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PRIME MINISTER'S OFFICE
PRIME MINISTER'S INSPECTION COMMISSION
ISLAMABAD
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F.No.1(1)/Dir/TIP-Misc.Complaints/PMIC/2023 September 8th, 2026

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**

I am directed to enclose a self explanatory letter dated 28.07.2026 from Transparency International Pakistan, Karachi on the subject cited above (***copy enclosed***).

2. The competent authority has desired that "Director General (DG), Pakistan Airports Authority (PAA), Karachi" may look into the observation raised by Transparency International Pakistan (TIP) and ensure transparency / compliance with PPRA Rules, 2004 / applicable laws in the aforementioned tendering for 'Cooling Towers, Allama Iqbal International Airport, Lahore' under intimation to this office.

3. This issues with the approval of competent authority.

(Muhammad Farrukh Saleem)
Assistant Director-II
051-9201699

Secretary,
Ministry of Defence,
Rawalpindi.

Copy:
1. Director General (DG), Pakistan Airports Authority (PAA), Karachi.
2. Advocate Daniyal Muzaffar, Trustee / Legal Advisor, TIP at "Plot 72F/2, Floor 1, 9th Street, Jami Commercial Street, DHA Phase 7, Karachi.
3. PS to Chairman, PMIC.
4. PS to Member-V, PMIC.

TRANSPARENCY INTERNATIONAL - PAKISTAN

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July 28, 2026

TL2026/0728/1A

Chairman PAA's Office
04 AUG 2026
Dy. No. 190-4

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, <u>but is now a fundamental right available with every Pakistani which right may be invoked under Article 19A of the Constitution</u>"