



Ref.: RFB-DASU-ISW-20240516

Date: 16th May 2024

Attention: Chief Engineer / Project Director
PMU Dasu Transmission Line Project, NTDC
House No. 70, Sector A, Ghazikot Township Mansehra, Pakistan

SUBJECT: **GRC COMPLAINT AGAINST ILLEGITIMATE AWARD OF THE CONTRACT**

Tender No. RFB-DASU-ISW for Plant Design, Supply and Installation of 765/500/220/132 kV Islamabad West New Grid Statin under National Transmission Modernization Project- I,

- Ref:
- 1- Contract Award Notice containing Notification of Award NOA No. CEPD/DM(C)/F-L4-8/977 dated 05-03-2024
 - 2- NOIA No. CEPD/DM(C)/F-L4-8/823 dated 26-01-2024
 - 3- Our first GRC complaint letter no. RFB-DASU-ISW-20240208 dated 08-02-2024
 - 4- NTDC reply letter no. CEPD/DM(C)/F-L4-8/896-902 dated 05-03-2024
 - 5- Our second GRC complaint letter no. RFB-DASU-ISW-20240313 dated 13-03-2024
 - 6- NTDC reply letter no. CEPD/DM(C)/F-L4-8/970-76 dated 25-03-2024
 - 7- Our third GRC complaint letter no. RFB-DASU-ISW-20240426 dated 26-04-2024

Dear Sir,

We are writing to you our final GRC complaint letter with grave concerns regarding NTDC highly conditional NOIA (ref-[2]) and conditional Notification of Award issued to M/s NWEPMI-TBEA JV on 27th March 2024 (ref-[1]). We filed our strong grievances against this illegal award starting from our first letter dated 08-Feb-2024 to our third letter dated 26-Apr-2024, citing very clear cut violations of MANDATORY and MUST-MEET clauses of the bidding document, but NTDC only gave us totally baseless and bogus replies two times trying to hide their lack of logical reasoning and clear display of malafide intentions to award the contract illegally to NWEPMI-TBEA JV.

It was stated in those two reply letters in very generic terms that everything NTDC has done is as per bidding document and WB guidelines but ironically NTDC failed to give us any particular tender clause or WB procurement guideline reference which magically allowed them to blatantly violate those mandatory clauses at will. Any one of these clauses is sufficient to disqualify NWEPMI-TBEA JV but NTDC kept on giving them undue and unfair favors to award them this contract.

Here is the status and history of our GRC complaint so far:

CNTIC GRC Complaint Letter	NTDC GRC Complaint Reply Letter	GRC Points Addressed	Comments
RFB-DASU-ISW-20240208 dated 08-02-2024	CEPD/DM(C)/F-L4-8/896-902 dated 05-03-2024	ZERO	Dummy reply after 1 month
RFB-DASU-ISW-20240313 dated 13-03-2024	CEPD/DM(C)/F-L4-8/970-76 dated 25-03-2024	ZERO	Dummy reply after 2 weeks
RFB-DASU-ISW-20240426 dated 26-04-2024	NO REPLY RECEIVED YET	MOST LIKELY ZERO	No reply after 3 weeks running

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Handwritten signature/initials



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NTDC has not yet satisfactorily closed our GRC complaint after lapse of more than 03 months and WB Procurement guidelines clearly mandate that all GRC complaints must be resolved before proceeding for NOA which is once again conveniently violated by NTDC. While our GRC complaint proper reply is still pending despite repeated letters, NTDC is silently proceeding in an organized manner to fulfill its nefarious agenda of awarding NWEPTDI-TBEA JV this prestigious contract without any regard for rules, principles or transparency.

To make things easier for NTDC to reply appropriately to our GRC complaint, we have created the below table highlighting which MANDATORY & MUST-MEET clauses are violated by NTDC against all international bidding norms and standards and all NTDC needs to do to resolve our GRC complaint points is to fill-in the last column of the table with appropriate clause and WB guideline which has enabled them to illegally violate those clauses and justify their illegal actions.

LIST OF OPEN NTDC VIOLATIONS OF BIDDING DOCUMENT CLAUSES

MANDATORY & MUST-MEET TENDER CLAUSE GROSSLY VIOLATED BY NTDC	OUR STANCE	Tender Clause OR World Bank Procurement Guideline used by NTDC to VIOLATE/IGNORE the Clause
<p><u>Submission of Performance Guarantee</u> Clause ITB-51.2: "Failure of the successful Bidder to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security. In that event the Employer may award the Contract to the Bidder offering the next Most Advantageous Bid."</p>	<ul style="list-style-type: none"> - 28 days expired on 24-Apr-24. NO PG was submitted by bidder. - Clause 51 clearly mandates annulment of award and encashment of bid bond on 25-Apr-24. - Illegal extensions given to NWEPTDI-TBEA JV again and again instead of encashment of Bid Bond. 	<p>[NTDC to provide here how these extensions were granted and justified in light of tender document. In particular, which tender clauses allowed them to bypass or override this mandatory clause at their own free will.]</p>
<p><u>Cash Flow Requirement</u> Clause 2.3, "Financial Situation" 2.3.3 Financial Resources: <i>The Bidder must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet:</i> <i>(i) The following cash-flow requirement: US\$ 15,000,000</i></p>	<ul style="list-style-type: none"> - As per this Clause, Cash flow criteria MUST be met by all members of the Joint Venture (JV) but NWEPTDI clearly failed to meet this MUST-MEET clause. - The bidder must have been rejected at technical evaluation stage and their financial bid must never have been opened. - Astonishingly, NTDC/WB has rejected several other bidders for not fulfilling the criteria of this exact same clause 2.3 	<p>[NTDC to provide here which tender clauses gave them the right to completely trash this most critical clause 2.3 of the tender to provide clear illegitimate favor to this bidder only. This violation is in fact the mother of all other violations conducted by NTDC in this tender as evident from Appendix-A</p>

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<p>and (ii) <i>The overall cash flow requirements for this contract and its current commitments.</i></p>	<p>- We attach herewith Appendix-A & Appendix-B, in which we compiled a list of those several high profile unfortunate bidders who were rejected for violating this exact same clause 2.3 but NTDC only afforded special treatment to NWEPMI-TBEA JV. Why and How? What did all those bidders do to deserve rejection on this exact same clause 2.3 but not NWEPMI? - Current Contract Commitments has to be taken into account while determining actual cash flow situation of the bidders. How was that part completely removed from the bidding document by NTDC?</p>	<p>& B. <i>Also, in asking bidder to provide bank credit line only at this stage and not even asking for their current contract commitments sums up the fraudulent practiced adopted to qualify NWEPMI]</i></p>
<p>Payment & Re-imbursement of Taxes Clause ITB 17.3 & 17.4, Clause PCC 14.1 & 14.2 addendum No. 2 pre-bid clarification items 135 & 383 issued on 07-Oct-2021</p>	<p>All these clauses are crystal clear that all taxes (direct and indirect) must be included in bidder's price for each price schedule. No reimbursement is allowed over and above NOA price. Yet NTDC conditionally allowed the bidder to bargain on tax amount of PKR 1,282,445,164 by issuing them NOIA and then NOA without agreement of all these clauses.</p>	<p><i>[NTDC to provide here which tender clauses they will use to justify paying them any taxes over and above NOA prices and not give the same treatment to Lot-1, II, III and many other ongoing contracts.]</i></p>
<p>Arithmetic Corrections Clause ITB 37.2 <i>"Bidder shall be requested to accept correction of arithmetic error. Failure to accept the correction in accordance with ITB 37.1 shall result in the rejection of the Bid."</i></p>	<p>- NWEPMI must have accepted the arithmetic correction of PKR 266,544,088/- before NOIA can be issued to them as per this mandatory clause. - NOIA was issued conditionally instead of rejecting the bidder as mandated by this clause.</p>	<p><i>[NTDC to provide here how conditional NOIA was issued instead of rejecting the NWEPMI-TBEA JV and which clause gave them this illegal authority?]</i></p>
<p>Abnormally Low Bid Clause ITB 41.3 <i>"After evaluation of the price analyses, in the event that the Employer determines that the Bidder has failed to demonstrate its capability to deliver the contract for the offered tender price, the Employer shall reject the Bid."</i></p>	<p>NWEPMI has quoted highly unrealistic and abnormally low price which is almost same as 765kV Mansehra SS awarded to M/s SEPSCO1 but the scope of ISBW is nearly double of the Mansehra.</p>	<p><i>[NTDC to provide here how this clause was violated and completely ignored when price of 765kV Mansehra is with them.]</i></p>

We are so stunned at the level of such open and undue favors given to this bidder that we suggest their name be changed to NWEPMI-TBEA-NTDC JV. All the clauses highlighted above can be proven with 100% certainty at any forum without a shred of doubt so we look forward to NTDC delivering us first

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proper reply in this tender so far in strict compliance to the clauses of the bidding document against all our long pending GRC complaint points one by one at the earliest **as per the table above**. If NTDC gives us same dummy response as before and proceeds with the illegal contract without resolving our GRC complaint, we reserve the right to reach all alternate forums including taking a legal course of action.

Best Regards

吴德全
Wu Dequan

中国技术进出口集团有限公司
CHINA NATIONAL TECHNICAL
IMPORT & EXPORT CORPORATION

Marketing Director

China National Technical Import & Export Corp.

Representative of JV OF CNTIC & SEC

Cc:-

- 1- PS to Prime Minister, Islamabad
- 2- Federal Minister of Energy, Power Division, Islamabad
- 3- **Special Investment Facilitation Council, Islamabad** (*with a request to intervene and review the gross violations and injustice committed to international bidders like us who are keenly interested to invest heavily in future growth projects of Pakistan Government*)
- 4- Federal Secretary (Power Division), Islamabad
- 5- Secretary, Ministry of EAD, Islamabad
- 6- Chairman Senate Standing Committee on Power, Islamabad
- 7- Additional Secretary, -I, Ministry of Energy (Power Division), Islamabad
- 8- Additional Secretary, Monitoring & Evaluation, Power Division, Islamabad
- 9- Chairman Board of Directors, NTDC
- 10- MD NTDC, WAPDA House, Lahore
- 11- DMD (AD&M) NTDC, Lahore.
- 12- DMD (P&E) NTDC, Lahore.
- 13- General Manager (PDN), NTDC, Lahore.
- 14- General Manager (PA), NTDC, Lahore.
- 15- General Manager (P&CM), NTDC, Lahore.
- 16- Chief Engineer (PMU), NTDC, Lahore.
- 17- Chief Engineer (MP&M), NTDC, Lahore
- 18- Chief Engineer (PMU-DASU), NTDC, Islamabad
- 19- Mr. Najy Benhassine, WB Country Director
- 20- Company Secretary for distribution to all Board Members
- 21- **Transparency International, Pakistan**
- 22- The Integrity Vice Presidency (INT), The World Bank Group

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