including work load and presentation items as per PEC Bye Laws 1986 SRO 809/96 should be considered in totality for the evaluation of the proposal.
4. That an addendum to this effect will be issued to all Bidders.

Next Meeting

The next meeting will be held on 5th December 2001 at 10 am.

The meeting ended with a note of thanks.



MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB

MINUTES OF THE MEETING

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Fifteenth Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: December 5 2001
Time: 10 am.

PRESENT:

KWSB

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|----|------------------------------|----------------------------|
| 1. | Mr Shaukat Omari | Member - KWSB Board |
| 2. | Mr. Munawar Hussain | Convener/Advisor (Fin) |
| 3. | Mr. Aziz ul Haque | Secretary/PM W on Contract |
| 3. | Syed Mashkoo-ul-Hasnain | Member/ PM (K-III) |
| 4. | Mr. Shahid Saleem | Member / DMD (Planning) |
| 5. | Mr. Syed Asrar Hussain Zaidi | Member/ CE (Projects) |

TI-Pakistan

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| 1. | Syed Adil Gilani | Member / Contract Specialist, Project
Director Integrity Pact Project, TI-Pakistan |
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The Fifteenth Meeting of the Committee was held on the date and time stated above.

The Convener remarked that TI-Pakistan may have discussed any issue it felt against the Transparency regarding K-III Project in the Coordination Committee instead of raising it with the City Nazim. TI-Pakistan clarified that for Complete Transparency in KW &SB, TI-Pakistan has agreed to Work with KW&SB “For Transparency in Public Procurement Procedures” in accordance with decision taken by the KW &SB Board, for which a MOU was also agreed and is awaiting approval of the Chairman KW &SB since last five months. Mr Shaukat Omari Member Board said that award of Consultancy Contract was agreed to be based on the “ Least Cost Method” by the Coordination Committee and the Managing Director, hence Steering Committee should have been presented the merits of this method and that PEC observation should have been replied, quoting 15 projects in which this method is used by other agencies.

It s therefore felt that the Least Cost option first proposed by the coordination committee and approved by the Managing Director and subsequently was the basis for invitation of bids was the preferred option.

In consequence of the decision taken by the Steering Committee against the earlier decision of the coordination Committee and the Managing Director, we are submitting the following recommendations only, which we feel is not fully transparent.

This issue was deliberated by all members and it was agreed to record the following recommendation.

1. The Least Cost Method of Award of Consultancy Contract is the only Transparent Method and is also the most desirable and non-discretionary method to achieve the most



- competitive proposal with lowest cost. The issue has been raised at the Level of City Mayor, whose decision is awaited.
2. However in view of the shortage of time as the Bids are to be received on 8th December 2001, the LOI reissued on the decision of the Steering Committee, needs to be amended to include the following additions to be make the LOI relatively more equitable;
 - a). “The Evaluation Criteria after page 39 of the revised LOI [quoted below] is missing which will be issued according to the original LOI.

The above markings shall be given on the Basis of YES / NO that is if the Engineering Firms has complied with the above request satisfactorily it shall be considered as a YES. If the Engineering Firms does not answer the marking will be based on a NO.

Non-responsiveness or non-compliance of the Technical Proposal to the information required by the TOR and Scope of Work may result in the rejection of the Technical proposal and return of the Financial Proposal unopened to the Engineering Firms.

The Evaluation Criteria submitted to the Engineering Firms during the Pre-qualification stage (Qualification of Firm, Key Personnel and Team Leader etc) shall still apply. So formats and documents should be prepared and submitted accordingly.”

- b) That there will be no further subdivision of evaluation OF THE main items, as it is
 - c) That all the 7 items including work load and presentation items as per PEC Bye Laws 1986 SRO 809/86 should be considered in totality for the evaluation of the proposal and 300 marks Technical Criteria is to reintroduced.
 - d) The work load factor is to be considered by awarding negative marks for proposals for Personnel input within the Firms own staff as per LOI requirement, to be within 50% to 100%. For 50% Staff deduction will be 50 marks, and for 100% no deduction will be made, prorated deductions to be made within this strength.
 - e) The Evaluation of Bids will be strictly based on the procedure laid down in the PEC Bye Laws 1986 SRO 809/86 dated August 1986, and any bid violating the prescribed PEC Bye Law should stand rejected.
3. That an addendum to this effect will be issued to all Bidders on 5th December 2001.

Next Meeting

The next meeting will be held on 15th December 2001 at 2 p.m.

The meeting ended with a note of thanks.



**MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR
TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB**

MINUTES OF THE MEETING

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Sixteenth Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: December 15 2001
Time: 2 p.m.

PRESENT:
KWSB

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|-----------------------------|-------------------------|
| 1. Mr. Munawar Hussain | Convener/Advisor (Fin |
| 2. Mr Shaukat Omari | Member - KWSB Board) |
| 3. Syed Mashkoor-ul-Hasnain | Member/ PM (K-III) |
| 4. Mr. Shahid Saleem | Member / DMD (Planning) |

TI-Pakistan

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| 1. Syed Adil Gilani | Member / Contract Specialist, Project
Director Integrity Pact Project, TI-
Pakistan |
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The Sixteenth Meeting of the Committee was held on the date and time stated above.

Syed Mashkoor-ul-Hasnain informed the committee that six revised proposals are received from prequalified bidders and are kept in safe custody. He also informed that the managing Director, KW & SB has issued a communication in which he has formed new evaluation committee, which will comprise of representatives of Govt of Sindh, Army Monitoring Team, Chief Engineer KDA, and one Chief Engineer and one Executive Engineer KW &SB whose names will be notified later. The communication of MD, KW & SB also directs that the evaluation report is to be completed within three days, and that the Bids are to be kept within KW &SB and not to be out by any member of the evaluation committee.

Syed Adil Gilani discussed the modalities of the compliance of Pakistan Engineering Council evaluation rules as given in the revised LOI. It was agreed that full compliance of these rules will be observed by the Evaluation Committee and Coordination Committee will have a separate meeting with the Evaluation Committee Members immediately after Eid holidays in which guidelines will be thoroughly explained,. This step is necessary for expeditious award and check that PEC Byelaw is fully observed so that no further obstruction in the procurement is encountered. All participants agreed that the project shall proceed with complete Transparency and the award of contracts shall be made only on the basis of lowest cost.

Mr Shaukat Omari persisted that the Least Cost Method is the only Transparent Method of procurement of consultancy which has been advocated by the World Bank and Asian Development Bank, since 1997. He also handed over the copy of the TI-Pakistan letter written to the Chairman WAPDA recommending adoption of the Least Coast Method, and this is also the



most economical and cost effective method the following extracts from World Bank Guidelines for Consultants 1997 were quoted to the committee members'

Recent initiatives to strengthen the procurement process under Bank-financed projects include

- ***Modifying the Procurement and Consultant Guidelines in January 1997, respectively, with a new section headed “Fraud and Corruption,” setting forth how the Bank will disbar from future Bank-financed projects indefinitely or for a stated period a bidder it determines has engaged in fraud or corruption.***
- ***Introducing a provision in the Procurement and Consultant Guidelines to permit, at the request of a borrower, the inclusion in the bid form of an undertaking to observe the laws of the country on fraud and corruption in bidding and execution of the contract (in effect, a “no bribery pledge”).***
- ***Introducing more transparency in the selection of consultants by requiring public advertisement of larger assignments, disclosure of short listed firms and their technical scores, and public opening of financial proposals.***
- ***Worldwide increased use of cost as a factor in the selection of consultants, in both the public and the private sectors.***
- ***Increased emphasis on transparency in the selection process;***

This issue was deliberated by all members and it was agreed that the Least Cost Method of Award of Consultancy Contract is the only Transparent Method and is also the most desirable and non-discretionary method to achieve the most competitive proposal with lowest cost. The issue has been raised at the Level of City Mayor, whose decision is awaited.

It was also discussed that the KW &SB website has been delayed and it will be launched by 1st January 2001 and that Mr. Adnan Mustafa Danishmandi Director MIS will attend the next meeting.

Next Meeting

The next meeting will be held on 21st December 2001 at 2 p.m.

The meeting ended with a note of thanks.



MEETING OF THE COMMITTEE “THE INTEGRITY PACT” FOR TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES IN KW&SB

MINUTES OF THE MEETING

Project Title: “The Integrity Pact” for Transparency in Public Procurement Procedures.
Subject: Seventeenth Meeting of the Transparency in Procurement Procedures in KWSB.
Location: Committee Room, Block C, Project Wing, KWSB
Date: January 8, 2002
Time: 2:30 PM

PRESENT:

KWSB & Evaluation Committee

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| 1. | Mr Shaukat Omari | Member - KWSB Board |
| 2. | Mr. Syed Asrar Hussain Zaidi | Member/ CE (Projects) & Member EC |
| 3. | Mr Amjad Habib | PM (E&M) & Member EC |
| 4. | Mr. Shoaib Siddiqui | EDO (Finance) City Govt. & Member
Evaluation Committee |

Pakistan Engineering Council (PEC).

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| 1. | Mr. Jawaid Khan | Dy Registrar, PEC |
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TI-Pakistan

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| 1. | Syed Adil Gilani | Member / Contract Specialist, Project
Director Integrity Pact Project, TI-
Pakistan |
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Introduction:

The Seventeenth meeting of the Committee was held on the date and time stated above.

This meeting was specially held to clarify the KWSB Evaluation Committee Members the application of Pakistan Engineering Council procedures to evaluate technical and financial Bids received from six prequalified firms/JVs.

Mr. Shaukat Omari briefed the meeting on the successful adoption by KWSB of Transparency in Procurement Procedures, initially in the Selection of Consultants including overwhelming response from 10 Consultants/ Consortiums for accepting the “Integrity Pact”. On the issue to selection of Consultants, it was informed that originally, financial proposals of all those firms who have achieved over 70 % points will be opened publicly, and the bidder whose bid is the lowest will be awarded the Contract. But after the Bids were received, due to complaints made by one of the bidding firm to Pakistan Engineering Council and objections raised by PEC that its procedures are to be adopted by KWSB, the financial bids were returned unopened to all the Six bidders. Then the LOI was amended to include the PEC procedure to open only the top three bids, and invite the Top Bidder to negotiate the financial costs. In case the negotiations fail, then the Second Top Ranking Bidder is invited for negotiations, and similarly if agreement is also not



reached with this bidder, the process is repeated with the Third Top Ranking bidder. He also informed that Dr. Jamil Ahmed Khan, the Chairman PEC on the request of TI-Pakistan has personally deputed Mr. Jawaid Khan, Deputy Registrar PEC to attend the meeting and explain the PEC procedures to the members of Evaluation Committee.

The Technical evaluation criteria were then discussed in detail, and few points asked by Mr. Shoaib Siddiqui & Mr. Amjad Habib were clarified. It was agreed that first the Evaluation Committee will check the responsiveness of all the technical proposals. The responsive bids will then be evaluated for awarding points out of 300 points. The third step will then be taken and Financial Proposals of Top Three Firms will be opened in presence of the representatives of the three bidders.

On a question asked by Mr. Syed Asrar Hussain Zaidi, the Dy Registrar Mr. Jawed Khan confirmed the procedure of KWSB bid documents as fully complying with PEC evaluation rules. On the question of why the Financial Proposals of the three Top Ranking Bidders are to be opened, Mr. Jawed Khan stated that Client is to negotiate the costs with Top Ranking Bidder, and by knowing the competitive costs of three bidders, Client will be in a better position to negotiate financial terms.

On a question asked by Mr. Syed Asrar Hussain Zaidi about the position of a firm with PEC if it is declared as blacklisted by the Government of Sindh, Mr. Jawaid Ahmed clarified that such a firm remains enlisted by PEC, and there is a procedure to hold an enquiry on the complaint of any affected party against firms registered with PEC. And unless and until the full process is completed, the firm remains registered with PEC.

Mr. Syed Asrar Hussain Zaidi also informed that the Consultancy Project will be awarded within the next 4-5 weeks.

Next Meeting

The next meeting will be held in February and the time and place will be finalized later. The meeting ended with a note of thanks.



PRESS COVERAGE GIVEN TO THE INTEGRITY PACT AND TRANSPARENCY IN PUBLIC PROCUREMENT PROCEDURES

BUSINESS RECORDER

KW&SB Goes Transparent in Implementation of Rupees 6 Billion K-III 100 mgd Project

Karachi Water & Sewerage Board in collaboration with Transparency International Pakistan, Chapter has introduced "Integrity Pact (IP)" as anti corruption measure in KWSB Tenders for K-III 100 mgd water supply project. The scheme is part of 13 point Program for Economic Revival of Karachi (PERK) announced by General Perwez Musharraf, the Chief Executive Pakistan on 14 April 2001. While inviting Short-listing and pre-qualification for Consultants and Contractors, KWSB has announced that "Integrity Pact " (IP) a tool developed by Transparency International (TI) to fight corruption in the field of public contracting is condition to be accepted by all bidders. Muhammadmian Soomro, Governor Sindh, Javed Ashraf Chief Secretary Sindh, Shazado Shaikh, Additional Chief Secretary Planning & Development Sindh and Chairman KWSB, Brigadier Bahram Khan, Managing Director KWSB and Board Members of KWSB have taken up the challenge of completing the K-III 100 MGD Project in shortest possible time of 36 months and within the estimated cost. Further in line with the Government of Pakistan's commitment to fight corruption in public contracting, as part of this program, Karachi Water & Sewerage Board (KW&SB) has reviewed its arrangements for the letting and implementation of contracts against criteria of transparency and accountability. KW&SB has announced that it has also set up a special office in the Office of the Managing Director for the investigation and handling of any reports of extortion or bribery in public procurement. Further in line with the Government of Pakistan's commitment to fight corruption in public contracting, the Karachi Water & Sewerage Board KW&SB) is completely revamping its arrangements for the Tendering and implementing of all its contracts and its major stress will lie on Transparency and for providing suitable in-built Checks and Balances within all its Procurement Procedures. Transparency along with Accountability in all its dealing will be emphasized.

The Board of the KW&SB and Managing Director has also decided to set up a WEB Site which will be a part of the Transparency to be practiced by the Organization. All important activities and decisions along with information on the KW&SB itself shall be posted on the Web Site allowing the Public access to most information. Details of this shall be announced later.

The KWSB " Integrity Pact " has the main features such as, a formal and voluntary no-bribery commitment by the bidders, in a separate formal document not to bribe, not to collude with other bidders, to disclose all payments, to report the violation of the IP by other bidders during the bidding process and during the execution of the service a corresponding commitment by the Managing Director KWSB (on behalf of all the officials of that office) not to demand or accept any bribes, and to prevent extortion and the acceptance of bribes by other officials, threat of sanctions by the government office against any officials violating their no-bribery commitment, threat of sanctions by government against any bidders who violate their no-bribery, transparent procurement



procedures, evaluation to tenders by independent committee comprising of experts from professional bodies, commitment involvement of Civil Society in monitoring the bid evaluation, the award decision process and the implementation of the contract, public disclosure of the award decision, including the major elements of the evaluation and the reasons for the selection of the successful bidder. About 40 Contractors and 10 Consulting Firms who applied for pre-qualification and short-listing for K-II Project have accepted to sign the " Integrity Pact". The Transparency International - Pakistan (TI-Pak) with the support of Transparency International - Berlin is giving its full support to the KW&SB in this commendable effort. Earlier in November 2000 the Transparency International - Pakistan organized a Workshop especially for the KW&SB, to Explain the workings of the "Integrity Pact: and particular Procedures for Implementing Transparency in all its procurements The Workshop was chaired by Barrister Shahida Jamil, Minister for Law. In this workshop Two Technical Experts from TI-Berlin and TI-Switzerland were the main speakers.

Daily Dawn Karachi

06 February 2002 Wednesday 22 Ziq'a'd 1422

KARACHI: KWSB OPENS BIDS FOR WATER PROJECT

KARACHI, Feb 5: The Karachi Water and Sewerage Board opened the bids of three top ranking consultants for its K-III 100mgd additional water supply project last week. The bids were opened in conformity with the Pakistan Engineering Council's procedures of award and the city government's emphasis on maintaining transparency.

The consultants offering the lowest financial cost was 62.5 million as against the reported estimated cost for detailed engineering design and construction supervision in the ECNEC- approved PC-1 of Rs Six Billion. If awarded, the contract would save the KWSB a net saving of 75 per cent, which comes to about Rs185.5 million.

The Rs6 billion K-III project is part of the 13-point Programme for Economic Revival of PERK. The federal government has approved the full cost of the project as a grant and sanctioned Rs. 2 billion in the 2001-2002 budget.

The coordination committee, in its very first meeting held with the Transparency International, Pakistan, decided to implement the resolution of the Water Board and with the support of its managing director decided to adopt and implement the "integrity pact" which would bring transparency within the procedures for selection of Consultants and contractors in its K- III project.

The procedures for selection of consultants prescribed by the PEC and adopted for evaluating the technical prospects submitted by pre-qualified bidders were unique in that the KWSB fixed a pre-determined set of valuation criteria which removed all



discretionary powers of the committee and even allowed the bidders to evaluate their bids themselves.

In evaluating the proposals, then evaluating committee restricted itself to the evaluating criteria and the PEC's by-laws thereafter the three top bidders were invited for public opening of their financial bids.

The policy of the KWSB was described as an example worth- emulating by other departments of the city government for application in the projects of similar magnitude.-
Associated Press of Pakistan

Daily Dawn

27 January 2002 Sunday

Govt's right to blacklist Nespak disputed

By Our Staff Reporter

LAHORE, Jan 26: The Pakistan Engineering Council disputed on Saturday the Sindh government's right to blacklist the National Engineering Services Pakistan (Nespak).

In a letter to the Sindh government, it said that the PEC "is the only authority to determine professional misconduct and subsequent action against a consulting engineer." It also asked for an immediate withdrawal of the decision. "Normally, a procedure to resolve a dispute is written in the agreement prior to starting the work. In the absence of such clause, the Sindh government could have invoked the Professional Liability Clause according to the law. But declaring a consultant engineer black listed is the sole right of the PEC under Article-20 of the PEC Act-V of 1976."

The PEC further asked the Sindh government to furnish details of its complaints against NESPAK so that a proper decision could be taken.

The NESPAK on its part also cried foul after being black listed by the Sindh government. "There is something more than what meets the eyes," a NESPAK official claimed.

The Supreme Court has also set a procedure for black listing a company that has not been observed by the Sindh government, he said.

The company went into damage control exercise on Friday when its MD spoke to Sindh governor and offered to hold an independent inquiry into the matter. The governor reportedly promised an early decision.

About the dispute, the NESPAK official said that the company was hired for consultancy services for a few housing colonies. Interruption in release of funds and undue delays in



implementation of plans forced the NESPAK to opt out. It requested the Sindh government in 1998 and the contract was terminated in October 200. The termination letter did not include any of the allegations leveled by Sindh now.

The official said that the decision has been motivated by NESPAK's successful bid for two projects - the Greater Karachi Bulk Water Supply Scheme and a few roads and bridge projects by the Karachi Development Authority worth billions of rupees.

Daily Dawn

January 26 2002

City Govt criticized on K3 contract

By Our Reporter

KARACHI, Jan 25: The Pakistan People's Party has criticized the efforts by the KWSB to award the designing and supervision of the K-3 water supply project to an "inexperienced" firm , whose sole qualification is that their tax adviser is the current Nazim of Karachi.

One of the employees of the firm was the current Naib Nazim of a Town in Karachi, it added.

In a press statement on Friday, PPP leaders expressed surprise over the reported decision, saying other experienced firms, which had applied to form a consortium for carrying out this work, were not considered.

They criticized the city government for "undue interference" in the evaluation process and efforts to award the work solely on party basis instead of merit.

They demanded of the government to investigate the matter and connection of the Nazim/Naib Nazim with the firm. Those who criticized the perceived move included Syed Qaim Ali Shah, Syed Khursheed Shah, Nisar Khuhro and Taj Haider.



THE NEWS KARACHI

Wednesday, June 27, 2001-- Rabi-us-Sani 04,1422 A.H

KWSB bidders made to sign 'integrity pact'

By our correspondent

KARACHI: All bidders pre-qualifying for the 100 MGD (mega-gallons daily) Greater Karachi Water Supply Scheme (K-III) of the Karachi Water and Sewerage Board have been made to sign an "Integrity Pact", (IP), a tool developed by Transparency International to fight corruption in the fields of public contracting.

The IP features a formal and voluntary no-bribery commitment by the bidders and they would not indulge in bribery. A similar commitment has been made by the Managing Director on behalf of all employees of the KWSB that they would not demand or accept any bribes.

Besides, the KWSB would also be setting up a special office under the supervision of the Managing Director for investigation in any report of malpractice or bribery in public procurement said a statement here on Tuesday.

This is part of a programme launched by the international body to bring about transparency in public procurement procedures in the KWSB. The decision to implement the IP had been taken by a meeting of a special committee constituted by the KWSB Board of Directors.

[The News International, Pakistan](#)

THE BUSINESS RECORDER

Water and Sanitation

Karachi Water and Sewerage Board save Rs 180 million through clean bidding in K-III water supply scheme

RECORDER REPORT

KARACHI (February 05 2002) : By amending the standard procedure, laid down by the Asian Development Bank, and adopting a more transparent methodology for awarding consultancy work on projects, the Karachi Water and Sewerage Board (KW&SB) has been able to reduce the cost by 64 percent, it is learnt.

The ADB in a communication has indicated that it would place the new methodology for adoption by its Board of Directors in April this year.



Last week, the Karachi Water & Sewerage Board opened the bids for its K-III Water Supply Scheme of the three top ranking consultants. The bids were opened in conformity with Pakistan Engineering Council's Procedures of Award and on the insistence of Karachi City Government that the process must be completely transparent. The bid of the consultant offering the lowest financial cost was Rs 62.5 million.

It is known that the estimated cost for detailed engineering design and construction supervision in the ECNEC-approved PC-I of Rs 6 billion Karachi Water Supply Scheme (Project for K-III 100 MGD) was Rs 249 million. The present policy of the City Government for transparency in procurement procedures which it is trying to implement in all departments has already started paying dividends. This award may well give the KW&SB a net saving of 75 percent, which is about Rs 185.5 million.

This Rs 6 billion Scheme K-III is part of the 13-point 'Programme for Economic Revival of Karachi' (Perk), announced by President Pervez Musharraf on 14 April, 2001, and the federal government has approved full cost as 'grant', and also sanctioned Rs 2 billion in the budget for 2001-02.

The Procedures for Selection of Consultants, prescribed by Pakistan Engineering Council (PEC), adopted for evaluating the technical proposals submitted by the pre-qualified bidders are unique in that KW&SB had to fix a predetermined set of valuation criteria which removed all discretionary powers of the committee and even allowed the bidders to evaluate their bids themselves. The evaluation criteria were also provided to all bidders. The evaluation committee formed by the Managing Director, KWSB, included two members of KW&SB and three from outside--one each from Army 5 Corps, KDA, and Government of Sindh.

In evaluating the proposals the evaluating committee restricted itself to the evaluation criteria and PEC bylaws. The three responsive top ranking bidders were then invited for public opening of their financial bids with the following rankings and costs.

First, Techno Consult---Rs 70 million plus; Second, Osmani Associates - Rs 60 million plus; Third, Engineering Associates with Louis Berger USA - Rs 90 million plus.

The net saving for the KWSB is estimated at nearly Rs 185.5 million, from the PC-1 estimate of nearly Rs 249 million.

Karachi City Nazim Naimatullah Khan and KWSB Managing Director Brigadier Mohammad Bahram Khan must be pleased at this outcome.

Independent observers commented that this policy of KW&SB should serve as an example which should be a challenge for other departments of the City Government and if applied to other projects will surely save, for the exchequer, a substantial sum of money which can be utilized elsewhere for much needed improvements planned by the City Government.

The City Government also intends to apply the same transparent evaluation criteria in its forthcoming projects for the construction of three bridges on Share-a-Faisal.

Another project that is presently under consideration by Sindh Irrigation Department and is being monitored by the 5 Corps, which may also give a considerable saving to the Government if the PEC Bye-laws are similarly applied, is the detailed engineering design for the RBOD Sehwan-



Gharo Drainage Scheme, where the difference between the submitted bids of first and third top ranking consultants is nearly Rs 120 million, the first ranking having bid the price of Rs 180 million in comparison to the third ranking firm's bid price of Rs 60 million.

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