



PEPCO

Through L.C.S

NORTHERN POWER GENERATION COMPANY LTD.

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OFFICE OF THE
CHIEF EXECUTIVE OFFICER,
NPGCL, (GENCO-III) T.P.S.
MUZAFFARGARH.

No. CEO / MZG / RE-4 / Chem/ 4517-21

Dated. 18-08-2011

Mr. Naeem Ahmad,
Deputy Director-II
Public Procurement Regulatory Authority
(Cabinet Division)
FBC Building, G-5/2,
Islamabad.

Subject: TENDER ENQUIRY NO. CEO/MZG/RE-4/T-02 FOR PROCUREMENT OF FUEL OIL ADDITIVE BASED ON MAGNESIUM HYDRO-OXIDE ALONGWITH SUPPLY, INSTALLATION OF NECESSARY DOSING, MONITORING EQUIPMENT FOR UNIT NO. 1,2,3,4,5&6. TPS MUZAFFARGARH.

- Ref'nce: i) Complaint of M/s. Transparency International Pakistan dated 9th July 2011
ii) Dy. Director-II, PPRA Islamabad's letter dated July 13, 2011,
iii) General Manager (Thermal) Lahore's No. GMTH/Chem-122/5685 dated 20.07.2011
iv) General Manager (Thermal) Lahore's No. GMTH/Chem-122/5816 dated 25.07.2011.

It is submitted that a comprehensive reply / report has already been submitted to concerned quarters. Copies of the same are enclosed for ready reference please. However, the new points raised by M/s. Transparency International are clarified as under:

SR. NO.	Query of M/s. Transparency International Pakistan.	GENCO-III replies.
1.	It is also noticed that clarification of PEPCO to TI-P is different than what they have been clarifying to other agencies like the Public Procurement Regulatory Authority.	GENCO-III has replied to all concerned in the same manner.
2.	This is crystal clear case of violation of the Public Procurement Rules 2004 as PEPCO has not been able to change from its stand of favouring single supplier, and therefore at the time of the bid opened on 16 th June 2011, only one bidder M/s. INTAS local agent M/s. System Separation of Sweden has submitted its responsive bid. This confirms the collusion between PEPCO and M/s. INTAS / Messrs. System Separation of Sweden.	i) It is not correct that only one firm M/s. INTAS Karachi submitted the bid. The fact is that two firms M/s. INDUS Engineering & SS Sweden participated but M/s. INDUS Engineering Services (IES) Multan did not submit 2% bid security. Hence became non-responsive. ii) M/s. Enviro Chem submitted his tender Bid against T-02 at TPS Muzaffargarh one day late that is on 17.06.2011 which was returned back

	iii) It is learnt that three firms participated at Jamshoro, bid of one firm was late and M/s. Enviro Chem submitted tender bid at TPS Jamshoro but without 2% bid security. Hence their bid was declared non-responsive at TPS Jamshoro. It is clear that Enviro Chem is not serious to participate in tenders but only is making baseless complaints.
3. The complaint is also that the product specified by PEPCO has not been used by any other Power Plant in Pakistan and is less effective and needs three time doze than other more effective product i.e. exchequer will lose about Rs. 55 million.	As explained in our letter No. CEO/MZG/RE-4/Chem/2493-97 dated 23.05.2011 (copy enclosed), six suppliers participated in Local Tender T-457 during the year 2008 including Enviro Chem for 150 days trial run at Unit-4 but they failed to win the tender.
4. 2(f) "corrupt and fraudulent practices"	Tender has been called in line with PPRA rules and USAID Agreement.

It is clear from above, that M/s. Enviro-Chem is not serious to participate , they are only making complaints.

Sarimazid
18/5/11
Chief Executive Officer,
NPGCL, (GENCO-III),
Thermal Power Station
Muzaffargarh.

Copy to:

1. The General Manager (Thermal) 197-WAPDA House, Lahore.
2. The Chief Executive Officer, GENCO-III, TPS Muzaffargarh.
3. The Energy Policy Project, House No.4, Street No. 88, G-6/3, Islamabad.
- ✓ 4. M/s. Transparency International, 5-C, 2nd Floor, Khayaban-e-Ittehad, Phase-VII, Defence Housing Authority, Karachi.Fax No. 021-35390410