

MDS / 314 / 2010  
February 19, 2010

Syed Adil Gilani  
Chairman  
Transparency International – Pakistan  
5-C, 2<sup>nd</sup> Floor  
Khyaban-e-Ittehad  
Phase-VII, D.H.A  
Karachi

**Report on the first meeting held with PIA on 10<sup>th</sup> February 2010**  
**Based on MOU signed on 3<sup>rd</sup> February 2010**

Dear Sir,

Please refer to our meeting on February 10, 2010 and your subsequent letter dated February 12, 2010.

First of all let us express our gratitude to you for taking time and visiting us to discuss PIA's procurement processes. As you would appreciate PIA has been forthcoming in divulging details of various projects to Transparency International Pakistan. Signing of MoU with TIP for surveillance of its procurement processes is also a testimony of PIA confidence in its procurement processes and management's resolve to further strengthening the same.

In this regard, it was heartening to note that TIP has observed that PIA had not violated any rule with regard to "procurement process of the \$ 2 Billion, 27 new Aircraft from Airbus and Boeing". We have noted down your advice and as earlier explained in our letter dated July 22, 2009 the purchase of aircraft would be carried in accordance with the rules.

As for "procurement of Thales Reality Seven Boeing 777-300ER full flight simulator". We are glad to read that TIP acknowledges that the tender process was followed and the tender was awarded to the "lowest evaluated bidder" as per the rules. The information for the relevant government agencies is being compiled and shall be furnished subsequently. In addition, we have also noted your observation on Integrity Pact. In light of your advice, a review will be carried out to ascertain the reasons for incorporating the changes in the Integrity Pact.

As for the other issues raised in your letter, as agreed PIA has already provided detailed reply on "Abacus Distribution System Pakistan" on February 16, 2010, whereas the "Draft Tender Document for Wet Lease of Aircraft" was also emailed to you on February 11, 2010.

We hope you will find the above to your satisfaction.

Yours sincerely,



**Capt. Mohammad Aijaz Haroon**