



17th December, 2014

Mr. Khuwaja Muhammad Asif,
Federal Minister for Water & Power,
Government of Pakistan,
Islamabad.

**Sub: Violation of Public Procurement Rules 2004, Chief Executive Officer, IESCO, Islamabad's
Tender Notice for Development Power Project.**

**Reference to Chief Engineer's letter No. 6031- 34/ PMU/IESCO/ADB/OSPPP, dated 9th
December, 2014.**

Dear Sir,

TI-Pakistan is forwarding the clarification of Chief Engineer (Development), IESCO dated 9th December, 2014, received in the office on 15th December, 2014, which is contradictory to the Public Procurement Mandatory Rules (Copy Enclosed).

According to Rule 23(5), the tender document cost shall only be the cost of printing of the documents. This Rule is provided for the purpose of inviting wider competition, and clearly means that the cost of preparing the documents viz. consultancy cost, or cost of publishing the documents in newspaper.

Moreover according to NAB directives vide letter No 5-2 (75) Pre/ A & P/ NABHQ/ 2013 dated 8-1-2014, the IESCO is required to upload the tender documents on its website, so that bidders can download and submit their bids.

This act of NAB is also to address the collusive practices by few procuring agencies, which were reportedly not providing the tender document to all except to the pre-fixed bidders.

Transparency International Pakistan requests the Minister to kindly take note of this violation, and issue special directives to the Chief Engineer (Development), IESCO and general directives may also be issued to all departments under the ministry to adhere to PPRA 2004, Rule 23(5) in particular, and all other rules in general.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,


Sohail Muzaffar
Chairman

Copies forwarded for the information with request to take action under their mandate to:

1. Secretary to Prime Minister, Islamabad.
2. Mr. Khurshid Shah, Leader of Opposition & Chairman, PAC, National Assembly, Islamabad.
3. Chairman, NAB, Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad.
5. Managing Director, PPRA, Islamabad.
6. Mr. Ghiasuddin Ahmed, Chairman, IESCO, Islamabad.



26th November, 2014

Mr. Muhammad Yousaf Awan,
Chief Executive Officer,
IESCO,
Islamabad.

Sub: Violation of Public Procurement Rules 2004, Chief Executive Officer, IESCO, Islamabad's
Tender Notice for Development Power Project.

Dear Sir,

This is with reference to IESCO, Islamabad's Tender Notice published in daily "Dawn" on 24th November, 2014. It is observed that the advertisement is in violation of the Public Procurement Rules 2004.

As per advertisement it is mentioned that the RFP will be issued upon non-refundable payment of PRs 100,000/- for each lot separately, which appears costly in light of the Procurement rule and is violation of Public Procurement Rules 2004, Rule 23(5). The Rule is quoted below for your reference;

25. Bidding documents.– (5) The procuring agency shall provide a set of bidding documents to any supplier or contractor, on request and subject to payment of price, if any.

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

The above information is forwarded for the purpose of avoiding the mis-procurement charge under Rule No 50, and with request to re-invite the tender under the prescribed procedures or issue a corrigendum and extend date accordingly.

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With Regards,


Sohail Muzaffar
Chairman

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CARE Clean, Affordable, Reliable, Energy An Initiative of the Government of Pakistan

INVITATION FOR BIDS

GAS BASED SHORT-TERM POWER GENERATION PROJECT

The Government of Pakistan (GOP) is making concerted efforts to alleviate the energy shortages in the country and all possibilities for affordable generation in the minimum possible implementation timeframe are being explored. The GOP is envisaging the interim utilization of pipeline specification gas and natural gas available at various gas fields for short-term power generation purposes.

Islamabad Electric Power Company (IESCO) invites separate Bids from interested power generation companies for development of the following Power Project:

NAME OF GAS FIELD	OPERATOR OF GAS FIELD	LOCATION	AVAILABILITY OF GAS (MMCFD)	HEATING VALUE BTU	PERIOD OF GAS AVAILABILITY / TERM OF PROJECT (YEARS)	NOMINAL SIZE OF POWER PLANT (MW)
Soghari	OGDCL	Soghari, Attock	17	1050	1	60

Salient Parameters of the Project are as follows:

Construction, Operation and Maintenance: The Bidder will be responsible for Construction, Operation and Maintenance of the Power Generation Complex, Gas Pipelines, and Transmission lines up to the designated interconnection point for the Term of the Project.

Fuel: Pipeline Specification Gas or Natural Gas to be provided by the Gas Producer at Well Head.

Technology: Gas Engines or Gas Turbines

Project Commissioning: The Project(s) will be required to achieve Commercial Operations within One Hundred (100) days of the signing of the Energy Purchase Agreement (EPA).

Interconnection Facilities: Bidders will be responsible for financing and construction of the gas pipelines, interconnection transmission lines and facilities up to the designated interconnection point as per the Request for Proposal (RFP).

Bidding Approach and Evaluation Criteria: A Single-Stage Two-Envelope Bidding Approach will be adopted for evaluation of the Bids.

- Contents of Envelope-I (Technical Proposal) will be evaluated for Technical Qualification as per RFP. The Envelope-II (Financial Proposal) of only Technically Qualified Bidders will be opened and evaluated according to the RFP.

- Single Evaluation Criteria based on lowest Tariff offered by Technically Qualified Bidders will be used. The Technically Qualified Bidder with the Lowest Delivered Electricity Tariff (\$/Kwh) will be declared the Successful Bidder after Tariff approval by National Electric Power Regulatory Authority (NEPRA).

Power Purchaser: The Successful Bidder will sign the Energy Purchase Agreement (EPA) with the Power Purchaser.

Payment Security: The Power Purchaser will provide a Stand by Letter of Credit (SBLC) or Escrow Account securing its payment obligations under the EPA as per the RFP.

Detailed Terms and Conditions for the Project will be available in the respective RFPs.

Other Conditions:

- RFP will be issued upon non-refundable payment of Rs. 100,000 for each lot separately.
- RFP can be purchased at any time during official working hours from 1st December 2014 till 29th December 2014 from office of Chief Engineer (Development) PMU, Islamabad Electric Supply Company, St # 40, Sector G-7/4 IESCO H/Q Islamabad Phone # +92-51-9252908 Fax +92-51-9252345
- Pre-Bid Conference will be held on 10th December 2014.
- Payments to be made through demand draft/pay order drawn in favour of CEO IESCO, Islamabad payable at any bank branch located in Islamabad.
- The interested party/parties will be required to submit a refundable Bid Bond @ Rs 200,000 per Megawatt and non-refundable bid evaluation fee of Rs. 1,000,000 for each project/ lot separately with its Bid.
- The sealed Bids complete in all respects, in accordance with the RFP, must reach IESCO Office, latest by 31st December 2014 by 1230 Hrs.
- The received Bids will be opened at 1430 Hrs on the same date in the presence of authorized representative of the bidder.
- IESCO reserves the right to reject any or all Bids.

CHIEF EXECUTIVE OFFICER

Islamabad Electric Supply Company,

St # 40, Sector G-7/4 IESCO H/Q Islamabad Phone # +92-51-9252902, Fax: +92-51-9252893



ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED

Tele: Pabx: 051-9252937-39 Ext: 352
Direct: 051-9252519 / 051-9235001
Fax: 051-9252345 / 051-9252978

Office of
Chief Engineer (Dev.)
IESCO, Head Office,
Street No.40, G-7/4 Islamabad

No: 6031-34 /PMU/IESCO/ADB/OSPPP

Dated: 09-12-2014


Mr. Sohail Muzaffar
Chairman
Transparency International Pakistan
5-C, 2nd Floor, Khayaban-e-Ittehad,
Phase VII, Defence Housing Authority
Karachi.
Telephone No.021-35390408-09
Fax No.021-35390410

Subject: VIOLATION OF PUBLIC PROCUREMENT RULES 2004, CHIEF EXECUTIVE OFFICER, IESCO, ISLAMABAD'S TENDER NOTICE FOR DEVELOPMENT POWER PROJECT.

Reference: Your letter dated 26th November, 2014.

Please be informed that the price of RFP documents are not that much on higher side in the light of efforts exerted for in depth due diligence employed for design and engineering involved in preparation of RFP documents in respect of Gas Based Short Term Power Generation Project. For the purpose of wide publicity with the spirit of healthy competition, very high expenditures has already incurred on the publication of IFB in National / International Newspapers. In case any amendment, if required, same to be routed through previous channel of publications, hence extra burden has to be borne. Since no such complaint received by IESCO from any interested bidder with reference to price of RFP documents after the publication of IFB, it is therefore requested not to press for re-invitation of tender or issuance of corrigendum as contended in the referred letter.

It is in our National interest to complete the bidding process as soon as possible for award of contract keeping in view to resolve present crises of shortage of Power through development of quick and cheaper generation resources.


(Riaz Ali Shah)
Chief Engineer (Development)
IESCO, Islamabad

Coy to:

1. Joint Secretary (NTDC) Ministry of Water & Power for information please.
2. Chief Executive Officer IESCO Islamabad.
3. General Manager (TSW) IESCO, Islamabad.
4. Master File