

TENDER NOTICE

Aircraft Fleet Valuation

Pakistan International Airline (PIA) intends to invite sealed bids from independent valuation firms in relation to an assignment of revaluation of its aircraft fleet which includes desktop revaluation for incorporation of revalued amount in its books of accounts.

Tendering mode is “Single Stage Two Envelopes” basis.

Prospective firms/companies are required to submit Tender Fee of **Rs. 3000** (non-refundable) in shape of a Pay Order along with ‘Technical Proposal’ and Earnest Money (refundable) equivalent of 2% of total bid value in shape of pay order along with ‘Financial Proposal’ (Local Bidders).

Bids must reach at address given below on / before **16-12-2020** by 1030 Hrs (PST). Technical Proposals will be opened on same date at 1100 Hrs (PST).

PIAC reserves right to reject any or all bids in line with PPRA rules.

For any query, please feel free to contact.

GM Procurement

Supply chain Management Department

PIA Head Office, Karachi.

Ph: 021 9904 3081, 9904 4101

Email: khijzpk@piac.aero, contract.administration@piac.aero

GM (P)/Fleet Valuation/2020

M/S _____

Sub: Aircraft Fleet Valuation

Dear Sirs,

We are pleased to invite your sealed tenders for the item mentioned above. In 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 Procurement, PIA Supply Chain Management Building JIAP Karachi latest by **16-12-2020 by 1030Hrs.** 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 10:30 hours on the specified date. You may also send your tenders through registered A/D mail addressed to General Manager Procurement, which must reach before the closing date and time mentioned above. **Tenders will be opened at 11:00 hours** 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 Procurement in this respect shall be final and binding.

3. Bidders are required to submit a Pay Order of Rs.3000/- (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 120 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/PERFORMANCE GUARANTEE (Local Bidders)

The successful tenderer upon award of Contract/Purchase Order will be required to furnish security deposit (in shape of pay order/Bank Guarantee) 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 returned *un-opened* to the respective bidders.

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). (Local Bidders Only)
- 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 (Local Bidders).
- 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 Procurement, 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 will be awarded for the period of three (03) years.

General Manager Procurement

Enclosed: Schedule A
Term of Reference (ToR)
Evaluation Criteria
Integrity Pact
Undertaking to Execute the Contract

TENDER SCHEDULE "A"

S.No.	Description	Annual Value (USD)	Total Amount (03 Yrs) (USD)
01.	Aircraft Fleet Valuation		
Applicable Tax (if any) _____ %			
Grand Total inclusive of taxes (if any)			

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 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 Only).**
5. PIA will have the right to visit the facility / premises of the tenderer or call for any further documents to establish the capability of firms to undertake this order/contract. PIA's decision in this regards shall be final 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 _____

Scope of Work

Scope of Bid

Pakistan International Airline Corporation Limited (hereinafter called "PIACL") wishes to receive bids from independent valuation firms in relation to an assignment of revaluation of its aircraft fleet which includes desktop revaluation for incorporation of revalued amount in its books of accounts.

The valuation firm shall gather information from Accounting Department of the Corporation and the expected position of Fleet and Spare Engines are as follows;

Aircraft	Operational Aircraft	Engines Installed	Spare Engines
Boeing 777-200ER	3	6	2
Boeing 777-200LR	2	4	1
Boeing 777-300ER	3	5	2
ATR 42-500	4	9	6
TOTAL	12	24	11

The valuation will be carried out on the following basis:

- a. The valuation will involve a maintenance-adjusted current market valuation of fleet and spare engines.
- b. The valuation will be broken down by its two major components, as mentioned above, separately i.e. aircraft and engines;
- c. The valuation will also cover future value projections for each aircraft and engines individually under both constant and inflated scenarios;
- d. The valuation will further cover residual value of each aircraft and engines individually at the end of their useful life; and
- e. Useful economic lives of above aircraft and engines will also be assessed.
- f. Forced/Distress sale values of aircraft and engines portfolio.

Timeline for completion of the Assignment is (3 weeks) after receiving all the information from the client.

Terms of Reference

Following terms and conditions shall be an integral part of Revaluation Agreement to be signed between PIA and the successful bidder to whom the contract has been awarded.

1. Scope of Agreement

The Revaluation Agreement shall be for the revaluation of aircraft fleet and engines of PIACL on terms and conditions as explained in this section B – General Condition of Contract and Section C – Special Condition of Contract.

2. Governing Law

Governing Law of the Revaluation Agreement shall be agreed mutually between PIACL and the revaluation firm. However, it should not be in conflict with the laws of Pakistan.

3. Disputes

Any dispute between the parties shall be resolved under ICC ADR Rules, failing which the parties shall try to resolve these differences through ICC Arbitration which should not be in conflict with the laws of Pakistan.

4. Payment Terms

- a. **Currency of Payment:** throughout the term of contract, all the payments between the two parties shall be in USD Dollars.
- b. **Invoice:** Valuation Firm shall send the invoice upon satisfactory completion of revaluation exercise and submission of revaluation report to PIACL.
- c. **Payment:** PIACL shall pay the invoice amount within thirty working days of the satisfactory completion of revaluation exercise.

5. Taxes

The payment will be made by PIACL net of any taxes on such payments in Pakistan. All other taxes, duties, levies and imposts arising from or relating to such payments outside Pakistan shall be borne by the lessor.

6. Term / Duration of Agreement

The underlying agreement for subject fleet valuation will be for the period of three years and related financial bid will be adjusted according to the size of the fleet and engines to be revalued at each year end.

The details of PIACL requirements are given below. For the purpose of Agreement between PIA and the valuation firm, they will serve as binding special condition of the Agreement.

i. Number of Aircraft

PIACL is interested in revaluation of its aircraft fleet and engines.

ii. Revaluation

Revaluation will be done within 3 weeks after receipt of all the information from the client.

iii. Deliverable

The valuation report shall include the following:

- a. Maintenance-adjusted current market value of fleet and spare engines.
- b. The valuation will be broken down by its two major components, as mentioned above, separately i.e. aircraft and engines;
- c. The valuation report shall further also cover future value projections for each aircraft and engines individually under both constant and inflated scenarios;
- d. The valuation report shall further cover residual value of each aircraft and engines individually at the end of their useful life; and
- e. The valuation report shall include useful economic lives of above two components.
- f. The Valuation report shall include Forced Sale values of aircraft and engines portfolio.

Bid Evaluation

- i) **Technical Evaluation of Bid:** PIACL shall carry out detailed evaluation of the bids in order to determine whether the technical aspects are substantially responsive to the requirements set forth in the Bidding Documents. In order to reach such a determination, PIACL shall examine the information supplied by the bidders and also take into account the following factors:

- a) Overall experience of the valuation firm related to the assignment;
- b) Adequacy of the proposed work plan and methodology with respect to the assignment including proposed technical approach & methodology;
- c) Qualifications and competence of the key staff for the assignment;

- d) Any other relevant technical factors that PIA deems necessary or prudent to take into consideration.
- ii) **Technical Evaluation Criteria:** In order to ascertain the relative suitability of the offered services, PIACL shall evaluate the bids as per Technical Evaluation Criteria. During technical evaluation those firms obtaining a “zero” under any category will be rejected. Subject to the condition above, only those valuation firms obtaining at least 60% marks in the technical criteria shall be further evaluated whereas the remaining bids shall be rejected as being technically not suitable.
- iii) **Qualification:** In addition to the above, PIACL will ascertain to its satisfaction whether bidders, whose bids meet the requirement of Bidding Document, are qualified to satisfactorily perform the contract. The determination will take into account:
- a) Bidder’s financial, technical capabilities and past performance.
 - b) Documentary evidence of the bidder’s qualifications submitted by the bidder.
 - c) Other information as PIA deems necessary and appropriate.

An affirmative determination will be a prerequisite for PIA to shortlist the bidder for further assessment. Whereas a negative determination will result in rejection of the bidder’s bid. Provided that the reasons for such determination shall be recorded in writing and shall form part of the records of that bidding process.

Evaluation of Bids

Bids will be evaluated to determine the “Lowest Evaluated Bid” as per the criteria provided.

Technical Evaluation Criteria

1. Relevant Valuation Experience:

Experience in years	1-5	6-10	11-15	15-20	20>
Points	4	8	12	16	20

2. Existing and past relationship with the Corporation:

Experience in years	1	2	3	4	5>
Points	2	4	6	8	10

3. Experience in Airline Industry:

Experience in years	1-5	6-10	11-15	15-20	20>
Points	6	12	18	24	30

4. Organization and Capability:

Firm’s proprietary tools	Fair	Good	V. Good	Excellent
Firm’s valuation methodology tools	Fair	Good	V. Good	Excellent
Key personnel and their experience	Fair	Good	V. Good	Excellent
Financial Credibility of the firm	Fair	Good	V. Good	Excellent

Fair = 04 marks
Good = 06 marks
V. Good = 08 marks
Excellent = 10 marks

Methodology for Assessing Lowest Evaluated Bid

- During technical evaluation those valuation firms obtaining a “zero” under any category in shall not be considered further.
- Subject to the condition above, the valuation firm obtaining at least 60% marks shall be further evaluated.
- After opening the financial offers as mentioned earlier, the valuation firms shall be assessed as per the below mentioned criteria:

Financial Evaluation Criteria: Lowest bidder will get 50 points. Other bidders will get marks proportionately reduced as per their bid (i.e. Lowest Bid/Bid value x 50 marks)

Overall Evaluation: Technical evaluation, under this evaluation criteria, will have a weightage of 50% in total scoring, whereas, financial evaluation will also have a weightage of 50%. Total Score will be judged on the basis of aggregate scores on both technical and financial scores.

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.

(RUPEE ONE HUNDRED NON-JUDICIAL STAMP PAPER)

General Manager (Procurement)
Supply Chain Management Department
Pakistan Intentional Airlines
Karachi.

Subject: **UNDERTAKING TO EXECUTE CONTRACT**

Dear Sir,

1. We / I, the undersigned tenderer do here by confirm, agree and undertake to do following in the event our / my tender for _____, is approved and accepted:-
2. That we / I will enter into and execute the formal contract, a copy of which has been supplied to us / me, receipt whereof is hereby acknowledged 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 expenses 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 stand forfeited and we / I shall not question the same.

Tenderer's Signature _____

Name in Full _____

Designation _____

Address: _____

Phone / Fax # _____

N.I.C. # _____

Seal _____

Date _____