

OIL & GAS DEVELOPMENT COMPANY LIMITED
(Administration Department)

No. PAO/2010/1945

October 26, 2010

Deputy Director-II
Public Procurement Regulatory Authority,
(Cabinet Division),
Government of Pakistan,
Islamabad

Atten : Mr. Naeem Ahmed

Subject :- COMPLAINT ON VIOLATION OF PUBLIC PROCUREMENT RULES – 2004
BY OGDCL IN PROCUREMENT OF MINERAL WATER.

Dear Sir,

Please refer to your letter No.F.1(34)/DD-II/PPRA/2010 dated 16-07-2010, received alongwith a letter from Transparency International – Pakistan on the subject captioned above.

2. In response to the specific issues raised in the complaint, by M/s. Hasnain Industries, it may be clarified;

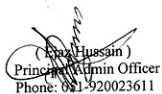
- (i) The earnest money has already been released by our SCM Department vide their letter No.Proc-M(LP)/856/10 dated 30th August, 2010 (copy enclosed as Annexure-'A')
- (ii) The supply of mineral water by M/s. Margalla Water Company (authorized dealers of Nestlé) to OGDCL offices stand suspended due to unsatisfactory quality of water, on the recommendation of our Health, Safety, Environment & Quality Control (HSEQ) Department, to ensure health safety of thousands of employees. The requirement of 5000 liters/hr capacity is only to ensure the clientele coverage of the producers and vast supply network and it is not correct that this was done to accommodate M/s. Margalla Water, the suppliers of Nestlé.
- (iii) The order value exceeding Rs.500,000/- is not correct in this case. Copies of last paid bills for the months of July and August, 2010 (Annexures-'B' and 'C') confirm the factual position, therefore, reported procedural deviation is baseless. The company will continue making suitable arrangements in the best interest of employees as well as for operational needs. It may be appreciated that nothing is more important than the health and safety of thousands of employees.

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02. In view of the above, the allegations by the complainant are not based on facts, hence the perception of non-compliance of PPRA rules by OGDCL does not arise as the internal controls of the company do not allow manipulation in awarding tenders.

Thanking you for your kind consideration,

Yours faithfully,


(Syed Hussain)
Principal Admin Officer
Phone: 021-920023611

CC : ✓ Syed Adil Gilani,
Chairman, Transparency International, Pakistan,
5-C, 2nd Floor, Khayaban-e-Ittehad, Phase-VII,
Defence Housing Authority.
Karachi