

MULTAN ELECTRIC POWER COMPANY

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No. 44881-905 Company Secy

Office of
The Company Secretary

Dated: 09-11-20

1. Mr. Akhlaq Ahmad Syed
House No.162, Street No. 73,
G-9/3, Islamabad.
2. Mr. Mohsin Raza Khan
Chief Executive Officer,
MEPCO Multan.
3. Mr. Ahmad Taimoor Nasir
Joint Secretary (Transmission),
Room No. 235 Ministry of Water & Power,
Islamabad.
4. Muhammad Anwer Sheikh,
Joint Secretary (CF-II), Govt of Pakistan
Finance Division Islamabad.
5. Mr. Khalid Masood Khan,
10-Green Lane, Zakaria Town
Bosan Road, Multan.
6. Mr. Saadullah Khan
House No.49/1, Street No.1, Phase-2 DHA
Lahore-54792.
7. Shaikh Fazal Elahi
President, Multan Chamber of Commerce & Industry
Shahrah-e-Aiwan-e-Tijarat-o-Sanat,
Near Kalma Chowk, Multan.
8. Mr. Shafique Ahmad Malik
Addl: Commissioner (Consolidation)
District Courts Multan.

Sub:- MINUTES OF 163RD BOD MEETING HELD ON 27-10-2020.

Enclosed please find herewith Minutes of 163rd BOD Meeting held on 27-10-2020, (Tuesday) at 11:00 AM in Board's Meeting 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 with the request to provide compliance status on the decisions/directions of the Board meeting within week time positively.

MULTAN ELECTRIC POWER COMPANY

MINUTES OF 163RD BOD MEETING, HELD ON 27.10.2020 (TUESDAY) AT 11:00 AM IN BOARD'S MEETING ROOM, MEPCO HEAD QUARTER KHANEWAL ROAD MULTAN.

- | | |
|-----------------------------|-------------------------------|
| 1. Mr. Akhlaq Ahmad Syed | Chairman (Through Video Link) |
| 2. Mr. Mohsin Raza Khan | CEO/Director |
| 3. Muhammad Anwar Sheikh. | Director (Through Video Link) |
| 4. Mr. Ahmad Taimoor Nasir | Director (Through Video Link) |
| 5. Mr. Khalid Masood Khan | Director |
| 6. Sheikh Fazal Elahi | Director (Through Video Link) |
| 7. Mr. Shafique Ahmad Malik | Director (Through Video Link) |
| 8. Mr. Saadullah Khan | Director (Through Video Link) |
| 9. Mr. Sajid Yaqoob | Company Secretary |

Following MEPCO officers attended the Meeting on call.

- | | |
|------------------------------------|-----------------------------|
| 1. Mr. Aftab Fazal | Finance Director |
| 2. Mr. Nasar Hayat Maken | D.G (HR & Admin) |
| 3. Syed Khalid Ali Chishty | General Manager (Tech) |
| 4. Engr. Tariq Mahmood Buttar | General Manager (OP) |
| 5. Mr. Waqas Masood Amjad Chughtai | Manager (HRM) |
| 6. Mr. Iqbal Munawar | Manager (CA) |
| 7. Mr. Asghar Khan Ghallu | Director Procurement (Dist) |

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 Board of Directors noted that all the members are available.

AGENDA ITEM NO. 2

To consider and confirm the minutes of the 162nd BOD Meeting held on 06.10.2020.

Company Secretary apprised that the Minutes of 162nd BOD Meeting held on 06.10.2020 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

163-BOD-R1 There being no objection from the house, **RESOLVED** that the Minutes of 162nd BOD Meeting held on 06.10.2020 be and is hereby confirmed as true record of the proceedings of the meeting.

AGENDA ITEM NO. 3

Approval for appointment of Mr. Salah Ud Din President Multan Chamber of Commerce Ex-Officio Member MEPCO Board of Directors in place of Shaikh Fazal Elahi.

The Agenda was presented by Company Secretary MEPCO. He intimated the Board that Shaikh Fazal Elahi was acting as Director of MEPCO Board in the capacity of Ex- Officio Member as

President Multan Chamber of Commerce and Industry. The Secretary General Multan Chamber of Commerce & Industry has intimated that Mr. Salah Ud Din has been elected new President of Multan Chamber of Commerce & Industry vide his letter No. MCCI/2020/538/10-3149 dated: 02.10.2020.

Board was requested to accord its approval for appointment of Mr. Salah Ud Din President of Chamber of Commerce & Industry in place of Shaikh Fazal Elahi against the casual vacancy for the remainder of the term.

Board considered the case and resolved as follows.

Resolution

163-BOD-R2 RESOLVED that approval for appointment of Mr. Salah Ud Din President Multan Chamber of Commerce as Ex-Officio Member MEPCO Board of Directors in place of Shaikh Fazal Elahi be and is hereby accorded for the remainder of the term under section 167 and regulation 4 of Companies Act 2017.

FURTHER RESOLVED that Mr. Salah Ud Din be and is hereby nominated as Member of Audit & Finance and HR Committees of the Board.

AGENDA ITEM NO. 4

Matters relating to Audit & Finance Committee.

i. Approval for enhancement of Rs.1,428 (M) in MEPCO Corporate Budget for F.Y. 2020-21 under head SDGs.

The agenda was presented by Finance Director apprising the Board that the case was presented in 9th Audit & Finance Committee Meeting held on 03.10.2020. MEPCO BOD approved Corporate Budget of MEPCO including CAPEX budget of Rs.16,400 (M) for FY 2020-21 in its 158th BOD meeting held on 12/06/2020. Further appraised that the approved Capex budget has no provision for investment against the funds to be received under Sustainable Development Goals (SDGs). MEPCO received Rs. 3,172(M) under SDGs during FY 2019-20 including receipt of Rs. 1,248(M) during June 2020. Thus, the funds received during or after the approval of Corporate budget for FY 2020-21 i.e. 12/06/2020 could not be got approved from BoD in CAPEX budget for FY 2020-21.

Finance Director further appraised that, MEPCO has available funds of Rs.1,428(M) (Rs.1,143 (M) @80% for procurement of material) under SDGs for FY 2020-21. He requested the Board for addition of Rs.1,428(M) under SDGs and thus enhancing the total CAPEX budget of MEPCO from Rs.16,400(M) to Rs. 17,828(M) for FY 2019-20. He also intimated that Audit & Finance Committee has also recommended the case for Board's approval.

The Board considered the case and resolved as follows.

Resolution

163-BOD-R3 RESOLVED that considering the request of the Finance Director, the recommendations of Audit & Finance Committee of the Board, approval for the proposed addition in CAPEX of MEPCO for F.Y. 2020-21 by increasing investment under SDGs by Rs. 1,428 (M) (Including Rs.1,143(M) for procurement of material) and thus enhancing total CAPEX budget for FY 2020-21 from Rs. 16,400 (M) to Rs.17,828 (M) is hereby accorded.

The resolution is based on the following confirmation 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.

ii. **Approval for engagement of external auditors for legal and financial evaluation of balance payments of world bank / ADB projects.**

The agenda was presented by Finance Director apprising the Board that the case was presented in 9th Audit & Finance Committee meeting held on 03.10.2020. He informed the Board that the Agenda was presented by the Chief Engineer (Dev) PMU before the Audit Committee in its 7th meeting held on 02-05-2020 that various contracts/projects were executed under ADB/World Bank Loans. Despite the fact the foreign relent loans of ADB/World Bank have been closed, some payments are still pending which required to be paid according to actual work done at site through MEPCO own resources.

He intimated the Board that Audit Committee had recommended to the Board for directing the Finance Director to engage External Auditors of MEPCO to carry out legal and financial evaluation of each case to ascertain the following:

1. Whether the pending payment against each contract is legal and financially justified or otherwise.
2. To identify the responsible officers/officials for each delayed payment.
3. To identify the weaknesses in the processes where improvements is possible and accordingly give its recommendations.

In compliance of above as well as keeping in view the paucity of time, the External Auditors of MEPCO i.e M/s Riaz Ahmad & Company, Chartered Accountants were requested vide letter dated 13-05-2020 to communicate their consent as well as quote their fee for the subject assignment as per TORs defined by the Audit Committee. The Auditors conveyed their consent, scope of work, methodology, fee and time schedule. The Auditor quoted professional fee @ 75,000/- per case total Rs. 1,125,000/-. In view of above proceedings, the Auditors were requested for revision of their quoted rates. The Auditors agreed to revise their rates just as a goodwill gesture and quoted revised rates of Rs.65000/- per case and total of Rs.975,000/- for all 15 cases. The revised rates are reasonable keeping in view the scope of work, TORs and complexities involved therein. It was further informed that Audit & Finance Committee has also recommended the case for Board's approval.

Board was requested to ratify the engagement of External Auditors M/s Riaz Ahmed & Company Chartered Accountant for legal and financial evaluation of balance payments of ADB / World Bank Projects through MEPCO own resources for professional fee @ Rs.65,000/- per case and total Rs.975,000/- for all 15 cases.

Members agreed with the proposal. However, while discussing the scope of Auditors for this assignment, Members were of unanimous view that in addition to above mentioned scope of work, Auditors should also confirm that due process was followed including necessary approvals from competent authorities for these 15 cases.

The Board resolved as follows.

Resolution

163-BOD-R4 RESOLVED that considering the request of Finance Director and recommendations of Audit & Finance Committee, approval for engagement of External Auditors of MEPCO M/s Riaz Ahmed & Company Chartered Accountants to carry out the legal and financial evaluation of the balance payments of ADB / World Bank Projects through MEPCO Own Resources for professional fee @ 65,000/- per case (Total Rs. 975,000/- for all 15 cases) is hereby accorded to ascertain the following:

1. Whether the pending payment against each contract is legal and financially justified or otherwise.
2. To identify the responsible officers/officials for each delayed payment.
3. To identify the weaknesses in the processes where improvements is possible and accordingly give its recommendations.
4. To confirm that due process including approvals from competent authorities were procured.

The recommendations are based on the following confirmation 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.

AGENDA ITEM NO. 5

Matters relating to Procurement Committee.

i. Approval for procurement of 430 M. Ton G.S Wire 10mm (T/No. 01/21 dt: 29.06.2020).

The Agenda was presented by General Manager (Technical) apprising the Board that the case was presented in 30th Procurement Committee meeting held on 28.09.2020 apprising the committee that tender inquiry regarding procurement of 430 M.Ton G.S Wire 10mm 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. 29.06.2020. Three (03) firms purchased the tender documents whereas Two (02) firms participated in tender opening process.


The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 13.07.2020. 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 Mutahir Metal Works
- b. M/s Ibrahim Nizami Steel Wire Industries

The information regarding results of technical evaluation & opening of financial bids were conveyed to technically responsive bidders vide No. 1303-07 dated: 19.08.2020. Subsequently the financial bids were opened by the tender opening committee on scheduled date i.e. 20.08.2020. The recommendations of Bid Evaluation Committee are "Based on the Technical as well as Financial evaluation, M/s Ibrahim Nizami Steel Wire Industries Lahore has emerged as lowest evaluated responsive bidder for the procurement of 430 M.Ton G.S Wire 10mm @ Rs. 200,000/- per M.Ton without GST". Later on, the lowest bidder i.e. M/s Ibrahim Nizami voluntarily revised their tender rate as Rs. 184700/- per M.Ton vide their letter dated 21.09.2020.

While explaining the justification of the lowest bidder rate, he briefed that the above revised tender is 10.77% lower as compared with the previous purchase rate of MEPCO, whereas also on lower side as compared with the purchase rate of FESCO & PESCO & GEPCO and tender rate of IESCO. Upon query of one of members of Board, GM (Technical) confirmed that MEPCO has complied with the PPRA rules/procedures related to such procurement and technical, 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. Moreover, the recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.

Continuing with his briefing, GM (Technical) stated that total cost for the procurement of 430 M.Ton @ Rs. 184700/- each would be Rs. 79.421 million (excluding GST) from M/s Ibrahim Nizami Lahore. CEO also accorded approval for putting up agenda item in BOD.

During the course of discussion, 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 pending / upcoming Deposit / Development Schemes. 

Based on management's assertions as stated above, Board agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last PO issued by other DISCOs. The Committee also considered the stock balance position as 380 M Ton is presently available in stock whereas monthly consumption is 75 M Ton.

The Board resolved as follows.

Resolution

163-BOD-R5 RESOLVED that considering the request of General Manager (Technical), the recommendations of Tender Evaluation Committee and Procurement Committee of the Board, the Board accorded its approval for the procurement of 430 M.Ton G.S Wire 10mm @ Rs 184700/- per M.Ton from M/s Ibrahim Nizami Lahore amounting to Rs.79.421 million (excluding GST) against tender No. 01/21 opened on 29.06.2020 is hereby accorded.

The resolution is based on the following confirmation 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) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- d) 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.
- e) The procurement will be in accordance with the approved financial budget and procurement plan.
- f) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- g) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.
- h) That there is no conflict of interest of any member/Officer of the MEPCO.
- i) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- j) 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. Approval for revision in Annual Procurement Plan for the F/Y 2020-21 due to receiving of SDG Funds in MEPCO amounting to Rs. 1142.78 Million.

The Agenda was presented by General Manager (Technical) apprising the Board that the case was presented in 29th Procurement Committee meeting held on 03.09.2020. He informed that BOD MEPCO in its 158th meeting held on 12.06.2020 accorded approval of Annual Procurement Plan for the F/Y 2020-21. As per F. D office provided break up of SDG Funds that an amount of Rs. 1142.78 Million is available in SDGS head for FY 2020-21, therefore, Annual procurement Plan needs to be revised. The net Annual procurement plan after addition of SDGs is worked out. Detail is given below:-

Procurement Head	Already Approved Plan Heads	Revised Annual Pro. Plan including SDGs
Deposit Work	1400	1400
SDGs	-	1142.78
Capital Receipt	4700	4700
DOP	480	480
Renovation / ELR	1704	1704
Maintenance	618	618
Total of Dist: Material (A)	8902	10044.78
T&P	235	235
AMI	500	500

W

Vehicles	437	437
Total of other head (B)	1172	1172.78
Grand Total (A+B)	10074	11216
D.G (I.S) (C)	491	491
Grand Total (A+B+C)	10565	11707.78

He further apprised the Board that CEO has also accorded approval for putting up agenda item in upcoming BOD meeting for approval of revised Annual Procurement Plan including SDG Funds of 1142.78 Million total amounting to Rs. 11707.78 million. Board was requested to consider the matter.

The Board resolved as follows.

Resolution

163-BOD-R6 RESOLVED that considering the request of General Manager (Technical), the recommendations of Procurement Committee of the Board, approval for revised Annual Procurement Plan amounting to Rs. 11707.78 (M) including SDG Funds of Rs. 1142.78 Million for distribution material, T&P,AMI / AMR meters, Vehicles and items related to D.G (IS) 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 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.

AGENDA ITEM NO. 6

Matters relating to HR Committee.

i. Approval for request for extension in Ex-Pakistan study leave w.e.f. 20.09.2020 to 18.12.2020 for a period of 03-months in respect of Mr. Muhammad Salman Saeed S/O Saeed Ahmad, Jr. Engineer / SDO MEPCO.

The Agenda was presented by the Director General (HR & Admn) apprising the Board that the case was presented in 19th HR Committee meeting held on 25.09.2020. He intimated that Mr. Muhammad Salman Saeed, Jr. Engineer/SDO MEPCO presently on Ex-Pakistan Study Leave for Ph.D (Electrical Engineering) from University of Technology Malaysia, has requested for extension in Ex-Pakistan Study Leave for a period of 06-months along with copy of letter dated 07.09.2020 issued by Professor Dr. Mohd. Wazeer Mustafa, Chairman, School of Electrical Engineering, University of Technology, Malaysia stating therein that due to pandemic COVID-19 situation, UMT has suspended all the research and academic activities since March-2020. Due to the closure of all laboratories and study workspaces, the research work progress of the students have been substantially declined which has caused a definite delay in his Ph.D journey and he has recommended for further extension in leave. However, Chief Executive Officer MEPCO has recommended extension of his study leave for a period of 03-months. Previously MEPCO BOD in its decision taken in 124th meeting held on 18.06.2017 against Agenda Item No. 13(x) has accorded approval for grant of Ex-Pakistan Study Leave at Malaysia in respect of Mr. Muhammad Salman Saeed, Jr. Engineer / SDO w.e.f. 20.09.2017 to 19.09.2020 (1096-days) in the following manners: -

- (i) w.e.f. 20.09.2017 to 02.01.2019 (470-days on half pay)
- (ii) w.e.f. 03.01.2019 to 19.09.2020 (626-days without pay / EOL)

It was also mentioned that above Ex-Pakistan Study Leave of Mr. Muhammad Salman Saeed, Jr. Engineer / SDO MEPCO will be expired on 19.09.2020. He was directed to submit his arrival

report at MEPCO H/Qs Multan on 20.09.2020 after expiry of Ex-Pakistan Study Leave alongwith Degree of Ph.D in (Electrical Engineering) University of Technology, Malaysia vide this office letter No. 11021-25 dated: 24.08.2020. Furthermore, as per Ex-Pakistan Study Leave Rule-20-A(ii), Study Leave for Ph.D shall be extended up to maximum period of 4½ years (including 02-years for M.Sc) and as per SOP for sanction of leave issued by PEPCO vide letter dated: 07.05.2009, MEPCO BOD is competent regarding sanction of leave beyond 365-days of officer (BPS-17).

In view of above, Board was requested to accord its approval for grant of extension in Ex-Pakistan Study Leave in respect of Mr. Muhammad Salman Saeed, Jr. Engineer / SDO MEPCO for a period of 03-months w.e.f. 20.09.2020 to 18.12.2020 (EOL/without pay) for Ph.D (Electrical Engineering) from University of Technology, Malaysia with the condition that no further extension will be granted.

The Board considered the case in detail and after due consideration resolved as follows.

Resolution

163-BOD-R7 RESOLVED that considering the request of the D.G (HR & Admin), the recommendations of HR Committee of the Board, approval for grant of extension in Ex-Pakistan Study Leave for a period of 03-months in respect of Muhammad Salman Saeed, Jr. Engineer / SDO MEPCO w.e.f. 20.09.2020 to 18.12.2020 (EOL / without pay) for Ph.D (Electrical Engineering) from University of Technology, Malaysia is hereby accorded with the condition that no further extension will be granted.

The resolution is based on the following confirmation 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.

ii. Approval for deferment of mandatory management training for grant of time scale up-gradation.

The Agenda was presented by the Director General (HR & Admn) apprising the Board that the case was presented in 19th HR Committee meeting held on 25.09.2020. He informed the Board that D.G (HR) PEPCO vide Office Order No.GM(HR)/HRD/A-693(M)/193-211 dated 26.01.2017 has approved deferment of Mandatory Management Trainings within three years after grant of Time Scale Up gradation.

He further informed that LESCO & GEPCO have also adopted the GM (HR) PEPCO office order dated 26.01.2017 regarding deferment of Mandatory Management Trainings within three years after grant of Time Scale Up gradation vide office order dated 28.01.19 and office order dated 05.07.2019 respectively.

Board was requested to accord approval for adoption of D.G (HR) PEPCO office order No.GM(HR)/HRD/A-693(M)/193-211 regarding deferment of Mandatory Management Trainings within three years after grant of Time Scale Up gradation on the analogy of other DISCOs.

One of members recalled that Board has directed HR directorate to explore the possibility of other alternates from renowned universities for conducting Mandatory Management Trainings of MEPCO Officers but the compliance is still awaited as nothing has been done in this regard. Members showed their concern and desired that DG (HR & Admin) should submit compliance of direction of Board in next HR Committee meeting. 

Members were of unanimous view that subjected adoption should be only for those officers whose entitlement for Mandatory Management Training is due on or before 27.10.2020.

The Board considered the case in detail and after due consideration resolved as follows.

Resolution

163-BOD-R8 RESOLVED that considering the request of the D.G (HR & Admin), the recommendations of HR Committee of the Board, approval for adoption of D.G (HR) PEPCO office order No. GM(HR)/HRD/A-693(M)/193-211 dated 26.01.2017 regarding deferment of Mandatory Management Trainings for those officers whose entitlement for Mandatory Management Training is due on or before 27.10.2020. is hereby accorded.

The resolution is based on the following confirmation 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.

Direction

163-BOD-D1 Directed the D.G (HR & Admn) to submit compliance of Board's earlier direction regarding a proposal for conducting Mandatory Management Trainings of MEPCO Officers from renowned universities.

iii. Approval for outsourcing of security guards.

The Agenda was presented by the Director General (HR & Admn) apprising the Board that the case was presented in 19th HR Committee meeting held on 25.09.2020. He informed that Ministry of (Water & Power) GOP, Islamabad did not grant NOC / permission for recruitment during 2015 and desired to outsource the Services of Security Guards as conveyed by Manager (Admn) MEPCO vide his office letter No. 14168 dated 18.12.2015. Therefore according to the instructions of Ministry, Private Security Guards are being outsourced since then. The last agreement was made centrally on the instructions of BOD MEPCO at MEPCO HQ level with M/S Pasban Security Services Pvt Ltd through proper tendering process for provision of 921 Nos. Pvt Security Guards from 01.02.2020 to 31.01.2021. At very outset, he explained that it has been observed that M/S Pasban Security Services Pvt Ltd is not rendering services as per agreement despite repeated reminders. The matter was brought into the knowledge of CEO MEPCO who agreed with the recommendations for floating fresh tenders, so that services of M/S Pasban Security Services Pvt Ltd are not extended beyond 31.01.2021. Few violations of contract agreement made by M/S Pasban Security Services Pvt Ltd are as under:-

- a. Private Security Guards are not paid salaries on monthly basis and that too quite less salaries as compared to the minimum wages determined by Govt. of the Punjab.
- b. Only one set of uniform is provided to Security Guards by the contractor.
- c. At most of the places, shoes, torches and whistles are not provided.
- d. Bank accounts are not opened for transferring salaries direct into the account of Security Guards by M/S Pasban.
- e. EOBI and Social Security Certificates are not provided.
- f. Security clearance of Security Guards by special branch is not provided.

Continuing with his briefing, he informed that the company has been directed a number of times to adhere to the terms & conditions of contract agreement but no serious response is received, hence

the contract of company will be cancelled on completion of the agreement and the firm will either be barred to participate in the future tender or blacklisted. It is also intimated that MEPCO is not in a position to cancel the contract, keeping in view the lengthy tendering process, the law and order situation in the country does not allow leaving all the MEPCO offices / installations unguarded. The company may be imposed penalty on the basis of violations.

While elaborating the actions taken against the contractor, he stated that owing to the violation of contract a handsome amount has been detained up to July 2020 with Finance Director Office in shape of 05% performance bond money, 16% PST, 03% Income Tax, share of EOBI and Social Security Contribution. Now fresh tenders will be called with the following recommendations to outsource 921 Security Guards which is the minimum requirement against deficiency of 1327 Nos. Security Guards.

He almost proposed that the tender will be floated at MEPCO H/Q level for all MEPCO offices in its jurisdiction thereby restricting the security companies not to apply for more than 02 circles at once, under the supervision of a committee. He proposed a committee and its duties for Committee's consideration. Furthermore, the disbursement of salaries will be made through respective Drawing and Disbursing Officer at each Circle / Division level and necessary coordination between contractor and respective circles will be extended through office of Director (Transport & Security) / Dy. Director (Security).

One of members of Board proposed that representative of office of Director Procurement Distribution should also be part of the proposed Committee. All other members agreed with the proposal and desired that DM (Procurement) of the office of Director Procurement Distribution should be included in proposed committee constituted for supervision of tender.

Upon query of one of members, DG (HR & Admin) confirmed that every bidder will have right to bid for each circle as such no restriction will be imposed in tender terms and conditions and there will be no change in technical responsiveness criteria mentioned in previous tender.

Regarding disbursement of salaries through respective drawing and disbursing officer at each circle / division level, Members were of unanimous view that this mechanism should be at head quarter / FD officer level.

The Board resolved as follows.

Resolution

163-BOD-R9 **RESOLVED** that considering the request of D.G (HR & Admn), the recommendations of HR Committee of the Board, the approval is hereby accorded of the following:-

- i. Floating of tenders for outsourcing 921 Nos. Pvt Security Guards, at MEPCO H/Q level for offices / installations falling within the jurisdiction of MEPCO.
- ii. TORs of tender opening / evaluation committee to outsource 921 Pvt Security Guards through open tenders for the period w.e.f 01.02.2021 to 31.01.2022 as follows:-
 - a. Floating of tender at MEPCO H/Q, for each Operation Circle separately.
 - b. Preparation of bidding documents & contract agreement.
 - c. Selling of bidding documents.
 - d. Opening of the tender.
 - e. Evaluation and Recommendation of tender.
 - f. To conduct interview of candidates at each (OP) Circle level.

However, above approval will be subject to following confirmation from the management that:-

- i. Every bidder will have right to bid for each circle as such no restriction will be imposed in tender terms and conditions.

- ii. An officer from Procurement side will be part of the Committee proposed for this tender.
- iii. There will be no change in existing technical responsiveness criteria mentioned in previous tender and Tender's terms and conditions will be made more comprehensive to mitigate future complications.
- iv. Disbursement of salaries will be at head quarter level/Finance Director office.

The resolution is based on the following confirmation 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.

AGENDA ITEM NO. 7

To Consider and approve the Statement of Compliance with Public Sector Companies Corporate Governance Rules-2013.

The agenda was presented by the Company Secretary apprising the Board that Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules-2013 has been prepared by the Company and reviewed by the Auditors, which is required to be Published in Company's Annual Report for the year ended 30, June-2020.

The Auditors of the Company has also reviewed the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013.

The statement is required to be signed by the Chief Executive of the Company jointly with the Chairman of Board or in case of his absence, with any of the independent non executive director.

The Board was requested to consider & approve the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013.

The Board considered the case in detail and after due consideration resolved as follows.

Resolution

163-BOD-R10 Resolved that Statement of Compliance reviewed by the External Auditors be & is hereby approved.


AGENDA ITEM NO. 8

Briefing regarding progress of capitalization of work in progress.

Resolution

163-BOD-R11 RESOLVED that the deliberation on above briefing is deferred to next meeting.

The meeting ended with thanks to and from the chair.


(Engr. Sajid Farooq)
Company Secretary MEPCO