



# TRANSPARENCY INTERNATIONAL-PAKISTAN

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4<sup>th</sup> September, 2015

Managing Director,  
Oil and Gas Development Company Limited (OGDCL),  
Jinnah Avenue,  
Islamabad,

## Reminder

Sub: Complaint of Violation of Public Procurement Rules 2004 by OGDCL in Incorporating in Tender Collusive Condition to Eliminate Competitors in 3 Years Running Contractor for Linepipe as per Tender # PROC-FC/ CB/ PROD/ RRC/ VALVES- 1528/ 2015.

Dear Sir,

This is with reference to the Transparency International Pakistan's complaint dated 28<sup>th</sup> August, 2015 sent to you regarding violation of Public Procurement Rules 2004 by OGDCL in incorporating in the tender document collusive condition to eliminate competitors in 3 Years Running Contractor for "Linepipe Tender # PROC-FC/ CB/ PROD/ RRC/ VALVES- 1528/ 2015."

However no reply has been received till date.

OGDCL is reported to be as very corrupt organization in tendering in past, and above all this restriction in tender confirms this reputation of OGDCL.

In order to conduct efficient bidding, PPRA under Rule No. 26(3), has advised procuring agencies to award contract with bid validity period. An in special case, PPRA has allowed only one extension of maximum equal period, which under prudent practice is within 6 months. OGDCL has given the Bid Validity of 210 days. This should not be more than 120 days, and OGDCL has circumvented the time period which 7 months period for award which is 14 months. Even Planning Commission allows 6.5% price escalation per year under PC II Rules and OGDCL awarding the contract in 14 months old rate is not possible unless there is a collusion of selection bidders and OGDCL officers.

PPRA 2004, Rule No. 26(3), Stated as under;

*26. Bid validity.- (3) The procuring agency shall ordinarily be under an obligation to process and evaluate the bid within the stipulated bid validity period. However under exceptional circumstances and for reason to be recorded in writing, if an extension is considered necessary, all those who have submitted their bids shall be asked to extend their respective bid validity period. Such extension shall be for not more than the period equal to the period of the original bid validity.*

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Managing Director is requested to order the officer in charge to issue an addendum in this respect otherwise this tender is a mis-procurement charge under Rule No 50.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,

Sohail Muzaffar  
Chairman

Copies forwarded for the information with request to take action under their mandate to:

1. Secretary to Prime Minister, Islamabad.
2. Chairman, NAB, Islamabad.
3. Secretary Petroleum, Islamabad.
4. Chairman, Prime Minister's Inspection Commission, Islamabad.
5. Registrar, Supreme Court of Pakistan, Islamabad.
6. Managing Director, PPRA, Islamabad.

