INVITATION TO BID Tender Ref: GMCM/PRE-OUALIFICATION /CFM56-5B/01/2025

1. Pakistan International Airline (PIA) invites quotations through EPADS and sealed bids from renowned Vendors (Eligibility as per Bidding Documents)

for

Pre-Qualification from interested parties for the Repair and Overhaul of CFM56-5B Series Engines installed on PIACL A320 Fleet.

- **2.** Bidding documents containing detail terms and conditions, etc. are available electronically and can be downloaded from
- 3. PIACL Website <u>https://www.piac.com.pk/corporate/sales- procurement/tenders</u>
- 4. PPRA Website <u>https://www.ppra.org.pk/active-tenders</u>
- 5. EPADS-PPRA website <u>https://www.eprocure.gov.pk</u> through Supplier Login
- 6. Bids must be submitted electronically through EPADS. Submission through EPADS is mandatory.
- The bids must be prepared in accordance with the instruction in the bidding documents and must be submitted by <u>19-03-2025</u> on/before 10:30 AM (PST). Bids will be opened on the same day at 11:00 AM (PST).
- 8. Hard Copies of bids along with Original Bid Security instrument may also be submitted to the undersigned before above given deadline (in addition to EPADS submission).

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: <u>gm.cm@piac.aero / contract.tech@piac.aero</u> <u>Website: http://www.piac.com.pk/</u>

Pre-Qualification Documents Repair and Overhaul of CFM56-5BSeries Engines installed on PIACL A320 Fleet

Pakistan International Airlines Corporation Limited

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Preamble

This document is divided into four sections.

- A. The first section gives interested parties an overview of process and explains in detail as to how they should submit their proposals and how their proposals will be evaluated by PIACL.
- B. The second section contains general terms which shall form the basis of the services agreement between PIACL and the successful bidders.
- C. The third section covers the specifications of PIACL's requirement.
- D. The fourth section provides the interested parties with an overview of PIACL's evaluation process to maintain complete transparency and criteria to determine the qualified offer.

The annexure contained thereafter are the standardized formats on which PIACL expects to receive the actual offers from the interested service providers.

Section A - Instructions to Bidders

1. Scope of Pre-Qualification

Pakistan International Airlines Corporation Limited (PIACL) invites "sealed proposals" from interested service providers for the "Pre-Qualification for Repair and Overhaul of CFM56-5BSeries Engines installed on PIACL A320 Fleet". The services must include following:

- Complete Overhaul of CFM56-5B Series Engine with up to date Modification Status. (i.e. incorporation of all applicable ADs, Mandatory / Recommended SB's)
- Quick Turn Repair
- On-site Repair by On-wing support team
- Availability of Loaner engine to support operations of PK Fleet A320 Aircraft

2. Mandatory Requirements

S. No.	Mandatory Requirements	Criteria	Fill Here
1.	 PIACL requires either of the following certification(s) for the repair& overhaul of CFM56-5B Series Engine EASA Form-1 or FAA Form 8130 	Yes / No	
2.	The Service Provider must get their facility audited and approved by PCAA/ PIA QA	Yes / No	
3.	No PMA Parts will be used during repair / overhaul process	Yes / No	
4.	No DER Parts will be used during repair / overhaul process	Yes / No	

Note:Offer MUST contain the above table duly filled to consider the proposal.

3. Cost of Proposal

The Service Provider shall bear all costs associated with the preparation and submission of its proposal and PIACL will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the pre-qualification process.

4. Pre-Qualification Documents

For the purpose of this Pre-qualification process, the term "Pre-Qualification Documents" shall include:

- i. Invitation for Proposals
- ii. Instructions to Service Providers
- iii. General Conditions of Contract
- iv. Special Conditions of Contract
- v. Evaluation of Pre-Qualification Documents
- vi. Annexures
 - a) Specifications & Technical Proposal (Annex 'I')

The Service Providers are expected to examine all the above, prior to submission of their proposals.

The 'Instructions to Service Providers' will not be part of Contract and will cease to have effect once the Contract is signed.

5. Clarification on Pre-Qualification Documents

A prospective service provider requiring any clarification(s) in respect of the Pre-qualification Document shall notify PIACL in writing. PIACL will respond to any request for clarification which it receives earlier than **five (5) days prior to the deadline** for the submission of Proposal. For Clarification on Pre-Qualification documents please email to **mesca1@piac.aero**.

6. Amendment to Pre-Qualification Document

At any time prior to the deadline for submission of Proposal, PIACL may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective service provider, modify the Pre-Qualification document by issuing addendum(s).

7. Extension in Submission Dates

At any time prior to the deadline for submission of Proposal, PIACL may, for any reason, whether at its own initiative or to provide prospective service providers reasonable time, in which to take an addendum into account, at its discretion extend the deadline for submission of Proposals.

8. Submission of Proposal

Interested Service Providers will have to submit their offer in sealed envelopes either in person or through courier. The offer should be clearly marked as "Pre-Qualification for Repair and Overhaul of

CFM56-5B Series Engines installed on PIACL A320 Fleet".

9. Pre-Qualification Proceedings

Single stage-one envelope procedure will be followed:-

(i) The Proposal shall comprise a single package containing Pre-qualification proposal.

(ii) The envelope marked "Pre-Qualification for Repair and Overhaul of CFM56-5BS eries Engines installed on PIACL A320 Fleet" shall be opened;

(iii) Pakistan International Airlines Corporation Limited (PIACL) shall evaluate the proposal in a manner prescribed in advance, without reference to the price and reject any proposal which does not conform to the specified requirements;

(vi) During the evaluation no amendments in the proposal shall be permitted.

i) **Pre-Qualification Proposal:**Pre-Qualification Proposal shall comprise of the following along with the covering letter on the official letter pad of the Service Provider;

a) Service Provider Profile: A brief company profile highlighting portfolios and customer(s)details. State company profile; experience in repairing/overhauling of CFM56-5B Engines and details of Capacity of overhauling CFM56-5BSeries Engines per year etc.

b) Technical Information: The information on services as per the Annex'l'.

In case the Service Provider 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) Support Package: Additional Support Package/Service (Training, support to PIACL in building repair/overhaul capability for CFM56-5B Engine, and any other support at no additional cost) if any, may be provided.

10. Proposal Related Details:

Below information should be noted while preparing and submitting the bids.

i) Currency of Proposal: All the prices provided in the proposal shall be in US Dollars (US\$).

ii) Proposal Validity:The proposal shall have to be valid for a period of 180 days from closing date of Pre-Qualification Notice.

iii) Language of Proposals: The proposal prepared by the service provider and all correspondence and documents relating to the proposal between the bidder and PIACL shall be written in the English language. If a document is other than English language then bidder shall provide a true copy of that document in English.

iv) Format and Signing of Proposals: The Service Provider shall prepare one set of the bid typed or written in indelible ink and shall be signed by the Authorized Representative of the bidder (who should be an employee of the bidder).

v) Sealing and Marking: The envelope should bear the name and address of the sender and clearly marked as "Pre-Qualification for Repair and Overhaul of CFM56-5BSeries Engines installed on PIACL A320 Fleet". If the envelope is not sealed and marked, PIACL will assume no responsibility for the proposal's misplacement or premature opening.

11. Deadline for Submission of Proposals:

Proposals must be received through EPADS no later than 1030 Hrs (PST) on 19-03-2025;

General Manager Contracts

Procurement & Logistics Building Supply Chain anagement PIA Head Office, Jinnah International Airport Karachi Pakistan Phone: +92 21 9904 4423 E-mail: contract.tech@piac.aero

12. Late Proposals:

Any Proposal received by PIACL after the proposal submission deadline time, for any reason whatsoever, shall be rejected.

13. Modification and Withdrawal of Proposal:

The Service Provider may modify or withdraw its Proposal after submission, if written notice of the modification or withdrawal is received by PIACL prior to the deadline prescribed for Proposal submission.

14. Opening of Proposal:

Pakistan International Airlines Corporation Limited will open Proposals on 19-03-2025 at 1100 Hrs(Pakistan Standard Time) in PIACL Head Office, Jinnah International Airport, Karachi, Pakistan 75200. Authorized representatives of the bidders may attend the bid opening.

15. Proposal Read Out:

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

- Service Provider's Name
- Service Provider's Status (MRO, OEM, Repair Agencyetc)
- Mandatory Requirements Table duly filled

16. Preliminary Examination of Proposals:

PIACL will examine the Proposal to determine whether they are complete and generally in order. Prior to the detailed evaluation of proposal:

PIACL will examine the proposals to determine whether;

- i) The Proposal is complete and does not deviate from the scope,
- ii) Any computational errors have been made,
- iii) The documents have been properly signed,
- iv) The Proposal is valid till required period,
- v) The Service Provider is eligible to submit proposal and possesses the requisite experience,
- vi) The Proposal does not deviate from basic technical requirements

A Proposal is likely not to be considered if it is materially and substantially different from the Conditions/Specifications of the Pre-Qualification Documents.

17. Qualification:

In addition to the above, PIACL will ascertain to its satisfaction whether Service Provider, whose proposals meet the requirements of Pre-Qualification Documents, are qualified to satisfactorily perform the contract. This will take into account:

- Service Provider's technical capabilities and past performance.
- Documentary evidence submitted by the Service Provider.
- Any Other information as PIACL deems necessary and appropriate.

18. Deliberations with Service Provider:

No service provider shall be allowed to alter or modify his proposal after the proposals have been opened. However the PIACL may seek and accept clarifications to the proposal that do not change the substance of the proposal.

Any request for clarification in the proposal, made by PIACL shall invariably be in writing (electronic mail). The response to such request shall also be in writing.

19. Correction in Proposal

In case any arithmetic error is found in the proposal, it shall be rectified as follows:

i) If there is a discrepancy between the unit price and total price or between subtotals and total price that is obtained by multiplying the unit price and quantity, the unit or subtotal price shall prevail and the total price shall be corrected.

ii) If there is a discrepancy between the words and figures the amount in words shall prevail.

iii) If the service provider does not accept the corrected amount of proposal as determined above, the proposal shall be rejected.

20. Evaluation of Proposals

a) All proposals shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed pre-qualification documents.

b) For the purposes of comparison of proposals quoted in different currencies, the price shall be converted into a single currency specified in the pre-qualification documents.

The proposal for Pre-qualification for Repair and Overhaul of CFM56-5BSeries Engines installed on PIACL A320 Fleet will be evaluated to determine the "Accepted Proposals" as per Section 'D'.

21. Unsuccessful Proposals:

Service Providers whose offers have been rejected on grounds of being substantially non responsive or those that do not meet the Requirements shall be informed accordingly.

22. Ranking of Proposals:

The Proposal(s) shall be listed separately in ascending order starting from the lowest marks as evaluated.

23. Letter of Acceptance

The Letter of Acceptance will be issued to Qualified Service Providers.

24. PIACL's Right

PIACL reserves the right to reject One, more or all proposals and to annul the Pre-qualification process at any time prior to award of Contract. PIACL upon request from Service Provider, who submitted a proposal, shall communicate the grounds for its rejection of all proposals, but is not required to justify those grounds. Notice of the rejection of all proposals shall be given promptly to all the service providers through electronic mail.

25. Signing of Contract Agreement

The terms and conditions highlighted under "Section B - General Condition of Contract" and "Section C - Special Condition of Contract" (of this Pre-Qualification Document) shall form the basis of the Agreement to be executed between PIACL & Successful Service Providers.

Section B – General Conditions of Contract

Following terms and conditions shall be an integral part of the Agreement (Repair & Overhaul of CFM56-5B Engines installed on PIACL A320 Fleet) to be signed between PIACL and the Successful Service Providers.

1. Scope of Agreement

The Agreement shall be for Complete Overhaul / Repair of CFM56-5B Series Engines with up to date MOD status (i.e. incorporation of all applicable ADs, mandatory/recommended SBs), availability of Loaner CFM56-5BSeries Engine to support operations of Aircraft, Management of Transportation of PIACL's Engine as well as Loaner Engine (if required)and conditions as explained in this Section B – General Conditions of Contract and Section C – Special Conditions of Contract.

2. Governing Law

Governing Law of the Agreement shall be agreed mutually between PIACL and the Service Providers. However, it should not be in conflict with the Prevailing Laws of Pakistan.

3. Disputes

Any dispute shall be resolved by reference to arbitration under such forum as may be agreed between the parties.

4. Civil Aviation Authority Requirements

The Service providers must comply with the requirements of **Pakistan Civil Aviation Authority** (PCAA) in addition to FAA **and / or EASA** with regard to the agreement. PIACL shall ensure that all PCAA and other relevant regulatory requirements are followed in the operation of the Aircraft / Engine during the agreed term.

5. Payment Terms

Throughout the term of contract, all the payments between the two parties shall be in US Dollars.

- a. Payment Mode: US Dollar
- b. Payment Term: NTD or Net Thirty days

6. Taxes

Where a Tax Avoidance Agreement (Double Taxation Treaty) exists between the respective countries of PIACL and the service providers; and the PIACL is obliged by law to deduct taxes against payments to the service providers, the PIACL will bear the tax incidence and shall make gross payments to the service providers, without any deduction of tax chargeable in Pakistan. However, the service providers undertakes to pass on the benefit of tax credit obtained under the relevant clauses of the tax treaty to the PIACL, after filing of income tax return in its country, on the basis of proof of taxes paid by the PIACL on behalf of service providers in Pakistan.

In the absence of such tax treaty, the PIACL will bear the tax incidence and shall make gross payments to the service providers, without any deduction of tax chargeable in Pakistan, however, if the local laws of the service provider's country allows the foreign tax credit that is withheld by PIACL then the service providers undertakes to pass on the benefit of said tax credit obtained under the relevant clauses of the local laws to the PIACL, after filing of income tax return in its country, on the basis of proof of taxes paid by the PIACL on behalf of service provider in Pakistan.

All other taxes, duties, levies and imposts arising from or relating to such payments outside Pakistan shall be borne by the service provider.

7. Insurance

The PIACL will maintain third party liability and property damage insurance, Hull insurance of agreed value and "All Risks" and "War Risks" insurance of the same type and covering the same risks as insurance customarily carried by international scheduled service providers.

8. Exit Clause

Both parties shall agree to exit condition based on notice period of six months without giving any particular reason.

9. Notices

All notices during the agreed term to be between PIACL and Service Providers shall be in writing and sent by courier, fax or email.

10. Indemnities

The Agreement shall have appropriate coverage to provide indemnity for PIACL and Service Providers as per the normal aviation practice.

11. Force Majeure

PIAC and Service Providers shall agree to appropriate incidents to define Force Majeure and its implications on the performance of the Agreement by either party.

Section C – Special Conditions of Contract

The details of PIACL's requirements are given below. Repair & Overhaul of CFM56-5B Series Engines installed on PIACL A320 Fleet Agreement between PIACL and the Service Providers will be based on the following special conditions of the Agreement.

1.Non-Exclusive Proposal

Proposal must be non-exclusive.

2. MOD Status

Repair / Overhaul must be provided with upto date MOD status. (i.e. Incorporation of all applicable ADs, mandatory / recommended SBs)

3. Additional Support

The Service provider must provide full technical support for all aspects of Engine repair / overhaul in exigency(s). (Including Para 6 of this section)

4. Approval from Regulatory Body

Approval from regulatory body (Pakistan Civil Aviation Authority) is also required as a part of process and prior to agreement/dispatch of Engine PIACL would like to send its team along with PCAA Auditor(s) for acceptance and approval.

5. Inclusion in AVL

Facility and capability will be required to be included in AVL (Approved Vendor List) of PIACL Quality Assurance as per procedure (For inclusion in AVL, please ask for application form) Forms are available in PIACL website

6. Confirmation of Non-accidental Certificate with BTB Traceability

Confirmation of Non-accidental certificate with BTB traceability of exchange units (in case PIACL Engine assembly or sub assembly scrapped / exchanged).

7. Term of Agreement

Agreement will be for a term of three years.

8. Addition of Engine

PIACL & successful parties agree to the provision of Services to same type of engine(s) if added in PIACL fleet after agreement comes in effect. The term and condition will remain same for any such addition.

9. No PMA/DER

No PMA (Parts Manufacturing Approval) parts will be used/ No DER (Designated Engineering Repairs) will be performed.

10. Work Scope Acceptance

Work scope acceptance by the operator (PIACL) prior to repair / overhaul commencement

11. Scrap Review

Facilitate to scrap review for the PIA Technical Representatives during Table Inspection. This includes Travel documentation, Boarding lodging & Pick n drop for minimum a week for two persons.

12. Availability of Overhaul Condition Items

Availability of Overhaul Condition items, usage of such item will be with PIACL consent

13. Shop Reports

Provision of Shop Reports with root cause analysis

14. Additional Details

Please provide:

- Shipping and Mailing Address
- New unit price

Section D – Evaluation of Proposals

In order to ensure that the Pre-qualification process is conducted in fair& transparent manner, following Evaluation Criteria will be followed to determine the successful service providers for PIACL:

1. Evaluation Criteria

Following Criteria will be used for Evaluation:

#	Criteria	Unit	Weightage	Fill Here
1.	EASA Part-145 Certification for Repair / Overhaul of CFM56-5B Series Engines	YES / NO	5	
2.	FAA Certification for Repair / Overhaul of CFM56-5B Series Engines	YES / NO	5	
3.	Turnaround time in days.	Number	10	
4.	Maximum Excusable Days in TAT	Number	5	
5.	Maximum Non-Excusable Days in TAT	Number	5	
6.	Loaner Engine offer in case of extension of offered TAT (whether Excusable and / or Non-Excusable Days) with discounted Daily Rental	AGREE / NOT AGREE	10	
7.	Engine In-house repair/overhaul capability with Service Provider in percentage	%	8	
8.	Performance Guarantee in terms of EGT Margin (Minimum 70 degree EGTM)	Number	5	
9.	Warranty (Time on Wing) specified in terms of flight Hours (Minimum 3000 FHs)	FH	8	
10.	In case of engine failure within warranty period, FOC loaner, repair and transportation both ways provided by the Service Provider	AGREE / NOT AGREE	6	
11.	On-site Repair by On-wing Support Team for Quick Turn	AGREE / NOT AGREE	6	
12.	Sourcing of Required Parts in Overhaul Condition	AGREE / NOT AGREE	3	
13.	Lease Engine support assurance for all planned/unplanned engine replacement	AGREE / NOT AGREE	10	
14.	Availability of exchange module option.	AGREE /NOT AGREE	4	

15.	Coverage of Transportation Charges	Both way will get 10 marks & one way will get 5 marks	10	
	TOTAL		100	

Note: Proposals must contain the criteria table duly filled with offer mentioned against each field.

Criteria for Successful Pre-Qualified Service Provider are **60 Marks (Minimum)** in Technical Evaluation Tabulated above.

Marks will be calculated as per following formula:

Obtained Marks = (Best Offer / Service Provider's offer) x weightage

CFMI / GE will be technically pre-qualified being the OEM of Engine.

ANNEXURE 'I'

General Information and Assumptions

The scope of services required is:

- Overhaul of CFM56-5B Engines with upto date MOD status. (i.e. incorporation of all mandatory ADs, mandatory SBs and recommended ADs/SBs)
- Availability of Loaner Engine to support operations of Aircraft
- Capability of Management of Transportation of PIACL's Engine as well as Loaner (if required).

Technical Specifications of CFM56-5BSeries Engines are:

S/N	Part Number	Nomenclature	Expected Qty / Year	OEM	A/C Type
1	CFM56-5B	Engine	04	CFMI	A320

1. PIACL CFM56-5BEngines

- All PK fleet installed and spare/lease engines.

2. In-house Capability

Provide details of repair or overhaul of Engine's Piece Parts / Repair Development Capability.

3. Additional Requirements at no further costs

- Management and recommendation regarding implementation of ADs and SBs.
- Support during full capability build-up for maintenance, repair and overhaul of Engine and its Components.
- Trainings including Program Familiarization, Web-Portal/Software Platform Training on ongoing basis to PIACL technical team(s).

4. Commitments on post Warranty & Performance Guarantees

Provide details on commitments on post Warranty and Performance Guarantees.