



GHCL

NORTHERN POWER GENERATION COMPANY LTD

PH.NO. 066-9200285

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FAX No.066-9200185

No. CEO/TPS/MZG/3791-96

Office of the

Chief Executive Officer,

(Genco-III) TPS, M/garh.

Dated : 15 / 08 / 2012.

Managing Director PPRA,
Public Procurement Regulatory Authority,
1st Floor, FBC Building, Near State Bank,
Sector G-5/2,
ISLAMABAD.

Subject: Tender No.CEO/MZG/RE-4/T-ICB-02 opened on 08-03-2012 for the procurement of Magnesium Oxide or Magnesium Hydroxide based fuel oil additive in oil dispersed form along with necessary dosing/monitoring equipments/tanks for units 1~6 Genco-III at TPS, Muzaffargarh.

Ref: Enviro-chem letter # 12/L-071/12 dated July 19,2012.

- Fuel additive in Furnace oil (HSFO) is used to avoid high & low temperature corrosion in high pressure boilers. Use of this speciality chemical enhances boiler efficiency, lowers heat rate and cost per kwh.
- Specifications of Fuel additive were approved from USAID (FARA) prior to tendering/procurement process. MgO/MgOH Fuel additive in oil dispersed form is our requirement.
- Specifically mentioned in the Tender BOQ that Bid will be evaluated on the basis of Fuel additive Consumption per Hour/cost Per M.Ton Furnace oil consumed.
- Two bidders participated in the tender opened on 08-03-2012.
- Cost analysis/Technical Evaluation of tender predict that,

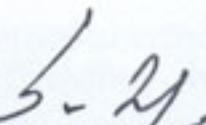
PARAMETERS	M/S Enviro-Chem	M/S International Tech. Karachi
Fuel additive type	MgO	Mg (OH) ₂
Specific gravity	1.6	1.3
Price per Kg. (US \$)	2.58	1.6
Qty. of fuel additive required per hour for 1~6 units.	126.16 Kg.	41.509 Kg.
Qty. of fuel additive required per day for 1~6 units.	3027.84 Kg.	996.216 Kg.
Qty. of fuel additive required per annum for 1~6 units.	1014 M.Ton	334 M.Ton
Cost per annum (US \$)	2.61612 millions	0.5344 millions
Cost of fuel additive for 450 M.Ton as per tender BOQ. (US \$)	US \$ 1.161 millions	US \$ 0.720 millions

- Bidder-II M/S International Tech. Karachi has proved this dosing rate successfully during 06 months trial period at Unit # 04, TPS, M/Garh.
- In the light of tender BOQ/specifications & cost analysis of fuel additive Bidder-II M/S International Tech. Karachi was recommended being the lowest one purely on merit.
- PPRA rules & guidelines have been strictly observed during procurement process.

Concluding remarks

Unit price, dosing rate & cost of fuel additive per metric ton of fuel oil consumed for product offered by complainant (M/S Enviro-chem) are very high, expensive and not reasonable. Moreover cost of allied dosing/monitoring equipments offered by M/S Enviro-chem is high comparatively.

Therefore the observations raised by complainant are absolutely baseless, false, fake and invalid.


CHIEF EXECUTIVE OFFICER
GENCO-III, T.P.S., M-GARH

C.C

- Chairman, WAPDA, WAPDA House, Lahore.
- Managing Director, NTDC/CEO GHCL, 723- WAPDA House, Lahore.
- General Manager (Thermal)197-WAPDA House, Lahore.
- Mr. Ghulam Abbas, Consultant, US Energy Wing.
- • Chairman, Transparency International Pakistan.