



31<sup>st</sup> August 2010

Dear Captain Mohammad Aijaz Haroon,  
Managing Director,  
Pakistan International Airlines,  
Karachi

**Sub: Violation of Public Procurement Rules, 2004**  
**Expression of Interest for outsourcing of pre-payment Audit and Validation Function of**  
**Skyrooms Pvt Ltd.**

Dear Sir,

The Expression of Interest for outsourcing of pre-payment Audit and Validation Function of Skyrooms Pvt Ltd. notice published in Business Recorder dated 29 August 2010, is lacking Transparency and violating the "Public Procurement Rules, 2004", Rule No. 13 response time, which is minimum 15 days, whereas PIA has allowed only 10 days, and Rule No 23. according to Rules no. 23, it is mandatory to provide set of complete documents, which shall include the Evaluation Criteria on which the firms will be evaluated. These requirement are compiled by PIA in this procurement.

**Rule 23. Bidding documents -**

*(1) Procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.*

The current assignment is for the services, which under the Public Procurement Rules, 2004 falls within process of rule No. 36 (b) quoted below

"Rule 36. Procedures of open competitive bidding.- Save as otherwise provided in these rules the following procedures shall be permissible for open competitive bidding, namely:- (b) single stage - two envelope procedure.- (i) The bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;(ii) the envelopes shall be marked as "FINANCIAL PROPOSAL" and "TECHNICAL PROPOSAL" in bold and legible letters to avoid confusion;(iii) initially, only the envelope marked "TECHNICAL PROPOSAL" shall be opened;(iv) the envelope marked as "FINANCIAL PROPOSAL" shall be retained in the custody of the procuring agency without being opened;(v) the procuring agency shall evaluate the technical proposal in a manner prescribed in advance, without reference to the price and reject any proposal which do not conform to the specified requirements;(vi) during the technical evaluation no amendments in the technical proposal shall be permitted;(vii) the financial proposals of bids shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance;(viii) after the evaluation and approval of the technical proposal the procuring agency, shall at a time within the bid validity period, publicly open the financial proposals of the technically accepted bids only. The financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders; and  
(ix) the bid found to be the lowest evaluated bid shall be accepted.

This is also to be informed that Bids are to be evaluated in accordance with the prescribed evaluation criteria only ( Rule quoted below), which principle is applicable on prequalification also.



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*"Rule 29. Evaluation criteria.- Procuring agencies shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated. Such evaluation criteria shall form an integral part of the bidding documents. Failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.*

*Rule 30. Evaluation of bids.- (1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding documents. Save as provided for in clause (iv) of sub-rule (3) of rule 36 no evaluation criteria shall be used for evaluation of bids that had not been specified in the bidding documents."*

Transparency International Pakistan request the you to kindly to make all its procurement Transparent, and in accordance with the requirements of Public Procurement Rules 2004, and prepare Tender Documents required under Rule 23, and evaluation criteria, for applicants, with mandatory information, and issue the set of prequalification documents to the bidders.

Rule of Law shall be supreme in Pakistan. The ultimate goal of Public Procurement Rules 2004, beside ensuring that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical, is to make corruption a "high risk" and "low return" undertaking.

The above information is forwarded for the purpose to avoid the mis-procurement charge under Rule No 50, and to re- invite the tender which shall be based on the procedures prescribed by the Public Procurement Rules, 2004.

With Regards,

Syed Adil Gilani,  
Chairman,