

# MULTAN ELECTRIC POWER COMPANY

Tel: 061-9210380 Ext: 2148  
061/9330244  
Fax: 061-9220204

Office of  
The Company Secretary

No. 37021-46 Company Secy

Dated: 04-11-2019

1. Mr. Akhlaq Ahmad Syed  
House No.162, Street No. 73,  
G-9/3, Islamabad.
2. Engr: Tahir Mahmood  
Chief Executive Officer,  
MEPCO Multan.
3. Mr. Khalid Masood Khan,  
10-Green Lane, Zakaria Town  
Bosan Road, Multan.
4. Mr. Saadullah Khan  
House No.49/1, Street No.1, Phase-2 DHA  
Lahore-54792.
5. Mr. Shaheryar Chishty,  
CEO, Asia Pak Investments,  
Daewoo Pakistan Building, Kalma Chowk  
231-Feroze Pur Road Lahore.
6. Sheikh Fazal Elahi  
President, Multan Chamber of Commerce & Industry  
Shahrah-e-Aiwan-e-Tijarat-o-Sanat,  
Near Kalma Chowk, Multan
7. Mr. Shafiq Ahmad Malik  
Addl. Commissioner (Consolidation)  
Multan.
8. Mr. Zaffar Abbas  
Joint Secretary (Transmission),  
Room No. 235 Ministry of Water & Power,  
Islamabad.
9. Muhammad Anwer Sheikh,  
Joint Secretary (CF-II), Govt of Pakistan  
Finance Division Islamabad.

Sub:-**MINUTES OF 151<sup>st</sup> BOD MEETING HELD ON 26-10-2019.**

Enclosed please find herewith Minutes of 151<sup>st</sup> BOD Meeting held on 26-10-2019, (Saturday) at 11:00 am in NTDC Committee Room, 118-WAPDA House Lahore, for information and necessary action please.

DA/as above

  
COMPANY SECRETARY MEPCO

Copy to:-

1. Finance Director, MEPCO Ltd Multan.
2. HR/Admn: Director MEPCO Ltd Multan.
3. General Manager (Tech) MEPCO Ltd Multan.
4. General Manager (Op) Distn: MEPCO HQ Multan.
5. Chief Engineer/CS Director MEPCO Ltd Multan.
6. Chief Engineer (T&G) MEPCO Ltd Multan.
7. Chief Engineer (Development) HQ Multan.
8. Chief Engineer (Planning) HQ Multan.
9. Chief Engineer (O&M) HQ Multan.
10. DG (IS) MEPCO HQ Multan.
11. Project Director Construction MEPCO HQ Multan.
12. Manager (Security) / Transport MEPCO Multan.
13. Manager Internal Audit, MEPCO HQ Multan.
14. Manager (L&L) MEPCO HQ, Multan.
15. Manager (MM) MEPCO HQ Multan.
16. Manager (Civil) MEPCO HQ Multan.
17. Addl: Manager (Public Relations) MEPCO HQ Multan.

} For information & necessary action.

**MULTAN ELECTRIC POWER COMPANY**  
**MINUTES OF 151<sup>ST</sup> BOD MEETING, HELD ON 26.10.2019 (SATURDAY) AT 11:00 AM IN**  
**NTDC COMMITTEE ROOM,118-WAPDA HOUSE LAHORE.**

1. Mr. Akhlaq Ahmad Syed	Chairman
2. Engr. Tahir Mahmood	Director/CEO
3. Mr. Khalid Masood Khan	Director
4. Mr. Zafar Abbas	Director
5. Mr. Saadullah Khan	Director
6. Muhammad Anwar Shaikh	Director (Through Video Link)
7. Mr. Sajid Yaqoob	Company Secretary.

**Following MEPCO officers attended the Meeting on call.**

1. Mian Ansar Mahmood.	Finance Director
2. Mr. Waqas Masood Amjad Chughai	DG (HR & Admin)
3. Mr. Abdul Aziz Khan Niazi	G.M. (Technical)
4. Mr. Iqbal Khan Joiya	Chief Engineer (P&E)
5. Mr. Abdul Sattar	Director (Procurement) Distn.
6. Rana Muhammad Aub	Chief Engineer(Dev)PMU
7. Muhammad Abid Buzdar	Dy: Manager (Dev)PMU

Meeting started under the Chairmanship of Mr. Akhlaq Ahmad Syed. Chairman noted the quorum and declared the meeting to be in order. Proceedings commenced with recitation of Verses from the Holy Quran by Mr. Akhlaq Ahmad Syed.

The Members and key management personnel declared that they are not directly or indirectly, concerned/interested in any contract or arrangement being considered in this Board meeting.

*Following agenda items were presented to the Board, the resultant discussions and decisions of the BOD are narrated as under:-*

**AGENDA ITEM NO. 1**

**Leave of absence of Honorable Members of BOD Meeting.**

The Chairman of the Board accorded approval for the leave of absence of the Board members namely Mr. Shaheryar Arshad Chishty, Mr. Shafique Ahmad Malik & Shaikh Fazal Elahi.

**AGENDA ITEM NO. 2**

**To consider and confirm the minutes of the 150<sup>th</sup> BOD Meeting held on 05.10.2019.**

Company Secretary apprised that the Minutes of 150<sup>th</sup> BOD Meeting held on 05.10.2019 dully endorsed by the Chairman BOD were circulated among all Board Members.

The Company Secretary apprised the members that some typing mistakes have been corrected in the minutes of Agenda Item No. 10 (i & ii). The Members were informed about the mistakes one by one. The Board desired that corrigendum may be issued with revised minutes of Agenda Item No. 10 (i & ii). The Members unanimously agreed to resolve to approve amendments in the minutes of Agenda Item No. 10 (i & ii). The Chairman BOD invited the attention of all Members for offering any reservation(s) / comments(s) regarding approval of the minutes.

**Resolution**

**151-BOD-R1** With amendments in minutes of Agenda Item No. 10 (i & ii) and there being no objection from the house, **RESOLVED** that the Minutes of 150<sup>th</sup> BOD Meeting held on 05.10.2019 be and is hereby confirmed as true record of the proceedings of the meeting.

### **AGENDA ITEM NO.3**

#### **Approval for matters relating to Procurement Committee.**

##### **i. Approval for procurement of 2000 Km ACSR Rabbit Conductor (T/No. 02/20 dt: 26.08.2019).**

The Board was apprised that the agenda was presented by General Manager (Technical) in 20<sup>th</sup> Procurement Committee meeting held on 22.10.2019. He apprised that tender was floated to purchase the quantity of 2000 km ACSR Rabbit conductor as per approval of competent authority and opened on 26.08.19. Five (05) firms purchased the tender documents whereas Four (04) firms participated in the tender opening process and quoted their rates on FCS basis without GST.

As per report of Bid Evaluation Committee convened by Chief Engineer (P&E), it is confirmed that Technical and Commercial evaluation of the bid submitted for the said procurement has been carried out correctly and on the basis of true facts of bid submitted by the bidder.

The Bid Evaluation Committee recommended that "M/s Eagle has been evaluated as lowest responsive bidder by quoting the rate of Rs. 66800/- per km for the full tendered quantity i.e. 2000 km ACSR Rabbit Conductor against tender No. 02/20 dated 26.08.2019."

General Manager (Technical) confirmed that all codal formalities, pertaining to the aforesaid procurement as envisaged in the PPRA Rules and other applicable SOPs/Rules were duly complied with and all information disclosed in the working paper being presented before the Procurement Committee is fairly stated. He further stated that no discrepancy has been pointed out by the Bid Evaluation Committee and no grievances have been received from any bidder.

Continuing with his briefing, he stated the total cost for the procurement of 2000 km ACSR Rabbit conductor would be amounting to Rs. 133.6 million (excluding GST) from M/s Eagle Cables. CEO also accorded approval for putting up agenda item in BOD.

The Committee noted that more than one month has been consumed for finalization of the tender for its opening date to submission date in Company Secretary Office. The Committee emphasized that the management should complete its all process within one month from tender opening date.


During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed the Committee that there is pendency of new connections and deposit works for which ACSR Rabbit Conductor is required. Further, he stated that considering recent currency devaluation and rise in LME, the option of retendering would result in higher rate of the material under procurement.

Based on management's assertions as stated above, the Committee agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last PO issued by other DISCOs. The Committee also considered the stock balance position as only 10 km is presently available in stock. The Board was informed that Procurement Committee has recommended the case for Board's approval. After due deliberation, the Board directed / resolved as follows.

#### **Resolution**

**151-BOD-R2 RESOLVED** that considering the request of General Manager (Technical), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for the procurement of 2000 km ACSR Rabbit conductor from M/s Eagle Cables @ Rs.66800/- per km is hereby accorded. The total cost for procurement of proposed item would be amounting to Rs. 133.6 million (excluding GST) against Tender No. 02/20 opened on 26.08.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) The working paper represents true facts of subjected case. 

- b) Departmental Rules and procedure as laid down for such case have been duly complied with and adopted by the MEPCO.
- c) Technical and financial evaluation of the case has been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- d) The subjected procurement is as per Financial Budget and procurement plan approved by the Board.
- e) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- f) That there is no conflict of interest of any member/Officer of the MEPCO.
- g) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the Consequences.

### **Direction**

**151-BOD-D1 Directed** the GM (Technical) and CE (Development) to present procurement cases to the respective Committee of the Board within one month from its tender opening date. Board further directed that bids opened must be sent to the tender evaluation committee without any delay in 2-3 working days at the most.

#### **ii. Approval for procurement of 2000 Km AAC Ant Conductor (T/No. 08/20 dt: 29.08.2019).**


The Board was apprised that the agenda was presented by General Manager (Technical) in 20<sup>th</sup> Procurement Committee meeting held on 22.10.2019. He apprised that tender was floated to purchase the quantity of 2000 km AAC Ant Conductor as per approval of competent authority and opened on 29.08.2019. Six (06) firms purchased the tender documents whereas Five (05) firms participated in the tender opening process and quoted their rates on FCS basis without GST.

As per report of Bid Evaluation Committee convened by Chief Engineer (P&E), it is confirmed that Technical and Commercial evaluation of the bid submitted for the said procurement has been carried out correctly and on the basis of true facts of bid submitted by the bidder.

The Bid Evaluation Committee recommended that "M/s Eagle has been evaluated as lowest responsive bidder by quoting the rate of Rs. 52300/- per km for the full tendered quantity i.e. 2000 km AAC ANT Conductor against tender No. 08/20 dated 29.08.2019."

General Manager (Technical) confirmed that all codal formalities, pertaining to the aforesaid procurement as envisaged in the PPRA Rules and other applicable SOPs/Rules were duly complied with and all information disclosed in the working paper being presented before the Procurement Committee is fairly stated. He further stated that no discrepancy has been pointed out by the Bid Evaluation Committee and no grievances have been received from any bidder.

Continuing with his briefing, he stated the total cost for the procurement of 2000 km AAC Ant Conductor would be amounting to Rs. 104.6 million (excluding GST) from M/s Eagle Cables. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed the Committee that there is pendency of new connections and deposit works for which AAC Ant Conductor is required. Further, he stated that considering recent currency devaluation and rise in LME, the option of retendering would result in higher rate of the material under procurement. Based on management's assertions as stated above, the Committee agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last PO issued by other DISCOs. The Committee also considered the stock balance position as only 525 km is presently available in stock whereas monthly consumption is 413 km. 

The Board was informed that Procurement Committee has recommended the case for Board's approval. The Board considered the case in detail and after due deliberation resolved as follows:-

**Resolution**

**151-BOD-R3 RESOLVED** that considering the request of General Manager (Technical), recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for the procurement of 2000 km AAC Ant Conductor from M/s Eagle Cables @ Rs.52300/- per km is hereby accorded. The total cost for procurement of above item would be amounting to Rs. 104.6 million (excluding GST) against Tender No. 08/20 opened on 29.08.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) The working paper represents true facts of subjected case.
- b) Departmental Rules and procedure as laid down for such case have been duly complied with and adopted by the MEPCO.
- c) Technical and financial evaluation of the case has been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- d) All legal and coddle formalities have been complied with.
- e) Budget certification has been obtained from Finance Director MEPCO.
- f) That there is no conflict of interest of any member/Officer of the MEPCO, and
- g) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**iii. Approval for procurement of 2000 Km PVC 2/Core 10mm<sup>2</sup> SID Cable (T/No. 09/20 dt: 29.08.2019).**


The Board was apprised that the agenda was presented by General Manager (Technical) in 20<sup>th</sup> Procurement Committee meeting held on 22.10.2019. He apprised that tender was floated to purchase the quantity of 2000 km PVC 10mm<sup>2</sup> 2/Core as per approval of competent authority and opened on 29.08.2019. Four (04) firms purchased the tender documents whereas Three (03) firms participated in the tender opening process and quoted their rates on FCS basis without GST.

As per report of Bid Evaluation Committee convened by Chief Engineer (T&G), it is confirmed that Technical and Commercial evaluation of the bid submitted for the said procurement has been carried out correctly and on the basis of true facts of bid submitted by the bidder.

The Bid Evaluation Committee recommended that "Based on the detailed evaluation in the report, it is recommended that consideration may be given to place contract award/ purchase order upon the lowest responsive evaluated bidder i.e. M/s Madni Cables Pvt Ltd at price PKR 48587 per km without GST."

General Manager (Technical) confirmed that all codal formalities, pertaining to the aforesaid procurement as envisaged in the PPRA Rules and other applicable SOPs/Rules were duly complied with and all information disclosed in the working paper being presented before the Procurement Committee is fairly stated. He further stated that no discrepancy has been pointed out by the Bid Evaluation Committee and no grievances have been received from any bidder.

Continuing with his briefing, he stated that the total cost for the procurement of 2000 km PVC 10mm<sup>2</sup> 2/Core would be amounting to Rs. 97.174.million (excluding GST) from M/s Madni Cables. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed the Committee that there is pendency of new connections for which subjected procurement is required. Further, he stated that considering recent currency devaluation and rise in LME, the option of retendering would result in higher rate of the material under procurement. 

Based on management's assertions as stated above, the Committee agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last PO issued by other DISCOs. The Committee also considered the stock balance position as only 170 km is presently available in stock whereas monthly consumption is 451 km.

The Board was informed that Procurement Committee has recommended the case for Board's approval. The Board considered the case in detail and after due deliberation directed / resolved as follows:-

### **Resolution**

**151-BOD-R4 RESOLVED** that considering the request of General Manager (Technical), recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for the procurement of 2000 km PVC 10mm<sup>2</sup> 2/3 Core from M/s Madni Cables @ Rs.48587/- per km is hereby accorded. The total cost for procurement of above item would be amounting to Rs. 97.174 million (excluding GST) against Tender No. 09/20 opened on 29.08.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) The working paper represents true facts of subjected case.
- b) Departmental Rules and procedure as laid down for such case have been duly complied with and adopted by the MEPCO.
- c) Technical and financial evaluation of the case has been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- d) All legal and coddle formalities have been complied with.
- e) Budget certification has been obtained from Finance Director MEPCO.
- f) That there is no conflict of interest of any member/Officer of the MEPCO, and
- g) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

iv. **Approval for procurement of 100000 No. 11 KV Disc Insulators (T/No. 14/20 dt: 30.08.2019).** The Board was apprised that the agenda was presented by General Manager (Technical) in 20<sup>th</sup> Procurement Committee meeting held on 22.10.2019. He apprised that tender was floated to purchase the quantity of 100000 No. 11 kv Disc Insulators as per approval of competent authority and opened on 30.08.2019. One (01) firm purchased the tender documents & participated in the tender opening process and quoted their rates on FCS basis without GST.

As per report of Bid Evaluation Committee convened by Chief Engineer (T&G), it is confirmed that Technical and Commercial evaluation of the bid submitted for the said procurement has been carried out correctly and on the basis of true facts of bid submitted by the bidder.

The Bid Evaluation Committee recommended that "Based on the detailed evaluation in the report, it is recommended that consideration may be given to place contract award/ purchase order upon the lowest responsive evaluated bidder i.e. M/s Emco Industries Ltd. at price PKR 1488/- per unit without GST."

General Manager (Technical) confirmed that all codal formalities, pertaining to the aforesaid procurement as envisaged in the PPRA Rules and other applicable SOPs/Rules were duly complied with and all information disclosed in the working paper being presented before the Procurement Committee is fairly stated. He further stated that no discrepancy has been pointed out by the Bid Evaluation Committee and no grievances have been received from any bidder.

Continuing with his briefing, he stated that the total cost for the procurement of 100000 No. 11 kv Disc Insulators would be amounting to Rs.148.80 million (excluding GST) from M/s Emco Industries. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the

Company. He informed the Committee that there is pendency of new connections and deposit works for which 11 kv Disc Insulators is required. Further, he stated that considering recent currency devaluation and rise in LME, the option of retendering would result in higher rate of the material under procurement. Based on management's assertions as stated above, the Committee agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last PO issued by other DISCOs. The Committee also considered the stock balance position as 18500 units are presently available in stock whereas monthly consumption is 7541 units.

The Board was informed that Procurement Committee has recommended the case for Board's approval. The Board considered the case in detail and after due deliberation directed / resolved as follows:-

**Resolution**

**151-BOD-R5 RESOLVED** that considering the request of General Manager (Technical), recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for the procurement of 100000 No. 11 kv Disc Insulators from M/s Emco Industries @ Rs.1488/- per unit is hereby accorded. The total cost for procurement of above item would be amounting to Rs. 148.8 million (excluding GST) against Tender No. 14/20 opened on 30.08.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) The working paper represents true facts of subjected case.
- b) Departmental Rules and procedure as laid down for such case have been duly complied with and adopted by the MEPCO.
- c) Technical and financial evaluation of the case has been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- d) All legal and coddle formalities have been complied with.
- e) Budget certification has been obtained from Finance Director MEPCO.
- f) That there is no conflict of interest of any member/Officer of the MEPCO, and
- g) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**v. Approval for procurement of 750 No. 100 KVA Distribution Transformers (T/No. 05/20 dt: 28.08.2019).**

The Board was apprised that the agenda was presented by General Manager (Technical) in 20<sup>th</sup> Procurement Committee meeting held on 22.10.2019. He apprised that tender was floated to purchase the quantity of 750 No. 100 kVA Distribution Transformers with the approval of competent authority and opened on 28.08.2019. Nine (09) firms purchased the tender documents whereas Two (02) firms participated in the tender opening process and quoted their rates on FCS basis without GST.

As per report of Bid Evaluation Committee convened by Chief Engineer (O&M) distribution, it is confirmed that Technical and Commercial evaluation of the bid submitted for the said procurement has been carried out correctly and on the basis of true facts of bid submitted by the bidder.

The Bid Evaluation Committee recommended that "Based on the detailed evaluation in the report, it is recommended that consideration may be given to place contract award/ purchase order upon the lowest responsive evaluated bidder i.e. M/s Skypower Pvt Ltd. at price PKR 258200/- per unit without GST."

General Manager (Technical) confirmed that all codal formalities, pertaining to the aforesaid procurement as envisaged in the PPRA Rules and other applicable SOPs/Rules were duly complied with and all information disclosed in the working paper being presented before the Procurement Committee is fairly stated. He further stated that no discrepancy has been pointed out by the Bid Evaluation Committee and no grievances have been received from any bidder. *h*

Continuing with his briefing, he stated that the total cost for the procurement of 750 No. 100 kVA Transformers would be amounting to Rs. 193.65 million (excluding GST) from M/s Sky Power. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. Further, he stated that considering recent currency devaluation and rise in LME, the option of retendering would result in higher rate of the material under procurement.

Based on management's assertions as stated above, the Committee agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last PO issued by other DISCOs. The Committee also considered the stock balance position as only 280 Nos are presently available in stock whereas monthly consumption is 168 No.

The Board was informed that Procurement Committee has recommended the case for Board's approval. The Board considered the case in detail and after due deliberation resolved as follows.

### **Resolution**

**151-BOD-R6 RESOLVED** that considering the request of General Manager (Technical), recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for the procurement of 750 No. 100 KVA Transformers from M/s Sky Power @ Rs. 258200/- per unit is hereby accorded. The total cost for procurement of above item would be amounting to Rs. 193.65 million (excluding GST) against Tender No. 05/20 opened on 28.08.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) The working paper represents true facts of subjected case.
- b) Departmental Rules and procedure as laid down for such case have been duly complied with and adopted by the MEPCO.
- c) Technical and financial evaluation of the case has been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- d) All legal and coddle formalities have been complied with.
- e) Budget certification has been obtained from Finance Director MEPCO.
- f) That there is no conflict of interest of any member/Officer of the MEPCO, and
- g) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**vi. Approval for procurement of 100000 No. L.T Spool Insulators (T/No. 12/20 dt: 30.08.2019).**

The Board was apprised that the agenda was presented by General Manager (Technical) in 20<sup>th</sup> Procurement Committee meeting held on 22.10.2019. He apprised that tender was floated to purchase the quantity of 100000 No. L.T Spool Insulators as per approval of competent authority and opened on 30.08.2019. One (01) firm purchased the tender documents & participated in the tender opening process and quoted their rates on FCS basis without GST.

As per report of Bid Evaluation Committee convened by Chief Engineer (P&E), it is confirmed that Technical and Commercial evaluation of the bid submitted for the said procurement has been carried out correctly and on the basis of true facts of bid submitted by the bidder.

The Bid Evaluation Committee recommended that "Based on the detailed evaluation in the report, it is recommended that consideration may be given to place contract award/ purchase order upon the lowest responsive evaluated bidder i.e. M/s Emco Industries Ltd. at price PKR 152/- per unit without GST."

General Manager (Technical) confirmed that all codal formalities, pertaining to the aforesaid procurement as envisaged in the PPRA Rules and other applicable SOPs/Rules were duly complied with and all information disclosed in the working paper being presented before the Procurement Committee is



fairly stated. He further stated that no discrepancy has been pointed out by the Bid Evaluation Committee and no grievances have been received from any bidder.

Continuing with his briefing, he stated that the total cost for the procurement of 100000 No. L.T Spool Insulators would be amounting to Rs. 15.2 million (excluding GST) from M/s Emco Industries. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed the Committee that there is pendency of new connections and deposit works for which subjected procurement is required. Further, he stated that considering recent currency devaluation and rise in LME, the option of retendering would result in higher rate of the material under procurement. Based on management's assertions as stated above, the Committee agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last PO issued by other DISCOs. The Committee also considered the stock balance position as only 58900 units are presently available in stock whereas monthly consumption is 17417 units.

The Board was informed that Procurement Committee has recommended the case for Board's approval. The Board considered the case in detail and after due deliberation resolved as follows.

#### **Resolution**

**151-BOD-R7 RESOLVED** that considering the request of General Manager (Technical), recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for the procurement of 100000 No. L.T Spool Insulators from M/s Emco Industries @ Rs.152/- per unit is hereby accorded. The total cost for procurement of above item would be amounting to Rs. 15.2 million (excluding GST) against Tender No. 12/20 opened on 30.08.2019.

The resolution is based on the following confirmations by the management of MEPCO.


- a) The working paper represents true facts of subjected case.
- b) Departmental Rules and procedure as laid down for such case have been duly complied with and adopted by the MEPCO.
- c) Technical and financial evaluation of the case has been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- d) All legal and coddle formalities have been complied with.
- e) Budget certification has been obtained from Finance Director MEPCO.
- f) That there is no conflict of interest of any member/Officer of the MEPCO, and
- g) Any misstatement of the facts and figures in the working paper would make MEPCO Management liable for the consequences.

vii. **Approval for procurement of 25000 No. 3/Phase AMR Energy Meters (T/No. 205 dt: 03.07.2019).**

#### **Resolution**

**151-BOD-R8 RESOLVED** that the case is deferred to next meeting.

viii. **Approval for procurement of 132/11.5 KV, 31.5/40MVA Power Transformers Financed under MEPCO's own Resources against Tender No. PMU-MEPCO-193-2019 opened on 12.04.2019.**

The agenda was presented by CE (Dev). He apprised the Board that Agenda item was presented to MEPCO BOD in its 147<sup>th</sup> BOD meeting held on 01.07.2019 and also in its 148<sup>th</sup> BOD meeting held on 18.07.2019. The matter was discussed in length and BOD directed the management to provide the following for final decision. 

1. Present a comprehensive report to the Board of all actions taken by management in accordance with the MEPCO mechanism to arrive at a conclusion whether a firm should or should not be black listed once MEPCO observes any of its supplier is blacklisted in Pakistan by a third party, any DISCO along with clear cut recommendations after considering the requirements for debarment / black listing of any firm.
2. Circulate MEPCO Vendors registration and blacklisting mechanism to all board members.
3. Present a certificate that there is no provision in MEPCO debarment / black listing procedure that if any firm is debarred by any international donor agency, then it's also obligation for MEPCO to debar the same firm.
4. Present the reply PPRA in response to MEPCO letter No. 8202-10 dated 16.05.2019

In compliance of BOD directions, following were the submissions from CE.

1. It is submitted that as per MECPO debarment procedure causes of black listing of any firm are as under: -
  - a. Submission of false and spurious documents, making false statements and allegations to gain undue advantage.
  - b. Commission of fraud.
  - c. Commission of embezzlement, criminal breach of trust, theft, cheating, forgery, bribery, falsification or destruction of records, receiving stolen property, false use of trademark, securing fraudulent registration, giving false evidence, furnishing of false information of serious nature.
2. This office in compliance of direction of Procurement Committee of MEPCO BOD sought legal opinion from Rajwana & Rajwana Advocates regarding award of contract to M/s PEL, Lahore in light of debarment of M/s PEL Lahore by World Bank and NTDC as well. The conclusion of legal opinion is as under: -
  - I. There is no role of World Bank in the procurement procedure against subjected tender. Moreover, the entire procurement procedure is reliant upon the MEPCO's own resources without seeking any financial assistance or borrowing from the world bank therefore MEPCO can not oust the bidder unless it is black listed by MEPCO itself in any of the previous project and as per MEPCO debarment procedure.
  - II. NTDC has black listed the firm as per Chapter-2 of NTDC SOP for black listing stating firms black listed by donor agencies against any project / contract of NTDC will be black listed after receipt of confirmation from the donor agencies without any further proceedings. The procurement of STG material against subjected tender is the independent project of MEPCO having no financial implication or contribution by the NTDC. Accordingly the said debarment of M/s PEL, Lahore by NTDC has no direct nexus on the subject procurement.

In the light of above stated facts, if an international donor agency debar a particular firm, MEPCO is not under obligation to debar that firm to participate in the tendering process under MEPCO's own resources funding projects and NTDC has debarred the firm as per SOP of NTDC debarment procedure. As there is no provision in MEPCO debarment procedure and at present no debarment of M/s PEL, Lahore is under process in MEPCO it is recommended that there is no any barrier to award the contract to M/s PEL, Lahore against subjected tender under MEPCO's own resources funding even if the firm has been debarred by World Bank and NTDC.
3. Attested copy of MEPCO debarment procedure was provided to the Board.
4. The CE (Dev) certified that no any provision in MEPCO debarment procedure, if any international donor agency debar any firm than MEPCO is also under obligation to debar the same firm without any further proceeding. W

5. The reply of PPRA against MEPCO letter No. 8208-10 dated 16.05.2019 is reproduced as under:-

*It is apprised that based on the documents provided, the subject matter is under evaluation at this authority. The Authority after evaluation may furnish its regulatory position or any other general instructions on the basis of experience feedback as well as national / international best practices. Keeping in view the above, earlier letter No. 11(83)/M&E/PPRA/ 2019/22 issued by this Authority should not have any adverse effect on the Pak Elektron Ltd., for participating in any tendering process. Moreover, till regulatory position furnished or general instructions are issued by this authority, MEPCO may not cancel the subject tender due to the subject matter.*

Matter was again discussed in Next BOD meeting and Board instructed that case will be decided after recommendation of legal opinion sought by GEPCO. Copy of legal opinion by ORR Dignam & Co., Advocates is enclosed. The recommendations are as under:-

*Notwithstanding the above, under Section -5 of the PPRA Ordinance "the authority may take such measures and exercise such powers as may be necessary for improving governance, management, transparency, accountability and quality of public procurement of goods, services and works in the public sector." In the present case, PPRA has invoked this power to issue the General Instructions which, in our opinion, are binding on GEPCO. Nevertheless, by the express terms of PPRA's letter dated 09 August 2019, the General Instructions, under which all those firms, suppliers and contractors blacklisted / debarred by the international organizations shall be treated as blacklisted / debarred and ineligible to participate in any public procurement process unless allowed to do so by PPRA, "shall have taken effect on or after 14 August 2019". It follows, therefore, that in the present case, the General Instruction do not affect the Tender and resulting Purchase Order, which must continue to be implemented in accordance with its terms and that of any related contract between GEPCO and PEL. However, PEL is not eligible to participate in GEPCO tenders on or after 14 August 2019, unless specifically authorized to do so by PPRA.*

MEPCO BOD further instructed to clarify from PPRA of Point # 3 General Instruction issued by PPRA vide letter dated 09.08.2019 . Director Procurement Distribution MEPCO sought clarification from PPRA vide letter No. 1712-13 dated 26.09.2019. PPRA clarified the matter vide letter No. 1121 /M&E/PPRA/2018/05 dated 01.10.2019, reply of PPRA is reproduced as under:-

*With reference to your letter No. 1712-13 dated 26.09.2019 on the subject noted above, it is explained that your interpretation pertaining to subject matter stands correct with specifies that any firm supplier or contractor blacklisted / debarred by the international organization on or after 14<sup>th</sup> August 2019 shall be treated as ineligible to participate in any public procurement process Rule -19 of Public Procurement Rules 2004 allows procuring agency to specify a mechanism and manner to permanently or temporarily bar suppliers and contractors from participating in their respective procurement proceedings, however, said rule does not cover blacklisting / debarment by international organizations. In exercise of the powers conferred under Section -5 of PPRA Ordinance 2002, the Authority issued instructions on 9<sup>th</sup> August 2019, pertaining to suppliers and contractors blacklisted / debarred by international organizations attached and displayed on Authority's website). According to Section -2 (h) of the PPRA Ordinance 2002 any violation of the rules, regulations, orders or instructions shall be treated as mis-procurement. Moreover, the subject instruction referred above shall have prospective effect on all the firms, suppliers and contractors blacklisted / debarred by the international organization on or after 14<sup>th</sup> August 2019.*

Continuing with his briefing, the CE (Dev) stated that SEPCO has recently issued LOI on 18.07.2019 for supply of 10-No. 31.5/40MVA Power Transformers in favor of M/s PEL amounting to Rs. 63.5 Million per unit. Moreover, GEPCO and LESCO has recently issued LOI for 11KV Distribution