

INVITATION TO BID

Tender Ref: GMCM/CFM56-5B/LEASE/01/2024

1. Pakistan International Airline (PIA) invites quotations through EPADS and sealed bids from renowned (Eligibility as per Bidding Documents) Vendors on "Single Stage Two Envelope Basis" for ["Lease of CFM56-5B4/P or CFM56-5B4/3 engines Quantity 08\(Eight\) or more"](#).
2. Bidding documents containing detail terms and conditions, etc. are available electronically and can be downloaded from
3. PIACL Website <https://www.piac.com.pk/corporate/sales- procurement/tenders>
4. PPRA Website <https://www.ppra.org.pk/active-tenders>
5. EPADS-PPRA website <https://www.eprocure.gov.pk> through Supplier Login
6. Bids should be submitted electronically through EPADS.
7. The bids must be prepared in accordance with the instruction in the bidding documents and must be submitted by **24-06-2024** on/before 10:30 AM. Bids will be opened on the same day at 11:00 AM.
8. Hard Copies of bids along with Original Bid Security instrument **MUST BE** submitted to the undersigned before above given deadline.

Pakistan International Airlines

GM Contract Management Division

**1st Floor, Supply Chain Management Department
Building, [PIACL], Head Office Karachi Airport-75200
Pakistan**

Tel: +92-21-99044216 / 5277

E-mail. gm.cm@piac.aero / contract.tech@piac.aero

Website: <http://web.piac.com.pk/>

IMPORTANT NOTES

Bidding documents, containing detailed terms and conditions, etc. are available and can be downloaded from PIA Website <https://www.piac.com.pk/corporate/sales-procurement/tender> as well as from E-PADS PPRA web site www.eprocure.gov.pk free of cost. Bidders need to get registered at E-web portal of E-PADS PPRA (**Federal**) to access the tender document and other relevant information including electronic bid submission. In case of any help regarding EPADS online submission Mr. Wali Sohaib Najeeb Cell No. +92 345 9897000 and email auditcell.scm@piac.aero and contract.tech@piac.aero may be contacted.

Bids should be submitted electronically ONLY through EPADS PPRA web portal. Manual submission of bid, without EPADS electronic bid is NOT acceptable. For registration and training on EPADS or in case of any technical difficulty in using EPADS, prospective bidder/s may contact Mr. Rizwan Mehmood, Director MIS Room No.109, 1st Floor, FBC Building Sector G-5/2, Islamabad or Helpline Contact No. 051-111-137-237.

The bids prepared in accordance with the instructions in the bidding documents must be submitted through EPADS web portal by closing time & date mentioned in the tender document. Bids will be opened on the same day at 11:00 AM through EPADS.

All interested bidders must register themselves at EPADS by using link: <https://eprocure.gov.pk/#/supplier/registration>

Original Bid Security and Tender Fee instrument MUST BE attached with the Technical Proposal and the reference / PayOrder copy must be submitted through EPADS online submission as well, before Tender Closing Date & Time (For Local Bidders only).

Note for International Bidders

International Suppliers/Vendors/Bidders are requested to register on EPADS if for assistance to get registered contact PIA Focal EPADS Mr. Wali Sohaib Najeeb Cell No. +92 345 9897000 and email auditcell.scm@piac.aero and contract.tech@piac.aero.

In the event that Foreign bidders are unable to register on an EPAD, manual bids (subject to company management approval) may be submitted; but, in compliance with PPRA instructions, all bidders, whether local and foreign, must subsequently register on EPADS.

For Manual submission either hard copies or electronic copies can be submitted on the following addresses.

For Electronics Bids Submission:

Electronic Bids must be password protected and password of the bids is requested to be sent 30 minutes on or before the tender closing time that is 10:30 AM (Pakistan Standard time) on the email: dgmpm@piac.aero .
Electronics Bids submission intimation should be sent on email: contract.tech@piac.aero .

For Bids (Hard Copies) Submission:

GM Contract Management
Supply Chain Management
PIA Head Office, Karachi
Tel: 021 – 9904 4216, 9904 5277
Email: gm.cm@piac.aero
contract.tech@piac.aero

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General Instructions:

1. The scope of the requirement is:

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 that it receives earlier than **five (5) days before the deadline** for the submission of the bid. For clarification on bidding document please email to mesca1@piac.aero, piaplng@piac.aero, khimapk@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:

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

The offer should be clearly marked as Bid for **"Lease of CFM56-5B4/P or CFM56-5B4/3 engines Quantity 08(Eight) or more"**.

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 envelopes. All bids received shall be opened and evaluated in the manner prescribed in the bidding document.

Bidders will be required to submit the 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 is as per 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 the 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 in 'Annex - III' which is a mandatory requirement of Government of Pakistan.
- e) **Support Package:** An additional Support Package, a 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 the 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 the 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 an extension in the said validity period.

5. Deadline for Submission of Bids:

Bids must be Electronically submitted through PPRA Federal EPADS/received at the following PIACL address no later than the Date and Time mentioned in the advertisements published in the media and mentioned above (24-06-2024). Bids will be opened the same day at the specified time.

General Manager Contract Management

Supply Chain Management

Pakistan International Airlines

JIAP, Karachi.

Phone: +92 21 9904 4216 / +92 21 9004 5277

Email: contract.tech@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
- Engine Serial Number offered.

Mandatory / Special Requirements

1. Agreement

- a) Lease Agreement will be in accordance with IATA Master Short Term agreement for lease.

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 engine.

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 engine and enter into agreement at the earliest possible time frame.

4. Fleet & Usage Information:

PIA is the National Airline of Pakistan. PIA A320 fitted with CFM56-5B4/P and CFM56-5B4/3 engines,

PIA A320 Fleet mainly operates between Saudi Arabia & Middle East regions etc

5. Preservation Requirement:

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

6. TAG / Release Requirement:

EASA Form 1 or FAA form 8130 or TCCA Form One or CAA UK Form 1 release are accepted documents for inspection and release of Engines for installation.

7. Documentation Access

Mini pack link comprising engine details is to be submitted on the following emails: mesca1@piac.aero, piaplng@piac.aero, khimapk@piac.aero, and contract.tech@piac.aero

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

8. 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.

9. Trolley Requirement:

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

ANNEX -I (A)

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 Mini pack/details of the record. The actual Mini pack / 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 _____ ,

Technical Evaluation Criteria for Lease of CFM56-5B Engines

S.NO	Criteria	Weightage	Score
1	1) EGT Margin: (max marks will be given to the bidder whose engine EGTM>70). Grading will be done based on Mini pack / Data provided	30	
	EGTM ≥70 Deg C	30	
	EGTM 60-70 Deg C	27	
	EGTM 50-60 Deg C	24	
	EGTM 40-50 Deg C	18	
	EGTM 30-40 Deg C	12	
2	Cycles Since Last Overhaul: (Full Overhaul/Performance Restoration): max marks will be given to the bidder whose engine CSLSV < 1000 Cycles). Grading will be done based on the Mini pack / Data provided	30	
	CSLSV ≤ 1000 Cycles	30	
	CSLSV ≤ 2000 Cycles	24	
	CSLSV ≤ 3000 Cycles	18	
	CSLSV ≤ 4000 Cycles	15	
	CSLSV ≤ 5000 Cycles	12	
	CSLSV ≤ 6000 Cycles	9	
	CSLSV ≤ 7000 Cycles	6	
CSLSV < 8000 Cycles	3		
3	LLP First Limiter Remaining Life: Max marks will be given to the bidder whose engine	15	
	Remaining ≥ 6K cycles	15	
	Remaining 6K-5K cycles	12	
	Remaining 5K-4K cycles	9	
	Remaining 4K-3K cycles	6	

	Remaining 3K-2K cycles	4.5	
	Remaining 2K-1.2K cycles	3	
4	BSI Observations: Weightage 10%	10	
	Nil Observation	10	
	Number of Observation ≤ 2	8	
	Number of Observation 2-5	6	
	Number of Observation 5-8	2	
	Engine with restriction	1	
		Oil Consumption: Weightage 10%	10
5	0-0.05 Qtz/hr	10	
	0.05-0.10 Qtz/hr	9	
	0.10-0.15 Qtz/hr	8	
	0.15-0.20 Qtz/hr	7	
	0.20-0.30 Qtz/hr	6	
	0.30-0.40 Qtz/hr	5	
	0.40-0.50 Qtz/hr	4	
	0.50-0.60 Qtz/hr	2	
		Compliance of Critical SB /AD	5
6	Complied	5	
	Major Complied	3	
	Partially complied	2	
	To be Complied	1	
	Total	100	

Marks will be calculated as per the following formula:

Obtained Marks (Score) = (Best Offer / Bidder's offer) X weightage

ANNEX -I (B)**2. Financial Evaluation Criteria**

Following table will be used for submission of financial offers.

Financial Evaluation Criteria for Lease CFM56-5B Engines

S.NO	Criteria	Unit	Weightage	Score
1	Daily Rent	USD	15	
2	Use Fee Rate (Hourly)	USD		
a)	For: $1.6 \leq \text{Hrs/Cycle Ratio} < 1.8$ (weightage 10)		4	
b)	For: $1.8 \leq \text{Hrs/Cycle Ratio} < 2.0$ (weightage 45)		15	
c)	For: $2.0 \leq \text{Hrs/Cycle Ratio} < 2.2$ (weightage 35)		8	
d)	For: $2.2 \leq \text{Hrs/Cycle Ratio} < 2.4$ (weightage 10)		4	
3	Use Fee Rate (Cyclic)		12	
4	Security Deposit	USD	4	
5	Transportation Location: Please write city/country or region: eg. USA / Europe / Far East / Others etc Please mention Delivery Location _____ and Re-delivery/Return Location _____ (PIA Logistics will estimate rates for this arrangement and the same will be accounted for in the financial impact)	USD	3	
6	Lease term (Minimum six 06 months) *Full marks will be given who offered the engine for 11 months	Term	4	
7	Invoicing			
a)	Security Deposit and Rental will be on an advance basis	Agree/Not Agree	4	
b)	The Monthly Use Fee will be on Net 30 of invoicing	Agree/Not Agree	4	
8	Escalation in prices if the lease term exceeds	%	3	
9	No daily rental fee applicable till receipt of the engine at the PIA facility	Agree/Not Agree	5	
10	After removal of the engine 15days of no rental fee will be provided to PIA to complete all requirements of re-delivery and dispatch of the engine to the service provider facility	Agree/Not Agree	5	
TOTAL			90	

NOTE: All prices will remain fixed for offered lease term

Marks will be calculated as per following formula:

Obtained Marks (Score) = (Best Offer / Bidder's offer) X weightage

4. 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.

ANNEX- 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 of CFM56-5B engine" for PIA Aircraft under the tender reference "Lease of CFM56-5B 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 ____, 2024

Signature of Authorized Person

Name : _____

Position: _____

Official Seal

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)