



TRANSPARENCY INTERNATIONAL-PAKISTAN

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority, Karachi.
Tel: (92-21)-35390408, 35390409, Fax: 35390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk

11 August 2010

Managing Director,
Oil & Gas Development Corporation Ltd,
OGDCL House, Plot No.3,
Jinnah Avenue, Blue Area,
Islamabad,

Sub: Complaint of Violation of Public Procurement Rules 2004 by OGDC in Procurement of MULTI-GEOPHONE STRINGS & SPARES AGAINST (OGDCL) TENDER NO. PROC-FE/CB/EXPI/ECMP/2300/2008 Bids Due On. 24-02-2009-OGDCL Reply dated 6 August 2010

Dear Sir,

Transparency International Pakistan has examined Mr. Khalid Jamil Khan GM (SCM) clarification of TIP letter dated 28 July 2010, whereas TIP letter on the same tender dated 4 August has not been responded. TIP quote rule for not asking any price change, from PEC SBD notified by PPRA in July 2008 to be mandatory on procuring agencies,

1B.25 Clarification of Bids. 25.1 To assist in the examination, evaluation and comparison of bids, the Employer may, at his discretion, ask any bidder for clarification of his bid, including breakdowns of unit rates. The request for clarification and the response shall be in writing but no change in the price or substance of the bid shall be sought, offered or permitted except as required to confirm the correction of arithmetic errors discovered by the Employer in the evaluation of the bids in accordance with Clause 1B.28.

Kindly refer to your own letter dated 27th July 2010 (copy enclosed) where you have issued instructions in OGDCL that as asking for discount after bid opening is against PPRA Rules, therefore no discount is to be accepted after the bid submission, to ensure compliance of PPRA Rules in letter and spirit.

It is very unfortunate that one side the Managing Director is agreeing with TIP and PPRA and issued instruction that asking for discount after bid opening is against PPRA Rules, whereas one GM is justifying asking of discount after bid opening in his reply to PAC, Supreme Court, AGP, Minister of Petroleum, TIP and PPRA.

Transparency International Pakistan request the MD to take appropriate action against the GM for misguiding Chairman PAC, Supreme Court, AGP and Minister of Petroleum and causing disrepute to OGDCL.

With Regards,


Syed Amir Gilani
Chairman,

Copies forwarded for action under the rules of business to,

1. Chairman, PAC, Islamabad
2. Registrar, Supreme Court of Pakistan, Islamabad
3. Mr. Tanwir Ali Agha, Auditor General Pakistan, Islamabad
4. Secretary, Defence Division, Pak Secretariat – II, Rawalpindi
5. Managing Director, PPRA, Islamabad.



OIL & GAS DEVELOPMENT COMPANY LIMITED
Managing Director / CEOs Secretariat

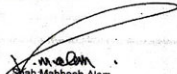
No. CE-980/2010

27th July, 2010

SUBJECT: DISCONTINUATION OF ENTERTAINING DISCOUNTS AFTER BID SUBMISSIONS IN PROCUREMENT CASES

It has been observed in various cases of procurement that unrealistic discounts are offered by the bidders before financial bid openings which is, apparently, in favour of OGDCL but against the norms of tendering and PPRA Rules.

2. All bidders be advised to quote their most competitive firm prices as per instructions given in the tender document and no discount be entertained after submission of bids to OGDCL. The current practice of accepting discount before financial bid opening give a room / chance of price maneuvering.
3. Therefore, no discount to be accepted after bid submission and cases to be decided on the basis of original prices quoted in the bid to ensure compliance to PPRA Rules in letter and spirit.
4. These instructions are to be implemented with immediate effect.


Shah Mahboob Alam
Managing Director / CEO