



**TRANSPARENCY
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22 March 2011

Secretary,
Ministry of Privatization,
Privatization Commission,
Government of Pakistan.
5-A, Constitution venue, EAC Building,,
Islamabad

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Sub: Violation of Public Procurement Rules, 2004-for the Selection of Financial Advisory
Consortium for Issue of OGDCL Exchangeable Bond

Dear Sir,

The Invitation of Expression of Interest notice published in Daily Dawn dated 12 March 2011 for the Selection of Financial Advisory Consortium for Issue of OGDCL Exchangeable Bond, is in violations of Rule No 5 & 6 of Public Procurement Regulations for Procurement of Consultancy Services notified in Nov. 2010. No Evaluation Criteria has been published, demanding processing fee of US \$ 10,000, and minimum time allowed shall be 30 days for international bidding, under Public Procurement Rules 2004, Rule No 13, whereas PC is has given the last date of submissions as 12 April 2011, allowing only 21 days.

Due to the above violations, under Rule No 50, this procurement is deemed to be declared as mis-procurement, unless it is re-invited, following the PPRA Ordinance 2002, and Public Procurement Rules 2004 and Public Procurement Regulations for Procurement of Consultancy Services. PC is allowed to as to payment of price of prequalification documents, if any, but the price means the cost of printing and providing the documents only, and not \$ 10,000.

We refer to the Supreme Court decision in an order on 28th April 2010 in case of disputed award of multibillion dollar LNG contract to GDF-Suez, "**Here we may observe that it is the duty of the court to ensure that the Public Procurement Regulatory Authority Ordinance 2002 read with the Public Procurement Rules 2004 are adhered strictly to exhibit transparency.**"

We enclose Notification of PPRA dated 7 July 2009, which has reminded all procuring agencies to issue a set of prequalification documents in case of prequalification process under Rule No 12, and request PC to prepare such documents while re inviting this expression of interests.

Yours Sincerely,


Syed Adil Gilani
Chairman

Copies forwarded with request for action to be taken to implement Rule of Law,

1. Chairman Public Accounts Committee, National Assembly, Islamabad.
2. Chairman, NAB, Islamabad.
3. Auditor General Pakistan, Islamabad
4. Registrar, Supreme Court Pakistan.
5. Managing Director PPRA, Islamabad.



Government of Pakistan
 Ministry of Privatisation
Privatisation Commission
 www.privatisation.gov.pk

**Invites
 Expression of
 Interest**

for Appointment of

**FINANCIAL ADVISORY
 CONSORTIUM**

**FOR ISSUANCE OF
 OGDCL EXCHANGEABLE
 BONDS**

BY MONETIZING UP TO 10% OF
 GOVERNMENT OF PAKISTAN'S
 SHAREHOLDING (UP TO
 430,000,000 SHARES) IN OIL
 AND GAS DEVELOPMENT
 COMPANY LIMITED (OGDCL)
 ("TRANSACTION")

Oil & Gas Development Company ("OGDCL") is the largest petroleum exploration, production and development company in Pakistan, listed on all three Stock Exchanges in Pakistan as well as on London Stock Exchange.

In 2003, Government of Pakistan ("GoP") divested 4.98% of OGDCL shares via an IPO followed by secondary offering of 9.5% shares in the form of Global Depository Receipts ("GDRs") in London Stock Exchange and simultaneous offering of 0.5% to the general public in 2006. **GoP further divested OGDCL shares via the Benazir Employee Stock Option Scheme (BESOS) where (10.2%) was provided to the company employees.** Presently, GoP holds 74.82% of OGDCL shares and plans to monetize up to 10% OGDCL shares by means of an issuance of Exchangeable Bond to international institutional investors ("Transaction").

In this regard, PC invites EOIs from Financial Advisory Consortia, for the issuance of OGDCL Exchangeable Bonds. The Transaction will be jointly led by at least 2 (two) international Bookrunners who have recognized equity linked sales, distribution, and underwriting capabilities and demonstrable track record of successfully managing such issuances. **The FAC should preferably include a local financial institution as part of the consortium.** The Interested Parties ("IPs") should also demonstrate post issuance backup capabilities and provide after listing performance of the recent equity linked instruments they have successfully listed.

It is expected that Financial Advisory Consortium (FAC) will include indicative recommendations for FAC's International Legal Counsel, Pakistan Legal Counsel, and Accountants. However all final third party appointments will be made in consultation with PC.

Your EOIs should contain, in no more than 15 pages, a statement of your technical qualification comprising experience of equity linked underwriting strength, distribution capabilities, presence and commitment to Pakistan, knowledge of the Oil & Gas Industry and OGDCL, advisory to emerging market entities for international listings, and competence and commitment of the team.

Interested Parties are advised to submit EOIs as soon as possible but not later than three weeks from the issuance of EOI. The Request For Proposal ("RFP") package inviting Technical and Financial proposals would be dispatched/e-mailed to the short listed IPs as and when EOIs are received. The last date for the submission of the Technical & Financial proposals will be advised at later point.

The EOIs should be accompanied by a non-refundable processing fee of USD 10,000-(U.S. Dollars Ten Thousands Only) **or equivalent Pakistani Rupees** in the form of a bank draft or pay order in favour of Privatisation Commission, Government of Pakistan, payable at Islamabad. The last date for submission of EOIs is **April 12, 2011.**

For further information/queries please contact:

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Ministry of Privatisation, Privatisation Commission
 5-A, Constitution Avenue, EAC Building, Islamabad

PID(I)4314/10

This advertisement is not intended to be, and should not be construed as any representation or warranty, express or implied, with respect to any statement made herein. An EOI shall not be construed as an offer.



No.F.2(9)/DD-II/PPRA/2009
GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(CABINET DIVISION)
FBC BUILDING, SECTOR G-5/2

Hafeez ur Rehman
Managing Director
Tel: 051-9224824
Fax: 051-9224823

Islamabad, the 7th July, 2009

Subject: IMPLEMENTATION OF PUBLIC PROCUREMENT RULES, 2004

My dear

Public Procurement Regulatory Authority (PPRA) works through PPRA Ordinance, 2002 and Rules notified in 2004 to improve governance, management, transparency, accountability and quality of public procurement of goods, services and works.

2. Violations of Rule-16 by procuring agencies have been reported numerously at the time of prequalification notices published in the print media for the selection of bidders. To refresh, Rule-16 provides:

1. The procuring agency engaging in pre-qualification shall announce, in the pre-qualification documents, all information required for pre-qualification including instructions for preparation and submission of the pre-qualification documents, evaluation criteria, list of documentary evidence required by suppliers or contractors to demonstrate their respective qualifications and any other information that the procuring agency deems necessary for pre-qualification.
2. The procuring agency shall provide a set of pre-qualification documents to any supplier or contractor, on request and subject to payment of price, if any.

Explanation:- For the purposes of this sub-rule price means the cost of printing and providing the documents only.

3. We seek your kind cooperation for adherence in letter and spirit.

With regards,

Yours sincerely

Sd/-
Hafeez ur Rehman

All Federal Secretaries
Procuring Agencies