

**CIVIL HOSPITAL KARACHI**  
**MODERNIZATION OF ELECTRICAL DISTRIBUTION NETWORK**  
**BID EVALUATION REPORT**

**1.0 BACKGROUND**

The Civil Hospital Karachi (CHK) desires to modernize its Electrical LT Distribution Network. For this purpose sealed bids were invited on the basis of Two Envelope System through Invitation for Bids put on the websites of SPPRA and I. T. department, Government of Sindh and also published in Daily Newspaper “**The Dawn Karachi**” vide Bid Reference # MS(CHK)/2009-2010/3078 dated May 17, 2010. The copy of this invitation is attached as **Annexure “A”**. In response to the invitation published in above daily Newspaper following Nine (09) bidders purchased Bidding Documents and five bidders submitted on the time & date as mentioned in invitation for bids:

1. M/s. Siemens Pakistan Engineering Company Limited
2. M/s. Glamour Engineering Company
3. M/s. Orient Energy Systems
4. M/s. Pak Elektron Limited
5. M/s. Badar Electrical Engineering Works
6. M/s. Areva T&D
7. M/s. Sameen Enterprises
8. M/s. S. M. Jaffer & Co.
9. M/s. Zaffar Enterprises

The Post qualification documents of following five (05) bidders, who submitted the bid were forwarded by CHK to NESPAK for scrutiny, examination and preparation of evaluation report for Post Qualification of the Bidders:

1. M/s. Siemens Pakistan Engineering Company Limited
2. M/s. Orient Energy Systems
3. M/s. Pak Elektron Limited
4. M/s. Badar Electrical Engineering Works
5. M/s. S. M. Jaffer & Co.

All bidders were Post Qualified on the basis of information submitted by the bidders. Post Qualification report in this respect was prepared and forwarded to CHK for Financial bid opening. The post Qualification was done for two separate Packages namely Revised Package 1 (against civil/demolishing and electrical works) and Package 3 (against supply, installation, testing and commissioning of DG Sets).

All Post Qualified bidders were informed regarding the date & time of Financial Bid opening. The Financial bids of Package 3 were opened at 1100 hrs and the Financial bids of Package 1 were opened at 1130 hrs.

The evaluation of both Packages was done separately and similarly separate evaluation reports are submitted. Below is the evaluation of Package 1.

## 2.0 FINANCIAL BID OPENING

Financial bids of all Post Qualified bidders were opened in the Board Room of CHK on June 08, 2010 at 1130 hrs by a Bid opening committee comprising representatives of CHK and Nespak.

The prices announced/quoted by the bidders, at the time of Financial bid opening are given as under:

Sr. No	Name of Bidders	Announced/ Quoted Price(Rs.)	Tender Security Lump Sum Amount of Rs.500,000/=
1.	M/s Pak Elektron Limited	196,301,816/=	Rs. 5,000,000/= in the form of Bank Guarantee # 5674/2010 from NBL
2.	M/s. Badar Electrical Engg. Works	221,381,239/=	Rs. 5,000,000/= in the form of Bank Guarantee # MBL/NVK/G/11/2010 from My Bank

Bid opening statement is attached as **Annexure-B** to this report.

The original Bids of above firms were handed over by CHK to Nespak for scrutiny, examination and preparation of Evaluation Report.

## 3.0 EXAMINATION & EVALUATION OF TENDERS

Examination of the bids received was made to establish the compliance of each bidder with regard to submission requirements. A checklist in this regard has been prepared and is placed as **Annexure-C** to this report.

### 3.1 Bid Security

The bidders were required to submit bid security for 2.5% amount of their offer in the form of Pay Order/bank guarantee/bank draft from any Scheduled bank of Pakistan. All the bidders submitted bid security of the required amount and shape before the opening of any Financial Bid. The delayed submission of Bid Security from M/s Badar Electrical Engineering Works is explained by the attached minutes of Bid Opening Committee meeting held on June 08, 2010 as **Annexure-D**.

### 3.2 Conditions Imposed

The lowest evaluated bidder (M/s Badar Electrical Engg. Works) has not imposed any commercial condition with their bid. Similarly M/s Pak Elektron Limited has also not imposed any condition.

### 3.3 Scrutiny of Bill of Quantities

The multiplication of unit rates with quantities and the total amount quoted in the Bill of Quantities were checked and error was found in all Bids. Anyhow this did not change the status of the bids. A comparative statement of unit rates quoted by each bidder with Engineer's estimate has been prepared and is presented in **Annexure-E** to this report.

The prices announced at the time of opening of tenders and corrected tender prices and their comparison with Engineer's estimate Rs. **123,373,975/=** is tabulated hereunder.

Sr. No.	Name of Bidder	Quoted Price	Arithmetically Corrected Prices (Rs.)	Percentage variation with Engineer's Estimate
1.	M/s Pak Elektron Limited	196,301,816/=	176,000,000/=	42.65% Above
2.	M/s. Badar Electrical Engg. Works	221,381,239/=	122,202,444/=	0.95% Below

#### 4. SCRUTINY OF RATES QUOTED BY THE BIDDERS

Scrutiny of the rates quoted by the bidders was carried out from the item wise comparative statement Annexure-E.

An overall variation of plus/minus 15% in the quoted rates of items from Engineer's Estimate is considered normal.

##### 4.1 M/s. Badar Electrical Engineering Works (Lowest Bidder)

M/s Badar Electrical Engineering Works is the lowest bidder. Their evaluated bid price is Rs. 122,202,444 which is 0.95% below the Engineer's Estimate.

The rates quoted by M/s. Badar Electrical Engineering for almost all BOQ items for civil works are on lower side as compared with Engineer's Estimate and against electrical works they are quite higher than the acceptable margin of Engineer's Estimate.

An undertaking shall be obtained from M/s Badar before the signing of Contract, if he is selected for the award of Contract that all the civil/demolishing and electrical works will be completed by M/s Badar as per the specified requirements within his offered cost.

##### 4.2 M/s. Pak Elektron Limited (2<sup>nd</sup> Lowest Bidder)

M/s Pak Elektron Limited is the second lowest bidder. Their evaluated bid price is Rs. 176,000,000 which is 42.65% higher than the Engineer's Estimate.

The rates quoted by M/s. Pak Elektron Limited for most of the BOQ items are on higher side as compared with Engineer's Estimate and are on whole much higher than the acceptable percentage.

#### 5.0 CONCLUSION & RECOMMENDATION

On the basis of examination and evaluation of the bids, it has been found that all the bidders have responded to bid submission requirements.

Hence it is recommended that the Work may be awarded to lowest responsive bidder **M/s Badar Electrical Engineering Works** at bid price of Rupees One Hundred Twenty Two Million Two Hundred Two Thousand Four Hundred Forty Four only (**Rs. 122,202,444/=**).