

PTA hires three consultants for Rs70m

\$2b 3G auction gets dirty, challenged by PTA director; chairman says he has authority to take action

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ISLAMABAD: Already in doubt, the high profile future auction of 3G spectrum, expected to fetch between one to two billion dollars, has become a serious controversy as one of the three members of the Pakistan Telecommunication Authority has questioned the validity and legality of the consultants hired by the PTA for the purpose.

In his letter written to Principal Secretary to the PM, the cab-

inet secretary, secretary information technology, chairman PTA and others the PTA Member Technical Dr Khawar Siddique Khokhar revealed that the recent appointment of three consultants on hefty salaries (US\$ 700,000 — about Rs70m) is in violation of the PPRA rules and without the knowledge of the Authority.

He conveyed to all concerned that these hirings' involve

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violation of Pakistan Telecommunication (Re-organization) Act, 1996 as well as the Public Procurement Regulatory Authority (PPRA) Rules, 2004.

In the backdrop of Transparency International and other international bodies recent reports about massive corruption in Pakistan, such a non-transparent process for 3G auction would further the negative perception about Pakistan both internally and internationally.

On 20 November 2012, Farooq Awan, Chairman PTA informed the media that three foreign consultants were hired to prepare software and design process to bring openness and transparency but now one of the three members of the Authority revealed that the process of hiring the consultant itself lacked transparency and involves legal violations.

Under the PTA Act 1996, the Member Technical Khokhar underlined that signing of all kinds of contracts is the responsibility of the Authority but disclosed that he had come to know through the media about the hiring of the three consultants.

"The chairman alone, without

involvement of any of the Authority member and even without the financial concurrence of the Member (Finance) have hired and signed contract with three foreign consultants to whom approximately \$0.7 million would be paid as per reports in the media," reads Khokhar's letter, a copy of which is available with The News.

The PTA chairman when approached confirmed that his member technical had objected to the appointments of the consultant for 3G auction but insisted that the member is ignorant about the facts of the case.

Chairman Farooq Awan said that under the PTA Act the chairman has the authority to appoint advisors/consultant without consulting the authority.

Secondly, he said that these appointments do not involve any violation of PPRA Rules.

The chairman PTA said that he would soon respond to the letter of Member Technical and assured that the process would be followed in a transparent and fair manner.

The letter shows that both members of Authority including Member Finance and Member Technical were not part of this decision making. The sources

said that signing of all kinds of contracts is responsibility of the Authority under Section 5(m) of aforesaid Act; all financial powers rest with the Authority under Section 13(1); introduction of 3G for modernization of telecom services falls under powers of Authority under Section 4(e); and carrying out auction of spectrum is also sole responsibility of Authority under Section 5(2)r of the Act.

After two failed attempts to hire a consultant for 3G auction, PTA advertised a notice of Short Term Advisory Opportunity on 6th November 2012 for four positions for consultants of international repute to assist PTA in auction process and gave only seven days for submission of applications. Rule 13 of PPRA Rules, 2004 states "under no circumstances, the response time (for submission of bids) would be less than 15 days for national competitive bidding and 30 days for international competitive bidding from the date of publication of advertisement or notice".

PTA however, hurriedly gave just seven days for submission of applications and then announced selection of Rob Nicholls, Dennis Ward and Martin Sims as consultants on 20

November 2012. An amount of Rs70 million would be spent by PTA on hiring of these consultants for three months period.

The Prime Minister Raja Perwaiz Ashraf, who also happens to be the Minister Incharge for IT, has constituted an Auction Supervisory Committee (ASC) headed by Dr. Abdul Hafeez Sheikh, Minister for Finance, which has approved the appointment of consultants in its meeting held on 20 November 2012.

In October 2012, a committee consisting of nine members from PTA, Frequency Allocation Board (FAB) and Ministry of IT, had unanimously disqualified all three consulting companies which applied to PTA in response to earlier advertisement of Request for Proposals (RFP) and submitted the evaluation report to the Authority.

Sources cite that only three companies applied and subsequently disqualified due to an inappropriate qualifying criteria while ignoring the reservations of committee members. Lack of transparency and corruption in mega public contracts has been cited by Transparency International as major reason keeping foreign investment away from Pakistan.