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ENERGY POLICY PROGRAM REFURBISHMENT & UP-GRADATION WORK AT MANGLA HYDROELECTRIC POWER STATION

VISIT REPORT – MAY 2014



May 2014

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ENERGY POLICY PROGRAM (EPP)

Refurbishment & Up-gradation of Mangla Hydro-electric Power Station

Visit Report – May 2014

Contract No: AID-EPP-I-00-03-00004

Order No: AID-391-TO-12-00002

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Acronyms

AEAI	Advanced Engineering Associates International
EPP	Energy Policy Program
FARA	Fixed Amount Reimbursable Agreement
GOP	Government of Pakistan
GM	General Manger
HPP	Hydro Power Project
MW	Megawatt, unit of electrical power, 1 million watts,
MOWP	Ministry of Water and Power
NBP	National Bank of Pakistan
O & M	Operations and Maintenance
OEM	Original Equipment Manufacturer
PIL	Project Implementation Letter
PO	Purchase Order
SBP	State Bank of Pakistan
USAID	United States Agency for International Development
USD	United States Dollar, \$
WAPDA	Water and Power Development Authority

Purpose of Visit

A visit to Mangla Power Station was conducted by EPP experts Mr. Talha Javed and Saleem Paracha in May 2014 and meetings were held between GM Mangla Raising and Chief Engineer/ Project Director Mangla Rehabilitation Project. During meetings discussions were held regarding the implementation and monitoring of the Mangla project and USAID reporting requirements as specified in the PIL, status of procurements of major equipment and discussions regarding the evaluation, monitoring and inspection of the Mangla Rehabilitation Works.

Project Progress

1. WAPDA Mangla received \$ 13 Million in their assignment account - NBP Islamabad on May 22, 2014. This is the first milestone disbursement as per payment schedule of the PIL.
2. Bid documents for the Turbines and Generators for unit # 5 & 6 were issued to the following four pre-qualified bidders;
 - Alstom Hydro, France.
 - Andritz Hydro, Germany.
 - Dongfang Electric Corporation, China.
 - Voith Hydro, Germany.

WAPDA extended the bid opening date of the Turbines/Generators from May 21, 2014 to June 30, 2014 upon the request of two bidders.

3. Upon recommendations of the Mangla Rehabilitation Project Consultants MWH-NESPAK, WAPDA approved the procurement of Power House Bridge Cranes Rehabilitation works from OEM - Hitachi, Japan. Subsequently bid documents were issued to Hitachi with bid submission date of May 30, 2014.
4. Bid documents for the procurement of Inlet Valves seals and other parts are ready for submission to the prequalified bidders.
5. Bid documents for the Balance of Plant for Electrical and Mechanical Works are under preparation by the MWH/NESPAK.

Critical Issues

1. Extension in the bid opening date of Turbines/ Generators will delay the overall completion of the Project and therefore completion date of Dec 2017, as specified in the PIL may not be achieved.

- WAPDA may expedite the posting of additional staff at Mangla Project Director Office as approved in the PC-1, so that PD office can efficiently and timely discharge their duties.

Annexure:

SBP Letter for the Confirmation of Amount to Mangla Account

FROM : FINANCE DEPARTMENT SBP KARACHI FAX NO. : 00922199212482 27 May 2014 17:17 P 1
In The Name of Allah, The Beneficent, The Merciful
STATE BANK OF PAKISTAN
 SBP BANKING SERVICES CORPORATION (BANK)
 KARACHI
 021-34534968
 General Department ICA Section
 May 22, 2014
 Attn: Mr. Shakil Ahmad
 74

BANKING DIVISION

NO.BKG-U-10 (ICA)/ 11434 /826-2014

The Executive Vice President,
 National Bank of Pakistan,
 Barter Trade, Govt Protocols & Revolving Fund Accounts Wing
 Overseas co-ordination & Management Group,
 13th Floor, Head Office,
 Karachi.

**U.S.DOLLAR REVOLVING FUND ACCOUNT US AID
 ASSISTANCE AGREEMENT -391-PEPA-ENR-MANGLA-00**

We invite a reference of our State Bank of Pakistan, endorsement No. FD/5781/IOAU-P7/2013 dated 15th August-2013 and have to advise that a sum of **Rs.1,279,991,700.00** (Rupees One billion two hundred Seventy nine million nine hundred ninety one thousand seven hundred only) equivalent of **US\$ 13,000,000.00 @ Rs.98.4609** per US Dollar has been received through Federal Reserve Bank of New York by order United States Agency for International Development (USAID) for Revolving Fund Assignment Account No. **PK89 NBPA 0341002200076252** Project Director, Refurbishment and up-grading of Mangla, Islamabad, maintained with your Hub branch, Islamabad under Assistance Agreement for the Implementation of Emergency Supplemental Funding (No.391).
 The executing agency may be asked to utilize the funds according to the procedure laid down in SBP letter referred to above.

Yours faithfully
 --Sd--
 (Muhammad Afzal)
 Asstt, Chief Manager
 Tel# 32455106= Fax# 99212434
 E-mail: Muhammad.Afzal23@sbp.org.pk
 Endst. NO.BKG-U-10 (ICA/ 11434 /826-2014 of date.

Copy forwarded for information to :-

- The Director, Finance Department, IOA Section, State Bank of Pakistan, Karachi with reference to his letter No. FD/3976/GFAU-995 - 2014 dated 22-05-2014.
- The Director, Accounts Department, SBP BSC Head Office, Karachi
- The Chief Manager, State Bank of Pakistan, SBP, BSC (Bank), Islamabad
- The Director of Accounts, Economic Affairs Division (Accounts Wing), Block "C" Pakistan Secretariat, Islamabad.
- The Deputy Secretary, Ministry of Finance (Budget Wing), Government of Pakistan, Islamabad.
- The Accountant General Pak.Revenues, Foreign Aid Section, G-8/4, Islamabad.
- The Accountant General Pak.Revenues, Sub Office, Nipa Chawrang, Karachi.
- Mr. Anwar Ali Bhatti, the World Bank, Shahrah-e-Jumhoriat, Islamabad.
- The Federal Treasury Officer, Jamil Chamber, Saddar, Karachi.
- The Manager, National Bank of Pakistan, Hub branch, Islamabad. He is advised to ask the beneficiary to utilize the fund as per procedure.
- Mr.Javed Akhtar, Chief Engineer and Project Director, Mangla Refurbishment and up-grading Project, Mangla, Mirpur, AJK.

P.Chief Manager

DAYO

L.I. Chundrigar Road, Post Box No. 4713, Karachi-74000, Pakistan

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