



January 19, 2022

TIP22/0119/1A

The Chairman,
Water and Power Development Authority (WAPDA)
Lahore.

**Subject: Complaint against False Project Experience Documents Submitted by SMC-
ZOEJV - 26MW Shagharthang Hydropower Project**

Dear Sir,

Transparency International Pakistan has received a complaint against false documents submitted by M/s SMC-ZOEJV for the engineering, procurement and construction of 26MW Shagharthang Hydropower Project. **(Annex-A)**

The complainant has the following allegations/objections:

That,

1. The Project Director 26 MW Shagharthang Hydropower Power Project Skardu invites sealed bids from eligible bidders vide reference ICB-GB-SHPP-001 for the Engineering, Procurement and Construction of 26 MW Shagharthang Hydropower Power Project in October, 2021.
2. The project required the bidders to submit Form EXP-1: General Experience and Form EXP-2 (a): Specific Experience
3. According to 3. 2. Specific Experience (a) Contracts of Similar Size and Nature, EPC contractor shall have designed, manufactured, installed, tested and commissioning at least two (02) hydropower Projects of capacity 26 MT' or higher completed in last 10 years with total contract value of US\$ 60 million along with completion certificate from the Employer.
4. In support its submission, SMC-ZOEJV submitted Form EXP-1: General Experience and Form EXP-2(a): Specific Experience identifying 37. 7 MW Muratli Hydroelectric Power Plant with ARMAHES ELEKTRIK URETIME A. S.Turkey and 22 MW Camlica Hydroelectric Power Plant HIDOGUC ENERJİ ELEKTRIK URETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ Turkey.
5. In support of the foregoing 37. 7 MW Muratli HEPP, SMC-ZOEJV submitted the Award Letter dated 28 August, 2007, Taking Over Certificate dated 15 October, 2013 and Certificate dated December 12, 2020.
6. In support of the foregoing 22 MW Camlica HEPP, SMC-ZOEJV submitted Letter of Acceptance dated March 3, 2008, Acceptance Test Report dated December 22, 2017 and Certificate dated December 24, 2020.
7. OBA Investment Inc. is representing Zhejiang Orient Holdings Limited (hereinafter referred to as "ZOHL") which is the sister company of ZOEJV in Turkey. On its official website, the work scope of ZOHL in Muratli HEPP (Sr. No. 16) and Camlica HEPP (Sr. No. 56) both are



Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning which means SMC-ZOEC JV has submitted the false EPC reference and relevant certificates.

8. The contract value of USD 50,800,000 of 22 MW Camlica HEPP is also false. As shown in Turkish context "Toplam Sozlesme Bedeli 50,800,00 USD", in English means "Total Contract Price is 50,800,00 USD only. But the bidder has fabricated it as "Yalniz Elli Milyon Sekiz Yuz Bin Amerikan Dolari," and "Total Contact Amount is USD 50,800,000" in translation.
9. Not only the EPC experience of Camlica HEPP is false, the total installed capacity is only 22 MW, which also materially failed to meet the qualification requirement.

TI Pakistan Comments:

The allegations/objections have been examined by TI Pakistan, and if the allegations are correct, prima facie this procurement is a mis-procurement.

TI Pakistan Recommendation:

TI Pakistan requests the Chairman WAPDA to checkup the allegations on the Shagharthang Hydropower Project, and if the allegations are proved, take action as prescribed in PPRA Rules and Regulations.

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

Regards

Ms. Yasmeen Lari
Sitara-e-Imtiaz, Hilal-e- Imtiaz
Chairperson
Transparency International Pakistan

Justice (Rtd) Nasira Iqbal
Vice Chair, Sitara-e-Imtiaz
Transparency International Pakistan

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

1. PSPM. PM House, Islamabad
2. Chairman, NAB, Islamabad
3. Registrar, Supreme Court of Pakistan, Islamabad
4. Auditor General of Pakistan, Islamabad
5. Secretary KAGB, Ministry of Kashmir Affairs & Gilgit Baltistan
6. Chief of Planning Wing, Ministry of Kashmir Affairs & Gilgit Baltistan
7. Project Director, 26MW Shagharthang Hydropower Project,
8. Complainant

Project Director
26MW Shagharthang Hydropower Project,
Office of Project Director/Chief Engineer
Water & Power Department, Baltistan Region,
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Copy:

Employer

1. Honorable Mr. Sher Alam Mahsud, Secretary KAGB
Ministry of Kashmir Affairs & Gilgit Baltistan
R-Block, Pak Secretariat, Islamabad, Pakistan

2. Honorable Mrs. Mahreen Gillani,
Chief of Planning Wing
Ministry of Kashmir Affairs & Gilgit Baltistan
R-Block, Pak Secretariat, Islamabad, Pakistan

3. Honorable Mr. Masood Irshaad,
Research Officer, Ministry of Kashmir Affairs & Gilgit Baltistan
Room No. 131 R-Block, Pak Secretariat, Islamabad, Pakistan

PES:

Honorable Mr. Ali Mehdi/Team Leader
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Pakistan Engineering Council,
Attaturk Avenue (East) G-5/2, Islamabad, Pakistan

Transparency International-Pakistan
Address: Plot 72F/2, Floor 1, 9th Street, Jami Commercial, DHA Phase 7, Karachi,
Pakistan

CMEC-NLC-AAJ JV
Representative

SINOHYDRO-HRL JV
Representative

CGGC-Matracon JV
Representative

Date: January 19, 2022

Reference

FALSE PROJECT EXPERIENCE OF SMC-ZOEC JV

Dear Sir,

This is in continuation of previous letter submitted on January 09, 2022.

The Ministry of Kashmir Affairs and Gilgit Baltistan through Water and Power Department represented by the Project Director 26 MW Shagharthang Hydropower Power Project Skardu invites sealed bids from eligible bidders vide reference ICB-GB-SHPP-001 for the Engineering, Procurement and Construction of 26 MW Shagharthang Hydropower Power Project in October, 2021. The final deadline for submission of bids was 15-12-2021. Among 04 bidders, SMC-ZOEC JV submitted false project experience document.

In support its submission, SMC-ZOEC JV submitted **Form EXP-1: General Experience** and **Form EXP-2(a): Specific Experience** identifying 37.7 MW Muratli Hydroelectric Power Plant with ARMAHES ELEKTRIK URETIME A. S. Turkey and 22 MW Camlica Hydroelectric Power Plant HİDOGUC ENERJİ ELEKTRİK ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ Turkey.

In support of the foregoing 37.7 MW Muratli HEPP, SMC-ZOEC JV submitted the Award Letter dated 28 August, 2007, Taking Over Certificate dated 15 October, 2013 and Certificate dated December 12, 2020.

In support of the foregoing 22 MW Camlica HEPP, SMC-ZOEC JV submitted Letter of Acceptance dated March 3, 2008, Acceptance Test Report dated December 22, 2017 and Certificate dated December 24, 2020.

SMC-ZOEC submitted false information and documentation of 37.7 MW Muratli HEPP and 22 MW Camlica HEPP further basis as following:

1. As per the public information, OBA Investment Inc. (*OBA Yatırım A. Ş. Add: TEPE Prime İş Merkezi Mustafa Kemal Mah. Dumlupınar Bulvarı No:266 C Blok Kat 1 D: 34 06800 Çankaya - Ankara*) is representing Zhejiang Orient Holdings Limited (hereinafter referred to as "ZOHL") which is the sister company of ZOEC in Turkey. On its official website, the work scope of ZOHL in Muratli HEPP (Sr. No. 16) and Camlica HEPP (Sr. No. 56) both are Turbine, Generator, Excitation

System, Valve, Governor, Supervision & Commissioning. (<http://www.obayatirim.com/page-8/representation.php>). It is obviously that SMC-ZOEC JV has submitted the false EPC reference and relevant certificates. SMC-ZOEC JV has committed a fraudulent practice by representing its EPC/Turnkey experiences.

2. Similar to Muratli HEPP, the Contract Value of USD 50,800,000 of 22 MW Camlica HEPP is also false. As shown in Turkish context "*Toplam Sözleşme Bedeli 50.800,00 USD*", in English means "*Total Contract Price is 50,800.00 USD*" only. BUT, the Bidder has wrongly and self-contradictorily fabricated as "*Yalnız Elli Milyon Sekiz Yüz Bin Amerikan Doları*" and "*Total Contact Amount is USD50,800,000*" in translation. Evidently, the Letter of Acceptance is fabricated and self-contradictory fake document. Thus also explained why the Contract Agreements/Contract Documents of both contracts were not submitted by the Bidder with its Bid for similar contracts;
3. In addition, according to *3.2. Specific Experience (a) Contracts of Similar Size and Nature, EPC contractor shall have designed, manufactured, installed, tested and commissioning at least two (02) hydropower Projects of capacity 26 MW or higher completed in last 10 years with total contract value of US\$ 60 million along with completion certificate from the Employer.* Not only the EPC experience of Camlica HEPP is false, the total installed capacity is only 22 MW, which also materially failed to meet the qualification requirement.

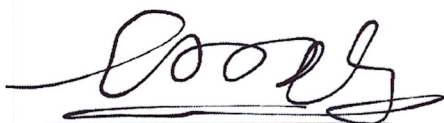
In view of foregoing facts, the Project Director of 26 MW Shagharthang Hydropower Power Project Skardu is again strongly requested to fully and thoroughly investigate and verify SMC-ZOEC JV' s eligibility and qualification. The misconduct/fraudulent behaviors shall also be properly addressed pursuant to the Bidding Documents, procurement practice and relevant Laws/By-laws/Rules/Regulations.

Full rights for further actions are also hereby reserved.

Thanks

Best Regards.

Muhammad Sajaad





Sectoral

Contracting and Construction

Energy Investment

Affiliates

Representation

International Activities

Representation

Zhejiang Orient Holdings Ltd. is represented by our group in Turkey


www.orientengg.com

References in Turkey

No.	Project Name	Owner	Capacity	Scope of Supply	Year
1	Dodurgalar	Elta	4x0,9 MW	Turbine, Valve, Governor, Supervision & Commissioning	2003
2	Basaran	EM&T	2x0,32 MW	Turbine, Generator, Excitation System, Governor, Supervision & Commissioning	2005
3	Karasu	Kurteks	1x2,4 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2005
4	Tinaztepe	Alp	3x2,5 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2006
5	Sirma	Akfen	3x2,0 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2006
6	Degirmenüstü	Gülsan	3x12,85 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2006
7	Erenler	BME	2x22,5 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2006
8	Yesil	STY	3x4,8 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
9	Defne	Nuryol	3x2,2 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
10	Dinar	STY	2x1,7 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
11	Narinkale	Ünal	4x8 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
12	Kahta HEPP-1	Erdem Yıldız	2x3,5 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007

Sectoral | Representation, Oba Yatırım

13	Yavuz	Habboush Group	3x7,5 MW	Turbine, Generator, Excitation System, Governor, control protection, monitoring system (part), Supervision & Commissioning	2007
14	Yagmur	Habboush Group	3x8,5 MW	Turbine, Generator, Excitation System, Governor, control protection, monitoring system (part), Supervision & Commissioning	2007
15	Çatak	Acipayam Enerji	2x0,3 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
16	Muratlı	Arma HEPP	3x11 MW & 1x4,7 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
17	Burçak-1	MON	2x17,9 MW & 1x6,8 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
18	Mursal-1	Pekkan	2x2,053 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
19	Mursal-2	Pekkan	2x2,215 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
20	Ayrancılar	Dedeman	3x9,1 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
21	Selale	Dedeman	3x4,3 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2007
22	Yavuz	Usluel	2x2,9 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
23	Burçak-2	MON	2x11 MW & 1x4,5 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
24	Cüneyt-1	Ebara	2x7 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
25	Cüneyt-2	Ebara	2x8,8 MW & 1x4,4 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
26	Cüneyt-3	Ebara	2x9,5 MW & 1x4,7 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
27	Cüneyt-4	Ebara	2x5,5 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
28	Kutay	ARC	2x2,9 MW & 1x1,25 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
29	Rıza	ARC	2x4,2 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
30	Papart	Elite	2x11 MW & 1x4,6 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
31	Ayancık	İlk	3x5,2 MW	Turbine, Generator, Excitation System, Governor, control protection, monitoring system (part), Supervision & Commissioning	2008
32	Karasu-1	Akfen	2x1,9 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
33	Karasu-2	Akfen	2x1,45 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
34	Karasu-4.2	Akfen	3x3,32 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
35	Karasu-4.3	Akfen	2x1,77 MW	Turbine, Generator, Excitation System, Governor, Supervision & Commissioning	2008
36	Karasu-5	Akfen	2x1,8 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008

37	Kaletepe	Kayi	2x5 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
38	Kale	Asa	3x3 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
39	Dim	Diler	3x12,5 MW	Turbine, Generator, Excitation System, Governor, control protection, monitoring system (part), Supervision & Commissioning	2008
40	Baris-1	Usluel	2x5,5 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
41	Baris-2	Usluel	2x7,8 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
42	Basak	Ataç	2x2,8 MW & 1x1,25 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
43	Yaprak-2	Ataç	2x5,4 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
44	Umut-1	Ataç	2x2,8 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
45	Umut-3	Ataç	3x4 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
46	Ege-1	Ataç	3x3,1 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
47	Ege-2	Ataç	3x2,7 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
48	Ege-3	Ataç	3x4 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
49	Güzelçay-1	Ilk	2x1,6 MW	Turbine, Generator, Excitation System, Governor, control protection, monitoring system (part), Supervision & Commissioning	2008
50	Güzelçay-2	Ilk	2x2,5 MW	Turbine, Generator, Excitation System, Governor, control protection, monitoring system (part), Supervision & Commissioning	2008
51	Güdül-1	IMA	2x1,2 MW	Turbines, generators, excitation systems, governors, inlet valves, Supervision & Commissioning	2008
52	Güdül-2	IMA	2x2,4 MW	Turbines, generators, excitation systems, governors, inlet valves, Supervision & Commissioning	2008
53	Degirmen	Erenler	2x3,4 MW	4MW Turbines, generators, excitation systems, governors, inlet valves, Supervision & Commissioning	2008
54	Düzenli	Kiler	2x2,5 MW	Turbines, generators, excitation systems, governors, inlet valves, Supervision & Commissioning	2008
55	Sümer	Peker	2x8,85 MW & 1x 3,9 MW	Turbines, generators, excitation systems, governors, inlet valves, Supervision & Commissioning	2008
56	Çamlica	ARC	2x11 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
57	Ridvan	ARC	2x4,5 MW	Turbine, Generator, Excitation System, Valve, Governor, Supervision & Commissioning	2008
58	Midilli	Habboush Group	3x11 MW & 1x1 MW	Turbine, Generator, Excitation System, Governor, control protection, monitoring system (part), Supervision & Commissioning	2008
59	Köprübasi	Yüksel	2x39 MW	Turbines, generators, excitation systems, governors, inlet valves, Supervision & Commissioning	2008
60	Zeytin	Zeytin Enerji	2x2,6 MW	6MW Turbines, generators, excitation systems, governors, inlet valves,	2009