



July 28, 2026

TL2026/0728/1A

Director General (DG)
Pakistan Airports Authority
Karachi.

**Subject: Complaint Against Serious Allegations of Violation of Public Procurement Rules 2004,
by Pakistan Airports Authority (PAA) in the Procurement of Cooling Towers, Allama Iqbal
International Airport, Lahore**

Dear Sir,

Transparency International Pakistan has received a complaint against serious allegations of violation of Public Procurement Rules 2004, by Pakistan Airports Authority in the procurement of Cooling Towers at Allama Iqbal International Airport, Lahore.

The complainant has made the following allegations:

1. The Pakistan Airports Authority (PAA), through the Office of the Divisional Engineer E&M, Allama Iqbal International Airport (AIIAP), Lahore, invited bids for the "Provisioning, Installation and Replacement of Outlived Cooling Towers with Allied Works" through Tender No. P37508 dated July 07, 2026 **(Annex-A)**.
2. PAA has kept an abnormally high reference cost of PKR 101,705,000 for the supply, installation, testing and commissioning of each cooling tower. For the five units, this comes to PKR 508,525,000 – which is over half a billion for the cooling towers alone.
3. The original equipment manufacturers, both local or foreign, charge around half of this amount for cooling towers of similar or larger capacity. Did PAA come up with these estimates after conducting market surveys or inviting quotations from local manufacturers? At the time when Pakistan is grappling with fiscal and foreign exchange pressure, such abnormally high rates determined by PAA are not only in violation of government stated policies but also serious loss to the national exchequer.
4. Clause 6.1.1 of the bidding documents (Scope of Work and Technical Specifications) stipulates that the country of manufacture of the cooling towers shall be the United States of America or Western Europe. The same clause further requires that any proposed equivalent manufacturer must have at least thirty (30) years of manufacturing experience and must have manufactured a minimum of five hundred (500) cooling towers during the preceding ten (10) years. The restrictive criteria impose limitations for many qualified local and foreign firms **(Annex-B)**.
5. PAA also requires the cooling tower to carry CTI Standard 2010M certification and listing in the CTI Directory of Certified Cooling Towers, a scheme run by the Cooling technology Institute in the USA. The certification required by the PAA is expensive and time consuming to obtain and is not something that the local manufacturers can afford. The requirement also excludes many small foreign suppliers.
6. Under Clause 8.1 of the bidding documents, the PAA has required the contractor to bear the costs of overseas factory inspections by representatives of the Pakistan Airports Authority, including international travel, accommodation, visas and daily allowances. These costs exist because there is a deliberate attempt to pre-identify a foreign firm. If local firms are selected, the entire cost will not be applicable, resulting in the saving for the project and the exchequer.
7. Pakistani manufacturers currently design and supply cooling towers for fertilizer plants, power plants, refineries and other strategic industrial facilities operating under substantially more demanding conditions than commercial airport cooling systems. The tender documents do not provide any technical justification for excluding such manufacturers from participating in the procurement process.



Transparency International Pakistan Comments

Transparency International Pakistan has reviewed the allegations of the complaint. Prima facie, the allegations seem correct.

Following are TI Pakistan's comments:

1. It is important that PAA determines how the abnormally high reference rate of PKR 101,705,000 per unit against half of the price charged by local manufacturers for the same cooling towers was determined by the PAA and how it represents the real value for money mandatory for all procuring agencies under PPRA Rules 2004, quoted below:

Rule 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.

2. Rule No. 10 of PPRA Rules 2004, requires that specifications be generic, allow the widest possible competition, and not refer to the origin of the country. Naming two specific regions as the only acceptable source of manufacture ensures that the specifications do not favour any particular contractor or supplier or place other qualified bidders at a disadvantage. The Rule is quoted below for your reference;

Rule 10 – Specifications

(2) Specifications shall allow the widest possible competition and shall not favour any single contractor nor put others at a disadvantage.

(3) Specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar classifications. However, if the procuring agency is convinced that it is not possible to formulate detailed specifications, such references may be used provided that the words "or equivalent" are included.

(4) Specifications shall not include references to the country of origin or manufacturer unless there is no other sufficiently precise or intelligible way of describing the procurement requirements, and such references shall be followed by the words "or equivalent".

3. Why PAA has imposed restrictive technical grounds on cooling towers when such sourcing restrictions are not even used in more critical industries within the country. This is also against PPRA rules which mandate procuring agencies to ensure widest competition.
4. PAA must address restrictions in the tender specifications so that qualified local manufacturers can compete on equal terms.

Transparency International Pakistan Recommendations

1. Clause 6.1.1 is a particular manufacturer specific due to following minimum requirements:
 - a. Any proposed equivalent manufacturer must have at least thirty (30) years of manufacturing experience and must have manufactured a minimum of five hundred (500) cooling towers during the preceding ten (10) years.
2. It amounts to mis-procurement under PPRA Rule 50 as it violates Rule 10 specification as well as Rule 32, being discriminatory condition. Rule 32 states as follow:

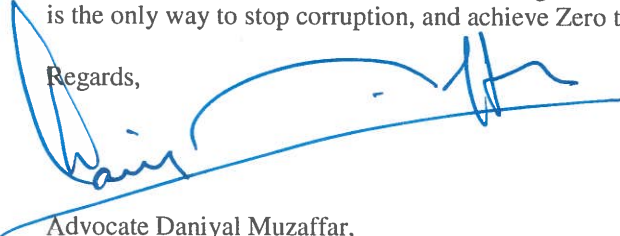
Rule 32: Discriminatory and difficult conditions.- *Save as otherwise provided, no procuring agency shall introduce any condition, which discriminates between bidders or that is considered to be met with difficulty. In ascertaining the discriminatory or difficult nature of any condition reference shall be made to the ordinary practices of that trade, manufacturing, construction business or service to which that particular procurement is related.*



Transparency International Pakistan requests the DG Pakistan Airports Authority, to examine the serious allegations of the complaint and, if found correct, issue directives to address the violations and re-invite tender in compliance with PPRA Rules 2004 to avoid mis-procurement.

Transparency International Pakistan is striving for across-the-board application of Rule of Law, which is the only way to stop corruption, and achieve Zero tolerance against corruption.

Regards,


Advocate Daniyal Muzaffar,
Trustee/Legal Advisor
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. Dr. Tauqir Shah, Advisor to Prime Minister, Islamabad.
2. Secretary, Ministry of Defence, Islamabad.
3. Managing Director, Public Procurement Regulatory Authority, Islamabad.
4. Chairman, Prime Minister Inspection Commission (PMIC), Islamabad.
5. Registrar, Supreme Court of Pakistan, Islamabad.

Note:

This is to clarify that Transparency International Pakistan is not a complainant, it acts as a whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, and a three-member bench in case of Mukhtar Ahmad Ali vs the Registrar, Supreme Court of Pakistan, Islamabad, headed by Chief Justice Qazi Faez Isa in the landmark judgment on 16 October 2023, in CP No. 3532/2023, has declared that

“What previously may have been on a need-to-know basis Article 19A of the Constitution has transformed it to a right-to-know, and the Access to information is no longer a discretion granted through occasional benevolence, but is now a fundamental right available with every Pakistani which right may be invoked under Article 19A of the Constitution”

Standard Bidding Document

Provisioning / Installation and Replacement of outlived cooling towers with allied works at Allama Iqbal International Airport (AIIAP) Lahore (Works)

National

Single Stage-Two Envelope

CORRIGENDUM # 1	CORR-P37508-001
Initiation Date	July 07, 2026



July 07, 2026

*Allama Iqbal International Airport (Pakistan Airports Authority (PAA)), Divisional Engineer
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REQUEST FOR BIDS

PROCUREMENT OF CIVIL WORKS

1. The **Allama Iqbal International Airport (Pakistan Airports Authority (PAA))** has reserved Funds for the procurement planned for FY **2026-27**. The **Allama Iqbal International Airport (Pakistan Airports Authority (PAA))** intends to apply part of the proceeds of this Fund to cover eligible payments under the contract for the "**Provisioning / Installation and Replacement of outlived cooling towers with allied works at Allama Iqbal International Airport (AllAP) Lahore**" with the reference of "**P37508**".
2. The **Allama Iqbal International Airport (Pakistan Airports Authority (PAA))** invites sealed Bids from eligible Bidders for procurement of Works (**Provisioning / Installation and Replacement of outlived cooling towers with allied works at Allama Iqbal International Airport (AllAP) Lahore**) described in the bidding documents on **EPADS v2.0**.
3. **Single Stage-Two Envelope** will be used by adopting **Least Cost Based Selection (LCBS)** Technique for the subject procurement, in line with the Public Procurement Rules, 2004 and any Regulations, Regulatory Guides, Procurement Guidelines or Instructions issued by the Authority from time to time.
4. All Bids must be accompanied by a Bid Security amount described in Bid Security Section in Bidding Document in the form of **Pay Order, Banker's Cheque, Call at Deposit, Demand Draft**. Or all bids must be accompanied by bid securing declaration in the format specified in the Bidding documents
5. E-Bidding documents, containing detailed terms & conditions, specifications and requirements etc. are available on **e-Pak Acquisition and Disposal System (EPADS)** at **<https://epads.gov.pk/opportunities/federal/procurements/37508>** for all the interested bidders registered on **EPADS v2.0**. Bidders are required to get themselves registered on **EPADS v2.0** to participate in Bidding process.
6. The e-bids, prepared in accordance with the instructions in the e-Bidding documents, must be submitted through **EPADS v2.0** on or before **Tuesday**,

July 21, 2026 11:00 AM. E-bids will be opened by using **EPADS v2.0** on the same day at **Tuesday, July 21, 2026 11:30 AM.** Manual submission of Bids shall not be entertained. Those vendor who have not yet registered on the new version of **EPADS v2.0**, may register themselves on <https://vendors.epads.gov.pk/>. A tutorial to explain the registration process is available at <https://www.youtube.com/watch?v=MNW6T38v7tc>.

In terms of Rules 48 of Public Procurement Rules, 2004 Grievance Redressal Committee (GRC) is notified for the subject procurement and notification copy is available on the procuring agency's website and on Authority's website at (www.ppra.org.pk).

Allama Iqbal International Airport (Pakistan Airports Authority (PAA)), Divisional Engineer

Office of Divisional Engineer E&M, Level-IV, Allama Iqbal International Airport., Lahore City, Lahore (District), Lahore Division (Division), Punjab (Province).

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Appendix-III-a
Scope of Work & Technical Specifications

EUROVENT-

JCI - Japan Cooling Tower Institute

JIS - Japan Industrial Standards

NFPA - National Fire Protection Association, USA

AHRI - Air-conditioning, Heating and Refrigeration Institute, USA

SMACNA - Sheet Metal and Air-conditioning Contractors National Association, USA

GOVERNMENT - Government of Pakistan

LOCAL - Local authorities of Lahore

I.E.E. - Institute of Electrical Engineers, London.

NEMA - National Electrical Manufacturers Association, USA

AMCA - Air Moving and Control Association Inc. USA.

P.S. - Pakistan Standards

B.S. - British Standards

TIMA - Thermal Insulation Manufacturer's Association, USA.

6.0 Cooling Tower Manufacturers

- As mentioned in the technical specifications.

6.1 Quality Assurance and Qualification

If the equipment is supplied other than recommended manufacturers as per the list above, then to guarantee a high quality standard in the field of designing, fabricating, installing and maintaining the said equipment; only manufacturers and installer / supplier with a proven record of following criteria will be considered as approved equivalent:

6.1.1 Manufacturer:

Unless otherwise mentioned in the list of recommended manufacturers (listed above in cause 6.0), the country of manufacture of Cooling Tower shall be USA or Western Europe and must fulfill following criteria to be considered as approved equivalent:

- i. The manufacturer must have a track record of having produced and supplied no less than 500 Cooling Tower units during the last 10 years.
- ii. The manufacturer of the equipment shall have a minimum of 30 years' experience in the design and manufacture of similar type of equipment.

Appendix-III-a
Scope of Work & Technical Specifications

- iii. The manufacturer shall be regularly engaged in the manufacture of cooling towers whose products have been in satisfactory use in similar service for not less than (10) years.

All devices, components and equipment shall be new, standard products of the manufacturer's latest design and suitable to perform the functions intended.

6.1.2 Contractor:

The contractor should have PEC Registration Certificate in the relevant category and NTN certificate.

The contractor shall be regularly engaged and qualified with at least 5 years' experience in installation and service of similar equipment. The contractor must have a track record of having supplied and erected no less than 10 Cooling Tower units of similar capacities during the last 05 years in Pakistan.

The contractor will carry out all installation under the direct supervision of manufacturer's site supervisor.

Provide references of projects of similar scope that have been successfully completed within Pakistan and abroad. References shall include project name, scope description, cost of works, address, date of substantial completion and contact details of facility manager to verify the manufacturer's and contractor's experience.

7.0 Permits

The Contractor shall secure and pay for any necessary approvals, permits and inspections from Government or other controlling agencies where applicable as required by law, before commencing any work so as to avoid all delays during erection and turn over the official records of granting of permits to the Engineer. No reimbursements shall be made for such payments.

8.0 INSPECTION, TESTING, DAMAGES AND MATERIAL ORDERS

8.1 Inspection and Testing at Manufacturer's Shop

All equipment (including pumps, fans mechanism and other key components) to be supplied under this Contract shall be subject to witnessing of inspection and testing by two technical representatives of Employer at its point of original manufacture or final shop assembly before its dispatch to site. The Contractor shall make necessary arrangements and provide all the facilities required for conducting such inspection, at Contractor's cost. The cost of traveling including overseas travel, arranging of business visas, boarding and lodging shall be the responsibility of the Contractor.

In addition, for overseas inspection, the Contractor shall provide (for two persons) daily allowance at approved DSA rates by GoP, for out-of-pocket expenses, per day per person for each visit. The number of days shall be actual days spent in travel calculated from the dates of travel from and to the hometown of the concerned representative nominated for inspection, but not less than five (5) days. The US\$ in cash shall be provided before start of travel from hometown.

The Contractor shall give at-least 3 (three) to 5 (five) weeks' notice to the Engineer/Employer for attending such inspections/tests.

8.2 Inspection at Site of Works

All equipment / materials supplied by the Contractor shall be inspected by the Engineer after