



22 January 2010

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

**Sub: TI Pakistan as Observer in Major PIA Procurements.**

Dear Sir,

Transparency International Pakistan appreciates PIA decision to become first Federal Procuring Agency to have independent Observer in all its major procurements, for Transparency and third party validation of procurements.

We quote below the role of TIP Observer in an on going Sindh Government Project, as assigned by the World Bank.

"Transparency International Pakistan is to monitor all procurements of World Bank funded US \$ 176 million Irrigation project Sindh Water Sector Improvement Phase-I Project Id P084302 for Government of Sindh as observer."

*Government of Sindh has signed an MOU with Transparency International Pakistan that will reinforce transparency in the procurement process by participating as an observe in all bid proposal opening and evaluation committee meetings. The TIP would observe:*

- (a) bid opening is done according to the schedule;*
- (b) bid opening venue is accessible to all prospective bidders;*
- (c) bid documents are made available to all interested parties and they are also available on the procurement website;*
- (d) bids are received in sealed forms, opened publicly and kept in verifiably safe place after opening till the evaluation is complete to avoid any tempering after opening;*
- (e) bid evaluations are carried out confidentially and intermediate working reports are kept safely with access to only the evaluators;*
- (f) complaints are received, entered into the system processed through the established complaint redressal system; and*
- (g) report to PMCA, any issues or anomalies in procurement process and if necessary bring to the attention of PSC and P&D Department;*



*(h) Bank will be copied on all such correspondence.*

*TIP would carry out such reviews or participate in bidding procedures for contracts that are above threshold for prior review and on a random basis for contract subject to post review "*

In PIA the role of TIP has to be defined on a similar pattern, and we suggest the following role. In case this proposal is acceptable, PIA may confirm to TIP through a letter appointment of TIP as observer, w.e.f 1st February 2010.

Transparency International Pakistan will monitor all procurements of PIA above Rs 10 Million, as observer.

The Role of Transparency International Pakistan is to reinforce transparency in the procurement process by participating as an observer in all bid proposal opening, and all evaluation committee meetings. .

The TIP would observe:

- (a) bid opening is done according to the schedule;
  - (b) bid opening venue is accessible to all prospective bidders;
  - (c) bid documents are made available to all interested parties and they are also available on the procurement website;
  - (d) bids are received in sealed forms, opened publicly and kept in verifiably safe place after opening till the evaluation is complete to avoid any tempering after opening;
  - (e) bid evaluations are carried out confidentially and intermediate working reports are kept safely with access to only the evaluators;
  - (f) complaints are received, entered into the system processed through the established complaint redressal system; and
  - (g) report to Managing Director PIA, any issues or anomalies in procurement process.
- h) PIA will ensure that TIP objections will be addressed and issues or anomalies are corrected within 7 days.

With Regards,

Syed Adil Gillani  
Chairman,