



Appeal No. PPRA/AP-05/2025
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 Sher Awan & Company

...the "Appellant"

Vs.

Capital Development Authority (CDA)

...the "Respondent"

Dates of Hearings	
07.05.2025	Mr. Aamir Nadeem Tabish (Advocate), Shaikh Azeem Shams (Advocate), Mr. Muhammad Sher Awan (On behalf of Appellant)
15.04.2025	
25.02.2025	
	Mr. Habibullah Shaikh (DG Services), Mr. Fayaz Ahmed (DD), Mr. Mehraj Tareen (Add. Legal Advisor) (On behalf of Respondent)

APPEAL UNDER RULE 48(7) OF THE PUBLIC PROCUREMENT RULES, 2004

The above mentioned learned counsels and representatives of the parties tendered appearance before the Appellate Committee and furnished their arguments at length.

2. At the outset of the hearing, learned counsel of the appellant i.e., M/s Sher Awan & Company submitted that the Capital Development Authority, Parliament Lodges & Hostel Directorate (CDA / the Respondent), invited bids for "Provision of New Foam Mattresses in Different Suits at Parliament

Lodges, Islamabad” through a tender advertisement. A total of 46 tenders were issued, including tender at serial no. 15, which is the subject of this appeal. The total tender cost for serial no. 15 was Rs.22,496,000/- requiring a Call Deposit Receipt (CDR) of Rs.374,980/- as per the advertisement.

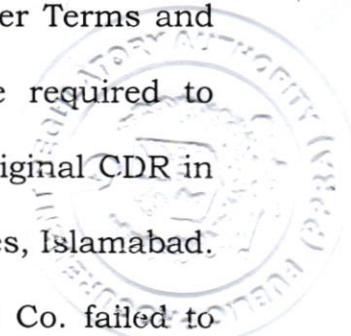
3. The counsel of the appellant also submitted that they submitted a bid for the tender serial No.15, along with a CDR of Rs.380,000 (CDR No. 00405551, dated 16.12.2024) issued by Habib Bank Limited. The bid was submitted before the deadline of 17.12.2024, in compliance with the tender requirements. The tender was originally scheduled to be opened on 26.12.2024 at 12:00 PM, however, the Respondent No. 4 of the respondent Authority delayed the opening until approximately 04:30 PM. Upon opening, the appellant’s bid was found to be 79.5% below the estimated cost, making it the lowest and most competitive bid in accordance with procurement laws and rules. Consequently, the appellant had legally won the tender. It is very relevant to mention here that the appellant filed an application through his counsel on 08.05.2025 for correction of the word “below” mentioned in the said paragraph i.e., para No.5 of the Appeal. The counsel of the appellant submitted that the word “below” is a typographical mistake made unintentionally at the time of drafting the instant appeal, therefore, they requested that the word “below” may be substituted with the word “above” in the paragraph no. 5 of the subject appeal.

4. The counsel of the appellant further submitted that the Respondent arbitrarily refused to issue the work order and instead objected that the appellant's CDR was not submitted, which is an incorrect and misleading assertion. Further added that, if the CDR was allegedly missing, the question arises why was the appellant's bid even opened? This demonstrates the unjustified and unlawful actions of the Respondents.

5. The counsel of the appellant also submitted that, being aggrieved by this act / decision of the respondent, the Appellant filed a complaint before the Grievance Redressal Committee (GRC) under the Public Procurement Rules, 2004. However, despite the passage of time, the appellant's complaint has not been entertained, hence, filed this appeal.

6. On the other side, learned counsel of the respondent i.e., Capital Development Authority (CDA) denied all the assertions made by the counsel of the appellant and submitted that the respondent invited Bids for "Provision of new Foam Mattresses in Different Suites at Parliament Lodges, Islamabad" through tender advertisement. As per Terms and Condition No.iv, the prospective bidders were required to upload bid security / CDR beside submitting original CDR in the office of Dy. Director (Civil) Parliament Lodges, Islamabad. The Bidder / appellant i.e., M/s Sher Awan & Co. failed to submit original CDR in the office of Dy. Director (Civil), Parliament Lodges, Islamabad.

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7. The counsel of the respondent also submitted that the bids were opened on the same date but due to some technical reasons, the opening of tenders was bit delayed. Further added that, the appellant has concealed the facts rather has mis-led the Appellate Committee regarding quoted bid. Moreover, the appellant has mentioned that he has quoted rate of 79.5% below the estimated cost and he has also furnished affidavit that the contents are true. The counsel of the respondent further added that CDA has no objection and will award him contract if stands on this mentioned rate subject to provision of Surety Bond in shape of Bank guarantee or CDR.

8. At the last, the counsel of the respondent further submitted that, the appellant did not provide CDR as per tender terms and conditions. Therefore, the Bid was not entertained and declared as Non-Responsive, hence requested for dismissal of the instant appeal.

9. After perusal of all available record and arguments made by both the parties, the Appellate Committee ("the Committee") observed that as per the stance of the appellant they submitted a bid for Tender at Serial No.15, along with a bid security / CDR of Rs.380,000 (CDR No. 00405551, dated 16.12.2024 issued by Habib Bank Limited and the same was uploaded through EPADS. However, it is very relevant to mention that as per the statement of the appellant, the original

bid security in the form of CDR was submitted to the respondent and they did not provide / issue any receipt in this regard.

10. As per the Rule 25 "Bid Security" of the Public Procurement Rules, 2004, "*the procuring agency may require the bidders to furnish a fixed amount of bid security not exceeding five percent of the estimated value of procurement determined by the procuring agency.*" It is very relevant to mention that the purpose of furnishing of bid security is only, to invite serious bidders in the bidding process.

11. During the course of arguments, the Committee also observed that the stance of the appellant is that they submitted original CDR as a bid security to the respondent but the respondent denied the same and no documentary proof was provided from both sides in order to support their stance. It is very relevant to mention that the representative of the appellant apprised the Committee that the respondent has the customary practice not to provide or give receipt of the submission of the CDR to any bidder at the time of the submission of the bid.

12. The Committee further observed that it is an undisputed fact that the bid was opened on 26.12.2024 at 04:30 pm including the appellant's bid. Therefore, the Committee is of the view that, if the appellant had not submitted his bid security in the form of original CDR to the

respondent as per the tender terms and conditions, then why the respondent opened his bid contrary to the spirit of Rule 25 of the Public Procurement Rules, 2004. If the bid was truly non-compliant due to absence of original CDR, it should not have been opened. The act of opening the bid implies preliminary acceptance of its validity.

13. Further, the Committee is of the view that the correction of the typographical error regarding the bid price ("79.5% below" corrected to as "79.5% above") has been properly addressed and *allowed* as requested by the Appellant through an application dated 08.05.2025, which the Committee finds reasonable and justified.

14. After hearing arguments from both parties and examining the available record, the Appellate Committee observed that the main dispute revolves around the alleged non-submission of the original Call Deposit Receipt (CDR) by the appellant, M/s Sher Awan & Co., for Tender Serial No. 15. While the appellant claims to have submitted the original CDR, and the respondent (CDA) denied of receiving it, and no documentary proof has been produced by either side. Furthermore, during the hearing, the Committee noticed the statement and undertaking given by the counsel and representative of the respondent (CDA), wherein they admitted certain anomalies / irregularities in the procurement process called in question and expressed their willingness to annul the process and initiate a fresh tender.

15. Therefore, the Committee is of the view that the respondent is at liberty to proceed in accordance with Public Procurement Rules, 2004 in true letter and spirit by ensuring transparency, fairness, efficiency and value for money. Hence, the appeal in hand is hereby **disposed of** accordingly.


(Dr. Muhammad Aslam Waseem)
Director General (Legal)
(Member)


(Sheikh Afzaal Raza)
Director (M&E)
(Member)


(Hasnat Ahmed Qureshi)
Managing Director (PPRA)
(Chairman of the Committee)

Each page of the order has been signed by all members of the Appellate Committee. The order comprises of seven (07) pages.

