

May 02, 2024,

TL2024/0502/1A

Mr. Musadik Masood Malik
Federal Minister
Ministry of Energy (Petroleum Division)
Islamabad

**Subject: Complaint Against Allegations of Violation of PPRA Rules 2004 by SNGPL,
Tender Inquiry No: SNC-1904/23 Covering Air Intake Filters, Filter Elements And
Mist Eliminator Filter Element Opened on 23-01-2024**

Dear Sir,

Transparency International Pakistan has received a complaint from M/s Qaim Automotive MFG (PVT) LTD against the allegation of violation of PPRA Rules 2004 in the Technical Evaluation Report Ref: PUR-43 (SNC-1904/23) dated 09-04-2024 uploaded on PPRA website on 22-04-2024 in the Tender Enquiry No. SNC-1904/23 covering air intake filters, filter elements and mist eliminator filter element opened on 23-01-2024 (**Annex-A**).

The complainant has made the following allegations:

That:

1. M/s Qaim Automotive participated in the bidding process in the subject tender on 23-01-2024.
2. On Feb 12, 2024, M/s Qaim Automotive received email from SGNPL Transmission Office seeking clarifications in terms of applied part of requirements for / by domestic manufacturer and provided by the bidder (**Annex-B**).
3. On Apr 24, 2024 M/s Qaim Automotive was informed that their company is "technically non responsive" due to non-compliance of the following deviations:
 - a. Provided test report does not show the Test Conditions (Test air flow rate, test air temperature, relative humidity, biometric pressure) and Test results (initial pressure drop, initial efficiency, Untreated / discharge efficiency, Dust holding capacity, classification) cannot be verified from the provided test report. Provided Test reports as per EN779:2012 does not pertain to any certified laboratory.
 - b. Data of initial resistance, Dust Fed vs Arrestance, Dust Fed vs Resistance and data of particle removal efficiency is not mentioned in the provided test report.
 - c. Technical literature provided is not relevant/specific to the offered model.
4. The correspondence between M/s SNGPL and M/s Qaim Automotive is given below (**Annex-C**):



(i)	(ii)	(iii)	(iv)
SNGPL Email FEB 12.2024	QAIM Reply Dtd 12-02-2024	SNGPL Email Feb 24,2024	Qaim reply dtd 24-02-2024
1) Bidder to provide technical literature/ brochure of the offered model.	Provided	3. Technical literature provided is not relevant/specific to the offered model.	Provided Technical Literature is relevant as equivalent to the model in terms of constructions, shape and size per demand of Appendix •F Page 3/7 SNC -1904/23"
2) Bidder to provide performance test reports (EN799:2012 and ASHRAE 52.2:2012) of the offered model.	<p>Provided Test report Data of Media Per EN779:2012 includes:</p> <p>a. Test Performance Data (Initial Pressure Drop, Final Resistance to Flow, Initial Arrestance, Average Arrestance, Average Efficiency),</p> <p>b. Test Data (Initial Pressure Drop Vs Air Flow Rate, Average Efficiency vs Pressure Drop),</p> <p>c. Dust Fed Vs Arrestance (Auestance vs Loading Dust Fed),</p> <p>d. Dust Fed vs Resistance (Pressure Drop Vs Loading Dust Fed) and</p> <p>e. Particle Removal Efficiency (Summary of Average Efficiencies)</p>	<p>1. Provided test report does not show the Test Conditions (Test air flow rate, test air temperature, relative humidity, biometric pressure) and Test results (initial pressure drop, initial efficiency, Untreated / discharge efficiency, Dust holding capacity. classification) cannot be verified from the provided test report. Provided Test reports a-; per EN779:2012 does not pertain to any certified laboratory</p> <p>2. Data of initial resistance, Dust Fed vs Arrestance, Dust Fed vs Resistance and data of particle removal efficiency is not mentioned in the provided test report</p>	<p>All required data have been provided vide our email dated 12-02-2024 which appears to be stated by mistake "as not provided"</p> <p>Moreover, the demand of the tender is "Bidder to provide performance test reports (EN799:2012 and ASHRAE 52.2:2012) of the offered model"</p> <p>Note:- It doesn't provide the ingredients and constituency of various required tests, however, the test datas already provided are covered under test per EN 779:2012.</p> <p>Note Further:</p> <p>Test Conditions Test air flow rate: Already provided against graph namely Initial Pressure Drop Vs Air Flow Rate</p>



5. The demand of the tender is "Bidder to provide performance test reports (EN799:2012 and ASHRAE 52.2:2012) of the offered model". It doesn't provide the ingredients and constituency of various required tests, however, for technical evaluation, the procuring agency has used additional criteria in violation of PPRA Rules 2004, Rule 29.
6. Technical Evaluation shows that only one party has been declared responsive which compromises competition and value for money as per PPRA Rules 2004.

Transparency International Pakistan's Comments

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

1. As per the PPRA Rules 2004, Rule 29, a procuring agency shall formulate appropriate and unambiguous evaluation criteria, which must be clearly listed in the bidding documents. These criteria serve as the basis against which bids are evaluated, and any failure to provide such clear and unambiguous evaluation criteria constitutes mis-procurement. Rule 29 is quoted below:

PPRA Rule 29: Evaluation Criteria.— The Procuring Agencies shall formulate an appropriate evaluation criteria, listing all the relevant information against which a bid is to be evaluated. Such evaluation criteria shall form an integral part of the bidding documents. Failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.

2. As per PPRA Rules 2004, Rule 48, procuring agency must address concerns raised by any aggrieved bidder. Rule 48 is quoted below;

Rule 48: Redressal of grievances by the procuring agency "Any bidder feeling aggrieved by any act of the procuring agency after the submission of his bid may lodge a written complaint concerning his grievances not later than fifteen days after the announcement of the bid evaluation report under Rule 35"

3. PPRA Rules, 2004, General Provisions Part I, requires procuring agency to conduct procurement processes in a fair and transparent manner ensuring that the qualified bidder brings value for money to the agency. PPRA General Provisions Part I (4) is quoted below for your reference;

Principles of Procurements - Procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

4. In the prevailing economic situation in the country, it is important that the Competition and opportunity for the domestic manufacturing based on equivalent and similar specification based manufactured products / filters is provided to increase competition and obtain value for money.

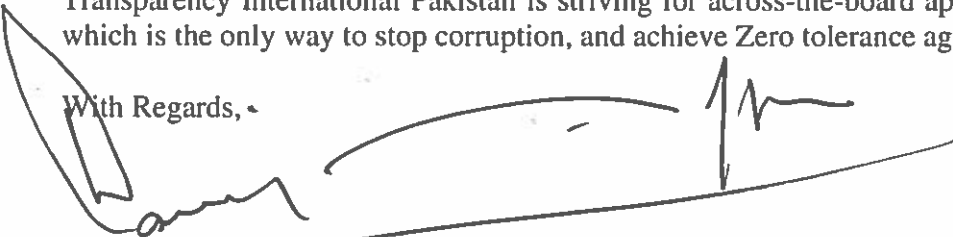
Transparency International Pakistan Recommendations

Transparency International Pakistan requests the Federal Minister, Ministry of Energy (Petroleum Division) to direct the concerned department to examine the allegations of the complaint in light of PPRA Rules 2004, and if found correct, issue directives to rectify violation and re-invite tender in compliance with PPRA Rules 2004, to avoid mis-procurement.



Transparency International 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. Chairman, SNGPL, Lahore
2. Chairman, PMIC, Islamabad
3. MD, PPRA, Islamabad
4. Registrar, Supreme Court of Pakistan, Islamabad


Note:

This is to clarify that Transparency International Pakistan is not a complainant, it acts as a whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, and a three member bench in case of Mukhtar Ahmad Ali vs the Registrar, Supreme Court of Pakistan, Islamabad, headed by Chief Justice Qazi Faez Isa in the landmark judgment on 16 October 2023, in CP No. 3532/2023, has declared that

“What previously may have been on a need-to-know basis Article 19A of the Constitution has transformed it to a right-to-know, and the Access to information is no longer a discretion granted through occasional benevolence, but is now a fundamental right available with every Pakistani which right may be invoked under Article 19A of the Constitution”

ORIGINAL FILTERS

DATED: 24-04-2024


 Mr. Kamran Akram CA CFO SNGPL
 Chairman
 GRIEVANCE REDRESSAL COMMITTEE
 M/s Sui Northern Gas Pipelines Ltd.
 7th Floor, Gas House, 21-Kashmir Road, Lahore
 PH: 042-99201419 Email: cfo@sngpl.com.pk

Sub: REDRESSAL OF GRIEVANCE CAUSED BY PROCURING AGENCY BY ANNOUNCEMENT OF TECHNICAL EVALUATION REPORT REF: PUR-43 (SNC-1904/23) DATED 09-04-2024 UPLOADED ON PPRA WEBSITE ON 22-04-2024 IN RESPECT OF TENDER ENQUIRY NO. SNC-1904/23 COVERING AIR INTAKE FILTERS, FILTER ELEMENTS AND MIST ELIMINATOR FILTER ELEMENT OPENED ON 23-01-2024:

Respectful Sir,

Being aggrieved by the contents of Technical Evaluation Report Ref. PUR-43 (SNC-1904/23) dated 09-04-2024 uploaded on PPRA website on 22-04-2024.

FACTS:

1. We are one of the biggest manufacturer of Filters including Industrial, Power and Customer Design in the country since incorporated in 1992. The manufacturing unit is situated at N-13, S.I.T.E., Kotri with ISO certification 9001:2015.
2. Our company herein named QAIM AUTOMOTIVE MFG. (PVT) LTD participated in the bidding process. The Tender bid / proposal was submitted on 23-01-2024, opened on the same day.
3. On Feb 12, 2024, we received an email from Mr. Nouman Arshad Chief Engineer (Compression) SGNPL Transmission Office, Piran Ghaib Road, Multan (Understandably end user), seeking clarifications / confirmations, which were provided accordingly in terms of applied part of requirements for / by domestic manufacturer (Copies of the email of end user Feb 12, 2024 and our response dated 12-02-2024 are enclosed as annexure A/1 & A/2).

**QAIM AUTOMOTIVE MFG. (PVT) LTD.**

MANUFACTURER OF AUTOMOTIVE, INDUSTRIAL, POWER & CUSTOMER DESIGN FILTERS
 Registered Office: 203/203-P, Phase-1, Feroz Road, Sui Northern Gas Pipelines Ltd. (SNGPL) Head Office, 7th Floor, Gas House, 21-Kashmir Road, Lahore. PH: 042-99201419, 042-99201420
 Factory: 13-N, S.I.T.E., Kotri, District Tando Allahyar, Sindh. PH: 022-243273000, 022-243273070
 E-MAIL: info@qaimfilters.com, sales@qaimfilters.com
 Website: www.qaimfilters.com



3a. However, we didn't receive any request or command for providing further clarifications or confirmation on our reply dated 12-02-2024, which otherwise may have accrued if it was required so as outcome of the appreciated examined material reply provided by our reply email 12-02-2024.

4. However, we have been aggrieved by receiving an email on Wed, Apr 24, 2024 at 10:22 AM from Mr. Shahzad Ahmed Sr. Officer (PI) informing us the position that our company is "technically non responsive" alleging to be "due to non-compliance of the following deviations"

<<Quote>

1. Provided test report does not show the Test Conditions (Test air flow rate, test air temperature, relative humidity, biometric pressure) and Test results (initial pressure drop, initial efficiency, Untreated / discharge efficiency, Dust holding capacity, classification) cannot be verified from the provided test report. Provided Test reports as per EN779:2012 does not pertain to any certified laboratory.
2. Data of initial resistance, Dust Fed vs Arrestance, Dust Fed vs Resistance and data of particle removal efficiency is not mentioned in the provided test report.
3. Technical literature provided is not relevant/specific to the offered model.

<<Unquote>>

5. The same contents of the email have also been downloaded from PPRA website vide Technical Evaluation Report Ref: PUR-43 (SNC-1904/23) dated 09-04-2024 uploaded on 22-04-2024.
6. We are agitating the issue well within time as provided by PPRA Rules 2004 vide S.R.O. 432(I)/2004 Islamabad, June 9, 2004 to read with clause:

"48. Redressal of grievances by the procuring agency" with sub clause (3), "Any bidder feeling aggrieved by any act of the procuring agency after the submission of his bid may lodge a written complaint concerning his grievances within seven days of announcement of the technical evaluation report".

7. The tabulated version constituting (i) SNGPL Email Feb 12, 2024, (ii) Qaim reply dated 12-02-2024, (iii) SNGPL Email Feb 24, 2024 and (iv) Qaim reply dated 24-02-2024 is as below:

Annexure-B

----- Forwarded message -----

From: Nouman Arshad/Compression/Multan (T) <nouman.arshad@sngpl.com.pk>

Date: Mon, Feb 12, 2024 at 6:48 PM

Subject: Tender Enquiry No. SNC-1904/23 covering Air Intake Filters, Filter elements and Mist Eliminator Filter element.

To: info@qaimfilters.com.pk <info@qaimfilters.com.pk>, qaimfilters@gmail.com <qaimfilters@gmail.com>

Cc: Shahzad Rizwan Shamsi/Procurement/Head Office <shahzad.shamsi@sngpl.com.pk>, Ahmed Shahzad/Procurement/Head Office <ahmed.shahzad@sngpl.com.pk>

Dear Sir (QAIM Automotive MFG. Karachi)

This is with reference to subject Tender enquiry # SNC-1904/23 and your offer # NIL dated 18.01.2024.

Following clarifications / confirmations may please submitted at your earliest enabling us to finalize the technical evaluation of the subject tender enquiry.

Conical Air Intake Filter Elements

- 1) Bidder to provide technical literature / brochure of the offered model.
- 2) Bidder to provide performance test reports (EN799:2012 and ASHRAE 52.2:2012) of the offered model.
- 3) Bidder to provide sales reference of the offered model as per tender clause 3.2(b) of Appendix "A", mentioned as under:

Quote

" The bidder offering goods of foreign origin (outside Pakistan) shall furnish references (names and addresses with names of contacts including telex/telex numbers) of at least five (05) end user outside the manufacturer country to whom the product of the manufacturer, same as those being offered in this tender has been supplied/ exported in size able quantity during the last five year against international tender enquiries. Simply submitting a list of customers to whom the manufacturer has been supplying various goods, will not meet the intent and purpose of this requirements. This information must a part of the bid and the bidder is not encouraged to submit any this information's subsequently after public opening of the bids. Failure to comply with these requirements is likely made the bid subject to rejection."

Unquote

Please submit your response within two days positively, belatedly replies will not be entertained for technical evaluation.

Best Regards,

NOUMAN ARSHAD

Chief Engineer (Compression)

Sul Northern Gas Pipelines Ltd.

Transmission Office, Piran Ghaib Road, Multan.

Cell:0332-4199952 DMC:9325 nouman.arshad@sngpl.com.pk



(i)	(ii)	(iii)	(iv)
SNGPL Email FEB 12, 2024	QAIM Reply Dtd 12-02-2024	SNGPL Email Feb 24, 2024	Qaim reply dtd 24-02-2024
1) Bidder to provide technical literature / brochure of the offered model.	Provided	3. Technical literature provided is not relevant/specific to the offered model.	Provided Technical Literature is relevant as equivalent to the model in terms of constructions, shape and size per demand of Appendix 'F' Page 3/7 SNC -1904/23"
2) Bidder to provide performance test reports (EN799:2012 and ASHRAE 52.2:2012) of the offered model.	Provided Test report Datas of Media Per EN 779:2012 includes: a. Test Performance Datas (Initial Pressure Drop, Final Resistance to Flow, Initial Arrestance, Average Arrestance, Average Efficiency), b. Test Datas (Initial Pressure Drop Vs Air Flow Rate, Average Efficiency vs Pressure Drop), c. Dust Fed Vs Arrestance (Arrestance vs Loading Dust Fed), d. Dust Fed vs Resistance (Pressure Drop Vs Loading Dust Fed) and e. Particle Removal Efficiency (Summary of Average Efficiencies)	1. Provided test report does not show the Test Conditions (Test air flow rate, test air temperature, relative humidity, biometric pressure) and Test results (initial pressure drop, initial efficiency, Untreated / discharge efficiency, Dust holding capacity, classification) cannot be verified from the provided test report. Provided Test reports as per EN779:2012 does not pertain to any certified laboratory 2. Data of initial resistance, Dust Fed vs Arrestance, Dust Fed vs Resistance and data of particle removal efficiency is not mentioned in the provided test report	All required datas have been provided vide our email dated 12-02-2024 which appears to be stated by mistake "as not provided" Moreover, the demand of the tender is "Bidder to provide performance test reports (EN799:2012 and ASHRAE 52.2:2012) of the offered model" Note:- It doesn't provide the ingredients and constituency of various required tests, however, the test datas already provided are covered under test per EN 779:2012. Note Further: Test Conditions Test air flow rate: Already provided against graph namely Initial Pressure Drop Vs Air Flow Rate



			<p>Test air temperature: May fluctuate +/- but around => 21 °C relative humidity: May be different but around > 50 %</p> <p>biometric pressure: It is not biometric pressure as mentioned by SNPGL by mistake vide email dtd 24-04-2024 but it is Barometric Pressure or atmosphere pressure which is 1-atmosphere is 1,013 millibars, or 760 millimeters (29.92 inches) of mercury. It drops as altitude increases. These conditions are standards with some variations, for which statement has been provided by our company in the Test Report Datas.</p> <p>Test results initial pressure drop: Already provided against graph namely Initial Pressure Drop Vs Air Flow Rate</p> <p>initial efficiency: Average Efficiency is provided which per EN 779:2012 is @ 0.4 micron covered by startup efficiency 99% for 0.2 – 2.0 micron dust.</p>
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			<p>Untreated / discharge efficiency: These are per EN779:2012 used of media.</p> <p>Dust holding capacity: These are per EN779:2012 used of media.</p> <p>Classification: These are per EN779:2012 Provided test reports datas are based on certified laboratory reports which have not been specifically mentioned in the tender to be the basis of your verification. Our datas is our participating undertaking on the basis of certified datas from laboratory which should be honored because we have to engage in transactions based on guarantees and performance blockade of our financial resources to barter the guarantee. Such amounts are released at very later stage with no financial cost reimbursement at the time of discharge.</p>
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8. Our company alleged to be **“technically non-responsive”** communicated vide email Feb 24, 2024 appears to have been sent in relaxation of appropriate rechecking and due diligence of the whole issue wherein the interpretation has been made out of the ambit of structured compliance sheet, the requirement of which have been satisfied with vide our response on the same day of receiving the SNGPL email dated Feb 12, 2024 requiring the clarifications / confirmation.



9. Being aggrieved of the alleged communication to be "non-responsive", we are hereby lodging a written complaint well within the seven days of announcement of technical evaluation report as provided in PPRA Rules.

Further it may please be noted as below for giving compounded affect to arrive at just and fair decision of recalling the non-responsive:

- a. We had quoted for only item No. 1 "Air Intake Filter Elements". The outcome of the Technical Evaluation shows that only one party has been declared to be responsive understandably also import based. That would mean that without prejudice to the outcome of this grievance application, only one party is declared responsive in terms of yet to be ascertained financial conformance in terms of rate responsibility which may not be in the interest perfection of the public sector organization, while encroaching upon the required careful due diligence and rechecking of the aforementioned issue.

- b. Further the per PPRA 38B (2)

<<Quote>>

(2) The procuring agency shall make a decision with due diligence and in compliance with general principles of procurement like economy, efficiency and value for money.

<<Un-Quote>>

- c. S.R.O.827(I)/2001 dated Islamabad, the 3rd December, 2001

The Competition and opportunity for the domestic manufacturing on the basis of equivalent and similar specification based manufactured products / filters is well thought over decision by the government, which is being reinforced by present government and SIFC as a policy support. The monopolizing one party as responsive again without due diligence and careful interpretation may not be preferred by the public procurement agency in the national interest.

<<Quote>>

3. Price preference to be accorded. – Only in cases of procurement by the government and in case of procurement by other public sector agencies, bidders tendering for engineering goods produced in Pakistan shall be accorded a price preference in rupees up to a specific percentage (in proportion to the value addition) of the lowest quoted landed cost of an item of foreign origin with similar specifications as mentioned in the tenders:

<<Un Quote>>

PRAYER:

With above submissions, it is prayed that the grievance committee may be pleased to declare our company as a "Responsive" on the basis of equivalence and similar specifications to read with not trespassing the interpretation otherwise to be restricted to EN 779:2012, which has been undertaken and fully complied with against the requirement of tender, followed by the settlement of clarifications / confirmation required by SNGPL.



We reserve the rights to follow of the matter in the cascaded manner as provided / guided by PPRA and strongly:

Seek Just & Fair Decision by the Honorable Grievance Redressal Committee.

Thanking you,

Engr M. A. Jabbar
Chief Executive
QAIM AUTOMOTIVE MFG. (PVT) LTD
203-206, Prince Centre, Preedy Street,
Saddar, Karchi-74400 Ph: 021-32710123
Cell: 0301-1652555 Whatsapp: 0300-8236782
PS to CEO: 0315-2931399 (Muhammad Farooq)

Encls: Appropriate

Copy to:

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