



TRANSPARENCY INTERNATIONAL-PAKISTAN

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03rd June 2011

Chairman,
Pakistan International Airlines,
Head Office, Karachi Airport.

Sub: Violation of Public Procurement Rules 2004, Pakistan International Airlines, Karachi, Tender Notice for investment and consultancy in procurement of all aircraft spares/ GSE and sale of surplus inventory.

Dear Sir,

The G.M. Procurement, Pakistan International Airlines, Karachi's tender notice for investment and consultancy in procurement of all aircraft spares/ GSE and sale of surplus inventory is against the Public Procurement Rules 2004.

The method "Two Stage Two Envelope" is only allowed for the procurement of "machinery or equipment or manufacturing plant" only under Public Procurement Rule 2004's Rule 37 (c), whereas Pakistan International Airlines is asking for the supply of fluids, lubricants, paints in the first phase, end to end supply chain solution in the second phase and establishment and operations of bounded warehouse at three locations, Karachi/ Islamabad/Lahore in the third stage.

The above procurements are a mix of three different procurements which may be examined to be invited separately and not under one tender. The rule is quoted below for your information;

37.(c):- Two stage two envelope bidding method shall be used for procurement where alternative technical proposals are possible, such as certain type of machinery or equipment or manufacturing plant.


This tender may be discharged, and re tendered according to the public Procurement Rules 2004.

Transparency International Pakistan has also noticed that you are using this method for other such procurements. All such objectionable tenders should be re-invited according to the Public Procurement Rules 2004.

The above information is forwarded for the purpose of avoiding the mis-procurement charge under Rule No 50, and with request to re-invite the tender under the prescribed procedures.

TI Pakistan is striving to have Rule of Law in Pakistan, which is the only way to eliminate corruption and have good governance in country.

With Regards,


Syed Agha Gilani
Chairman

Copies forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad.
2. Secretary, Defence Division, Islamabad
3. Chairman, NAB, Islamabad.
4. Registrar, Supreme Court.
5. Auditor General, Islamabad.
6. Managing Director, PPRA, Islamabad.

INVESTMENT AND CONSULTANCY IN PROCUREMENT OF ALL AIRCRAFT SPARES / GSE AND SALE OF SURPLUS INVENTORY:

Pakistan International Airlines (PIA), the National Flag Carrier and Premier Airline of the globe in its continuous endeavor to revamp its services is embarking upon a major system upgrade in procurement and logistics to bring real time management and economy.

In order to transform its Procurement and Logistics facilities, PIA **invites sealed tenders** on annual basis for the supply of all Aircraft Parts and allied items with one year credit facility in phased manner.

➤ **In the 1st Phase**

Consumables, Hydraulic Fluids / Lubricants, Aircraft Upholstery / Furnishing items, Paints and Chemicals etc...

➤ **In the 2nd Phase**

To provide end to end supply chain solution to include procurement of high cost items, LLPs, Rotables, GSE and Marketing and Sale of Surplus Inventory.

➤ **In the 3rd Phase**

Establishment / Operations of Bonded Warehouse at three locations KHI/ISB/LHE, ERP/Warehouse Management System (WMS); Implementation of RFID Tracking System and Inventory Control through Inventory Audit.

Tender proceedings will be convened on **'Two Stage Two Envelope'** Mode (*procedure is defined in 'Instruction to Bidders'*).

Please arrange to courier / mail / deliver the Bids in separate Sealed Envelopes marked in bold letters **Technical Proposal** and **Financial Proposal** latest by **June 30, 2011 till 1030 Hrs. (PST)** at the PIA Procurement and Logistics Building Karachi Airport. Tenders will be opened on same day / date at 1100 hours (PST) in Procurement and Logistics Building PIA Head Office, Karachi Airport in the presence of representative of bidders who wish to attend.

Note: PIA reserves the right to extend or annul the Tender Proceedings and reject / accept any bid / proposal in line with PPRA Rules.

For any query, please contact:

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