

No.F.1(81)/DD-II/PPRA/2010  
GOVERNMENT OF PAKISTAN  
PUBLIC PROCUREMENT REGULATORY AUTHORITY  
(CABINET DIVISION)

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Islamabad, the May 25, 2010.

From : Naeem Ahmed,  
Deputy Director – II,

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

Subject: PROCUREMENT OF LPG STORAGE TANKS FOR LPG AIR MIX  
PLANTS AT NOSHKI, SURAB & KOT GHULAM MUHAMMAD.

Please refer to Transparency International-Pakistan's letter No. nI,  
dated 11<sup>th</sup> May, 2010 on the above subject.

2. Your comments were forwarded to Sui Southern Gas Company  
Limited. Procuring Agency has given a detailed reply to the observations made by  
Transparency International-Pakistan and the same is being enclosed for your kind  
perusal.



( NAEEM AHMED )



Sui Southern Gas Company Limited

Date: 24 May 2010  
Ref: MMCMPS/PPRA/10

Mr. Naeem Ahmed  
Deputy Director-II  
Public Procurement Regulatory Authority  
Cabinet Division  
Government of Pakistan  
F.B.C Building, Sector G-5/2  
Islamabad.

Procurement of LPG Storage Tanks for LPG Air Mix Plants  
at Noshki, Surab & Kot Ghulam Muhammad against  
Tender Enquiry No. SSGC/SC/3352

Dear Sir,

This is with reference to your letter no. F.1 (81)/DD-II/PPRA/2010 dated 12.05.2010 and to us by Transparency International vide their letter No. A343/8/ dated 11.05.2010 on the above mentioned subject. Details are as under.

1. Bids were invited under two envelope bidding procedure through press & PPRA/SSGC web sites.
2. A total of nine (09) bidders purchased the tender. However, only the following five (05) bidders participated and submitted their bids.
3. Technical proposals of all the five (05) bidders were opened on 22.02.2010. The proposals were first evaluated technically, whereby all the five (05) proposal were determined technically compliant.
4. Financial Proposals of all the five (05) bidders were opened on 11.03.2010 Bid summary is as under:

**Price Comparison (per unit rates in Rs.)-including transportation, installation at required location (including GST but including SLD). For 6 LPG Storage Tanks.**

Vendor Name	Noshki, Balochistan	Surab, Balochistan	KGM-Mirparkhas	Total for 6 Tanks (Rs)
Dynarac Engineering & Automation-HiTek (option II) (18mm thickness, hemispherical head)	6,590,000.00	6,590,000.00	6,590,000.00	39,540,000
Heavy Mechanical Complex	6,695,000.00	6,675,000.00	6,665,000.00	40,030,000
Dynarac Engineering & Automation-HiTek (option I)* (22 mm thickness, hemispherical head)	7,125,000.00	7,125,000.00	7,125,000.00	42,750,000
FAS Tube Mills & Engineering Industries	7,471,980.00	7,471,980.00	7,471,980.00	44,831,890
Descon Engineering Limited	9,689,445.10	9,392,757.60	9,141,099.44	56,446,604
Ravi Green Engineering (Pvt) Limited	10,031,712.37	9,930,712.37	9,324,712.37	58,574,294

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By: 540  
Date: 25-5-10  
2010/03/09

Office of IBC, PPRA  
Public Procurement Regulatory Authority  
By: 540  
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25/5/2010  
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5. These Storage tanks were required to be installed with LPG Air Mix system at Pre set schedule and were to be commissioned at Noshki, Surab & Kot Ghulam Muhammad on urgent basis. The plants were required to be operative by end June 2010 as per GoP instruction, and due to this reason the time line given for fabrication, transportation at site and installation was 10 weeks.
6. It may be noted that M/s. Dynamic Engineering & Automation offered two (02) options at the time of bid opening i.e. for 22mm thickness & 18mm thickness, whereas none of the bidders objected M/s. Dynamic Engineering & Automation submitting two (02) options. Furthermore M/s. DEA agreed to supply 2 # tanks within 3 weeks and 4 tanks within 7 weeks after receipt of confirmed drawings.
7. As per schedule of requirement the bidders were required to quote cost including fabrication, transportation at Site and installation of Storage Tanks. M/s. HMC quoted price on ex-work basis, whereas all other bidders quoted as per requirement, they were lowest but had offered delivery in 16-24 weeks ex-Work HMC, Taxila from the date of receipt of Purchase Order, approval of drawing and advance payment. HMC were requested to improve their delivery term but they did not reduce the time period and advised that they will squeeze the completion time instead of definite time period.
8. The order was placed to the lowest evaluated bidder who was compliant to SSGC's urgent delivery requirement as well as his quote was in line with schedule of requirement. It is once again reiterated that no violation of PPRA rules was committed by SSGC. This may also please be noted that No Bid for Rs 5,290,000 was submitted by any of the five bidders.

Hope this clarifies the position.

  
**IAZUDDIN FARUQI**  
 GM (M&IM)

Copy to:  
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 Chairman,  
 Transparency International-Pakistan  
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 e-mail: ti.pakistan@gmail.com

Cc:  
 MD,SSGC  
 Chairman, NAB, Islamabad  
 Chairman, Public Accounts Committee, Islamabad  
 Cc: MD,PPRA, Islamabad

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