

# MULTAN ELECTRIC POWER COMPANY

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Office of  
The Company Secretary

No. 2108-29 / Company Secy

Dated: 02-09-2016

1. Mr. Rajan Sultan Pirzada,  
House No.257 Tipu Shaheed Road,  
Modle Town-A Bahawalpur
2. Engr: Fazalullah Durrani  
Chief Executive Officer,  
MEPCO Multan.
3. Mr. Muhammad Anwer Sheikh,  
Joint Secretary (CF-II), Govt of Pakistan  
Finance Division Islamabad
4. Mr. Muhammad Suleyman Khan Warraich  
Deputy Secretary (DISCO's),  
Ministry of Water & Power, Islamabad.
5. Mr. Khalid Masood Khan,  
10-Green Lane, Zakaria Town  
Bosan Road, Multan.
6. Khawaja Muhammad Azam,  
15-16 Ground Floor Muhammad Arcade,  
LMQ Road, Multan.
7. Mian Zahid Pervaiz Marral,  
14- Altaf Town Tariq Road Multan.
8. Mian Shahid Iqbal  
Rehman Villa Bohar Gate, Bahawalpur
9. Mr. Asad Rehman Gillani  
Secretary Energy, Govt of Punjab  
Energy Department, Lahore.

Sub:- **MINUTES OF 114<sup>TH</sup> BOD MEETING HELD ON 24.08.2016**

Enclosed please find herewith Minutes of 114<sup>th</sup> BOD Meeting held on **24.08.2016 (Wednesday)** in MEPCO Conference Room Khanewal Road, Multan, for information and necessary action please.

**DA/as above**

Copy to

1. Finance Director, MEPCO Ltd Multan.
2. HR/Admn: Director MEPCO Ltd Multan
3. General Manager/ Tech: Dir: MEPCO Ltd Multan
4. General Manager (Op) Distn: MEPCO HQ Multan.
5. General Manager (CS) MEPCO Ltd Multan
6. Chief Engineer (T&G) MEPCO Ltd Multan.
7. Chief Engineer (Development) HQ Multan
8. Chief Engineer (Planning) HQ Multan.
9. DG (IS) MEPCO HQ Multan.
10. Manager (Security) / Transport MEPCO Multan.
11. Manager Internal Audit, MEPCO HQ Multan.
12. Dy: Manager Intelligence MEPCO HQ Multan.
13. Dy: Manager (Public Relations) MEPCO HQ Multan.

  
**COMPANY SECRETARY**

For information & necessary action.

# **MULTAN ELECTRIC POWER COMPANY**

**MINUTES OF 114<sup>th</sup> MEPCO B.O.D. MEETING, HELD ON 24.08.2016 (WEDNESDAY) AT 12:30 PM IN MEPCO CONFERENCE ROOM KHANEWAL ROAD MULTAN**

Present;

1. Mr. Rajan Sultan Pirzada	Chairman
2. Mr. Fazalullah Durani	Director
3. Muhammad Suleyman Khan Warraich	Director
4. Mr. Khalid Masood Khan (Through video link)	Director
5. Khawaja Muhammad Azam	Director
6. Mr. Zahid Perveiz Marral	Director
7. Mian Shahid Iqbal	Director
8. Engr. Sajid Yaqoob	Company Secretary

The Quorum was in order and the Meeting started with recitation from the Holy Quran by Khawaja Muhammad Azam. The Company Secretary intimated the Board about the "Leave of Absence" received from Muhammad Anwer Sheikh & Mr. Asad Rehman Gilani, Members of MEPCO Board. The Board, after due consideration, granted the leave of absence to the honorable Members.

## **AGENDA ITEM NO.1**

### **To consider and confirm Minutes of 113<sup>th</sup> BOD Meeting held on 26.07.2016.**

The Company Secretary presented the Minutes of 113<sup>th</sup> Board Meeting, held on 26.07.2016. The Board confirmed the Minutes of 113<sup>th</sup> Board Meeting. The Board also confirmed the Corrigendum issued against decision of agenda item 11-ii of 113<sup>th</sup> Board Meeting.

## **AGENDA ITEM NO.2**

### **Compliance of directives of 113<sup>th</sup> BOD Meeting held on 26.07.2016.**

- a) Mr. Khalid Masood Khan, Chairman HR Committee apprised the Board that it was desired by the Board to present the revised Setup for ERP Cell and recommendations of Finance Director upon options proposed by M/s Abacus for Basis and Abaper personnel are still awaited. Furthermore, Time Line for removal of Backlog for each of 3 modules as desired by the Committee is still pending. The Finance Director apprised the Board that Organogram for ERP Cell will be put up to the Committee after next week visit of FESCO, negotiations are under progress with M/s Abacus for providing on site or off site services from Basis and Abaper personnel and considerable progress for removal of Backlog has been achieved. After detailed discussion and deliberation the Board expressed its satisfaction upon the progress, however, instructed the Finance Director to ensure that necessary arrangements are made for proper implementation of ERP in MEPCO. The Board further instructed to present the revised setup for ERP, recommendations for hiring of services of Basis and Abaper Personnel from M/s Abacus and timeline for removal of Backlog for each of 3 modules in next Board meeting after vetting of respective Board Committees.
- b) The deliberation upon development of System Augmentation Program was deferred to next meeting as its preparation is still under process.

## **AGENDA ITEM NO.3**

### **To consider and confirm the Circular Resolution No.12 dated 28.07.2016**

The agenda was presented by the Company Secretary. The Board was apprised that the matter for allocation of Material to LESCO on Loan basis, on urgent basis was presented to the Members of the Board. After considering the matter, the Board passed the below detailed Circular Resolution.

**"Resolved that approval be and is hereby accorded for issuing 100-KM Rail Conductor on loan basis to LESCO as mutual co-operation for completion of projects as LESCO made with MEPCO. The material will be returned by LESCO up to end of October-2016".**

The Board was requested to confirm the above Circular Resolution.

### Decision

The Board resolved that the above Circular Resolution be and is hereby confirmed.

### AGENEDA ITEM NO.4

#### To consider and confirm the Circular Resolution No.13 dated 08.08.2016

The agenda was presented by the Company Secretary. The Board was apprised that the matter for execution of back to back agreement with M/s CPPA (G) Ltd for purchase of 18 MW Solar Power from M/s HARAPPA Solar (pvt) Ltd District Sahiwal, on urgent basis was presented to the Members of the Board. After considering the matter, the Board passed the below detailed Circular Resolution.

**“Resolved that approval be and is hereby accorded:-**

1. For execution / signing of Back to Back Agreement with M/s CPPA (G) Ltd. for purchase of 18MW solar power from M/s HARAPPA Solar (Private) Limited and authorize CEO MEPCO to sign the back to back agreement.
2. To accept soft loan of Rs.30.45 Million offered by power producer for construction of 11KV interconnection line”.

The Board was requested to confirm the above Circular Resolution.

### Decision

The Board resolved that the above Circular Resolution be and is hereby confirmed.

### AGENEDA ITEM NO.5

#### To consider and confirm the Circular Resolution No.14 dated 08.08.2016.

The agenda was presented by Company Secretary. The Board was intimated that matter for allocation of Material to QESCO on Cash basis, on urgent basis was presented to the Members of the Board. After considering the matter, the Board passed the below detailed Circular Resolution.

**“Resolved that approval be and is hereby accorded for issuance of 100 No 50 KVA Transformers to QESCO @ Rs: 183165/- + GST per unit”**

The Board was requested to confirm the above Circular Resolution.

### Decision

The Board resolved that the above Circular Resolution be and is hereby confirmed.

### AGENEDA ITEM NO.6

#### To consider and accord approval for the following matter relating to Audit Commitee.

##### i. Approval of MEPCO budget for F.Y.2016-17.

The agenda was presented by Finance Director. The Board was apprised that MEPCO’s Corporate Budget for Operating and Capital Expenditure for F.Y. 2016-17 has been prepared. The estimates have been figured out keeping in view past performance, consumer end tariff, projected availability of power, inflationary trend etc. These projections have been based on the average rate of PPP and Average Sales Rate determined by NEPRA for FY 2015-16 after incorporating bi-annual and annual adjustments made for F.Y. 2015-16. As the mechanism of monthly Fuel Price Adjustment is in place, the variation in PPP will be catered for accordingly. MEPCO is under the process of preparation of tariff petition for the financial year 2016-17 for determination of required revenue and is likely to file it with NEPRA in a month’s time. Projected Capital Expenditure are upto Rs.13,400(M) to carryout development activities in following different areas:

	<u>Rs. in Mln.</u>	
i.	Consumer Finance (New Connections & Other Deposit Works)	2000
i.	Village Electrification (MDGs)	2000
ii.	STG, DOP/ ELR (Own Resources including ADB)	<u>9400</u>
		<u>13400</u>

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The Budget highlights show projected Revenue of Rs.138,706(M) during F.Y. 2016-17 against actual of Rs.127,274(M) in 2015-16. The increase in revenue is due to annual adjustment of PPP and other adjustments determined by NEPRA for F.Y. 2015-16 as well as due to increase in sales of units @ 3.5% i.e. (12774/Mkwh) projected to be sold during 2016-17 in comparison to the sales of 12341/Mkwh during F.Y.2015-16. The Projected operating cost of Rs.152,925(M) for F.Y 2016-17 against Rs.135,700 (M) in 2015-16 depicting an increase of 12.69% this leads to a loss of Rs.14,218 (M) during F.Y2016-17as compared to an un audited loss of Rs. 8426 (M) in 2015-16.The increase in loss is due to Prior Year Adjustment late implementation of tariff for previous years for F.Y. 2013-14 and F.Y. 2014-15.Recovery target for F.Y. 2016-17 has been fixed at 101% against last year target of 100%. The following salient features were intimated to the Board.

Projected Sale	134766 (M)
Cost of Electricity	131243 (M)
Gross Profit	3523 (M)
O&M Expenses	3940 (M)
Financial Charges	1267 (M)
Net Profit/ (loss)	(14219) (M)
Capital Investment	13400 (M)

The Board was apprised that the Audit Committee has also recommended the case to the Board for its approval. The Board was requested to accord its approval of MEPCO O&M Expenses Budget Rs.16,493 (M) and Capital Expenditure Budget Rs. 13,400 (M) for F.Y.2016-17, and authorized the Finance Director to allocate the budget to the respective formations/accounting units. After detailed discussion the Board instructed the Finance Director to ensure that expenditure remains under control. The Board also instructed the Finance Director to present comparative analysis of the Budget with FESCO & LESCO to Audit Committee of the Board.

#### **Decision**

The Board accorded its approval of MEPCO O&M Expenses Budget Rs.16,493 (M) and Capital Expenditure Budget Rs. 13,400 (M) for F.Y.2016-17, and authorized the Finance Director to allocate the budget to the respective formations/accounting units.

#### **ii. Approval write off case for amounting of Rs. 270,043/- in DP No.166/99 based on A.P. No. 1267 & 801 (Para No.119 of MFDAC 1998-99) for the year 07/1997 to 06/1998. Loss of authority due to damage of Transformers of different capacities**

The agenda was presented by Chief Engineer (CS). The Board was apprised that Audit party of DG WAPDA Lahore carried out the audit of MEPCO City & Cantt Division for the year 1997-98 and observed loss of Rs. 3346416/- due to damage of transformers of different capacities. Enquiry committee was constituted vide CEO MEPCO O/O No. 69/51717-21 dated 01.12.2010.Enquiry committee has recommended actual loss for Rs. 270043/- instead of 3346416/- pointed out by audit and declared that no officer/official is at fault. The recommendations of enquiry committee are as under:-

- The augmentation cases were prepared during the year 1995-96 & 1997-98 which were not completed at that time due to non receiving of funds which resulted in increase of damage of transformers. Hence, responsibility cannot be fixed on any officer/official.
- It is also recommended that a fair uniform and spot checking procedure/SOP to return the damaged transformers may be prepared to avoid any confusion, objection by the LS's regarding the shortage of missing components by the M&T department/Division at later stage i.e. after return of transformers.
- Enquiry committee is of the opinion and conclusion and recommended that loss Rs. 270043/- (as per below mentioned detailed) may kindly e written off for the disposal of outstanding draft para.

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Sr. No.	Division	Advance Para No.	Loss pointed out by Audit	Less depreciation Cost	Actual loss calculated by committee to be written off.
1	City	1267	587,896	541,853	46,043
2	Cantt	801	2,490,000	226,000	224,000
		1302	268,520	268,520 (Verified by audit)	Amount already verified by audit
	Total		3,346,416	3,076,373	270,043

It was also intimated to the Board that Chief Executive Officer MEPCO has approved the case to put up in BOD. The Board was apprised that the case was presented to the Audit Committee. After detailed discussion, the Committee principally agreed to recommend the Board for its approval to write off the amount; however, the Committee observed that the Case under consideration is being presented after lapse of almost 18 years which requires to be investigated. The Committee directed the Finance Director and Chief Engineer/CSD to fix the responsibility for delayed submission of the case to the Board. The Committee also directed the Manager (IA) to present the detail of outstanding Para from 1997 to 2016 along with the reason for non settlement of these Paras to the Audit Committee of the Board. Upon proposal of the Members, the Committee decided to recommend below detailed SOP to the Board for its approval for settlement of Audit Paras.

1. The Finance Director and Manager (IA) will jointly inform the Audit Committee about Summary Para and Advance Para within one month from day of generation of Summary Para from Internal Audit and from day of receiving Advance Para from DG (Audit).
2. Progress report for settlement of these Paras will be intimated to the Audit Committee after 3 months of production of Summary Para and Advance Para.
3. Progress report of final settlement of these Paras will be intimated to the Audit Committee within 3 to 6 months.
4. Failing the compliance of above mentioned stipulated period, Finance Director and Manage (IA) will recommend the disciplinary action against the delinquents.

The Board was requested to accord its approval for write off an amount of Rs. 270,043/- involved in DP No. 165/99 against different capacity of distribution transformers.

#### **Decision**

With above mentioned instructions, the Board accorded its approval for write off an amount of Rs. 270,043/- involved in DP No. 165/99 against different capacity of distribution transformers.

#### **AGENDA ITEM NO.7**

##### **Any other points with the permission of the chair.**

- Approval to write off Rs:310250- Involved in Draft Para No.177/99 based on Advance Para No.1326 for the year 1998-99**

The Board referred above agenda item to the Audit Committee for its deliberation/ recommendations.

- Approval for procurement of 45000 Nos Single Phase Static Meters through 15 % Variation / Repeat Order against Tender No 141 dt: 09.05.2016 and issuance of Meters to LESCO Ltd Lahore.**

The agenda was presented by the Chief Engineer (P&E). The Board was intimated that purchase order for the Procurement of 300000 Nos Single Phase Static Meters were placed upon the following firm after approval of BOD in its 101<sup>st</sup> meeting .The detail is as under

Name of Firm	Lot No.	P.O No & Date	Purchase Rate	Ordered Qty	15% Addl: Qty
M/S Creative	I	0604531 dt 15.7.16	1240/-	75000	11250
M/S PEL	II	0604530 dt 15.7.16	1240/-	75000	11250
M/S Creative	III	0604532 dt 15.7.16	1240/-	75000	11250
M/S Creative	IV	0604532 dt 15.7.16	1240/-	75000	11250
<b>Total</b>				<b>300000</b>	<b>45000</b>

As per Tender Clause IT-24, MEPCO reserves the right to increase / decrease 15% of the quantity within Delivery Period or within six months from the issuance of purchase order whichever is later.

General Manager (Op) LESCO has conveyed the instructions of Federal Secretary Water & Power for placing 15% Variation Order against above Purchase Orders and for further issuance of 45000 Nos Meters to LESCO due to acute shortage vide letter No 838-40 dated 27.07.2016. MEPCO will issue these meters to LESCO on cash payment basis in compliance of above instructions.

The Present Status of Single Phase Static Meters in MEPCO Stores is given below.

Stock Balance dt 19.08.2016	68000 Nos
Meters in Pipe Line	300000 Nos

MEPCO will issue these meters to LESCO @ Rs.1650/- at the previous purchase rate and will save Rs.410/- per meter as compared to current purchase rate. The total saving would be amounting to Rs.18.450 M. Total cost for procurement of above meters (Excluding 17 % GST) is worked out as under

Ordered Qty (Nos)	Purchase Rate	15% Addl: Qty (Nos)	Cost of Original P.O.(Million)	Add: Cost (Million)	Total Cost Org+ Addl:
300000	1240/-	45000	372.00	55.80	427.80

The Board was also intimated that the Procurement Committee has also recommended the case for Board's approval. The Board was requested to accord its approval for proposed procurement.

### **Decision**

Considering the recommendations of CEO & Procurement Committee, it is understood that all the procurement process conformed to PPRA Rules / departmental SOPs rules, therefore, the Board accorded its approval for purchase of 45000 Nos Single Phase Meters through 15 % Variation / Repeat Order @ Rs.1240 /- p.u additional cost would be amounting to Rs 55.80 Million excluding 17% GST from M/S Creative Electronics & M/S PEL. Moreover, the Board also accorded its approval for issuance of 45000 Nos. Single Phase Static Meters to LESCO on cash payment basis @ Rs.1650/- per unit along with 17% GST.

### **iii. Approval of award of contract for tender No. ADB tranche-3-MEPCO-05 for the procurement of plant, design, supply, installation, testing and commissioning of two (02) No. line bays, 01 No. 20/26 MVA power transformer bay for conversion from 66 kv to 132-kv (AIS) Grid Station on turnkey basis at Yazman (lot-1)**

The agenda was presented by Chief Engineer (Development) PMU. The Board was intimated that MEPCO floated the above tender under the Asian Development Bank Loan for conversion of 66-KV Grid Station Yazman to 132-KV Grid Station on turnkey basis under ADB Loan (Tranche-III). The scope of work under this tender covers procurement of plant, design, supply, installation, testing & commissioning of 02-No Line Bays, 01-No. 20/26 MVA PTF Bay for conversion from 66-KV to 132-KV AIS Grid Station on turnkey basis at Yazman. Bids were invited through Tender No. ADB-Trench-III-MEPCO-05 opened publicly on 24.11.2015 by tender opening committee in accordance with the standing format approved by CEO MEPCO Multan vide U.O No.8446 dated 29.01.2010. 04-No Firms participated and submitted the bids. During evaluation of the bid, the consultant Design NTDC Lahore has declared M/S Pinggao Group Co. Ltd China non-responsive out of following 04-No. firms for the subjected tender with the reason that M/S Pinggao has not fulfill the specific experience of the bidding documents as per criteria mentioned in Section-3. Later on, MEPCO has verified the specific experience of M/S Pinggao regrading 02-No. Projects from China and declared all 04 firms responsive. The quoted rates of the firms are given as under:-

Sr. No.	Bidder	Corrected Bid Price with Discount including Provisional Sum	Evaluated Bid Price Converted into PKR
1	M/S Pinggao Group Co. Ltd	US \$ 844,748 + PKR 85,700,445	PKR 174,928,304
2	M/S Pak Elektron Ltd (PEL)	US \$ 447,192 + PKR 146,352,119	PKR 193,587,489
3	M/S Transmark - LEEEC	US \$ 900,236 + PKR 112,793,718	PKR 207,882,585
4	M/S CCC – ETERN (JV)	US \$ 1,372,648 + PKR 91,921,487	PKR 236,909,628

The bids were evaluated by the consultant i.e. Services Division NTDC WAPDA House Lahore as well as MEPCO evaluation committee constituted with the approval of Chief Engineer (Dev) PMU MEPCO Ltd Multan office order No. 80/1829-33 dated: 26.02.2016 and it has been found that M/S Pinggao Group Co. Ltd China emerged as lowest evaluated responsive bidder for the subject cited tender. The evaluation report was sent to ADB for issuance of NOC for award of contract in favor of lowest responsive bidder vide Project Director (GSC) MEPCO Multan Office memo No. 1868-69 dated 29.02.2016 and letter No. 5878-79 dated: 15.06.2016. ADB has issued the NOC dated 09.08.2016 in favor of lowest bidder i.e. M/S Pinggao Group Co. Ltd China at the bid price of US \$ 844,748 + PKR 85,700,445 (Including provisional sum of US\$ 100,000). The extended bid validity period of the lowest responsive bidder is going to be expired on 21.09.2016. The Board was also intimated that the Procurement Committee has also recommended the case for Board's approval. The Board was requested to accord its approval for award of contract in favor of lowest bidder i.e. M/S Pinggao Group Co. Ltd China at the bid price of US \$ 844,748 + PKR 85,700,445 (Including provisional sum of US\$ 100,000).

**Decision**

Considering the recommendations of Bid evaluation Committee, it is understood that all the procurement process conformed to PPRA Rules / departmental SOPs rules, therefore the Board accorded its approval for award of contract in favor of lowest bidder i.e. M/S Pinggao Group Co. Ltd China at the bid price of US \$ 844,748 + PKR 85,700,445 (Including provisional sum of US\$ 100,000) for tender No. ADB Tranche-3-MEPCO-05 for the procurement of plant, design, supply, installation, testing and commissioning of two (02) No. line bays, 01 No. 20/26 MVA power transformer bay for conversion from 66 kv to 132-kv (AIS) Grid Station on turnkey basis at Yazman (lot-1).

**iv. Approval of award of contract for tender No. ADB tranche-3-MEPCO-05 for the procurement of equipment, design, supply, installation, testing and commissioning of 132-kv D/C T/line (in & out) from 132-kv T/line Bahawalpur - Lal Sohanra for 132-kv Grid Station Yazman on turnkey basis (lot-2).**

The agenda was presented by Chief Engineer (Development) PMU MEPCO. The Board was apprised that MEPCO floated the above tender under the Asian Development Bank Loan for 132-KV\_D/C T/Line (In & Out) from 132-KV T/Line Bahawalpur - Lal Sohanra for 132-KV Grid Station Yazman on turnkey basis under ADB Loan (Tranche-III). The scope of work under this tender covers procurement of equipment, design, supply, installation, testing & commissioning of 132-KV D/C T/Line (In & Out) from 132-KV T/Line Bahawalpur - Lal Sohanra for 132-KV Grid Station Yazman. Bids were invited through Tender No. ADB-Trench-III-MEPCO-05 , opened publicly on 24.11.2015 by tender opening committee in accordance with the standing format approved by CEO MEPCO Multan vide U.O No.8446 dated 29.01.2010. 04-No. Firms participated and submitted the bids. During evaluation of the bid, following 03-No firms were found responsive for the tender by the consultant as well as the MEPCO evaluation committee and their quoted rates are given as under:-

Sr. No.	Bidder	Corrected Bid Price with Discount excluding Provisional Sum	Evaluated Bid Price Converted into PKR
1	M/S Potential Pvt. Ltd Lahore	US \$ 685,106.80 + PKR 145,490,934.80	PKR 217,856,436.72
2	M/S CCC – ETERN (JV)	US \$ 1,088,154.83 + PKR 126,214,173.01	PKR 241,152,267.98
3	M/S NEIE China	US \$ 1,694,012.28 + PKR 109,319,753.70	PKR 288,252,511.19

The bids were evaluated by the consultant i.e. Services Division NTDC WAPDA House Lahore as well as MEPCO evaluation committee and it has been found that M/S Potential Engineers (Pvt.) Ltd Lahore emerged as lowest evaluated responsive bidder for the subject cited tender. The evaluation report was sent to ADB for issuance of NOC for award of contract in favor of lowest responsive bidder vide Project Director (GSC) MEPCO Multan Office memo No. 4717-18 dated: 11.05.2016. ADB has issued the NOC dated 01.08.2016 in favor of lowest bidder i.e. M/S Potential Engineers (Pvt.) Ltd Lahore at the

bid price of US \$ 685,106.80 + PKR 145,490,934.80 (excluding provisional sum of US\$ 100,000). The extended bid validity period of the lowest responsive bidder is going to be expired on 21.09.2016. The Board was also intimated that the Procurement Committee has also recommended the case for Board's approval. The Board was requested to accord its approval for award of contract in favor of M/S Potential Engineers (Pvt.) Ltd Lahore for subject cited tender amounting to US \$ 685,106.80 + PKR 145,490,934.80 (excluding provisional sum of US\$ 100,000).

#### **Decision**

Considering the recommendations of Bid evaluation Committee, it is understood that all the procurement process conformed to PPRA Rules / departmental SOPs rules, therefore, the Board accorded its approval for award of contract in favor of M/S Potential Engineers (Pvt.) Ltd Lahore for subject cited tender amounting to US \$ 685,106.80 + PKR 145,490,934.80 (excluding provisional sum of US\$ 100,000) for tender No. ADB tranche-3-MEPCO-05 for the procurement of equipment, design, supply, installation, testing and commissioning of 132-kv D/C T/line (in & out) from 132-kv T/line Bahawalpur-Lal Sohanra for 132-kv Grid Sation Yazman on turnkey basis (lot-2).

#### **v Approval for grant of increase in pension to PEPCO/Corporatized entities pensioners**

The agenda was presented by the Finance Director. The Board was apprised that MD PEPCO vide No.GM(HR)/HRD/A-332/2024-53 dated 01.08.2016 (received in MEPCO on 08.08.2016) has approved grant of Increase in Pension as announced in Federal Government budget for Financial Year 2015-16, which states as under:

The competent authority has been pleased to sanction an increase 10% of net pension w.e.f. 01.07.2016 un till further order to pensioners of PEPCO/Corporatized Entities. However, all Pensioners of PEPCO/Corporatized Entities, who are 85 Years old or more, shall be allowed 25% instead of 10% increase in their net pension w.e.f. 01.07.2016. The 10% increase in pension allowed vide OM No. GM(HR)/HRD/A-332/3612-25 dated 30.09.2013 and 10% increase in pension as allowed vide OM No. GM(HR)/HRD/A-332/454-87 dated 02.02.2015 shall be discontinued for those who would retire on or after 01.07.2016. However, 15% increase in pension allowed vide O.M. No. GM(HR)/HRD/A-332/1410-46 dated 23.08.2010, 15% increase in pension as allowed vide vide O.M. No. GM(HR)/HRD/A-332/559-80, dated 20.07.2011 and 7.5% increase in pension as allowed vide O.M. No. GM(HR)/HRD/A-332/2616-46, dated 13.08.2015 shall be admissible to the new pensioners who would retire on or after 01.07.2016. The 10% increase in Pension as mentioned as Para-I above will also be admissible to the pensioners who would retire on or after 01.07.2016. For the Purpose of admissibility of increase in pension sanctioned in this O.M. the term "Net Pension" means "Pension being drawn". Minus Medical Allowance. The Increase will also be admissible on family pension granted under the Pension cum-gratuity Scheme-1954, Liberalized Pension Rules-1977, on pension sanctioned under the Central Civil Services (Extra Ordinary Pension) Rules as well as on the Compassionate Allowance under CSR-353. If the gross pension sanctioned by the Federal Government is shared with any Government in accordance with the rules laid down in part-IV of Appendix III to the Accounts Code, Volume-I, the amount of the increase in pension will be apportioned between the Federal Government and the other Government concerned on proportionate basis. The Increase in Pension sanctioned in this O.M. will not be admissible on Special additional Pension allowed in lieu of pre-retirement orderly allowance and monetized value of driver or an orderly. The benefit of increase in pension sanctioned in this O.M. will also be admissible to those Civil Pensioners of the Federal Government who are residing abroad (other than those residing in India & Bangladesh) who retired on or after 15.08.1947 and are not entitled to, or not in receipt of pension increase under the British Government's Pension (Increase) Acts. The payment be made at the applicable rate of exchange. The Board was also intimated that the HR Committee has also recommended the case for Board's approval. The Board was requested to accord its approval for adoption of Office Memorandum issued by DG/HR PEPCO vide his No. GM(HR)/HRD/A-



332/2024-53 dated 01.08.2016 regarding Grant of increase in pension to PEPCO/Corporatized Entities Pensioners w.e.f. 01.07.2016.

**Decision**

The Board accorded its approval for adoption of the Office Memorandum issued by DG/HR PEPCO vide his No.GM(HR)/HRD/A-332/2024-53 dated 01.08.2016 regarding grant of increase in pension to PEPCO/Corporatized Entities Pensioners for MEPCO pensioners w.e.f. 01.07.2016.

**vi. Approval of recommendations of up-gradation Board proceedings of SR. Engineers / XENs from BPS-18 to BPS-19 held on 09.08.2016.**

The agenda was presented by the HR & Admin Director. The Board was intimated that a meeting of Time Scale Up gradation Board of Sr. Engineers / XENs from BPS-18 to BPS-19 has been held on 09.08.2016 under the convenership of following officers:-

Chief Executive Officer	Convener
Chief Engineer / C.S. Director	Member
Chief Engineer (P&E)	Member
Chief Engineer (Operation)	Member
Finance Director	Member
HR & Admin Director	Member / Secretary

The summary of recommendations of the Up-Gradation Board is as under:-

Category	No. of officers considered	No. of officers Recommended	No. of officers Not Recommended
Sr. Engineers / XENs	09	02	07
Total	09	02	07

The Board was also intimated that the HR Committee has also recommended the case for Board's approval. The Board was requested to accord its approval for ratifying the proceedings / recommendations of Up-Gradation Board of Sr. Engineers / XENs from BPS-18 to BPS-19 held on 09.08.2016.

**Decision**

Considering the recommendations of Up-Gradation Board, it is understood that all process conformed to Departmental SOPs, Rules and Regulations, therefore, the Board accorded its approval for ratifying the recommendations of Up gradation Board of Sr. Engineers / XENs from BPS-18 to BPS-19 held on 09.08.2016.

**vii. Approval of recommendations of up-gradation Board proceedings from BPS-17 to BPS-18 held on 09.08.2016.**

The agenda was presented by HR & Admin Director. The Board was informed that a meeting of Time Scale Up gradation Boards of officers from BPS-17 to BPS-18 of following categories has been held on 09.08.2016:-

1. Junior Engineers (B.Sc. Engineers).
2. SDOs (Non-Graduates)
3. Assistant Managers (CS) / RO.
4. Assistant Managers (Computers).
5. Assistant Managers (C.A) / B&AO.

The composition of Up gradation Board was as under:-

Chief Engineer / C.S. Director	Convener
Chief Engineer (P&E)	Member
Chief Engineer (Operation)	Member
Finance Director	Member
HR & Admin Director	Member / Secretary



The summary of recommendations of the Up-Gradation Boards is as under:-

Category	No. of officers considered	No. of officers Recommended	No. of officers Not Recommended
Jr. Engineers / SDOs	17	02	15
SDOs (Non-Graduates)	13	11	02
AM (CS) / RO	05	03	02
AM (Computers)	05	03	02
AM (C.A) / B&AO	02	02	-
Total	42	21	21

The Board was requested to accord its approval for ratifying the proceedings / recommendations of Up-Gradation Board from BPS-17 to BPS-18 held on 09.08.2016.

**Decision**

Considering the recommendations of Up-Gradation Board, it is understood that all process conformed to Departmental SOPs, Rules and Regulations, therefore, the Board accorded its approval for ratifying the recommendations of Up-Gradation Board of officers from BPS-17 to BPS-18 held on 09.08.2016.

**viii. Approval of recommendations of promotion Board proceedings of AM (Computer) to DM (Computer) from BPS-17 to BPS-18 held on 09.08.2016.**

The agenda was presented by HR & Admin Director. The Board was apprised that a meeting of Promotion Board of Assistant Manager (Computer) to Dy: Manager (Computer) from BPS-17 to BPS-18 has been held on 09.08.2016. The composition of Promotion Board was as under:-

Chief Executive Officer	Convener
Chief Engineer / C.S. Director	Member
Chief Engineer (P&E)	Member
Chief Engineer (Operation)	Member
Finance Director	Member
HR & Admn Director	Member / Secretary

The summary of recommendations of Promotion Boards is as under:-

Category	Total No. of officers	No. of officers FIT	No. of officers Superseded	No. of officers Deferred	No. of officers Not Considered due to no vacancy
AM (Computer)	02	01	-	-	01
Total	02	01	-	-	01

The Board was also intimated that the HR Committee has also recommended the case for Board's approval. The Board was requested to accord its approval for ratifying the proceedings / recommendations of Promotion Board of AM (Computer) to DM (Computer) from BPS-17 to BPS-18 held on 09.08.2016.

**Decision**

Considering the recommendations of Promotion Board, it is understood that all process conformed to Departmental SOPs, Rules and Regulations, therefore, the Board accorded its approval for ratifying the proceedings / recommendations of Promotion Board of AM (Computer) to DM (Computer) from BPS-17 to BPS-18 held on 09.08.2016.

**ix Approval for revised training courses fee of per participant of WAPDA Administrative staff College, Islamabad and WAPDA Engineering Academy, Faisalabad.**

The agenda was presented by HR & Admin Director. The Board was apprised that consequent upon the revised financial mechanism, GM (Training) WAPDA, Wapda House, Lahore vide Office Memorandum No. GMT/GEN-219/2606-86 dated 22.02.2016 has conveyed the approval of WAPDA Authority to meet the budgetary expenditures of the office of General Manager (Training) WAPDA and allied institutions i.e WAPDA Administrative Staff College, Islamabad & WAPDA Engineering Academy, Faisalabad by charging course fee per participant from the respective offices / formations

whose employees are getting training courses in the above institutions. Therefore, GM (Training) WAPDA has desired that WAPDA, PEPCO, DISCOs, GENCOs, NTDC, GENCOs, PITC, CPPA & all other formations will submit a cheque, demand draft, pay order on account of fee of respective courses per participant as per rates mentioned in the GM (Training) office order dated 22.02.2016 at the time of nomination in favor of GM (Training) WAPDA against Account No. 0010000019471700 ABL WAPDA House Branch, Lahore. The Board was requested to accord its approval for adoption of the office order dated 22.02.2016 issued by GM (Training) WAPDA regarding revised financial mechanism of training courses fee per participant conducted at WASC, Islamabad and WEA, Faisalabad.

**Decision**

The Board accorded its approval for adoption of the office order dated 22.02.2016 issued by GM (Training) WAPDA regarding revised financial mechanism of training courses fee per participant conducted at WASC, Islamabad and WEA, Faisalabad.

**x. Approval extension in contract of Mr. Muhammad Ali Khan, Patwari PMC MEPCO Multan**

The agenda was presented by HR & Admin Director. The Board was apprised that Mr. Muhammad Ali Khan (Retired Patwari) was initially engaged as Patwari (BPS-05) in PMC Division on contract basis w.e.f. 16.04.2004 for a period of one year with the approval of MEPCO BOD. Accordingly, his contract has been extended from time to time by MEPCO BOD and the last extension of 01 x year w.e.f. 05.08.2015 to 04.08.2016 was granted vide Agenda Item No: 17 in 106<sup>th</sup> meeting held on 05.10.2015. It was further informed that he possess good knowledge of his work / field and rich experience to handle revenue matters as he had already worked with PMC, MEPCO for more than 10 years. Keeping in view his efficient working to handle revenue cases with experience & expertise, the HR & Admin Director recommended his engagement in PMC, MEPCO on following terms & conditions against the sanctioned post:-

1. Lumpsum amount of Rs: 25,000/- per month.
2. TA/DA as admissible to the BPS-05 rank official of MEPCO as per company rules (Maximum 10 dailies) on official tour.

The Board was also intimated that the HR Committee has also recommended the case for Board's approval. The Board was requested to consider the matter.

**Decision**

The Board accorded its approval for engagement of Mr. Muhammad Ali Khan as Patwari for a period of one year w.e.f. 05.08.2016 to 04.08.2017 on the following terms & conditions: -

1. Lumpsum amount of Rs: 25,000/- per month.
2. TA / DA as admissible to the BPS-05 rank official of MEPCO as per company rules (Maximum 10 dailies) on official tour.

**xi. Approval for advance payment in respect of Mst. Bushra Ghulam Rasool, Sweeper, MEPCO Musa Pak Division Multan.**

The agenda was presented by HR & Admin Director. The Board was intimated that the case for advance payment of Rs.581400/- to M/S Novartis for purchase of blood cancer medicines of 1<sup>st</sup> & 3<sup>rd</sup> quarter in favour of Mst. Bushra Ghulam Rasool, Sweeper, MEPCO Musa Pak Division Multan has been approved by the BOD MEPCO in its 113 meeting held on 26.07.2016 and conveyed through minutes of meeting issued by Company Secretary, MEPCO vide his letter No.1705-26 dated 08.08.2016, accordingly office orders for advance payment of 1<sup>st</sup> & 3<sup>rd</sup> quarter to M/s Novartis has been issued vide CEO office order No.12579-83 dated 11.08.2016. Medicine of remaining 02-quarters will be arranged by M/S Novartis. Meanwhile, Director (Medical General), WAPDA Hospital Lahore has amended the medical board vide his office letter No. 3491 dated 02.06.2016 and MS, Wapda Hospital Multan has issued amendment i.e. payment of 2<sup>nd</sup> & 4<sup>th</sup> quarter will be made by WAPDA / MEPCO



instead of 1<sup>st</sup> & 3<sup>rd</sup> quarter. The calculation of previous advance of Rs.581400/- is given below

Previous Calculation of advance	Actual Calculation of advance
28-Tab @ Rs.90440/-	28-Tab @ Rs.90440/-
Per Tab rate: 3230	Per Tab rate: 3230
Per month Tab: 30	Per month Tab: 90
01-Month Tab Rate: 3230 x 30= 96900	01-Month Tab Rate: 3230 x 90= 290700
06-month (Two Quarters) Tab rate: 96900 x 06 = 581400	06-month (Two Quarters) Tab rate: 96900 x 06 = 1744200

The Board was also intimated that the HR Committee has also recommended the case for Board's approval. The Board was requested to accord its approval for advance payment to M/s Novartis for purchase of medicines amounting to Rs.1744200/- for the 2<sup>nd</sup> & 4<sup>th</sup> quarter instead of Rs.581400/- for the 1<sup>st</sup> & 3<sup>rd</sup> quarter as recommended by Medical Board for treatment of Mst. Bushra Ghulam Rasool, Sweeper, MEPCO Musa Pak Division Multan, being class-iv employee as she cannot not afford such high expenses for her treatment before reimbursement process.

**Decision.**

The Board accorded its approval for advance payment to M/s Novartis for purchase of medicines amounting to Rs.1744200/- for the 2<sup>nd</sup> & 4<sup>th</sup> quarter instead of Rs.581400/- for the 1<sup>st</sup> & 3<sup>rd</sup> quarter as recommended by Medical Board for treatment of Mst. Bushra Ghulam Rasool, Sweeper, MEPCO Musa Pak Division Multan, in relaxation of WAPDA Medical Attendance Rules-1979, subject to verification from MS WAPDA Hospital Multan, however payment will be made on monthly basis for cost of each month medicine.

**xii. Approval for engagement of daily wager (Meter Readers) for Meter Reading through Mobile Phones.**

The agenda was presented by HR & Admin Director. The Board was intimated that Chief Engineer / C.S. Director MEPCO Multan has apprised that there is acute shortage of Meter Readers in MEPCO and 100% accurate meter snaps printing is not possible. On the other hand, the XENs cannot take action against non-performer with the reason that the Meter Readers are already short even not available as per yardstick / sanctioned strength. Chief Engineer / C.S. Director MEPCO has further apprised that Honorable Secretary Water & Power, Govt. of Pakistan, Islamabad in its meeting held on 13.08.2016 has verbally allowed that Meter Readers on Daily Wagers may be hired to meet the shortage of staff to ensure 100% accurate printing of meter reading snaps. The present position of sub-batches for meter reading is as under:-

Total No. of Consumers		Existing Sub Batches	Avg. No. of Consumers per Meter Reader
Urban	801968	263	151
Mix + Rural	4146052	1629	130
Total	4948020	1892	281

At present, average number of meters to be read in the rural areas is 130 meters per sub-batch & in urban areas is 151 meters per sub-batch. Therefore, it is not practically possible for Meter Readers to carry out accurate meter reading by taking visible snaps of each meter. Due to this very reason, MEPCO could not achieve the results of 100% accuracy and visible snaps printing for the month of 06/2016 and 07/2016. Therefore, Chief Engineer / C.S. Director has requested for hiring / engagement of 1472xNo. Meter Readers in order to improve the quality of meter reading and to maintain 100% accuracy of meter reading snaps as per circle level (Annex-"A"). It is further added that Daily Wagers will be engaged at Circle level from concerned Districts @ Rs. 18000/- per month after giving advertisement and keeping in view the criteria i.e age, qualification etc. prescribed for regular / contract employees. The said engagement will be allowed initially for a period of one (01) year as per requirement and they will never be regularized in future. As the 1472 No. Posts are not sanctioned, therefore, Finance Director MEPCO will be asked to allocate additional / special budget for the said Daily Wagers in future. The Committee was requested to recommend the case to the Board for its approval for sanction 1472xNo. Posts of Daily

Wagers and allow Chief Engineer / C.S. Director MEPCO to engage suitable candidates on daily wages against the said posts for meter reading in order to improve the quality of meter reading and to maintain 100% accuracy of meter reading snaps as per conditions given below subject to prior approval of Ministry of Water & Power, Govt. of Pakistan, Islamabad:-

1. The said Daily Wagers will be engaged initially for a period of 01-Year on 89-days spell basis with one day gap at Circle level @ Rs. 18000/- per month as per criteria i.e age, qualification etc. prescribed for regular / contract employees, however, their services will never be regularized in future.
2. Finance Director MEPCO will be asked to allocate additional / special budget for the said Daily Wagers.

The Board was also intimated that the case was presented to the HR Committee. The Committee after due deliberation has authorized Mian Shahid Iqbal, Honorable Member of the Board to decide the case after having a joint meeting with CEO, HR & Admin Director and CE/CSD and further decision would be taken upon his recommendations.

#### **Decision**

The Board ratified the recommendations of the HR Committee and authorized Mian Shahid Iqbal to give his recommendations to the Board after having joint meeting with CEO, HR & Admin Director and CE/CSD and further decision would be taken upon his recommendations.

#### **xiii Approval for exemption of mandatory promotion training courses for employees BPS-05 to 16 who have passed DPE but not nominated for promotion training due to exemption being more than 56 years age.**

The agenda was presented by HR & Admin Director. The Board was informed that PEPCO has replaced DPE with new policy of mandatory promotion trainings for promotion of Officials (BPS-05 to 16) vide O/O dated 25.01.2016. Subsequently, MEPCO BOD has adopted the above said office order dated 25.01.2016 in its 110<sup>th</sup> meeting held on 22.03.2016 issued vide office order No. 389 dated 08.04.2016 and Promotion trainings have been made mandatory for all those employees from BPS-05 to BPS-16, in their respective cadres, who have more than 56-years of age in future. It is pointed out that there are large number of employees (about more than 140) of various categories in MEPCO who have passed DPE and are otherwise eligible for promotion but cannot be promoted as they have not undergone the mandatory trainings due to exemption being more than 56 years of age. This situation is leading to frustration among the employees and adversely affecting their performance. The Committee was requested to recommend the case to the Board for its approval for exemption the condition of Mandatory Promotion Trainings for the purpose of promotion/up gradation for the employees who have already passed DPE and have not been nominated for the mandatory promotion training due to 56-years of age in the interest of work. The Board was apprised that the case was presented to the HR Committee. The Committee deliberated upon the issue and commented that the employees should not suffer due to any anomaly of rules. The Committee recommended the Board to accord its approval for the requested exemption for 1 time only. The Board was requested to consider the matter and accord its approval of the case.

#### **Decision**

The Board accorded its approval for exemption the condition of Mandatory Promotion Trainings for the purpose of Promotion/Up gradation of MEPCO employees (BPS-05 to 16) who have already passed DPE and have not been nominated for the mandatory promotion training due to exemption being more than 56-years of age for 1 time only.

#### **xiv. Procurement of 11KV Incoming, Outgoing and Bus Coupler Panels Financed under MEPCO's Own Resources against Tender No. PMU-MEPCO-50-2015 (Lot-VIII) opened on 28.04.2016**

The agenda was presented by Chief Engineer (Development). The Board was apprised that tender No.

PMU-MEPCO-50-2015 was opened on 28.04.2016 (Lot-VIII) comprised of following material required by MEPCO GSC formations for elimination of system constraints.

**Lot-VIII**

Sr. No.	Description	Quantity
1	11KV Incoming Panels	22 Nos.
2	11KV Outgoing Panels	82 Nos.
3	11KV Bus Coupler Panels	12 Nos.

Four (04) Bidders participated in this lot and offered their rates. The offered rates are tabulated below:-

Sr. No.	Name of Bidders	Quoted Bid Price FCS (PKR)	Relative Price Expressed in %age
1	M/s PEL, Lahore	130,110,000	100
2	M/s Siemens, Lahore	130,524,400	100.3
3	M/s Tariq Electric, Lahore	137,163,740	105.4
4	M/s Siddique Sons Engineering, Lahore	137,592,000	105.8

The bids were forwarded to the consultant i.e. Chief Engineer (Design) NTDC, Lahore for evaluation. According to Chief Engineer (Design) NTDC, Lahore M/s Pak Elektron Ltd., Lahore has been declared the lowest evaluated responsive bidder and has been recommended for award of the contract. This office also agrees with the recommendation of consultant. So, it is therefore suggested that contract may be awarded to lowest evaluated responsive bidder i.e. M/s Pak Elektron Ltd., Lahore at FCS Bid Price i.e. PKR 130,110,000/-. The rate comparison (per unit in PKR) with MEPCO previous rates is as under:-

Sr. No.	Description of Material	Qty.	FCS Rate offered by M/s PEL, Lahore (PKR)	MEPCO Previous Purchase Rate 01.06.2015
1	11KV Incoming Panels	22 Nos.	1,639,000	1,698,000
2	11KV Outgoing Panels	82 Nos.	902,000	956,000
3	11KV Bus Coupler Panels	12 Nos.	1,674,000	1,915,000

The quoted rates of the firm are less than the MEPCO previous purchase rates. The rates are reasonable and thus acceptable. The cost of procurement would amount to PKR 130,110,000/- The approval for procurement worth this amount falls under the competency of Board of Directors MEPCO as per NTDC Book of Financial Power-2007 Section-IV Clause -4.2 for placing LOI / P.O. in favor of M/s Pak Elektron Ltd., Lahore being lowest evaluated responsive bidder in the competitive bidding. The Board was also intimated that the Procurement Committee has also recommended the case for Board's approval. The Board was requested to accord its approval for issuance of LOI/P.O in favor of M/s Pak Elektron Ltd., Lahore amounting to Rs. 130,110,000/- (Without GST & SED).

**Decision**

Considering the recommendations of Bid evaluation Committee, it is understood that all the procurement process conformed to PPRA Rules / departmental SOPs rules, therefore, the Board accorded its approval for issuance of LOI/P.O in favor of M/s Pak Elektron Ltd., Lahore amounting to Rs. 130,110,000/- (Without GST & SED).

**xv. Approval for the proposal for Reconductoring / Rehabilitation of 11KV Kud Wala feeder emanating from 66 KV Grid Station Yazman under Account Head "Distribution Rehabilitation (ELR)"**

The agenda was presented by Chief Engineer (P&E). The Board was intimated that the S.E (Op) MEPCO Circle Bahawalpur submitted the said proposal for according its approval vide memo No. 1796-97 dated 03.08.2016. PD (Const) MEPCO Multan conducted detailed site survey and submitted scope of work & cost estimate for amounting to Rs. 26.990 Million vide his memo No. 2417-18 dated 12.08.2016. The overall B.C Ratio works out 3.95. The proposal is viable under A/C Head "Distribution Rehabilitation (ELR)". Brief Description of Scope of Work is as under:-

- i) 7.650KM Reconductoring "Dog" to "Osp"
- ii) 16.684 KM Reconductoring "Rab" to "Dog"

- iii) 0.820 KM Reconductoring “Gfr” to “Rab”
- iv) 2 No. 450KVAR HT Fixed Capacitor Bank Sets.

The Board was also intimated that the Procurement Committee has also recommended the case for Board’s approval. The Board was requested to accord its approval for its consideration.

**Decision**

Considering the request of Chief Engineer (P&E), it is understood that all the process conformed to departmental SOPs/Rules, therefore, the Board accorded its administrative approval of the said proposal for reconductoring /Rehabilitation of 11 KV Kud Wala feeder emanating from 66 KV Grid Station Yazman under Account head “ELR” involving Rs. 26.990 Million

**Other Decisions/Approvals.**

- a) The Board accorded its approval for inclusion of Khawaja Muhammad Azam as Member of HR Committee and Mian Shahid Iqbal as Member of Procurement Committee.
- b) During the course of discussion, it was pointed out that presently working CEO, Mr. Fazalullah Durrani is going to retire from service on 14-09-2016 and appointment of CEO is made by the Ministry of Water and Power as stop gap arrangement only. The Public Sector Companies (Corporate Governance) Rules, 2013 empowers the Board for appointment of the CEO for the Company. The Members unanimously resolved to initiate the process for appointment of Chief Executive Office MEPCO on analogy of other Companies, under the guidelines provided by the Public Sector Companies (Corporate Governance) Rules, 2013. A new advertisement is required to be published under certain criteria. The Board instructed the HR & Admin Director and Company Secretary to seek guidelines from Ministry of Water & Power to propose suitable criteria for the selection of a competent & capable person for appointment as Chief Executive Officer and based on that criteria an advertisement be given in National Newspapers for the post of Chief Executive Officer MEPCO.

Meeting ended with thanks to and from the Chair.

  
(Engr. Sajid Yaqoob)  
Company Secretary MEPCO