



No. PPRA/AP-32/2025
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 Authentik

...the "Appellant"

Vs.

Pakistan State Oil Company Limited (PSO)

...the "Respondent(s)"

<u>Date of Hearing</u> 18.09.2025	Mr. Haseebuddin (Chief Technology Officer), Mr. Tanveer Ahmed (Manager Technical) <p style="text-align: right;">(On behalf of Appellant)</p> Mr. Waleed Ahmed (Senior Manager Legal), Mr. Muhammad Adnan (DGM P&S), Mr. Farooq M. Khan (BP – Procurement) <p style="text-align: right;">(On behalf of Respondent)</p>
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APPEAL UNDER RULE 48(7) OF THE PUBLIC PROCUREMENT RULES, 2004

The above mentioned learned counsel(s) and representative(s) of the parties tendered appearance before the Appellate Committee and furnished their arguments at length.

2. At the outset, learned representative of the appellant i.e., M/s Authentik submitted that, on 16.02.2025, PSO (the respondent) issued Tender #18589, to which the appellant

participated in the first stage and the appellant submitted both the physical / hard and online proposals via SAP Ariba before the deadline. The respondent (PSO) set the submission timelines for Stage 2, with the deadline specified as on 17.07.2025 at 02:15 PM. Moreover, the physical / hard submission was made by the appellant's representative Mr. Talha Baig who verified the submission through PSO's own entry log record and the original proposal is still in PSO's possession.

3. The representative of the appellant also submitted that the appellant completed the online submission within the required timeframe. This submission was acknowledged by the respondent (PSO) at exactly 2:15 PM, with an automated confirmation email stating "Thank you for participating in the Ariba Event Doc 288719065". However, in a contradictory response, at 2:16 PM, PSO official Mr. Faheem confirmed that the status in the system would automatically update, but the status did not reflect as expected.

4. The representative of the appellant further submitted that, despite meeting all tender requirements, the appellant's firm was inaccurately marked as a "non-participant" during the tender opening. This decision directly contradicted the acknowledgment of the timely submission provided earlier by the respondent. This wrongful classification led the appellant

Talha Baig



Talha Baig

to file a formal grievance with PSO's Grievance Redressal Committee (GRC) on 18.07.2025.

5. The representative of the appellant further added that, on 24.07.2025, the respondent's GRC issued a decision rejecting the grievance. The GRC asserted that "the bid was not received in SAP Fiori system within the prescribed timeline." This decision contradicted the earlier acknowledgment and the time stamped proof of the timely submission provided by the appellant. The GRC's failure to properly reconcile the SAP Ariba logs with the appellant's documented evidence further compounded the confusion.

6. At the last, the representative of the appellant also submitted that they firmly contests this decision, providing irrefutable evidence of the timely submission via SAP Ariba, including time stamped screenshots and system confirmation records which the respondent failed to properly acknowledge or address in their response, hence being aggrieved, filed the instant appeal.

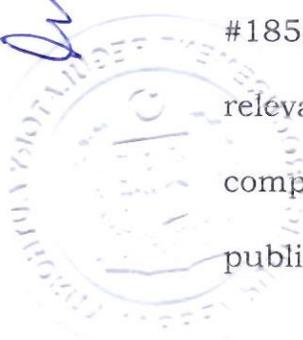
7. On the other side, learned counsel of the respondent i.e., Pakistan State Oil Company Limited (PSO) submitted that their company is the Pakistan's largest fuel marketing company which has always valued its long-standing relationship with its distributors, customers and service providers across Pakistan. The respondent's company are dedicated to fulfilling their obligations in compliance with the

applicable law of the land as well as terms and conditions of our legal binding contracts, policies and Standard Operating Procedures (SOPs) PSO's Procurement & Services (P&S) department is committed to procuring high quality materials and services at the most economic costs through competitive bidding and a legally compliant transparent process.

8. The counsel of the respondent also submitted that our company aspire to optimize opportunities to partner with the quality-conscious and value-driven supply base in establishing mutually beneficial business relationships. In pursuit of automation and aligning all key processes in line with state-of-the-art systems and practices, the respondent department has adopted SAP Ariba, a dynamic, digital market place where millions of buyers and suppliers interact in over 190 countries. The respondent aims to improve the efficiency of its procurement process by not only allowing a greater number of vendors to conveniently access PSO tenders online but also reducing turnaround procurement cycle time and improving cost effectiveness.

9. The counsel of the respondent further submitted that the procurement and bidding process in relation to the Tender #18589 issued by the respondent is fully compliant with the relevant provisions of the PP Rules 2004, as amended by the competent authority. The appellant has failed to meet the pre published, objective criteria in relation to the Tender and could

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not observe the procedural requirements, hence the relief sought by the appellant is inadmissible and liable to be dismissed based on legal and factual grounds.

10. The counsel of the respondent further added that the respondent department adopted "Two Stage" bidding procedure as per Rule 36(c) of PP Rules, 2004 in order to formulate the scope of the project titled "Track and Trace for lubricants for the year 2025. In order to respond to the tender advertisement fifteen (15) companies collected the bid documents out of which six (06) parties participated in Stage One proceedings by submitting their technical proposals. Hence, it is factually incorrect that the appellant / M/s Authentik is the only one who engaged in developing the scope.

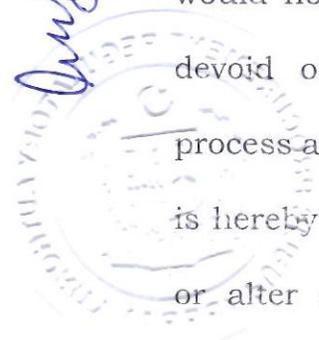
11. The counsel of the respondent also submitted that as per the Tender requirement "Bids should be submitted electronically on SAP Ariba Discovery network, no email or physical bid will be accepted". The deadline for submission of bid was 17.07.2025 at 2:15 PM and the same was not met by the Appellant. The respondent never entertains physical bid submission after transitioning to the SAP Ariba digital procurement platform since 2021 and the same is also mentioned in the standard bidding documents.

12. The representative of the respondent further added that the SAP Ariba auto generated email addressed only to the vendors who did not submit their proposal within the given

deadline of 2.15pm 17.07.2025, for Tender "LC-18589-FI". In response to the Appellant's claim, it is noteworthy that SAP Ariba is a cloud-based software used for procurement based on international best procurement practices where any customer, even the respondent itself cannot alter, modify or edit an event log. Therefore, perusal of the SAP Ariba audit trail log clearly established that the bid was never "submitted" by the appellant online as per the clearly specified SAP Ariba procedure. Resultantly, the appellant's participation status was indicating the status "Intend to participate" in the SAP Ariba system witnessed by the Tender opening team of PSO at the time of opening the bid. Subsequently, it transpired that only two (02) parties out of five (05) met the formalities of the tender requirement and "submitted" the online electronic bid in SAP Ariba on-time. Moreover, the standard definitions of SAP Ariba status clearly specify the bifurcation between the status of bidder participation. Furthermore, PSO facilitates all its bidders and suppliers via supplier trainings available on the PSO website.



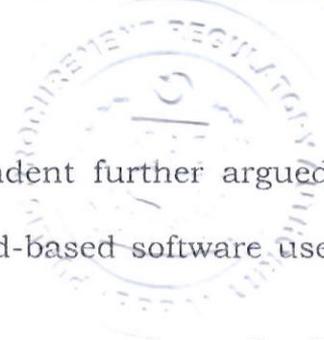
13. The representative of the respondent also submitted that the verbal confirmations from any respondent's official would not suffice any purpose as the SAP Ariba platform is devoid of any intervention in the standard procurement process and it maintains its log independently. Furthermore, it is hereby reiterated that users are not allowed to edit, modify or alter any status or reports based on the system. The



respondent's Grievance Redressal Committee (GRC) thoroughly investigated the matter and reached the conclusion and communicated the same vide email dated 24.07.2025 in accordance with the law mentioning that the appellant participated through SAP Ariba" in the first stage and proceeded to the second stage, however, the appellant failed to submit their bid online in the SAP Ariba portal, resultantly could not progress any further in procurement proceedings. GRC reviewed the SAP Ariba logs and reached its decision that there is no merit in the grievance in accordance with the specified timeline as per Rule 48(6) PP Rules, 2004 in a timely manner. Moreover, typographical error mentioning "Sap Fiori" Instead of "Sap Ariba" in Email Dated 24.07.2025 is hereby acknowledged by the Respondent.

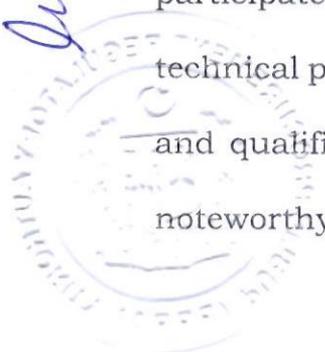
14. The representative of the respondent also submitted that during the last five (05) years they have never observed any such grievance where a bidder after successfully submitting its bid online in Stage one (01), fails to submit it online in Stage two (02) as per the bid document requirements and initiated a grievance about it. Conclusively, the SAP Ariba log status mentioned the bidder as a non-participant. Therefore, the appellant's claim is not correct and based on erroneous understanding.

15. The counsel of the respondent further argued and submitted that SAP Ariba is a cloud-based software used for



procurement based on international best procurement practices where any customer, even PSO itself cannot alter, modify or edit an event log. In light of the documentation/records provided above it is clearly evident that there is no violation of Rule 4 of PP Rules 2004. Moreover, the respondent upholds the principles of procurement and fair competition in its true letter and spirit, whereby an objective evaluation of the respective bidders was conducted and only two (02) parties out of five (05) met the formalities of the tender requirement and "submitted" the online electronic bid in SAP Ariba in a timely manner. Therefore, any claim or assertion to the contrary is liable to be dismissed.

16. After perusal of all relevant record and arguments made by both the parties, the Appellate Committee observed that, the respondent department conducted the subject procurement by adopting the "Two stage bidding procedure" in terms of Rule 36(c) of the Public Procurement Rules, 2004, for the project titled "Track and Trace for Lubricants for the Year 2025", through the SAP Ariba Discovery Network, a digital procurement platform. It is further observed that, at the First stage, a total of six (06) bidders, including the Appellant, participated in the process. The Appellant duly submitted its technical proposal via SAP Ariba within the prescribed deadline and qualified for participation in the Second stage. It is also noteworthy that the Appellant neither faced nor raised any



grievance regarding the functionality of the SAP Ariba digital platform during the First stage of the said bidding procedure.

17. Upon examination of the documentary evidence and the audit trail produced by the Respondent, the Committee also observed that SAP Ariba is a cloud-based procurement platform which operates independently without human intervention. The record does not demonstrate that the Appellant successfully submitted its bid in the Second stage of the instant procurement prior to the stipulated deadline of 17.07.2025 at 02:15 PM. Furthermore, *Clause 1.1* of the tender terms and conditions expressly mandates that all bids must be submitted electronically through the SAP Ariba Discovery Network, while explicitly barring submissions by email or in physical form. Accordingly, the contention of the Appellant regarding submission of its bid through hard / physical copy is untenable and have no legal value.

18. The Committee further observed that the appellant remained unable to establish, through verifiable and conclusive record, that it successfully submitted its bid electronically via SAP Ariba before the deadline of 17.07.2025 at 2:15 PM. Furthermore, the reliance placed by the appellant on automated acknowledgment and verbal assurances, in absence of corresponding audit trail evidence, is insufficient to override the official system logs of SAP Ariba. Moreover, no material violation of Rule 4 (Principles of Procurement) or Rule

36(c) (Two-stage bidding procedure) has been established in the present case by the appellant.

19. The Committee noted that the appellant relied upon the system-generated acknowledgment email and verbal confirmation from PSO's official as proof of timely submission. However, the Committee observed that such acknowledgment neither constituted conclusive proof of the completion of the submission process in SAP Ariba, nor does it unequivocally established compliance with the prescribed procedure.

20. For what the reasons and observations mentioned above, the appeal in hand lacks merit, therefore, stands **dismissed** and 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 ten (10) pages.

