

No.F.1(157)/DD-II/PPRA/2009
GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(CABINET DIVISION)

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Islamabad, the December 29, 2009.

From : Naeem Ahmed,
Deputy Director – II,

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

Subject: **VIOLATION OF PUBLIC PROCUREMENT RULES, 2004 – SUPPLY
OF RENTAL DRILLING RINGS COSTING GOP RS.3.0 BILLION
EACH PER YEAR.**

Please refer to Transparency International-Pakistan's letter No. nil,
dated 21st December, 2009 on the above subject.

2. Your complaint was forwarded to Oil & Gas Development Company
Limited (OGDCL) for disposal under Rule-48 of Public Procurement Rules, 2004.
Procuring Agency has given the comments on the complaint and the same is being
enclosed for your kind perusal.



(NAEEM AHMED)

OIL & GAS DEVELOPMENT CO. LTD
SUPPLY CHAIN MANAGEMENT DEPT.

No. GM(SCM)/2009 9212

Dated: December 24, 2009

Mr. Naeem Ahmad
 Dy. Dir. II
 PPRA
 ISLAMABAD

**SUBJECT: VIOLATION OF PUBLIC PROCUREMENT RULES-2004-
 SUPPLY OF RENTAL DRILLING RIGS COSTING GOP Rs.3.0 Billion**

Reference PPRA letter dated December 22, 2009, along with Transparency International -Pakistan letter dated December 21, 2009. It is stated that no violation of any Rule of Public Procurement Rules 2004 has been made.

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 29-12-09
2. Domestic tenders are advertised for services and material available locally. The subject tender is for services i.e. for hiring of rigs for the wells to be drilled in near future. As per PP Rules 2004, 15 days notice is required for all local advertisements. These are calendar days and not working days. That time has been given. It is a press tender so not restricted to 3 companies as alleged.
 3. The list of tenders given by Transparency International as international tenders is for material to be imported. All Exploration and Production companies have concessionary duties on imported material. So OGDCL also asks international tenders for material to be imported.
 4. If rigs are hired internationally then lot of foreign exchange will have to be paid as mobilization charges, customs clearance and transportation. The time period required by the international vendors to provide rigs at site would also be much more than the rigs available in Pakistan.
 5. The figures calculated are also concocted one. OGDCL never hired rigs on such high rate of rentals.

Khalid Jamil Khan
 (KHALID JAMIL KHAN)
 GENERAL MANAGER (SCM)

cc:

Syed Adil Gilani, Chairman, Transparency International-Pakistan
 2nd Floor Khayaban-e-Ittehad, Phase-VII, DHA Karachi