



11 March 2022

TIP22/0311/1A

Chief Executive Officer,
SEPCO
SEPCO Head Office,
Thermal Power Station
Old Sukkur

Subject: Complaint of violation of PPRA Rules 2004 in SEPCO Tender No. NCB-S-13/2021 for the Procurement of Energy Meters Accuracy Class 0.2S at 100% higher prices than the lowest bidder

Dear Sir,

Transparency International Pakistan received a complaint from M/s JZ International Ref: JZ/SEPCO/PMU/NCB-S-13/03 dated 04 March 2022 against the violation of PPRA Rules 2004 in SEPCO Tender No. NCB-S-13/2021 for the Procurement of Energy Meters Accuracy Class 0.2S. (Annex-A)

The complainant has made the following allegations/objections:

That,

1. Tender was advertised and issued for procurement 250 Nos of Energy Meters accuracy class 0.2s as per NTDC specification P-202;2012 (Energy Meters for Grid Metering) as per description mentioned in the Bid Schedule of Prices.
2. The following bidders participated in the subject tender;
 - I. M/s JZ International Lahore, quoted price PKR 21,600,000
 - II. M/s Engineering Technics Lahore, quoted price PKR 40,000,000
3. SEPCO has declared the lowest bid of M/s JZ International Non-Responsive
4. As per clause 5.1.5 of the NTDC specification P-202;2012, all meters should be bi-directional that are being used for grid metering.
5. Evaluation is carried out by ignoring the contents of specification P-202;2012 because of the following reasons:
 - I. As per clause 6.1.1 meter should be suitable for operation in junction with 110V as per electrical requirements.
 - II. These energy meters have programable CT/PT ratios that are capable to be used either at 132kv/66kv transmission line is just for misleading as 132kv is not mentioned in the tender specification P-202;2012.
 - III. In all over the world none of the manufacturer is manufacturing any meter that is directly installed on 11kv, 132kv or higher line. None of the meters is installed in 132kv/66kv transmission lines and power transformers. All meters are installed in panels available in control rooms and at 110volts supply having facility to CT/PT ratios.
6. M/s JZ International has recently supplied the same 0.2s accuracy class meters to MEPCO for installation in 132kv lines. Therefore, the offered meter fulfills the requirements of 132kv as well. However, SEPCO did not ask M/s JZ International to explain this technical point in order to save SEPCO from a substantial loss.
7. M/s JZ International demands to constitute a Grievance Redressal Committee (GRC) under Rule 48(4) of the PPRA Rules 2004.



TI Pakistan has examined the complaint, and following are its comments and recommendations.

TI Pakistan Comments:

- a) PPRA Rules does not allow procuring agency to accept technical bids of equipment which are almost 100% costlier and causes a huge loss to Exchequer on false grounds.
- b) Prima facia, SEPCO did not comply with the Rule 35 of PPRA Rules 2004, by not providing the evaluation report to all the bidders. Posting the evaluation report on PPRA website is a subsequent action under PPRA Ordinance 2002, which cannot overrule the content of the Rule 35, that the announcement of the evaluation report has to be made to all the participating bidders.
- c) SEPCO was also required to announce the Technical Evaluation Report to all the bidders under Rule 33(3) and Rule 35 of PPRA Rules 2004 before opening of the financial proposals.

TI Pakistan Recommendations:

TI Pakistan requests Chief Executive Officer SEPCO to examine the complaint and if the complaint is found to be correct, please order cancellation and re-advertisement of this tender according to the PPRA rules, and also take action against the officers found responsible to any violation of PPRA Rules, Integrity Pact and NAB Ordinance, 1999.

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
Pakistan
Transparency International Pakistan

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

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

1. PSPM. PM House, Islamabad
2. Chairman PAC, National Assembly of Pakistan, Islamabad
3. Chairman, NAB, Islamabad
4. Registrar, Supreme Court of Pakistan, Islamabad
5. MD, PPRA, Islamabad
6. Complainant

Ref:JZ/SEPCO/PMU/NCB-S-13/03

Dated: 04-03-2022

Chief Engineer (Development) PMU, SEPCO Sukkur
Room # 201 Al-Sehra Building, Minara Road, Near Session Court, Sukkur

SUBJECT:SEPCO TENDER NO. NCB-S-13/2021 FOR THE PROCUREMENT OF ENERGY METERS ACCURACY CLASS 0.2S OPENED ON 13.01.2022.-GRIEVANCE AS PER PPRA RULES

Ref: i- Our bid Ref No. JZ/SEPCO/PMU/NCB-S-13/01 dated 13-01-2022.

ii- Our letter No. JZ/SEPCO/PMU/NCB-S-13/01 dated 28-02-2022.

iii- Uploaded Result on PPRA website

Dear Sir,

First of all, it is important to highlight that its prime responsibility of the SEPCO to intimate us(bidder) the decision of the Evaluation report as per PPRA rule 35 but SEPCO did not intimate us deliberately to avoid any grievance from our side. However, as per evaluation result uploaded on PPRA website, we are pleased to submit the grievance as per PPRA rule 48 Redressal of grievances by the procuring agency. Our Grievances are submitted below;

- 1- Tender was advertised and issued for procurement 250 Nos of Energy Meters accuracy class 0.2s as per NTDC specification P-202;2012 (Energy Meters for Grid Metering) as per description mentioned in the Bid Schedule of Prices.
- 2- The following bidders participated in the subject tender ; i- M/s JZ international Lahore, Quoted Price PKR 21,600,000 ii- M/s Engineering Technics Lahore, Quoted Price PKR 40,000,000.
- 3- It is astonishing to note that SEPCO has declared our lowest bid (more than 40%) non responsive as compare to the price offered by our competitor on the following ground

“ KWH Energy Meters quoted by M/s JZ International Lahore make Microstar electric company Ltd China are only recommended by NTDC Lahore to be install only on 11kV Switchgear Panels and AC/DC Panels whereas GSO information requires KWH Energy meter to be install on 132/66kV Transmission line and power transformers in order to reduce T&G Losses”.

- 4- It is important to submit to that tender was advertised as per NTDC specification P-202;2012 which is applicable for 0.2s accuracy class energy meters as well. In DISCOs/NTDC, all the energy meters have to be procured as per aforesaid specification instead of any discrimination for 11kV or 132kV.



JZ international

- 5- It is important to highlight here that as per clause 5.1.5 of the NTDC specification P-202;2012, all meters should be bi-directional that are being used for grid metering. As per clause 6.1.1 meter should be suitable for operation in junction with 110V as per electrical requirements.

Plz note that these energy meters have programable CT/PT ratios that are capable to be use either on 11kV Grid station line or at 132kV or higher rating transmission line by changing the CT/PT ratio through software.

Hence the emphasis/impression that these are 132kV meters and to use the meters for installation at 132kV/66kV Transmission Line is just for misleading as the word 132kV is not mentioned in tender specification P-202;2012.

Plz note all over the world none of the manufacture is manufacturing any meter that is directly install on 11kV, 132kv or higher line directly. None of meter is installed in 132kv/66kv transmission lines and power transformers. All Meters are installed in panels available in control rooms and at 110volts supply having facility of CT And Pt ratios. From the above, it can easily be assessed that evaluation is not carried out by a technical person who did not know the contents of specification P-202:2012.

- 6- It is important to submit here that NTDC has issued the permission for installation of Energy Meter 11kV Switchgear panels vide letter No.20983 dated 02-11-2012. However NTDC accepted the Type test report of accuracy class 0.2s vide their letter No.4162 dated 16-04-2020. Hence our offered meter 100% compliance with NTDC specification P-202:2012 that meets the requirements of SEPCO for measurement of losses of transmission line and power transformers.

- 7- Plz note that recently we have supplied the same 0.2s accuracy class meters to MEPCO for installation in 132kV lines. Hence, the offered meter fulfill the requirements of 132kV as well. Further, MEPCO has also awarded the order of energy meters for accuracy class 0.2s accuracy class which they have to use in 132kV line as per P-202;2012.

In case, SEPCO officials are unaware of this technical point which is very easy to understand, they could have asked clarification from us as per tender documents to save SEPCO from loss of millions of PKR in case of procurement at exorbitantly high prices.

From the above, it has been assessed that evaluator has concealed the factual positions deliberately and declared our bid non responsive due to lack of their technical knowledge about the specification P-202:2012.

Further, SEPCO evaluators has deliberately concealed the defects available in the Type test Report of our competitor that was highlighted by SEPCO Grievance committee vide SEPCO letter No. 3027-30 dated 30-04-2021 against SEPCO Tender NCB-S-15 (for same energy meters) that was scrapped by SEPCO after GRC report after the issuance of LOI.

Keeping in view above, it is requested to constitute a committee as per PPRA rule 48 (1) which is reproduced below;



JZ international

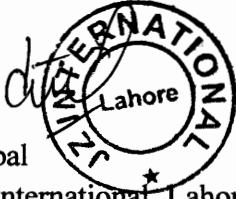
“The procuring agency shall constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract.”

Further to above, apply PPRA Rule 48 (4) in the procurement process which is reproduced below;

“In case, the complaint is filed against the technical evaluation report the GRC shall suspend the procurement proceedings”.

It is requested to suspend the procurement process and give us time of meeting in GRC to explain the same in person for fair evaluation and to save SEPCO to procure the material at 40% high prices by using Public tax payer money.

Thanking and assuring our best services.



Junaid Iqbal

M/s JZ International Lahore Cell:
0323-4202920

Cc:-

- Ministry of Energy, Power Division , Room No. 201-204, 2nd Floor, A Block, Pak Secretariat, Red Zone, Islamabad, Islamabad Capital Territory, Pakistan
- Chairman BOD SEPCO through company secretary SEPCO, Head Office Thermal Power Station Old Sukkur.
- Managing Director PEPCO, WAPDA House Lahore
- Chief Executive Officer (CEO) SEPCO Sukkur, Thermal Power Station, Old Sukkur.
- Chief Engineer (Technical Services) SEPCO, Water Works Bunder Road , Sukkur.
- PPRA Managing Direction PPRA Islamabad, Email: mdppra@ppra.org.pk.
- ✓ - Transparency International Pakistan Plot 72F/2, Floor 1, 9th Street, Jami Commercial Street 11, D.H.A. Phase 7 Phase 2 Commercial Area Defence Housing Authority, Karachi, Email: ti.pakistan@gmail.com
- Competition commission of Pakistan. 7th Floor South , ISE Towers 55-B, Jinnah Avenue, Islamabad, Pakistan
- Mr. Nadeem Ahmed Sheikh, Advocate Supreme Court of Pakistan.