



**TRANSPARENCY
INTERNATIONAL-PAKISTAN**

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority, Karachi.
Tel: (92-21)-35390408, 35390409, Fax: 35390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk

16th December, 2015

TL15/1612/7A

Mr. Arshad Mirza,
Secretary,
Ministry of Petroleum and Natural Resources,
Room No.302, 3rd Floor, A block Pak Secretariat,
Islamabad.

Sub: Tender Enquiry No. PLTL/LNG TER/COM/01/12-2015.

Dear Sir,

Transparency International Pakistan has noted that Ministry of Petroleum has again changed the procurement process of LNG Terminal, and according to tender notice issued by Pakistan LNG terminal Ltd on 14th December, 2015 (Annexure A.) it appears that Government Holding Private Ltd (GHPL) headed by Mr. Shahid Islam, ex- acting Managing Director PSO is entrusted to carry out the tendering, through a newly formed subsidiary, Pakistan Terminal Limited.

There are serious objections on the procurement of the 1st LNG Terminal, which was tendered by Inter State Gas Systems Pvt. Ltd. (ISGS), and after the tender opening and evaluation, SSGCL were handed over the procurement, to award this contract on which NAB inquiry is being held.

TI-Pakistan would like to know whether the Contract Agreement for the 2nd LNG Terminal which will involve three agreements to be signed with PQA, PSO and SSGCL, will be evaluated and awarded by Pakistan LNG Terminal, or some other entity, and whether M/s QED of UK will be/or appointed consultant through open bidding

In the tender advertisement, following disputed issues of 1st LNG Terminal which are under NAB investigation needs to be resolved prior to issue of tender documents;

1. The period of BOT Contracts with Port Qasim should be same as the period of contract to be signed with SSGCL, which may be 15 years.
2. The FRSU should be transferred to Port Qasim on the completion of BOT period, i.e 15 years.
3. The capacity charges are allegedly illegal in the 1st LNG Terminal and should not be allowed in the 2nd LNG Terminal, and all the cost should be included in tolling charges by the bidders.
4. The royalty to Port Qasim by the Terminal Operator should not be less than latest royalty paid to Port Qasim by Pakistan International Bulk Terminal, which is 50% of the Revenue, in this case more than 50% of the tolling charges.

You are also requested to advice the Government Holding Private Ltd to follow NAB instructions issued on PPRA process vide its letter No 5-2 (75) Pre/ A & P/ NABHQ/ 2013 (Annexure B), to post the tender documents on the website so that bidder may download the tender and submit with non-refundable fee of US \$ 100.



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. Director General, NAB, Karachi.
4. Chairman, Prime Minister's Inspection Commission, Islamabad.
5. Registrar, Supreme Court of Pakistan, Islamabad.
6. Managing Director, Government Holding Private Ltd, Islamabad.
7. Chairman, Port Qasim Authority, Karachi.
8. Managing Director, Pakistan State Oil, Karachi.
9. Managing Director, Sui Southern Gas Company Limited, Karachi.
10. Managing Director, PPRA, Islamabad.

Annexure-A

Dated:
15/12/2015

Business Recorder

PAKISTAN LNG TERMINALS LIMITED
(A SUBSIDIARY OF GOVERNMENT HOLDINGS (PRIVATE) LIMITED)

**PROCUREMENT OF
LNG STORAGE AND RE-GASIFICATION SERVICES**

Tender Enquiry # PLTL/LNG TER/CON/01/12-2015

Pakistan is currently facing a natural gas shortfall of over 2BCFD, which is expected to grow to 4 BCFD due to increasing demand and depleting domestic gas reserves. The Government of Pakistan is pursuing a multi-pronged strategy, including trans-national gas pipelines and import of LNG, in a phased manner to mitigate this gap. A 400 MMCFD LNG re-gasification terminal is currently operating at Port Qasim, Karachi, providing Pakistan with its first imported natural gas.

Pakistan LNG Terminals Limited, ("PLTL") a wholly owned subsidiary of Government Holdings (Private) Limited - a corporate entity owned 100% by the Government of Pakistan, invites bids from qualified parties to construct a second LNG terminal at Port Qasim, Karachi and to enter into a long term contract for LNG storage and re-gasification services under a LNG Services Agreement (LSA) with the following basic parameters:

- Provision of required LNG storage and re-gasification services in compliance with all Pakistan laws and regulations and applicable International Standards.
- LNG Terminal to be based on a Floating Storage and Regasification Unit (FSRU) located at Port Qasim, Karachi.
- Delivery of average 400 MMCFD RLNG to the Sui Southern Gas Company Limited's designated natural gas grid tie-in point at Port Qasim, Karachi.
- Contract term of 15 years.
- LNG Services Agreement (LSA) to be signed before February 29, 2016.
- First RLNG flow at full terminal capacity to be available on March 1, 2017.

A Single Stage - Two Envelope bidding procedure under the PPRA Rules will be followed.

The Bids shall be submitted strictly in accordance with the instructions mentioned in the bidding documents.

The Bid submission deadline is 1500 hrs PST on January 25, 2016.

Any bid received after the Bid submission deadline will not be entertained.

Pakistan LNG Terminals Limited shall have the right to accept or reject any/all bids or cancel the Bidding process at any time at its discretion.

Tender documents may be obtained from the following address by submitting an application by authorized representative on company's letterhead and a non-refundable payment of US \$100 by foreign companies or Pakistan Rupees 10,000 by Pakistani companies in shape of Pay Order/ Bank Draft in favor of Pakistan LNG Terminals Limited from Monday to Friday between 0900 hrs and 1600 hrs PST. Bidding documents can also be downloaded from the www.paklngterm.com and payment for bidding documents can be made before the submission of bids.

Pakistan LNG Terminals Limited
Administration Department
House # 17, Street # 89, G-6/3, Islamabad, Pakistan. Tel: +92-51-9211236-7 Fax: +92-51-9213972
Email: lngterminal.tollingproject@paklngterm.com

Financial Times 15x2



GOVERNMENT OF PAKISTAN
NATIONAL ACCOUNTABILITY BUREAU
ATTA TURK AVENUE, G-5/2
ISLAMABAD

AWARENESS & PREVENTION DIVISION

Mandated to educate, advise, assist and insist in Prevention of Corruption and Corrupt Practices
(Section 33B & C of NAO 1999)

5-2(75)Pre/A&P/NABHQ/2013

January 08, 2014 /40

All Ministries / Divisions /
Departments / Regulatory Bodies
and Corporation etc. (list attached)

Subject: MEASURE FOR PREVENTION OF CORRUPTION IN PUBLIC
PROCUREMENT PROCESS FOR TRANSPARENCY AND
MERTOCRACY

To plug the possible corruption holes during procurement process, National Accountability Bureau (NAB) under its Prevention Regime, as enshrined in section 33B and 33C of National Accountability Ordinance (NAO) 1999 read with Public Procurement Rules 2004, advises to abide by the following instructions, in order to ensure transparency in the public procurement process:


- a. Registration or enlistment of contractors on periodic basis a procurement agency is not needed under the Public Procurement Rules 2004 nor any charging of fee on this account is admissible. This practice should be stopped forthwith as it supports the Corrupt Practices of collusive/limited competition to favor the favorites.
- b. A procurement agency may adopt the process of pre-qualification of contractors to establish their ability to perform for a particular work; therefore enlistment of the contractors, as condition in pre-qualification is not required and cannot be imposed as condition for pre-qualification under Public Procurement Rules 2004.
- c. It is further required to completely specify the conditions and circumstances explained in rules 15 and 16 "pre-qualification of contractors and suppliers" and "pre-qualification process" of Public Procurement Rules 2004.

d. All procuring agencies should make available the bidding or pre-qualification documents and other related communication in downloadable format, for any interested bidder or party, at their websites to use these documents for submitting bid(s) with admissible tender fee, if any, paid in bank as prescribes by procuring agency. This will break cartelization and collusive biddings. (Instructions under Prevention Regime of NAB)

e. Mis-procurement declared and falling within Rule 50 of PP Rules 2004 at any stage shall be liable for cognizance by NAB under relevant Section of NAO 1999.

2. The above information be communicated to all subordinate offices responsible for procurement processes.

3. It is to inform that these instructions are issued after consultation with Public Procurement Regulatory Authority and with the approval of DG A&P NAB HQ / President Prevention Committee on Procurement, Projects and Auctions, constituted by Chairman NAB under Section 330 of NAO 1999, please.


Sajid Ali
Deputy Director (Coord)
(A&P Division) NAB HQ
Ph: 051-9245537
Fax: 051-9245908

Copy for info to:-

- a. PS to Chairman NAB
- b. MD, Public Procurement Regulatory Authority (PPRA) Islamabad
- c. Addl. Directors Staff, All Regional NABs
- d. Director A&P, All Regional NABs
- e. MD, Punjab Public Procurement Regulatory Authority, Lahore