



18th April, 2013

Mr. Masood Siddiqui,
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 Tender PROC/FECBPROD-712-2012 for Procurement of 30 Ton Hydraulic Crane Qty-01 Procurement

Dear Sir,

Transparency International Pakistan has received a complaint of violation of Public Procurement Rules 2004 by OGDC in Tender PROC/FECBPROD-712-2012 for Procurement of 30 Ton Hydraulic Crane Qty-01 Procurement from M/s AJCL. **Annex-A.**

Prima facia this is a typical example of collusive practice in procurement, by making specifications difficult and is not a normal trade practice, and is alleged to be kept for a particular product, 'Tadano Japan'. This is not allowed under PPRA rules. Rule No 31 is quoted below for your information;

***32. Discriminatory and difficult conditions.**- Save as otherwise provided, no procuring agency shall introduce any condition, which discriminates between bidders or that is considered to be met with difficulty. In ascertaining the discriminatory or difficult nature of any condition reference shall be made to the ordinary practices of that trade, manufacturing, construction business or service to which that particular procurement is related.*

In case the allegation against OGDCL is found to be correct, TIP request the Managing Director to make sure such an act is not repeated in OGDCL procurements, and compliance to Rule No10 shall be strictly observed.

***10. Specifications.**- Specifications shall allow the widest possible competition and shall not favour any single contractor or supplier nor put others at a disadvantage.*

All those officers who have violated the Rule No10, quoted above, should be immediately removed and action against them be taken for committing corruption defined under Rule No.2(f).



2 (f) "corrupt and fraudulent practices" includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition.

If the allegations are correct and restrictive in measurements/capacity, where as variation should have been allowed from 5%-10% by OGDCL, being is a prudent procurement practice.

TI Pakistan requests the MD to discharge and re-invite the tender, which shall be amended to eliminate above objections

A copy of the revised tender may be sent to TI Pakistan for vetting to observe compliance to Public Procurement Rules 2004 and PPRA Regulations 2008.

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

With Regards,

Syed Adil Gilani
Advisor,

Copies forwarded for action under the rules of business to,

1. Chairman, NAB, Islamabad
2. Secretary Petroleum, Islamabad
3. Registrar, Supreme Court of Pakistan, Islamabad
4. Managing Director, PPRA, Islamabad.

Technical Evaluation Report:

Tender # T.E # PROC-FC/CB/PROD-712/2011

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01/03

Sr #	Bidders	Technically responsive (Yes/No)	Reasons for Rejection
1	M/s Beijing Candyoil China / Durrani Inc., Karachi	No	<p>a) The quoted model of QY30V is provided with lifting capability of 30000 kgs at the minimum working radius of 3.0 meters which is as per tender requirement. However the very next step of lifting at 3.5 meters, again the lifting remains the same i.e 30000 kgs. Technically this is not possible, due to the basic principle of moment theory.</p> <p>The bidder was asked to clarify the un-reliable data through a clarification email and its reply could not provide the upper limit of lifting capacity for the 3.0 meters, which must be greater than 30000 kgs, if the data given the bidder is taken as authentic. Thus the reliability of this crane under tender clause 24 on "Evaluation and Comparison of Bids" part 24.2(a) is not established.</p> <p>b) The bidder had provided a lifting chart which did not show / indicate any lifting value for different heights as per standard practice. Again the bidder was requested to provide the proper lifting chart with weights, which it could not provide. This shows that the crane is not as per standard product line.</p> <p>c) Supply record to Pakistan based E&P, as per tender clause was a mandatory requirement to assess its performance. No supply record to such Pakistani companies is provided. Hence tender clause 24 on "Evaluation and Comparison of Bids" part 24.2 c & d are not followed by the bidder.</p> <p>d) The offered unit is not a standard product and the bidder has quoted off-line engine.</p> <p>e) No details of after sales in Pakistan have been provided with address, contact numbers as per tender clause 7.0.</p>
2	M/s China Petroleum China / Ehsan Corporation Lahore	No	<p>a) The offered jib length is 8.1 meters against the tender requirement of minimum 8.5 meters. This is a material deviation for the truck crane and can't be accepted against the minimum required length for lifting of equipment.</p> <p>b) The bidder has only provided 2008 till 2012 supply record. It has complied with the mandatory experience of 10 years as per clause 1.0 "General" of the technical specifications.</p> <p>c) Supply record to Pakistan based E&P, as per tender clause was a mandatory requirement to assess its performance. No supply record to such Pakistani companies is provided. Hence tender clause 24 on "Evaluation and Comparison of Bids" part 24.2 c & d are not followed by the bidder.</p> <p>d) The reliability of this crane under tender clause 24 on "Evaluation and Comparison of Bids" part 24.2(a) is not established, since the manufacturer has only 4-5 years of crane manufacturing experience.</p> <p>e) The supply record submitted is not exclusive for SANY brand, even the combined supply record is only for 4-5 years.</p> <p>f) The bidder had provided a lifting chart which did not show / indicate any lifting value for different heights as per standard practice.</p> <p>g) The quoted model of STC300 is provided with lifting capability of 20000 kgs at the minimum working radius of 3.0, 3.5, and 4.0 meters at boom extension 14.4 meters. Technically this is not possible, due to the basic principle of moment theory.</p> <p>h) Delivery schedule as per Data Summary Sheet is two months, which shows that unit would not be manufactured as per TPI.</p>

			No details of after sales in Pakistan have been provided with address, contact numbers as per tender clause 7.0.
3	M/s Dongying Jintan China / Total Dynamics Karachi	No	<p>a) The quoted model of QY30V is provided with lifting capability of 30000 kgs at the minimum working radius of 3.0 meters which is as per tender requirement. However the very next step of lifting at 3.5 meters, again the lifting remains the same i.e 30000 kgs. Technically this is not possible, due to the basic principle of moment theory.</p> <p>The bidder was asked to clarify the un-reliable data through a clarification email and its reply could not provide the upper limit of lifting capacity for the 3.0 meters, which must be greater than 30000 kgs, if the data given the bidder is taken as authentic. Thus the reliability of this crane under tender clause 24 on "Evaluation and Comparison of Bids" part 24.2(a) is not established.</p> <p>b) The bidder had provided a lifting chart which did not show / indicate any lifting value for different heights as per standard practice.</p> <p>Again the bidder was requested to provide the proper lifting chart with weights, which it could not provide. This shows that the crane is not as per standard product line.</p> <p>c) Supply record to Pakistan based E&P, as per tender clause was a mandatory requirement to assess its performance.</p> <p>No supply record to such Pakistani companies is provided. Hence tender clause 24 on "Evaluation and Comparison of Bids" part 24.2 c & d are not followed by the bidder.</p> <p>d) The offered unit is not a standard product and the bidder has quoted off-line engine.</p> <p>No details of after sales in Pakistan have been provided with address, contact numbers as per tender clause 7.0.</p>
4	M/s Multiline Enterprises Canada / Multiline Enterprises Lahore	YES	NA
5	M/s Transworld Associates Canada / Transworld Associates Lahore	No	<p>a) The offered jib length is 8.3 meters against the tender requirement of minimum 8.5 meters. This is a material deviation for the truck crane and can't be accepted against the minimum required length for lifting of equipment.</p> <p>b) The hook block load is offered to be 30 tons against the tender requirement of 32 tons. This is a material deviation.</p> <p>c) The bidder has attached two different authority letters one for the Canada office and other for the Pakistan office from the manufacturer. Thus there two different letters and no original authority letter for this tender by the bidder.</p> <p>d) The bidder had provided a lifting chart which did not show / indicate any lifting value for different heights as per standard practice.</p> <p>e) Supply record to Pakistan based E&P, as per tender clause was a mandatory requirement to assess its performance.</p> <p>No supply record to such Pakistani companies is provided. Hence tender clause 24 on "Evaluation and Comparison of Bids" part 24.2 c & d are not followed by the bidder.</p> <p>f) The reliability of this crane under tender clause 24 on "Evaluation and Comparison of Bids" part 24.2(a) is not established, since the manufacturer has only 6 references without years of crane</p>

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			<p>sales / manufacturing experience.</p> <p>No details of after sales in Pakistan have been provided with address, contact numbers as per tender clause 7.0.</p>
6	M/s Sennebogen Mashinenfabric Germany / AJCL Karachi	No	<p>a) The offered boom length is 30 meters against the tender requirement of minimum 32 meters at article no. 1503. This is a material deviation for the truck crane and can't be accepted against the minimum required length for lifting of equipment.</p> <p>b) No details of after sales in Pakistan have been provided with address, contact numbers as per tender clause 7.0.</p> <p>c) The bidder has attached two different data summary sheets, one with bid other with the clarification. Thus there are two different sheets and no original data summary sheet for this tender by the bidder.</p> <p>The bidder had provided a lifting chart which did not show / indicate any lifting value for different heights as per standard practice.</p>
7	M/s Maitha General UAE / Petroflo Trading Corp, Islamabad	YES	NA
8	M/s Zoomlion Heavy, China / Dynamic Equipment Lahore	No	<p>a) The quoted model of QY30V is provided with lifting capability of 30000 kgs at the minimum working radius of 3.0 meters which is as per tender requirement. However the very next step of lifting at 3.5 meters, again the lifting remains the same i.e 30000 kgs. Technically this is not possible, due to the basic principle of moment theory.</p> <p>The bidder was asked to clarify the un-reliable data through a clarification email and its reply could not provide the upper limit of lifting capacity for the 3.0 meters, which must be greater than 30000 kgs, if the data given the bidder is taken as authentic. Thus the reliability of this crane under tender clause 24 on "Evaluation and Comparison of Bids" part 24.2(a) is not established.</p> <p>b) The bidder had provided a lifting chart which did not show / indicate any lifting value for different heights as per standard practice.</p> <p>Again the bidder was requested to provide the proper lifting chart with weights, which it could not provide. This shows that the crane is not as per standard product line.</p> <p>c) Supply record to Pakistan based E&P, as per tender clause was a mandatory requirement to assess its performance.</p> <p>No supply record to such Pakistani companies is provided. Hence tender clause 24 on "Evaluation and Comparison of Bids" part 24.2 c & d are not followed by the bidder.</p> <p>d) The offered unit is not a standard product and the bidder has quoted off-line engine.</p> <p>No details of after sales in Pakistan have been provided with address, contact numbers as per tender clause 7.0.</p>
9	M/s Manitowoc Crane UAE / Burhani Enterprises Karachi	YES	NA

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