

REF: GMCM/Insurance/BoD /01/21

M/S _____

Sub: Insurance Coverage for PIA Board of Directors

Dear Sirs,

We are pleased to invite your sealed tenders for the item mentioned above. In case of more than one schedule separate tender for each schedule should be furnished. The terms & conditions of the tender / supplies are given below:-

A) SUBMISSION OF TENDER

1. You are required to send your tenders addressed to General Manager Contract Management, Supply Chain Management JIAP Karachi latest by **15-03-2021** till **10:30 Hrs.** The tenders may be dropped in the tender box marked as "Tender Box Commercial Purchases" placed at the entrance of the PIA Supply Chain Management Building latest by 10:00 hours on the specified date. You may also send your tenders 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 on** the same day in the presence of tenderers.

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

3. Bidders are required to submit a Pay Order of **Rs. 6000/-** (Non-Refundable) as tender fees along with Technical Proposal (Local Bidders).

B) EARNEST MONEY (Local Bidders)

The Tender should be accompanied a Pay Order payable (valid for 90 days from the Date of tender opening) equivalent to 2 % of total bid value in the name of M/S PAKISTAN INTERNATIONAL AIRLINES as interest free Earnest Money (Refundable). Earnest Money in any other shape shall not be accepted. Earnest / Security Money deposited against a running contract (s) purchase orders(s) shall not be transferable as earnest money for any other tender. All tenders without Earnest Money shall not be considered.

C) SECURITY DEPOSIT

The successful tendered upon award of Contract / Purchase Order will be required to

furnish security deposit (pay order) in the amount equivalent to 5% of total tender value stated in the Letter of Acceptance as interest free Security deposit and to remain valid 3-months after the expiry period of the Contract. The Earnest Money already held can be converted into Security Deposit and balance amount if any shall be deposited as above.

D) PREPARATION OF TENDER**“Single Stage Two Envelope Basis”**

- The BID (Tender) submitted shall comprise of a single package containing two sealed envelopes, each envelope shall be marked and will contain “**TECHNICAL**” and “**FINANCIAL**” proposal.
- On the given tender opening date only “**Technical Proposal**” will be opened in the presence of tenderers available.
- The “**Financial Proposal**” shall be shown to the parties but will be retained with PIA without being opened.
- After Technical Evaluation of the received Technical Proposals, Financial Proposals will be opened publicly at the date, time & venue to be announced and will be communicated to the bidders in advance.
- PIA will open the “Financial Proposals” publicly of the parties whose Technical Proposals have been found acceptable.
- Financial Proposals of the technically not-acceptable bids shall be remained **un- opened** till the completion of tender process.

E) PREPARATION OF TENDER - TECHNICAL PROPOSAL:

All mandatory requirements are given in the schedule

Please give all the available technical details of the items offered by you, supported with the technical literature, brochure, drawings and pictures, client list details, authorization certificates etc.

BIDS / Tenders / Technical Proposal received shall be evaluated in accordance with the given technical specifications.

PIA’s requirements with Technical Specifications are given.

Bidders MUST:

- Be registered with Sales Tax Authorities. (Please attach copy of Registration Certificate).
- Quote Rates, GST, and other taxes separately.
- Bid on Prescribed Proforma issued by PIA.
- Affix the company seal on all tender documents.

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

F) PREPARATION OF TENDER - FINANCIAL PROPOSAL

The tenders should be enclosed in double cover. The inner cover should be sealed having enclosed the following documents:

- a) Schedule "A" duly filled in, signed and sealed.
- b) Original Pay Order for Earnest Money.
- c) Undertaking on Rs. 100/= above non-judicial Stamp Paper duly signed and stamped by a Public Notary Oath Commissioner.
- d) The outer cover should bear address of the General Manager Contract Management, PIA SCM Building, Karachi Airport and reference number of the tender with opening date of tender.
- e) All information about the services/material proposed to be supplied must be given as required in the schedule to tender.

G) PRICES

- a) The Prices mentioned in the tender will be treated as firm till the completion of Purchase Order / Contract.
- b) The Prices must be stated both in words and figures. Additional information, if any must be linked with entries on the Schedule to Tender.
- c) Offers must be valid for 120 days.

H) Duration of Contract

Contract shall be effective from the date of award of the contract and valid up till 31st December 2021. However, the period covered under the contract shall commence retrospectively from 14th September 2019 and shall end on 31st December 2021 (both days inclusive).

Successful insurer would be liable to pay the claims pertaining to the covered policy period, up to ten (10) years of the completion of the covered period.

The contract shall be extendable on annual basis on the same terms & conditions, subject to maximum of two (02) years.

Iftikhar M. Usmani
GM Contract Management
021-9904 3081, 9904 4216
Email contract.administration@piac.aero
gm.cm@piac.aero

TENDER SCHEDULE "A"

S. No.	Description	Value for the Coverage Period (14 th September 2019 to 31 st December 2021, both days inclusive)
01	Directors' Liability (Professional Indemnity) Insurance Coverage for Board of Directors of PIACL	
Applicable Taxes Provincial/ Federal (if any)		% _____
		Grand Total PKR
		Earnest Money 2% PKR

Value in words: _____

Attention:-

Non compliance to the conditions mentioned below at Serial No. 1 to 5 will render the quotation for rejection at the time of opening of tenders.

Broad Terms and Conditions of Tender:

1. Rates must be quoted in words and figures both in Pakistan Currency inclusive of all applicable taxes, charges, duties, expenses to be borne by the bidder.
2. Offer must be firm and final and valid for 120 days.
3. Incomplete, mutilated offer or offers without/deficient earnest money are liable for rejection.
4. Copy of certificate of registration with Sales Tax collectorate must accompany the quotation (Local Bidders).
5. PIACL will have the right to visit the facility / office premises of the bidder or call for any further documents / information to establish the capability of firms to undertake this order/contract. PIACL's decision in this regards shall be final which will not be questioned in any court.

We/ I hereby confirmed having read and understood the terms and conditions of the tender and we / I expressly confirm and agree that our tender for the supply of above mentioned items are in terms of and subject to the terms and conditions of the tenders.

TENDERER'S SIGNATURE _____ DESIGNATION _____

ADDRESS _____

Tel No. _____ Fax No. _____ Email _____

GST No. _____ NTN NO. _____

SEAL _____

REQUEST FOR PROPOSAL

FOR

PIACL BOD'S PROFESSIONAL LIABILITY

Background:

In compliance with the Companies Act 2017, Board of Directors ("BOD") of PIACL decided to obtain a general professional indemnity policy for composite BOD of PIACL for settlement of any and all the claims against any decision / act of BOD, for which PIACL may become legally liable.

Since, Board of Directors is a composite body for decision making and that all decisions are made by majority of votes, hence, any claim against any decision from a Director shall be construed as the claim against such decision, taken by the Board as a whole.

Scope of Work

Pakistan International Airlines Corporation Limited ("PIACL") intends to renew insurance coverage for its Director's Liability retrospectively from 14th September 2019 (to cover the past period as well, for which the policy coverage could not be renewed).

The insurer shall agree to indemnify the Insured ("PIACL"), up to the aggregate limit of indemnity, for any sum or sums, which the Insured may become legally liable to pay arising from any claim of claims made against them, as a direct result of acts done by the BOD of PIACL in good faith, in the professional conduct and execution of the professional activities and duties.

Insured: Pakistan International Airlines Corporation Limited
("PIACL")

Period of the Policy: From 14th September 2019 to 31st December 2021, both days inclusive (applicable retrospectively)

Aggregate Limit of Indemnity: PKR 1.2 Billion per annum

Type of Indemnity / Cover: Directors' (including CEO) Professional Indemnity

Irrespective of the expiry of the policy or date of extension of the policy, settlement of any and all claims against any decision of BOD, taken during the policy shall be the responsibility of insurer up to ten (10) years, following the expiry/termination/cancellation of the policy.

Instructions to Bidders

1. Interested insurance companies may send their sealed proposals, specifying comprehensive information supporting their experience in the relevant field.
2. Insurance company, offering lowest premium, agreeing to PIACL's draft policy as per the Terms of Reference and fulfilling all the laid-down conditions will be awarded the contract.
3. Tenders are invited on "**Single Stage Two Envelopes**" basis.
4. The bidder should submit audited financial Statements of last three fiscal years.
5. PIACL reserves the right to decrease the period covered under this insurance coverage, before award of the contract. In this case, insurance premium shall be payable on pro-rata basis.
6. Prospective companies are required to submit Tender Fee of **Rs. 6,000** (non-refundable) in shape of a Pay Order, along with 'Technical Proposal' and Earnest Money (refundable) equivalent to 2% of total bid value, in shape of pay order along with 'Financial Proposal'.
7. Bids must reach on or before **08-03-2021** till **10:30 Hrs.** Technical Proposals will be opened on same date at **11:00 Hrs.**
8. PIACL reserves the right to reject any or all the bids or cancel the procurement process at any stage without assigning any reason(s) thereof.

Settlement Deadline

The insurer shall be required to pay the claim in full (subject to the aggregate limit of liability), within thirty (30) calendar days from the formal lodgment of the claim by PIACL, which may arise under this insurance coverage without requiring the insured to dispute any claim.

Eligibility Criteria

The bidder **MUST** comply with the following minimum criteria. The bid will be rejected if the bidder fails to meet the following minimum criteria and submission of the required documents.

- The bidder must not have any pending unsettled claims of PIACL.
- The bidder must be registered with respective tax authorities & SECP.

- The bidder must be an active member of The Insurance Associate of Pakistan.
- The bidder must have a minimum rating of “AA” from JCR-VIS/PACRA.

Pre-award Presentations:

PIACL reserves the right to require presentations and/or demonstrations / Interview from any or all of the bidders, in which they may be asked to, provide additional information.

Evaluation Criteria

Technical (Weightage: 60%)		
1.1	Number of Years in Professional Indemnity Service (Up to 5 years: 3 points, up to 10 years: 6 points and for over 10 years: 10 points)	1-10
1.2	Prior Experience of Provision of Services to Aviation Industry in last 5 years (Yes/No)	0-10
1.3	Total Number of Active Corporate Clients (1 point each for 20 clients)	1-5
1.4	Average Annual Gross Premium in last five years (1 point each for PKR 500M)	1-10
1.5	Equity of the Bidder, as per latest audited financial statements (1 point each for PKR 250M)	1-10
1.6	Solvency Margin (1 point each for PKR 500M)	1-5
1.7	Credit Rating either from PACRA or JCR-VIS (5 points for AA, 10 points above AA)	5-10
Total (Technical)		60

Financial (Weightage: 40%)		
Premium		Score
2	Premium pricing (lower premium pricing shall obtain maximum score while for others, proportionate score in relation to the lowest premium price would be calculated)	40
Total (Financial)		40

The bidder, achieving at least 50% score in technical round (i.e. 30) shall qualify for financial stage.

The bidder, securing highest aggregate score (technical & financial) would be construed as winner and shall be considered for the awarded the contract (subject to terms & conditions).

INTEGRITY PACT / DISCLOSURE CLAUSE

(To be submitted on Company's Letterhead)

Declaration of Fees, Commissions and Brokerage Etc. Payable by the Suppliers, Vendors, Distributors, Manufacturers, Contractor & Service Providers of Goods, Services & Works _____ the Seller / Supplier / Contractor hereby declares its intention not to obtain the procurement of any Contract, right, interest, privilege or other obligation or benefit from Government of Pakistan or any administrative sub-division or agency thereof or any other entity owned or controlled by it (GOP) through any corrupt business practice.

Without limiting the generality of the forgoing the Seller / Supplier / Contractor 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, agent, 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 Government of Pakistan, except that which has been expressly declared pursuant hereto.

The Seller / Supplier / Contractor 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 Government of Pakistan and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

The Seller / Supplier / Contractor 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 Government of Pakistan under any law, contract or other instrument, be void-able at the option of Government of Pakistan.

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

(To be submitted on Rs. 100 Stamp Paper)

General Manager
Contract Management
Supply Chain Management
Pakistan International Airlines.
Karachi

Subject: Undertaking to Execute Contract

Dear Sir,

1. We/I, the undersigned tenderer do hereby confirm, agree and undertake to do following in the
the Event our / my tender for supply/ services of _____ to PIA is approved and accepted:
2. That we / I will into and execute the formal contract, a copy of which has been supplied to us
/ me, receipt whereof is hereby acknowledge and which has been studied and understood by me / us without any change, amendment, revision or addition thereto, within a period of seven days when required by PIA to do so.
3. That all expense in connection with the preparation and execution of the contract including
Stamp duty will be borne by us / me.
4. That we / I shall deposit with PIA the amount of security as specified in the contract which
Shall continue to be held by PIA until three months after expiry of the contract period.
5. That in event of our / my failure to execute the formal contract within the period of seven
Days specified by PIA the Earnest money held by PIA, shall be fortified and we / I shall not
Question the same.

Tenderer's Signature _____

Name in full _____

Designation _____

Address _____

Phone / Fax # _____

CNIC _____

Seal _____

Date _____

Email: _____