



GM (C&M)

PAKISTAN ELECTRIC POWER COMPANY (PVT) LIMITED
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No. 10532-34A PEPCO/GM(C&M)/CE/PD(PMU)/Tender Dated: 19/07/2010

Syed Adil Gilani,
Chairman,
Transparency International Pakistan (TIP),
KARACHI.

Sub: **COMPLAINT ON THE TENDER FOR THE PROCUREMENT OF CONSTRUCTION EQUIPMENT UNDER ADB LOAN NO. 2439-PAK (BIDDING DOCUMENT, ADB-PEPCO-01-2010).**

Please refer to your letter, dated 06.07.2010 in which (TIP) has shown its concerns regarding procurement of, construction equipment, tender of PEPCO. In this connection the position is clarified as under:

Tender No. ADB-PEPCO-01-2010 was floated by PEPCO, as procurement agent of DISCOs, on 19.05.2010 after approval of bidding document by ADB. The tender is scheduled to be opened on 21.07.2010.

All the issues raised in the TIP letter referred above are discussed as follows:

1. It is not correct that Truck Mounted Crane as specified in the bid document by PEPCO are only manufactured by KATO Japan and there is no other manufacturer. So far 57 No. of prospective bidders has purchased the bidding document and as per record 15 No. bidding document have been purchased exclusively for Lot-II by prospective bidders, so it is premature to say at this stage that how many bidders will participate in Lot-II and will offer Truck Mounted Cranes, however very healthy competition is expected. Truck Mounted Cranes are being purchased according to the need / requirement, as its usage shall pertain to lifting of 132-KVA, 40 MVA Power T/F from trailers parked on T/F ways and placing of the same on the relevant foundations in the Grid Stations. Public tendering is being done for healthy competition and if after the bid opening there is single bid received, the tender for this lot will be scraped with the approval of ADB. During evaluation the end user experience for the crane offered will be taken into account.
2. Further as per ADB guide line and ADB standard Bidding Document (SBD), a partial lot is not acceptable. Moreover, only a four (4) tons crane with a telescopic boom without a truck is of no use to PEPCO / DISCOs. Therefore, it was decided that a complete assembled truck mounted (self loader) crane be procured. It is worth mentioning here that these self loader trucks were procured in the past by different DISCOs, which are working quite satisfactorily. Lot-III consist of one No. Truck of 12 Ton Capacity with 4 Ton Capacity Mounted Crane and two heavy duty trucks of 12 and 6 Ton Capacity. This provides level play field for both the Crane / Truck manufacturers. The Lot cannot be splitted according to facilitation of any bidder, as split of lot mean 8 No. extra contracts including opening of LCs, performance guarantees, delivery of equipments etc.

The lots have been made with the approval of ADB, and cannot be splitted without ADB concurrence, which at this stage is neither required nor possible.

PEPCO appreciate TIP strive for rule of law in Pakistan and assures TIP that PEPCO procurement process is very open and robust. Procurement of construction equipment under ADB loan is being done on the basis of ICB in a very transparent fair and competitive manner. The bids will be opened on 21.07.2010 publically in the presence of media & representatives of bidders who care to attend.


General Manager (C&M) 6/7/10
PEPCO

CC:

- Consultant – PEPCO
- CE/TD/PD (PMU) PEPCO
- SO to MD – PEPCO.
- Master file