

# MULTAN ELECTRIC POWER COMPANY

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No. 36177-38292 Company Secy

Office of  
The Company Secretary

Dated: 12-01-2020

1. Mr. Akhlaq Ahmad Syed  
House No.162, Street No. 73,  
G-9/3, Islamabad.
2. Engr: Tahir Mahmood  
Chief Executive Officer,  
MEPCO Multan.
3. Mr. Khalid Masood Khan,  
10-Green Lane, Zakaria Town  
Bosan Road, Multan.
4. Mr. Saadullah Khan  
House No.49/1, Street No.1, Phase-2 DHA  
Lahore-54792.
5. Mr. Shaheryar Chishty,  
CEO, Asia Pak Investments,  
Daewoo Pakistan Building, Kalma Chowk  
231-Feroze Pur Road Lahore.
6. Sheikh Fazal Elahi  
President, Multan Chamber of Commerce & Industry  
Shahrah-e-Aiwan-e-Tijarat-o-Sanat,  
Near Kalma Chowk, Multan
7. Mr. Shafiq Ahmad Malik  
Addl. Commissioner (Consolidation)  
Multan.
8. Mr. Zaffar Abbas  
Joint Secretary (Transmission),  
Room No. 235 Ministry of Water & Power,  
Islamabad.
9. Muhammad Anwer Sheikh,  
Joint Secretary (CF-II), Govt of Pakistan  
Finance Division Islamabad.

Sub:-MINUTES OF 153<sup>rd</sup> BOD MEETING HELD ON 30-12-2019.

Enclosed please find herewith Minutes of 153<sup>rd</sup> BOD Meeting held on 30-12-2019,  
(Monday) at 12:00 pm in Board's Committee Room, MEPCO HQ, Khanewal Road  
Multan, for information and necessary action please.

DA/as above

  
COMPANY SECRETARY MEPCO

Copy to:-

1. Finance Director, MEPCO Ltd Multan.
2. HR/Admn: Director MEPCO Ltd Multan.
3. General Manager (Tech) MEPCO Ltd Multan.
4. General Manager (Op) Distn: MEPCO HQ Multan.
5. Chief Engineer/CS Director MEPCO Ltd Multan.
6. Chief Engineer (T&G) MEPCO Ltd Multan.
7. Chief Engineer (Development) HQ Multan.
8. Chief Engineer (Planning) HQ Multan.
9. Chief Engineer (O&M) HQ Multan.
10. DG (IS) MEPCO HQ Multan.
11. Project Director Construction MEPCO HQ Multan.
12. Manager (Security) / Transport MEPCO Multan.
13. Manager Internal Audit, MEPCO HQ Multan.
14. Manager (L&L) MEPCO HQ, Multan.
15. Manager (MM) MEPCO HQ Multan.
16. Manager (Civil) MEPCO HQ Multan.
17. Addl: Manager (Public Relations) MEPCO HQ Multan.

For information & necessary action.

**MULTAN ELECTRIC POWER COMPANY**  
**MINUTES OF 153<sup>RD</sup> BOD MEETING, HELD ON 30.12.2019 (MONDAY) AT 12:00 PM IN**  
**BOARD'S COMMITTEE ROOM, MEPCO HEAD QUARTER KHANEWAL ROAD**

**MULTAN**

- |    |                              |                               |
|----|------------------------------|-------------------------------|
| 1. | Mr. Akhlaq Ahmad Syed        | Chairman                      |
| 2. | Engr. Tahir Mahmood          | Director/CEO                  |
| 3. | Mr. Zafar Abbas              | Director (Through Video Link) |
| 4. | Mr. Saadullah Khan           | Director (Through Video Link) |
| 5. | Mr. Shaheryar Arshad Chishty | Director (Through Video Link) |
| 6. | Muhammad Anwar Sheikh        | Director (Through Video Link) |
| 7. | Shaikh Fazal Elahi           | Director                      |
| 8. | Mr. Khalid Masood Khan       | Director                      |
| 9. | Mr. Sajid Yaqoob             | Company Secretary             |

**Following MEPCO officers attended the Meeting on call.**

- |    |                                 |                         |
|----|---------------------------------|-------------------------|
| 1. | Mian Ansar Mahmood.             | Finance Director        |
| 2. | Mr. Abdul Sattar                | G.M. (Technical)        |
| 3. | Mr. Waqas Masood amjad Chughtai | D.G (HR & Admn)         |
| 4. | Rana Muhammad Ayub              | Chief Engineer (Dev)PMU |

Meeting started under the Chairmanship of Mr. Akhlaq Ahmad Syed. Chairman noted the quorum and declared the meeting to be in order. Proceedings commenced with recitation of Verses from the Holy Quran by Mr. Akhlaq Ahmad Syed.

The Members and key management personnel declared that they are not directly or indirectly, concerned/interested in any contract or arrangement being considered in this Board meeting.

*Following agenda items were presented to the Board, the resultant discussions and decisions of the BOD are narrated as under:-*

**AGENDA ITEM NO. 1**

**Leave of absence of Honorable Members of BOD Meeting.**

The Chairman of the Board accorded approval for the leave of absence of the Board member namely Mr. Shafique Ahmad Malik.

**AGENDA ITEM NO. 2**

**To consider and confirm the minutes of the 152<sup>nd</sup> BOD Meeting held on 29.11.2019.**


Company Secretary apprised that the Minutes of 152<sup>nd</sup> BOD Meeting held on 29.11.2019 dully endorsed by the Chairman BOD were circulated among all Board Members. The Chairman BOD invited the attention of all Members for offering any reservation(s) / comments(s) regarding approval of the minutes.

**Resolution**

**153-BOD-R1** There being no objection from the house, **RESOLVED** that the Minutes of 152<sup>nd</sup> BOD Meeting held on 29.11.2019 be and is hereby confirmed as true record of the proceedings of the meeting.

**AGENDA ITEM NO.3**

**To consider the Circular Resolution No.09/2019 dated 03.12.2019.**

The Board was apprised that the agenda was presented by Company Secretary MEPCO that the matter regarding contract of award in favor of M/s Sadique Sons Engineering, Lahore for supply of 11 KV Capacitor for 200 KVAR amounting to Rs, 16,705,000/- and 132 KV Capacitor 400 KVAR amounting to Rs,11,280,000/- and 11 KV Natural C.Ts amounting to Rs. 11,880,000/- was presented to the Members of the Board. 

The Board was apprised that the subjected resolution was not passed as per request of Chief Executive Officer as the management desires to explain all facts related to the case to the Board. He requested the Board to allow management to withdraw the Circular Resolution and treat the matter as fresh agenda item at Sr. No. 7 (b-xiv) by having collective discussion and resolve the issue accordingly. The Member unanimously agreed to accept the request of CEO.

**Resolution**

**153-BOD-R2** **RESOLVED** that approval is hereby accorded to withdraw the circular resolution No. 9/2019.

**AGENDA ITEM NO.4**

**To consider the Circular Resolution No.10/2019 dated 03.12.2019.**

The Board was apprised that the matter regarding procurement of 25000 No.3/Phase AMR Energy Meter 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** considering the request of General Manager (Technical) and recommendations of Tender Evaluation Committee, approval be and is hereby accorded for procurement of 25000 No.3/Phase AMR Energy Meter from M/s Creative Electronics @ Rs. 9998/- per unit. The total cost of procurement of the item would be amounting to Rs. 249.95 million (excluding GST) against Tender No. 205 opened on 03.07.2019”

The Board was requested to confirm the above Circular Resolution.

**Resolution**

**153-BOD-R3** **RESOLVED** that Circular Resolution No.10/2019 dated 03.12.2019 be and is hereby confirmed.

**5. Approval for matters relating to Audit Committee.**

**i. Approval for requirement of Additional Budget for the FY 2019-20.**

The Agenda was presented by Finance Director apprising the Board in 05<sup>th</sup> Audit Committee meeting held on 20.12.2019. He apprised that the description of additional budget demand by D.G (IS) is stated hereunder:

Sr. #	Account Head	Already Allocated Budget For F.Y 2019-20 (Rs. In Million)	Additional Budget Required for F.Y 2019-20 (Rs. In Million)
1	General Plant & Assets	30.100	138.780

General Plant & Assets Rs.138.780 (M)

[Rs.44.280 (M)+Rs.90.000 (M)+Rs.4.500 (M)]

a) MEPCO procured 750 mobile phones for meter reading in 2015 and 1676 mobile phones in 2016. Warranty period of mobile phones is only One (01) Year. After expiry of warranty period, most of the mobile phones have been repaired many times. Moreover, PITC has upgraded mobile reading software which also requires upgraded version of mobile phones as efficiency of old existing mobile phones is very low. Now, these Mobile Phones are required to be replaced immediately. In this regard, case for procurement of 500 mobile phones was sent to Procurement Committee for approval. Total cost for procurement of these mobile phones is Rs. 14.28 Million. The committee has recommended the case, subject to approval of budget from Audit and Finance committee. Moreover, during the F.Y 2019-20, 1050 more mobile phones are required to be purchased and their estimated cost is Rs. 30.000 Million (approx.). Total estimated cost for 1550 mobile phones is Rs. 44.280 Million (approx.).

b) MEPCO procured 07 No. Konica Minolta 951 Heavy Duty Printers in 2013 with three years warranty, installed at MEPCO Computer Centers Multan, Sahiwal, Rahim Yar Khan and D.G Khan. The warranty of these printers has expired in Jan 2017. These printers could be worked for 2-3 years more in case if warranty is extended. Due to existing old printers, downtime is often increases which affects timely bill printing. As bill printing is a very critical operation, so approval

from C.E.O MEPCO has been obtained to procure 09 Nos. Heavy Duty Laser Printers which cost Rs. 90.000 Million approximately.

- c) Window ACs in machine Rooms of Five (05) Computer Centers were installed in 1990. These A.Cs had been repaired during previous 20 years by replacing their damaged parts or other components from time to time and have completed their working life due to which their performance is not satisfactory. Moreover, power consumption is also very high and efficiency of these ACs is very low. Most of these are in non-working condition and their parts are obsolete and some working AC's are rendering high maintenance cost. These A.Cs are required to be replaced immediately to avoid high maintenance cost to MEPCO. Estimated budget for purchase of 10 Nos. new floor standing A.Cs is Rs. 4.500 Million approximately.

The Finance Director intimated the Board that Rs.138.780 (M) of General Plant & Assets falls under Capital Investment head which will be financed through own source. The Board was further apprised that Audit Committee has also recommended the case for Board's approval.

During the course of discussion, the Board felt it necessary to start the budget preparation process in March of every year for completion and by May of every year to ensure that a comprehensive budget document is prepared and presented to the Board for approval on or before 30<sup>th</sup> June. The Chairman proposed that Finance office should prepare and issue a planning calendar to all formations with should contain the templates, millstones dates for submission of inputs by field formations, review of the proposed budgets with each field formation, finalization of budget for each formation, consolidation of the company level budget and its presentation to the board..

The Board discussed the case at length and after due consideration resolved as follows:-

#### **Resolution**

**153-BOD-R4 RESOLVED** that considering the request of the Finance Director and the recommendations of Audit Committee, the approval for additional budget of Rs.138.780 (M) for procurement under General Plant & Assets for the FY 2019-20 as proposed is hereby accorded.

The resolution is based on the following confirmations by the management of MEPCO.

- a. The working paper represents true facts of subjected case.
- b. Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

#### **Direction**

**153-BOD-D1 Directed** the Finance Director to start the preparation of Budget in March, 2020 by issuing a planning calendar to all formations and present the budget to the Board for its approval in May, 2020.

#### **ii. Approval for revision/enhancement of investment budget for the financial year 2019-20.**

The Agenda was presented by Finance Director apprising the Board in 05th Audit Committee meeting held on 20.12.2019. He apprised that Corporate Budget of MEPCO for FY 2019-20 was approved by the BOD in its 147<sup>th</sup> meeting held on 01.07.2017 wherein capital Budget/investment plan of Rs. 15,975 M was included with financing plan. However, NEPRA determined Annual Adjustment/ Indexation of Distribution Margin for MEPCO and provisionally allowed investment (Own Resources). During the course of Audit Committee, MEPCO Management proposed to utilize Rs. 797 M to discharge debit liability (CDL), Rs. 937 M to finance AMI/AMR for Rs. 712 M, Vehicles for Rs. 86 M and General Plant & Assets (MIS) for Rs. 139 M. However, the Audit Committee recommended utilizing Rs. 797 M for 132kv/STG Projects having IRR of above 18%.

In view of Annual Adjustment / Indexation of Distribution Margin allowed by NEPRA as well as recommendation of the Audit Committee, the revised utilization of available Rs.1,734 (M) is as under:

Description	Amount Rs. In (M)
STG (Own Source)	797

g

Vehicles	86
AMI/AMR	712
General Plant & Assets (MIS)	139
Total	1,734

MEPCO estimated Rs.4,500 (M) as receipt against Capital Contribution in Corporate Budget for FY 2019-20. However, actual receipts from July 2019 to November 2019 remained Rs.2,718 (M) (statement attached). The average receipt remained Rs.544 (M) per month. Therefore, it is proposed the Capital Contribution budget may please be enhanced to Rs.6,000 (M) during FY 2019-20 against already approved budget of Rs.4,500 (M). No provision was made for Sustainable Development Goals (SDGs) funds for FY 2019-20. These funds are received from the Federal Government for village electrification schemes. However, MEPCO has received Rs.1,608 (M) under this head during the period July 2019 to November 2019. Therefore, it is suggested that budget under PM SDGs may please be approved for Rs.1,608 (M) received upto November 2019. In view of above, the revised/enhanced Investment Plan is as under:

(Rs. In Mill)

A/c Head	Already Approved Inv. Plan	Revised Investment Plan
Capital Contribution	4,500	6,000
PM SDGs	-	1,608
Deposit Work	1,500	1,500
Own Source	8,439	10,173
*AMR/AMR (Loan)	1,300	-
Vehicle (Lease)	86	-
Non Cash (Store Issuance) STG	150	150
Financing (Investment)	15,975	19,431

The Finance Director proposed that Rs.712 (M) available against Own Source may be utilized for AMI/AMR, which was earlier approved for Rs.1,300 (M) financed through loan. He further requested ~~in the~~ interest of official work to accord approval of Consumer Finance Budget Heads (Capital Contribution, Deposit Work & PM SDGs) as per actual receipt of funds under respective head i.e. approved amount will stand increased/decreased according to final amount received under Consumer Finance Heads during current Financial Year. The Board was informed that Audit Committee has recommended the case for Board's approval. Board resolved as follows:-


**Resolution**

**153-BOD-R5 RESOLVED** that considering the request of the Finance Director and the recommendations of Audit Committee, the following approval for:-

- Revised/enhanced Investment & Financing Plan as per recommendations of the Audit Committee comprising utilization of additional available funds under Own Sources Rs.1,734 (M) for STG, AMR/AMI, Vehicles and General Plant & Assets and enhancement of Rs.1,500 (M) under Capital Contribution and Rs.1,608 (M) under PM SDGs is hereby accorded
- Consumer Finance Budget Heads (Capital Contribution, Deposit Work & PM SDGs) as per actual receipt of funds under respective head i.e. approved amount will stand increased / decreased according to final amount received under Consumer Finance Heads during current Financial Year is hereby accorded

However, this enhancement of investment budget will be applicable only to the projects where approval of PC-1 is not required.

The resolution is based on the following confirmations by the management of MEPCO.

- No material information has been withheld and the working papers represent all facts of the case.
- All legal and codal formalities have been complied with. 

- c) There is no conflict of interest of any officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

**iii. Approval for un-audited Quarterly Accounts for FY 2019-20 (1st Qtr.)**

The Agenda was presented by Finance Director apprising the Board in 05<sup>th</sup> Audit Committee meeting held on 20.12.2019. He apprised that the under rule-10 of Code of Corporate Governance Rules-2013, every public sector company is required to present its quarterly Accounts before BOD. MEPCO has prepared 1st Quarter Accounts for Current FY 2019-20, the salient features are produced as under: -

<b>Rs. in billion</b>		
i.	Sales	102.468
ii.	Cost of Electricity	78.711
iii.	<b>Gross Profit</b>	<b>23.757</b>
<b><u>Operating Exp:</u></b>		
	-Salaries & Others	4.051
	-Post retirement	3.240
	-Depreciation	1.423
	-Interest	0.374
v.	Operating Profit:	14.669
vi.	Other Income:	1.901
<b>Net Profit:</b>		<b>16.570</b>


The Board was informed that Audit Committee has recommended the case for Board's approval. The Board discussed the accounts in detail and appreciated the operational performance of the management during 1<sup>st</sup> Quarter of the financial year 2019-2020 as compared to same period of previous year. The Board expressed its hope that management will exert its efforts to achieve NEPRA Targets during rest of the year. The Board also appreciated the presentation and performance of Finance Director. Board resolved/directed as follows:-

**Resolution**

**153-BOD-R6 RESOLVED** that considering the request of the Finance Director and the recommendations of Audit Committee, the approval for un-audited Quarterly Accounts for FY 2019-20 (1st Qtr.) is hereby accorded.

- a) No material information has been withheld and the working papers represent all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) There is no conflict of interest of any officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

**Direction**

**153-BOD-D2 Directed** the Finance Director to present the projected figures till 30.06.2020 keeping in view the progress achieved in 1<sup>st</sup> Quarter of this financial year in next meeting. 

- 153-BOD-D3** Directed the Finance Director to propose and present a workable strategy to Board in next meeting for enhancement in Pension Fund.
- 153-BOD-D4** Directed the GM (CS)/GM (op) to present following detail in next meeting.
1. The circle wise detail/breakup along with sound justification of considerable variance observed during 1<sup>st</sup> Quarter in respect of Repair & Maintenance R&M head.
  2. The briefing should reflect the updated results up to December, 2019 and detail of initiatives taken to reduce the expenditure in R&M Head.
  3. The CAPEX Policy for repairing of transformers.
  4. The circle wise detail of initiatives being taken to reduce the receivables and also present the justification of abnormal percentage increase in R&M Head.
- 153-BOD-D5** Directed the Project Director Construction to present detailed report to the Board in next meeting regarding capitalization of Capital Work in Progress (Aging analysis).

**6. Approval for matters relating to Risk Management Committee.**

- i. Administrative approval for the proposal for bifurcation/rehabilitation of 11KV Jamlera feeder emanating from 132KV Grid Station Sahuka under Account Head "Distribution Rehabilitation (ELR)". Priority No. 08, Circle Vehari.
- ii. Administrative approval for the proposal for bifurcation / rehabilitation of 11KV Badli Sharif feeder emanating from 132KV Grid Station Jamal Din Wali under Account Head "Distribution Rehabilitation (ELR)". Priority No.03, Circle Rahim Yar Khan.
- iii. Administrative approval for the proposal for bifurcation / rehabilitation of 11KV Zia feeder emanating from 132KV Grid Station Marrot under Account Head "Distribution Rehabilitation (ELR)".
- iv. Administrative approval for the proposal for bifurcation / rehabilitation of 11KV Mahi feeder emanating from 132KV Grid Station Nawaz Abad under Account Head "Distribution Rehabilitation (ELR)". Priority No. 08, Circle Rahim Yar Khan.
- v. Administrative approval for the proposal for bifurcation / rehabilitation of 11KV Manghair Sharif feeder emanating from 132KV Grid Station Chishtian under Account Head "Distribution Rehabilitation (ELR)". Priority No.08, Circle Bahawal Nagar.
- vi. Administrative approval for the proposal for bifurcation / rehabilitation of 11KV AL-Wardi feeder emanating from 132KV Grid Station Bonga Hayat under Account Head "Distribution Rehabilitation (ELR)". Priority No.02, Circle Sahiwal.
- vii. Approval for the proposal for bifurcation / rehabilitation of 11KV Scarp-08 feeder emanating from 132KV Grid Station Rahim Yar Khan-II under Account Head "Distribution Rehabilitation (ELR)". Priority No. 11, Circle Rahim Yar Khan.
- viii. Approval for the proposal for bifurcation / rehabilitation of 11KV Quresh feeder emanating from 132KV Grid Station Fort Abbas under Account Head "Distribution Rehabilitation (ELR)".
- ix. Approval for the proposal for bifurcation / rehabilitation of 11KV City Feroza feeder emanating from 132KV Grid Station feroza under Account Head "Distribution Rehabilitation (ELR)".
- x. Approval for the proposal for bifurcation / rehabilitation of 11KV Rehman Pur feeder emanating from 132KV Grid Station Rahim Yar Khan-II under Account Head "Distribution Rehabilitation (ELR)".
- xi. Approval for the proposal for bifurcation / rehabilitation of 11KV Rang Pur feeder emanating from 132KV Grid Station Jamal Din Wali under Account Head "Distribution Rehabilitation (ELR)". Priority No. 12, Circle Rahim Yar Khan.
- xii. Approval for the proposal for bifurcation / rehabilitation of 11KV Chowk Chadhar feeder emanating from 132KV Grid Station Nawaz abad under Account Head "Distribution Rehabilitation (ELR)".

Before start of formal presentation by the CE (P&E), the Chairman pointed that Electricity Purchase Rate and material rates while preparing the cost benefit justification slip are not up to date which

means that the estimates and B/C ratio of presented cases are not actual. The Board agreed with the observations of Chairman and desired that the management should restudy the cases, resubmit the cases to the Board for its approval.

**Direction**


**153-BOD-D6 Directed** the CE (P&E) to resubmit the cases after incorporating fresh Electricity Purchase Rate, interest rate and material rates while preparing the cost benefit justification slip of all cases.

**Approval for matter relating to Procurement Committee.**

**xiii. Approval for procurement of Mobile phones for MEPCO Computer Centers (Tender No. 263 dated 20.08.2019).**

The agenda was presented by General Manager (Tech) in 20<sup>th</sup> Procurement Committee meeting held on 22.10.2019. He apprised the Board that Mobile Phones for meter reading were purchased in MEPCO during 2015 & 2016. After passing more than 3 years these mobile phones have completed their useful life, especially as these are used commercially. Warranty life of mobile phones is normally 1 year for personal use, whereas, the mobile phones for meter reading in the field are used in scorching heat of summer, dust or rain etc., which affect their life. MEPCO has so far purchased 750 Samsung Galaxy Grand Prime mobile phones in 2015 and 1676 Samsung Galaxy J3 mobile phones in 2016. Most of these mobile phones have been repaired many times. PITC has also upgraded its application for MMR which requires mobile phones of the specifications proposed by PITC. In this regard, these mobile phones are not giving optimum results for meter reading. A tender was floated for procurement of 400 mobile phones in 2018 which was not matured due to the reason that firm was failed to supply the phones in time as a result, the security of the firm was forfeited and the firm was blacklisted vide letter No. 1675-95 dated 26.09.2019.

Continuing with his briefing, he stated that a Tender was floated for procurement of Mobile phones as per demand of Director General (IS) after obtaining approval of Chief Executive Officer MEPCO. Three firms (03) purchased the tender documents whereas only (01) firm i.e. M/S Telenor Pakistan (Pvt) Ltd. participated in the tender opening process and quoted its per unit rates on FCS basis without Taxes. The Bid Evaluation Committee has recommended that "In view of the forgoing, M/S Telenor Pakistan (Pvt.) Ltd being the single bidder has been found lowest responsive bidder in the tender under evaluation. The committee has recommended that M/S Telenor Pakistan (Pvt.) Ltd is technically, commercially and financially responsive and the Mobile Phone offered A20 is as per specification of Tender Document. However, the procurement department may proceed further keeping in view the reasonability of rates as well as adherence to the PPR-2004, procurement guidelines and departmental rules". He intimated the Board that PPRA rules allow to purchase material from single bidder if the rates are compatible with market rates and prior to this tender, MEPCO has floated two tenders for procurement of Mobile phones but no firm participated in the tender both the times.

He further stated that the firm has now offered superior/upgraded model of required/higher specifications i.e. Samsung Galaxy A20S on the same price which was quoted in the Bid vide letter dated 26.11.2019. In the meantime, Samsung stopped manufacturing this model and a new model No. **A20S** was introduced with upgraded specification of A20 with price Rs. 30,999/- whereas, the market price of Samsung Galaxy A20S is higher than Samsung Galaxy A20. DG (IS) MEPCO sent a sample mobile phone A20sto Field formation for performance checking. After getting meter snaps and checking functionality of MMR software, a "Satisfactory" performance Certificate of sample mobile phone was obtained from Field formation. He requested the Board to accord its approval for procurement of 500 mobile phones @ Rs. 28750/- per unit from M/S Telenor Pakistan (Pvt.) amounting to Rs. 14.28 Million (excluding GST). 



The Chair observed that although new offered mobile meets with the tendered documents specifications, yet the its evaluation should have been carried out by the Bid Evaluation Committee but the no evaluation has been done so far. All other members agreed with the observation of Chairman and unanimously resolved to defer the case with the direction to present Bid Evaluation Report of newly offered mobile by the firm.

**Resolution**

**153-BOD-R7** RESOLVED that the case is hereby deferred.

**7. Any other points with the permission of the Chair.**

**a. Approval for matters relating to HR Committee.**

**i. Approval for enhancement of danger allowance from Rs.5000/- to Rs.7000/-**

The agenda was presented by HR & Admin Director in 15<sup>th</sup> HR Committee meeting held on ...2019. He apprised the Board that MEPCO BOD in its decision taken in its 71<sup>st</sup> meeting held on 28.10.2010 accorded approval to grant Danger Allowance @ Rs.5, 000/- per month to line staff i.e. LM-I, LM-II & ALM (authorized to physically work on lines) subject to following conditions vide order dated 11.11.2010.

- i. A certificate to this effect will be issued by concerned SDO duly counter signed by XEN / DM (OP) that the above categories are physically working on lines.
- ii. Line staff allowance Rs.1,000/- per month already being drawn by LM-I, LM-II & Rs.400/- per month to uncertified ALM vide office order dated 15.08.2008 stands merged in above allowed danger allowance Rs.5,000/- per month.

Now, GM (HR) PEPCO, WAPDA House Lahore vide office order No. 5067-80/MDP/GM(HR) /ADG(E)/CBA/20 dated 22.05.2019 has conveyed the following approval of PEPCO BOD:-

- a. Enhancement of danger allowance from Rs.5,000/- to Rs.7,000/- to linemen.
- b. This allowance will be increased further subject to improvement of recoveries, financial health of the companies and safety standards.
- c. The possibilities of further increase in Danger Allowance be reviewed after 03 x months on above parameters.

In this context, all SEs (OP), GSO / PDs and Deputy Manager (Trg.) RTC were asked to provide the **list of** certified / qualified ALMs, LM-II & LM-I of their offices who actually / physically work on lines and getting danger allowance vide this office letter No. 3480-82 dated: 17.08.2019. As per information received from field formations, there is total 3706 No. of recipients already drawing Danger Allowance @ Rs. 5000/- per month

The Board was requested to accord its approval for adoption of GM (HR) PEPCO, WAPDA House, Lahore office order No. 5067-80/MDP/GM(HR)/ADG(E)/CBA/20 dated 22.05.2019 regarding enhancement of danger allowance from Rs.5,000/- to Rs.7,000/- on the same terms & conditions as already mentioned in office order No. 208-T dated 11.11.2010 with immediate effect.

The Board was further apprised that the HR Committee recommended adoption of only point (a) of GM (HR) PEPCO above mentioned office order and the Committee did not agreed with points (b) and (c) of the office order as the same are neither financially sustainable nor inconsistent with Industrial Relations Ordinance. The Board agreed with the recommendations of the HR Committee. Board resolved as follows

**Resolution**

**153-BOD-R8** RESOLVED that considering the request of the HR & Admin Director and the recommendations of HR Committee, the approval for adoption of point (a) of GM (HR) PEPCO, WAPDA House, Lahore office order No. 5067-80/MDP/GM(HR)/ADG(E)/CBA/20 dated 22.05.2019 regarding enhancement of danger allowance from Rs.5,000/- to Rs.7,000/- on the same terms & conditions as already mentioned

in office order No. 208-T dated 11.11.2010 with immediate effect is hereby accorded.

The resolution is based on the following confirmations by the management of MEPCO.

- a. No material information has been withheld and the working papers represent all facts of the case.
  - b. There is no conflict of interest of any officer of the MEPCO.
  - c. Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
  - d. Concerned official / officer of MEPCO's management would be liable for any omission / misstatement of the facts and figures in the working papers.
- ii. **To consider the requests for relaxation in upper age limit for appointments under employee's children quota (died during service).**

**Resolution**

**153-BOD-R9 RESOLVED** that the case is hereby deferred.

- iii. **Approval for establishment of surplus pool in ERP HCM module for disbursement of salaries, adjustment of surplus staff and approval to conduct promotion boards as per new yardstick-2018.**

The agenda was presented by HR & Admin Director in 15<sup>th</sup> HR Committee meeting held on 29.12.2019. He apprised the Board that MEPCO BOD in its meeting held on 07.10.2018 accorded its approval for revision of organizational structure / Manpower Strength of MEPCO. ERP Committee of MEPCO BOD in its meeting held on 16-08-2019 inquired from the management as to whether the promotion boards are being conducted as per new yardstick-2018 and the salaries are being prepared in ERP HCM Module on the basis of old yardstick. Upon affirmation from the management to the above facts / position, the ERP Committee issued directions to conduct the promotion boards of all cadres only as per old yardstick. Therefore, the promotion boards due in October-2019 of all categories have not been conducted in order to thrash out the reservations on new yardstick-2018. Honorable Chairman MEPCO BOD in 12<sup>th</sup> meeting of HR Committee held on 01-10-2019 directed that the organizational structure / new yardstick-2018 must be implemented in its true letter & spirit and salary must be paid to all MEPCO employees through HCM as per new yardstick-2018. MEPCO intends to update the ERP HCM Module as per new yardstick-2018 so that the salaries of all MEPCO employees be disbursed through HCM w.e.f. 01-02-2020 accordingly with new yardstick-2018. The posts of Senior Clerk, Chowkidar, Bill Distributors, Assistant Public Relation Officer, Cashier, Security Sergeant, Bahishti / Water Carrier and Baildar / Barqandaz have been abolished and if there is **any other** abundant staff beyond the sanctioned strength of new yardstick-2018 then the same is required to be placed in surplus pool for their adjustments against the available vacancy in the light of the surplus policy. The HR Committee is requested to recommend the following proposals to the Board for its approval:-

- a. A surplus pool may be defined in ERP HCM Module for the adjustment of surplus staff & disbursement of salaries of abolished posts / surplus staff beyond the sanctioned strength as per new yardstick-2018 and CEO MEPCO may be authorized for adjustment of surplus staff as per requirement of work in the light of surplus policy as per new yardstick 2018.
- b. Salary of all MEPCO employees may be disbursed through ERP HCM Module as per new yardstick-2018 w.e.f 01.02.2020.
- c. DG (HR & Admn) MEPCO may be allowed to conduct the promotion boards of all cadres as per new yardstick-2018.

The Board was apprised that the HR Committee agreed to recommend that these employees should be adjusted with the approval of CEO against vacant posts of same/equivalent grades where they should

be utilized in best possible way but their seniority in their respective cadres will remain intact. However, these posts will stand abolished after retirement of the incumbents and no hiring will be carried out against these posts. The Board considered the case in detail and after due deliberation resolved as follows:-

**Resolution**

**13-BOD-R10 RESOLVED** that considering the request of the HR & Admin Director and the recommendations of HR Committee, the approval is hereby accorded as under:-

1. CEO MEPCO is authorized for adjustment of surplus staff against vacant posts of same/equivalent grades where they be utilized in best possible way subject to;
  - a. Their seniority in their respective cadres will remain intact.
  - b. These posts will stand abolished after retirement of the incumbents.
  - c. No hiring will be carried out against these posts.
  - d. The Posts against which the surplus staff is adjusted will not be considered as vacant.
2. Salary of all MEPCO employees must be disbursed through ERP HCM Module as per new yardstick-2018 w.e.f 01.02.2020.
3. DG (HR & Admin) is allowed to conduct the promotion boards of all cadres as per new yardstick-2018 against the vacant posts verified from Project Director ERP. The resolution is based on the following confirmations by the management of MEPCO.
  - a. No material information has been withheld and the working papers represent all facts of the case.
  - b. All legal and codal formalities have been complied with,
  - c. There is no conflict of interest of any officer of the MEPCO.
  - d. Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
  - e. Concerned official / officer of MEPCO's management would be liable for any omission / misstatement of the facts and figures in the working papers.

iv. **Approval for creation of additional posts of Commercial Assistants, LM-I, LM-II AND Meter Readers as per variables defined in new Yardstick-2018 due to increase in number of consumers.**

**Resolution**

**153-BOD-R11 RESOLVED** that the case is hereby deferred.

**b. Approval for matters relating to Procurement Committee.**

The management requested the Board to consider the matters relating to Procurement Committee by condoning the requirement of circulating the agenda 7 days before the start of the meeting. The Chair invited the comments of members of the Board especially of Procurement Committee. The Chairman Procurement Committee and all other members informed that there was no specific directive issued regarding all agendas presented to the Procurement Committee and same were recommended to the Board for its approval. With the consent of all other Members, the Chairman accorded approval for condonation of procedural requirement. However, the Board emphasized that this condonation is for one time only and such practice should not be repeated again in future.

**i. Approval for out sourcing of Security Guards.**

The agenda was presented by HR & Admin Director in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that present state of Security staff at MEPCO is as under:

Sr. No.	Category	Authorized	Held	Deficient	Surplus	Remarks
1	Security Inspector	09	07	02	0	

2	Security Sergeant	06	14	0	*08	*The post of Security Sergeants have been abolished at grid stations in revised yardsticks.
3	Security Guards	1572	255	1317	0	

There is acute shortage of Security Staff in MEPCO, therefore Ministry of Water and Power was requested to grant permission to recruit the security staff. The ministry did not grant the permission to recruit the Security Staff and instructed to outsource the Security Guards as conveyed by Manager (Admn) MEPCO vide his office letter No. 14168 dated: 18.12.2015. In Oct 2017, 688 Nos. outsourced Security Guards were recruited for 09 (OP) Circles including MEPCO HQ after the approval of BOD. The Contract period was going to be expired on 30th June 2019, Therefore case was put up to BOD MEPCO for Extension in contract period of private Security companies for further period of one year w.e.f 01.07.2019 to 30.06.2020 with 10% increase as recommended by respective SE (OP) Circles but BOD directed HR & Admn Director MEPCO to float a fresh tender for having a centralized contract at company level, with Direction to complete the process of having centralized contract for outsourcing of security guards on or before 31-12-2019. Extension of 06 months was granted upto 31<sup>st</sup> Dec 2019 to current outsourced Security Guards. Various committees were formed for the process of Centralized contract. Tender was floated for inviting the bids from Pvt. Security Companies on 18-09-2019. Technical Bid was opened on 24.10.2019 in which 08 Nos. private security companies participated. 03 Nos. Security companies found technically disqualified/Non Responsive and 05 Nos. Security companies qualified the Technical Bid. Financial Bid was opened on 27.11.2019. Following 05 No. Security companies participated and quoted their rates as under:-

Sr.No.	Name of Security Agency	Rate Quoted (Per unit) Including Tax
1.	M/S Pasban Security Services (Pvt) Ltd.	Rs. 24,026/-
2.	M/S Askari Guards (Pvt ) Ltd	Rs. 24,468/-
3.	M/S Safety & Security Services (Pvt) Ltd	Rs. 24,995/-
4.	M/S Zim's Security (Pvt) Ltd	Rs. 25,456/-
5.	M/S GB Security Services (Pvt) Ltd	Rs. 28,516/-

The minimum requirement of outsourced Security Guards for MEPCO is tabulated as under:-

Sr. No.	Name of offices	Authorized	Held	Deficient	Requirement
1.	(OP) Circle Multan & other installation	321	74	247	164
2.	(OP) Circle Sahiwal & other installation	183	28	155	102
3.	(OP) Circle R.Y Khan & other installation	148	05	143	101
4.	(OP) Circle B/Pur & other installation	209	20	189	143
5.	(OP) Circle Khanewal & other installation	98	19	79	60
6.	(OP) Circle Vehari	113	25	88	51
7.	(OP) Circle Bahawalnagar & other installation	142	10	132	102
8.	(OP) Circle M / Garh & other installation	186	46	140	96
9.	(OP) Circle D.G Khan & other installation	172	28	144	102
<b>Total</b>		<b>1572</b>	<b>255</b>	<b>1317</b>	<b>*921</b>

In 2017 only 281 No. MEPCO Security Guards were held against sanctioned posts of 969, therefore ~~688~~ No. Security Guards were outsourced to meet the deficiency. Now as per the revised Yardstick 255 No. MEPCO Security Guards are held against sanctioned posts of 1572, thus having deficiency of 1317. However only 921 Nos. Security Guards are being outsourced against deficiency of 1317 and 396 No. Security Guards are being curtailed due to following:-

- i. In each office complex irrespective of number of offices, Max 04 No. Security Guards will be deployed.
- ii. At 124 No. Grid Stations every 5<sup>th</sup> guard is curtailed.
- iii. As per Prime Minister Directives for austerity drive, 396 Nos. Outsourced Security Guards have been curtailed while catering only minimum requirement i.e. 921 Security Guards due to which Rs. 114 Million per annum are saved.

The Evaluation committee recommended, M/S Pasban Security Services (Pvt) Ltd., which has also quoted lowest rate i.e Rs. 24,026/- including tax per Security Guard per Month. The total expenditures to be incurred on the services of 921 No. Security Guards will be Rs. 26,55,35,352/- (including taxes) per year. (Rs. 266 Millions for FY 2019-20 & 2020-21). The Board was apprised that HR Committee of the Board has also recommended the case to the Board for its approval. The Board considered the case in detail and after due deliberation resolved as follows:-

#### **Resolution**

**153-BOD-R12** **RESOLVED** that considering the request of the HR & Admin Director and the recommendations of Procurement Committee, the approval for following is hereby accorded.

- a) Hiring of 921 Security Guards through outsourcing for 01-year i.e. 01.02.2020 to 31.01.2021 from M/S Pasban Security Services (Pvt) Ltd. at the total annual cost of approximately 266 Million (including taxes) in MEPCO region.
- b) Extension in engaging services of current security companies for a period of further 01 month w.e.f 01<sup>st</sup> January 2020 till 31<sup>st</sup> January 2020 on same terms & conditions

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and code formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**ii) Approval for Procurement of 50000 No. 11 KV Steel Cross Arms with braces (T/No. 63/20 dt: 19.11.2019).**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 50000 No. 11 kv Steel Cross Arms with braces was floated in widely circulated newspapers in line with the approval of

competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. The technical bids were opened by the tender opening committee on scheduled date i.e 19.11.2019. **Four** (04) bidders purchased the tender documents whereas three (03) bidders participated in tender opening process.

The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 21.11.2019. The committee evaluated the case as "Based on the technical evaluation in the report, following firms have been found as responsive bidders:

- a. M/s Umair Industries SMC Pvt. Ltd. Lahore
- b. M/s Climate Engineering Co. Gujranwala

However, M/s A.M Associates has been found as non-responsive".

The information regarding results of Technical evaluation & opening of financial bids were conveyed to technically responsive bidders vide No. 3979-83 dated 27.11.19. Subsequently the financial bids were opened by the tender opening committee on scheduled date i.e. 04.12.2019. The price quoted by the bidders is shown in the following table.

SrNo	Name of the Bidder	11 kv Steel Cross Arms Rate per unit (Rs.)	Quoted Quantity (No.)
1	M/s Umair Industries	3678.00	50000
2	M/s Climate Engineering	3882.00	25000

Out of the above participant firms, M/s Umair Industries emerged as lowest bidder by offering the rate of **Rs.3678/-** each for the full tendered quantity. The total cost for the procurement of 50000 No. 11 kv Steel Cross Arms @ Rs. 3678/- each would be amounting to Rs.183.9 million (excluding GST) from M/s Umair Industries. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed the Board that there is pendency of deposit works and development schemes for which 11 kv Steel Cross Arms is required. The Board noted the stock balance position as only 50 No. is presently available in stock whereas monthly consumption is 10813 No. The Board resolved as follows:-

**Resolution**

**153-BOD-R13**

**RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for procurement of 50000 No. 11 KV Steel Cross Arms with braces @ Rs 3678/- each from M/s Umair Industries Lahore is hereby accorded. The total cost for procurement of above item would be amounting to Rs. 183.9 million (excluding GST) against Tender No. 63/20 opened on 19.11.2019. The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.



- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**iii. Approval for procurement of 120000 No. 11 KV Pin Insulators (T/No.72/20 dt: 03.12.2019).**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 120000 No. 11 KV Pin Insulators was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Only One (01) firm purchased the tender documents & participated in the tender opening process.

The technical bid was opened by the tender opening committee on scheduled date i.e 03.12.2019. The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 05.12.2019. The committee evaluated the case as "Based on the technical evaluation in the report, M/s Emco Industries Ltd. Lahore found as responsive bidder.

The information regarding results of Technical evaluation & opening of financial bid was conveyed to technically responsive bidder vide No. 4582 dated 11.12.2019. Subsequently the financial bid was opened by the tender opening committee on scheduled date i.e 13.12.2019. The price quoted by the bidder is shown in the following table.

Sr. No	Name of the Bidder	11 kv Pin Insulator Rate per unit (Rs.)	Quoted Quantity (No.)
1	M/s Emco Industries Ltd.	384.00	120000

He further apprised that as per PPRA FAQ-12, PPRA do not put any limit on number of tenders/bids received in response to tender notices provided that the procurement opportunity has been advertised in the prescribed manner. The only participant firm i.e M/s Emco Industries Ltd. quoted for full tendered quantity. The total cost for the procurement of 120000 No. 11 kv Pin Insulators @ Rs.384/- each would be Rs. 46.08 million (excluding GST) from M/s Emco Industries. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed that there is pendency of industrial, Tubewell connections, deposits cases and development schemes for which 11 kv Pin Insulators are required.

The Board noted the stock balance position as only 50 No. is presently available in stock whereas monthly consumption is 17500 No. The Board resolved as follows:-

**Resolution**

**153-BOD-R14** **RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for procurement of 120000 No. 11 kv Pin Insulators @ Rs 384/- each from M/s Emco Industries is hereby accorded. The total cost for procurement of above item would be amounting Rs.46.08 million (excluding GST) against Tender No. 72/20 opened on 03.12.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**iv Approval for procurement of 350 Set 11 KV un-switched Capacitor Bank 450 (3x150) KVAR (T/No.73/20 dt: 03.12.2019).**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 350 Sets 11 kv Un-Switched Capacitor Bank 450 (3x150) kvar was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Only One (01) firm purchased the tender documents & participated in the tender opening process.

The technical bid was opened by the tender opening committee on scheduled date i.e 03.12.2019. The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 05.12.2019. The committee evaluated the case as "Based on the technical evaluation in the report, M/s Siddique Sons Engineering Lahore found as responsive bidder.

The information regarding results of Technical evaluation & opening of financial bid was conveyed to technically responsive bidder vide No. 4565-68 dated 11.12.2019. Subsequently the financial bid was opened by the tender opening committee on scheduled date i.e 13.12.2019. The price quoted by the bidder is shown in the following table.

Sr. No	Name of the Bidder	11 kv Un-Switched Capacitor Bank 450 kvar Rate per unit (Rs.)	Quoted Quantity (Set)
1	M/s Siddique Sons Engineering	163000.00	350

He further apprised that as per PPRA FAQ-12, PPRA do not put any limit on number of tenders/bids received in response to tender notices provided that the procurement opportunity has been advertised in the prescribed manner. The only participant firm i.e M/s Siddique Sons Engineering quoted for full tendered quantity. The total cost for the procurement of 350 Sets 11 kv Un-Switched Capacitor Bank 450 (3x150) kvar @ Rs.163000/- per set would be amounting to Rs. 57.05 million (excluding GST) from M/s Siddique Sons. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed that subjected procurement is required for improving power factor, voltage



profile and reduction in line losses. The Board noted the stock balance position as only 02 is presently available in stock. The monthly consumption is 50. The Board resolved as follows:-

**Resolution**

**153-BOD-R15** **RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for the procurement of 50 Sets 11 kv Un-Switched Capacitor Bank 450 (3x150) kvar @ Rs 163000/- per set from M/s Siddique Sons is hereby accorded. The total cost for procurement of above item would be Rs. 57.05 million (excluding GST) against Tender No. 73/20 opened on 03.12.2019. The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**v. Approval for revision of the Annual Procurement Plan for distribution material in respect of Director Procurement (Distribution) for the F/Y 2019-20.**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that the tentative requirement of the F/Y 2019-20 was received from P.D (Cont) MEPCO Multan for Village Electrification & other Deposit works & HT/LT Feeders and Managers (Op) MEPCO Circles for Tube Well / Industrial, commercial & general connections. The Plan was put up before BOD after consultation with Finance Directorate & BOD MEPCO in its 147<sup>th</sup> meeting held on 01.07.2019 accorded approval of the annual procurement plan for the F/Y 2019. The amount of distribution material in approved procurement plan is given as under:-

Description	Tentative Amount for F/Y 2019-20 (M)
Distribution Material	8346

Currently, the status of Consumed/ Balance Budget pertaining to distribution material is tabulated below.

Description	Capital Receipt	Deposit Work	DOP	ELR	Maintenance	Total
Budget Allocated (M)	4899.982	1542.849	420	2400	726	9988.831
Budget Consumed	4202.991	1246.291	408.91	1997.675	794.819	8650.689
Budget Available	696.991	296.558	11.086	402.325	(68.819)	1338.142

It is worth mentioning that the plan submitted by Managers (Op) circles/PD (Const.) for distribution material was based upon previous year utilization of material where as less amount was approved in the budget. Year wise Trend of installed Domestic & T/well connections is as under:-

Year	Domestic Connections	Tubewell
2015-2016	249945	942
2016-2017	276106	1419
2017-2018	347182	2979
2018-2019	328622	5991

The above status clearly depicts that this trend will also increase in current FY 2019-20 as well. It is also worth mentioning here that actual demand received against Distribution Material was Rs. 13106 Million but it was not financially vetted by Finance Director and accordingly Finance Office vide their letter No. 37938 dated 20.06.2019 vetted the annual procurement plan of Distribution Material amounting to Rs. 8346 million instead of Rs. 13106 million. Break up of initially received Plan of Rs. 13106 million is given as :-

Sr. No.	Description	Proposed Procurement
A	Own Resource, ELR, Renovation ,Augmentation Including LT proposal and HT feeders	4281.73
B	Deposit Works ,SDGs, Village Electrification, Govt. & Private Connections and Deposit Works(Consumer Finance)	8824.75
Grand Total (A+B)		13106.48

Break up of approved Plan of Rs. 8346 million is given as

Sr. No.	Description	Approved Procurement
A	Own Resource ELR, Renovation ,Augmentation Including LT proposal and HT feeders	3546.00
B	Deposit Works ,SDGs, Village Electrification, Govt. & Private Connections and Deposit Works(Consumer Finance)	4800.00
Grand Total (A+B)		8346.00

Project Director (Const) also submitted their fresh requirement against SDGs 2019-20 vide their memo No. 11496-507 dated 30.10.2019 for which funds has been received to P.D (Const). The said matter for revision of annual procurement plan was taken up with Finance Directorate & they have provided additional budget of Rs. 2486.40 million subject to approval of BOD with following abstract.

Description	Approved Budget (80% Procurement)	Allocation already made	Balance	Proposed Budget	Balance
Total in Million (Rs.)	9988.831	8650.689	1338.142	2486.40	3824.542

In order to meet the demand of field formations as well as Project Director (Const) & reserve stock, the revised plan for the procurement of Distribution Material for F/Y 2019-20 amounting to Rs. 14386.93 million has been prepared which is as under:-

Description	Actual Req: received from Field for F/Y 2019-20 (M)	Previous Approved Plan of F/Y 2019-20	Total Revised Plan for F/Y 2019-20	Difference w/r/t Actual Req: from Field
Distribution Material	13106.00	8346.00	14386.93	6040.93

Keeping in view of narrated facts & figures and expected field demand in the light of utilization of material in the 1<sup>st</sup> half of F/Y, requirement under SDGs and to maintain 10% reserve to meet unexpected emergencies, the above revised plan amounting to Rs. 14386.93 million is required. CEO also accorded approval for putting up agenda item in BOD. The Board resolved as follows:-

#### Resolution

**153-BOD-R16** **RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for the revised Annual Procurement Plan for Distribution Material in respect of Director Procurement (Distribution) for the F/Y 2019-20

amounting to Rs. 14386.93 million(Already approved Rs: 8346.00 Million + Additional approved Rs: 6040.93 Million = 14386.93 Million) is hereby accorded subject to the availability of the budget.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- e) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**vi. Approval for procurement of 5000 No. H.T Steel Structure 34'-8" long (T/No. 68/20 dt: 02.12.2019).**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 5000 No. H.T Steel Structure 34'-8" long was floated in widely circulated newspapers inline with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Three (03) firms purchased the tender documents whereas Two (02) firms participated in the tender opening process. The technical bids were opened by the tender opening committee on scheduled date i.e 02.12.2019. The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 03.12.2019. The committee evaluated the case as "Based on the technical evaluation in the report, following firms have been found as responsive bidders:

- a. M/s A.M Associates Pvt. Ltd. Lahore
- b. M/s Khalifa Sons Pvt. Ltd. Lahore.

The information regarding results of Technical evaluation & opening of financial bids were conveyed to technically responsive bidder vide No. 4560-64 dated 11.12.2019. Subsequently the financial bids were opened by the tender opening committee on scheduled date i.e 13.12.2019. The price quoted by the bidders is shown in the following table.

Sr. No	Name of the Bidder	H.T Steel Structure 34'-8" Rate per unit (Rs.)	Quoted Quantity (No.)	Quantity to be divided as per BOD instructions
1	M/s A.M Associates	37900.00	5000	2500
2	M/s Khalifa Sons	37900.00	5000	2500

Both the qualified bidders offered the rate of Rs. 37900/- each & quoted for full tendered quantity. The total cost for the procurement of 5000 No. H.T Steel Structure 34'-8" long @ Rs. 37900/- each would be Rs.189.5 million (excluding GST) from M/s A.M Associates & M/s Khalifa. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed that there is pendency of new connections and deposit works for which is required. The Board noted the stock balance position as no pole is presently available in stock whereas monthly consumption is 1372 No. The Board considered the case in detail and after due deliberation resolved as follows:-



## Resolution

**153-BOD-R17**

**RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for procurement of 5000 No. H.T Steel Structure 34'-8" @ Rs 37900/- each from M/s A.M Associates & M/s Khalifa Sons (2500 No. each) is hereby accorded. The total cost for procurement of above item would be amounting to Rs. 189.5 million (excluding GST) against Tender No. 68/20 opened on 02.12.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and code formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

vii. **Approval for procurement of 2000 No. L.T Steel Structure 30'-8" long (T/No. 69/20 dt: 02.12.2019).**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 2000 No. L.T Steel Structure 30'-8" long was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Five (05) firms purchased the tender documents whereas One (01) firm participated in the tender opening process. The technical bid was opened by the tender opening committee on scheduled date i.e 02.12.2019.

The Technical bid was sent to Tender Evaluation Committee for technical evaluation on 03.12.2019. The committee evaluated the case as "Based on the technical evaluation in the report, M/s Siddique Sons Engineering Lahore has been found as responsive bidder.

The information regarding results of Technical evaluation & opening of financial bid was conveyed to technically responsive bidder vide No. 4568-68 dated 11.12.2019. Subsequently the financial bid was opened by the tender opening committee on scheduled date i.e 13.12.2019. The price quoted by the bidder is shown in the following table.

Sr. No	Name of the Bidder	L.T Steel Structure 30'-8" Rate per unit (Rs.)	Quoted Quantity (No.)
1	M/s Siddique Sons Engineering Lahore	24480.00	2000

He further apprised that as per PPRA FAQ-12, PPRA do not put any limit on number of tenders/bids received in response to tender notices provided that the procurement opportunity has been advertised in the prescribed manner. The only participant firm i.e M/s Siddique Sons Engineering quoted for the full tendered quantity. The total cost for the procurement of 2000 No. L.T Steel Structure 30'-8" long @ Rs. 24480/- each would be amounting to Rs.48.96 million (excluding GST) from M/s Siddique Sons Engineering. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. The Board noted stock balance position as only 52 Nos are presently available in stock whereas monthly consumption is 634 No. The Board resolved as follows:-

#### **Resolution**

**153-BOD-R18 RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for procurement of 2000 No. L.T Steel Structure 30'-8" @ Rs 24480/- each from M/s Siddique Sons Engineering is hereby accorded. The total cost for procurement of above item would be amounting to Rs. 48.96 million (excluding GST) against Tender No. 69/20 opened on 02.12.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and code formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

#### **viii. Approval for procurement of 1700 No. L.T. Steel Structure 30'-8" long (T/No. 62/20 dt: 19.11.2019.**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 1700 No. L.T Steel Structure 30'-8" long was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Five (05) firms purchased the tender documents whereas Two (02) firms participated in the tender opening process. The technical bid was opened by the tender opening committee on scheduled date i.e. 19.11.2019. The Technical bids were sent to Tender Evaluation Committee for technical evaluation on

21.11.2019. The committee evaluated the case as "Based on the technical evaluation in the report, following firms have been found as responsive bidders:

- a. M/s Vision Engineering Pvt. Ltd. Lahore
- b. M/s Ajmer Engineering Electric Works Lahore

The information regarding results of Technical evaluation & opening of financial bids were conveyed to technically responsive bidder vide No. 3974-78 dated 27.11.2019. Subsequently the financial bids were opened by the tender opening committee on scheduled date i.e 04.12.2019. The price quoted by the bidders is shown in the following table.

Sr. No	Name of the Bidder	L.T Steel Structure 30'-8" Rate per unit (Rs.)	Quoted Quantity (No.)
1	M/s Vision Engineering Pvt. Ltd.	24480.00	1700
2	M/s Ajmer Engineering Electric works	24515.00	1700

Out of the above participant firms, M/s Vision Engineering emerged as lowest bidder for full tendered quantity. The total cost for the procurement of 1700 No. L.T Steel Structure 30'-8" long @ Rs. 24480/- each would be amounting to Rs.41.616 million (excluding GST) from M/s Vision Engineering. CEO also accorded approval for putting up agenda item in BOD.


During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed that there is pendency of new connections and deposit works for which subjected procurement is required.

The Board noted the stock balance position as only 52 No. is presently available in stock whereas monthly consumption is 634 No. The Board resolved as follows:-

#### **Resolution**

**153-BOD-R19 RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for procurement of 1700 No. L.T Steel Structure 30'-8" @ Rs 24480/- each from M/s Vision Engineering is hereby accorded. The total cost for procurement of above item would be amounting to Rs. 41.616 million (excluding GST) against tender No. 62/20 opened on 19.11.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO. 

- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**ix. Approval for procurement of 10000 No. Static Three Phase energy meters (T/No. 67/20 dt: 02.12.2019.**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 10000 No. Static Three Phase Energy Meters was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Five (05) firms purchased the tender documents whereas One (01) participated in the tender opening process.

The technical bid was opened by the tender opening committee on scheduled date i.e 02.12.2019. The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 04.12.2019. The committee evaluated the case as "Based on the technical evaluation in the report, M/s Vertex Electronics Lahore found as responsive bidder.

The information regarding results of Technical evaluation & opening of financial bid was conveyed to technically responsive bidder vide No. 4586-89 dated 11.12.2019. Subsequently the financial bid was opened by the tender opening committee on scheduled date i.e 13.12.2019. The price quoted by the bidder is shown in the following table.

Sr. No	Name of the Bidder	3/Phase TOD Meters Rate per unit (Rs.)	Quoted Quantity (No.)
1	M/s Vertex Electronics	6750.00	10000

He further apprised the Committee that as per PPRA FAQ-12, PPRA do not put any limit on number of tenders/bids received in response to tender notices provided that the procurement opportunity has been advertised in the prescribed manner. The only participant firm i.e M/s Vertex Electronics quoted for the for full tendered quantity. The total cost for the procurement of 10000 No. Static Three Phase Energy Meters @ Rs.6750/- each would be amounting to Rs. 67.5 million (excluding GST) from M/s Vertex Electronics. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed that there is pendency of new connections and deposit works for which subjected procurement is required.

The Board noted the stock balance position as only 30 No. is presently available in stock whereas monthly consumption is 2000 No. The Board resolved as follows:-

**Resolution**

**153-BOD-R20 RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for procurement of 10000 No. Static Three Phase Energy Meters @ Rs 6750/- each from M/s Vertex Electronics is hereby accorded. The total cost for procurement of above item would be amounting Rs.67.5 million (excluding GST) against Tender No. 67/20 opened on 02.12.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.

- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**x. Approval for Procurement of 3000 No. 25 KVA Distribution Transformers (T/No. 70/20 dt: 02.12.2019).**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 3000 No. 25 kVA Transformers was floated in widely circulated newspapers inline with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Five (05) firms purchased the tender documents whereas Three (03) firms participated in the tender opening process.

The technical bids were opened by the tender opening committee on scheduled date i.e 02.12.2019. The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 03.12.2019. The committee evaluated the case as "Based on the technical evaluation in the report, following firms have been found as responsive bidders i.e

- a. M/s Transfo Power Industries
- b. M/s Sky Power Pvt. Ltd.
- c. M/s Pak Elektron Ltd.

The information regarding results of Technical evaluation & opening of financial bid was conveyed to technically responsive bidders vide No. 4569-74 dated 11.12.19. Subsequently the financial bids were opened by the tender opening committee on scheduled date 13.12.2019. The price quoted by the bidders is shown in following table.

Sr. No.	Name of Firm	25 kVA Transformer (Qty: 3000 No.)		Quoted Losses (Watts)	
		T/Rate (Rs.)	Qty Offered (No.)	Iron	Copper
1	M/s Transfo Power Ind:	120987.00	3000	93	490
2	M/s Sky Power Pvt Ltd.:	123000.00	3000	98	485
3	M/s Pak Elektron Ltd.	116300.00	3000	98	512

The Evaluated Bid Prices of Bidders on TOC basis as per Clause 16.5.1 DDS-84:2007 (Amendment-5) are as under:

Sr. No.	TOC	Transfo Power	Sky Power	Pak Elektron
1	K1 x Iron losses	299.948 x 93	299.948 x 98	299.948 x 98
	=	27895.164	29394.904	29394.904
2	K2 x Copper losses	145.299x490	145.299x485	145.299x512
	=	71196.51	70470.015	74393.088
3	Quoted Price	120987.00	123000.00	116300.00



TOC (1+2+3) =	220078.67	222864.92	220037.99
%age Ranking	100	101.27	100.004

Out of the above participant firms, M/s Transfo Power Industries emerged as lowest bidder on TOC basis for the full tendered quantity. The total cost for the procurement of 3000 No. 25 KVA Transformers @ Rs. 120987/- each would be amounting to Rs. 362.961 million (excluding GST) from M/s Transfo Power Industries Lahore. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is ~~very~~ beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed that there is pendency of new connections and deposit works for which subjected procurement is required. The Board noted the stock balance position as only 08 No. is presently available in stock whereas monthly consumption is 521 No. The resolved as follows:-

**Resolution**

**153-BOD-R21**

**RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for procurement of 3000 No. 25 KVA Transformers @ Rs.120987/- each from M/s Transfo Power Industries Lahore is hereby accorded. The cost of this procurement would be amounting to Rs. 362.961 million (excluding GST) against Tender No 70/20 opened on 02.12.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and code formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**xi. Approval for procurement of 1700 No. 50 KVA Distribution Transformers (T/No. 71/20 dt: 02.12.2019).**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 1700 No. 50 KVA Transformers was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Six (06) firms purchased the tender documents whereas Four (04) firms participated in the tender opening process. *W*

The technical bids were opened by the tender opening committee on scheduled date i.e 02.12.2019. The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 03.12.2019. The committee evaluated the case as "Based on the technical evaluation in the report, following firms have been found as responsive bidders i.e,

- M/s Pak Elektron Ltd.
- M/s Sky Power Pvt. Ltd.
- M/s Hammad Engineering
- M/s J.F Industries

The information regarding results of Technical evaluation & opening of financial bid was conveyed to technically responsive bidders vide No. 4575-81 dated 11.12.19. Subsequently the financial bids were opened by the tender opening committee on scheduled date 13.12.2019. The price quoted by the bidders is shown in following table.

Sr. No.	Name of Firm	50 kVA Transformers (Qty: 1700 No.)		Quoted Losses (Watts)	
		T/Rate (Rs.)	Qty Offered (No.)	Iron	Copper
1	M/s Pak Elektron Ltd.	160700.00	1700	140	936
2	M/s Sky Power Pvt. Ltd.:	177900.00	1700	140	835
3	M/s Hammad Engg:	175920.00	1700	132	875
4	M/s J.F Industries	186000.00	1700	118	860

The Evaluated Bid Prices of Bidders on TOC basis as per Clause 16.5.1 DDS-84:2007 (Amendment-5) are as under:

Sr.#	TOC	Pak Elektron	Sky Power	Hammad Engg:	J.F Industries
1	K1 x Iron losses	299.948 x 140	299.948 x 140	299.948 x 132	299.948 x 118
	=	41992.72	41992.72	39593.136	35393.864
2	K2 x Copper losses	145.299x936	145.299x835	145.299x875	145.299x860
	=	135999.864	121324.665	127136.625	124957.14
3	Quoted Price	160700.00	177900.00	175920.00	186000.00
	TOC (1 + 2 + 3) =	338692.58	341217.39	342649.76	346351.00
	%age Ranking	100	100.75	101.17	102.26


Out of the above participant firms, M/s Pak Elektron Ltd. emerged as lowest bidder on TOC basis for the full tendered quantity. The total cost for the procurement of 1700 No. 50 KVA Transformers @ Rs. 160700/- each would be amounting to Rs. 273.19 million (excluding GST) from M/s Pak Elektron Ltd Lahore. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed that there is pendency of new connections and deposit works for which subjected procurement is required. The Board noted the stock balance position as only 220 No. is presently available in stock whereas monthly consumption is 289 No. The Board resolved as follows:-

#### **Resolution**

**153-BOD-R22 RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for procurement of 1700 No. 50 KVA Transformers @ Rs.160700/- each from M/s Pak Elektron Ltd. Lahore is hereby accorded. The cost of this procurement would be Rs.273.19 million (excluding GST) against tender No 71/20 opened on 02.12.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- No material information has been withheld and the working paper represents all facts of the case.
- All legal and codal formalities have been complied with. 

- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**xii. Approval for Procurement of 5500 km ACSR Rabbit Conductor (T/No. 80/20 dt: 23.12.2019).**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that tender inquiry regarding procurement of 5500 km ACSR **Rabbit** Conductor was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. The technical bids were opened by the tender opening committee on scheduled date i.e 23.12.2019. Four (04) bidders purchased the tender documents whereas three (03) bidders participated in tender opening process.

The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 24.12.2019. The committee evaluated the case as "Based on the technical evaluation in the report, following firms have been found as responsive bidders:


- a. M/s Steel Complex Pvt. Ltd.
- b. M/s Newage Cables Pvt. Ltd.

However, M/s Fast Cables has been found as non-responsive. The information regarding results of Technical evaluation & opening of financial bids were conveyed to technically responsive bidders vide No. 5073-77 dated 26.12.2019 & non-responsive bidder vide 5078-79 dated 26.12.2019. Subsequently the financial bids were opened by the tender opening committee on scheduled date i.e 27.12.2019. The price quoted by the bidders is shown in the following table.

Sr. No	Name of the Bidder	ACSR Rabbit Conductor Rate per unit (Rs.)	Quoted Quantity (Km)
1	M/s Newage Cables	63900.00	5500
2	M/s Steel Complex	67200.00	5500

Out of the above participant firms, M/s Newage Cables emerged as lowest bidder by offering the rate of Rs.63900/- per km for the full tendered quantity. The total cost for the procurement of 5500 km ACSR Rabbit Conductor @ Rs. 63900/- per km would be Rs.351.45 million (excluding GST) from M/s Newage Cables. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, the GM (Technical) emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company. He informed that there is pendency of new connections and deposit works for which subjected procurement is required.

The Board noted the stock balance position as nothing is presently available in stock whereas monthly consumption is 743KM. The Board resolved as follows:- 

## Resolution

**153-BOD-R23 RESOLVED** that considering the request of the General Manager (Tech), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the approval for procurement of 5500 No. ACSR Rabbit Conductor @ Rs 63900/- per km from M/s Newage Cables is hereby accorded. The total cost for procurement of above item would be amounting to Rs.351.45 million (excluding GST) against tender No. 80/20 opened on 23.12.2019.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**xiii. Approval for procurement of 02-No. 132/11.5KV, 31.5/40MVA Power Transformer through repeat order from M/s Pak Elektron Ltd., Lahore against MEPCO Purchase Order No. 061493 dated 07.11.2019 as per request of Chief Executive Officer PESCO Peshawar on cash payment basis.**

The agenda was presented by General Manager (Tech) in 22<sup>nd</sup> Procurement Committee meeting held on 30.12.2019. He apprised the Board that MEPCO Tender No. PMU-MEPCO-193-2019 (ICB) was opened on 12.04.2019 for procurement of 12-No. 31.5/40MVA Power Transformers. The Evaluation was carried out by Chief Engineer (Design) NTDC Lahore wherein M/s PEL Lahore was recommended for the award of contract. Consequently, Purchase Order No.061493 has been issued to M/s PEL Lahore on 07.11.2019 for supply of 12-No. 31.5/40MVA Power Transformers after approval from MEPCO BOD vide agenda item No.3 (VIII) in its 151<sup>st</sup> meeting held on 26.10.2019. Chief Executive Officer PESCO Peshawar vide letter No.6340-42 dated 14.11.2019 has requested that PESCO is in dire need of the 40MVA Power Transformers and to cope with urgent requirements, CEO PESCO Peshawar has requested that an additional order of 15% may be placed on the firm, so that the same could be allocated and collected by PESCO on Cash Payment basis. As per MEPCO bidding document section-II (Bid Data Sheet) clause ITB41.1, the maximum percentage by which quantities may be increased is 15%. Also as per Letter of Intent (LOI) clause-2 (vi) (Special Conditions) MEPCO reserves right to increase/decrease upto 15% during the concurrence of contract 15% of the quantity of 12-No. Power Transformers becomes 1.8, for the sake of procurement, the round figure will be 02-No. Power Transformers (if competent authority agrees). The detail will be as under:-

Sr. No.	Description	Orig Qty (No.)	Unit FCS Price (PKR)	Total FCS Price (PKR)	Addl. Qty (No.)	Unit FCS Price of Addl. Qty. (PKR)	Total FCS Price of Additional Qty (PKR)
1	132/11.5KV, 31.5/40MVA Power Transformer	12	63,000,000	756,000,000	2	63,000,000	126,000,000

As the original purchase order was issued after approval from MEPCO BOD, therefore, the approval for repeat order for additional quantity falls under the competency of MEPCO BOD for placing LOI/PO in the favor of M/s PEL Lahore. The Board was requested to accord its approval to issue repeat order for 02-No. 132/11.5KV, 31.5/40MVA Power Transformer amounting to Rs. 126,000,000 (excluding GST & SED) in favor of M/s Pak Elektron Ltd., Lahore as per request of Chief Executive Officer PESCO Peshawar on loan basis. The Board resolved as follows:-

#### **Resolution**

**153-BOD-R24 RESOLVED** that considering the request of Chief Engineer (Development) PMU, approval is hereby accorded to issue repeat order for 02-No. 132/11.5KV, 31.5/40MVA Power Transformer amounting to Rs. 126,000,000 (excluding GST & SED) in favor of M/s Pak Elektron Ltd., Lahore as per request of Chief Executive Officer PESCO Peshawar on loan basis subject to:-

1. The delivery of these additional 2 No. Power Transformers to PESCO will be after receipt of 12 transformers to MEPCO.
2. The placement of repeat order is according to as per terms and conditions of tendered documents and departmental SOPs and Policies in vogue.
3. There will be no Tax liability for MEPCO at any stage of this transaction.

The recommendations are based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**xiv. Approval for Procurement of Capacitor Unit & 11KV Neutral C.Ts Financed under MEPCO's own resources against Tender No. PMU-MEPCO-210-2018 opened on 05.11.2019.**

The agenda was presented by Chief Engineer (Dev) PMU. He Apprised the Board that subjected above tender was floated for procurement of following material from MEPCO's own resources against

requirement of GSO formations. The tender was opened on 05.11.2019 by standing tender opening committee constituted vide office order No. 14/1839-47/Proc/G-25 dated 25.09.2019.

Sr. No.	Description	Quantity	Store Balance as on 25.11.2019
1	100 KVAR Capacitor Unit	30-No.	-Nil-
2	200 KVAR Capacitor Unit	2950-No.	-Nil-
3	400 KVAR Capacitor Unit	60-No.	-Nil-
4	11KV Neutral C.Ts	60-No.	-Nil-

Chief Engineer (NPCC) NTDC, Islamabad vide letter No. 12320-26 dated 02.08.2019 and letter No. 15112-19 dated 18.10.2019 intimated that low power factor measured at CDP Points and as per NEPRA Grid Code the Power Factor must be maintained at 95% and Low Power Factor can cause over loading of Network Equipments as well as increased in T & T Losses. Necessary measures for improving the power factor to 95% by energizing / putting in service all capacitor banks installed in MEPCO Area and Further arrangements for installation of new capacitor banks at the respective grid stations will help in over loading of Transformers, Transmission Lines and low voltage problems in the network besides minimum T& T Losses.

General Manager (NPCC) NTDC, Islamabad vide letter No. 14225-36 dated 01.10.2019 also intimated to eliminate 132KV Network constraints of MEPCO region arrangement for reactive power compensation be done in MEPCO region by rectifying the existing faulty capacitor banks as well as installing new capacitor banks in order to overcome low voltage problem, improve / maintain the power factor in allowable limit at 95% (0.95) enabling system operator to run the system in accordance with Grid Code in supplying secure and fine quality of power to the consumers.

In this regard, S.E (GSO) MEPCO Circle Multan has forwarded the demand for installation of capacitor banks on 91-No. Power Transformers (New addition) and 35-No. Power Transformers (Enhanced Capacity) vide letter No. 11266-73 dated 29.08.2019 (F/E). S.E (GSO) MEPCO Circle Sahiwal has also forwarded the demand vide letter No. 8308-12 dated 13.09.2019

As per Bidding Document Section -I of bid document, the bidder may quote rate for any number of items and evaluation will be carried out on item rate basis. The bids were forwarded to MEPCO Evaluation Committee for evaluation vide letter No. 3010-14 dated 05.11.2019. Evaluation Report was received vide letter No. 6504 dated 21.11.2019.

**Item # 01 (100KVAR Capacitor Unit)**

Only single firm participated in the bidding process detailed as under:-

Description	Qty. (No.)	M/s Siddique Sons Engineering, Lahore	
		Unit Price (PKR)	Total Price (PKR)
11KV Capacitor Units 100KVAR	30	198,300	5,940,000
			<b>5,940,000</b>
			<b>100.00</b>

MEPCO Evaluation Committee declared M/s Siddique Sons Engineering (Pvt) Ltd., Lahore single participated responsive bidder for supply of 11KV Capacitor 100KVAR subject to fresh type test as per NTDC specification. Due to participation of single bidder, the procurement department must be ensured following as per clarification of PPRA.

- The comparison of price of offered items if procured during the current financial year.
- Market price of the offered items to be procured.
- In case abnormal increase in prices is observed, the procuring department may like to re-advertise the procurement opportunity, if time permits.

The prices quoted by the bidder for 11KV Capacitor Units 100KVAR is very high. Further as per discussion with S.Es GSO Multan 200KVAR Capacitors can be installed in place of 100KVAR

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Capacitor and as such there is no filed requirement of 100KVAR Capacitors therefore this item No. 01 may be scrapped.

**Item # 2 (11KV Capacitor 200KVAR)**

Two (02) firms participated in the bidding process detailed as under:-

Description	Qty. (No.)	M/s Shandong Taikai, China through M/s M.H. Associates Lahore		M/s Siddique Sons Engineering, Lahore	
		Unit Price (PKR)	Total Price (PKR)	Unit Price (PKR)	Total Price (PKR)
11KV Capacitor Units 200KVAR	2950	55,500	163,725,000	59,900	176,705,000
			<b>163,725,000</b>		<b>176,705,000</b>
			<b>100.00</b>		<b>107.92</b>

MEPCO Evaluation Committee declared that 1<sup>st</sup> lowest bidder M/s M.H Associates, Lahore Technical offer for the supply of 11KV Capacitor 200KVAR is not considered as satisfactory so bidder is technically non-responsive

MEPCO Evaluation Committee declared 2<sup>nd</sup> lowest bidder M/s Siddique Sons Engineering, Lahore evaluated responsive bidder and recommended for award of contract subject to reasonability of the rates. Therefore on the basis of the recommendation of MEPCO evaluation committee, it is suggested that contract may be awarded to lowest evaluated responsive bidder i.e. M/s Siddique Sons Engineering, Lahore amounting to Rs. 176,705,000/-

**Item # 3 (132 KV Capacitor 400KVAR)**

Only single firm participated in the bidding process detailed as under:-

Description	Qty. (No.)	M/s Siddique Sons Engineering, Lahore	
		Unit Price (PKR)	Total Price (PKR)
132KV Capacitor Units 400KVAR	60	188,000	11,280,000
			<b>11,280,000</b>
			<b>100.00</b>

MEPCO Evaluation Committee declared M/s Siddique Sons Engineering (Pvt) Ltd., Lahore is single participated responsive bidder for supply of 132KV Capacitor 400KVAR. Due to participation of single bidder, the procurement department must be ensured following as per clarification of PPRA.

- i. The comparison of price of offered items if procured during the current financial year.
- ii. Market price of the offered items to be procured.
- iii. In case abnormal increase in prices is observed, the procuring department may like to re-advertise the procurement opportunity, if time permits.

**Item # 4 (11KV Neutral C.Ts)**

Three (03) firms participated in the bidding process detailed as under:-

Description	Qty. (No.)	M/s Shan Gee Enterprises, Lahore		M/s Siddique Sons Engineering, Lahore		M/s Elmetec (Pvt) Ltd., Lahore	
		Unit Price (PKR)	Total Price (PKR)	Unit Price (PKR)	Total Price (PKR)	Unit Price (PKR)	Total Price (PKR)
11KV Neutral C.Ts	60	125,000	7,500,000	198,000	11,880,000	225,000	13,500,000
			<b>7,500,000</b>		<b>11,880,000</b>		<b>13,500,000</b>
			<b>100.00</b>		<b>158.40</b>		<b>180.00</b>

MEPCO Evaluation Committee declared 1<sup>st</sup> lowest bidder M/s Shah Gee Enterprises, Lahore non-responsive. The bidder has offered only 11KV Neutral C.Ts manufactured by M/s Fico Electric (Pvt) Ltd., Gujranwala and attached only manufacturer authorization letter with bid. The bidder has attached drawings / type test reports, previous purchase order / supply record of 11KV C.Ts having ratios 800:1600/5, 1000:2000/5 & 11KV P.T having ratio 11KV / 110V instead of offered 11KV Neutral

C.Ts . The bidder has not submitted documentary evidence as a proof of qualification and experience criteria for the supply of 11KV Neutral C.Ts as mention in Section –I Clause –iv. Hence, the offer of bidder is not acceptable for the supply of 11KV Neutral C.Ts.

MEPCO Evaluation Committee declared 2<sup>nd</sup> lowest bidder M/s Siddique Sons Engineering, Lahore evaluated responsive bidder subject to provision of type test report or fresh type test and recommended for award of contract subject to reasonability of the rates. Therefore on the basis of the recommendation of MEPCO evaluation committee, it is suggested that contract may be awarded to lowest evaluated responsive bidder i.e. M/s Siddique Sons Engineering, Lahore amounting to Rs. 11,880,000/-

The detail of M/s Siddique Sons Engineering, Lahore for complete tender becomes as under:-

Item No.	Description	Qty. (No.)	Unit FCS Price (PKR)	Total FCS Price (PKR)
2	200 KVAR Capacitor Unit	2950	59,900	176,705,000
3	400 KVAR Capacitor Unit	60	188,000	11,280,000
4	11KV Neutral C.Ts	60	198,000	11,880,000
	<b>Total FCS Price (PKR)</b>			<b>199,865,000</b>

The only available way to access the reasonability of the price is to compare the quoted rates with MEPCO & other DISCOs purchase rates. The rate offered by the lowest evaluated responsive bidder compared with MEPCO & other DISCOs Previous purchase and Tender rates is given as under:-

Item No.	Item Description	Qty. (No.)	Quoted per Unit Rate	Previous purchase Rate
2	200 KVAR Capacitor Unit	2950	59,900	61,300 dt: 14.11.2019 IESCO
3	400 KVAR Capacitor Unit	60	188,000	215,000 dt: 12.12.2017 MEPCO
4	11KV Neutral C.Ts	60	198,000	220,300 dt: 09.10.2019 GEPCO

From the above rate comparison of quoted rates with MEPCO & Other DISCOs previous purchase rates are reasonable thus acceptable. The Board was requested to approve the case for issuance of LOI / P.O in favor of M/s Siddique Sons Engineering, Lahore amounting to Rs. 199,865,000/- (Excluding GST & SED) being lowest evaluated responsive bidder in National Competitive Bidding in view of above narrated facts as MEPCO is in dire need of Capacitors as per NPCC, NTDC, Islamabad instructions for improving the power factor to 95%, avoiding overloading of Power Transformers, Transmission Lines and supplying secure and fine quality of Power to the consumer besides minimizing the T&T Losses. The Board resolved as follows:-

#### **Resolution**

**153-BOD-R25 RESOLVED THAT** considering the request of Chief Engineer (Development) PMU approval is hereby accorded for issuance of LOI / P.O for item #2 (11KV Capacitors 200KVAR), item #3 (132KV Capacitors 400KVAR) & item #4 (11KV Neutral C.Ts) in favor of M/s Siddique Sons Engineering, Lahore amounting to Rs.199,865,000/- (Excluding GST & SED) being lowest evaluated responsive bidder in National Competitive Bidding and to scrap off the item #1 (11KV Capacitors 100KVAR).

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working paper represents all facts of the case. *W*



- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of the MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- g) The procurement will be in accordance with the approved financial budget and procurement plan.
- h) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- i) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- j) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**The Meeting ended with thanks to and from the Chair.**

  
**(Engr. Sajid Yaqoob)**  
**Company Secretary MEPCO**