



10<sup>th</sup> March, 2010

Captain Ajaz Haroon,  
Chairman,  
Pakistan International Airlines,  
Head Office,  
Quaid-e-Azam International Airport,  
Karachi 75200

**Sub: Report on the Second Meeting held with MD PIA on 9<sup>th</sup> March 2010**

Dear Sir,

During its second meeting held on 9<sup>th</sup> March 2010, with Captain Mohammad Aijaz Haroon, Managing Director PIA and Mr. Syed Adil Gilani, Chairman Transparency International Pakistan, the issue of food purchase pre-qualification and Dry leasing tender documents were discussed in detail. The meeting was attended by the following:

**PIA**

- 1 Captain Ajaz Haroon, Managing Director.
- 2 Mr. Salim Sayani, DMD.
- 3 Mr Shahnawaz, Director Corporate Planning
- 4 Mr. Imran Khan, Director Marketing.
- 5 Mr Asim Shaikh, Manager Fleet Planning.
- 6 Mr. . Aziz Suharwardy, coordinator PIA

**TI Pakistan**

1. Syed Adil Gilani, Chairman
2. Syed Fawad Gilani, Procurement Specialist

A. It was discussed that to proposes check and balance for purchase and distribution to be under two separate departments, PIA would provide TIP its complete procurement system for review by TIP.

**B. EVALUATION CRITERIA FOR MEGA STORES**

1. It was agreed to remove the litigation criteria from the document , as it is a fundamental right in Pakistan.
2. The financial requirements were to be made reasonable enough for vendors to be able to qualify for open competitive bidding. Maximum limit of Rs 15 Billion may be amended to Rs 1 Billion, and minimum limit of 1 Billion may be amended to Rs 100 million.



3. PIA would list the items required for 1 window operation making the prequalification specific for one year. It will be clarified that tenders from prequalified stores will be invited for items to be procured from time to time.
4. If the procurement is to be supplied in Pakistan, then why foreign experience is being given higher marks?. It may be deleted.
5. Since mega stores are relatively new in the Pakistan market it is suggested that prior airline experience weight age may be re-considered by PIA
6. Although not discussed but TIP also noted that PIA should clearly specify which 3 major cities presence is required for pre-qualification. In TIP opinion none of the Stores in Pakistan would qualify this criteria.
7. The Terms of Reference would be made unambiguous.
8. In the TOR the last clause of "After award contract ordered quantities in any quantum can be reduced or increased at the sole discretion of PIA" is in clear violation of PPRA Rules and should be removed.
9. Escalation mechanism if needed, should be addressed.

#### C DRY LEASE OF PLANES TENDER

10. During the meeting Chairman TIP pointed out to MD PIA that all contract documents should be made public on PIA website in compliance with PPRA rules.
11. That TIP is an independent organization and would raise issue with PIA if it notices or receives complaint on procurements, in addition to the ones being discussed.
12. The issue of proprietary clause was also discussed where PIA executive mentioned that Boeing planes are proprietary and there prices should not be disclosed.
13. Upon verification by TIP, Boeing it self discloses its sales prices made to different airlines on its website; hence this issue of having secrecy should not hinder PIA from publishing its evaluation results and contract on its purchases.
14. PIA requested TIP to appoint a resource person in the Head Office to assist PIA to vet the tender documents to comply with PPRA Rules and regulation. Chairman TIP nominated the Procurement Specialist of TIP as resource person to deal with PIA.

We suggest that an office may be allotted at the MD PIA Secretariat, where PIA coordinator Mr. Aziz Suharwardy may establish monitoring cell, with TIP Procurement Specialist.

Best Regards,



Syed Adil Gilani  
Chairman.