



Pakistan Steel Mills



TIP Observer status in Pakistan Procurement & Sales Process

Pakistan Steel and Transparency International Pakistan (TIP) had signed a Memorandum of Understanding (MoU) on 16 June 10, 2004, whereby both the esteemed organizations showed their commitment to work together and enhance the element of transparency in Pakistan Steel procurement process. It was also agreed that the Pakistan Steel Mills – Karachi will establish accountability in all its dealings and will to all intents and purpose try to provide the necessary Checks and Balances in its effort towards an all encompassing Transparent Procurement System in its effort to reduce corruption in procurement.

Pakistan Steel has always strived to maintain complete transparency in its procurement and sale processes and would like to enhance the scope of TIP's involvement in its procurement and sales by inviting TIP to be an observer in all its major procurement and sales policy making, as well as processing meetings.

Both parties on 23rd August 2010 agree to incorporate the following agreed terms in the MoU for more transparency in Pakistan Steel affairs.

TIP will be an observer in all PS procurement of over R 10 million, and sale with immediate effect. The Scope of Observer will encompass the following:

- Adoption of TIP Recommended procurement and sale procedures.
- Compliance with the agreed guidelines as mentioned in the vetted tender document;
- Tender & Sales documents are made available to all interested parties and posted on the website;
- Tender & Sales evaluation criteria is fully detailed and made available in tender documents as well as on website;
- Complaints, if any, received from the aggrieved party are addressed on merit within 72 hours, with maximum time of 15 days for procurement complaints as provided for in Public Procurement Rule 2004,
- In case any anomalies are identified during the procurement surveillance, TIP shall inform CEO Pakistan Steel on the same.
- Pakistan Steel will ensure that TIP's observations are addressed promptly.

Signed on behalf of Pakistan Steel

Imtiaz Lodhi

Chief Executive Officer

Witness

Mr. ADNAN A. KEHAR
23/8/2010

Signed on behalf of TIP

23/8/10
Syed Adil Gilani
Chairman

Witness

Saad Rashid
Executive Director