

## Expression of Interest (EOI)

### Hiring of Third Party Evaluator of Enterprise Resource Planning (ERP)

Pakistan International Airlines, the national flag carrier, invites Expression of Interest (EOI) from national or international consultancy firms or individual consultants for hiring of Third Party Evaluator of Enterprise Resource Planning (ERP) that will help PIA for the evaluation of recently implemented ERP system.

Expression of Interest documents is available for the interested bidders at [www.piac.com.pk](http://www.piac.com.pk).

Prospective firms/companies are required to submit Tender Fee of **Rs. 2000** (non-refundable) in shape of a Pay Order (in the name of PIACL) along with the expression. (For Local Bidders Only).

The expression of interest, prepared in accordance with the instructions in the EOI documents, must reach at **General Manager Procurement, Supply Chain Management, PIA Head Office, Karachi** on or before **04-06-2018** till 1030Hrs (PST). The expression will be opened the same day at 1100 Hrs (PST). This advertisement is also available on PPRA website at [www.ppra.org.pk](http://www.ppra.org.pk) & [www4.piac.com.pk](http://www4.piac.com.pk)

General Manager Procurement  
Supply Chain Management,  
PIA Head Office, Karachi  
Phone: +92 21 9904 4423, 9904 4101, 9904 3081  
021-9904-4713, 4817  
Email address: [khijzpk@piac.aero](mailto:khijzpk@piac.aero)  
[pmo.erp@piac.aero](mailto:pmo.erp@piac.aero)  
[contract.administration@piac.aero](mailto:contract.administration@piac.aero)

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Ref: PIAC/P&L/ERP (ICT)/19/18

## **Hiring of Third Party Evaluator of Enterprise Resource Planning (ERP) at Pakistan International Airlines**

### **INTRODUCTION**

Pakistan International Airlines Corporation (Pvt.) Limited a National Flag Carrier of Pakistan is in the process of implementing Oracle ERP through M/s InfoTech and is at the verge of completion. The Project was divided into Two Phases; phase one includes primarily Financial, Supply Chain and base modules of HR/Payroll. Phase 2 includes advanced HR modules (performance management, learning management etc.), Hyperion and BI, maintenance management, and project management.

As of January 2018, Phase 1 has gone live since January 2017 and Phase 2 is still in process. While Phase 1 has gone live, many challenging and support issues and effectiveness of the system processes set up in the system.

### **OBJECTIVES**

The objective is to get the review by third party who could critically analyze the ongoing implementation of ERP and identifies / assess the implemented ERP system and suggests in terms of improving usage, integration, controls, centralize critical processes, and regulate accounting, reporting and if it needs the alignment before moving forward. Verify the ERP Implementation is based on best practices, standard and lean processes, robust business structure ensuring sustainable support.

The firm shall mention challenges inherent in the process of re-design (if re-design is required) and mentioned clearly estimated cost in terms of Time, Money Human & Non-human Resources. The firm shall mention potential benefits from the re-design and potential threats if existing ERP Suite is carried on. All potential benefit and threat shall be clearly mentioned in length and depth.

### **PROJECT BACKGROUND**

M/s InfoTech (Business Partners of Oracle) are implementing the ERP in PIACL. The Project was divided into Two Phases; phase one includes primarily Financial, Supply Chain and base modules of HR/Payroll. Phase 2 includes advanced HR modules (performance management, learning management etc.), Hyperion and BI, maintenance management, and project management.

As of January 2018, Phase 1 has gone live since January 2017 and Phase 2 is still in process.

The implementation process of M/s InfoTech is as follows:

- Step 01: As-is Workshop (Study of existing processes of PIA)
- Step 02: Solution Design (Processes flow in ERP)
- Step 03: Conference Room Pilot (Software Acceptance & Testing)
- Step 04: User Acceptance Test
- Step 05: Data Migration
- Step 06: Go Live (Become Operational)

## SCOPE OF WORK

Since PIA CL has a large and complex setup, and the structure and processes set up in the Oracle ERP project, have not been independently validated and reviewed as of today. To conduct a Post Implementation Review after go-live in order to assess the following:

- Review the inventory organization / business / operating unit structure conceptualized and configured in the system in line with the future business and IT strategy?
- Review the business processes set up optimally and in line with the requirements?
- Review the appropriate controls been set up in the system to minimize risks and best practice and lean process?
- Review the system easy to use and maintain as envisaged during implementation?
- Review of Chart of Account structure with Airline's Financial reporting requirements and map these to the existing COA structure to identify improvements/changes and reduce complexity of existing or proposed interfaces;
- Review of existing organization structure configured in Oracle and identify changes in the business process or the Oracle application to make system easier to use and maintain and reduce turnaround time;
- Review business processes flows implemented in system and highlight optimization necessary for effective running of overall system ;
- Review in respect of internal controls and SOD compliance to identify controls to be implemented in the system;
- Review of Master Data Management with the perspective of correct and timely transaction processing and financial reporting of all primary keys for optimizing usage. Asset number, Inventory number, COA, tax code , position and role based / supervisory based
- Possibility of introducing Shared Services function needs to be considered for various Finance related tasks to reduce complexity of operations and system usage;
- Review of existing Budget model and recommend Budgeting and Planning dimensions in Hyperion Planning;
- Review of Accounting Close procedure that will require Finance oversight control over all modules to review and settle open transactions prior to closing for the month.
- Review the technical health of current Oracle ERP Application and propose the recommendations for improvement.
- Suggest the possible solution of the highlighted issues

## ELIGIBILITY CRITERIA FOR TECHNICAL AND COMMERCIAL EVALUATION

The assignment will require the services of a firm/consultancy Company with Technical Skill & Competence in ERP Implementation & Management Concepts.

In addition, the following qualification will be required as mandatory:

- A minimum 10years of experience in the implementation/Evaluation of Oracle ERP.

- Experience of implementation/Evaluation of ERP in large multinational corporation preferably international airlines.
- Company must not have any litigation / Sub-judice case with PIA
- Undertaking of no outstanding claims against PIA

The bidding process will be as per PPRA & PIA Procurement Rules in letter & spirit.

**Technical Bid: 65% Commercial Bid: 35 %**

Technical bids with scores of 70 points and above will be considered responsive and will be considered for further commercial evaluation.

1- **Technical Bid Score: Marks obtained by Firm / 70 \* 65 = \_\_\_\_\_**

2- **Commercial Bid Score: M/B \* W = \_\_\_\_\_**

**M → Minimum Bid**

**B → The bid**

**W → Weight (35)**

**Total Score = Technical Bid Score + Commercial Bid Score**

Note: PIA reserve the right to reject the proposal if any of the above-mentioned requirements are not full filled.

**Technical Evaluation Performa**

Sr. No.	Attributes	Max Score	Score	Requirements
1	Financial Strength (In last 3 years)	10	10	More than or equal to PKR 1 Billion (Annual turn over of last year) with software services revenue being 50%
			8	PKR 0.75 to 0.99 Billion (Annual turn over of last year)with software services revenue being 60% or more
			5	PKR 0.5 Billion to 0.74 Billion (Annual turn over of last year)with software services revenue being at least 70% or more
			1	Less than PKR 0.5 Billion (Annual turn over of last year)
2	Company established (No. of years)	10	10	15 or more years
			5	7 years or more
			1	Less than 7 Years
3	Successful implementations/evaluation of Oracle ERP (International organization)	20	20	Implementation in the Airlines of at least PIA Size. (40aircrafts)
			10	Implementation in the Airlines Industry of at least Size. (20 aircrafts)
			5	Implementation in the Airlines Industry of at least .Size (10aircrafts)
			1	Implementation in the Airlines Industry of at least Size. (5aircrafts or less)
4	Number of reference able Implementations/evaluation	20	20	10 or more Implementations (at least 3 in the airlines industry)
			10	6-9 Implementations (at least 2 in the airlines industry)
			5	3-5 Implementations (at least 1 in the airlines industry)
			1	Less than 3 implementations
5	Maximum time required for complete evaluation from the date of award of contract	10	10	1 months
			5	2 months
			1	More than 2 months
	<b>Total</b>	<b>70</b>		

**TERMS OF REFERENCE (TORS)**  
Consultancy Services hiring of Third Party Evaluator of (ERP)

## BACKGROUND

Pakistan International Airlines Corporation Limited (PIACL) a National Flag Carrier of Pakistan is in the business of air transportation of passengers and cargo and related activities. PIA's primary focus is to serve the Pakistani community at large and travelers across the globe. The airline has its presence in five continents with offices and stations located across the world. PIACL is in the process of implementing Oracle ERP through M/s InfoTech and is at the verge of completion. The Project was divided into Two Phases; phase one includes primarily Financial, Supply Chain and base modules of HR/Payroll. Phase 2 includes advanced HR modules (performance management, learning management etc.), Hyperion and BI, maintenance management, and project management.

Phase 1 has gone live since January 2017 and Phase 2 is still in process. While Phase 1 has gone live, many challenging and support issues and effectiveness of the system processes set up in the system. The Consultant will be expected to approach this assignment in a collaborative and pro-active manner in order to achieve practical outcomes, and to engage with a number of stakeholders.

In undertaking this assignment, the Consultant who could critically analyze the ongoing implementation of ERP and identifies / assess the implemented ERP system and suggests in terms of improving usage, integration, controls, centralize critical processes, and regulate accounting, reporting and if it needs the alignment before moving forward. Verify the ERP Implementation is based on best practices, standard and lean processes, robust business structure ensuring sustainable support.

The firm shall mention challenges inherent in the process of re-design (if re-design is required) and mentioned clearly estimated cost in terms of Time, Money Human & Non-human Resources. The firm shall mention potential benefits from the re-design and potential threats if existing ERP Suite is carried on. All potential benefit and threat shall be clearly mentioned in length and depth.

The implementation process of M/s InfoTech is as follows:

- Step 01: As-is Workshop (Study of existing processes of PIA)
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- Step 05: Data Migration
- Step 06: Go Live (Become Operational)

Ref: PIAC/P&L/ERP (ICT)/19/18

### SCOPE OF WORK

The Consultant will be expected to perform the following activities and role during the course of this assignment. Since PIACL has a large and complex setup, and the structure and processes set up in the Oracle ERP project, have not been independently validated and reviewed as of today. To conduct a Post Implementation Review after go-live in in order to assess the following:

- Review the inventory organization / business / operating unit structure conceptualized and configured in the system in line with the future business and IT strategy?
- Review the business processes set up optimally and in line with the requirements?
- Review the appropriate controls been set up in the system to minimize risks and best practice and lean process?
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- Possibility of introducing Shared Services function needs to be considered for various Finance related tasks to reduce complexity of operations and system usage;



- Review of existing Budget model and recommend Budgeting and Planning dimensions in Hyperion Planning;
- Review of Accounting Close procedure that will require Finance oversight control over all modules to review and settle open transactions prior to closing for the month.
- Review the technical health of current Oracle ERP Application and propose the recommendations for improvement.
- Suggest the possible solution of the highlighted issues

## DELIVERABLES

A time-based contract will be signed with the Consultant. The deliverables by consultant for this assignment includes but is not limited to;

### Inception Report

- A brief report including a proposed detailed work plan and time line. This report should be submitted to PMO no later than 2 weeks from commencement of the assignment.

### Regular Weekly Reports:

- A brief Weekly progress report will be submitted no later than 1 day following the end of each week to the PMO, these weekly reports should be submitted in soft copy via email, and include:
  - key activities undertaken in the reporting week
  - major issues / achievements
  - recommendations for future action
  - work plan and key activities for the next week
  - Any other issue as may be required by the Client.

### Final Report and Recommendations

- Final report should include the following:
  - Key progress achieved over assignment period and key recommendations for improvement in ERP implementation
  - Issues in ERP structure and implementation
  - Recommended solution with timeline
  - Estimated cost and time in proposed solution.

In addition, the Consultant will be expected to produce working papers or other documentation during the course of the assignment as necessary to support the Client and to achieve the objectives of the assignment.

**Note: Financial proposals are not required at this stage**

#### QUALIFICATIONS

The Consultant must have:

- ✓ A minimum 10 years of experience in the aviation sector, preferably in implementation/Evaluation of ERP in large multinational corporation preferably international airlines.
- ✓ Demonstrated experience in the development of high-level experience in managing large number of projects, preferably in airline industry
- ✓ Understands the airlines industry subject matter.
- ✓ Must have at least 3 full implementation experience in the area of Finance, HCM and SCM
- ✓ Must have grip on the international procurement regulations and awareness of Pakistan Procurement Regulatory Authority (PPRA) will be a plus.
- ✓ Should have knowledge of regional aviation state and PIA's market positioning.
- ✓ Excellent verbal, written and presentation communication skills in English with demonstrable high level reporting skills
- ✓ Demonstrated pro-active working style and ability to work well with people from multiple cultures and backgrounds.
- ✓ Leadership and advocacy skills and an ability to build effective teams and Relationships.

TERMS & CONDITIONS OF THE CONTRACT

**Hiring of Third Party Evaluator of Enterprise Resource Planning (ERP)**

**[Name of Contractor]**

This CONTRACT ( "Contract") made as of the [day] of [month], [year], between **Pakistan International Airlines Corporation Limited (PIACL)** (the "Purchaser"), on the one part,  
and

[full legal name of Contractor], on the other part severally liable to the Purchaser for all of the Contractor's obligations under this Contract and is deemed to be included in any reference to the term "the Contractor."

Purchaser and Contractor shall hereinafter individually be referred as a "Party" and collectively as "Parties" where the context of this Contract so required.

## RECITALS

WHEREAS,

- a. PIACL through the Purchaser intends to spend a part of its budget / funds for making eligible payments under this contract. Payments made under this contract will be subject, in all respects, to the terms and conditions of the Contract in lieu of the services as described in the contract.
- b. The Purchaser has requested the Contractor to provide certain services as described in Scope of Work (Annex. A)
- c. The Contractor, having represented to the Purchaser that it has the required professional skills, and personnel and technical resources, has agreed to provide such services on the terms and conditions set forth in this Contract.

NOW THEREFORE, the Parties to this Contract agree as follows:

1. The Contractor hereby covenants with the Purchaser and provide the Services and to remedy defects / damage therein, at the time and in the manner, in conformity in all respects with the provisions of the Contract, in consideration of the payments to be made by the Purchaser to the Contractor.
2. The Purchaser hereby covenants with the Contractor to pay the Contractor, the Contract Price or such other sum as may become payable, at the times and in the manner, in conformity in all respects with the provisions of the Contract, in consideration with provision of the Services delivered and remedying of defects / damage therein.
3. The following shall be deemed to form and be read and construct as part of this Contract:
  - a. The Tender Document
  - b. Bidder's Proposal
  - c. Terms and Conditions of the Contract including TOR's
  - d. Special Stipulations
  - e. The Technical Specifications
  - f. Implementation Plan & Strategy
  - g. Presentation by the bidder
  - h. Tender Form
  - i. Price Schedule
  - j. Affidavit(s)
  - k. Authorized Dealership / Agency Certificate
  - l. Performance Security
  - m. Service Level Agreement ( SLA )
  - n. Non-Disclosure Agreement

o. Any Standard Clause acceptable for Purchaser

4. This Contract shall prevail over all other documents. In the event of any discrepancy / inconsistency within the Contract, the above Documents shall prevail in the order listed above.

IN WITNESS whereof the Parties hereto have caused this Contract to be executed in accordance with the laws of Pakistan as of the day, month and year first indicated above.

For [full legal name of the Purchaser]: For [full legal name of the Contractor]:

Signature

Signature

Name

Name

Witnessed By:

Witnessed By:

**WITNESSES**

Signature \_\_\_\_\_

Signature: \_\_\_\_\_

CNIC # \_\_\_\_\_

CNIC # \_\_\_\_\_

Name \_\_\_\_\_ Name: \_\_\_\_\_

Designation \_\_\_\_\_ Designation: \_\_\_\_\_

Address \_\_\_\_\_ Address: \_\_\_\_\_

## General Conditions of Draft Contract

### Contract

The Purchaser shall, after receipt of the Performance Security (in shape of security deposit equal to 10% of the total contract value) from the successful Bidder, send the Contract provided in the Tender Document, to the successful Bidder. Within three working days of the receipt of such Contract, the Bidder shall sign and date the Contract and return it to the Purchaser.

### Contract Duration

The Contract duration is initially for one (01) year starting from the date of issuance of Acceptance Letter and extendable for another term of one (1) year, based on same terms and conditions provisioning of satisfactory services by the service provider and needs, requirements and approved budgetary provisions of the Purchaser.

### Contract Documents and Information

The Contractor shall not at any time, without the Purchaser's prior written consent, make use of the Contract, or any provision thereof, or any document(s), specifications, drawing(s), data, processes, pattern(s), sample(s) or information furnished by or on behalf of the Purchaser in connection therewith, except for purposes of performing the Contract or disclose the same to any person other than a person employed by the Contractor in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.

### Contract Scope of Work

The Contractor shall provide the hiring of Third Party Evaluator of Enterprise Resource Planning (ERP) including but not limited to the scope of work (Annex. A) and deliverables mentioned in this tender document.

### Contract Language

The Contract and all documents relating to the Contract, exchanged between the Contractor and the Purchaser, shall be in English. The Contractor shall bear all costs of translation to English and all risks of the accuracy of such translation.

### Standards

The Services supplied and the Services provided under this Contract shall conform to the authoritative latest industry standards including IATA, ICAO, and other airline standards.

### Commercial Availability

The Services supplied under this Contract shall be commercially available at the time of signing of the contract. Commercial availability means that such Services shall have been rendered / delivered under this contract by the service provider globally / locally.

### Patent Right

The Contractor shall indemnify and hold the Purchaser harmless against all claims including without limitation third party claims of infringement of patent, trademark or industrial design rights arising from use of the Service or any part thereof.

### Execution Schedule

The Contractor shall start delivery of Services within one (01) week from the issuance of Acceptance Letter. Implementation period is to be defined.

### Payment

1. The Contractor shall provide all necessary supporting documents along with invoice.
2. The Contractor shall submit an Application for Payment, to the Purchaser. The Application for Payment shall: be accompanied by such invoices, receipts or other documentary evidence along with digitally signed soft copies or any other relevant document, as the Purchaser may require; state the amount claimed along with certification/undertaking for the authenticity; and set forth in detail, in the order of the Price Schedule, particulars of the Services delivered and the deliverables completed up to the date of the Application for Payment and subsequent to the period covered by the last preceding Payment, if any.

3. Payments shall be made on monthly basis, so quarterly invoices must be submitted. The payment may also be processed through IATA clearance house if mutually agreed between the parties.
4. All invoices must carry details of third party related costs, along with valid and verifiable proof of evidence of all claims, including original third party invoices.
5. The Purchaser shall verify the details of services delivered against the invoice from the User and Technical Team of Purchaser and Payment shall be made to Contractor on actual basis after issuance of satisfactory certificate by concerned technical team and user department's team, as per details given in this contract.
6. The Purchaser shall pay the amount verified within thirty (30) days. Payment shall not be made in advance and against partial deliverables. The Purchaser shall make payment for the Services provided and the deliverables completed to the Contractor, as per generally accepted procurement rules, in currency agreed between the parties.
7. The Contractor shall submit the 10% Security deposit till the three months after the expiration of contract.
8. The Contractor shall cause the validity period of the performance security to be extended for such period(s) as the contract performance may be extended. In case the Contractor fails to submit Interest Free Security Deposit with extended validity period for such period(s) as the contract performance may be extended, an amount equal to 10% of total contract value shall be deducted from the payments to be made against the contract.
9. All payments shall be subject to any and all taxes, duties and levies applicable under the laws of Pakistan for the whole period starting from issuance of Acceptance Letter i.e. till termination of this contract in this regard.

#### Price

The Prices quoted by the Contractor at the time of bid shall be locked during the whole period and or during the period extension of this contract. The Contractor shall not charge prices for the Services provided and for other obligations discharged, under the Contract, varying from the prices quoted by the Contractor in the Price Schedule.

#### Contract Amendment

1. The Purchaser may at any time, by written notice served to the Contractor, alter or amend the contract for any identified need/requirement in the light of prevailing rules and regulations.
2. The Contractor shall not execute any Change until and unless the Purchaser has allowed the said Change, by written order served on the Contractor.
3. The Change, mutually agreed upon, shall constitute part of the obligations under this Contract, and the provisions of the Contract shall apply to the said Change.
4. No variation in or modification in the Contract shall be made, except by written amendment signed by both the Purchaser and the Contractor.

#### Assignment / Subcontract

1. The Contractor shall not assign or sub-contract its obligations under the Contract, in whole or in part, except with the Purchaser's prior written consent. In case of written consent by Purchaser, all the expenses of assignment shall be borne by Contractor including without limitation lawyers fee without any change in the terms of this contract, unless consented by the Purchaser.
2. The Contractor shall guarantee that any and all assignees / subcontractors of the Contractor shall, for performance of any part / whole of the services under the contract, comply fully with the terms and conditions of the Contract applicable to such part / whole of the services under the contract.

#### Extensions in time for performance of obligations under the Contract

If the Contractor encounters conditions impeding timely performance of any of the obligations, under the Contract, at any time, the Contractor shall, by written notice served on the Purchaser, promptly indicate the facts of the delay, its likely duration and its cause(s). As soon as practicable after receipt of such notice, the Purchaser shall evaluate the situation and may, at its exclusive discretion, without prejudice to any other remedy it may have, by written order served on the Contractor, extend the Contractor's time for performance of its obligations under the Contract.

#### Liquidated Damages / Penalties

1. If the Contractor fails / delays in performance of any of the obligations, under the Contract / violates any of the provisions of the Contract / commits breach of any of the terms and conditions of the Contract the Purchaser may, without prejudice to any other right of action / remedy it may have, deduct from the Contract Price/Security Deposit/invoices, as liquidated damages, a sum of money @-----% of the total Contract Price which is attributable to such part of the Services / the deliverables, in consequence of the failure / delay, be put to the intended use, for every day between the scheduled delivery date(s), with any extension of time thereof granted by the Purchaser, and the actual delivery date(s). Provided that the amount so deducted shall not exceed, in the aggregate, @-----% of the Contract Price.

#### Blacklisting

If the Contractor fails / delays in performance of any of the obligations, under the Contract / violates any of the provisions of the Contract / commits breach of any of the terms and conditions of the Contract or found to have engaged in corrupt or fraudulent practices in competing for the award of contract or during the execution of the contract, the Purchaser may without prejudice to any other right of action / remedy it may have, blacklist the Contractor, either indefinitely or for a stated period, for future tenders in public sector, as per provision of PPRA Rules and PIAC Procurement Regulations and Guidelines.

#### Forfeiture of Interest Free Performance Security

1. The Interest Free Performance Security/Security Deposit shall be forfeited by the Purchaser, on occurrence of any / all of the following conditions:
  - a. If the Contractor commits a default under the Contract;
  - b. If the Contractor fails to fulfill any of the obligations under the Contract;
  - c. If the Contractor violates any of the terms and conditions of the Contract.
2. The Contractor shall cause the validity period of the performance security to be extended for such period(s) as the contract performance may be extended. In case the Contractor fails to submit Security Deposit with extended validity period for such period(s) as the contract performance may be extended, an amount equal to 10% of total contract value shall be deducted from the payments to be made against the contract.
3. If the Contractor fails / poor/ delays in performance of any of the obligations, under the Contract / violates any of the provisions of the Contract / commits breach of any of the terms and conditions of the Contract the Purchaser may, without prejudice to any other right of action / remedy it may have, forfeit Performance Security/Security Deposit of the Contractor.
4. Failure to supply required deliverable/ services within the specified time period will invoke penalty as specified in this document. In addition to that, Performance Security amount will be forfeited and the company will not be allowed to participate in future tenders as well.



### Termination for Default

1. If the Contractor fails / delays in performance of any of the obligations, under the Contract / violates any of the provisions of the Contract / commits breach of any of the terms and conditions of the Contract the Purchaser may, at any time, without prejudice to any other right of action / remedy it may have, by 60 days prior written notice served on the Contractor, indicate the nature of the default(s) and terminate the Contract, in whole or in part, without any compensation to the Contractor. Provided that the termination of the Contract shall be resorted to only if the Contractor does not cure its failure / delay, within five working days (or such longer period as the Purchaser may allow in writing), after receipt of such notice.
2. If the Purchaser terminates the Contract for default, in whole or in part, the Purchaser may procure, upon such terms and conditions and in such manner as it deems appropriate, Services / deliverables, similar to those undelivered, and the Contractor shall be liable to the Purchaser for any excess costs for such similar Services / Deliverables. However, the Contractor shall continue performance of the Contract to the extent not terminated.

### Termination for Insolvency

If the Contractor becomes insolvent, the Purchaser may, at any time, without prejudice to any other right of action / remedy it may have, by written notice served on the Contractor, indicate the nature of the insolvency and terminate the Contract, in whole or in part, without any compensation to the Contractor.

### Termination for Convenience

1. The Purchaser may, at any time, by 60 days prior written notice served on the Contractor, terminate the Contract, in whole or in part, for its convenience, without any compensation to the Contractor.
2. The Services which are complete or to be completed by the Contractor, within thirty working days after the receipt of such notice, shall be accepted by the Purchaser. For the remaining services, the Purchaser may elect:
  - a. to have any portion thereof completed and delivered; and/or to cancel the remainder and pay to the Contractor an agreed amount for partially completed Services, by the Contractor for the purpose of the Contract, together with a reasonable allowance for overhead & profit.

### Force Majeure

1. For the purpose of this contract "Force Majeure" means an event which is beyond the reasonable control of a party and which makes a party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances, and includes War, Riots, Storm, Flood or other industrial actions (except where such strikes, lockouts or other industrial actions are within the power of the party invoking Force Majeure), confiscation or any other action by Government agencies.
2. The Contractor shall not be liable for liquidated damages, forfeiture of its Performance Security, blacklisting for future tenders, termination for default, if and to the extent his failure / delay in performance / discharge of obligations under the Contract is the result of an event of Force Majeure.
3. If a Force Majeure situation arises, The Contractor shall, immediately by written notice served on The Purchaser, indicate such condition and the cause thereof. Unless otherwise directed by The Purchaser in writing, The Contractor shall continue to perform under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.
4. Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or Agents or Employees, nor (ii) any event which a

diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations here under.

5. Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

#### Dispute Resolution

1. The Purchaser and the Contractor shall make every effort to amicably resolve, by direct informal negotiation, any disagreement or dispute arising between them under or in connection with the Contract.
2. If, after thirty working days, from the commencement of such informal negotiations, the Purchaser and the Contractor have been unable to amicably resolve a Contract dispute, either party may, require that the dispute be referred for resolution by arbitration under the Pakistan Arbitration Act, 1940, as amended, by one or more arbitrators selected in accordance with said Law. The seat/place of arbitration shall be at Karachi, Pakistan. The award shall be final and binding on the parties.

#### Statutes and Regulations

1. The Contract shall be governed by and interpreted in accordance with the laws of Pakistan.
2. The Contractor shall, in all matters arising in the performance of the Contract, conform, in all respects, with the provisions of all Central, Provincial and Local Laws, Statutes, Regulations and By-Laws in force in Pakistan, and shall give all notices and pay all fees required to be given or paid and shall keep the Purchaser indemnified against all penalties and liability of any kind for breach of any of the same.
3. The Courts at Karachi shall have the exclusive territorial jurisdiction in respect of any dispute or difference of any kind arising out of or in connection with the Contract.

#### Taxes and Duties

The Contractor shall be entirely responsible for all taxes, duties and other such levies imposed make inquiries on income tax / sales tax to the concerned authorities of Income Tax and Sales Tax Department, Government of Pakistan.

#### Contract Cost

The Contractor shall bear all costs / expenses associated with the preparation of the Contract and the Purchaser shall in no case be responsible / liable for those costs / expenses. The successful bidder shall provide legal stamp papers of relevant value according to Government of Pakistan rules and regulations for signing of the formal contract.

#### The Purchaser

1. The Purchaser shall only carry out such duties and exercise such authority as specified in the Contract. The Purchaser shall have no authority to relieve the Contractor of any of his obligations under the Contract, except as expressly stated in the Contract.
2. The Contractor shall proceed with the decisions, instructions or approvals given by the Purchaser in accordance with these Conditions.
3. The Purchaser shall conform with all the relevant clauses of this Tender Document to carry out all responsibilities assigned thereto in a timely manner.

#### Authorized Representative

1. The Purchaser, the Contractor may, at their exclusive discretion, appoint their Authorized Representative and may, from time to time, delegate any / all of the duties / authority, vested in them, to their authorized Representative(s), including but not limited to, signing on their behalf to legally bind them, and may, at any time, revoke such delegation.
2. The Authorized Representative shall only carry out such duties and exercise such authority as may be delegated to him, by the Purchaser or the Contractor.

3. Any such delegation or revocation shall be in writing and shall not take effect until notified to the other parties to the Contract.
4. Any decision, instruction or approval given by the Authorized Representative, in accordance with such delegation, shall have the same effect as though it had been given by the Principal.
5. Notwithstanding Clause 2 above, any failure of the Authorized Representative to disapprove any Services or deliverables shall not prejudice the right of the Purchaser to disapprove such Services or Deliverables and to give instructions for the rectification thereof.
6. If the Contractor questions any decision or instruction of the Authorized Representative of the Purchaser, the Contractor may refer the matter to the Purchaser who shall confirm, reverse or vary such decision or instruction.

#### Waiver

Failure of either party to insist upon strict performance of the obligations of the other party, under the Contract, shall in no way be deemed or construed to affect in any way the right of that party to require such performance.

#### Training

1. The Contractor shall arrange and undertake a comprehensive training program for the staff nominated by the Purchaser to ensure that they shall acquire a good working knowledge of the services to be supplied under the Contract at the contractor's cost during the contract period, however the logistics, training facilities and boarding lodging will be Purchasers responsibility.
2. In case of non-compliance with instructions, non-cooperation or other difficulties experienced by the Contractor with regard to any of these personnel, the Contractor shall apprise the Purchaser and proceed to implement suitable remedial measures after consultation with them.

#### CONTRACTOR'S LIABILITY INSURANCE:

The Contractor shall maintain insurance with the coverage of all its staff and employees and its equipment to protect them from claims for damages for personal injury, including death which may arise from operations / services under this contract. Certificates of such insurance shall be submitted to Purchaser before the contract and shall be subject to their approval for adequacy of protection contract.

#### INDEMNITY:

The Contractor undertakes and agrees to indemnify and hold harmless Purchaser, its officers and agents from and against all claims, demands, liabilities, damages and expenses of any nature whatsoever, arising out of or resulting from this contract whether due to performance / non-performance or poor performance of any services under this Agreement by the Contractor, its employees or its agents or otherwise. In any case, the obligation on the part of the Contractor to indemnify shall be limited to cases where cause(s) giving rise to any such claim, demand, liability, damage, expenses etc are proven to have been attributed beyond doubt solely to the Contractor.

----- End of Document ----

## Annex A.

### SCOPE OF WORK

Since PIACL has a large and complex setup, and the structure and processes set up in the Oracle ERP project, have not been independently validated and reviewed as of today. To conduct a Post Implementation Review after go-live in order to assess the following:

- Review the inventory organization / business / operating unit structure conceptualized and configured in the system in line with the future business and IT strategy?
- Review the business processes set up optimally and in line with the requirements?
- Review the appropriate controls been set up in the system to minimize risks and best practice and lean process?
- Review the system easy to use and maintain as envisaged during implementation?
- Review of Chart of Account structure with Airline's Financial reporting requirements and map these to the existing COA structure to identify improvements/changes and reduce complexity of existing or proposed interfaces;
- Review of existing organization structure configured in Oracle and identify changes in the business process or the Oracle application to make system easier to use and maintain and reduce turnaround time;
- Review business processes flows implemented in system and highlight optimization necessary for effective running of overall system ;
- Review in respect of internal controls and SOD compliance to identify controls to be implemented in the system;
- Review of Master Data Management with the perspective of correct and timely transaction processing and financial reporting of all primary keys for optimizing usage. Asset number, Inventory number, COA, tax code ??????????, position and role based
- Possibility of introducing Shared Services function needs to be considered for various Finance related tasks to reduce complexity of operations and system usage;
- Review of existing Budget model and recommend Budgeting and Planning dimensions in Hyperion Planning;
- Review of Accounting Close procedure that will require Finance oversight control over all modules to review and settle open transactions prior to closing for the month.
- Review the technical health of current Oracle ERP Application and propose the recommendations for improvement.