

A farcical bidding process

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The procedure adopted by the Government of India and its agencies dealing with the modernisation and privatisation of airports raises serious issues of transparency and fair play. The airport modernization programme, which was conceived during the NDA regime, was taken up by the UPA government. But instead of becoming a glorious achievement, it has become messy shrouded in controversy.

The government process of inviting bids, putting them through a pre-qualifying selection round, and then short listing them before opening the financial bids has been going on for nine months. A Committee of Secretaries, a Government Review Committee and the EGoM were all involved in this exercise. Finally a technical sub-group, constituted at the behest of the cabinet secretary at the last stage of the award process, made it clear that only GMR-Fraport qualified for bidding.

Technical parameters were selectively evaluated. It changed inter se weightage of certain parameters in the last stage to oust one (ADAE), and overlooked some other parameters to favour another (GMR). InfraLive's special story shows just how this was done. In particular, the action of the technical experts was directed to ensure ADAE's ouster. It did this by trashing the evaluation committee's technical marking of ADAE's bid. It pitched for moderating marks below 80 per cent - the qualifying score. After accomplishing this, it halted the re-evaluation for other bidders.

GMR Infrastructure Limited was given the right to choose from Delhi and Mumbai. GMR chose Delhi. Technical adherence was forgotten for Mumbai, and the highest financial bidder, GVK got this airport.

It is apparent that the tender was fixed. GMR qualified for Delhi on its strength of its technical marks (because here Reliance's offer was commercially better); GVK qualified for Mumbai on its strength of higher revenue share offer (because here Reliance's offer was technically better).

If the Central Vigilance Commission (CVC) were to judge this process, what would it say? The guidelines are clear. It states that whatever pre-qualification, evaluation/exclusion criteria, etc., which the organization wants to adopt should be made explicit at the time of inviting tenders so that basic concept of transparency and interests of equity and fairness are satisfied. The process would fail CVC's transparency test.