



TRANSPARENCY INTERNATIONAL-PAKISTAN

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28th September 2012

Ch. M. Shafi Arshad ,
Chairman,
Oil & Gas Development Corporation Ltd,
OGDCL House, Plot No.3,
Jinnah Avenue, Blue Area,
Islamabad,

Sub: Allegations of Violation of Public Procurement Rules 2004 in Procurement of Multi-Geo Phone Strings & Spares worth more than Rs 93 million , Tender Enquiry Proc-Fc/Prop/Ecmp-410/2012-

Dear Sir,

Transparency International Pakistan has received complaint dated 25th September 2012 from M/s C-Shine International on the allegations of Violation of Public Procurement Rules 2004 in Procurement Of Multi-Geo Phone Strings & Spares, Tender Enquiry Proc-Fc/Prop/Ecmp-410/2012 only from Single Source .e. from M/s Wahal Sunful Geophysical Exploration Equipment Company, China, through its local agents M/s I.E. Services, Islamabad. (Annex-A).

Kindly examine the complaint, and if it is correct, we request OGDCL to clarify violation of the following Rules.

1. When more than 6 international manufacturers of the supply are available, and most of them in past have supplied Multi-Geo Phone Strings to OGDCL, why Open tender are not invited.
2. This procurement has been reported by another complainant to be of over Rs 93 million, then why OGDCL has not followed Rule No 12 All procurement opportunities over two million rupees should be advertised on the Authority's website as well as in other print media or newspapers having wide circulation.

Public Procurement Rules, 2004 has eliminated all discretions in procurement process and avenues of corrupt practices in tendering, by making the procedure Transparent and comprises of inbuilt checks and balances, to eliminate manipulation in tenders award. It is therefore requested that OGDCL shall invites open tenders in accordance with the Public Procurement Rules 2004 to avoid the mis-procurement charge under Rule 50.

Transparency International Pakistan is striving to have Rule of Law in Pakistan.

Regards,


Syed Adil Gilani
Adviser

Copy forwarded for the information and appropriate action on the violation under the Laws of Pakistan,

1. Chairman Public Accounts Committee, Islamabad,
2. Chairman, NAB, Islamabad,
3. Secretary, Ministry of Petroleum, Islamabad,
4. Registrar, Supreme Court of Pakistan, Islamabad,
5. Managing Director PPRA , Islamabad

C-SHINE INTERNATIONAL

Office# 03, 3rd Floor, Mussarat Arcade, G-11 Markaz, Islamabad.
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25th September, 2012

Managing Director
Oil & Gas Development Company Ltd.
Islamabad.



Subject: **TENDER ENQUIRY # PROC-FE/PROP/ECMP-410/2012**
FOR PROCUREMENT OF MULTI GEOPHONE STRINGS AND SPARES

Dear Sir,

We would like to invite your kind attention that OGDCL Procurement Department has issued above Tender Enquiry to M/s Wahai Sunful Geophysical Exploration Equipment Company, China (a local agent M/s I. E. Services, Islamabad) on Single Source Basis:

OGDCL very well knows why is the single source enquiry issued? In our point of view the single source enquiry should be issued to any particular manufacturer on the following grounds and it is as per OGDCL AND PPRA rules:

1. OGDCL can issue a single source enquiry for procurement of spares only if they have already purchased equipment/machinery from any particular Manufacturer (Geophone Strings are consumable items).
2. For any special item if there is only one manufacturer in the world.

OGDCL always purchases Multi Geophone Strings and Spares through International Tender and never issue a Single Source Enquiry to any particular manufacturer like they have done this time. Some manufacturers list is given below for your review and ready reference:

1. M/s Sercel France
2. M/s Sensor, Netherlands
3. M/s Geospace Technologies USA
4. M/s Xi'an Senshe Electronic Technology Corporation, China
5. M/s Boarding Earth Science & Technology, China and etc.
6. M/s Wahai Sunful Geophysical Exploration Equipment Co. China

Interestingly, all above manufacturers have already supplied these Multi Geophone Strings and Spares to your esteemed organization time to time in the past. Sir, you can verify from the department.

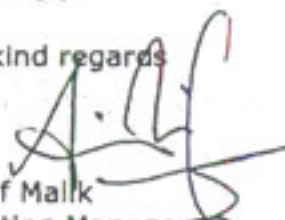
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We would like to point out another important thing that one more indent for procurement of Multi Geophone Strings and Spares is in the process of internal approvals of OGDCL nowadays and it will be a press/international tender. It means that there is no need to issue this single source tender enquiry.

Therefore, we would suggest/request that OGDCL should combine one tender to save Foreign Exchange and get/receive very competitive prices from the competition and stop this procurement immediately. In the light of above facts, we are very much hopeful that you will stop this procurement immediately and investigate the matter accordingly.

With kind regards


Yousuf Malik
Marketing Manager

CC:

1. General Manager (SCM)
2. Chairman, PAC Islamabad
3. Registrar, Supreme Court of Pakistan, Islamabad
4. Auditor General of Pakistan, Islamabad
5. Managing Director, PPRA, Islamabad
6. Transparency International, Pakistan

