



No. PPRA/AP-46/2026
Government of Pakistan
Public Procurement Regulatory Authority
(Appeal & Review Petition Secretariat)

<><><>

ORDER

M/s Fauji Security Services (Pvt.) Ltd.

...the "Appellant"

Vs.

Oil & Gas Development Company Ltd. (OGDCL) & Others

...the "Respondents"

<u>Date of Hearing</u>	Sardar Sohail Asmat (Advocate)
29.07.2026	(On behalf of Appellant) Mr. Kashif Ali Malik (ASC), Syed Ijaz Ali Shah (Sr. Law Officer), Mr. Fayaz Ali, Mr. Waheed-ul-Islam, Mr. Tariq Javed (On behalf of Respondent No.1&2 (OGDCL)) Mr. Salman Mansoor (ASC), Mr. Jamil Hussain Qureshi (ASC), Col. Danyal (On behalf of Respondent No.3 (M/s Parwest)) Mr. Wajid Hussain (Advocate) (On behalf of Respondent No.4 (M/s Akro))

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

The Authority received an Appeal filed by M/s Fauji Security Services (Pvt.) Ltd., through its General Manager Operations on 16.07.2026, under Rule 48(7) of the Public Procurement Rules, 2004. The Authority on receipt of the Appeal issued notices to M/s Fauji Security Services (Pvt.) Ltd., through its General Manager Operations (the Appellant); Oil & Gas Development Company Limited (OGDCL), through its Managing Director, OGDCL through its Grievance Redressal Committee; M/s Parwest Pacific Security (Pvt.) Ltd.; M/s Akro

Protection Services (Pvt.) Ltd. (the Respondents) wherein it was directed to appear in person or through their nominated representatives or Counsel before the Authority on 29.07.2026 before the Appellate Committee in the Committee Room of this Authority.

2. On the said date of hearing (29.07.2026), the above-mentioned learned counsels and representatives of the parties appeared before the Committee and presented their arguments at length. The Respondents provided written arguments to the Committee.
3. The representative of the Appellant submitted that the appellant, M/s Fauji Security Services (Pvt) Ltd ("FSS"), a duly qualified and an experienced security services provider, respectfully submits this appeal before the Appellate Committee of the Public Procurement Regulatory Authority (PPRA) under Rule 48(7) of the Public Procurement Rules, 2004.
4. Further submitted that the appellant challenges the decision of the respondent No. 2 of the respondent No.1, communicated vide letter No. 182nd BGRC/2026 dated July 02, 2026, whereby the Appellant's grievance against Tender No. OGDCL-SCM-SERVICES-CB-SECURITY-315392942-2026 was disposed of as "not tenable" without providing any reasoning.
5. Further submitted that the appellant seeks intervention of this Authority against the illegal and arbitrary award of the subject contract to M/s Parwest Pacific Security (Pvt) Ltd, whose bids are financially non-responsive, abnormally low, and incapable of meeting the statutory, labour, and contractual obligations mandated under the Tender Documents for the Punjab and Sindh Regions. The appellant also seeks intervention of this authority against the financially non-responsive, abnormally low and incapable of meeting the statutory labor and contractual obligations mandated under the tender

documents as quoted by M/s Akro Protection Services (Pvt) Ltd for Punjab Region which is the second lowest bid for the region.

6. Further submitted that the respondent No.1 invited bids vide RFP No. OGDDCL-SCM-SERVICES-CB-SECURITY-315392942-2026 for the Hiring of Private Security Services across five regions of Pakistan. The bid closing date was 27th April, 2026 at 1030 Hours. A total of 12 bids were received. The evaluation was conducted on a region-wise basis. That as per the Financial Evaluation Report issued under Rule 35 of PP Rules, 2004:

Name of Bidder	Region	Quoted Cost (PKR)	Status
M/s Akro Protection Services (Pvt) Ltd	Region-1 (Islamabad)	259,952,400/-	Lowest in Region-1
M/s Parwest Pacific Security (Pvt) Ltd	Region-2 (Punjab)	817,704,576/-	Lowest in Region-2
M/s Parwest Pacific Security (Pvt) Ltd	Region-3 (Sindh)	980,826,696/-	Lowest in Region-3
M/s Parwest Pacific Security (Pvt) Ltd	Region-5 (Baluchistan)	26,137,800/-	Lowest in Region-5
M/s Fauji Security Services (Pvt) Ltd	Region-4 (KP)	1,289,313,936/-	Single responsive bidder Region -4

7. Further submitted that the appellant filed a detailed representation dated June 17, 2026, the appellant was told to submit the complaint/ grievance in a proper format issued by the respondents, to which the appellant again sent a proper formatted grievance application on 22nd June, 2026, raising serious concerns regarding:

1. Abnormally low pricing by M/s Parwest Pacific Security (PPS) in Punjab and Sindh Regions being lowest bidder in these regions.

2. Abnormally low pricing by M/s Akro Protection Services (Pvt) Ltd in Punjab region being the second lowest bidder in these regions.

3. Both the bids by respondent no 3 & 4 are Financially non-conformant and unable to meet minimum statutory obligations.

8. That the BGRC dismissed the appellant's grievance on July 2, 2026, without providing any detailed reasoning or justification.

9. That the appellant on 08-07-2026, emailed to the respondents No. 2 to give the detailed reasoning regarding the grievance letter filed by the appellant, which has not so far been addressed. The appellant impugns the decision of BGRC on the following grounds amongst others:-

1. That the respondent No.1 That the Respondent No. 1 failed to conduct mandatory price analysis for abnormally low bids by the respondents No. 3 in violation of Rule 36.2 OF THE PP RULES, 2004. Rule 36.2 of the PP Rules, 2004 mandates that: "Where the Bid price is considered to be abnormally low, the Procuring Agency shall perform price analysis either during determination of Most Advantageous Bid or as a part of the post-qualification process". The Rule further provides that before rejecting an abnormally low Bid:

(a) The Procuring Agency may reject a Bid if the Procuring Agency has determined that the price in combination with other constituent elements of the Bid is abnormally low in relation to the subject matter of the procurement and raises concerns as to the capability and capacity of the respective Bidder to perform that contract;

(b) Before rejecting an abnormally low Bid the Procuring Agency shall request the Bidder an explanation of the Bid or of those parts which it considers contribute to the Bid being abnormally low, take account of the evidence provided in response to a request in writing; and subsequently verify the Bid or parts of the Bid being abnormally low,

(c) The decision of the Procuring Agency to reject a Bid and reasons for the decision shall be recorded in the procurement proceedings and promptly communicated to the Bidder concerned.

An "abnormally low Bid" means, "in the light of the Procuring Agency's estimate and of all the Bids submitted, the Bid appears to be abnormally low by not providing a margin for normal levels of profit".

The Guidance for Procuring Agency provides three approaches to identify Abnormally Low Bids:

- (i) Comparing the bid price with the cost estimate,
- (ii) Comparing the bid price with the bids offered by other bidders submitting substantially responsive bids, and
- (iii) Comparing the bid price with prices paid in similar contracts in the recent past.

II. Factual Matrix

(a) Bid composition.

The amount of bid for each region was given by all bidders based on the unit price per month per guard, supervisor and other categories. The bulk of the personnels in each region consisted of Supervisors (14%) and guards (85%). The price for these categories was to include all regulatory payments including 4 x days leave, EOBI, Social Security contributions and taxes excluding General Sales Tax and all type pf equipment that was required by the TORS.

(b) Following paragraphs analyses the per guard per month quoted price given by the bidders:

Price quoted by M/s Akro Protection Services (Pvt) Ltd for Punjab region where they are second lowest is given below:

Security Guard	49,900/- per month
Security Supervisor	50,900/- per month

(c) That the quoted rates of M/s Parwest Pacific Security (PPS) for Punjab and Sindh Regions being the lowest bidders, are as under:

Category	Quoted Price (PPS) (for Punjab & Sindh)
Security Guard (SG)	Rs. 48,560/- per month.
Security Supervisor (SS)	Rs. 49,630/- per month

(d) That the Appellant's analysis demonstrates that even the minimum statutory obligations exceed these quoted rates:

III. Minimum Mandatory Cost

Category	Minimum Mandatory Cost	PPS Rates	(Under Cut/Short Fall)
Security Guard	Rs. 50,554/-	Rs. 48,560/-	(Rs. 1,994/-)
Security Supervisor	Rs. 52,862/-	Rs. 49,630/-	(Rs. 3,232/-)

IV. The Minimum Mandatory Cost Breakdown

That the mandatory obligation prescribed under the labour laws and the Tender Documents are as follows:

Category	Guard	Supervisor
Salary (Minimum Wage)	40,000/-	42,000/-
4 x days leave entitlement (40000/26*4)	6154/-	6,462/-
EOBI 5% of Minimum Wage,	2,000/-	2,000/-
Social Security 6% of Minimum Wage	2,400/-	2,400/-
Total Minimum Mandatory Cost Breakdown	50,554/-	52,862/-

V. Exclusion of Additional Business Costs

That critically, the above figures exclude additional contractual and operational costs required to run the business:

- Uniforms and protective equipment
- Group insurance coverage
- Withholding tax 7% of the revenue
- Weapon depreciation and maintenance
- Ammunition expenditures
- Arms licenses fees and renewals
- Training and certification costs
- Administrative and supervisory overheads
- Commercial margin

VI. Comparison with Other Bidders

That the per-guard/per-supervisor rates quoted by other bidders demonstrate the abnormality of PPS rates:

S/ N	Company Name	Financial Evolution Result		
		Cat	Punjab	Sindh
1	Parwest Pacific Security (Pvt.) Ltd.	Security Guards	48,560	48,560
		Security Supervisor	49,630	49,630
2	Akro Protection Services	Security Guards	49,900	X
		Security Supervisor	50,900	X
3	Fauji Security Services (Pvt) Ltd	Security Guards	53,533	51,136
		Security Supervisor	55,514	53,115
4	Sigma Security Services Private Limited	Security Guards	X	54,249
		Security Supervisor	X	55,460

It is clear from the above table that the rates quoted by the M/s Parwest Pacific Security and M/s Akro Protection Services are below the minimum regulatory requirements as explained in para 4 above. These rates

are substantially below the rates of other bidders and below the statutory minimum cost and ultimately undercutting the minimum legal requirements.

VII. Violation Established

That the quoted rates by M/s Parwest and M/s Akro are demonstrably lower than the minimum mandatory employment cost even before accounting for contractual overheads, taxes, compliance costs and operational expenses. This raises a legitimate question regarding the financial viability and compliance of the quoted rates with the requirements of the tender.

VIII. The Respondents No.1 & 2 failed to:

1. Identify the M/s Parwest and M/s Akro bids as abnormally low and seriously undercut the mandatory legal requirement.
2. Conduct mandatory price analysis under Rule 36.2;
3. Request explanation from M/s Parwest and M/s Akro regarding the abnormally low bid;
4. Verify the bid's viability, and
5. Record reasons for accepting such a non-responsive bid.

This constitutes a clear and patent violation of Rule 36.2 of the PP Rules, 2004 in respect of bids for Punjab and Sindh Regions. That the respondent awarded contract to financially non-responsive bidders in Punjab and Sindh regions in violation of fundamental procurement principles.

a. Principle of Responsiveness

A responsive bid is one which conforms to all the terms, conditions, and specifications of the Bidding Documents, without material deviation or reservation. The Procuring Agency's determination of responsiveness is to be based on the contents of the bid itself.

A bid that is not substantially responsive will be rejected by the Procuring Agency and may not subsequently be considered for award of contract.

b. Financial Responsiveness as a Mandatory Requirement

- The Tender Documents require bidders to demonstrate the ability to meet;
- Statutory obligations under labour laws;
- EOBI contributions;
- Social Security contributions;
- Leave entitlements;
- Tax obligations, and
- All contractual requirements.

Whereas, M/s Parwest and M/s Akro have quoted rates that do not even cover the minimum statutory obligations. This renders the bid financially non-responsive as a matter of law.

c. The Respondent's No.1 Duty

That the Procuring Agency shall evaluate and compare only the Bids determined to be substantially responsive. By awarding the contract to bidders whose bids are financially non-responsive, the Respondent has:

1. Violated Rule 38(c) of the PP Rules;
 2. Disregarded the mandatory requirement of financial responsiveness;
 3. Failed to protect OGDCL from future contractual, legal, and labour-related liabilities;
- and

4. Undermined the integrity of the procurement process.

IX. That the BGRC disposed of the appellant's grievance in a one-line communication which is highly arbitrary and colorable exercise of power. That the BGRC decision suffers from the following fatal defects:

1. No reasons have been provided for rejecting the Appellant's detailed representations;
2. No analysis of the financial data submitted by the Appellant;
3. No engagement with the specific violations identified;
4. No justification for accepting abnormally low bids; and
5. No demonstration of compliance with Rule 36.2 of the PP Rules.

X. That under Rule 36(2)(c), the decision of the Procuring Agency to reject a Bid and reasons for the decision shall be recorded in the procurement proceedings. By necessary implication, the decision to accept a bid must also be supported by reasons, particularly where serious concerns regarding abnormally low pricing have been raised. The BGRC's cryptic response falls woefully short of this requirement and violates the principles of natural justice.

XI. That the Appellant submits that in the interest of transparency, fair competition, and protection of respondent No.1 from future contractual, legal, and labour-related liabilities, BGRC should have evaluated the concerned bid(s) strictly in line with all

statutory, financial, and technical requirements of the tender documents."

10. The learned counsel for the Respondent Nos. 1 & 2 (OGDCL) submitted that the present Appeal is wholly misconceived, legally untenable and devoid of merit. It is founded entirely on the Appellant's own commercial assumptions rather than any demonstrated violation of the Public Procurement Rules, 2004 ("PP Rules"), the Tender Documents or the prescribed evaluation criteria. The Appellant identifies no illegality, arbitrariness, procedural irregularity, mala fide or departure from the Tender Documents by OGDCL. Instead, it seeks to replace the objective evaluation framework with a pricing model devised after the bids were opened, an exercise that finds no support in the PP Rules or settled principles of public procurement.

11. Further submitted that the procurement relates to the hiring of private security services for OGDCL's strategically important assets across Pakistan. Given the critical nature of the assignment, the procurement was conducted through an open, transparent and competitive bidding process in strict compliance with the PP Rules. Significantly, the Appellant does not challenge the legality of the tender, the qualification criteria, the technical evaluation, the comparative statement or the methodology adopted for determining the lowest evaluated responsive bidder. Nor does it allege any favoritism, manipulation or deviation from the Tender Documents.

12. Further submitted that the Appellant's sole grievance is that, according to its own costing calculations, the rates quoted by M/s Parwest Pacific Security (Pvt.) Ltd. are commercially unsustainable and should therefore have been declared financially non-responsive. The contention is fundamentally misconceived. The Tender Documents neither required bidders to disclose their internal cost structure nor prescribed

any costing formula, minimum profit margin or financial benchmark against which quoted rates were to be tested. Commercial pricing is a matter for each bidder's own business judgment.

13. Further submitted that it is a settled principle of procurement law that bids must be evaluated strictly in accordance with the criteria disclosed in the Tender Documents. Neither the Procuring Agency nor this Honorable Authority can introduce fresh evaluation criteria after bid opening. Acceptance of the Appellant's contention would effectively rewrite the Tender Documents by importing an undisclosed cost-analysis mechanism, contrary to the principles of transparency, fairness, equal treatment and certainty that underpin the PPRA regime.

14. Further submitted that equally significant is the fact that the Appellant does not dispute that the financial bids were publicly opened, the comparative statement accurately reflected the quoted prices, or that the lowest evaluated responsive bidder was determined in accordance with the disclosed evaluation methodology. Its challenge is directed solely at the commercial judgment exercised by a competing bidder while formulating its bid. Such commercial decisions cannot be substituted by the subjective opinion of an unsuccessful competitor.

15. Further submitted that it is equally well settled that evaluation of bids falls primarily within the technical and commercial expertise of the Procuring Agency. Appellate forums interfere only where the procurement process is tainted by illegality, mala fides, arbitrariness, procedural impropriety or a patent violation of the applicable rules. Mere disagreement with the Procuring Agency's assessment, or the possibility of another commercial view, provides no ground for appellate interference. The present Appeal, therefore, discloses no

violation of the PP Rules, the Tender Documents or the prescribed evaluation methodology. There is no allegation of irregular bid opening, manipulation of the comparative statement, alteration of the evaluation criteria or preferential treatment to any bidder. In substance, the Appellant seeks a fresh commercial evaluation based on its own pricing model prepared after completion of the bidding process. Such an exercise plainly falls outside the scope of appellate review and deserves outright rejection.

16. Further submitted that without prejudice to the foregoing, the Appeal is also liable to fail on an independent ground. During the execution of an earlier security services contract awarded to the Appellant, the Office of the Assistant Director Labour, Kohat, vide Notice No. ADL/LO/KT/638 dated 01.12.2025, reported that the Appellant had allegedly failed to pay notified minimum wages to certain deployed security guards and had not provided written terms and conditions of employment. OGDCL, vide letter dated 16.12.2025, accordingly reminded the Appellant that, under Clause 16(d) of the Terms of Reference, compliance with minimum wage laws and all applicable labour legislation was the contractor's exclusive responsibility and required it to furnish documentary proof of compliance. Having itself faced allegations of non-compliance during contract execution, the Appellant cannot now contend that another bidder's offer should be rejected merely because, in its opinion, the quoted rates are commercially inadequate. The Appellant cannot be permitted to approbate and reprobate by adopting inconsistent positions to suit its convenience.

17. Further submitted that in any event, compliance with labour laws is a continuing contractual obligation, monitored by OGDCL throughout the currency of the contract. The competent labor authorities remain empowered to conduct inspections, and any reported violation is dealt with in accordance with the contract and the applicable legal

framework. Further, by way of abundant caution, even after the BGRC's decision, OGDCL obtained fresh confirmations from the successful bidder(s) affirming continued compliance with all applicable labor laws and contractual obligations. This itself demonstrates that statutory compliance is a matter of contract administration and performance, not a criterion for determining the financial responsiveness of bids.

18. Further submitted that OGDCL, being Pakistan's premier State-Owned exploration and production company, operates an extensive network of oil fields, gas fields, drilling locations, production installations, pipelines, warehouses, regional offices and other strategic assets spread across all provinces of Pakistan. The security of these assets is directly linked with the uninterrupted production of hydrocarbons and, by extension, the country's energy security. It was therefore imperative that security services be procured through a transparent, competitive and legally compliant process ensuring that only technically competent firms participated in the financial competition.

19. Further submitted that in pursuance of this objective, OGDCL invited bids through Tender No. OGDCL-SCM-SERVICES-CB-SECURITY-315392942-2026 for the hiring of private security services. The estimated cost of the procurement was approximately PKR 3.976 billion, making it one of the largest security services procurements undertaken by the Company in recent years. Owing to the significance of the assignment, the tender attracted wide participation from leading security service providers operating in Pakistan. The tender was advertised in the national press on 11 March 2026, thereby ensuring maximum publicity and open competition. Subsequently, keeping in view requests received from prospective bidders, the bid submission date was extended to facilitate broader participation. Ultimately, bids were received

from twelve (12) firms, all of whom were afforded equal opportunity to participate in accordance with the PP Rules.

20. Further submitted that following receipt of bids, the technical evaluation was carried out strictly in accordance with the criteria disclosed in the Tender Documents. After a comprehensive evaluation, seven (7) firms were declared technically responsive. Only these technically qualified bidders were invited to participate in the financial stage of the procurement, and their financial bids were opened publicly on 16 June 2026 in accordance with the prescribed procedure. The financial evaluation was conducted on a region-wise basis, exactly as stipulated in the Tender Documents. The resulting Comparative Statement reflected genuine market competition among several technically qualified bidders. In Region-1, four responsive bidders competed, with M/s Akro Protection Services emerging as the lowest evaluated bidder. In Region-11 (Punjab), three responsive bidders competed, and M/s Parwest Pacific Security was determined to be the lowest evaluated responsive bidder. Likewise, in Region-III (Sindh), M/s Parwest Pacific Security emerged as the lowest evaluated bidder amongst three technically responsive firms. In Region-V (Balochistan), competition existed amongst five responsive bidders, where again M/s Parwest Pacific Security quoted the lowest evaluated price. Significantly, the Appellant itself was the only technically responsive and successful bidder in Region-IV (KPK), thereby demonstrating beyond doubt that the procurement process was conducted impartially and without favour towards any particular participant.

21. Further submitted that after publication of the Financial Evaluation Report on 19 June 2026, the Appellant invoked the statutory grievance mechanism under the PP Rules and challenged the financial evaluation in respect of Regions II, III and V. The gravamen of the grievance was not that OGDCL

had committed any procedural irregularity or violated the Tender Documents, but that, according to the Appellant's own calculations, the rates quoted by M/s Parwest Pacific Security were insufficient to meet certain statutory and commercial obligations.

22. Further submitted that the grievance was placed before the Bid Grievance Redressal Committee (BGRC), which afforded due consideration to the matter. The concerned department submitted its comments, the representatives of the Appellant were heard through a Zoom meeting, and the issues raised in the grievance were deliberated in detail. The BGRC further directed that confirmations be obtained from the successful bidders regarding compliance with minimum wages, EOBI and Social Security obligations. After considering the material available on record, the BGRC concluded that the procurement had been conducted strictly in accordance with the Tender Documents and the PP Rules, that compliance with labor legislation remained a contractual obligation to be monitored during execution of the contract, and that no legal or factual basis existed for disturbing the evaluation already carried out. Consequently, the grievance was declared not tenable and was disposed of accordingly.

23. Further submitted that it is against this decision that the present appeal has been preferred. As shall presently be demonstrated, the appeal neither discloses any violation of law nor establishes any infirmity in the procurement process. Rather, it represents an attempt by an unsuccessful bidder to challenge the commercial wisdom of a competing bidder through a pricing model devised after the opening of financial bids, an exercise that finds no support either in the PP Rules or in the Tender Documents. The present appeal is founded on the Appellant's contention that the bids submitted by M/s Parwest Pacific Security (Pvt.) Ltd. for Regions-II (Punjab), III (Sindh) and V (Balochistan), and by M/s Akro Protection

Services (Pvt.) Ltd. for Region-II, ought to have been declared "financially non-responsive" because, according to the Appellant's own calculations, the quoted rates allegedly do not provide sufficient financial margin to meet statutory obligations relating to minimum wages, EOBI, Social Security contributions, leave encashment, taxation and other operational expenses.

24. Further contended that the appeal proceeds entirely on speculative commercial assumptions rather than any demonstrated illegality, procedural impropriety or violation of the prescribed evaluation criteria. The Procuring Agency has conducted the procurement strictly in accordance with the PP Rules and the Tender Documents, and the contentions advanced by the Appellant are answered as follows:

A. The very foundation of the appeal is legally unsustainable. The Appellant proceeds on the assumption that OGDCL was required to independently examine the internal costing, profitability and commercial viability of each bidder before determining financial responsiveness. Neither the PP Rules nor the Tender Documents impose any such obligation upon the Procuring Agency. The evaluation was required to be carried out solely on the basis of the criteria disclosed in the Tender Documents, which was duly done.

B. The Tender Documents required bidders to submit their financial quotations in the prescribed format and, upon award of the contract, to comply with all applicable labor laws, statutory obligations and contractual requirements. They did not require bidders to disclose their internal cost structure, anticipated profit margins, overheads, financing arrangements or commercial strategy. Likewise, no provision authorized OGDCL to reject a bid merely because

another bidder considered the quoted price to be commercially low.

C. That it is a settled principle of procurement law that bids must be evaluated strictly in accordance with the criteria disclosed in the Tender Documents. The Procuring Agency cannot introduce new evaluation benchmarks after opening of bids. Acceptance of the Appellant's case would effectively rewrite the Tender Documents by importing an undisclosed cost-analysis mechanism, contrary to the principles of transparency, fairness, equal treatment and certainty embodied in the PP Rules.

D. The Appellant's entire case overlooks the commercial realities of competitive procurement. Every bidder structures its pricing differently depending upon its infrastructure, existing manpower, operational efficiencies, asset base, regional presence, commercial objectives and expected profit margins. These are matters of business judgment. A Procuring Agency is neither required nor competent to substitute its own commercial assessment for that of experienced market participants or to reject an otherwise responsive bid merely because it has been priced competitively.

E. The Appellant's apprehension that acceptance of the successful bids may expose OGDCL to future liabilities under labor laws is equally misplaced. The Tender Documents expressly require every successful contractor to comply with minimum wage notifications, EOBI, Social Security and all other statutory obligations throughout the contract period. They further empower OGDCL to verify compliance through documentary evidence, conduct periodic monitoring and take contractual action in the event of any default. Labour law compliance is therefore a matter of contract execution and enforcement, not a

criterion for determining the financial responsiveness of bids.

F. The Appellant's grievance was not ignored. It was duly considered by the Bid Grievance Redressal Committee ("BGRC"), which obtained comments from the concerned department, afforded the Appellant a full opportunity of hearing and examined all issues raised in detail. By way of abundant caution, the BGRC also required the successful bidders to reaffirm their commitment to comply with applicable minimum wage, EOBI and Social Security obligations before the grievance was dismissed. The record thus demonstrates fairness, transparency and due diligence on the part of OGDCL throughout the grievance process.

G. The Appellant's reliance on Rules 36 and 38 of the PP Rules is misconceived. Rule 36 does not create a presumption that every comparatively lower bid is an abnormally low bid, nor does it require the Procuring Agency to undertake a forensic costing exercise in every case. Similarly, Rule 38 relates to responsiveness of bids with reference to the Tender Documents. Since the successful bidders fulfilled all mandatory requirements of the Tender Documents, their bids could not be declared financially non-responsive merely because the Appellant questioned their commercial pricing.

H. Without prejudice to the foregoing, the Appellant is estopped from advancing its present contention. During the execution of its own security services contract, allegations regarding non-compliance with minimum wage laws were raised by the Labor Authorities, whereupon the Appellant maintained that compliance was to be demonstrated during contract performance. Having itself relied upon the contractual mechanism governing post-

award compliance, the Appellant cannot now seek to deny the successful bidders the benefit of that very mechanism. The Appellant cannot be permitted to approbate and reprobate by adopting inconsistent positions to suit its commercial interests.

I. That the Procuring Agency, through its Security Department, duly verified compliance with the operational and technical requirements prescribed in the Tender Documents, including the availability of requisite licences and weapons. The Appellant has produced no credible evidence to rebut those findings. Its objections are founded on conjecture and commercial rivalry rather than any proven violation of the Tender Documents or the PP Rules. Such speculative assertions cannot justify interference with an otherwise lawful procurement process.

J. The record unequivocally establishes that OGDCL conducted the procurement in a transparent, competitive and legally compliant manner, strictly in accordance with the Tender Documents and the PP Rules. The Appellant's grievance was duly examined by the Bid Grievance Redressal Committee ("BGRC"), the concerned department furnished its comments, the Appellant was afforded a full opportunity of hearing, and, by way of abundant caution, additional undertakings regarding compliance with labour laws and statutory obligations were obtained from the successful bidders before the grievance was rejected. The Appellant has failed to identify any procedural impropriety, departure from the prescribed evaluation criteria or violation of the PP Rules. Its case rests entirely on speculative assumptions regarding the commercial viability of competing bids and seeks to introduce a pricing methodology that finds no place in the Tender Documents. Acceptance of such a contention would not only undermine the integrity of the present procurement but would also

create a precedent inconsistent with the fundamental principles of transparency, certainty, fairness and open competition that govern public procurement.

25. The learned counsel for the Respondent No. 3 (M/s Parwest Pacific Security Pvt Limited) submitted that at the outset, Respondent No. 3 (hereinafter "the Respondent No.3 or "Parwest") denies each and every allegation, assertion, inference and ground raised in the Appeal, save such as are expressly admitted herein below, and puts the Appellant to strict proof thereof. The Appeal is misconceived, factually unsubstantiated and legally untenable, and is liable to be dismissed with costs, for the reasons set out below.

26. Further submitted that No Statutory Basis of abnormally low bid price assertion / ground:

The appeal is totally misconceived as no Rule in 2004 Rules or the bidding documents in the present procurement process refers to any such process of rejection of bid for being abnormally low. The entire appeal is misconceived.

The primary principles of procurement are laid out in Rule 4, 20, 30 of the Public Procurement Rules 2004 which state as under:

"4. Principles of procurements. - Procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency, and the procurement process is efficient and economical.

20. Principal method of procurement- Save as otherwise provided hereinafter, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

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.

(2) For the purposes of comparison of bids quoted in different currencies, the price shall be converted into a single currency specified in the bidding documents. The rate of exchange shall be the selling rate, prevailing on the date of opening of bids specified in the bidding documents, as notified by the State Bank of Pakistan on that day.

(3) A bid once opened in accordance with the prescribed procedure shall be subject to only those rules, regulations and policies that are in force at the time of issue of notice for invitation of bids."

The evaluation criteria / TORs in bidding documents also clearly stated;

"Evaluation shall be carried out on Region wise and Contract will be awarded to the lowest bidder on each Region / Province wise on the basis of three years."

It is clear that the evaluation criteria are "lowest bidder" and the contract has been awarded in accordance with the PP Rules 2004 and the evaluation criteria.

27. Further submitted that No determination of "abnormally low bid" by the competent authority. The Public Procurement Rules, 2004 do not prescribe any standalone Rule captioned "abnormally low bid," Rule 30 which requires that bids be evaluated strictly in accordance with the criteria set out in the prescribed bidding documents, and that no evaluation criteria be applied that was not specified therein. Rule 36 deals with single stage or two stage procedure of open competitive bidding and not to any such determination that a disappointed or higher-priced competitor may make use for itself and then seek to impose upon the Procuring Agency or upon this Hon'ble Appellate Committee through a unilateral,

self-drafted costing exercise. In the present case, Respondent No. 1, after due technical and financial evaluation did not violate the Rules and the criteria for evaluation of bids and since the bids are clearly competitive and clearly workable, did not exercise its general power under Rule 33(1) to reject bids. The Appellant cannot arrogate to itself a function that the law vests solely in the Procuring Agency or for which there is no legal basis in the Rules.

28. Further submitted that the Appeal proceeds entirely on the Appellant's own arithmetic minimum wage, together with its own assumed figures for per-employee statutory dues and per-employee operational expenses none of which is shown to correspond to any statutory Rule regarding any such estimated cost or standard published or adopted by Respondent No. 1 or by the Authority or present before the open competitive bidding in the evaluation criteria. An allegation of "abnormal lowness" cannot be sustained on a foundation that is nothing more than the complaining bidder's own commercially self-serving estimate of what its competitor's costs "ought" to be. In the absence of any independent or officially sanctioned benchmark, the ground as pleaded is speculative and not a valid basis for interference with the procurement process or the award of contract.

29. Further submitted that Appeal seeks to convert a commercial disagreement into a procurement grievance. Stripped of its procurement vocabulary, the Appeal is, in substance, no more than the Appellant's disagreement with Respondent No. 3's business model and profit margins. That is not a matter within the remit of this Hon'ble Committee, whose jurisdiction is confined to examining whether the procurement process was conducted in accordance with law, the applicable rules, and the terms of the bidding documents not to adjudicate upon, or impose uniformity in, the commercial efficiencies, cost structures or profit margins of competing private bidders.

30. Further submitted that no allegation of illegality, malafide or non-compliance with labour laws. Significantly, the Appellant could not establish that Respondent No. 3's bid falls below the prescribed minimum wage or fails to account for statutory employee benefits, or otherwise violates any applicable labor legislation. The entirety of the challenge rests on an assumed difference in overheads and profit margins, which is not, in law, a valid ground for invalidating an otherwise compliant, lowest evaluated bid.
31. Further submitted that the Appeal, if entertained on the basis pleaded, would set a precedent whereby any disappointed bidder could defeat the lowest evaluated, fully compliant bid of a competitor merely by preparing its own unverified cost worksheet and labelling the rival's price "abnormally low" — a course that would strike at the very object of competitive bidding under Rule 4 of the Public Procurement Rules, 2004, namely transparency, economy, efficiency and fair competition, and would instead reward higher-priced bids and penalize genuine efficiency. That there is no abnormally-low-bid clarification statutory mechanism in procurement under review, and an appellate or review forum ought not to substitute / add its own view for first time — much less a competitor's self-serving view — for the considered assessment of the Procuring Agency, absent demonstrated illegality, malafide, or material procedural violation. No such illegality, malafide or violation has been pleaded, let alone established, in the Appeal.
32. Further submitted that it is not for a rival bidder to assess the adequacy of its competitor's bid. The Appellant, being an unsuccessful and higher-priced bidder, has no vested right to the award of the contract and cannot, under the guise of an "abnormally low bid" objection, seek to insulate itself from lawful price competition or to compel the Procuring Agency to

award the contract to a costlier bid in the absence of any legal infirmity in the procurement process.

33. Further submitted that the appeal is not maintainable and only been filed to harass the procurement agency and coerce it. The allegations of the petitioner were correctly found as without any substance.
34. Further submitted that Respondent No. 3 participated in the subject procurement in full compliance with the bidding documents and applicable law, and quoted a price that fully accounts for (a) minimum wages prescribed under applicable labor legislation, and (b) all statutory dues and employee benefits payable thereunder, and has furnished, or undertakes to furnish, such compliance as required under the bidding documents and the resultant contract.
35. Further submitted that Respondent No. 3 is able to render the services at the quoted price, while remaining fully compliant with labour and contractual obligations, on account of legitimate and lawful business efficiencies, including but not limited to its own:

(a) economies of scale arising from the scale of its existing workforce and operations;

(b) efficient deployment and utilization of manpower resources across multiple engagements;

(c) optimization and rationalization of administrative and operational overheads; and (d) distribution of common and fixed operational costs across a substantially larger workforce and client base than that assumed — without any disclosed basis — by the Appellant.

It is categorically denied that the price quoted by Respondent No. 3 is "abnormally low" in any sense known to procurement law. A bid is not rendered abnormally low merely because it is lower than a competitor's bid, or because it does not match a competitor's internal, undisclosed cost assumptions. No such concern arises here, nor could it, given Respondent No. 3's

demonstrated capacity and undertaking to comply fully with minimum wage and statutory benefit requirements throughout the contract period.

36. Further submitted that Respondent No. 3 earns a lawful, though undisclosed, profit margin on the contract, which is neither improper nor a matter open to regulation, quantification, or challenge by a competing bidder or by this Hon'ble Committee. Public procurement law does not mandate a minimum or uniform profit margin across bidders, nor does it entitle an unsuccessful bidder to compel disclosure of, or to challenge the adequacy of, a rival's profit assumptions.

37. Further submitted that the representation and the grievance was completely misconceived and against the provisions of rules 2004. It is categorically denied that the price quoted by Respondent No. 3 is "abnormally low" in any sense known to procurement law. A bid is not rendered abnormally low merely because it is lower than a competitor's bid, or because it does not match a competitor's internal, undisclosed cost assumptions. No such concern arises here, nor could it, given Respondent No. 3's demonstrated capacity and undertaking to comply fully with minimum wage and statutory benefit requirements throughout the contract period.

38. Further submitted that M/s Parwest Pacific Security (Pvt.) Ltd. was established in 1999 and has over 26 years of experience in providing professional security services throughout Pakistan. The Company maintains a nationwide operational network, supported by experienced management, regional offices and centralized operational infrastructure. OGDCL conducted the procurement process strictly in accordance with the Tender Documents and the PP Rules, 2004. Following evaluation, Parwest Pacific Security was declared the Lowest Evaluated Responsive Bidder for the relevant regions. The procurement process is presently in the contract award stage.

The allegations made by the Appellant are based upon assumptions and self-prepared financial calculations that do not form part of the Tender Documents and therefore deserve to be rejected.

39. Further submitted that Respondent's business cost is lower and this argument is not sustainable on the grounds that our financial bid covers the minimum wage as well as all compliance costs. Neither the Tender Documents nor the PP Rules prescribe any minimum bid price or mandatory costing formula. Competitive pricing by itself cannot be treated as an abnormally low bid. The Appellant has failed to produce any evidence establishing that Parwest is incapable of executing the contract at the quoted rates. Bid is not abnormally low under any circumstances. Their argument is revolving around how much it costs for us to provide the reliever vis a vis their costing of providing the same. We have taken advantage of economies as scale.

40. Further submitted that the alleged "minimum mandatory cost" is fictitious and baseless and has been calculated solely by the Appellant based upon its own assumptions. This is concocted figure created by the appellant nothing to do with labor law or PP Rules. Their argument again targets our business cost (reliever cost) which is lower for us as we distribute it over our economies of scale rather than distrusting it as per appellants wishes. This is always a business model decision. The application of economies of scale here gives us the competitive edge to create more financially effective bids. Neither the Tender Documents nor the PP Rules require bidders to prepare quotations using the formula adopted by the Appellant.

41. When we apportion our reliever guard pool across our overall guard strength, this translates into an embedded cost allocation per month, which is already absorbed within our

management charges provided in our financial (please see table below). This is a business model, as appellant was charging exorbitantly for last several years.

S/N	Region	Salary	EOBI	PESSI	Management charges	Total
2.4	SECURITY GUARD	40,000	2,000	2,400	4,160	48,560

This established that the cost associated with relievers has been duly accommodated through our established financial and operational framework (using economies of scale model) and confirms our bid to be fully complaint and responsive.

Accordingly, the calculations relied upon by the Appellant have no contractual or legal status.

42. Further submitted that the tender documents do not require bidders to separately provide or identify a reliever/jump guard cost in their financial proposals. As such no claim can be made in violation of tender documents.

43. The obligation imposed under the tender is limited to ensuring provision of four (04) leaves per month and maintaining complete shift deployment without any shortage of manpower 365 days a year. On the request of the procuring agency (OGDCL) our company has already confirmed to fully comply with these requirements by providing an undertaking confirming uninterrupted security coverage and complete deployment at all times. As submitted above the cost associated with relievers has been duly accommodated through our established financial and operational framework (using economies of scale model) and confirms our bid to be fully complaint and responsive. Parwest maintains a centralized manpower pool to cater for leave arrangements, absenteeism and operational contingencies. Accordingly, the cost of relievers has already been accommodated in the Company's pricing model.

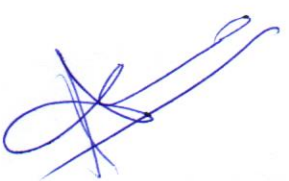
44. Further submitted that operational expenses including recruitment, training, supervision, uniforms, weapons maintenance, licensing, administration, logistics and other corporate overheads are incorporated within Parwest's centralized operational and management cost structure. The compliance cost as well as business costs are catered to in the bid. As a large-scale security service provider operating nationwide, these costs are distributed across the Company's overall operations through economies of scale. The Tender Documents do not require these costs to be separately reflected in the financial proposal.

45. Further submitted that the Rule 36 of Rules 2004 deals with something entirely different. Similarly Rule 38 (c) also has no relevance to the case. Financial responsiveness is determined by compliance with the Tender Documents and the bidder's capability to perform the contract. The Appellant is attempting to substitute its own commercial judgment for that of the Procuring Agency by relying upon its internal costing assumptions. Such assumptions cannot invalidate a responsive bid. Parwest has been operating successfully since 1999 and has executed numerous large-scale government and private sector contracts. Its pricing reflects operational efficiencies achieved through:

- 
- Centralized procurement;
 - Shared administrative resources;
 - Nationwide deployment;
 - Centralized reliever management;
 - Economies of scale; and
 - Efficient utilization of manpower and operational infrastructure.



These efficiencies enable the Company to submit competitive bids without compromising contractual or statutory obligations. However, for facility of appellant, Rule 36 is reproduced as under;



It is clear from bare reading of Rule 36 that no such concept is contained in the said rule, as being wrongly agitated. The Procuring Agency evaluated Parwest's bid in accordance with the Tender Documents and declared it substantially responsive.

46. Further submitted that OGDCL evaluated all bids in accordance with the Tender Documents and the PP Rules. The Appellant has not produced any evidence demonstrating that the Procuring Agency violated any mandatory provision of the Tender Documents or the PP Rules. The appeal merely challenges the commercial judgment exercised by the Procuring Agency without any legal basis.

47. Furthermore, the reference to the Rule again appears misconceived as the same does not deal with the issue as raised. The bid of the respondent has already been declared lowest and also the procuring agency has intimated to take charge of its responsibilities from 1st of August 2026, accepting the bid by its conduct. There is no such requirement in the rule under reference.

48. Further submitted that the appellant's bid was higher due to its faulty business model and anti-competitive behavior and on account of its failure to succeed in open competitive bidding, it has now decided to harass the respondent and the procuring agency in effort to blackmail. The entire process has been completed in accordance with law

49. The Appellate Committee has heard the learned counsels and representatives of the Appellant, the Procuring Agency and the successful bidders at considerable length and has carefully examined the entire record, including the bidding documents, Technical Evaluation Report (TER), Financial Evaluation Report (FER), grievance petition, proceedings and decision of the Bid Grievance Redressal Committee (BGRC), written

submissions of the parties and the relevant provisions of the Public Procurement Rules, 2004.

50. 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 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.

51. The principal grievance of the Appellant is that the bids submitted by M/s Parwest Pacific Security (Pvt.) Ltd. for Regions-II (Punjab), III (Sindh) and V (Balochistan), and M/s Akro Protection Services (Pvt.) Ltd. for Region-I (Islamabad) ought to have been declared financially non-responsive and abnormally low on the premise that, according to the Appellant's own financial calculations, the quoted rates were insufficient to meet statutory obligations relating to minimum wages, EOBI, Social Security contributions, paid leave, taxes and other operational expenses. It has further been alleged that the Procuring Agency failed to undertake price analysis under Rule 36 and that the BGRC dismissed the grievance without assigning detailed reasons.

52. The Appellate Committee has carefully examined the above contentions in the light of the bidding documents and the applicable procurement framework. It is observed that the evaluation criteria notified in the bidding documents

prescribed award of contract to the Lowest Evaluated Responsive Bidder on a region-wise basis. The bidding documents do not require bidders to disclose their internal cost structure, operational overheads, profit margins, deployment methodology or any detailed costing formula. Likewise, no minimum financial benchmark or mandatory costing methodology was prescribed against which the Procuring Agency was required to test the commercial viability of individual bids.

53. The Appellate Committee is of the considered view that the entire challenge raised by the Appellant is founded upon its own post-bid commercial assumptions and internal costing model. The calculations regarding reliever costs, statutory obligations, administrative overheads, insurance, operational expenses and commercial margins have been prepared by the Appellant itself and do not emanate either from the bidding documents or from any prescribed evaluation criterion. Acceptance of such contentions would amount to importing a new evaluation criterion after opening of bids, which is expressly prohibited by Rule 30 of the Public Procurement Rules, 2004 and would offend the principles of transparency, fairness, certainty and equal treatment embodied in the procurement regime.

54. Even otherwise, if costing model prepared by the appellant is followed, its own bids submitted for Punjab and Sindh region falls within the ambit of abnormally low bids and found contrary to the assertions they have made and arguments they have built in the instant appeal.

55. The Appellate Committee further notes that competitive pricing, by itself, does not render a bid financially non-responsive or abnormally low. Different bidders may legitimately quote different prices depending upon their respective business models, economies of scale, existing

infrastructure, manpower deployment, operational efficiencies, administrative arrangements and commercial strategy. The Procuring Agency cannot substitute the commercial assumptions of one bidder for those of another unless the bidding documents specifically provide for such an exercise or there exists material demonstrating non-compliance with the prescribed evaluation criteria.

56. The Appellate Committee has also considered the Appellant's reliance upon Rule 36 of the Public Procurement Rules, 2004. The record reflects that the Procuring Agency considered the grievance through the Bid Grievance Redressal Committee, obtained comments from the concerned department, afforded an opportunity of hearing to the Appellant and, as an additional safeguard, obtained undertakings from the successful bidders confirming compliance with minimum wage laws, EOBI, Social Security and other statutory obligations during execution of the contract. The Appellate Committee finds no material on record to conclude that the Procuring Agency acted contrary to the applicable provisions of the Rules or ignored any mandatory requirement contained in the bidding documents.

57. The Appellate Committee is further persuaded by the submission of the Procuring Agency that compliance with labour laws, payment of minimum wages, EOBI, Social Security contributions and other statutory obligations constitute continuing contractual responsibilities of the successful contractor during execution of the contract. The Tender Documents impose these obligations upon the contractor and empower the Procuring Agency to monitor compliance and take appropriate contractual action in the event of any breach. Such obligations primarily relate to contract administration and performance and, in the absence of any contrary provision in the bidding documents, cannot by

themselves constitute an independent evaluation criterion for rejection of an otherwise substantially responsive bid.

58. The Appellate Committee also finds that the Appellant has failed to establish any procedural impropriety, mala fide, discrimination, favouritism, manipulation of bids, deviation from the prescribed evaluation criteria or violation of any mandatory provision of the Public Procurement Rules, 2004. The financial bids were opened publicly, evaluated strictly in accordance with the evaluation criteria notified in the bidding documents, and the contracts were proposed to be awarded to the lowest evaluated responsive bidders on a region-wise basis.

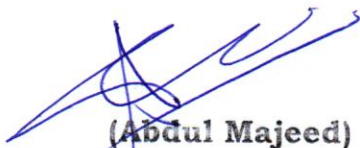
59. The jurisdiction of this Appellate Committee under Rule 48 of the Public Procurement Rules, 2004 is confined to examining whether the procurement process has been conducted in accordance with the law, the bidding documents and the prescribed procedure. It is not the function of the Appellate Committee to reassess the commercial wisdom of competing bidders or to substitute the Procuring Agency's evaluation with a pricing methodology devised by an unsuccessful bidder after opening of the financial bids.

60. However, the Appellate Committee considers it appropriate to observe that, in procurements involving manpower-based services, the Procuring Agency should ensure greater clarity in the bidding documents regarding the composition of quoted rates so as to minimize future disputes. Accordingly, it is observed that in future procurements of a similar nature, the Procuring Agency shall expressly provide in the bidding documents that the quoted rates shall be firm and inclusive of all costs necessary for complete performance of the contract, including, inter alia, minimum wages, EOBI contributions, Social Security contributions, insurance, paid leave, reliever arrangements, statutory employment benefits, uniforms,

equipment, supervision, transportation, training, licensing, administrative overheads, profit and all applicable taxes, duties, levies and statutory charges, and that no claim for additional payment on account of omission or underestimation of such costs shall be entertained after submission of the bid.

61. In view of the foregoing discussion, the Appellate Committee finds no legal infirmity, procedural irregularity or violation of the Public Procurement Rules, 2004 warranting interference with the decision of the Bid Grievance Redressal Committee or the procurement process undertaken by the Procuring Agency.
62. For the reasons recorded above, the appeal filed by M/s Fauji Security Services (Pvt.) Ltd. under Rule 48(7) of the Public Procurement Rules, 2004 is **dismissed**, being devoid of merit.
63. The decision of the Bid Grievance Redressal Committee communicated vide Letter No. 182nd BGRC/2026 dated 02.07.2026 is hereby upheld. The Procuring Agency is at liberty to proceed further with the procurement process strictly in accordance with the Public Procurement Rules, 2004 and the terms and conditions of the bidding documents.


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


(Abdul Majeed)
Sr. Specialist (M&E)
(Member)


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

Dated: 31st July, 2026

Each page of the order has been signed by all members of the Committee. The order comprises thirty-five (35) pages.

