

Tender Notice

Ref: GMCM/GE-90 Engines/LEASE / SALE/ 02 / 2024

Pakistan International Airlines (PIA) invites "**Sealed bids**" on "**Single Stage Single Envelope Basis**" from interested parties for

- 1. Sale of Qty 10 GE-90 Series Engines by PIACL**
- 2. Qty 01 GE90-94B Engine and Qty 02 GE90-115B required by PIACL on lease basis Both lease for at-least 6 months extendable up to 1 year.**

NOTE: Preference will be given to bidder who will offer bid for purchase of 10 PIA removed engines together with bid for 03 Lease Engines required by PIA

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

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 Pakistan Ph: +9221 99043158 - 4216

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

Bids must be received by PIA at the above address no later than 01-04-2024 1030 Hrs (PST). Bids will be opened the same day at 12:00 hrs (PST).

Table of Contents

GENERAL INTRUCTIONS:	3
1. The scope of the requirement is:	3
2. Clarification on Bidding Documents	3
3. Submission of Bid	3
4. Tender Proceedings	4
4-1 Technical Proposal:	4
4-2 Financial proposal:	5
5. Deadline for Submission of Bids:	5
6. Opening of Bids:	6
7. Bid Read out:	6
MANDATORY / SPECIAL REQUIREMENTS	6
1. Agreement	6
2. Lease Term	6
3. Note for Bid Validity	6
4. PIA Core/Removed Engines Details	7
5. Fleet & Usage Information:	7
6. Preservation Requirement:	7
7. TAG / Release Requirement :	7
8. Documentation Access	7
9. Regulatory Requirements:	8
10. Trolley Requirement:	8
11. Technical Evaluation Criteria	8
12. Financial Evaluation Criteria	10
13. Methodology for assessing most advantageous bid	10
ANNEXURE 'II'	12
14 Form of Bid	12
ANNEX - III	13
15 Integrity Pact	13
ANNEXURE 'IV'	14
Financial Proposal	14
1 Financial Offer	15
2 Rate, Revision Provisions and Escalation, if any	15
3 Price Level:	15
4 Invoicing Mechanism	15

General Instructions:

1. The scope 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 Sale / Purchase of PIA removed engines; PIA 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, piaplng@piac.aero, mesca1@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 (a) "**BID for 05 GE90- 94B and BID for 05 GE90-110/115B Engines** (b) **Lease offer for 01 GE90- 94B** and (c) **Lease offer for 02 GE90- 110/115B.**

Or

2. Through Electronic submission via email etc.

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

Addressed To: dgmppm@piac.aero

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

Password Protected Technical and Financial offers may be delivered for “**Sale of 05 GE90-94B and 05 GE90-110/115B Engines along with Lease offers of 01 GE90-94B and 02 GE90-110/115B for PIA engines**” at any convenient time or days before the last date and time of submission published in the advertisement.

Note:

The Password to Open/Access the Technical and Financial Offers must be sent Separately via email only to: dgmppm@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 – Single envelope procedure. -

Each bid shall comprise, technical and financial proposals (in a single sealed envelope for the ease of courier).

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

- 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 4216 / +92 21 9904 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
- Lease Offers; Number of Engines and their Serial Numbers offered.
- Exchange Offers: Number of Engines and their Serial Numbers offered.
- Outright Purchase Offers; Number of Engines and their Serial Numbers.
- Sale / Purchase offers for PIA removed GE90 Series engines; Number of Engines and their Serial Numbers.

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.
- c) Outright Sale / Purchase Agreement will be as per PIA and Bidders Standard format and policies.

2. **Lease Term**

In general, the Lease Term for Lease is set as 11 months and normally extended till engine green life with yearly escalations. 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 time frame.

4. PIA Core/Removed Engines Details

Details of PIA Core / Removed Engines offered in exchange and as Sale/Purchase can be accessed via links below. The Link Provides their location and removal / condition details. These access links may be opened on an internet browser and details of each engine can be downloaded. Any further details / data needed may be requested as mentioned in "GENERAL INSTRUCTIONS" para 2. PIA will make its best efforts to provide the details/data requested and record history etc. Engines are to be accepted on as is basis. Any Party can also visit and physically or by any means can inspect the engines at its own cost. PIA will assist in providing access/visit.

Link for GE90-100/115B core engines:

<https://drive.google.com/drive/folders/1iU4uC4C5MCcWYIYtSKNaGVZHDB2jPfw?usp=sharing>

Link for GE90-94B core engines:

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

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, Kuala Lumpur, Istanbul & Middle/Far East regions etc.

6. Preservation Requirement:

The offered Engine/s to PIA 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, mesca1@piac.aero, dctestseppoh@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 for Lease / Exchange and Outright Purchase are to be quoted inclusive of the shipping stand.

PIA Engines offered on Sale / Purchase may or may not have engine stands, Details of stands, availability or not, is mentioned in the cloud link against each engine.

11. Technical Evaluation Criteria

The following Criteria will be used for Technical Evaluation. Separate Sheet may be filled / marked for each offered Engine in a) b) and c). For Sale / Purchase offer of PIA Removed Engines option d) one sheet can be used in this criteria

and all engines ESN for purchase offer can be mentioned. 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 SALE/ PURCHASE OFFER OF PIA REMOVED ENGINE YES NO

b ENGINE OFFERED FOR LEASE OPTION: YES NO

LEASE PERIOD MONTHS

PIA PURCHASE OFFER FOR PIA ESN: _____

FOLLOWING CRITERIA TABLE IS TO BE FILLED (Optional) or DATA IS TO BE PROVIDED FOR LEASE ONLY:

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 if offered will be graded separately as per industry standard and PIA experience.

CSLPSV < 1000 Cycles	1000≤CSL PSV < 1500 Cycles	1500≤CSL PSV < 2000 Cycles	2000≤CSL PSV < 2500 Cycles	2500≤CSL PSV < 3000 Cycles	3000≤CSL PSV < 3500 Cycles	3500≤CSL PSV < 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

12. 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.

13. Methodology for Assessing Most Advantageous Bid

Following methodology will be used for assessing the Most Advantageous Bid For Lease and or Exchange and or Outright

Purchase offers:

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

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.

Following methodology will be used for assessing the Most Advantageous Bid For Sale / Purchase offers of PIA Removed

Engines:

$$X = [(B \times FEW)]$$

Where,

X = Net Outcome

B = Marks obtained in Financial Criteria

FEW = Financial Evaluation Weightage = 100%

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 for 01 GE90-94B and 02 GE90-110/115B Engines along with Outright Purchase offers and Sale / Purchase offers for PIA removed GE90 Series 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

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)

ANNEXURE 'IV'

Financial Proposal

1. Financial Offer

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

SUBMITTED BY (Name of Bidder) _____ ENGINE SERIAL NUMBER_____

- a SALE/ PURCHASE OFFER OF PIA REMOVED ENGINE YES NO
- b ENGINE OFFERED FOR LEASE OPTION: YES NO
- LEASE PERIOD MONTHS

S/N	Criteria	Offer USD Please fill below or mention N/A
a) LEASE 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	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 same will be accounted in the financial impact). PIA may offer CFR or DAP Incoterms upon mutual agreement between both the parties.	PIA will estimate transportation and export / Import charges based on location

b) SALE / PURCHASE OFFER OF PIA REMOVED ENGINE:		
1b	Purchase Price of PIA Removed Engine Serial Number _____ NOTE: Use Separate Sheet for Each Engine, Offers must be individually quoted	
2b	For Pickup / Collection of Engines at their locations mentioned in "Mandatory / Special Requirements" para 5 a link above; there are following two options; Please tick the selected option and fill as required below: <u>Note:</u> If bidder is interested in more than one of PIA removed engines.	Left Blank
	<i>Option 1:</i> Engine will be collected and shipped by bidder itself and its financial impact is covered in the Purchase Price quoted against 1d above	YES __ or NO __
	<i>Option 2:</i> Bidder requires PIA to deliver Engine at Bidders Delivery Location on DAP (incoterms 2020) basis. Please write city/country or region: e.g. USA / Europe / Far East / Others etc. Delivery Location _____ (PIA Logistics will estimate rates for this arrangement and same will be accounted in the financial impact)	PIA will estimate transportation and export charges based on location

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 2024. First Revision / Escalation to apply in January 2025.

3. Invoicing Mechanism

- i. Payment of Security Deposit and Rental will be on advance basis.
- ii. Payment of Monthly Use Fee will be on Net 30 of invoicing.
- iii. Payment of Lease and Sale / Purchase of PIA Removed Engines payments will be as per mutually agreed process / offer and subsequent agreements.