



No. PPRA/AP-14/2026
Government of Pakistan
Public Procurement Regulatory Authority
(Appeal & Review Petition Secretariat)
1st Floor, FBC Building, G-5/2, Islamabad
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ORDER

M/s Zari Underground Construction Services

...the "Appellant"

Vs.

Sui Northern Gas Pipelines Limited, etc.

...the "Respondents"


Date of Hearing 26.03.2026	Mr. Jameel Hussain Qureshi (Advocate/Counsel), Mr. Muhammad Sajjal Ahmad, Mr. Abdullah Momin, Mr. Abdul Ahad (On behalf of Appellant) Mr. Ahmad Ejaz Yousaf (Counsel), Mr. Farhan Mahboob, Mr. Rafaqat Ali (On behalf of Respondent i.e., SNGPL)
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APPEAL UNDER RULE 48(7) OF THE PUBLIC PROCUREMENT RULES,


The Authority received an Appeal filed by M/s Zari Underground Construction Services, through its Partner/CEO Muhammad Sajjad "the Appellant" on 12.02.2026 under Rule 48(7) of the Public Procurement Rules, 2004. The Authority on receipt of the Appeal issued notices to M/s Zari Underground Construction Services, Rawalpindi ("Appellant"); Sui Northern Gas Pipelines Limited, through its Managing Director, Lahore; Sui Northern Gas Pipelines Limited, through its Grievance Redressal

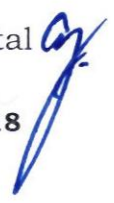
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 Committee, Lahore (the “Respondents”), wherein it was directed to appear in person or through their nominated representatives or Counsel before the Authority on 26.03.2026 before the Appellate Committee in the Committee Room of Public Procurement Regulatory Authority (PPRA).

2. On the said date of hearing (26.03.2026), the representatives of the parties, i.e. M/s Zari Underground Construction Services “Appellant”; Sui Northern Gas Pipelines Limited, through its Managing Director, Lahore; Sui Northern Gas Pipelines Limited, through its Grievance Redressal Committee, Lahore (the “Respondents”) appeared before the Committee and presented their arguments at length. The Respondents provided written arguments to the Committee.

 3. In Compliance with the notices issued (i) Mr. Muhammad Sajjal Ahmad, Mr. Abdullah Momin, Mr. Abdul Ahad, Mr. Jameel Hussain Qureshi (Advocate/Counsel) appeared on behalf of M/s Zari Underground Construction Services; Mr, Ahmad Ejaz Yousaf; Mr. Farhan Mahboob; Mr. Razaqat Ali appeared on behalf of Sui Northern Gas Pipelines Limited on the said date of hearing and the subject Appeal was heard at length.

4. The representative of the Appellant submitted that the Appellant is a Partnership firm committed to provide underground construction services including but not limited to Horizontal 

Directional Drilling (HDD) to avoid major excavation works especially across Roads, Railway Lines, Rivers, Nullahs etc. Whereas, the Respondent No. 1 and 2 are public functionaries bestowed upon functions and duties of substantial importance under the law. Further submitted that the Respondent No. 1 published "Invitation for Bid" on 18-12-2025, for the construction of 18" DIA X 84.8 KM Transmission Pipeline Segment (Loop line) from F-3 Daud Khel to FC-1 Dhullian Project, Pipeline laying Horizontal Directional Drilling (HDD) at Soan River in Punjab Province, for a bid Security of Rupees 0.5 million with a completion period of 90 days and based on Single Stage Two Envelope procedure. Further added that the Bid submission deadline for the Tender Enquiry No. SNGPL/NP&D/HDD/TL/01/25-07 was 08-01-2026, and the technical bid was scheduled to be opened on the same date. The Appellant has been providing HDD services to SNGPL for last two decades and has successfully completed more than 90% of SNGPL HDD jobs.

5. The representative of the Appellant further submitted that prior to submission date, i.e., on 03-01-2026, the Appellant filed written complaint / grievance against arbitrary, restrictive, and practically infeasible eligibility criteria specified in the bidding documents, before the Grievance Redressal Committee / Respondent No. 02, however, the Respondent did not even bother to respond to the same. Further submitted that the Respondent

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No. 01 has published / issued the following three tenders all of which prescribe an identical eligibility condition requiring the ownership of an HDD machine with a minimum pulling capacity of 300 tons:-

Sr. No.	Tender Inquiry	Pipeline Diameter	Length
01	SNGPL/NP&D/HDD/TL/01/25-03	12 inches	1265 meters
02	SNGPL/NP&D/HDD/TL/01/25-04	12 inches	220 meters
03	SNGPL/NP&D/HDD/TL/01/25-07	12 inches	725 meters

6. The imposition of a uniform requirement mandating the use of an HDD machine with a minimum pulling capacity of 300 tons for all the aforementioned projects does not appear to be technically or commercially justified, particularly in view of varying pipeline diameters and bore lengths involved. The Appellant further highlighted that established engineering and industrial practices require that the selection of an HDD machine be based on specific project parameters, including but not limited to bore length, pipe diameter, prevailing soil conditions and the actual pullback force required. Such projects can be completed more safely with a HDD machine having a lower pulling capacity, which is technically sufficient and commonly utilised for such scopes of work.

7. The representative of the Appellant contended that the imposition of an excessively high and uniform capacity requirement indicates a lack of proper technical assessment in

determining the suitability HDD Rig for each individual project. This approach not only leads to a necessary escalation in project costs but also restricts fair competition by excluding capable contractors who possess appropriately sized equipment suitable for the actual project requirement. Such restrictive and practically infeasible criteria adversely affect transparency, competitiveness, and value for money, which are fundamental principles of public procurement. Further added that the Appellant has completed various projects of bigger length with the machine having lower pulling capacity, that too safely. Further added that subsequently, the Respondent No. 1 extended the bid submission date till 26-01-2026, but the grievance remained unanswered. The Appellant again filed grievance on 16-01-2026, raising the same points as mentioned in previous grievance. The Appellant gave several reminders to the Respondent No. 2, thereafter, was called for personal hearing on 02-02-2026. In the said hearing, the representative of Respondent No. 1, i.e., GM (NP&D) acknowledged that a 200-tons pulling capacity rig is sufficient for the installation of the captioned pipeline lengths. The Appellant was asked to provide the detailed technical evaluation, to which the Appellant duly submitted the report.

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8. The representative of the Appellant contended that despite the acknowledgement made by the representative of the Respondent No. 1, and practically and technically feasible criteria

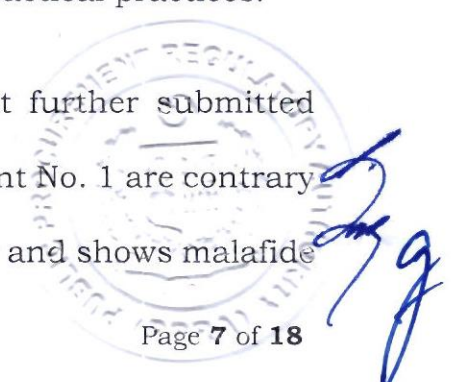
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as per established engineering practice, and report submitted by the Appellant, the Respondent No. 2 has passed a non-speaking order on 11-02-2026, upload on E-PADS. Further added that the Appellant previously filed complaint / grievance against eligibility parameters and evaluation criteria in the tender inquiry SNGPL/NP&D/HDD/TL/01/25-01 and SNGPL/NP&D/HDD/TL/01/25-02, however, the same could not be redressed by the Respondents, which is a sheer violation of the PPRA Rules, 2004. An Appeal was also filed before PPRA, and during the proceedings, the Respondents stated that the project is being delayed due to the proceedings before PPRA, however, the work on same could not commence till date. It further validates that the qualifications and requirements specified are not practically feasible. Further added that the malafide of the Respondent No. 1 is also evident from its actions where it has specified a particular capacity machine for all projects irrespective of the diameter and length of pipe. Wherein the same individual / firms are awarded the projects, thereby, deducing the fair competition. For instant in SNGPL/NP&D/HDD/TL/01/25-01 and SNGPL/NP&D/HDD/TL/01/25-02 only one bidder was declared responsive in technical evaluation report for both bids, as a result, respondent No. 1 proceeded to accept this sole bidder in the final evaluation report dated 28-02-2025. The impugned letters order dated 11-02-2026 is patently and ex-facie illegal.

9. The representative of the Appellant further contended that the GRC/Respondent No. 2 has not given any consideration to the technical issues raised by the Appellant. The GRC/Respondent No. 2 was obliged under rule 48 to decide the complaint filed by the Appellant against the eligibility parameters, evaluation criteria and other terms and conditions prescribed in the bidding documents well before the proposal submission deadline. But the GRC has failed to adequately address the grievance of Appellant which is in express violation of the paramount duty bestowed upon the GRC/Respondent No. 2 under PPRA Rules, and has passed a non-speaking and arbitrary order on 11-02-2026, uploaded on E-PADS. Further argued that Respondent No. 1 has failed to take into account the Appellant's extensive experience, having served Respondent No. 1 for the past two decades in the field of HDD and successfully completing over 90% of SNGPL HDD projects. Further submitted that the project would be executed safely with a HDD machine having lower pulling capacity, instead of the machine specified in the bidding documents, which is practically unfeasible. The Appellant requested that requirement under Clause 2.4 (ii) needs to be revised, as acceptable to the technical and practical practices.

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10. The representative of the Appellant further submitted that the actions undertaken by the Respondent No. 1 are contrary to the principle of open competition/ fair play and shows malafide



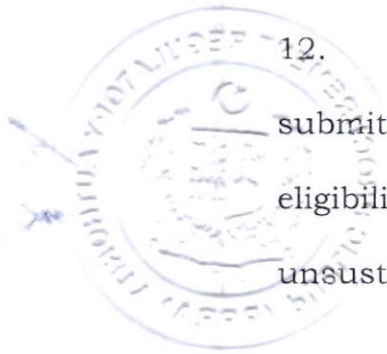


on part of Respondent No. 1. Further submitted that the eligibility parameters and evaluation criteria given in the bidding documents is practically infeasible, and is a deliberate and malafide attempt to reduce fair competition, by imposing restrictive criteria. There would be a burden on public exchequer as fewer contractors would participate in the bidding process. The impugned order is in violation of the well-established legal principles of procurement.

11. The representative of the Respondent (SNGPL) submitted that the present appeal is misconceived and devoid of substance. The Appellant has not specifically, at any stage, called into question the eligibility parameters prescribed in the bidding documents pertaining to Tender No. SNGPL/NP&D/HDD/TL/01/25-07, nor has the Appellant demonstrated in any manner that the said parameters are arbitrary, discriminatory, or otherwise unjustified. The only grievance articulated by the Appellant is that the requirement of a standard machine cannot be specified for three different tenders. Such a contention, by itself, does not render the eligibility criteria prescribed for the tender unlawful or unreasonable.



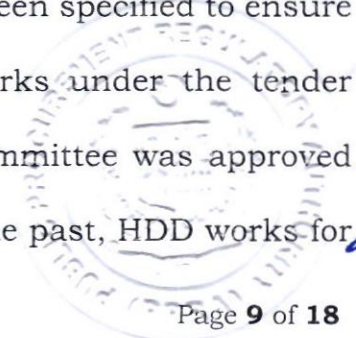
12. The representative of the Respondent (SNGPL) further submitted that the Appellant has failed to specify as to how the eligibility parameters for the tender are technically or legally unsustainable. A mere comparison with the requirements of other



tenders cannot, by any stretch of imagination, establish that the specifications or requirements of this particular tender are unjustified. Each tender inquiry is issued to meet distinct operational and technical requirements and must be evaluated on its own merits. In the absence of any specific challenge to the legality or rational basis of the prescribed criteria, the present appeal is vague, speculative, and liable to be dismissed. Further submitted that the Appellant did not participate in the tender No SNGPL/NP&D/HDD/TL/01/25-07. Two bidders participated in the bidding process, and both are possessing 300 tons capacity machine. Both were technically responsive/qualified, and a work order was placed to the financial lowest bidder in accordance with PPRA rules.

13. The representative of the Respondent (SNGPL) submitted that the Company has determined the technical requirements based on the evaluation report of the committee, considering engineering design calculations, safety considerations, and execution risk assessment for HDD works. As per the assessment, the required safe pulling load is far above 200 tons. Considering the machine efficiency and its safety margin, an HDD machine of a minimum 300-ton pulling capacity has been specified to ensure safe and successful execution of the works under the tender enquiries. The recommendation of the committee was approved by the HOD. Further highlighted that in the past, HDD works for

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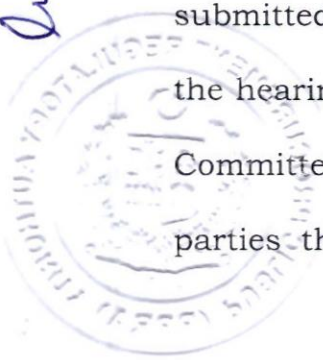


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pipe diameters ranging from 10 to 36" have been successfully executed using HDD rigs with a minimum pulling capacity of 300 tons. Furthermore, during past HDD work, we had experienced that the pipeline got stuck during HDD operation. For such instances, a larger pulling capacity of the machine is required to meet up to the specific minimum yield strength of the pipeline to release the stuck pipeline. Therefore, an HDD machine with maximum pulling capacity as per pipeline strength is required for this situation.

14. The representative of the Respondent further contended that HDD rig capacity selection is not merely based on pipeline diameter, but pipeline grade/strength, wall thickness etc plays vital role in the selection of HDD rig capacity. Further argued that during the execution of HDD in the year 2016, under tender enquiry No. SNGPL/HDD/TL/05/15-03, which was awarded to the appellant, the pipeline reamer got stuck due to the low capacity of the machine. For this case, SNGPL had to cancel the work order and the work was awarded to another HDD contractor through re-tendering, having high-capacity HDD machine to complete the job, which consequently delayed the project. Further submitted, based on the facts and submissions presented during the hearings held on 19.01.2026 and 02.02.2026, the Grievance Committee of the SNGPL passed an order after hearing both parties that the aggrieved bidder does not have merit in the

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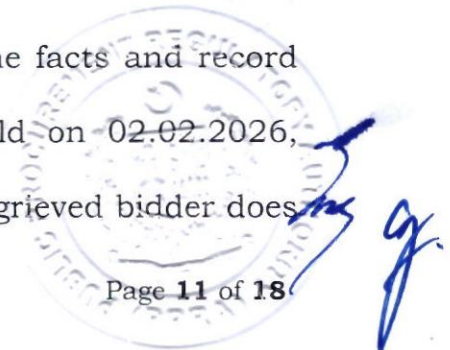


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grievance raised against the subject tender enquiry. The Committee further directed that the bidder/party shall comply with the tender specifications. The said decision of the Grievance Committee of SNGPL was subsequently uploaded on EPADS on 11.02.2026. The appellant previously had filed a grievance petition and an appeal before PPRA regarding the stated tender enquiries, on the same grounds. The complaint was dismissed by PPRA in June 2025 (PPRA/AP-08/2025) after affording an opportunity of hearing to the parties, whereby PPRA upheld the technical specifications prescribed by SNGPL. Further submitted that HDD works have been awarded to a successful contractor after competitive bidding as per the PPRA rule. The Appellant's request has no technical, legal or factual basis, therefore, the same cannot be acceded to.

15. The representative of the Respondent further submitted that the Appellant was called vide reference No.GRC-42 dated 16.01.2026 and GRC-42 dated 30.01.2026 to appear before the Grievance Committee for a hearing scheduled on 19.01.2026 and 02.02.2026, respectively. The Appellant was afforded full opportunity to present his stance and submit relevant arguments in support of his grievance. The Grievance Committee of SNGPL, after hearing the Appellant and examining the facts and record placed before it during the proceedings held on 02.02.2026, concluded that the grievance raised by the aggrieved bidder does

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not hold merit with respect to the subject tender enquiry. Accordingly, it was decided that the bidder/party is required to comply with the tender specifications. Further averred that the decision of the Grievance Committee was subsequently uploaded on EPADS on 11.02.2026 for information and record. Given the above submissions, the Respondent submitted that the subject HDD work is required be undertaken on an immediate basis to ensure the timely commissioning of the 18-inch diameter transmission gas pipeline. This is necessary to facilitate the intake of additional gas from northern sources within the stipulated timeframe of April 2026. The urgency of this matter is further heightened by the prevailing Iran-USA conflict, which has adversely impacted LNG imports. In this context, the optimal utilisation of indigenous gas resources has become critically important to ensure national energy security. The Authority has already dismissed the appeal filed by the appellant on similar grounds. The appellant has consistently demonstrated a pattern of raising unwarranted and extraneous objections, which appear to be aimed at delaying the process and impeding the timely execution of this critical project.

16. The Respondent, Sui Northern Gas Pipelines Limited, submitted that the background of the subject procurement pertains to the Company's plan to install an 18-inch diameter, 84.8 km high-pressure transmission pipeline extending from

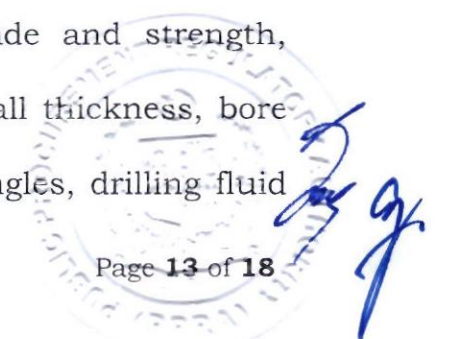
Daud Khel (F-3) to Dhullian (FC-1), for the purpose of transporting additional gas from newly discovered northern gas sources.

17. It was further stated that the proposed pipeline alignment includes a critical crossing over the Soan River, having an approximate length of 725 meters, which is required to be executed through the Horizontal Directional Drilling (HDD) technique.

18. In this regard, the Company intends to procure the services of qualified contractors, firms, companies, or joint ventures possessing demonstrable expertise and experience in HDD works, to ensure efficient and compliant execution of the project.

19. For the purpose of determining the requisite capacity of the HDD machine/rig, the Company has undertaken detailed engineering design assessments, including but not limited to evaluation of bore stability risks, potential bore collapse, and the maximum allowable pullback force applicable to the 18-inch diameter pipeline without compromising its structural integrity. Such assessment encompasses relevant technical parameters, including line pipe characteristics, pipe grade and strength, Specified Minimum Yield Strength (SMYS), wall thickness, bore profile, frictional resistance, entry and exit angles, drilling fluid

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conditions, crossing length, elevation differentials, operational contingencies, and associated execution risks etc.

20. Based on the foregoing engineering analysis and past project experience, the design pull requirement has been determined, indicating a safe design pull load of approximately 280 tons. Consequently, the Company has reasonably assessed and specified that an HDD machine/rig with a minimum capacity of 300 tons is necessary to ensure safe, efficient, and successful execution of the HDD works under the subject procurement process, in line with principles of transparency, competition, and value for money as envisaged under the Public Procurement Rules.

21. The Appellate Committee, constituted under Rule 48 of the Public Procurement Rules, 2004, has heard the learned representatives of the Appellant and the Respondent Procuring Agency (SNGPL) at length and has carefully examined the record, including the grievance petitions, proceedings of the Grievance Redressal Committee (GRC), bidding documents, and all material placed before it.

22. In terms of Rules 29 & 30 of the Public Procurement Rules, 2004, which is reproduced as under:

29. Evaluation criteria: -

Procuring agencies shall formulate an appropriate evaluation criterion listing all the relevant information



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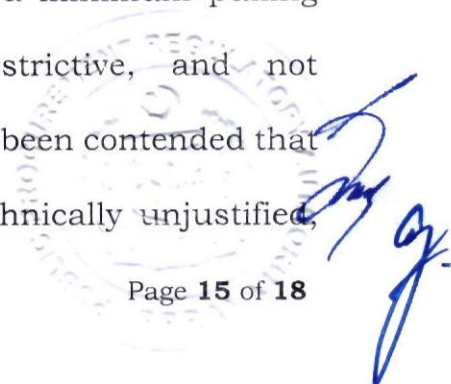
against which a bid is to be evaluated. Such evaluation criteria shall form an integral part of the bidding documents. Failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.

30. Evaluation of bids. -

(1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding documents. Save as provided for in sub-clause (iv) of clause (c) of rule 36 no evaluation criteria shall be used for evaluation of bids that had not been specified in the bidding documents.

23. It is pertinent to mention that no deviation from the specifications, terms and conditions specified in the bidding documents & evaluation criteria is permissible. The procuring agency may proceed strictly in accordance with terms and conditions set forth in the bidding documents. All participants in the bidding process are bound by the terms and conditions of tender documents and cannot go beyond the purview and ambit of the tender documents.

24. The Appellant, a firm engaged in Horizontal Directional Drilling (HDD) services, has challenged the eligibility criteria prescribed in the bidding documents for Tender No. SNGPL/NP&D/HDD/TL/01/25-07, primarily on the ground that the requirement of an HDD machine with a minimum pulling capacity of 300 tons is arbitrary, restrictive, and not commensurate with the scope of work. It has been contended that such requirement limits competition, is technically unjustified,



and is contrary to the principles of fair competition and value for money under the Public Procurement Rules, 2004. The Appellant has also raised objections regarding the alleged non-speaking order of the GRC and non-consideration of its technical submissions.

25. Conversely, the Respondent Procuring Agency has submitted that the eligibility criteria and technical specifications were determined on the basis of detailed engineering design calculations, safety considerations, and execution risk assessment specific to the project. It has been contended that the requirement of a minimum 300-ton HDD machine is justified in light of the assessed pullback force, pipeline specifications, and operational contingencies. The Respondent has further submitted that the Appellant neither substantiated any illegality in the prescribed criteria nor participated in the bidding process. It has also been stated that two bidders participated, both were found technically responsive in accordance with the bidding documents, and the contract was awarded to the lowest evaluated bidder strictly in accordance with the Public Procurement Rules, 2004.

26. The Committee observes that, in terms of Rule 29 and Rule 30 of the Public Procurement Rules, 2004, procuring agencies are mandated to clearly define evaluation criteria in the bidding documents and to evaluate bids strictly in accordance with such criteria, without any deviation. The evaluation criteria,