

TENDER NOTICE

Pakistan International Airlines (PIA) invites **"Sealed bids"** on **"Single Stage Two Envelope Basis"** from interested parties for obtaining **"Lease or Flat Exchange of 03 GE90-94B and 03 GE90-115B engines"**. The Bids / Sealed offers may be based on any or combination of any of the following offer options:

a) Lease Option

and / or

b) Flat Exchange against Core Engines

Parties can submit offer for any number of engines i.e. Qty 01, 02 or for all 06 Engines depending on availability. An engine may be offered using multiple offer option (a and / or b).

The complete set of bidding documents containing the details of services required, instructions and terms and conditions for the tender (that form an integral part hereof and hereby incorporated by reference) can be downloaded from PIA website http://www.piac.com.pk/PIA_Business/pia-Business_Tenders.aspx or Public Procurement Regulatory Authority website (www.ppra.org.pk) or can be obtained from the office during working hours:

General Manager Contract Management

Supply Chain Management

PIA Head Office, Karachi.

Ph: +9221 99045277 - 4216

Email: gm.cm@piac.aero , contract.tech@piac.aero

Closing date:

Bids meeting the requirements as mentioned in the bidding documents must reach PIA latest by **23th October 2023 at 10:30 hrs PST** (Pakistan Standard Time) as prescribed in the bidding document.

The bids will be opened on the same day on **23th October 2023 at 11:00 hrs PST.**

REF: GMCM/ B777 LEASE or FLAT ENGINES/2023/01

M/S: _____

SUB: Lease or Flat Exchange of 03 GE90-94B and 03 GE90-115B engines

Dear Sir / Madam,

Pakistan International Airlines (PIA) invites "**Sealed bids**" on "**Single Stage Two Envelope Basis**" from interested parties for obtaining "**Lease or Flat Exchange of 03 GE90-94B and 03 GE90-115B engines**".

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- a) **Lease Option**
and / or
- b) **Flat Exchange against Core Engines**

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A) SUBMISSION OF TENDER

1. You are required to send your tenders addressed to General Manager Contract Management, PIA Supply Chain Management, JIAP Karachi latest by **23rd October 2023 before 10:30 hrs PST (Pakistan Standard Time)**. The tender may be dropped in the tender box marked as "**Tender Box Commercial Purchases**" placed at the entrance of the PIACL Supply Chain Management Building latest by **10:30 hours (PST)** on the specified date. You may also send your tender through registered A/D mail addressed to General Manager Contract Management, which must reach before the closing date and time mentioned above. Tenders will be opened at **11:00 hours (PST)** the same day in the presence of tenders.

2. Proposals received after stipulated date and time shall not be considered. The Corporation will not be responsible for postal delays. The decision of GM Contract Management in this respect shall be final and binding.

3. Tenders / Proposals received shall be evaluated in accordance with the given criteria/ requirements.

Mention clearly Tender Reference on **TOP RIGHT CORNER OF PROPERLY SEALED ENVELOPE, BEARING COMPANY'S STAMP**

Yours truly,

Iftikhar M. Usmani
GM Contract Management
Supply Chain Management
PIA Head Office, Karachi.
Ph: 021 99045277, 99044216
Email: gm.cm@piac.aero,
contract.tech@piac.aero

Table of Contents

GENERAL INTRUCTIONS:	5
1. THE SCOPES OF THE REQUIREMENT IS:	5
2. CLARIFICATION ON BIDDING DOCUMENTS	5
3. SUBMISSION OF BID	5
4. TENDER PROCEEDINGS	6
I) TECHNICAL PROPOSAL:	6
II) FINANCIAL PROPOSAL:	7
5. DEADLINE FOR SUBMISSION OF BIDS:	7
6. OPENING OF BIDS:	8
7. BID READ OUT:	8
MANDATORY / SPECIAL REQUIREMENTS	8
1. AGREEMENT	8
2. LEASE TERM	8
3. NOTE FOR BID VALIDITY	8
4. PIA CORE UNIT DETAILS	8
5. FLEET & USAGE INFORMATION:	9
6. PRESERVATION REQUIREMENT:	9
7. TAG / RELEASE REQUIREMENT :	9
8. DOCUMENTATION ACCESS	9
9. REGULATORY REQUIREMENTS:	9
10. TROLLEY REQUIREMENT:	9
1. TECHNICAL EVALUATION CRITERIA	10
2. FINANCIAL EVALUATION CRITERIA	11
3. METHODOLOGY FOR ASSESSING MOST ADVANTAGEOUS BID	11
ANNEXURE 'II'	12
FORM OF BID	12
ANNEX - III	13
INTEGRITY PACT	13
ANNEXURE 'IV'	14
FINANCIAL PROPOSAL	14
1. FINANCIAL OFFER	14
1. RATE, REVISION PROVISIONS AND ESCALATION, IF ANY	14
2. PRICE LEVEL :	14
3. INVOICING MECHANISM	15

General Instructions:

1. The scopes of the requirement is:

- The GE90-94B or GE90-115B Engine mentioned in the bidding document or attachment refers to the Propulsor M20 as defined by GE Manuals.
- For lease engines the agreement will be based on IATA Master Short Term Lease Agreement Standard.
- For Exchange, offers must be on Flat Exchange Basis; i.e. Offer must be inclusive of Core Repair and Exchange Fees. There core/removed engines details are shared on cloud link. The link address is mentioned in the next sections of Bidding document.

Bidders are invited to submit a Technical Proposal and a Financial/Commercial proposal for each offered engine required as per the requirements detailed in the bidding documents.

By submitting a Proposal, the Bidder agrees to be legally bound by the terms and conditions set out in this Bidding Document. The Proposal will be considered as a binding offer from the Bidder subject to acceptance by PIA.

2. Clarification on Bidding Documents

A prospective bidder requiring any clarification(s) in respect of the Bidding Document shall notify PIA in writing. PIA will respond to any request for clarification which it receives earlier than **five (5) days prior to the deadline** for the submission of bid. For clarification on bidding document please email to rotplng@piac.aero, piaplmg@piac.aero, khimapk@piac.aero, dcetseppoh@piac.aero, dceplngeoh@piac.aero and contract.tech@piac.aero

3. Submission of Bid

Interested bidders will have to submit their offer by any of the two method options described below:

1. In sealed envelopes, submitted either in person or through courier.

The offer should be clearly marked as Bid for "Lease or Flat Exchange of 03 GE90-94B and 03 GE90-115B engines".

Or

2. Through Electronic submission via email etc.

Parties can submit their Password Protected offers via electronic email to following address:

Addressed To: dgmpm@piac.aero

Copied to: gm.cm@piac.aero, piaplmg@piac.aero, contract.tech@piac.aero and khimapk@piac.aero

Password Protected Technical and Financial offers may be delivered "Lease or Flat Exchange of 03 GE90-94B and 03 GE90-115B engines" at any convenient time or days before the last date and time of submission published in the advertisement.

The Password to Open/Access the Technical and Financial Offers must be sent

Separately via email only to: dgmpm@piac.aero at approximately ½ or 1 hour time before the last date and time of submission published in the advertisement.

4. Tender Proceedings

Single stage – Two envelope procedure. -

Each bid shall comprise two separate envelopes, one for technical and other for financial proposals (both sealed envelopes can be placed in a single sealed envelope for the ease of courier).

Each bid shall comprise Two sealed envelope. All bids received shall be opened and evaluated in the manner prescribed in the bidding document.

Bidders will be required to submit following two proposals.

- Technical Proposal
- Financial/Commercial Proposal

i) **Technical Proposal:** Technical Proposal shall comprise of the following along with the covering letter on the official letter pad of the bidder;

a) **Bidder Profile:** A brief company profile highlighting portfolios and customer details.

b) **Technical Information:** The information as per the Annex 'I'.

In case the bidder wishes to include additional technical information, separate sheets may be added.

c) Form of Bid: Duly completed and signed by the bidder as per format provided in Annex 'II'. No alteration is to be made in the Form of Bid except in filling up the blanks.

d) Integrity Pact: The bidder shall sign and stamp the Form of Integrity Pact provided at 'Annex – III' which is a mandatory requirement of Government of Pakistan.

e) Support Package: Additional Support Package, web-based link to access mini pack (technical details) of each offered engine may be provided.

In preparing the Technical Proposal, Bidders are expected to examine the documents constituting Bidding Documents in detail. Deficiencies in providing the information requested may result in rejection of a proposal.

- ii) Financial Proposal:** The Financial proposal should be submitted in line with the requirements highlighted in the Bidding Document and as per Schedule of Prices in the format described in Annex 'IV'. In preparing the Financial Proposal, Bidders are expected to consider the requirements and conditions outlined in the Bidding documents. The Financial Proposal should list all associated costs. Proposals must remain valid for 90 days after the submission date. PIAC will endeavor to complete discussions/clarifications within this period. However, if necessary, PIAC may require extension in the said validity period.

5. Deadline for Submission of Bids:

Bids must be received by PIA at the following address no later than the Date and Time mentioned in the advertisements published in media. Bids will be opened the same day at the specified time.

General Manager
Contract Management Technical
Supply Chain Management
Pakistan International Airlines
JIAP, Karachi.
Ph: +92 21 9904 5277 / +92 21 9004 4216
Email: contract.tech@piac.aero , gm.cm@piac.aero

6. Opening of Bids:

Pakistan International Airlines will open the bids on the date and time mentioned in the advertisements published in media i.e. PIA Supply Chain Management Building, near PIA Head Office, Jinnah International Airport, Karachi 75200, Pakistan. Authorized representatives of the bidders can attend the bid opening.

7. Bid Read Out:

Following details shall be provided clearly by each bidder and shall be read out in front of all the participants present during the bid opening:

- Bidder's Name
- Number of Engines and their Serial Numbers offered.

Mandatory / Special Requirements

1. Agreement

- a) Lease Agreement will be in accordance with IATA Master Short Term agreement for lease.
- b) Exchange agreement will be as per PIA and Bidders Standard policies.

2. Lease Term

In general the Lease Term for Lease is set as 11 months. However, lease term of more than 11 months may also be offered depending on the condition of engines.

3. Note for Bid Validity

The Bid Validity is 90 days. However, keeping in view of market conditions, it will not be a binding on the parties to hold their assets. Parties are requested to communicate if their offered engine is being sold / leased to other parties. PIA will make its best endeavors to finalize the evaluation, select the engines and enter into agreement at the earliest possible timeframe.

4. PIA Core Unit Details

Details of PIA Core / Removed Engines offered in exchange can be accessed. These access links may be opened on an internet browser and details of each engine can be downloaded:

Link for GE90-100/115B core engines:

<https://drive.google.com/drive/folders/1iU4uC4C5MCcWYIYtSKNaGVZHDB2jPfzw?usp=sharing>

Link for GE90-94B core engines:

<https://drive.google.com/drive/folders/1zlwqf0KKuJdmoPBQ5Aphij3D8YX8ReGN?usp=sharing>

The Core units are to be accepted on as is basis. Details of core units are available on web link mentioned above.

5. Fleet & Usage Information:

PIA is the National Airline of Pakistan. PIA B777 fleet comprise of B777-200ER fitted with GE90-94B / B777-200LR & -300ER with GE90-115 engines,

GE90-94B Engines operate at an hour to cycle ratio of approx. 4.0 to 4.5

GE90-100/115B Engines operate at an hour to cycle ratio of approx. 5.0 to 6.0

PIA mainly operates Saudi Arab, Beijing, Kualalumpur, Istanbul & Middle/Far East regions etc.

6. Preservation Requirement:

The offered Engine/s Must be preserved as per AMM Instructions

7. TAG / Release Requirement :

EASA Form 1 or FAA form 8130 or TCA Form 24-0078 release are accepted documents for inspection and release of Engines for installation.

8. Documentation Access

Minipack link comprising engine details is to be submitted on the following emails: rotplng@piac.aero, piaplng@piac.aero, dcetseppoh@piac.aero, dceplngeoh@piac.aero and khimapk@piac.aero

All documentary details, records and BSI details and report must be available.

9. Regulatory Requirements:

PIA is regulated by PCAA Pakistan Civil Aviation Authority

<http://www.caapakistan.com.pk/> which is a public sector autonomous body working under the Federal Government of Pakistan.

10. Trolley Requirement:

Engines must be offered in OEM recommended Shipping Stand. All prices are to be quoted inclusive of the shipping stand.

1. Technical Evaluation Criteria

Following Criteria will be used for Technical Evaluation. Separate Sheet may be filled / marked for each offered Engine. The marking should be according to data provided in Minipack/details of the record. The actual Minipack / Record data will be considered as final for evaluation:

For Each offered Engine, Bidder should fill / Tick the following:

SUBMITTED BY (Name of Bidder/lessor) _____

ENGINE SERIAL NUMBER _____

a) ENGINE OFFERED FOR LEASE OPTION: YES ☐ LEASE TERM ____ Months. NO ☐

b) ENGINE OFFERED FOR FLAT EXCHANGE: YES ☐ NO ☐

OFFER AGAINST CORE ESN _____.

1) EGT (Margin): Weightage 25%. Grading will be done based on Minipack / Data provided

EGTM >70 Deg C	70 ≥ EGTM > 60 Deg C	60 ≥ EGTM > 50 Deg C	50 ≥ EGTM > 40 Deg C	40 ≥ EGTM > 30 Deg C	30 ≥ EGTM > 20 Deg C	EGTM ≤ 20 Deg C
10	09	08	06	04	02	01

2) Cycles Since Last Performance Shop Visit: (Full Overhaul): Weightage 45%. Grading will be done based on Minipack / Data provided. Note: First Run engines will be graded separately.

CSLPSV < 1000 Cycles	1000 ≤ CSLPSV < 1500 Cycles	1500 ≤ CSLPSV < 2000 Cycles	2000 ≤ CSLPSV < 2500 Cycles	2500 ≤ CSLPSV < 3000 Cycles	3000 ≤ CSLPSV < 3500 Cycles	3500 ≤ CSLPSV < 4000 Cycles	CSLPSV ≥ 4000 Cycles
10	8	6	5	4	3	2	1

3) BSI Requirement / Limitations: BSI must be satisfactory as evaluated by PIA Technical Section. Weightage 15%.

Nil Observation	At ≥ 500 Cycles	At < 500 Cycles	Engine with restriction
10	8	4	2

4) LLP First Limiter Remaining Life (Stub Life): Weightage 10%

Remaining cycles > 6000	6000 ≥ Remaining cycles > 4500	4500 ≥ Remaining cycles > 3000	3000 ≥ Remaining cycles > 1500	Remaining cycles ≤ 1500
10	8	6	4	2

5) Compliance of Critical SB /AD : Weightage 5%.

Complied	Major Complied	To be Complied
10	7	1

2. Financial Evaluation Criteria

Table in Annexure IV will be used for submission of financial offers.

The financial comparison will be based on Net Present Value of Cash Flows.

Marks will be calculated as per following formula:

$$B = PVx / PVy \times 100$$

PVx = Lowest Net Present Value of Cash Flow amongst all service provider offers.

PVy = Net Present Value of Cash Flow of a service provider.

3. Methodology for Assessing Most Advantageous Bid

Following methodology will be used for assessing the Most Advantageous Bid:

$$X = [(A \times TEW) + [(B \times FEW]$$

Where,

X = Net Outcome

A = Marks obtained in Technical Criteria

B = Marks obtained in Financial Criteria

TEW = Technical Evaluation Weightage = 40%

FEW = Financial Evaluation Weightage = 60%

The offer with highest Net Outcome will be considered as the Most Advantageous Bid.

ANNEXURE 'II'

Form of Bid

Date: _____

Ref:

To: General Manager Contracts Management

Pakistan International Airlines

Dear Sir,

Having examined the Bidding Documents, we, the undersigned, offer proposal for "Lease or Flat Exchange of 03 GE90-94B and 03 GE90-115B engines" for PIA Aircraft under the tender reference "Lease or Flat Exchange of 03 GE90-94B and 03 GE90-115B engines" in full conformity with the said Bidding Documents against the terms and conditions mentioned in the Technical Proposal 'Annex-I' and Financial Proposal 'Annex – IV'.

We undertake, if invited to do so by you, and at our own cost, to attend a clarification meeting at a place of your choice.

We agree to abide by this Bid, for a period of 90 days from the date fixed for submission of bids as stipulated in the Bidding Documents, and together with the above written undertakings, it shall remain binding on us.

Until a formal exchange agreement is prepared and executed between us, this bid, together with your written acceptance thereof and your notification of award shall constitute a binding contract between us.

We understand that you are not bound to accept the lowest or any bid you may receive.

Signature of Authorized Person

Name : _____

Position: _____

Official Seal

Dated ____ day of _____, 2023

Annex - III

Integrity Pact

[Name of Supplier] hereby declares its intention not to obtain or induce the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan or any administrative subdivision or agency thereof or any other entity owned or controlled by it (GoP) through any corrupt business practice.

Without limiting the generality of the foregoing, [Name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, Representative, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or including the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, except that which has been expressly declared pursuant hereto.

[Name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[Name of Supplier] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to GoP under any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, [Name of Supplier] agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [Name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

Signature of the Supplier
(Name, Title and Address)
(Official Seal)

ANNEXURE 'IV'

Financial Proposal

1. Financial Offer

For Each offered Engine, Bidder should fill / Tick the following: (Use separate sheet for each offered engine)

SUBMITTED BY (Name of Bidder) _____ OFFERED ENGINE SERIAL NUMBER _____

a) ENGINE OFFERED FOR LEASE OPTION: YES ☐ LEASE TERM ____ Months. NO ☐

b) ENGINE OFFERED FOR FLAT EXCHANGE: YES ☐ NO ☐
OFFER AGAINST CORE ESN _____.

S/N	Criteria		Offer USD
a) LEASE TO BUY OFFER			
1a	Daily Rent		
2a	Use Fee Rate (Hourly)	For: $3.0 \leq \text{Hrs/Cycle Ratio} < 3.5$ (weightage 10)	
		For: $3.5 \leq \text{Hrs/Cycle Ratio} < 4.0$ (weightage 20)	
		For: $4.0 \leq \text{Hrs/Cycle Ratio} < 4.5$ (weightage 20)	
		For: $4.5 \leq \text{Hrs/Cycle Ratio} < 5.0$ (weightage 20)	
		For: $5.5 \leq \text{Hrs/Cycle Ratio} < 6.0$ (weightage 20)	
		For: $6.5 \leq \text{Hrs/Cycle Ratio} < 7.0$ (weightage 10)	
3a	Use Fee Rate (Cyclic)		
4a	Security Deposit		
5a	Delivery (Pickup) Location: Please tick USA / Europe / Far East / Others please specify: _____ (PIA Logistics will estimate rates for this arrangement)		PIA will estimate transportation charges based on location
b) FLAT RATE EXCHANGE OFFER:			
1b	Net Value on Exchange basis, inclusive of repair charges or resale value of core Engine SN _____. (No other financial impact / transaction required.)		
2b	Core Engine price valuation based on its existing condition. Mentioning of this value is mandatory. (core valuation:_____)		LEFT BLANK
3c	Confirmation that flat rate exchange offer in point 1b mentioned above in this table is the net exchange value and includes the PIA’s core Engine buying/exchange impact. Please Tick.		<input type="checkbox"/> Yes <input type="checkbox"/> No

1. Rate, Revision Provisions and Escalation, if any

All rates must be inclusive of all taxes, charges, duties, expenses and terms as requested in bidding documents. The offered rates will remain fixed for the lease term.

2. Price Level : All prices offered shall be price level 2023.

3. Invoicing Mechanism

- i. Security Deposit and Rental will be on advance basis;
- ii. Monthly Use Fee will be on Net 30 of invoicing.
- iii. Exchange / Outright payment will be 50% advance & 50% after delivery.

-----THE END-----