

No. F. 1(60)/DD-II/PPRA/2011
GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(CABINET DIVISION)
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Islamabad, dated 3rd February, 2012

SUBJECT: Violation Of Public Procurement Rules 2004, Director Corporate Planning, PIA, Karachi, Expression of Interest to Install an ATR Aircraft Full Flight Simulator on Build Operate Transfer / Joint Venture Basis.

Reference Public Procurement Regulatory Authority's letter of even number dated 23rd January, 2012 on the above noted subject.

2. Your request was forwarded to Pakistan International Airlines (PIA), Karachi, for disposal under Rule – 48 of Public Procurement Rule, 2004. The comments of Procuring Agency are enclosed.



(Naeem Ahmed)
Deputy Director-II

Syed Adil Gilani,
Advisor,
Transparency International- Pakistan,
5 C, 2nd Floor,
Khayaban-e-Ittehad, Phase VII,
DHA,
Karachi.

January 30, 2012

Naeem Ahmed
Deputy Director-II
Public Procurement Regulatory Authority
Cabinet Division, FBC Building, Sector G-5/2
Islamabad.

Subject: **Violation of Public Procurement Rules 2004, Director Corporate Planning, PIA, Karachi, Expression of Interest to Install an ATR Aircraft Full Flight Simulator on Build Operate Transfer/Joint Venture Basis**

Dear Sir,

Reference your letter dated January 23, 2012 on the above subject. At the very outset, let it be mentioned that there are three stages which may be involved in a procurement process.

1. Expression Of Interest (EOI)
2. Request for Pre-qualification
3. Request for Proposal.

While the above mentioned last two steps have now legal backing by virtue of PPRA Rules 2004, however, the Expression of Interest (EOI) has not been provided for in PPRA Rules 2004.

From a reading of Transparency International Pakistan's (TIP) letter, it appears that they are concerned about the violation of PPRA Rules 2004. However, what has not been realized is that through the advertisement for Expression of Interest (EOI), PIAC intended to explore the market for the intending investors for this costly project.

We never intended to violate PPRA Rules; rather the present arrangement has not been mentioned in the rules. Such omission is conspicuous which allows the procuring agency to explore the market before embarking on journey of procurement.

We are afraid, that the apprehensions of TIP regarding the violation of PPRA Rules 2004, in the matter in hand are not founded on any legal basis.

The reference to Rule 16 of PPRA Rules would have only been proper, if PIA had embarked on the journey of pre-qualification. This rule only comes into play when a

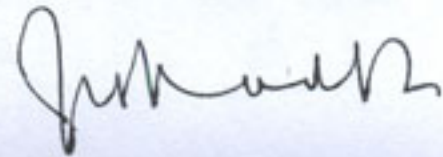
request U/R 13 of PPRA Rules Supra for pre-qualification is floated in the market.

In the case in hand, keeping in view the heavy investment and intricacy of the project, it was deemed proper to float an Expression of Interest (EOI) before taking any further step.

Let us assure you that, being a procuring agency, we shall always abide by all the laws, rules, regulations and directives issued by PPRA under PPRA Ordinance/Rules framed there under.

The information is submitted as desired by PPRA.

Yours sincerely,
for Pakistan International Airlines



Irshad Ghani
Director Corporate Planning

Pakistan International Airlines
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Karachi