



MD PPRA

ORDER

NO.TEVTA/GM(SCs)/3-41-4/1461 WHEREAS, the firm M/S Libra Trade House Race View House, 89-C, Jail Road Lahore was proceeded for blacklisting/debarring under Punjab Procurement Rules for non-fulfillment of contractual obligations in the procurement of Conveyor Belt Heat Treatment Furnace at TEVTA Metal Industries Development Centre Sialkot.

2. WHEREAS, the firm was served with Show Cause Notice to furnish its written defense which it failed to respond till due date i.e. 02.05.2017.
3. WHEREAS, the firm was called upon for personal hearing (3 times) by Chairperson TEVTA which could not be conducted due to non-availability of the firm's representative on 10.05.2017 & 12.07.2017 and official engagement of Chairperson on 19.07.2017.
4. WHEREAS, the firm Libra Trade House Lahore filed writ petition No. 61455/17 in Lahore High Court Lahore against the departmental proceedings with the request to declare the show cause notice as illegal, unlawful, without jurisdiction, against the law, fact and of no legal effect.
5. WHEREAS, the honorable court disposed of the writ petition on 21.08.2017 with the following directions as per submission made by the learned counsel for petitioner:

"Respondent No. 2 is directed to conclude the proceedings by considering the provisions of the rules and provide opportunity of hearing and pass a speaking order in accordance with law expeditiously within a period of 2 weeks from the receipt of certified copy of this order."

6. WHEREAS, the undersigned (Respondent No. 2) called upon the firm M/S Libra Trade House Lahore (appellant) on 19.09.2017 for personal hearing in compliance with the above referred orders of the honorable court and Mr. Khurram Shehzad, Project Director of the centre (Respondent No. 4) was also directed to make himself available along with relevant record. On due date, Mian Safdar appeared before the undersigned on behalf of the firm and Mr. Khurram Shehzad, Project Director was also there for relevant assistance along with the record of the matter.

D. S. Khan
Project Director

Dated: 6-10-17



GOVERNMENT OF THE PUNJAB
TECHNICAL EDUCATION & VOCATIONAL TRAINING AUTHORITY

96-H, Gulberg-II, Lahore : Phone 042-99268315-19

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7. **WHEREAS**, the facts attributing to the case after consultation of available record are appended as under:
- a) The firm i.e. M/S Libra Trade House Lahore participated in the open competitive bidding process through submission of its offer/bid (German Made) for Conveyor Belt Heat Treatment Furnace at TEVTA Metal Industries Development Centre Sialkot, hereinafter referred as Centre.
 - b) Upon evaluation of the respective bids of the participating firms, the then Purchase Committee recommended to purchase the machine from qualified bidder i.e. M/S Libra Trade House Lahore; hereinafter referred as firm.
 - c) Resultantly, the firm was awarded with the contract for the supply of Conveyor Belt Heat Treatment Furnace (Germany Made); hereinafter referred as machine, worth amounting Rs. 26,216,000/- on 07.09.2011 with delivery date of 06.12.2011.
 - d) The firm delivered the machine on 19.11.2012 i.e. 348 days after expiry of due date for delivery but physical inspection remained pending for want of necessary documentation i.e. manual etc.
 - e) Upon receipt of documents, the physical inspection committee of the centre comprising of experts from public and private sector inspected the machine on 17.06.2013 and raised queries/observations including the country of origin with the remarks "required origin Germany yet to be clarified by the supplier" which were accordingly communicated to the firm.
 - f) The firm furnished certificate for country of origin; issued from Frankfurt Chamber of Commerce & Industry Germany and was declared as bogus/fake by the issuing authority during verification process.
 - g) The firm was then again asked to clarify the country of origin of the machine vide several correspondences of the centre, in response to which firm reproduced another certificate for country of origin; issued from different authority which also stood unverified.
 - h) The Physical Inspection Committee, in its 2nd inspection on 11.03.2014, again raised observations of clarification of country of origin by the firm.
 - i) Meanwhile, the performance guarantee worth amounting to Rs. 2.6 Million expired on 15.08.2013 and the firm refused to get it renewed despite of several requests by the centre.

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- j) The firm approached the centre for negotiations on terms (removing the country of origin's clause) and prices of the contract in order to settle the matter vide its official correspondences.
8. **WHEREAS**, Mian Safdar (Firm representative) was heard in detail on 19.09.2017 at personal hearing and was provided full opportunity to furnish documentation for supporting of his contentions as prayed by him in the writ petition No. 61455/17. He not only failed to provide document pertaining to genuineness of its supplied machine at centre on account of country of origin i.e. German Made before the undersigned but also failed to justify grounds as to not the firm be blacklisted/debarred under rules. Instead of proving genuineness of machine, he contested that the supply of German Made machine as well as asking for machine's origin was not part of the contract. He further admitted that centre kept on approaching firm's office for clarification of country of origin and renewal of expired performance guarantee time and again.
9. After the detailed hearing of the firm's representative and consulting the relevant/available record and writ petition filed by the firm in the Lahore High Court Lahore, undersigned concludes that:
- Machine having Europe/Korea/Japan was required in the tender documents, against which firm failed to provide German Made machine as per its commitment.
 - Demanding the proof of genuineness of machine is under the purview / mandate of the Physical Inspection Committee as it was essentially required to ensure the obligations of contract.
 - Firm was afforded ample time to prove the genuineness of machine on account of its country of origin i.e. German Made in conformity with its bid's specification as evident from the available record but it failed to address the observations of physical inspection committee pertaining to country of origin till date.
 - Firm furnished bogus/fake documentation pertaining to certificate for country of origin of the machine which tantamount to fraudulent practices.
 - Firm tried to negotiate on terms (removal of country of origin's clause) and price of the contract which raised certain doubts over the authenticity / genuineness of the machine.



f. The firm also refused to get renewed its performance guarantee which is essentially required to secure the obligations of the contract.

10. **NOWTHEREFORE**, M/S Libra Trade House Race View House, 89-C, Jail Road Lahore has failed to fulfil the contractual obligations of the agreement for procurement of Conveyor Belt Heat Treatment Furnace at Metal Industries Development Centre Sialkot and hence it is blacklisted /debarred from participating in any procurement process of TEVTA Punjab for a period of 3 years with immediate effect.

General Manager (Dev. & SCs)
TEVTA/Respondant No. 2

Endst No. Even &

Dated 04-10-2017

A copy is forwarded for information and necessary action to:

1. Chairperson TEVTA
- ✓ 2. Managing Director, PPRA Punjab with the request to get it published on PPRA website.
3. Advisor Procurement, TEVTA
4. The General Manager (Finance, Operations) TEVTA, Lahore
5. All Zonal Managers, TEVTA
6. Registrar, Lahore High Court Lahore w.r.t. writ petition No. 61455/17
7. Manager (Service Centres, Legal, Projects & Planning), TEVTA
8. Manager (MIS) TEVTA with the directions to publish the same on TEVTA website.
9. Project Director, MIDC Sialkot
10. M/S Libra Trade House, 89-C, Jail Road Lahore

General Manager (Dev. & SCs)
TEVTA/Respondant No. 2