



# SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA

Ph: 02199216384  
Fax: 02199215733

No: PROC/SMBBIT/2022-23/661-A  
Dated: 29-May-2023

M/s. Pakistan Oxygen Limited,  
P.O. Box 4845 Dockyard Road, West Wharf,  
Karachi.

**SUBJECT:** Tender Reference # PROC/SMBBIT/(MG-01)/2023-24  
Tender Reference # PROC/SMBBIT/(LAR-MG-01)/2022-23 & 2023-24

This is with reference to subject matter cited above

We acknowledge the recent correspondence received from Pakistan Oxygen Limited regarding the challenges you face in maintaining the competitive rates for the supply of medical gases to SMBB Institute of Trauma Karachi & Emergency Response Centre Larkana. After careful consideration of the factors mentioned in your letter, we have come to a decision that aligns with the best interests of both our organizations.

We understand that the prevailing circumstances, such as the substantial inflation and particular government policies, have significantly impacted your operational costs. Moreover, the rising fuel prices have added further strain, making it difficult to continue supplying medical gases at the previously agreed-upon rates.

Upon reviewing the signed Terms & Condition between SMBB Institute of Trauma and Pakistan Oxygen Limited, we acknowledge that the circumstances you have described can be classified as **force majeure**. We recognize the adverse effects of inflation and the devaluation of the country's economy, which can have far-reaching implications for any business.

Considering the critical importance of the medical gases supplied by Pakistan Oxygen Limited, we believe it is crucial to maintain a strong and sustainable partnership with your esteemed organization. Taking into account the challenges you are currently facing, we accept your request for the cancellation of bids as per **Rule 40 Force Majeure -SPPRA**.

Thank you for your understanding and prompt attention to this matter.

**Dr. M. Yousuf Memon**

Consultant and Head of  
Interventional Radiology

MBBS, DMRD, FRCR, A, EDIR VIR

SMBB Institute of Trauma Karachi

**DR. YOUSUF MEMON**

Member - PC

HOD Interventional Radiology,

Shaheed Mohtarma Benazir Bhutto

Institute of Trauma, Karachi

**PROF. DR. SADQA AFTAB**

Chairperson - PC

HOD ICU & Anesthesiology Department,

SMBB Institute of Trauma, Karachi

Department Of Anesthesia & ICU

SMBB Institute Of Trauma

Dow University Of Health Sciences

**MR. MUHAMMAD IBRAHIM**

MEMON

Member - PC

Deputy Secretary (PM&I),

Health Department, Govt. of Sindh

**MR. HAMMAD HUSSAIN**

Manager Biomedical

Bio-Medical Engineer,

SMBB Institute of Trauma, Karachi

**PROF. DR. SHAHRIYAR GHAZANFAR**

Member - PC

Professor of Surgery,

Dow University of Health Sciences, Karachi

MRCS Ed, FCPS

Department of Surgery

Dow Medical College & Civil Hospital

Dow University of Health Sciences

Karachi.

**MR. MUHAMMAD FAHEEM**

Member - PC

Pharmacist,

SMBB Institute of Trauma, Karachi



Executive Director  
SMBB Institute of Trauma  
Karachi – 74200

May 27, 2023

**SUBJECT: Tender reference # PROC/SMBBIT/(MG-01)/2023-24**  
**Tender reference # PROC/SMBBIT/(LAR-MG-01)/2022-23 & 2023-24**

Dear Sir/ Madam,

Reference is made to the "Letter of Acceptance" no. PROC/SMBBIT/2022-23/589 dated 08.05.2023 from Shaheed Mohtarma Benazir Bhutto Institute of Trauma (SMBBIT), Karachi and "Letter of Acceptance" no. PROC/SMBBIT/2022-23/588 dated 08.05.2023 from SMBBIT, Larkana, requesting the **undersigned to confirm its willingness to supply medical gases** under the terms of Tender reference # PROC/SMBBIT/(MG-01)/2023-24 for "Supply Medical Gases on Rate Contract Basis" for SMBBIT, Karachi and Tender reference # PROC/SMBBIT/(LAR-MG-01)/2022-23 & 2023-24 for "Supply Medical Gases on Rate Contract Basis for Emergency Response Centre Larkana, from SMBBIT, Larkana.

Pakistan Oxygen Limited (POL) participated in the captioned tenders and submitted its bids on 20th March 2023. POL has at all times taken its commitments to institutes such SMBBIT, which impart valuable medical services to citizens from across Sindh, with seriousness and diligence.

However, POL, at this time is not in a position to extend our willingness to accept award, and **therefore regrettably cannot accept of the offers made by SMBBIT, Karachi and SMBBIT, Larkana vide the Letters of Acceptance dated 08.05.2023 for many reasons and some of which are detailed below.**

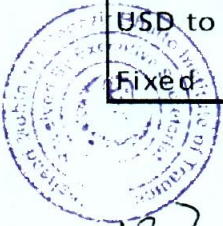
The prices quoted in the bids submitted were based on cost estimates/forecasts drawn largely from 2022. As you may be aware, inflationary pressures, and in particular government policy regarding cost of fuel, have gravely impacted our operational costs and has made it difficult for us to maintain the competitive rates we offered in our bid.

The table below highlights the increase in our operational costs on account inter alia of increase in the power tariff and fuel cost, devaluation of the Pakistan rupee and general inflation.

Cost factors			
Details	Apr-22	Current	Var
Power tariff PKR/ kWh (KE)	21.9	34.6	58%
CPI	164.5	224.4	36%
Fuel Charges-PKR/L	144.2	293.0	103%
USD to PKR rate	184.5	284.9	54%
Fixed	3.7	3.7	0%



571  
Inward  
May 29, 2023  
Date & Time



Inward  
132  
27/5/23  
Date & Time

**Pakistan Oxygen Limited**

P.O.Box 4845 Dockyard Road, West Wharf, Karachi - 74000

Phone: +9221 3231 3361-9 | Fax: +9221 3231 1809 | Email: info.pk@pakoxygen.com | Web: www.pakoxygen.com



In view of the above, the cost of production of medical gases incurred by POL has increased by approximately 100 %. POL, therefore, is no longer in a position to supply medical gases at the prices quoted in its bids.

We would like to emphasize that this was a difficult decision for us to make, and we understand the importance of the services we were bidding for. We hope that you can appreciate our situation and understand the reasons for our withdrawal.

POL regrets any inconvenience caused by the above stated circumstances, and accordingly, requests an opportunity to discuss and explore the possibility of a retender, pursuant to which revised and updated price estimates shall be submitted. However, we would also like to assure you that POL will continue its uninterrupted supplies till the finalization of the tender.

Once again, we would like to thank you for considering us for this tender and apologize for any inconvenience our withdrawal may cause.

Sincerely,

Thanks & Best Regards

  
Kailash Kumar

Regional Sales Manager

Pakistan Oxygen limited (Formely Linde Pakistan)

P.O. Box 4845, West Wharf, Karachi 74000, Pakistan.

Cell: 0301-8240612

[Kailash.Kumar@pakooxygen.com](mailto:Kailash.Kumar@pakooxygen.com), [www.pakooxygen.com](http://www.pakooxygen.com)

