

APPONTMENT OF PASSENGER SALES AGENTS (PSA)

Applications are invited by M/s **Pakistan International Airlines Corporation** from reputable and financially sound firms/companies for appointment of Passenger Sales Agents (PSA) in different cities of Pakistan for expansion of PIA's sales base. With reference to the Request for Proposal (RFP), such firms/companies must meet the minimum laid down requirements/documentations as per details available on PIA website www.piac.com.pk and www.ppra.org.pk.

Pakistan International Airlines Corporation reserves the right to reject or accept any or all applications. However, the reason of the same will be communicated on request.

Interested parties may send their applications on the following address through registered mail or courier service at any time. Applications must accompany copies of documents as mentioned in the RFP and should be in English.

For any query, please contact:

**DEPUTY GENERAL MANAGER
AGENCYAFFAIRS
PAKISTAN INTERNATIONAL AIRLINES CORPORATION
PIA HEAD OFFICE BUILDING (ROOM No.202-A)
KARACHI AIRPORT-PAKISTAN
Phone: 021 9904 4969
Email: khisapk@piac.aero**

REQUEST FOR PROPOSAL

1. Should be a registered firm/company in Pakistan.
2. Applicant should have a valid Government License issued by Department of Tourism Services showing business experience for at least two years.
3. Should have experience in the field of passenger air transportation. Preference will be given to parties having a proven track record in the relevant field.
4. Applicant should not be an IATA approved Passenger Sales Agent. IATA Passenger Sales Agents may apply subject to relinquishment of their accreditation prior to appointment.
5. Its Owners, Directors / Shareholders should not have been involved in any default / bankruptcy proceedings or had a financial interest or a position of management in a defaulted IATA Agency/GSA/PSA/or any other firm or company.
6. Office premises (minimum space 220 Sq.Ft.) should be at street level with minimum ten (10) feet wide frontage, easily accessible to public with ample parking space. Office renovation shall be according to PIA Brand standards and color scheme upon approval.
7. Should have qualified staff having the ability of selling international and domestic air travel and have successfully completed IATA/UFTAA or Airlines ticketing / reservation courses with at least two years working experience.
8. The applicant should have minimum paid-up capital/investment required under the laws of Pakistan. Balance Sheet & Profit and Loss Accounts not older than six months at the time of application, duly audited by a Chartered Accountancy Firm will be required at the time of application.
9. PSA will be entitled to mutually agreed commission and/or service charges according to market situation.
10. Validity of PSA Agreement will be initially for three years. Other terms and conditions of the Passenger Sales Agency Agreement will be negotiable.
11. Documents of Company Profile must be submitted along with the application.
12. Initial joining fee non-interest bearing PKR 1.00 million (non-refundable during the validity of agreement) plus minimum Cash Guarantee of PKR 1.5 million will be required upon appointment.
13. Any other document / information, if so required will be intimated prior to appointment.

DOCUMENTS REQUIRED FOR APPOINTMENT OF PSA

(Partnership)

S.No	DOCUMENTS/REQUIREMENTS	Please tick
1	Partners Photographs & Copy of National ID Cards	
2	Minimum two qualified staff requirements: 1. Copies of National ID Cards 2. Photographs 3. Certificates/diplomas of IATA/UFTAA or Airlines Ticketing/Reservation course. 4. At least two years working experience certificate in an Airline/GSA/PSA or IATA Approved Agency.	
3	Complete list of agency staff and their designations including owners	
4	Business & residential mailing address & E-mail address with telephone/cell Number of Partners.	
5	Copy of Govt. License (1 year old) at the time of application.	
6	Registration Certificates from Registrar of Firms Partnership deed duly attested by Registrar of firms	
7	Income tax No. Certificate. Form of income tax and Return acknowledge receipt.	
8	Copy of Lease/Rent Agreement	
9	Bank statement, Balance Sheet and Profit & Loss Account covering one year period with comparison, duly certified by a Chartered Accountant and not older than six months at the time of submission and 3 months from the date of closing of Balance Sheet.	
10	Office lay out plan having minimum area of 220 Sq. ft. with minimum frontage of 10 ft.	

DOCUMENTS REQUIRED FOR APPOINTMENT OF PSA

(Private Limited Company)

S.No	DOCUMENTS/REQUIREMENTS	Please tick
1	Shareholders/Directors Photographs & Copy of National ID Cards	
2	Minimum two qualified staff requirements: 1. Copies of National ID Cards 2. Photographs 3. Certificates/diplomas of IATA/UFTAA or Airlines Ticketing/Reservation course 4. At least two years working experience certificate in an Airline/GSA/PSA or IATA Approved Agency.	
3	Complete list of agency staff and their designations including owners	
4	Business & residential mailing address & E-mail address with telephone/cell Number of Shareholders/Directors.	
5	Copy of Govt. License (1 year old) at the time of application.	
6	Registration Certificates/ from Registrar of Companies Form 29, A & III Memorandum of Articles & Association which should be duly signed by all shareholders and duly attested by Registrar of Companies	
7	Income tax No. Certificate. Form of income tax and Return acknowledge receipt.	
8	Copy of Lease/Rent Agreement.	
9	Bank statement, Balance Sheet and Profit & Loss Account covering one year period with comparison, duly certified by a Chartered Accountant and not older than six months at the time of submission and 3 months from the date of closing of Balance Sheet.	
10	Office lay out plan having minimum area of 220 Sq. ft. with minimum frontage of 10 ft	

DOCUMENTS REQUIRED FOR APPOINTMENT OF PSA

(Sole Proprietorship)

S.No	DOCUMENTS/REQUIREMENTS	Please tick
1	Proprietor's Photographs & Copy of National ID Cards	
2	Minimum two qualified staff requirements: 1. Copies of National ID Cards 2. Photographs 3. Certificates/diplomas of IATA/UFTAA or Airlines Ticketing/Reservation course 4. At least two years working experience certificate in an Airline/GSA/PSA or IATA Approved Agency.	
3	Complete list of agency staff and their designations including owners	
4	Business & residential mailing address & E-mail address with telephone/cell Number of Proprietor.	
5	Copy of Govt. License (1 year old) at the time of application.	
6	Income tax No. Certificate. Form of income tax and Return acknowledge receipt.	
7.	Registration certificates from Registrar of Firms. Partnership deed duly attested by Registrar of Firms.	
8	Copy of Lease/Rent Agreement	
9	Bank statement, Balance Sheet and Profit & Loss Account covering one year period with comparison, duly certified by a Chartered Accountant and not older than six months at the time of submission and 3 months from the date of closing of Balance Sheet.	
10	Office lay out plan having minimum area of 220 Sq. ft. with minimum frontage of 10 ft	

DRAFT PASSENGER SALES AGENCY AGREEMENT

This Passenger Sales Agency Agreement is made on this day of _____ between **PAKISTAN INTERNATIONAL AIRLINES CORPORATION** incorporated under PIAC Act of 1956 and it has Head Office at Karachi, Pakistan (hereinafter referred to as "PIA" or the "Principal") of the one part and _____ whose registered office is at _____, (hereinafter referred to as the "PSA" of the other part) (the Principal and the PSA being hereinafter referred to as the "Parties" and each of them being a "Party"), hereby agree to the following.

ARTICLE – 1

APPOINTMENT OF PASSENGER SALES AGENT:

The Principal hereby appoints M/s _____ as its Passenger Sales Agent having registered office at _____ (hereinafter referred to as authorize office/location) to the extent of and in accordance with the terms and conditions contained in this Agreement.

ARTICLE – 2

SEPARATION OF FUNCTIONS:

The PSA shall not be IATA approved or have an IATA approved location in any country (including Pakistan). In the event that the PSA applies for IATA accreditation in any country, it shall immediately notify the Principal. If agent is subsequently IATA accredited, the PSA shall relinquish its appointment under this Agreement forthwith.

ARTICLE – 3

VALIDITY/TERMINATION:

- a) The validity of this agreement will be for 03 (three) years and shall be in force from _____ till _____ unless earlier terminated by either Party by giving to the other Party 30 (thirty) days prior written notice through registered mail/courier; provided however, that such termination shall be without prejudice to any outstanding liabilities accrued and arising hereunder between the parties hereto.
- b) This Agreement may be extended for a further period of up to 03 year, if so desired by the Principal, after financial evaluation and satisfactory sales performance of the PSA.
- c) The Principal reserves the right to terminate this agreement by serving 30 (thirty) days notice without prejudice to any outstanding liabilities accrued and arising thereto.

ARTICLE – 4

CASH SECURITY / GUARANTEE

- a) The PSA shall deposit PKR 1.00 million as joining fee and minimum cash guarantee of PKR 1.5 million or equal to six weeks average sales which ever will be higher. The aforesaid cash deposit shall be non interest bearing and shall not be refundable during the validity of this Agreement. PSA must maintain cash guarantee till the validity of this Agreement.

- b) Level of guarantee shall be reviewed regularly based on amount at risk computed with reference to average net sales of the agent. Principal reserves the right to call for an increased security in the shape of cash or bank guarantee.

ARTICLE – 5

RESPONSIBILITIES OF PSA:

The PSA shall perform on behalf of the Principal, the following functions:

1. Sales of transportation of passengers on the regular air transport services of PIA. PSA shall make reservations and issue passenger tickets strictly in accordance with the Principal's laid down procedures and rules as communicated by the Principal to the PSA.
2. Provide fully equipped booking office at street level which is readily identifiable as the office of the Principal (in accordance with the requirements of the Principal) and staffed for the sale of air transportation as mentioned in para 2 above. For this purpose, suitable premises, qualified staff, equipment and facilities will be provided as per Principal's requirement for which all expenses to be borne by the PSA.
3. Prominent display, as far as is practical, of the Principal's advertising, publicity and display material in the windows and interiors of the PSA's office-
4. PSA is required to get its office premises branded according to specifications and requirements approved by PIA. A fresh branding as per specifications will be required by the PSA, in case of change of location and/or name of the agency.
5. Issuance, in accordance with the provisions of Article 6 hereof, of Passenger Tickets in connection with all sales made on behalf of the Principal.
6. Advice to passengers concerning passport, health, currency, immigration and other regulations in force in countries to and through which they are to travel and ensuring as far as practicable that such regulations are observed by all such passengers. In case the passenger is found traveling on invalid documents at transit or destination or is deported due to any reason and if a penalty is imposed on the principal, the loss shall be recovered from the PSA.

ARTICLE – 6

PRINCIPAL'S RIGHT OF DIRECT APPROACH TO OTHER SALES INTERMEDIARIES:

Without prejudice to the provisions of Article 4 hereof, Principal reserves the right to direct sales approach and direct distribution of publicity matter and similar materials to sales agents. This Agreement shall not in any way prejudice, interfere with or limit the Principal's right to appoint other sales agents. The PSA shall have no right of commissions (including but not limited to lost profit or revenue) from such sales made by the Principal, either by its own organization, or through other agents.

ARTICLE – 7

SALE OF ACCOMMODATION:

1. All passenger transportation sold by the PSA under the terms of this agreement shall be sold subject to the General Conditions of Carriage of the Principal as amended from time to time and notified to the PSA applicable to such transportation and to the rules, regulations and instructions

- governing the sale and use of such transportation in force from time to time as published on Principal's website and elsewhere.
2. Principal reserves the right to impose penalties in case of violation of Reservation & Ticketing procedures, also conveyed to PSA separately in writing from time to time. Such penalties, if not paid/settled within 30 days, the Principal reserves the right to terminate the agreement.
 3. No transportation shall be sold directly or indirectly at fare greater or less than the fare either published in the current tariff of the Principal or notified to the PSA by the Principal or by any other means.
 4. The PSA is responsible for the proper collection of the correct passenger fares, taxes and applicable charges as advised by the Principal from time to time. For any short collections which are recorded, or those pertaining to missing documents, ticketing errors, PIA will issue ADM (Agent Debit Memo) thereby PSA is liable to settle the claim within 15 days of communication of discrepancy. This will be done either through production of documents or payment thereof, as the case may be.
 5. The PSA's sales are restricted on PIA's sectors only on PIA's documents issued from the authorized office(s) location(s) of the PSA. Issuance of Interline sector tickets may be referred to the office of PIA's District Sales Manager.
 6. The PSA is not permitted to issue or hold any other carrier's ticket stock in the office(s)/location(s) authorized for sale of air transportation of the Principal. Any violation may result in the termination of the PSA Agreement.

ARTICLE – 8

DOCUMENTS:

1. The Principal reserves the right to withdraw reservation/ticketing authority, any time wholly or partly without assigning any reason whatsoever. The PSA agrees to surrender the same forthwith. Consequent to such withdrawal of ticketing/reservation authority, the PSA shall fully account for and effect prompt settlement of any dues/sales proceeds as required by the Principal.
2. The PSA is not permitted to issue or hold any other carrier's ticket stock in the office(s)/location(s) authorized for sale of air transportation of the Principal. Any violation may result in the termination of the PSA Agreement.

ARTICLE – 9

REMUNERATION OF PSA:

The PSA may charge Passenger Service Fee at the rate mentioned in Annexure "A" to this Agreement. The PSA is entitled to overriding commission as per Annexure "A" to this Agreement.

ARTICLE – 10

SETTLEMENT:

1. PSA shall be under obligation to submit sales reports and remittances on fortnightly basis in the following manner:
 - i) Sales from 1st to the 15th day of the month will be settled on 30th of the same month.

- ii) Sales from 16th day to the last day of the month will be settled on 15th of the following month.

(In case of Agent sales remittances cycle is revised by IATA, PSA remittance cycle will be revised accordingly).

2. For any delayed settlement, mark-up charges @ 1.25% per month will be levied on delayed number of days.
3. If the PSA has exhausted the capping before the reporting period date, the PSA will have to deposit the full amount of remittances for tickets / VCRs already sold for that particular sales period. Then the PSA will be authorized additional / enhanced capping for one period only, but the PSA will submit the sales reports on the due date according to the specified schedule.

ARTICLE – 11

COMMUNICATION COSTS:

Liability for communications costs related to booking or reservations services referred to in this Agreement shall be the responsibility of and payable by the PSA.

ARTICLE – 12

INFORMATION REPORTS AND INSPECTION OF RECORDS:

1. The PSA shall at all reasonable times permit the authorized officials of the Principal to inspect and check all PSA records, documents and accounting transactions maintained on behalf of the Principal relating to Principal's business. Such authorized officials may make copies of such records or documents which are required in connection with any complaint or investigation.
2. The PSA shall maintain adequate records and accounts together with supporting documents regarding the details of all transactions effected under this Agreement. All records, accounts and documents held by the PSA on behalf of the Principal must be preserved by the PSA for the periods agreed with the Principal as well as according to local law whichever is the greater.

ARTICLE – 13

DESIGNATION OF AGENCY:

The PSA shall be entitled to describe itself as Agent of the Principal at its place(s) of business and on commercial documents, advertisements, notices, publications, letterheads and similar items but shall in all cases qualify such description by prefixing the words "Passenger Sales Agent".

ARTICLE – 14

DIRECTORY INSERTION AND PUBLICITY:

The PSA shall if so requested by the Principal arrange for the insertion in appropriate telephone and other directories of the name of the Principal with address of the PSA showing its own name as PSA, if it so wishes. Any charge for such entries shall, when inserted at the Principal's request, be reimbursed by the Principal.

ARTICLE – 15

NO ACTION CONTRARY TO LAW:

Nothing contained herein shall require the PSA to take any action contrary to law of the Country, State, Province or other local Government and IATA rule, resolution, regulation or agreement.

ARTICLE – 16

LIABILITY/INDEMNITY:

Except as otherwise expressly provided in this Agreement and the Appendixes thereto, Principal shall not indemnify the PSA from and against any actions, claims proceedings, costs, losses, damages, charges and expenses which the PSA may sustain, incur or pay by reason of any services rendered by the PSA under the terms of this Agreement.

The PSA shall be liable and shall indemnify and hold harmless the Principal, its employees, servants and agents in respect of any claims, liabilities, all losses, fines and expenses arising from or caused by any breach of contract or any negligent act or omission, willful misconduct or misrepresentation by the PSA, its employees, servants or agents, on whatever legal title such claim or liability might be based. In the event that such a claim or suit is commenced against the Principal, the PSA shall be responsible for the costs and amount of any final judgment or settlement of the claim and all expenses incidental.

Force majeure or any other cause beyond the control of the Principal including accidents to or failure of aircraft or any part thereof or any machinery or parts thereof used in connection therewith or in servicing or maintenance thereof provided that in the event of such stoppage or failure the PSA shall use its best endeavors to fulfill its obligations herein.

ARTICLE - 17

ARBITRATION:

If at any time any question, dispute or difference may arise between both the parties under this Agreement, either party may as reasonably practicable, give to the other notice in writing of the existence of such question, dispute or difference, specifying its nature and the point at issue, for conciliation failing which the matter shall be referred to a single arbitrator nominated with the consent of both the parties in accordance with the provision of Arbitration Act of 1940.

ARTICLE - 18

ASSISTANCE AT INVESTIGATION:

In any enquiry or investigation in which it is reasonably considered that staff of either party hereto can assist the other party, that party shall give every assistance in its power, including making statements, the production of documents as well as witnesses and by any other means as required in the circumstances.

ARTICLE – 19

TRANSFER OF AGENCY/SUBCONTRACTION OF APPOINTMENT:

The PSA shall not assign, transfer or delegate its rights or responsibilities under this Agreement without the prior consent in writing of the Principal. The PSA shall not undergo a change of ownership, shareholding/legal status, name or location without obtaining the prior written consent of the Principal.

ARTICLE - 20

ACCEPTANCE OF OTHER APPOINTMENTS:

The PSA shall not accept other appointments as General Sales Agent or Passenger Sales Agent by any other carrier without the prior written consent of the Principal and which may be granted by the Principal subject to such reasonable terms and conditions as the parties may agree.

ARTICLE - 21

DEFAULTS:

PSA will be liable for any outstanding amounts in default and immediately upon notification of default, ticketing authority will be de-linked and held guarantee(s) will be en-cashed to recover the amounts in default provide PSA has not paid the outstanding amounts from any other source.

ARTICLE - 22

APPLICABLE LAW (OR JURISDICTION):

This Agreement shall be interpreted in all respects in accordance with the laws of Islamic Republic of Pakistan.

ARTICLE - 23

CONFIDENTIALITY:

The parties hereto shall take all practical measures to ensure that information concerning each other's business results and activities are not revealed to any third party without the consent of the party concerned.

ARTICLE - 24

NOTICES:

Any notice or other communication required or permitted to be given pursuant to this

Agreement shall be sufficient if sent by registered mail, courier service, by one party to the other, as follows:-

i) If to the Principal:

Director Marketing

Pakistan International Airlines Corporation

P.I.A. Building

Quaid-e-Azam International Airport

Karachi – Pakistan

Emails: khiszpk@piac.aero, or khisapk@piac.aero

i) if to the PSA

ARTICLE- 25

MARGINAL NOTES:

Marginal notes are inserted in this Agreement for the purpose of reference and convenience and in no way define, limit or describe the scope or intent of the Agreement.

ARTICLE - 26

MODIFICATIONS:

Modifications of or additions to this Agreement must be approved in writing by the responsible official of both parties and shall, thereafter, be attached to this Agreement as “Amendments”.

ARTICLE – 27

SEVERABILITY:

If any provision of this Agreement is held to be invalid, this shall not have the effect of invalidating the other provisions which shall nevertheless remain binding and effective between the parties.

ARTICLE – 28

All previous agreements stand superseded without prejudice to any outstanding liabilities accrued and arising from previous agreement, if any, between the contracting parties.

IN WITNESS WHEREOF the parties through their duly authorized officials have executed this Agreement as of the date above written.

SIGNED BY

SIGNED BY

CEO/Managing Director

Director Marketing

For and on behalf of

For and on behalf of

Pakistan International Airlines Corporation

Jinnah International Airport, Karachi

Witness _____

Witness _____

Witness _____

Witness _____

REMUNERATION OF PSA:

Passenger Service Fee:

1. PSA may charge Passenger Service Fee (YR) up to 7% and 5% on International and Domestic net/net sales respectively (Net/net sales = gross sale minus taxes / incentives / refunds / standard commission / surcharge). Passenger Service fee (YR), subject to change from time to time, will be applicable on sales made in the PSA's authorized office(s)/location(s).

b) **Overriding Commission:**

- i) PSA will be entitled to 1% overriding commission on pure Domestic net/net sales, subject to changes from time to time. (Net/net sales = gross sale minus taxes / incentives / refunds / standard commission / surcharge)

PSAs with net/net domestic sales up to 2.00 million per month

- ii) PSA will be entitled to **0.5%** additional overriding commission on pure domestic Net/net sales subject to contribution of 10% growth over domestic sales of same period last year. (Net/net sales = gross sale minus taxes / incentives / refunds / standard commission / surcharge)

PSAs with net/net domestic sales more than 2.00 million per month

PSA will be entitled to additional **0.5%** overriding commission on pure domestic net/net sales.

PSA with net/net International sales minimum PKR 1.00 million and

up to PKR 2.00 million per fortnight: (Excluding SOTO and Hajj sales)

PSA will be entitled to 1% overriding commission on pure net/net International Sales. (Net/net sales = gross sale minus taxes / incentives / refunds / standard commission / surcharge)

PSA with net/net International sales of more than PKR 2.00 million per fortnight: (Excluding SOTO and Hajj Sales)

- iii) PSA will be entitled to 1.5 % overriding commission on pure net/net International sales. (Net/net sales = gross sale minus taxes / incentives / refunds / standard commission / surcharge)

2. **Conditions for Payment and recall of Overriding Commission:**

- i) Commission shall not be payable to the PSA unless the PSA has paid to the Principal all sales proceeds.
- ii) No Commission(s) shall be payable on any refunded fare. Any commission actually paid to the PSA in respect of such refunded fare shall be repaid to the Principal.