

# SCHEDULE 1: Secondary Procurement

This Section contains the methods and the criteria that the Company shall use to conduct a Secondary Procurement process to select a Contractor and award a Call-off Contract under rule 16A of the Public Procurement Rules, 2004 (“**PPRA Rules**”). No other factors, methods or criteria shall be used other than that specified in these bidding documents for the Secondary Procurement process.

## 1. Secondary Procurement method(s)

The Secondary Procurement method(s) that apply to the selection of a Supplier for the award of a Call-off Contract under this Framework Agreement is **Competitive quotations (mini-competition)** among the pre-qualified bidders only under rule 16A of the PPRA Rules.

The procedure for the application of the procurement methods outlined under paragraph 1 above is the following.

### 1.1 Competitive quotations (mini-competition)

The Pakistan State Oil Company Limited (the “**Company**”) will prepare a Request for Quotation (“RFQ”) and invite all Pre-Qualified Bidders, having entered into a Framework Agreement with the Company that includes the Services to be procured under the Call-off contract, to submit their competitive quotations.

The RFQ will include:

- (a) the Services, to be delivered;
- (b) delivery location(s);
- (c) delivery date(s) or schedule;
- (d) quantity of LPG to be transported;
- (e) details of any inspections or tests that are additional to those described in the Framework Agreement;
- (f) the criteria to be applied to the evaluation of quotations;
- (g) deadline for submission of quotations;
- (h) reference the Call-off Contract Terms and Conditions, which would apply on the requisite Services;
- (i) request to Contractors to demonstrate that they continue to be eligible and qualified to provide the requisite Services;
- (j) quote to be offered by the Contractors to the Company for the required Services; and
- (k) Any other relevant information.

## 2. Formation of Call-off contract

The Company shall confirm that the selected Contractor continues to be qualified and eligible in accordance with Framework Agreement prior to the entry into force of the Call-off Contract. The Call-off Contract is formed when one of the following conditions are met depending on the method of selection used for the Secondary procurement.

## 2.1 **Competitive quotations through mini-competition using a Request for Quotation**

The Company shall issue a Letter of Award of Call-off contract to the Contractor who will offer the lowest price quote. submission of performance guarantee as specified in Call-off Contract by the Contractor, a Call-off Contract shall be executed between the Company and the Contractor.

## 3. **Communicating the award of Call-off Contract**

The Company shall, at the same time as awarding the contract, communicate the award of the Call-off Contract in the case of:

- a. Selection based on competitive quotations (through mini-competition) to all the Pre-Qualified Bidders invited to submit quotations.

The communication must be through SAP Ariba, and include the following information:

- b. the name and address of the successful Bidder;
- c. the quantity / volume of Services being procured as per RFQ
- d. the contract price.

## 4. **Complaint about award of Call-off Contract**

An aggrieved Pre-Qualified Bidder may complain about the decision to award a Call-off Contract. In this case the process for making a complaint is as follows:

- a. The complaint shall be made in writing to the Company by the quickest means available, e.g. email.
- b. PSO will respond through P&S department on the complaints within 5 working days.
- c. The receipt of a complaint shall not prohibit the award of the Call-off Contract, and no standstill period or pause in process shall apply.

## 5. **Contract Price:**

The Contractor shall submit the bid in the following manner:

**For Regular Supplies:** Financial bids shall be submitted by all pre-qualified Contractors, and Call-Off contract shall be executed with the Contractor offering the lowest price. The Initial period of Call-Off Contract from \_\_\_\_\_ and remain in force till \_\_\_\_\_.

**Urgent/Time Bound Supplies:** To meet the company's urgent/time-bound supply requirements, the contractor responsible for regular supplies will be called upon to uplift such urgent/time-bound supplies as the Company deems fit and proper. However, if the Contractor demonstrates an inability to fulfill this obligation, financial bids will be requested from all other pre-qualified Contractors, and the Call-Off Contract will be awarded to the Contractor offering the lowest price. PSO has the sole discretion to utilize any or all dedicated bidders from regular supplies to uplift the product in time-bound or urgent supplies subject to the terms and conditions as stipulated in the respective Call-off-Contract.

## 6. **Bid Security and Performance Guarantee:**

- Pre-Qualified bidder shall submit the Bid Security specified in the bidding documents RFQ (inclusive of all applicable taxes) in the form of Pay order, or Demand draft. The Pre-Qualified Bidder shall also mention the relevant details of the bid security including its number, date, issuer Bank's name and its expiry date in the commercial section of RFQ and said details of the instrument should match with the scanned copy of Pay order, or Demand draft attached in commercial section.
- Pre-Qualified bidder to submit the specified Bid Security Pay order / Demand draft / physically in tender box (marked as "Procurement" placed at Company's Registered Office Entrance, on or before the stipulated date & time as mentioned in RFQ.
- Bid Security should be properly enclosed in envelope with "Mini Competition number" clearly mentioned on it. In case the Bid Security is not submitted physically on time, then the bid shall stand rejected.
- If there is any amount short of the specified amount in Bid Security of the total bid amount (inclusive of all taxes), the bid shall be rejected.
- Once a bid is determined to be the lowest bid, the Contractor shall submit the performance guarantee to the Company in the form of Pay order, demand draft or Bank Guarantee in line with the Framework Agreement.

## 7. **Bid Security / Performance/Bank Guarantee Forfeiture**

- If the successful bidder fails to submit the performance guarantee within the stipulated time, the Company shall be entitled to forfeit the bid security of the Bidder and recall the Letter of Award.
- If the Contractor fail to provide the requisite Services within the stipulated time/date or request withdrawal from Framework Agreement or its modification of specification, the full value of the Bid Security and Performance guarantee, deposited by the Contractor shall be forfeited by the Company.
- If the Company observes any defects in the Services provided by the Contractor, it shall inform the Contractor and advise him to rectify the error within a period of ten (10) days. Should the Contractor fail to rectify such claim within given time, the Company shall be entitled to encash and forfeit the Performance guarantee without further notice to the Contractor.
- In case the Services performed by the Contractor are not satisfactory, the Company shall arrange the same Services through any other contractor /contractors at the cost and expense of the Contractor, and in case the Company is required to pay the more amount

for the procurement of said Services from the other contractor, the difference amount shall be recovered either from the freight bills of the Contractor or from the Performance Guarantee of the Contractor. In addition to the same, the Company may also impose penalty as defined in “Events of Default” which shall also be recovered in the same manner as mentioned herein above.

## 8. **Bidding Procedure & Instructions to Bidders:**

- Bidding procedure will be "single stage – single envelope”
- The Mini Competition will be opened from \_\_\_\_\_ pm onwards on \_\_\_-\_\_\_\_-2026 at tender room, 2nd floor, PSO House, Karachi.
- Bidders are invited to attend the Mini Competition opening via zoom link provided on the day tender opening scheduled. For any queries please contact Via SAP Ariba Message Boards.
- Quotation for Mini Competition will be called off when required by the Company.
- In case of non-participation in three (03) consecutive Mini Competition the bidder will be disqualified from Prequalification.
- The rates should be quoted on 'Net of discount' basis. Discount allowed on the total amount of bid before submission of bid and no post bid variation or any discount offer shall be considered. No negotiation in respect of bid shall be carried out except for clarifications in writing.
- Along with a final all-inclusive price excluding the provincial sales tax, the pre-qualified bidder shall provide a breakdown of its quoted rates showing clearly, amongst other price components, the amount and name of the tax and / or taxes in the quoted rates.
- Notwithstanding anything else contained herein, all rates quoted by the pre-qualified bidder shall be deemed to be all inclusive including but not limited to being inclusive of all taxes, levies, duties, transportation costs, infrastructure cess, license fees etc excluding the provincial sales tax.
- While quoting rate electronically in SAP Ariba, the pre-qualified bidder must fill “Rate” and “Taxes” very carefully. In case of any discrepancy in the rates and corresponding amounts, the “Rate” mentioned in the bid shall be considered as final and bid shall be processed accordingly.
- Rates must be quoted against line item wise as mentioned in RFP.
- As the quantities may vary (increase or decrease according to the job requirements), therefore, payment will be made as per actual Services rendered by the Contractor for the Company. However, part payment on part performance of Services is permissible.

- Any other terms and conditions given by the pre-qualified bidder will not be acceptable to the Company and offers consisting separate terms assigned by the pre-qualified bidder shall not be considered part of the bid, as only agreed Framework Agreement terms & conditions brings the bidder on a competitive bidding platform for the purpose of evaluation.
- Standard bid validity is 90 days including effective date of bid opening. However, the Company may seek further extension in bid validity in line with relevant laws due to any reason whatsoever.
- The pre-qualified bidder is essentially required to provide the correct and latest postal, email, web address, phone / mobile / fax numbers at the time of submitting the tender documents for effective and timely communication during the procurement process.
- The Company may ask for any further information and details at any time during evaluation period if required.
- As sufficient time is allowed for bid submission according to PPRA rules, therefore, bidders are requested to submit their bids accordingly and should not urge for extension.
- All queries relating to Framework Agreement / Call of Contract (if any) should be posted on SAP Ariba message board not later than 02 working days prior to bid opening date.
- The Company reserves the right that at any stage of the procurement proceedings, having credible reasons for or prima facie evidence of any defect in Contractor's capacities, may require the Contractor to provide information concerning its professional, technical, financial, legal or managerial competence and in that event, unless the Company is satisfied about the qualification and capacity of the Contractor, the Contractor shall not be considered further for procurement proceedings.
- The Company shall disqualify a Contractor if it finds, at any time, that the information submitted by him concerning his qualification as supplier or contractor was false and materially inaccurate or incomplete.
- If any SAP Ariba issue arises at the time of bid opening, then the bid shall be opened within next 48 hours.

## 9. **Consequence of failure to provide Services:**

- In case Contractor failed to provide requisite Services within stipulated conditions as defined in the agreement, penalty shall be imposed as per "Events of Default". In case the required amount is not available in the account of Contractor, the Company shall be entitled to encash the Performance Guarantee to the extent of requisite amount.
- Penalty wherever applicable shall be imposed as per "Events of Default"

- Note: Penalty/ liquidated damages may be waived in case of Force Majeure event, however, the Contractor will be required to furnish documentary proof thereof to the entire satisfaction of the Company.
- The Company may at any time at its sole discretion terminate this Framework Agreement with immediate effect without assigning any reason whatsoever.
- The Company may at any time at its sole discretion terminate this Framework Agreement upon (30) days written notice to the Contractor without assigning any reason whatsoever.
- During the Term of this Framework Agreement, if Services are found inappropriate (including delays due to any reason), the Company shall not be liable for any payment for inappropriate or incomplete Services.
- In case after the entry into force of the Call-off Contract, the Contractor fails to perform the Agreement in accordance with the terms and conditions of Framework Agreement or any other auxiliary document, the Company shall impose a penalty as defined in “Events of Default”.
- If Company has to acquire Services through alternate mode due to unsatisfactory performance of the Contractor at the cost & expense of other Contractor and in case the Company is required to pay the more amount for the procurement of such Services from the other contractor, the difference amount shall be recovered either from the pending bills of the Contractor or from the Performance Guarantee of the Contractor
- The Company reserves the right to cancel the Framework Agreement and/or Call-off Contract after serving three notices to the Contractor on non-compliance of the Framework Agreement and/or Call-off Contract, especially on quality and failure on timely delivery. Three notices shall be considered sufficient regardless of time interval between the notices.

Notwithstanding anything contained herein, in case of misappropriation of any quantity of LPG by the Contractor or his staff, the Company reserves the right to immediately terminate the Framework Agreement together with Call-off Contract and deduct the entire amount of misappropriated LPG including applicable taxes in addition to the amount of penalty as per this clause 9, from the pending bills and/or performance guarantee of the Contractor. The deduction of any amount from Contractor under this clause shall be in addition to the other remedies available to the Company under the law and the Agreement including but not limited to initiating any civil and criminal proceedings and blacklisting of the Contractor.