

# MULTAN ELECTRIC POWER COMPANY

Tel: 061-9210380 Ext: 2148  
061/9330244

Fax: 061-9220204

No. 6325-44 /Company Secy

Office of  
The Company Secretary

Dated: 18-10-21

1. Mr. Jalil-Ur-Rehman Tarin  
209-A, 27<sup>th</sup> Street,  
Off Khayaban-e-Roomi, DHA, Phase-8, Karachi.
2. Mr. Ikram-Ul-Haq  
Chief Executive Officer,  
MEPCO Multan.
3. Commodore Muhammad Siddiq (R),  
D-22, Street # 2, Navel Housing Scheme (NHS),  
Hilal Road, F11/1, Islamabad.
4. Sardar Naufil Mahmud,  
70-B, Sarfraz Rafiqui Road,  
Lahore Cantt 54810, Lahore.
5. Mr. Javed Iqbal Khan,  
Joint Secretary (Budget), Govt of Pakistan  
Finance Division Islamabad.
6. Mr. Ahmed Taimoor Nasir  
Joint Secretary (Transmission),  
Room No. 220 Ministry of Energy  
(Power Division), Islamabad.
7. Mr. Nauman Siddiqui,  
59-G Commercial, Phase-I,  
DHA, Lahore.
8. Muhammad Shafiq Ur Rahman  
214 - Pak Block, Allama Iqbal Town  
Lahore.
9. Malik Ahmad Jalal,  
12/4 Main Khayaban-e-Muhafiz,  
Phase-6, D.H.A, Karachi.
10. Mr. Arif Mansoor,  
1st Floor, Central Design Building,  
Old Anarkali, Lahore.
11. Muhammad Saleem Shah Bukhari,  
Bukhari & Company, 40-41-A,  
Ali Arcade, Multan.
12. Mr. Akhtar Hussain Qamar,  
Watan Builders, Old Sales Tax Building,  
Vehari Chowk, Multan.

**Sub:- MINUTES OF 176<sup>TH</sup> BOD MEETING HELD ON 05-10-2021.**

Enclosed please find herewith Minutes of 176<sup>th</sup> BOD Meeting held on **05.10.2021 (Tuesday) at 11:00 AM in Board's Meeting Room, MEPCO H/Q Khanewal Road Multan** for information and necessary action please.

DA/as above

  
COMPANY SECRETARY MEPCO

Copy to:-

1. Finance Director, MEPCO Ltd Multan.
2. All D.Gs under MEPCO Ltd Multan.
3. All G.Ms under MEPCO Ltd Multan.
4. All Chief Engineers under MEPCO Ltd Multan.
5. The Manager (MM) & Procurement (Distn) MEPCO Multan.
6. The Manager (Transport) MEPCO Ltd Multan.
7. Deputy Manager (Civil) MEPCO Ltd Multan.
8. The Staff Officer to CEO MEPCO H/Q Multan.

# **MULTAN ELECTRIC POWER COMPANY**

**MINUTES OF 176<sup>TH</sup> BOD MEETING, HELD ON 05.10.2021 (TUESDAY) AT 11:00 AM IN BOARD'S MEETING ROOM, MEPCO HEAD QUARTER KHANEWAL ROAD MULTAN.**

- |     |                              |                               |
|-----|------------------------------|-------------------------------|
| 1.  | Mr. Jalil-Ur-Rehman Tarin    | Chairman                      |
| 2.  | Mr. Ikram-Ul-Haq             | CEO/Director                  |
| 3.  | Sardar Naufil Mahmud         | Director                      |
| 4.  | Mr. Nauman Siddiqui          | Director                      |
| 5.  | Muhammad Saleem Shah Bukhari | Director                      |
| 6.  | Mr. Akhtar Hussain Qamar     | Director                      |
| 7.  | Mr. Javed Iqbal Khan         | Director (Through Video Link) |
| 8.  | Mr. Ahmed Taimoor Nasir      | Director (Through Video Link) |
| 9.  | Muhammad Shafiq-Ur-Rahman    | Director (Through Video Link) |
| 10. | Mr. Arif Mansoor             | Director (Through Video Link) |
| 11. | Mr. Sajid Yaqoob             | Company Secretary             |

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

- |    |                           |                          |
|----|---------------------------|--------------------------|
| 1. | Mian Ansar Mahmood        | Finance Director         |
| 2. | Mr. Liaqat Ali Memon      | D.G (HR & Admin)         |
| 3. | Engr. Abdul Ahad          | General Manager (Tech)   |
| 4. | Engr. Abdul Sattar        | Chief Engineer (P&E)     |
| 5. | Engr. Muhammad Iqbal Khan | Director (Proc.) Dist.   |
| 6. | Mahar Allahyar Khan       | Chief Engineer (Dev) PMU |

Meeting started under the Chairmanship of Mr. Jalil-Ur-Rehman Tarin. The Chair noted the quorum to be in order. Proceedings commenced with recitation of Verses from the Holy **Quran** by Mr. Sajid Yaqoob. 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.

Before formal start of proceedings of meeting, the Chair requested the members to offer Dua for elder brother of Mr. Nauman Siddiqui who passed away some days back. All members expressed their condolence to Mr. Nauman and prayed for the departed soul. Mr. Nauman expressed his gratitude to the members.

*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 granted the leave of absence to Honorable Members of the Board namely Commodore Muhammad Siddiq (R) and Malik Ahmad Jalal.

**AGENDA ITEM NO. 2**

**To consider and confirm the minutes of the 175<sup>th</sup> BOD Meeting held on 13.08.2021.**

Company Secretary apprised that the minutes of the 175<sup>th</sup> BOD Meeting held on 13.08.2021 dully endorsed by the Chairman BOD were circulated among all Board Members. The Chairman BOD invited the attention of Members for offering any reservation(s)/comments(s) regarding approval of the minutes.

Company Secretary informed the members that approval for extension of contract period of 145 Nos. Skilled/Un-skilled outsourced labor engaged through M/S Muneer Hussain Bhutta w.e.f. 01.07.2021 on the same terms & conditions laid down in the contract agreement vide Agenda Item No. 6 (ii) was accorded by Board, but the period for which the extension would remain valid was not mentioned in

resolution. He requested the members to approve the same for 1 year i.e. (01.07.2021 to 30.06.2022). The Board acceded the request and resolved to amend these minutes to this extent.

The members resolved as follows.

### **Resolution**

**176-BOD-R1** There being no objection from the house, **RESOLVED** that the minutes of the 175<sup>th</sup> BOD Meeting held on 13.08.2021 along with incorporation of above mentioned amendment against Agenda Item No. 6(ii) be and is hereby confirmed as true record of the proceedings of the meeting.

### **AGENDA ITEM NO. 3**

#### **To review the compliance status on the directions issued by BOD during its 175<sup>th</sup> meeting held on 13.08.2021.**

With the permission of Chair, Company Secretary submitted the compliance status received from management. The relevant HoDs apprised the members as follows.

a) Regarding 174-BOD-D1, DG (HR & Admin) apprised that certificate from all HoDs has been obtained and different committees were formed with the task to physically verify office order, arrival, departure and attendance of every individual. The committees have verified in all Circles except Vehari and D.G Khan. He further briefed that no discrepancy has been observed in any Circle. The members deliberated upon the issue. Upon query of one of members, DG (HR & Admin) informed that some officials have got stay orders from different courts. After detailed discussion, Board directed DG (HR & Admin) to intimate legal course of action taken to get these stay orders vacated and inform the Board about the legal limitation/period for which the stay orders are effective.

#### **Status (Open)**

b) Regarding 174-BOD-D2, DG (HR & Admin) intimated that Biometric attendance system has been activated at head quarter level and PD ERP has been requested to link the same with SAP System.

Upon query of the Chair, D.G (HR & Admin) informed that results of this system can be obtained from IT department. During the course of discussion, it was observed that the system has been implemented only technically but not effectively. Moreover, no SOP has been devised and circulated by HR department for effective implementation of Biometric attendance system.

After due deliberation, Board directed D.G (HR & Admin) to take necessary steps for effective implementation of state of art attendance system and progress should be presented in next HR & Nomination Committee meeting.

#### **Status (Open)**

c) Regarding 175-BOD-D1, Company Secretary informed that signed declarations from 06 out of 12 Honorable members of BoD are received so far and 06 are still awaited. Board directed Company Secretary to remind rest of members to sign declaration and submit the progress in next meeting.

#### **Status (Open)**

d) Regarding 175-BOD-D1, the Board was apprised that management has noted the direction for future compliance.

#### **Status (Closed)**

### **AGENDA ITEM NO. 4**

#### **To consider and confirm Circular Resolution No. 7 dated: 06.09.2021.**

With the permission of Chair, Company Secretary apprised the members that the matter regarding recruitment of Director General MIRAD in MEPCO 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 DG (HR & Admin), approval for the following proposed Selection Board is hereby accorded to interview 05 Nos. applicants who fulfill the criteria mentioned in the advertisement published for the post of DG (MIRAD).”

1. Sardar Naufil Mahmud (Convener)  
Chairman (Technical, Automation & New Initiative Committee)
2. General Manager (Tech.) (Member)  
MEPCO H/Qs Multan
3. Finance Director MEPCO (Member)
4. DG (HR&Admn) MEPCO (Member)
5. Dr. Naveed Arshad (Member)  
LUMS
6. Mr. Omer Haroon Malik (Member)  
Dy. GM (SMD) CPPAG

The members were requested to consider the above proposed resolution. The Board considered the case in detail and after due deliberation resolved as follows.

**Resolution**

**176-BOD-R2** RESOLVED that Circulation No. 07/2021 dated 06.09.2021 be and is hereby approved and confirmed.

**AGENDA ITEM NO. 5**

**To consider and confirm Circular Resolution No. 8 dated: 09.09.2021.**

With the permission of Chair, Company Secretary apprised the members that the matter regarding procurement of 132/11.5 KV, 31.5/40MVA Power Transformers financed under MEPCO’s own resources against Tender No. 50/2020 opened on 21.04.2021 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 Chief Engineer (Development) PMU and recommendations of Procurement & Disposal Committee of the Board, approval to issue LOI / Purchase order for supply of 13 Nos. 132/11.5KV, 31.5/40MVA Power Transformers amounting to Rs. 1,154,400,000/- (excluding GST) in favor of M/s Pak Elektron Lahore against Tender No. 50/2020 opened on 21.04.2021 is hereby accorded”.

The members were requested to consider the above proposed resolution. During the course of discussion, one of members desired that management should take necessary steps for ensuring compliance to specifications and quality of procured material. The management noted the concern of member and assured that all protocols in practice will be followed for ensuring quality of procured material.

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

**Resolution**

**176-BOD-R3** RESOLVED that Circulation No. 08/2021 dated 09.09.2021 be and is hereby approved and confirmed.

**AGENDA ITEM NO. 6**

**Matters relating to Audit & Finance Committee.**

**a. Approval for Annual Accounts for F.Y 2020-21.**

With the permission of Chair, the agenda was presented by the Finance Director. He intimated that the agenda was presented in 3<sup>rd</sup> Audit & Finance Committee meeting held on 03.10.2021 wherein, the Committee has recommended the case for Board’s approval.

At the very outset, Finance Director informed the Board that under Rule-10 of Corporate Governance Rules-2013, every public sector company is required to present its Annual Accounts before BOD MEPCO has prepared Annual Accounts for the FY 2020-21, the salient features were intimated to

members for its consideration. He informed the members that Audit Report for FY 2020-21 is unqualified Audit Report. The members appreciated the efforts of Finance Director for this achievement.

He intimated the member about the emphasis matters highlighted by External Auditors. Continuing with his briefing, he also explained the Auditor's observation mentioned in Board's letter.

During the course of discussion, Finance Director intimated that National Electric Power Regulatory Authority (NEPRA) determines the tariff for the Company to be charged to consumers. However the Government of Pakistan (GoP) sometime notifies lesser rate to be charged to the consumers. The difference of determined rate by NEPRA and notified rate by GoP is given to the Company in the shape of subsidies. GoP is paying different type of subsidies to the Company. One of these subsidies is Applicable Quarterly Tariff Adjustments (AQTA). During the financial year 2019-20, Company could not record AQTA subsidy of Rs. 13,542.88 million in its books of account inadvertently. This prior period error has been corrected retrospectively in these financial statements in accordance with IAS-8 "Accounting Policies, Change in Accounting Estimates and Errors". Consequently, the figures of tariff differential subsidies receivable from GoP have been increased by Rs. 13,542.88 million and accumulated losses have been decreased by Rs. 12,865.74 million. Moreover basic earnings per share and diluted earnings per share have been increased by Rs. 11.88 per share and Rs. 3.05 per share respectively. The members noted the explanation of Finance Director.

After detailed discussion, the Board resolved/ directed as follows.

### **Resolution**

**176-BOD-R4** **RESOLVED** that considering the request of the Finance Director and the recommendations of Audit & Finance Committee of the Board, Annual Audited Accounts and Balance Sheet of the Company for the year ended 30 June, 2021 along with accompanying explanatory notes are hereby approved.

**FURTHER RESOLVED** that specific approval for the following salient transactions incorporated in the books of account is hereby accorded.


	<b>(Rupees)</b>
Fixed capital expenditure:	10,926,618,171
Impairment of capital work-in-progress:	21,775,328
Provision for staff retirement benefits:	8,599,790,286
Re-measurement of staff retirement benefits:	5,362,916,157
Trade debts written off against allowance for expected credit losses:	1,021,571
Amortization of deferred credit:	3,147,935,782
Expected credit loss allowance:	1,038,747,048
Provision for slow moving and obsolete stores and spare parts:	140,470,678

**FURTHER RESOLVED** that specific approval of correction of prior error regarding accrued mark-up as mentioned in Note 11.1 to the financial statements is hereby accorded.

**FURTHER RESOLVED** that transactions with related parties as disclosed in Note 33 of the financial statements is here by accorded.

**FURTHER RESOLVED** that the CEO and Chairman Audit & Finance Committee are hereby authorized to sign the financial statements.

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

a. The working paper represents true facts of subject case. 

- b. No material information has been withheld and the working papers represent all facts of the case.
- c. All legal and codal formalities have been complied with.
- d. There is no conflict of interest of any officer of the MEPCO.
- e. Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- f. Any Misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

### **Direction**

- 176-BOD-D1** Directed PD (Construction) to submit the progress of capitalization of capital work in progress in every Audit and Finance Committee meeting.
- 176-BOD-D2** Directed Finance Director to carry out an exercise for reconciliation of receivable and payable balances of associated companies. The process should be started with GEPCO and progress achieved should be presented in next meeting.

### **B. Approval for appointment of MEPCO External Auditors for F.Y 2021-22.**

Before formal presentation of agenda, one of members pointed out that Audit & Finance Committee has not yet finalized its recommendations for subjected agenda, so, the matter may be deferred and management should be advised to present the agenda along with recommendations of A&F Committee. Finance Director requested the Board to deliberate upon the agenda as the matter is required to be approved during AGM otherwise AGM will not be possible within stipulated period and Company will have to seek extension for at least one month from SECP. The members desired to complete the process as per rules and if needed extension for one month should be sought from SECP.

The members deliberated upon the issue and did not accede the request and resolved to defer the case.

### **Resolution**


- 176-BOD-R5** RESOLVED that case is hereby deferred with the instructions to put up the case along with recommendations of A&F Committee.

### **Direction**

- 176-BOD-D3** Directed Company Secretary to file a request for extension of one month from SECP under rules.

### **C. Approval for booking the adjustment of GoP equity / investment of Rs. 6,653 million in the Books Of Accounts.**

With the permission of Chair, the agenda was presented by the Finance Director. He intimated that for clearance of circular debt of power sector, the finance division GoP transferred Rs. 341.96 billion in PEPCO account through State Bank of Pakistan in June 2013. Out of which, PEPCO allocated Rs. 32,508 million to MEPCO for which CPPA-G issued credit memo No. PPA-200 in June, 2013 on account of GoP equity/ investment. The same was booked in the financial statements of MEPCO for F.Y 2013-14 under the head "Share Deposit Money".

During F.Y 2016-17 & 2017-18, finance division GoP instructed PEPCO to adjust tariff differential subsidy (TDS) receivable of respective distribution companies against GoP equity/ share deposit money. In F.Y 2018-19, the GoP paid mark-up / supplementary charges and inserted as equity in MEPCO amounting to Rs. 747.37 million. This brought the equity injection by GoP to Rs. 31,337 (M) without any WAPDA share. Three DISCOs i.e. GEPCO, IESCO&PESCO supply electricity to AJK on standard rates and difference is booked as subsidy. The issue of subsidy payable to these DISCOs was discussed in ECC. On the direction of ECC of the Cabinet vide decision No. ECC 243/20/2019 dated 19.06.2019, the Ministry of Energy, GoP vide letter No. 05(02)2019-20 dated 23.12.2020 has conveyed approval of the Secretary (Power Division) for revised re-allocation of GoP equity w.e.f. June, 2019 and authorized CPPA-G to issue necessary adjustment in this regard. 

In compliance, the CPPA-G issued debit note settlement vide No. PPA-158/MEPCO-16 dated 31.12.2020 amounting to Rs. 6,653 million for the adjustment of equity as per MoE (Power Division), Islamabad. After booking of the same, the equity injection by GoP will be reduced from Rs. 31,337 million to Rs. 24,684 million.

After due consideration, the Board resolved as follows.

### **Resolution**

**176-BOD-R6** **RESOLVED** that considering the request of Finance Director and recommendations of Audit and Finance Committee, approval for booking the adjustment of GoP equity / investment of Rs. 6,653 million in the Books of Accounts of MEPCO is hereby accorded.

#### **d. To fix the date of Annual General Meeting.**

Before start of formal presentation of subjected agenda, one of members commented that this agenda should be considered once agenda for AGM is completed as process for hiring of external auditors has not been completed and Company will be seeking one month extension for AGM. All members agreed with comments and unanimously resolved to defer the agenda.

### **Resolution**

**176-BOD-R7** **RESOLVED** that the subjected agenda is hereby deferred.

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


#### **Matters relating to HR & Nomination Committee.**

##### **a. Approval for revision in remuneration package for Board & its Committees' meetings.**

With the permission of the Chair, agenda was presented by Company Secretary. He apprised the Board that a standardized remuneration package already in place for Board of Directors MEPCO was fixed by Government of Pakistan issued vide letter No. GPI-1 (01)/2012 Dated: 4<sup>th</sup> October, 2016 by Ministry of Water and Power (Generation Wing). Considering the inflationary trend in economy, increased fuel prices, toll charges and hotel charges, the current remuneration package as well as the out of pocket expenses reimbursed to the Board members for attending meeting fees has become insufficient. Furthermore, it is less than NTDC which had revised the remuneration package for its Board members in Jan-2019 and recently GEPCO has also revised the remuneration package for its Board members in Aug-2021. As per law, Public Sector, Corporate Governance Rules, level of the Directors' remuneration package should be sufficient to attract and retain the Directors to run the company successfully. Further, the remuneration package should encourage the Directors, provide value addition within the company, and align their interests with those of the company, at the same time.

Keeping in view of above, following revised remuneration package for Board & its Committee Meetings was proposed.

#### **For Board and Board Committee meetings.**

1. Payment of Rs. 60000/- (including taxes) for BoD meetings and Rs. 60000/- (including taxes) for Committee meetings.
2. Hotel Claim with receipt amounting to Rs. 25000/night and hotel claim without receipt amounting to Rs. 15000/night, for a maximum of 02 nights for one meeting, will be allowed.  
(This will include meal charges but exclude taxes. Stay above 2 nights will be approved by Chairman of BOD. In case of stay in Capital city(ies) where hotels are more expensive, Chairman of BOD is authorized to approve hotel expenses on actual on production of bills.)
3. Air travel by economy class and in case of use of own road transport, payment is admissible at the rate of Rs. 20/km inclusive of toll tax (both ways). Taxi fare will be paid as per actual, if a company vehicle is not provided by MEPCO. 

**For Attending Other Meetings, Workshops, Seminars and Visits etc.**

1. Payment of fee for attending workshop (if applicable).
2. Hotel Claim with receipt amounting to Rs. 25000/night and hotel claim without receipt amounting to Rs. 15000/night, for a maximum of 02 nights for one meeting, will be allowed.  
(This will include meal charges but exclude taxes. Stay above 2 nights will be approved by Chairman of BOD. In case of stay in Capital city(ies) where hotels are more expensive, Chairman of BOD is authorized to approve hotel expenses on actual on production of bills.)
3. Air travel by economy class and in case of use of own road transport, payment is admissible at the rate of Rs. 20/km inclusive of toll tax (both ways). Taxi fare will be paid as per actual, if a company vehicle is not provided by MEPCO.

The members consider the revised remuneration package at length. Upon query of members, it was clarified that all DISCOs have revised their remuneration package for Board and its committees meetings.

The Board resolved as follows.

**Resolution**

**176-BOD-R8** **RESOLVED** that considering the request of Company Secretary and the recommendations of HR & Nomination Committee of the Board, approval for the revised remuneration package for Board & its Committees' meetings as proposed above is hereby accorded for the Board of Directors MEPCO w.e.f 05.10.2021.

**b. Approval for grant of adhoc relief allowance-2021 @ 10% of basic pay to MEPCO employees and increase @ 10% of pension to pensioners w.e.f 01.07.2021.**

With the permission of the Chair, agenda was presented by D.G (HR & Admin). He intimated the Board that Dy: Secretary (R-II) Finance Division (Regulations Wing) Govt. of Pakistan, Islamabad vide O/M No. F.No.1(1)Imp/2021-216 dated 08.07.2021 has intimated that President of Pakistan has sanctioned Adhoc Relief Allowance-2021 @ 10% of Basic Pay to all Federal Government employees w.e.f. 01.07.2021. Section Officer (R.6) Finance Division (Regulations Wing) Govt. of Pakistan, Islamabad vide O.M No. F. 4(1)-Reg.6/2021-486 dated 08.07.2021 has intimated that President of Pakistan has sanctioned an increase @ 10% of net pension to all pensioners w.e.f. 01.07.2021. Section Officer (Admn) Ministry of Energy (Power Division) Govt. of Pakistan, Islamabad vide letter dated 30.08.2021 has forwarded the copy of Finance Division, O/M dated 26.07.2021 vide which it has been clarified that all Autonomous / Semi-Autonomous Bodies and Corporations etc. will forward the cases of executive / supervisory staff (only) with the recommendation of their respective Boards for concurrence of Finance Division to the grant of Adhoc Relief Allowance-2021 @ 10% of basic pay subject to existing conditions w.e.f. 01.07.2021 and subsequently, on the same analogy, this benefit will be allowed to the non-executive / non-supervisory staff of the Autonomous / Semi-Autonomous Bodies and Corporations with the approval of their Board of Directors.

Responding to a query regarding applicability of above Office Memorandum, DG (HR & Admin) informed that above terms and conditions / clarification as mentioned in Section Officer (Reg. Wing) Finance Division, Govt. of Pakistan, Islamabad O/M No. 4(3)R-4/2011-Rivision dated 26.07.2021 are relevant / applicable for those Public Sector Corporations and Autonomous / Semi-Autonomous Bodies who have adopted different pay scales / allowances, whereas MEPCO has adopted Federal Government's Basic Pay Scale Scheme from time to time as and when revised. Lastly, Federal Govt. of Pakistan has Revised Basic Pay Scales and allowances w.e.f. 01.07.2017 vide O/M dated 01.07.2017. MEPCO has adopted the same for MEPCO Employees after getting approval of MEPCO Board of Directors through circular resolution No. 21/2017 dated 27.07.2017. Accordingly, grant of Adhoc Relief Allowance-2021 @10% of Basic Pay subject to existing conditions, is applicable to the employees of Autonomous / Semi-Autonomous Bodies and Corporations (like MEPCO) which have



adopted the Federal Government's Basic Pay Scales Scheme in totality, as contained in Para-01 of Finance Division O/M dated: 26.07.21.

The above status has been informed to Section Officer (Admn) Ministry of Energy (Power Division) Govt. of Pakistan, Islamabad. Now, Ministry of Energy (Power Division) has clarified that the subject increase will be applicable to the employees of Autonomous / Semi-Autonomous Bodies and Corporations who have adopted Federal Government's Pay Scales Schemes in totality.

DG (HR & Admin) also mentioned that during the Financial Year 2020-2021, the inflation rate in Pakistan is 9.7% as per State Bank of Pakistan Report. Therefore, keeping in view the inflation rate in the outgoing financial year, there is a need to compensate MEPCO employees against their ever decreasing purchasing power enabling them to work comfortably viz a viz their financial need and contribute effectively towards achievement of Company Goals.

After due consideration, the Board resolved as follows.

### **Resolution**

**176-BOD-R9** **RESOLVED** that considering the request of D.G (HR & Admin) and recommendations of HR & Nomination Committee of the Board, approval for the adoption of following in the light of clarification contained at para-1 of Finance Division Office Memorandum dated: 26.07.2021 and Ministry of Energy (Power Division) letter dated 24.09.2021 is hereby accorded.

1. Finance Division, GoP, O.M F.No.1(1)Imp/2021-216 dated 08.07.2021 regarding grant of Adhoc Relief Allowance-2021 @ 10% of Basic Pay w.e.f. 01.07.2021 to all MEPCO employees.
2. Office Memorandum No. F. 4(1)-Reg.6/2021-486 dated 08.07.2021 regarding increase @ 10% of net pension to all pensioners w.e.f 01.07.2021 subject to the conditions as mentioned above O.M dated 08.07.2021.

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 and 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.

### **C. Approval for conversion of 300 Nos. daily wagers services into contractual employment & engagement of 469 nos. unskilled labour on daily wages basis from open market in P.D (const:) Directorate.**

The sponsoring director requested the Board to accord its approval to withdraw the subjected agenda as the matter still needs further deliberation by HR & Nomination Committee. The Chair proposed that agenda should be deferred to next meeting. All other members agreed with the proposal.

The Board resolved as follows.

### **Resolution**

**176-BOD-R10** **RESOLVED** that subjected agenda is hereby deferred to next meeting.

### **D. Approval for engagement of outsourced skilled un-skilled labor through Ali Azhan contractor / firm.**

With the permission of the Chair, agenda was presented by D.G (HR & Admin). He apprised the Board that MEPCO BOD in its 165<sup>th</sup> meeting accorded approval for extension in retention / engagement period of 301 Nos. skilled & unskilled labour provided by the current firm i.e. M/S Ali

Azhan Enterprises on the same terms & conditions for further 06 months i.e. upto 30.06.2021 or till the finalization of the award of the contract to the prospective bidder (whichever is earlier) and further directed to start process of re-tendering for engagement of 301 Nos. skilled and unskilled outsourced labour for the said offices.

In compliance of Board's direction, a committee under the convener ship of GM (Tech.) MEPCO was constituted to prepare bid documents & advertisement as per PPRA rules regarding hiring of 301 Nos. outsourced labour (skilled / unskilled) through contractor / firm for different formations / offices under MEPCO. The retendering process has not been finalized yet.

While explaining the justification of the proposal, DG (HR & Admin) apprised that provided skilled and un-skilled labour is engaged in various assignments to make up the deficiency of the staff. So, their retention for further period is required for smooth working of different directorates. He requested the Board to accord its approval to grant extension for further 6 months in contract in the best interest of the Company.

After due consideration, the Board resolved as follows.

### **Resolution**

**176-BOD-R11 RESOLVED** that considering the request of D.G (HR & Admin) and recommendations of HR & Nomination Committee of the Board, approval for extension in retention / engagement period of 301 No. Skilled & Unskilled outsourced labour provided by the firm i.e. M/S Ali Azhan Enterprises for further 06 months i.e. up to 31-12-2021 or till the finalization of the award of the contract to the prospective bidder (whichever is earlier) on the same terms and conditions 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) 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 and 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.

### **E. Approval for external hiring of 10 Nos. posts of various categories under MIRAD.**

With the permission of the Chair, agenda was presented by D.G (HR & Admn). He informed the Board that Secretary of Energy (Power Division), Islamabad in 4<sup>th</sup> meeting of MIMG held on 09.06.2021 reviewed the progress on CTBCM and directed to complete Internal Hiring process within one week and no further time period will be allowed. MEPCO BOD in its 166<sup>th</sup> meeting held on 13.01.2021 vide agenda item No. 7(a) has accorded approval for internal as well as external recruitments under MIRAD. The detail of position to be filled from open market through competitive process was intimated to members. Draft advertisement of 10 No. posts of various categories for external recruitment under MIRAD was presented to Board.

DG (HR & Admin) requested the Board to accord its approval for publication of 10 No. posts of various categories for external hiring under MIRAD in daily newspaper. The Board resolved as follows.

### **Resolution**

**176-BOD-R12 RESOLVED** that considering the request of D.G (HR & Admn) and recommendations of HR & Nomination Committee, approval for publication of 10

No. posts of various categories for external hiring under MIRAD in daily newspaper as per the advertisement attached as Annex-A 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. 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 and 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.

**F. Approval for recruitment of Director General (MIRAD) in MEPCO.**

With the permission of the Chair, agenda was presented by D.G (HR & Admn). He informed the Board that advertisement for the post of D.G MIRAD was published on 18.06.2021 in daily newspapers as well as MEPCO website. The last date to receive the applications through online portal developed by PITC was 04.07.2021 & through courier 05.07.2021. 37 No. applications were received. A scrutiny committee was constituted to scrutinize / screen out the applications. The committee scrutinized / screened out the applications and abstract is given as under: -

Total Applications Received	37
Applicants fulfilling the criteria	05
Applicants whose application received without NOC	06
Applicants not fulfilling the criteria	26

In the light of Circular Resolution No. 07/2021 dated 06.09.2021, a Selection Board was constituted to conduct interviews of eligible applicants for the post of D.G (MIRAD). The Selection Board conducted the interview of eligible candidates for the post of D.G (MIRAD) on 17.09.2021. Interview score matrix sheet along with marks awarded by Selection Board in preferential order was presented to Board.

The members noted that the candidate who got highest marks in the interview process is a BPS-18 employee of MEPCO whereas D.G (MIRAD) position is equivalent to BPS-20. One of the members inquired how a MEPCO employee of grade 18 can be posted on against grade 20 position and how an employee retains two different appointment letters in the same Company. Does the candidate need to resign from his current position to accept the post of the D.G (MIRAD).

Responding to the query, CEO and D.G (HR & Admin) informed that as per prevalent service rules, an officer can only be posted or given additional charge on one step higher position. In order to accept a new service contract of D.G (MIRAD), the MEPCO employee needs to resign from his current position. However, after detailed discussions, members were of unanimous view that the management must ensure that as per the advertisement, appointment shall strictly be made in accordance with the prevailing service rules/policies in vogue and due legal formalities shall be completed. After due consideration, members desired that recruitment process should be completed to its ultimate end by complying with all legal aspects.

The Board resolved as follows.

**Resolution**

**176-BOD-R13** **RESOLVED** that approval for recommendations of Selection Committee constituted to conduct interviews of eligible candidates for the post of D.G MIRAD is hereby accorded with the direction to obtain consent regarding acceptance to join as DG (MIRAD) (as per terms and conditions laid down in the

advertisement and departmental rules) from the candidate who got highest marks during the interview process and progress in this regard should be presented in next HR & Nomination Committee.

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 and 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.

**G. Approval for internal hiring of 09 No. posts of various categories.**

Before start of formal presentation from sponsoring director, the Chair observed that the matter still needs further deliberation by HR & Nomination Committee. The Chair proposed that agenda should be referred back to HR & Nomination Committee. All other members agreed with the proposal.

The Board resolved as follows.

**Resolution**

**176-BOD-R14** **RESOLVED** that subjected agenda is hereby referred back to HR & Nomination Committee.

**H. Approval for retention of MEPCO officers in PEPCO on deputation basis.**

With the permission of the Chair, agenda was presented by D.G (HR & Admn). He informed the Board that Syed Jawad Mansoor Ahmad while working as Senior Engineer, MEPCO was promoted as Superintending Engineer (BPS-19) and placed at the disposal of PEPCO for further adjustment against a vacant post. Later on, Khawaja Niaz Ahmad while working as Sr. Engineer, MEPCO was transferred and placed at the disposal of MD (PEPCO) WAPDA House Lahore for further adjustment. The officers were relieved from MEPCO to join their new assignment in PEPCO.


Continuing with his briefing, DG (HR & Admin) stated that in pursuance of Resolution No. 06/2021 dated: 04.08.2021 passed by MEPCO BOD. GM (HR) PEPCO was requested to relieve the officers to join MEPCO being their parent company. In response, Addl. DG (CM) office of MD (PEPCO) WAPDA House Lahore has intimated that case for relieving of following officers has been considered by the competent authority and it has been desired that the services of said officers may be continued to be retained in PEPCO on deputation basis: -

In view of above, DG (HR & Admin) requested to accord approval for retention of following MEPCO officers in PEPCO on deputation basis as desired by MD (PEPCO) WAPDA House Lahore for a period of one year as per present Deputation Policy: -

Sr. No.	Name of Officer	Designation	Present Company	Parent Company
1.	Syed Jawad Mansoor Ahmad	SE (BPS-19)	PEPCO	MEPCO
2.	Khawaja Niaz Ahmad	XEN (BPS-18)	-do-	-do-

The Board resolved as follows.

**Resolution**

**176-BOD-R15** **RESOLVED** that considering the request of D.G (HR & Admin) and recommendations of HR & Nomination Committee of the Board, approval for retention of following MEPCO officers in PEPCO on deputation basis as desired by MD (PEPCO) WAPDA House Lahore for a period of one year as per present Deputation Policy is hereby accorded. 

Sr. No.	Name of Officer	Designation	Present Company	Parent Company
1.	Syed Jawad Mansoor Ahmad	SE (BPS-19)	PEPCO	MEPCO
2.	Khawaja Niaz Ahmad	XEN (BPS-18)	-do-	-do-

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

**I. Approval for extension in contract period of employees working under MEPCO on contract basis for further period of one year (01.10.2021 to 30.09.2022).**

With the permission of the Chair, agenda was presented by D.G (HR & Admn). He informed the Board that MEPCO BOD in its 162<sup>nd</sup> meeting held on 06.10.2020 against agenda item No. 6 (iv) has accorded approval for extension in contract period of all categories of MEPCO employees (Officers / Officials) working under different formations of MEPCO up to 30.09.2021 and said period of contract employees is going to expire on 30.09.2021. All the formations under MEPCO were asked to intimate that whether the services of contractual employees working under MEPCO are further required beyond 30.09.2021 or otherwise. In case, their services are further required beyond 30.09.2021, their detail along with complete justification be provided. All the field formations have requested for extension in contract period of employees due to shortage of manpower. Moreover, no adverse remarks against any contractual employee have been received. Details / BPS wise abstract of contract employees was presented to Board.

In view of above, Board was requested to accord its approval regarding extension in contract period of employees presently working under MEPCO on contract basis for further period of 01 year with effect from 01.10.2021 to 30.09.2022.

After due consideration, the Board resolved as follows.

**Resolution**

**176-BOD-R16 RESOLVED** that considering the request of DG (HR & Admn) and recommendations of HR & Nomination Committee of the Board, approval regarding extension in contract period of employees presently working under MEPCO on contract basis with effect from 01.10.2021 to 31.12.2021 is hereby accorded.

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



**J. Approval for extension / retention in engagement period of skilled / semi skilled / unskilled daily wagers working under MEPCO.**

The agenda was presented by DG (HR & Admin) apprising the Board that MEPCO BOD in its 162<sup>nd</sup> meeting held on 06.10.2020 against agenda item No. 6 (iv) has accorded approval for extension / retention in engagement period of skilled / semi skilled / unskilled daily wagers working under different formations of MEPCO including ERP Basis Administrator upto 30.09.2021. The said retention period is going to expire on 30.09.2021 & field formations have requested for further retention in their engagement period due to shortage of staff and heavy work load. Moreover, no adverse remarks against any skilled / semi skilled / unskilled daily wagers have been received.

In view of above, as recommended by field formations, extension / retention in engagement period of ERP Basis Administrator (hired on Lump Sum package) and skilled / semi skilled / unskilled daily wagers is required beyond 30.09.2021 for further period of 01 year up to 30.09.2022 on 89 & 75 days spell basis respectively due to shortage of staff and heavy work load.

DG (HR & Admin) requested to accord its approval regarding extension / retention in engagement period of ERP Basis Administrator and skilled / semi skilled / unskilled daily wagers working under MEPCO for further period of one year with effect from 01.10.2021 to 30.09.2022 on 75 & 89 days respectively.

The Board resolved as follows.

**Resolution**

**176-BOD-R17** **RESOLVED** that considering the request of DG (HR & Admn) and recommendations of HR & Nomination Committee of the Board, approval regarding extension / retention in engagement period of ERP Basis Administrator and skilled / semi skilled / unskilled daily wagers working under MEPCO with effect from 01.10.2021 to 31.12.2021 on 75 & 89 days basis respectively 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. 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 and 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.

**K. Approval for nomination of revision of authority under rule-12 of Pakistan WAPDA employees (E&D) rule-1978 (BPS-18 & above).**

The agenda was presented by DG (HR & Admin) apprising the Board that MEPCO Board of Directors in its decision taken in 175<sup>th</sup> BOD meeting held on 13.08.2021 against Agenda item No. 12 (a), has accorded approval for delegation of Administrative Powers for taking disciplinary actions as well as appeals of different categories of officers.

D.G (HR & Admin) further intimated that under Rule-12 of Pakistan WAPDA Employees (E&D) Rules-1978, in cases where the following authorities decide to enhance the penalty imposed by the competent authority, a Show Cause Notice will be issued and the accused given an opportunity of being heard in person.

The Board was requested to nominate the signing authority for issuance of Show Cause Notices to the officers of BPS-18 & above in case of revision under Rule-12 of Pakistan WAPDA Employees (E&D) Rules-1978. 

The Board resolved as follows.

**Resolution**

**176-BOD-R18 RESOLVED** that considering the request of DG (HR & Admn) and recommendations of HR & Nomination Committee of the Board, Company Secretary is hereby authorized to sign on behalf of MEPCO Board for issuance of Show Cause Notices against the officers of BPS-18 & above for revision under Rule-12 of Pakistan WAPDA Employees (E&D) Rules-1978.

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 and 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.

**L. Approval for nomination for signing authority from HR & Nomination Committee & Audit & Finance Committee for initiating disciplinary action against the officers (BPS-20 & above).**

The agenda was presented by DG (HR & Admin) apprising the Board that MEPCO Board of Directors in its decision taken in 175<sup>th</sup> BOD meeting held on 13.08.2021 against Agenda item No. 12 (a), has accorded approval for delegation of Administrative Powers for taking disciplinary actions as well as appeals of different categories of officers. MEPCO BOD was requested to nominate signing authority for issuance of LOE / Charge Sheet against the officers of BPS-20 and above on behalf of HR & Nomination Committee and Audit & Finance Committee.

The Board resolved as follows.

**Resolution**

**176-BOD-R19 RESOLVED** that considering the request of DG (HR & Admn) and recommendations of HR & Nomination Committee of the Board, Company Secretary is hereby authorized to sign on behalf of HR & Nomination Committee and Audit & Finance Committee for issuance of LOE / Charge Sheet against the officers of BPS-20 and above.

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 and 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.

**M. Approval for recruitment of Chief (HSE) Officer.**

**N. Approval for hiring of HSE consultant in MEPCO.**

Before start of formal presentation from sponsoring director, one of members observed that the matter still needs further deliberation by HR & Nomination Committee. He proposed that agenda should be

referred back to HR & Nomination Committee. All other members agreed with the proposal. The Board resolved as follows.

**Resolution**

**176-BOD-R20** **RESOLVED** that subjected agenda items is hereby referred back to HR & Nomination Committee for its deliberation.

**O. Approval for recruitment of 06 No. posts of various categories.**

The agenda was presented by D.G (HR & Admin) apprising the Board that MEPCO BOD in its 175<sup>th</sup> meeting held on 13.08.2021 has accorded approval for initiation the recruitment process of 06 Nos. posts of various categories from open market and also publication of advertisements in daily newspapers. In this regard, it is apprised that advertisement for recruitment of 06 Nos. posts of various categories was published in daily newspapers on 27.08.2021 and the last date to receive the application was 13.09.2021. The selection committee scrutinized the applications received from the candidates for various categories of posts and recommended the candidates who fulfilled the criteria as per parameter mentioned in advertisement for the purpose of interview.

The members noted with grave concern that only 47 No. applications have been received for 6 different posts and only 9 have been found eligible. After detailed discussion, the members desired that HR & Nomination Committee should review all 47 No. applications to assess the quality of candidate and identify the root cause for poor response against advertisements. The Board resolved as follows.

**Resolution**

**176-BOD-R21** **RESOLVED** that the case is hereby referred to HR & Nomination Committee for its deliberation on above mentioned grounds.

**P. To review the progress regarding recruitment of CEO MEPCO.**

With the permission of the Chair, agenda was presented by Company Secretary. He informed the Board that advertisement for the post of Chief Executive Officer after approval of BOD was published in Newspapers on 06-01-2021. After completion of lengthy process, a panel of three candidates was shortlisted for further communication to Ministry of Energy (Power Division).

Meanwhile, MEPCO Engineering Association filed a Writ Petition No. 2526/2021 in Lahore High Court Multan Bench Vs. Federation of Pakistan and others including Chief Executive Officer MEPCO, BOD MEPCO and Company Secretary MEPCO. The Honorable Court issue following orders:

“Subject to notice and till the next date of hearing, recruitment process on the basis of impugned notification may continue but will not be finalized”.

The Ministry of Energy (Power Division) was informed accordingly vide this office letter No. 2207/Company Secy: Dated 07-05-2021 with the request to seek the approval of the Govt. of Pakistan for appointment of an appropriate candidate for the position of Chief Executive Officer MEPCO subject to outcome of the Writ Petition No. 2526/2021.

It was also mentioned that above mentioned Writ Petition has not been disposed off up till now. Next date of hearing is 23-09-2021.

The members noted the progress of recruitment of CEO MEPCO.

**AGENDA ITEM NO. 8**

**Matters relating to Procurement & Disposal Committee.**

**a. Approval for procurement of (42128 & 1163) boxes of electricity bill forms (General & MDI) (T/No. 130/21 dt: 13.07.2021).**

With the permission of Chair, the agenda was presented by General Manager (Tech). He apprised the Board that tender inquiry regarding procurement of 43,291 Boxes of Electricity Bill Forms (General & MDI) was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Two Envelopes bidding procedure. Three (03) firms purchased the



tender documents and all firms participated in the tender and submitted their bids along with offered quantity. The technical bids were opened by the tender opening committee on scheduled date and time i.e. 13.07.2021. The Technical bids were sent to Tender Evaluation Committee for technical evaluation on 13.07.2021. The meeting for Technical Evaluation was held on 27.07.2021. The committee evaluated the case based on the technical evaluation, M/s Art and Graphics (Pvt.) , M/s UBC Convertec (Pvt.) Ltd quoted for item No (1 & 2) i.e. Electricity Bill Forms (General and MDI) and M/s Paradise press (Pvt.) Ltd quoted for item No 1 only i.e. Electricity Bill Forms (General), are found technically responsive bidders.

The information regarding results of Technical evaluation & opening of financial bids were conveyed to technically responsive bidders. Subsequently, the financial bids were opened by the tender opening committee on scheduled date i.e 06.08.2021 in presence of representative of bidders. The Financial bids were sent to Tender Evaluation Committee for financial evaluation on 06.08.2021. The committee evaluated the case based on the Technical and Financial evaluation, M/s UBC Convertec (Pvt.) Ltd is found most advantageous bidder in Electricity Bill Forms General for Boxes 42,128 @ Rs. 2,548/ per box and Electricity Bill Forms MDI for Boxes 1163 @ Rs. 2,630/ per box. While providing justification of rate, he emphasized that the lowest tender Date 13.07.21 rate is (5.1% & 8%) on higher from previous purchase rate of MEPCO, (1.1% & 3.4) from FESCO. Moreover lowest tender rate of MEPCO is (8.75% & 8.9%) on lower side from tender rate of IESCO & (3.95% & 2.3%) from LESCO tender opened on 20.04.2021 & 18-03-2021, however the MEPCO tender rate is equal to GEPCO tender rate opened on 19-07-2021 respectively.

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. The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder. Moreover, previously there is no issue on supplier side from which this procurement is being made.

Continuing with his briefing, GM (Technical) stated that total cost for procurement of (42,128 & 1,163) boxes of Electricity Bill Forms General & MDI @ Rs. (12548 & 2630) per box respectively is amounting to Rs. 110.35 Million (excluding 17% GST) from M/s UBC Convertec (Pvt.) Ltd. 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 in time printing of Electricity Bill Forms.

Based on management's assertions as stated above, the Board agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last P.O issued by other DISCOs. The Board also considered that stock balance position for Electricity Bill Forms General is 5779 & Electricity Bill Forms MDI is 188 whereas monthly consumption for Electricity Bill Forms General is 3500 & Electricity Bill Forms MDI is 95.

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

### **Resolution**

**176-BOD-R22** **RESOLVED** that considering the request of General Manager (Technical), recommendations of Tender Evaluation Committee and Procurement & Disposal Committee of Board, approval for the procurement of (42,128 & 1,163) boxes of Electricity Bill Forms General & MDI @ Rs. (2548 & 2630) per box respectively amounting to Rs. 110.35 Million (excluding 17% GST) from M/s UBC Convertec (Pvt.) Ltd against Tender No. 130/21 opened on 13.07.2021 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. 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. Previously, there is no issue on supplier side from which this procurement is being made.
- g. There is no violation of SOPs of MEPCO for environmental and social safeguard.
- h. The procurement will be in accordance with the approved financial budget and procurement plan.
- i. Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- j. The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- k. Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**b. Approval for purchase of state land for proposed 132KV grid station Lodhran-II in the name of MEPCO under STG head.**

With the permission of the Chair, agenda was presented by Chief Engineer (Dev) PMU apprising the Board that Chief Engineer (O&M) T&G MEPCO has informed that the committee for site Selection and Layout Board of MEPCO was visited the site of proposed 132KV Grid Station Lodhran-II on 24.07.2019. The proposed land was selected by the committee, situated at Chak No. 94/M Tehsil & District Lodhran approximately 13.5-KM from existing 132KV Grid Station Lodhran. Executive Engineer (OP) Lodhran requested to Addl. Deputy Commissioner (Revenue) Lodhran to reserve the land for the said proposed 132KV Grid Station Lodhran-II at the road side for easy movement / shifting of heavy machinery. Deputy, Secretary (Colonies-I) Board of Revenue Punjab, Lahore accorded sanction for sale of state land measuring 44 Kanal 08 Marla comprising Khasra No. 43/1/2/2, 2,9,10/1/1, 11/2/1, 12 situated at Chak No. 94/M Tehsil & District Lodhran in favour of Multan Electric Power Company Limited (MEPCO) at the rate of Rs. 2,500,000/- per acre plus 10% surcharge for the construction of 132 KV Grid Station Lodhran-II at Tehsil & District Lodhran at the conditions mentioned in the letter. Addl. Deputy Commissioner (Rev.) Lodhran in compliance of Deputy, Secretary (Colonies-I) Lahore letter No. 269-2021/1370-GS-III dated: 20.05.2021 issued Challan Form # 32-A for the payment of land measuring to 44-Kanal, 08-Marla having total cost of Rs. 15,262,500 cost.

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

**Resolution**

**176-BOD-R23** **RESOLVED** that considering the request of Chief Engineer (Dev) PMU and recommendations of Procurement & Disposal Committee of the Board, approval for purchase of state land in Chak No. 94/M measuring land 44-Kanal 08 Marla amounting to Rs. 15,262,500/- (Cost of land + 10% Land Acquisition Charges) for

construction of proposed 132 KV Grid Station Lodhran-II, Tehsil & District Lodhran 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. There is no violation of SOPs of MEPCO for environmental and social safeguard.
- e. Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- f. Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**c. Approval for acquisition of land for construction of new proposed 132KV grid station Pakpattan-II Tehsil & District Pakpattan in the name of MEPCO under STG head.**

With the permission of the Chair, agenda was presented by Chief Engineer (Dev) PMU. He apprised the Board that Executive Engineer (SS&T) GSO MEPCO Sahiwal conveyed the present loading position of existing 03-No. Power Transformers installed at 132KV Grid Station Pakpattan is heavily overloaded and need immediate construction of another 132KV Grid Station in the vicinity of Pakpattan to give relief the below mentioned existing overloaded Power Transformers and for smooth and safe operation of the system.

Continuing with his briefing, he stated that as per SOPs, Site Selection and Layout Board for MEPCO has visited the site and conveyed approval for the land of proposed 132 KV Grid Station Pakpattan-II in Chak No. 36/SP Tehsil & District Pakpattan. Accordingly, land acquisition process was started and as a result of continuous pursuance by PMU / GSC Officers and staff, Deputy Commissioner / District Collector Pakpattan processed the case for publication of notification under Section-4 of the Land Acquisition Act 1894 in the Extra Ordinary / Official Gazette and notification published in the Punjab Gazette dated: 23.01.2020. Later on, Deputy Commissioner / District Collector Pakpattan processed the case for publication of notification under Section-5 of the Land Acquisition Act 1894 in the Extra Ordinary / Official Gazette and notification published in the Punjab Gazette dated: 12.08.2020. Assistant Commissioner / Land Acquisition Collector, Pakpattan vide letter No. 442/AC/LAC(P) dt: 14.09.2020 forwarded Challan Form # 32-A for the payment of land measuring to 51-Kanal, 02-Marla amounting to Rs. 39,473,750.

The Board resolved as follows.

**Resolution**

**176-BOD-R24** **RESOLVED** that considering the request of Chief Engineer (Dev) PMU and recommendations of Procurement & Disposal Committee of the Board, approval for purchase of private land in Chak No. 36/SP measuring land 51-Kanal 2 Marla amounting to Rs. 39,473,750/- (Cost of land + 15% Land Acquisition Charges) for construction of proposed 132 KV Grid Station Pakpattan-II, Tehsil & District Pakpattan 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. There is no violation of SOPs of MEPCO for environmental and social safeguard.
- e. Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- f. Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

#### **AGENDA ITEM NO. 9**

**Any other point with the permission of the Chair.**

**a. Approval for adoption of policies received by PEPCO.**

With the permission of the Chair, agenda was presented by D.G (HR & Admin). He apprised the Board that a letter was received from PEPCO vide No. GM(HR)/PEPCO /AMA / A-400(1)/1245-57 Dated: 25-06-2021 regarding Performance Agreement between Prime Minister of Pakistan and Minister of Energy (Power Division) for the financial year 2020-21 conveyed vide Power Division's letter dated 8<sup>th</sup> April 2021 which required the Power Sector Entities to prepare and enforce 28 No. policies of different categories, the drafts of which were presented to the Board. He further intimated that preliminary work is being carried out for said policies.

The members deliberated upon the issue and after due consideration, agreed to adopt all 28 policies as stop gap arrangement except where financial implication is involved. The members also desired that all relevant HoDs should present their review to relevant committees of Board highlighting the proposed amendments. Moreover, the management should consult with other DISCOs to seek if they have made any amendments.

**Resolution**

**176-BOD-R25** **RESOLVED** that approval is hereby accorded to adopt all 28 policies circulated vide No. GM(HR)/PEPCO/AMA/A-400(1)/1245-57 Dated: 25-06-2021 as stop gap arrangement except where financial implication is involved.

**Direction**

**176-BOD-D4** **Directed** all relevant HoDs should present their review to relevant Committees of Board highlighting the proposed amendments. Moreover, the management should consult with other DISCOs to seek if they have made any amendments.

**b. Approval for request of M/s Grit Pvt Ltd for extension in delivery schedule against Letter of Intent no. 9941-43 dated 04.08.2021 for supply of 400 No. 200 KVA Distribution Transformers.**

Before start of formal presentation from sponsoring director, the one of members observed that the matter has been presented without formal recommendations of Procurement & Disposal Committee. He proposed that agenda should be referred to Procurement & Disposal Committee. All other members agreed with the proposal. The Board resolved as follows.

**Resolution**

**176-BOD-R26** **RESOLVED** that subjected agenda is hereby referred back to Procurement & Disposal Committee for its deliberation.

**c. Approval for procurement of 3000 KM PVC 2/Core 10mm<sup>2</sup>(T/No. 30/22 dt: 15.09.2021 with validity of tender for 45 days upto 30.10.2021).**

With the permission of Chair, the agenda was presented by General Manager (Tech). He apprised the Board that tender inquiry regarding procurement of 3000 km PVC 2/Core 10mm<sup>2</sup> SID Cable was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Two (02) firms purchased the tender documents & participated in the tender and submitted their bid along with offered quantities. The technical bids were opened by the tender opening committee on scheduled date i.e 15.09.2021. The Technical bids were sent to Tender Evaluation Committee for technical evaluation. The

committee evaluated the case as based on the technical evaluation in the report, following firms have been found as technically responsive bidders.

- i. M/s Madni Cables Pvt. Ltd. Lahore
- ii. M/s Fast Cables Lahore

The information regarding results of Technical evaluation & opening of financial bids were conveyed to technically responsive bidders vide letter No. 11226-30 dated 23.09.2021. Subsequently the financial bids were opened by the tender opening committee on scheduled date i.e 24.09.2021. The Financial bids were sent to Tender Evaluation Committee for financial evaluation. the committee evaluated the tender based on the Technical as well as Financial evaluation, M/s Madni Cables Lahore has emerged as most advantageous responsive bidder for the procurement of 3000 km PVC 2/Core 10mm<sup>2</sup> SID Cable @ Rs. 81800/- per km without GST.

While providing justification of rate, he emphasized that the above tender rate is 73.31, 28.01%, 7.71%, 54.63%, 49.38%, 74.35% & 84.69% higher side as compared with the purchase / tender rates of MEPCO, PESCO, FESCO, IESCO, HESCO & LESCO whereas 0.12% lower as compared with the tender rates of GEPCO.

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. The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder. Moreover, previously there is no issue on supplier side from which this procurement is being made.

Continuing with his briefing, GM (Technical) stated that total cost for procurement of 3000 km PVC 2/Core 10mm<sup>2</sup> @ Rs. 81800/- per km from M/s Madni Cables would be Rs. 245.4 million (excluding 17% GST). 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 new connections and maintenance.

Based on management's assertions as stated above, the Board agreed for proposed procurement with the observation to ensure quality of procured material. The Members considered the lowest quoted price with reference to the last P.O issued by other DISCOs. The Board also considered the stock balance position is 0 whereas monthly consumption is 650 KM.

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

### **Resolution**

**176-BOD-R27** **RESOLVED** that considering the request of G.M (Tech), the recommendations of Tender Evaluation Committee and Procurement & Disposal Committee of the Board, approval for the procurement of 3000 KM PVC 2/Core 10mm<sup>2</sup> @ Rs.81800/- per KM from M/s Madni Cables amounting to Rs. 245.4 million (excluding GST) against Tender No. 30/22 opened on 15.09.21 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. 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. Previously, there is no issue on supplier side from which this procurement is being made.
  - g. There is no violation of SOPs of MEPCO for environmental and social safeguard.
  - h. The procurement will be in accordance with the approved financial budget and procurement plan.
  - i. Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
  - j. The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
  - k. Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.
- d. **Approval for procurement of 200,000 No. static single phase energy meters (T/No. 25/22 dt: 14.09.2021).**
- e. **Approval for procurement of 300,000 No. Static S/Phase Energy Meters (T/No. 01/21 dt: 28.07.2021).**
- f. **Approval for procurement of 10,000 No. 3-Phase whole Current Meters (T/No. 11/22 dt: 24.08.2021).**
- g. **Approval of SOP for Private Purchase of Material by the Consumers for New Connections & Extension of Load etc:**

Before start of formal presentation for above mentioned agenda items from sponsoring director, the one of members observed that without formal recommendations of Procurement & Disposal Committee. He proposed that agenda should be referred to Procurement & Disposal Committee for its deliberation. All other members agreed with the proposal. The Board resolved as follows.

**Resolution**


**176-BOD-R28** **RESOLVED** that subjected agenda items are hereby referred back to Procurement & Disposal Committee for its deliberation.

h. **Ex-post facto approval of Vender Conferences arranged at PC hotel Lahore for energy meters & transformers manufacturers as per directions of BOD.**

With the permission of Chair, the agenda was presented by General Manager (Tech). He apprised the Board that as per BOD direction, MEPCO arranged vendor conference for Energy meter & Transformers manufacturers in collaboration with GEPCO at PC Hotel Lahore after approval of CEO MEPCO. Resultantly, the meter & Transformers manufacturers were invited for participation in said conferences. Due to urgency for conducting of conferences, this office requested Finance Director for issuance of advance payment of Rs. 400,000/- (four lacs) to be paid to PC hotel Lahore .Finance Directorate issued Rs. 400,000/- (four lacs) in favor of Engr. Rashid Nazar Dy: Manager (Proc) Dist. MEPCO. Payment of Rs. 386756/- was made to PC Hotel Lahore on 21.09.2021 for booking .The expenses incurred in the conferences for both dates. GEPCO has paid their expenses and adjustment of payment was done. Expenses pertaining to MEPCO amounting to Rs. 226897.18 were paid from the advance of Rs. 400,000/-.

After due discussion, the Board resolved as follows.

**Resolution**

**176-BOD-R29** **RESOLVED** that considering the request of G.M (Tech), ex-post facto approval for regularization of advance payment issued by Finance Director and made for the above conference 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.

**i. Approval for procurement of 11 KV safety items i-e (11 KV protective gloves, 11 KV rubber gloves, anti-flash sleeves & hoods and safety harness) amounting to Rs. 250.99 million as directed by Health, Safety, Environment and Quality Assurance Committee.**

With the permission of Chair, the agenda was presented by General Manager (Tech). He apprised the Board that the case was presented in 4<sup>th</sup> Procurement & Disposal Committee meeting held on 03.10.2021 wherein it was resolved to refer the case to Audit & Finance Committee for allocation of budget. He requested the members that due to urgency of the said procurement, the matter may be considered as HSE Committee is pressing very hard to complete the procurement process at earliest. He apprised that specifications of following safety items were obtained from K-Electric as per direction of BoD.

1. 11KV Protective Gloves.
2. 11KV Rubber Gloves.
3. Anti-Flash Sleeves.
4. Hoods and Safety Harness.

The tentative cost of above proposed T&P Items would be 250.99 Million and these were not included in already approved plan of T&P items amounting to Rs. 194.72 million. Total revised Annual procurement plan of T&P items would be amounting to  $194.72 + 250.99 = 445.71$  Million and thus the already approved annual procurement plan need to be re-appropriated/revise.

After detailed discussion, the members were of unanimous view that revision in already approved procurement plan is not possible as tariff petition has already been filed with NEPRA with approved procurement plan, however; re-appropriation can be made which is prerogative of CEO. As far as procurement of proposed T& P items is concerned, the members deliberated upon the issue at length. After due discussion, the members agreed for procurement of whole quantity of items at Sr. No. 1 & 2 and half quantity of items appearing at Sr. No. 3 & 4.


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

**Resolution**

**176-BOD-R30 RESOLVED** that considering the request of General Manager (Tech), approval for the procurement of below tabulated items is hereby accorded.

Sr. No	Description	Quantity	Unit rate	Total (Mrs.)
1	11KV Protective Gloves	1,941	2,500	4.8525
2	11KV Rubber Gloves	1,941	30,000	5.823
3	Anti-Flash Sleeves	1000	30,000	30.00
4	Hooded and Safety Harness	1000	90,000	90.00

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

**l. Approval for procurement of 2000 no. 50 KVA Dist: Transformers (T/No. 116/21 dt: 27.05.2021).**

With the permission of Chair, the agenda was presented by General Manager (Tech). He apprised the Board that tender inquiry regarding procurement of 2000 No. 50 kVA Distribution Transformers was floated in widely circulated newspapers inline with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Six (06) firms purchased the tender documents whereas One (01) firm participated in the tender and submitted their bid along with offered quantity. The technical bid was opened by the tender opening committee on scheduled date i.e 27.05.2021. The Technical bid was sent to Tender Evaluation Committee for technical evaluation. The committee evaluated the case based on the technical evaluation in the report, M/s Grit Pvt. Ltd. Lahore has been found as technically responsive bidder.

The information regarding results of Technical evaluation & opening of financial bid was conveyed to technically responsive bidder vide No. 10500-03 dated 17.08.2021. Subsequently the financial bid was opened by the tender opening committee on scheduled date i.e 23.08.2021.

The financial bid was sent to evaluation committee for financial evaluation. The committee concluded based on the Technical as well as Financial evaluation, M/s Grit Pvt. Ltd. Lahore, being single bidder, has been evaluated as advantageous bidder on TOC basis for the procurement of 2000 No. 50 kVA Transformers at the quoted rate of Rs. 239991/- each without GST & TOC Rs.417983.58 each.

Continuing with his briefing, he mentioned that the bidder has been declared technically & financially responsive on the basis of bidding documents & recommendation of the Grievance Committee in Tender No. 100/21. As the firm has not completed any mass production order yet, this aspect must be considered while finalizing the subject procurement. However, the procurement department must ensure price reasonability, bonafide requirement of material being procured as well as adherence to PPRA Rules-2004(Amended to date). A letter was written to M/s Grit to justify the quoted rates vide letter No. 10763-64 dated 06.09.2021 whereas no reply received from M/s Grit.

However, legal opinion was obtained for placing of LOI/P.O as the bid validity expired due to the reason that the same bidder M/s Grit went to Grievance Committee in previous tender 100/21 as per PPRA rule-48 which states as under:-



- (1) The procuring agency shall constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract.
- (2) Any bidder feeling aggrieved by any act of the procuring agency after the submission of his bid may lodge a written complaint concerning his grievances not later than fifteen days after the announcement of the bid evaluation report under rule 35.
- (3) The committee shall investigate and decide upon the complaint within fifteen days of the receipt of the complaint.

The Director legal MEPCO was requested to give legal opinion regarding issuance of LOI/P.O vide letter No. 11381-83 dated 03.10.2021. Legal opinion has been received through Manager Legal on 04.10.2021 in which the legal advisor MEPCO (WAPDA) has the confirmed view that the Letter of Intent and Purchase Order be issued to the firm.

While providing justification of rate, he emphasized that tender rate is 18.44%, 7.18%, 1.10% & 20.68% higher as compared with the purchase rate of MEPCO, IESCO, GEPCO & FESCO, however 19.98% lower as compared with the recent tender rate of PESCO.

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. The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder. Moreover, previously there is no issue on supplier side from which this procurement is being made. GM (Technical) stated that total cost for procurement of 2000 No. 50 kVA T/Former @ Rs. 239991/- per unit from M/s Grit Pvt. Ltd. Lahore would be Rs. 479.982 million (excluding 17% GST).

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 smooth supply of power.

Based on management's assertions as stated above, the Board agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last P.O issued by other DISCOs. The Board also considered the stock balance position is 780 whereas monthly consumption is 338 No.


The Board discussed various options available at length and after due deliberation, all members agreed for proposed procurement keeping in view the legal opinion and explanation of management except Mr. Akhtar Hussain Qamar who recorded his dissent for this resolution.

The Board resolved as follows.

### **Resolution**

**176-BOD-R31** With majority of 9-1, **RESOLVED** that considering the legal opinion presented by G.M (Tech), approval for the procurement of 2000 No. 50 kVA Dist. Transformers @ Rs. 239991/- each from M/s Grit Pvt Ltd. amounting to Rs. 479.982 Million (excluding GST) against Tender No. 116/21 opened on 27.05.2021 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. 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. Previously, there is no issue on supplier side from which this procurement is being made.
- g. There is no violation of SOPs of MEPCO for environmental and social safeguard.
- h. The procurement will be in accordance with the approved financial budget and procurement plan.
- i. Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- j. The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- k. Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

**m. Approval for procurement of 300 no. 200 KVA Dist: Transformers (T/No. 118/21 dt: 27.05.2021).**

With the permission of Chair, the agenda was presented by General Manager (Tech). He apprised the Board that tender inquiry regarding procurement of 300 No. 200 kVA Distribution Transformers was floated in widely circulated newspapers inline with the approval of competent authority under Single Stage, Two Envelopes (Technical and Financial) bidding procedure. Seven (07) firms purchased the tender documents whereas One (01) firm participated in the tender and submitted their bid along with offered quantity. The technical bid was opened by the tender opening committee on scheduled date i.e 27.05.2021. The Technical bid was sent to Tender Evaluation Committee for technical evaluation. The committee evaluated the case based on the technical evaluation in the report, M/s Grit Pvt. Ltd. Lahore has been found as technically responsive bidder.

The information regarding results of Technical evaluation & opening of financial bid was conveyed to technically responsive bidder vide No. 10500-03 dated 17.08.2021. Subsequently the financial bid was opened by the tender opening committee on scheduled date i.e 23.08.2021.

The financial bid was sent to evaluation committee for financial evaluation. The committee concluded based on the Technical as well as Financial evaluation, M/s Grit Pvt. Ltd. Lahore, being single bidder, has been evaluated as advantageous bidder on TOC basis for the procurement of 300 No. 200 kVA Transformers at the quoted rate of Rs. 589991/- each without GST & TOC Rs.1105146.08 each.

Continuing with his briefing, he mentioned that the bidder has been declared technically & financially responsive on the basis of bidding documents & recommendation of the Grievance Committee in Tender No. 100/21. As the firm has not completed any mass production order yet, this aspect must be considered while finalizing the subject procurement. However, the procurement department must ensure price reasonability, bonafide requirement of material being procured as well as adherence to PPRA Rules-2004(Amended to date). A letter was written to M/s Grit to justify the quoted rates vide letter No. 10763-64 dated 06.09.2021 whereas no reply received from M/s Grit.

However, legal opinion was obtained for placing of LOI/P.O as the bid validity expired due to the reason that the same bidder M/s Grit went to Grievance Committee in previous tender 100/21 as per PPRA rule-48 which states as under:-

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



(2) Any bidder feeling aggrieved by any act of the procuring agency after the submission of his bid may lodge a written complaint concerning his grievances not later than fifteen days after the announcement of the bid evaluation report under rule 35.

(3) The committee shall investigate and decide upon the complaint within fifteen days of the receipt of the complaint.

The Director legal MEPCO was requested to give legal opinion regarding issuance of LOI/P.O vide letter No. 11381-83 dated 03.10.2021. Legal opinion has been received through Manager Legal on 04.10.2021 in which the legal advisor MEPCO (WAPDA) has the confirmed view that the Letter of Intent and Purchase Order be issued to the firm.

While providing justification of rate, he emphasized that tender rate is 19.31%, 4.74%, 5.14%, 22.90 & 22.57% higher as compared with the purchase rate of MEPCO, GEPCO, IESCO & FESCO, however 0.26%, 2.62% & 14.33% lower as compared with the LOI / tender rates of LESCO, IESCO & PESCO.

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. The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder. Moreover, previously there is no issue on supplier side from which this procurement is being made.

Continuing with his briefing, GM (Technical) stated that total cost for procurement of 300 No. 200 kVA T/Former @ Rs. 589991/- per unit from M/s Grit Pvt. Ltd. Lahore would be Rs.176.997 million (excluding 17% GST).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 smooth supply of power.

Based on management's assertions as stated above, the Board agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last P.O issued by other DISCOs. The Board also considered the stock balance position is 2 whereas monthly consumption is 162 No.

After due consideration, all members agreed for proposed procurement keeping in view the legal opinion and explanation of management except Mr. Akhtar Hussain Qamar who recorded his dissent for this resolution.

The Board resolved as follows.

### **Resolution**

**176-BOD-R32** With majority of 9-1, **RESOLVED** that considering the legal opinion presented by G.M (Tech), approval for the procurement of 300 No. 200 kVA Dist. Transformers @Rs. 589991/- each from M/s Grit Pvt Ltd. amounting to Rs. 176.997 million (excluding GST) against Tender No. 118/21 opened on 27.05.2021 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. 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. Previously, there is no issue on supplier side from which this procurement is being made.
  - g. There is no violation of SOPs of MEPCO for environmental and social safeguard.
  - h. The procurement will be in accordance with the approved financial budget and procurement plan.
  - i. Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
  - j. The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
  - k. Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.
- l. **Approval for procurement of 10000 No. H.T P.C Spun Hollow Poles 36' long on Ex-Works basis (T/No. 21/22 dt: 26.08.2021).**
  - m. **Approval for procurement of 10000 No. L.T P.C Spun Hollow Poles 31' long on Ex-Works basis (T/No. 22/22 dt: 26.08.2021).**
  - n. **Approval for procurement of 1500 No. H.T P.C Spun Hollow Poles 45' long on Ex-Works basis (T/No. 23/22 dt: 26.08.2021).**

Before start of formal presentation from sponsoring director, one of members observed that the matters have been presented without recommendations of Procurement & Disposal Committee. He proposed that agenda should be referred to Procurement & Disposal Committee for its recommendations. All other members agreed with the proposal. The Board resolved as follows.

**Resolution**

**176-BOD-R33** RESOLVED that subjected agenda items is hereby referred back to Procurement & Disposal Committee for its deliberation.

- o. **Approval for procurement of Distribution Material in lots, adoption of single stage single envelope bidding procedure and increase in financial powers of CEO for acceptance of tenders.**

With the permission of Chair, the agenda was presented by General Manager (Tech). He apprised the Board that during the compliance discussion in 3<sup>rd</sup> Procurement and disposal Committee meeting, the committee members recommended to adopt single stage 1 envelope bidding procedure for distribution material. The Committee directed to present a proposal for bringing efficiency and transparency in procurement process along with pros and cons of single stage single envelope procurement as compared to single stage two envelope procurement.

GM (Technical) intimated the following issues being faced during the procurement process.

- Annual Procurement Plan for the F/Y 2021-22 was presented in 2<sup>nd</sup> Procurement & Disposal Committee meeting held on 29.06.2021 & approved on 13.08.2021 in 175<sup>th</sup> BOD meeting. Up till Now, only 2.13 % could be utilized whereas tenders of 1336.475 Million(13.131%) are under approval /LOI issued.
- The prices of raw material and exchange rate of US\$ has been increased significantly from 33% to 81%. If this impact of increase in raw material prices is accounted for in approved annual procurement plan of F/Y 2021-22 amounting to Rs. 10178 million for distribution material, it is obvious that approved quantities of Procurement plan can be achieved upto average of 61 % only. About 67% of approved plan consists of the amount deposited by consumers. If timely procurement is not made, there will hue & cry from general public. Approved quantities cannot be

procured with this budget due to escalation. Due to less procurement of Distribution Material, MEPCO will face shortage of material. Hence additional budget should be required to meet with the requirements of field formations.

- Various tenders of Distribution Material were floated wherein, less participation and no interest of bidders has been observed mainly due to huge tender quantities. Pre-bid meetings were held with firms / bidders regarding above tenders. In response manufacturers of Hardware, PVC etc requested that due to huge quantity, lengthy bid validity and uncertainty in prices they cannot participate in the tenders and requesting to make lots of larger quantity tenders.
- Due to less participation in previous tenders in F/Y 2020-21 and less utilization of budget F/Y 2021-22 uptill now, MEPCO is facing acute shortage of material for development schemes, SDGs and other deposit works. Keeping in view of day by day increase in LME & US \$ rate and accordingly higher emerging rates, prompt procurement is need of time.

While proposing the way forward, he stated that MEPCO Procurement Committee of BOD in the meeting held on 20.03.2018 showed concern regarding procurement of any material in lots. Accordingly MEPCO had stopped procurement of material in Lots. He proposed as follows.


1. The pending material of approved annual procurement plan for FY 2020-21 may be tendered in Lots at once as Bidders have to furnish bid / performance guarantees of heavy amounts for full tender quantities as well as delivery schedule of material is badly affected due to big tender quantities. In case of big tender quantities, if any bidder fails to supply the material, MEPCO has to suffer a lot in shape of delay of installation of new connections and completion of development schemes. Tendering in Lots is the only solution to cover up huge pendency of new connections /development schemes. Furthermore, PPRA allows making of lots of in the tenders which is evident from a query by LESCO regarding procurement of material in lots in which PPRA allowed LESCO for procurement of material is Lots. It is pertinent to mention here that currently other DISCOs are procuring materials in Lots. For a sample FESCO & LESCO are inviting tenders for the procurement of various items of Distribution Material (Transformers, PVC cables, Conductors) through lots. As mentioned in above compliance, the committee members recommended to adopt single stage 1 envelope bidding procedure for distribution material. It is requested to immediately allow procurement department to adopt single stage 1 envelope bidding procedure in upcoming / future tenders.
2. Single Stage Single Envelope Bidding Procedure is recommended for timely procurement of material. Proposal for bringing efficiency and transparency in procurement process.
3. According to Book of Financial Powers 2003, CEO is competent for according approval of tenders upto 40 million. The financial powers are proposed to be increased as being practiced in LESCO for 120 Million & IESCO for 100 Million.

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

### **Resolution**

**176-BOD-R34** **RESOLVED** that considering the request of G.M (Tech), approval for the followings is hereby accorded.

1. Procurement of distribution material in lots is hereby allowed.
2. Procurement department (distribution) is hereby allowed to adopt single stage 1 envelope bidding procedure in upcoming / future tenders.
3. The delegation of financial powers of CEO MEPCO for acceptance of tenders is increased from 40 Million to 120 Million for following items subject to the condition that procurement process within organization is same as being practiced in LESCO:

- i. Distribution Transformers 

- ii. S/Phase, 3-Phase Meters
- iii. Cable
- iv. Structure Poles
- v. Conductor

and the management will present categorization of items for exercising this enhancement to Procurement and Disposal Committee.

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

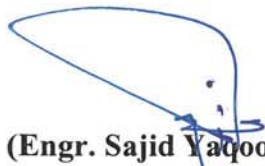
- a. No material information has been withheld and the working paper represents all facts of the case.
- b. All legal and codal formalities have been complied with.
- c. That there is no conflict of interest of any member/Officer of the MEPCO.
- d. There is no violation of SOPs of MEPCO for environmental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

**Direction**

**176-BOD-D5**

**Directed** GM (Technical) to establish base price of critical items, assess capacity of vendors and present the same to Procurement and Disposal Committee for its consideration.

**The meeting ended with thanks to and from the chair.**

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