



HEADQUARTERS  
Civil Aviation Authority  
Terminal-I, Jinnah Int'l. Airport  
Karachi - 75200, Pakistan  
Fax # (92-21) 99242532

Ref: HQCAA/2843/1501/Com (Vol-I)

Dated: 28 November, 2010

**VIOLATION OF PPRA RULES 2004-ALLEGATION OF AWARD OF 90 MILLION  
ADVERTISING CONTRACT AT JIAP KARACHI WITH TENDER & INCREASE IN  
CAR PARKING FEE BY 33%**

Reference your letter No. A891/13 (1) dated 26-10-2010

2. The letter of TIP dated 30-09-2010 on the above noted subject was received under the covering letter of Section Officer (P & D) MoD dated 11-10-2010 and accordingly reply/comments has been submitted to MoD vide letter of even No. dated 14-10-2010 (copy attached)
3. Submitted please.

  
(GHULAM SHABBIR JALBANI)  
GM Commercial & Land Development (S)  
Chief Commercial & Marketing Officer  
Tel # (92-21) 9924-2744

For

Mr. Syed Adil Gilani,  
Chairman,  
Transparency International Pakistan,  
5-C 2<sup>nd</sup> Floor, Khayaban-e-Ittehad,  
Phase-VII, DHA,  
Karachi.  
**Fax No. 021-35390410**



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Civil Aviation Authority  
Terminal-I, Jinnah Int'l. Airport  
Karachi - 75200, Pakistan  
Fax # (92-21) 99242532

Ref: HOCAA/2843/1501/Com (Vol-VIII)

Dated: 14<sup>th</sup> October, 2010

**VIOLATION OF PPRA RULES 2004-ALLEGATION OF AWARD OF 90 MILLION  
ADVERTISING CONTRACT AT JIAP KARACHI WITH TENDER & INCREASE IN  
CAR PARKING FEE BY 33%**

Reference your letter No.F 5 (3)/07-P&D dated 11<sup>th</sup> October 2010 on the above noted subject

2. The para wise reply with respect to observation raised alongwith supporting documents are as under:

**Observation No.01**  
**Award of Advertisement Contract Without Tenders**

- Previously Advertisement Concessions inside International & Domestic were awarded to M/s Argus Advertising through tenders.
- M/s Argus Advertising served termination notice and accordingly concessions were tendered five times on following reserve price however, no fruitful result was achieved:

Advertisement Display Units International Departure Walkway/International Departure Satellite & international Arrival Lounge	
1 <sup>st</sup> Tender	Rs. 2,483,466/-
2 <sup>nd</sup> Tender	Rs. 1,986,773/-
3 <sup>rd</sup> Tender	Rs. 1,589,378/-
4 <sup>th</sup> Tender	Rs. 1,589,378
5 <sup>th</sup> Tender	Rs. 1,050,000/-

Nil participation

Advertisement Display Units Domestic Departure Walkway/Domestic Departure Satellite & Domestic Arrival Lounge	
1 <sup>st</sup> Tender	Rs. 3,078,744/-
2 <sup>nd</sup> Tender	Rs. 2,462,995/-
3 <sup>rd</sup> Tender	Rs. 1,970,376/-
4 <sup>th</sup> Tender	Rs. 1,970,396/-
5 <sup>th</sup> Tender	Rs. 1,280,000/-

Nil participation

- Owing to nil participation in the tenders, DGCAA approved to award the contracts through negotiations in consultation with Finance and Legal Departments

A Committee of officers was constituted by DGCAA to dispose off the vacant advertisement concessions through negotiations.

- To ensure transparency and to give equal opportunity to advertisement companies, stake holders/agency, advertisement for invitation of negotiations were invited through Press (copy of Press clipping is attached as Appendix "A")

- Accordingly negotiations process of the technically qualified companies was held at HQCAA in presence of Committee members.
- Subsequently, M/s Outdoor was awarded the concessions as the company offered highest bid (being above CAA reserve price kept in last tenders) as recommended by the Committee and subsequent to approval of competent authority.
- Based on the above, it is submitted that since the concessions were vacant and despite of tendering no party participated, therefore, DGCAA approved to award the same though negotiations for disposal of same and advertisement for negotiations were also advertised through Press and all policy & procedure of CAA and merit was strictly followed during award of concessions.

Observation No. 02

Increase in Car Parking Charges at JIAP Karachi

- The input was obtained from Jinnah International Airport with respect to rates charged by existing contractor and they have confirmed that the contractor is charging the rates approved by CAA and monitoring of rates being levied has been ensured by location. In this regard, duly approved rate list for car parking charges at JIAP Karachi is enclosed as Appendix "B".

Observation No. 03

Non Implementation of PPRA Rules

- This office on receipt of PPRA letters sought comments/input from Legal Dte on applicability of PPRA rules on Commercial Dte and Legal Dte has opined that the PPRA rules are not applicable on Commercial Dte.
- 3 Submitted as desired please.



(NADIR SHAFI DAR)

Chief Commercial & Marketing Officer

Tel # (92-21) 99242531



Mr. Tahir Pervez  
Section Officer (P&D)  
Government of Pakistan  
Ministry of Defence  
(Defence Division)  
Rawalpindi  
Fax No. 051-9271190