



8<sup>th</sup> December, 2022

TL2022/0812/1A

Mr. Syed Khalid Siraj Subhani,  
Managing Director/ CEO,  
Oil and Gas Development Company Limited (OGDCL),  
Islamabad.

**Sub: Complaint Against Violation of PPRA Rules in OGDCL Tender of Rs. 411 million, for Hiring of EPCC Contractor for Engineering, Procurement, Construction/Installation, Pre-Commissioning, Commissioning, Performance Testing and Reliability Guarantee Testing (RGT) of KPD-TAY Compression Project, District Hyderabad, Sindh Province, Tender # PROC- FC/PROJ/KPD-TAY/COMP- 5213/ 2022.**

Dear Sir,

Transparency International Pakistan has received a complaint from M/s Jereh Oil & Gas Engineering Corporation on violation of PPRA Rules in OGDCL tender mentioned in the subject (**Annex-A**).

The complainant has raised the following allegations that;

1. OGDCL invited bids for the subject tender and the technical bids were opened on 11<sup>th</sup> May 2022. Two Bidders participated: Joint Venture of M/s Jereh Oil & Gas Engineering Corporation (Lead Partner) and Etimaad Engineering and Joint Venture of M/s Shandong Hi-Speed Kerui Petroleum Equipment Co., Ltd. (Lead Partner) and Petrocon Limited, and both were declared Technically Responsive.
2. As per the tender document requirement, Bidder must have executed 2 projects (in oil and gas sector). M/s Hi- Speed Kerui has shown the forged contractual experience with M/s Xinjiang Ruichengyan Clean Energy Co., Ltd, China signed on 12-7-2016, whereas, M/s Xinjiang Ruichengyan Clean Energy Co., was founded on 19<sup>th</sup> January 2017 (**Annex-B**).
3. M/s Hi- Speed Kerui provided the forged experience of a project with Petrobras Brazil company and a forged parent/sister relationship with M/s Shandong Kerui Petroleum Equipment Co, Ltd who has compressor experience required by the tender document (**Annex-C**).
4. As per tender document requirement some specific testaments, for experience, audit, etc. including Checklists, bidding form, blacklisting affidavit, data summary sheet, corporate information Company's Core Business Areas and their annual sales revenue/ earnings during last five (5) years, which were not provided by the bidder M/s kerui.
5. As per National Enterprise Credit Information Publicity System, owned by State Administration for Market Regulation of Chinese government, different companies of M/s KERUI group have been sentenced to dishonest executor by different Chinese courts (**Annex-D**).

**Transparency International Pakistan Comments:**

Transparency International Pakistan has reviewed the allegations of the complaint and prima facie the allegations seem to be correct. Following are TI-Pakistan comments:



1. As per PPRA Rules 2004, Rule No. 18 quoted below, the bidder can only technically qualify for the tender if the documents submitted comply with the criteria mentioned in the ITB bidding documents.

*18. Disqualification of suppliers and contractors.- The procuring agency shall disqualify a supplier or contractor if it finds, at any time, that the information submitted by him concerning his qualification as supplier or contractor was false and materially inaccurate or incomplete.*

2. M/s Hi- Speed Kerui has shown allegedly forged experience of 'Petrobras Brazil' which may not be considered as on the 'Petrobras Brazil' company's website, which is in contradiction to Rule No. 17 of the PPRA Rules 2004, quoted below;

*17. Qualification of suppliers and contractors.- A procuring agency, at any stage of the procurement proceedings, having credible reasons for or prima facie evidence of any defect in supplier's or contractor's capacities, may require the suppliers or contractors to provide information concerning their professional, technical, financial, legal or managerial competence whether already pre-qualified or not: Provided that such qualification shall only be laid down after recording reasons therefor in writing. They shall form part of the records of that procurement proceeding.*

3. The experience of M/s Shandong Kerui Petroleum & Gas Co. Ltd from Shandong Kerui Petroleum Equipment Co., Ltd is invalid as these companies do not have parent/sister relationship and do not comply with the tender documents. It is a violation of Rule No. 30 of the PPRA Rules 2004


*30. Evaluation of bids.- (1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding documents. Save as provided for in sub-clause (iv) of clause (c) of rule 36 no evaluation criteria shall be used for evaluation of bids that had not been specified in the bidding documents.*

**Transparency International Pakistan Recommendations:**

TI Pakistan requests the Managing Director/ CEO OGDCL to review the complaint in light with PPRA Rules 2004 and if found correct, re-invite the tender in compliance with PPRA Rules to avoid Mis-procurement under PPRA Rule 50.

TI Pakistan is striving for across the board application of **Rule of Law**, which is the only way to stop corruption and achieve zero tolerance against Corruption.

With Regards,

  
Advocate Daniyal Muzaffar,  
Trustee/Legal Advisor  
Transparency International Pakistan

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

1. Prime Minister of Pakistan, PM House, Islamabad
2. Minister of State (Petroleum Division), Ministry of Energy, Islamabad
3. Finance Minister, Ministry of Finance, Islamabad
4. Chairman, NAB, Islamabad
5. Chairman, Prime Minister Inspection Commission, PMIC, Islamabad
6. Registrar Supreme Court of Pakistan, Islamabad
7. MD, PPRA, Islamabad

**Date: 21 November 2022**

Honorable Justice (R) Zia Perwez  
Chairperson  
Transparency International Pakistan  
Plot 72F/2, Floor 1  
9th Street, Jami Commercial,  
DHA Phase 7,  
Karachi, Pakistan

**COMPLAIN AGAINST VIOLATION IN OGDCL TENDER FOR KPD-  
TAY COMPRESSION PROJECT TENDER # PROC-FC/CB/PROJ/KPD-TAY/COMP-  
5313/2022**

Dear Sir,

I would like to introduce myself to you as Country Manager of Pakistan Market for Jereh Oil & Gas Engineering Corporation located in Address: No. 9 Jereh Road, Laishan District, Yantai, China.

We invalidate the above mentioned tender evaluation report as there are huge ambiguities and reservations over technical evaluations.

The bidding process has many loopholes, which need to expedite for the sake of OGDCL integrity.

We have repeatedly requested for a face to face meeting with OGDCL and hoped that they would hear and understand our concerns to make amends and due justice.

The following are the major five concerns, which need thorough investigation.

**1. ATTACHEMENT-1**

- As per Tender Eligibility requirements are a "Bidder shall have executed 2 projects (in oil and gas sector) each 65MMSCFD on EPCC basis in last ten years". Where as the bidder has also shown two main projects but one project seems forged. As the Client Xinjiang Ruichengyuan Clean Energy Co., Ltd China was founded in 19 January 2017 and as per documents submitted by bidder the contract between M/s Shandong Hi-Speed Kerui Petroleum Co., Ltd (Hereafter referred to as Hi-Speed Kerui ) and Xinjiang Ruichengyuan Clean Energy Co., Ltd was signed on 12-7-2016. It is worth while mentioning here that as per attachment from Shaya county, Xinjiang Ruichengyuan Clean Energy Co., Ltd has no Gas processing station in Shaya County.
- Shandong Kerui Petroleum & Gas Co. owns Xinjiang Ruichengyuan Clean Energy Co., Ltd till 2018.07.17 and above EPCC project has been finished before 2018.07.17.

**2. ATTACHEMENT-2**

- Provided information regarding on going project for Petrobras Brazil shall be not considered. As per Petrobras website the project is canceled as Kerui-Metodo did not fulfil his responsibility.

**3. ATTACHEMENT-3**

- Shandong Kerui Petroleum & Gas C., Ltd is packager for KPD project, who borrowed experience from Shandong Kerui Petroleum Equipment Co., Ltd who has compressor experience required by tender document. However, these two companies even do not have parents/ sister relationship. So Shandong Kerui Petroleum & Gas C., Ltd cannot be allowed to borrow experience from Shandong

Kerui Petroleum Equipment Co., Ltd. & compressor experience proposed by Hi-Speed Kerui NOT compliance to tender requirement.

**4. ATTACHEMENT-4**

- As per clause 5.3.1-Summary Rejection Criteria, ITB, of tender document, bid must include all annexure complete in all respect i.e. Checklists, bidding form, blacklisting affidavit, data summary sheet, corporate information etc. M/s Hi-Speed Kerui did not submit Company's Core Business Areas and their annual sales revenue/earnings during last five (5) years, because M/s Hi-Speed Kerui was established on Dec 29th 2018.
- As per clause 1, PART – II FINANCIAL STRENGTH, ITB, of tender document, Provide details with regard to the financial standing of the applicant including copies of last three (3) years Audited profit & loss account and balance sheet, however, 2021 audit report has not been provided for Hi-Speed Kerui.

**5. ATTACHEMENT-5**

- As per National Enterprise Credit Information Publicity System, owned by State Administration for Market Regulation of Chinese government. We found that different companies of KERUI group have been sentenced to dishonest executor by different Chinese courts.
  - Shandong Kerui Petroleum Equipment Co., Ltd. (EPC experience company)
  - Shandong Kerui Petroleum and Natural Gas Engineering Group Co., Ltd. (Compressor Packager company)
  - Shandong Kerui Machinery Manufacturing Co., Ltd.
  - Shandong Kerui Holding Group Co., Ltd.
  - Shandong Kerui Compressor Co., Ltd.

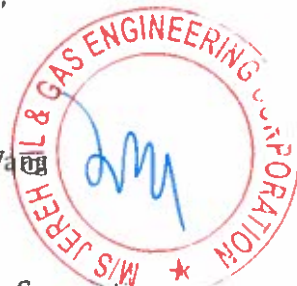
We have reached out OGDCL Higher management and concerned department several times for regarding biased technical evaluation, but we believe that by not addressing the points raised by us, OGDCL and its management is giving undue favors to the other company.

Now we have no choice left to escalate the matter to Transparency Pakistan for their opinion on concerns raised by us.

We are available to present our case face-to-face meeting if required.

Thanking you and Regards,

Country Manager: Kevin Wang



Jerel Oil & Gas Engineering Corporation

Cc

- *Capt (Retd.) Muhammad Mahmood, Secretary for Ministry of Energy*
- *Mr. Mahbool Ahmad Gondal, MD PPRA*
- *Syed Khalid Siraj Subhani, MD OGDCL*
- *Mr. Zia Salahuddin, Executive Director Services*
- *Mr. Ahmed Hayat Lak, General Manager Legal Services*
- *Mr. Muhammad Iqbal\_memon, General Manager I/c Project*
- *Muhammad Irshad, General Manager I/c SCM*
- *Mr. Hafizur Rehman, Head of Audit*



(报告内容仅供参考，具体内容请以国家企业信用信息公示系统查询页面为准)

## 政府部门公示信息

### ■ 照面信息

**统一社会信用代码：**91652924MA778U140U      **企业名称：**新疆瑞诚源清洁能源有限责任公司  
**类型：**其他有限责任公司      **法定代表人：**种毅  
**注册资本：**2000 万人民币      **成立日期：**2017年01月19日  
**营业期限自：**2017年01月19日      **营业期限至：**  
**登记机关：**沙雅县市场监督管理局      **核准日期：**2021年05月24日  
**登记状态：**存续（在营、开业、在册）  
**住所：**新疆阿克苏地区沙雅县人民南路以东、彩虹街以南城南B座2栋1层15号商铺  
**经营范围：**天然气净化处理、油田技术服务、与石油和天然气开采相关的技术服务活动、机械设  
备生产、销售、安装、租赁；其他化工产品、办公产品销售；环保工程；自营和代理各类商品进  
出口业务（依法须经批准的项目，经相关部门批准后方可开展经营活动）

### ■ 股东及出资信息

序号	股东名称	证照/证件类型	证照/证件号码	股东类型
1	新疆中油大诚油气技术有限公司	企业法人营业执照(公司)	652822050000386	法人股东
2	科尔加里(北京)国际油气技术有限公司	企业法人营业执照(公司)	911101050765981178	法人股东

### ■ 主要人员信息

序号	姓名	职位	序号	姓名	职位
1	张宁	监事	2	刘友元	董事
3	黑剑平	董事兼总经理	4	刘芳	财务负责人

(The content of the report is for reference only, please refer to the query page of the National Enterprise Credit Information Publicity System for specific content)

Information published by government departments

face to face information

Unified social credit code: 91652924MA778U140U Company name: Xinjiang Ruichengyuan Clean Energy Co., Ltd.

Type: Other Limited Liability Company

Legal representative: Zhong Yi

Registered capital: 20 million RMB

Date of establishment: January 19, 2017

Business period from: January 19, 2017

Open until:

Registration Authority: Shaya County Market Supervision Administration Approval date: May 24, 2021

Registration status: surviving (in operation, opening, on the register)

Address: Shop No. 15, 1st Floor, Building 2, Building B, South of Chengnan Road, East of Renmin South Road, Shaya County, Aksu District, Xinjiang, South of Rainbow Street

Business scope: natural gas purification, oilfield technical services, technical service activities related to oil and natural gas exploitation, mechanical equipment production, sales, installation, leasing; sales of other chemical products and office products; environmental protection engineering; self-management and agency of various commodities Import and export business (projects

subject to approval according to law, business activities can only be carried out after approval by relevant departments)

Shareholders and investment information

serial number	shareholder name	License/Certificate Type	License/document number	shareholder type
1	Xinjiang CNPC Dacheng Oil & Gas Technology Co., Ltd.	Enterprise legal person business license	652822050000386	Legal person shareholder
2	Colgary (Beijing) International Oil and Gas Technology Co., Ltd.	Enterprise legal person business license	9111010507659811-78	Legal person shareholder

Key Personnel Information

serial number	Name	Position	serial number	Name	Position
1	Zhang Ning	Supervisor	2	Liu Youyuan	director
3	Hei Jianping	Director and General Manager	4	Liu Fang	financial manager

**Petrobras on Route 3 Integrated Project**

Published 11/07/2022 20:31:48

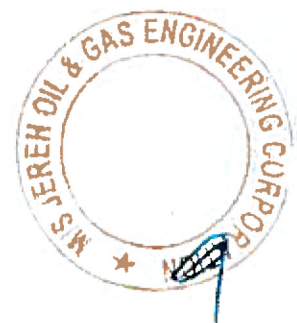
Petrobras informs that it is reassessing the date for the start of operation of the Route 3 Integrated Project, scheduled for the second half of 2022, due to the demobilization of the workforce of the company SPE Kerui-Método, responsible for the works of the Natural Gas Processing Unit (UPGN) of the Gaslub Cluster, in Itaboraí, Rio de Janeiro.

The company clarifies that the demobilizations took place in recent weeks by unilateral decision of the company SPE Kerui-Método and, for this reason, the work is paralyzed, being carried out only activities of preservation of equipment and facilities. Additionally, Petrobras reinforces that it is up to date with all its commitments with the referred company.

Petrobras has made every effort to avoid the stoppage and is evaluating actions to minimize the impacts on the conclusion of the work. The new estimated date for the asset to go into operation will be announced after the relevant evaluations are concluded.

[Print Close](#)

[https://www.agenciapetrobras.com.br/Materia/ExibirMateria?p\\_materia=985401](https://www.agenciapetrobras.com.br/Materia/ExibirMateria?p_materia=985401)

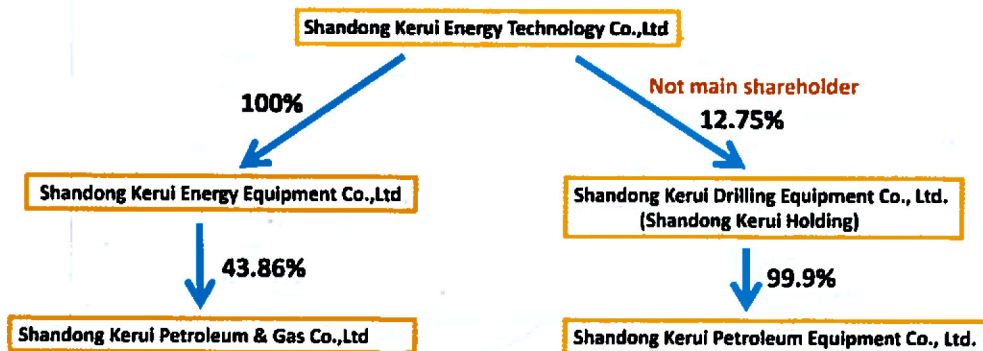




### Attachment 3 Summary

From Attachment 3 below picture and supporting document which came from National Enterprise Credit Information Publicity System which is owned by State Administration for Market Regulation of Chinese government (You may refer to website <http://zxgk.court.gov.cn/>).

Shandong Kerui Petroleum & Gas Co., Ltd is packager for KPD project, who borrowed experience from Shandong Kerui Petroleum Equipment Co.,Ltd who has compressor experience required by tender document. However, these two companies even do not have parents/ sister relationship. So Shandong Kerui Petroleum & Gas Co., Ltd can not be allowed to borrow experience from Shandong Kerui Petroleum Equipment Co.,Ltd. And compressor experience proposed by Hi-Speed Kerui NOT compliance to tender requirement and there bid shall be rejected.





中國法院信息公開網

(<http://zxgk.court.gov.cn/>)

**dishonest executor**

**Name/Name of Person subject to execution:** Shandong Kerui Petroleum and Natural Gas Engineering Group Co., Ltd.

**ID number/organization code:** 9137050006\*\*\*\*796Y

**Enforcement Court:** Dongying Intermediate People's Court  
**province:** Shandong

**Execution basis document number:** (2019) Dongzhong Zi No. 612

**Filing time:** April 7, 2020

**Case number:** (2020) Lu 05 No. 176

**Make the execution basis unit:** Dongying Arbitration Commission





中国执行信息公开网

(<http://zxgk.court.gov.cn/>)

**final case**

**Case number:** (2020) No. 47, Chuan 06

**Name/Name of Person subject to execution:** Shandong Kerui Machinery Manufacturing Co., Ltd.

**ID number/organization code:** 9137050079\*\*\*\*83X0

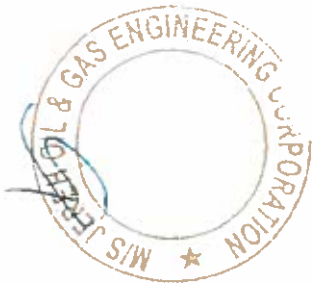
**Enforcement Court:** Intermediate People's Court of Deyang City, Sichuan Province

**Filing time:** February 20, 2020

**Final date:** September 14, 2020

**Execute target:** 123382957.00

**Outstanding Amount:** 123382957.00



closure



# 中国执行信息公开网

(<http://zxgk.court.gov.cn/>)

## dishonest executor

**Name/Name of Person subject to execution:** Shandong Kerui Holding Group Co., Ltd.

**ID number/organization code:** 9137050078\*\*\*\*5042

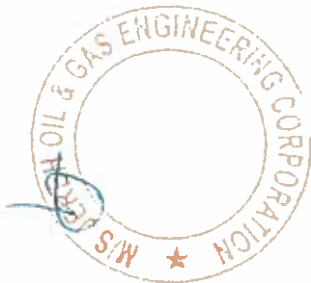
**Enforcement Court:** Zhangjiagang City People's Court  
**province:** Jiangsu

**Execution basis document number:** (2019) Su 0582 Min Chu No. 6903

**Filing time:** June 1, 2020

**Case number:** (2020) Su 0582 Executive No. 2787

**Make the execution basis unit:** Zhangjiagang City People's Court





中国执行信息公开网

(<http://zxgk.court.gov.cn/>)

**final case**

**Case number:** (2021) Lu 03 No. 784

**Name/Name of Person subject to execution:** Shandong Kerui Compressor Co., Ltd.

**ID number/organization code:** 9137050068\*\*\*\*050T

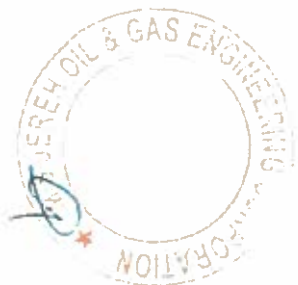
**Enforcement Court:** Intermediate People's Court of Zibo City, Shandong Province

**Filing time:** August 10, 2021

**Final date:** November 15, 2021

**Execute target:** 50675002.00

**Outstanding Amount:** 50675002.00



closure



中国执行信息公开网

(<http://zxgk.court.gov.cn/>)

### dishonest executor

**Name/Name of Person** Shandong Kerui Petroleum Equipment Co., Ltd.  
**subject to execution:**

**ID number/organization** 9137050276\*\*\*\*692D  
**code:**

**Enforcement Court:** Shanghai Financial Court

**province:** Shanghai

**Execution basis document** (2019) Hu 74 Min Chu No. 3369  
**number:**

**Filing time:** October 09, 2020

**Case number:** (2020) Hu 74 Zhi No. 516

**Make the execution basis** Shanghai Financial Court  
**unit:**

