



# FAISALABAD ELECTRIC SUPPLY CO: LTD:

Office of the Chief Engineer (MM) Old Thermal Plant Abdullah Pur FESCO  
Faisalabad

No 5935-38/

Dated 24-12-12

Addl. Director (HQ) Operation  
O/Q Chief Engineer (Operation) PEPCO  
G - 44 Wapda House,  
Lahore

**SUBJECT: REDRESSAL OF GRIEVANCES**

Ref: Your office letter No. 2106/CE(O)/DHQ-5-B-F dated 30.10.2012.

The para wise reply to the complaint of Syed Adil Gilani Adviser Transparency International - Pakistan dated 15.10.2012 regarding violation of Public Procurement Rules 2004 in FESCO Tender Notice 214/2011-12 for the procurement of 25 No. Insulated Bucket Mounted vehicles and 05 No. Loader Cranes fitted with Augers is as under.

1. Two clauses No. 6 & 7 of FESCO's Bidding Documents have been mixed which are presented as under.

- Clause 6. FESCO reserves the right to increase/decrease the quantity up to 50% of tender quantity.
- Clause 7. FESCO reserves the right to increase/decrease the quantity up to 15% through variation order after award/issue of Purchase Order during the currency of contract.

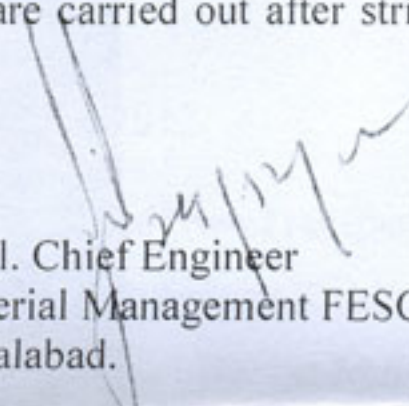
It is quite apparent that before placing the Purchase Order, the quantity can be increased, decreased or even tender may be scraped. But after issuance of Purchase Order, the Repeat/Variation Order must not exceed 15% of PO quantity. Both the clauses are in accordance with Rule 42(c) of PPRA Rules 2004 as well as WAPDA Purchase Procedure (Page 30; copy enclosed).

2. The exact clause IB 15.2 of Standard Form of Bidding Documents of Pakistan Engineering Council 2007 had not been presented in the complaint. The exact wording of the clause IB 15.2 (copy attached) is as under.

"The Bid Security shall be, at the option of the bidder, in the form of Deposit at Call or a Bank Guarantee issued by a Scheduled Bank in Pakistan or from a foreign bank duly counter-guaranteed by a Scheduled Bank in Pakistan or an insurance company having at least AA rating from PACRA/JCR in favour of Employer valid for a period twenty eight (28) days beyond the bid validity."

It is quite evident from above that the Bid Security is to be issued at the option of bidder either in the form of Deposit at Call or a Bank Guarantee issued by a Scheduled Bank in Pakistan or from a foreign bank. In case of Bid Security issued by a foreign bank, it should be duly counter-guaranteed by a Scheduled Bank in Pakistan or an insurance company having at least AA rating from PACRA/JCR. So, FESCO Bidding Document Clause 10 is in accordance with PPRA Rules 2004 as well as WAPDA Purchase Procedure (Page 6; copy enclosed).

It is further clarified that all the procurement affairs are carried out after strictly following PPRA Rules 2004 in letter and spirit.

  
Addl. Chief Engineer  
Material Management FESCO  
Faisalabad.

CC:

- ✓ 1. Chief Technical Officer, FESCO Faisalabad w.r.t his memo No. 14122 dated 14.12.2012
2. Manager Complaint & Monitoring Cell FESCO Faisalabad w.r.t his No. 559 dated 03.12.2012.
- ✓ 3. Syed Adil Gilani, Adviser (Transparency International Pakistan) 5-C, 2<sup>nd</sup> Floor Khayaban-e-Ittehad, Phase VII, Defense Housing Authority, Karachi w.r.t his letter dated 15.10.2012.