

SENATE OF PAKISTAN



REPORT OF THE SENATE STANDING COMMITTEE
ON HOUSING & WORKS

The Starred Question No. 69 asked by Senator Mohammad Humayun Mohmand in the Senate sitting held on 25th July, 2025, regarding details of bidding process for the award of contract of Lifestyle Residency project referred by the House to the Committee for consideration and report.

PRESENTED BY

SENATOR NASIR MEHMOOD
CHAIRMAN
STANDING COMMITTEE ON HOUSING & WORKS

SENATE SECRETARIAT

Subject: REPORT OF THE SENATE STANDING COMMITTEE ON HOUSING AND WORKS ON QUESTION NO. 69 ASKED BY SENATOR MOHAMMAD HUMAYUN MOHMAND IN THE SENATE SITTING HELD ON 25TH JULY, 2025.

I, Senator Nasir Mehmood, Chairman of the Senate Standing Committee on Housing and Works have the honor to present, on behalf of the Committee, this report on Starred Question No. 69 asked by Senator Mohammad Humayun Mohmand regarding details of bidding process for the award of contract of Lifestyle Residency project.

2. The composition of the Committee is as under:

1. Senator Nasir Mehmood Butt	Chairman
2. Senator Bilal Ahmed Khan	Member
3. Senator Jan Muhammad	Member
4. Senator Hidayat Ullah Khan	Member
5. Senator Abdul Shakoor Khan	Member
6. Senator Khalida Ateeb	Member
7. Senator Husna Bano	Member
8. Senator Muhammad Aslam Abro	Member
9. Senator Niaz Ahmad	Member
10. Senator Saifullah Abro	Member
11. Senator Naseema Ehsan	Member
12. Senator Azam Nazeer Tarar	Member
13. Senator Saifullah Sarwar Khan Nyazee	Member
14. Senator Liaqat Khan Tarakai	Member
15. Minister for Housing & Works	Ex-Officio Member

3. The Committee placed Starred Question No.69 on the agenda of the Committee in the meetings held on 12th August, 2025, 7th November, 2025, 11th December, 2025, 7th January, 2026, 22nd January, 2026 and 5th March, 2026. The following members of the committee attended the meeting held 11th March, 2026, wherein the matter was disposed off.

1. Senator Nasir Mehmood	Chairman
2. Senator Jan Muhammad	Member
3. Senator Hidayat Ullah Khan	Member
4. Senator Muhammad Aslam Abro	Member
5. Minister for Housing & Works	Ex-Officio Member

4. The Committee was informed that an Expression of Interest (EOI) was issued on 27 August 2009, specifying the selection criteria for Lifestyle Residency Project. It was explicitly stated in the EOI that the participating company, firm, or consortium must be certified by the Securities and Exchange Commission of Pakistan (SECP). Additionally, there was no mention of certification by the Pakistan Engineering Council (PEC). In response to the EOI, twelve (12) applications were received. Out of these, four (4) were shortlisted by a Sub-Committee. Subsequently, M/s Progressive Motels and Resorts was approved and selected as the Joint Venture (JV) Partner for the construction of apartments by the Executive Committee. The JV agreement was formally signed on 19-03-2010, and EHFPRO (Pvt.) Ltd., the special purpose vehicle for the project, was incorporated and registered with SECP on 24-05-2010.

5. The Committee further conducted a detailed analysis of the bidding criteria and raised concerns regarding the disqualification process. It was specifically noted that the first company on the list was disqualified on the grounds of

not submitting a bank guarantee, despite the fact that submission of a bank guarantee was not a mandatory requirement as per the published criteria. This raised questions about the transparency and fairness of the shortlisting process. In response, the Ministry acknowledged the concern and informed the Committee that an audit of the project is currently underway.

6. The Ministry further briefed the Committee that in 2020, the design of the Lifestyle Residency Project was revised due to the rationalization of the project in response to demographic expansion and urban pressures/threshold. It was noted that the project commenced after a delay of six years, during which the cost of construction significantly increased, primarily due to inflation and changes in market dynamics. However, in contrast, the value of the land decreased, which the Ministry attributed to an ineffective response from potential buyers/investors. The Committee expressed concern over the depreciation of land value, particularly in the context of rising construction costs and urban expansion.

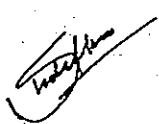
7. The Committee sought clarification on the allocation of units between Federal Government Employees and the general public. The Ministry responded that 75% of the units were allocated to Federal Government Employees, while 25% were reserved for the general public.

13. The Committee was further briefed that the contractor M/s Progressive Motels and Resorts to whom the project had been awarded, associated M/s Granite as an additional partner, in violation of the conditions of the original Joint Venture agreement. In addition, it was revealed that the Executive Board had surrendered all executive powers to M/s Progressive, effectively rendering FGEHA a nominal partner in the venture. The Committee expressed strong displeasure over this decision, particularly given that many members of the Committee were senior government officials. The Committee recommended that the decision to relinquish executive control, which effectively reduced FGEHA to a nominal partner, be reviewed and reversed. The Committee also recommended that strict accountability measures be initiated against those responsible for associating M/s Granite as an additional partner in violation of the original Joint Venture agreement, and for surrendering executive powers to M/s Progressive in disregard of FGEHA's mandated oversight role.

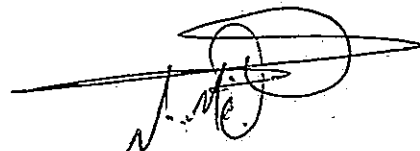
14. The Committee also expressed deep concern over the delay in arbitration proceedings subsequent to 2012. In response, the Ministry briefed the Committee that the project formally commenced in 2016, and by 2020, approximately 75% of the construction work had been completed. To accommodate the increase in construction costs due to price escalation, two additional floors were added to the project, designated for commercial shops. It was further informed that some of these shops have already been sold. The Ministry also informed the Committee that, as part of a revival plan, three plots were separated from the original project area after approval by the Executive Board (EB). Consequent upon this decision, a designated plot was successfully auctioned for Rs. 1.64 billion.

15. The Committee was further informed that the Joint Venture (JV) agreement had been formally terminated, following the issuance of all necessary notices as per legal requirements. It was also briefed that an independent third-party audit of EHFPRO (Pvt.) Ltd. is to be conducted by M/s Iqbal Yasir & Co., as part of transparency and accountability measures. The Secretary Housing also assured the Committee that no new projects would be initiated until the completion of ongoing projects.

7. As the mover did not attend the committee meetings due to the boycott, the committee, after taking a detailed briefing and holding deliberations, decided to dispose of the matter.



(SHAHANA IFTIKHAR)
DG/Secretary Committee



(SENATOR NASIR MEHMOOD BUTT)
Chairman Committee