

CONTRACT

FOR CONSULTANCY SERVICES ON QUALITY MANAGEMENT SYSTEM AND STATE SAFETY PROGRAM GAP ASSESSMENT OF PCAA

This Contract Agreement ("Agreement") is made on this ____ day of _____ 2026 ("Effective Date")

BETWEEN:

Pakistan Civil Aviation Authority (PCAA), an Authority established under Section 3 of the Pakistan Civil Aviation Act, 2023, having its Headquarters at Terminal-I, Jinnah International Airport, Karachi (hereinafter referred to as the "Employer" or "PCAA", which expression shall, where the context so permits, include its successors and assigns);

AND

[Name of Consultant], a company incorporated under the laws of [Country], having its registered office at [Address] (hereinafter referred to as the "Consultant", which expression shall include its successors and permitted assigns).

PCAA and the Consultant shall hereinafter collectively be referred to as the "Parties" and individually as a "Party".

WHEREAS, PCAA intends to undertake a comprehensive Gap Assessment of its Quality Management System (QMS) in line with ISO 9001:2015 and State Safety Programme (SSP) in accordance with ICAO Annex 19 and relevant guidance material, to evaluate effectiveness and identify areas for improvement.

WHEREAS, the Consultant possesses the required expertise in aviation regulatory systems, QMS, SSP and gap assessment methodologies, and has agreed to provide consultancy services in accordance with the provisions under this Contract.;

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the Parties agree as follows:

1. SCOPE OF WORK:

- 1.1. The object of this Contract is to define the terms and conditions under which the Consultant shall undertake a comprehensive Gap Assessment of the Quality Management System (QMS) and State Safety Programme (SSP) of the Pakistan Civil Aviation Authority (PCAA), with the objective of evaluating the effectiveness, maturity and implementation status of the Authority's management systems supporting aviation safety oversight functions.
- 1.2. The assessment shall be conducted through a structured and systematic evaluation of PCAA's existing systems, processes, procedures and governance arrangements

against internationally recognized frameworks and standards, including but not limited to:

- 1.2.1. ISO 9001:2015 (Quality Management System Standard)
- 1.2.2. ICAO Annex 19 (Safety Management) and associated ICAO guidance material, including ICAO Doc 9859 (Safety Management Manual)
- 1.2.3. International aviation regulatory best practices, including relevant practices adopted by leading Civil Aviation Authorities and international oversight bodies
- 1.3. The purpose of such evaluation shall be to identify strengths, gaps, inconsistencies and areas for improvement in order to enhance the effectiveness and sustainability of PCAA's oversight systems.
- 1.4. The Consultant shall undertake a comprehensive Gap Assessment of the Quality Management System (QMS) and State Safety Programme (SSP) of the Pakistan Civil Aviation Authority (PCAA) in accordance with:
- 1.5. The total duration of the assignment shall be **eight (08) weeks** from the date of commencement of services as specified in the Letter of Commencement to be issued by PCAA.
- 1.6. The Consultant shall conduct the gap assessment through a structured and systematic methodology comprising the following Work Packages (WP):
 - 1.6.1. **WP1 – Project Initiation & Preparation:** The Consultant shall initiate the work by establishing the project framework and ensuring readiness for assessment activities. This shall include:

<u>Work Required:</u>
• Conducting a kick-off meeting to confirm scope, objectives, methodology, timelines, and key stakeholders. • Identifying and coordinating collection of relevant QMS and SSP documentation. • Undertaking a preliminary review to develop a baseline understanding of existing systems. • Finalizing the assessment methodology, tools, and detailed work plan.
<u>Deliverable:</u>
• Inception Report, comprising: ❖ Detailed assessment methodology and approach; ❖ Work plan with timelines and milestones for each Work Package; ❖ List of documentation requirements and data collection instruments; and ❖ Risk assessment and mitigation plan for the assignment. • List of identified stakeholders and composition of the assessment team,

including qualifications and roles of each team member • Confirmation of receipt of complete documentation package required for review under WP2.
<u>Timeline:</u>
• The timeline to complete the activities under this Work Package shall be weeks from the date of commencement of the respective phase.
<u>Payment Milestone:</u>
• Upon submission and acceptance by PCAA of the Inception Report and other deliverables under this phase, the Consultant shall be entitled to invoice PCAA for WP1 Price.

- 1.6.2. **WP2 – Documentation Review:** The Consultant shall carry out a comprehensive and structured review of PCAA's existing documentation to assess the design, adequacy, and compliance of the QMS and SSP frameworks against the applicable standards. This Work Package shall include the following:

<u>Work Required:</u>
• Detailed review of QMS and SSP manuals, standard operating procedures (SOPs), orders, policies, work instructions, audit reports, corrective and preventive action records, safety performance indicators, risk registers, and all other relevant safety oversight and quality management documentation; • Assessment of the extent to which PCAA's documented QMS and SSP frameworks are aligned with the requirements of ISO 9001:2015 and ICAO Annex 19, respectively, and identification of gaps in documentation; • Evaluation of the clarity, completeness, consistency, and accessibility of documented procedures and policies; • Identification of preliminary gaps, inconsistencies, ambiguities, and areas requiring further verification through on-site assessment; and • Refinement and finalization of the on-site assessment plan, including development of interview guides, observation checklists, and evaluation criteria for WP3.
<u>Deliverable:</u>
• Documentation Review Report, comprising: ❖ Summary of all documentation reviewed; ❖ Analysis of alignment with ISO 9001:2015 and ICAO Annex 19 requirements; ❖ Identification of preliminary gaps and areas of non-conformity or partial conformity; and ❖ Recommendations for documentation improvements.

• Refined On-Site Assessment Plan, including: ❖ Detailed schedule of interviews, observations, and site visits; and ❖ Interview guides and evaluation checklists
<u>Timeline:</u>
• The timeline to complete the activities under this Work Package shall be weeks from the date of commencement of the respective phase.
<u>Payment Milestone:</u>
• Upon submission and acceptance by PCAA of the Documentation Review Report and Refined On-Site Assessment Plan under this phase, the Consultant shall be entitled to invoice PCAA for WP2 Price.

- 1.6.3. **WP3 – On-Site Assessment (QMS & SSP Experts):** The Consultant shall conduct a comprehensive on-site assessment to evaluate the effectiveness of implementation of the QMS and SSP across all relevant PCAA functions, directorates, and branches. This Work Package shall include the following:

<u>Work Required:</u>
• Deployment of qualified and experienced QMS Lead Auditors and SSP/SMS Experts to PCAA's Headquarters and, as required, regional offices and operational units, to conduct structured interviews, consultations, observations, and process walkthroughs; • Assessment of governance structures, organizational roles and responsibilities, management commitment, resource allocation, and accountability mechanisms related to QMS and SSP; • Evaluation of operational processes, safety oversight functions, risk management practices, safety performance monitoring, internal audit mechanisms, management review processes, and continual improvement initiatives; • Validation of findings from the Documentation Review (WP2) and identification of gaps between documented procedures and actual implementation; • Assessment of the effectiveness of coordination, communication, and information-sharing mechanisms within PCAA and with external stakeholders (e.g., regulated entities, ICAO, other civil aviation authorities); • Evaluation of safety culture, reporting culture, and staff awareness and competence in relation to QMS and SSP requirements.
<u>Deliverable:</u>
• Opening Presentation to PCAA management, outlining: ❖ Assessment methodology and scope; ❖ Schedule of on-site activities; and

❖ PCAA personnel and units to be engaged. • Closing Debrief Presentation to PCAA management, comprising: ❖ Preliminary findings and key observations; ❖ Identification of strengths and areas of good practice; ❖ Summary of gaps and areas requiring improvement; and ❖ Clarification of any outstanding issues or concerns.
<u>Timeline:</u>
• The timeline to complete the activities under this Work Package shall be weeks from the date of commencement of the respective phase.
<u>Payment Milestone:</u>
• Upon completion of the on-site assessment activities and delivery of the Closing Debrief Presentation under this phase, the Consultant shall be entitled to invoice PCAA for WP3 Price.

- 1.6.4. **WP4 – Gap Analysis & Recommendations:** The Consultant shall perform a comprehensive gap analysis, integrating findings from WP2 and WP3, and shall develop actionable, prioritized, and time-bound recommendations for the enhancement of PCAA's QMS and SSP. This Work Package shall include the following:

<u>Work Required:</u>
• Conducting a comparative analysis of PCAA's existing QMS and SSP systems against the requirements of ISO 9001:2015 and ICAO Annex 19, respectively, and identifying all areas of non-conformity, partial conformity, and opportunities for improvement; • Assessment and categorization of identified gaps based on their severity, impact on safety and quality, and urgency of remedial action; • Identification of strengths, good practices, and areas where PCAA demonstrates compliance or exceeds the minimum requirements of the applicable standards; • Development of specific, measurable, achievable, relevant, and time-bound (SMART) recommendations for each identified gap, including proposed corrective actions, responsible parties, and resource requirements; • Preparation of a prioritized and time-bound Implementation Roadmap, categorizing recommendations into short-term (0-6 months), medium-term (6-12 months), and long-term (12-24 months) actions, with clear milestones and success criteria; • Preparation and submission of a Draft Gap Assessment Report for review and feedback by PCAA; • Incorporation of PCAA's feedback and finalization of the Gap Assessment

Report; and

- Delivery of a formal presentation of findings, recommendations, and the Implementation Roadmap to PCAA's management.

Deliverable:

- Draft Gap Assessment Report, comprising:
 - ❖ Executive Summary;
 - ❖ Methodology and scope of the gap assessment;
 - ❖ Summary of documentation review and on-site assessment findings;
 - ❖ Detailed gap analysis with reference to specific clauses of ISO 9001:2015 and ICAO Annex 19;
 - ❖ Identification of strengths and areas of good practice;
 - ❖ Specific recommendations for each identified gap; and
 - ❖ Annexes containing supporting evidence, interview summaries, and checklists.
- Final Gap Assessment Report, incorporating PCAA's feedback and comments on the Draft Report;
- Prioritized Implementation Roadmap, presented in tabular and/or Gantt chart format, specifying:
 - ❖ Recommended actions;
 - ❖ Priority level (high, medium, low);
 - ❖ Timeframe for implementation (short, medium, long-term);
 - ❖ Responsible department or function;
 - ❖ Required resources; and
 - ❖ Key performance indicators (KPIs) or success criteria; and
- Final Presentation to PCAA senior management, summarizing key findings, recommendations, and the Implementation Roadmap.

Timeline:

- The timeline to complete the activities under this Work Package shall be weeks from the date of commencement of the respective phase.

Payment Milestone:

- Upon submission and final acceptance by PCAA of the Final Gap Assessment Report, Prioritized Implementation Roadmap, and delivery of the Final Presentation under this phase, the Consultant shall be entitled to invoice PCAA for WP4 Price.

- 1.7. The scope of this Contract is limited strictly to **assessment, advisory and consultancy services**, and shall not include certification, accreditation or any form of formal compliance endorsement.
- 1.8. The sequencing and prioritization of assessment activities across PCAA Directorates and Branches shall remain at the discretion of PCAA.

2. OBLIGATIONS OF THE CONSULTANT:

- 2.1. To deploy adequately qualified, experienced and competent personnel, including subject matter experts in Quality Management Systems (ISO 9001:2015) and State Safety Programme (SSP) in accordance with ICAO Annex 19, possessing relevant international certifications, training and practical experience, and to ensure that such personnel perform the assignment in accordance with internationally recognized methodologies, professional standards and best practices applicable to aviation regulatory authorities.
- 2.2. To conduct a comprehensive assessment of PCAA through a structured approach including, but not limited to, documentation review, stakeholder consultations, interviews, working sessions, and on-site assessments, covering all relevant Directorates, Branches and operational units, in order to evaluate the effectiveness, implementation and maturity of QMS and SSP frameworks within PCAA.
- 2.3. To provide an independent, objective and impartial evaluation of the existing systems, processes and practices of PCAA, strictly limited to Gap Assessment and advisory services, and explicitly refrain from issuing any form of certification, accreditation or formal compliance attestation under this Contract.
- 2.4. To prepare and submit all agreed deliverables, including but not limited to Inception Report, Documentation Review Summary, On-site Assessment Findings, Gap Analysis Report, Prioritized Improvement Roadmap and Final Presentation, within the timelines as provided in Article 1.
- 2.5. To ensure that all observations, findings and recommendations are evidence-based, risk-oriented, practical and implementable, and are aligned with ISO 9001:2015 requirements, ICAO Annex 19 provisions, relevant ICAO guidance material, and internationally recognized aviation best practices, taking into account the specific operational and regulatory context of PCAA.
- 2.6. To adhere strictly to the financial terms agreed in Annexure-A, and ensure that the rates quoted, including per man-day rates and overall contract value, remain firm and unchanged for the entire duration of the Contract, irrespective of any variation in internal cost structure of the Consultant.
- 2.7. To be fully responsible and liable for any loss, damage or adverse consequences caused to PCAA arising out of negligence, omission, misconduct or failure on the part of the Consultant, its employees, representatives or agents, during the execution of the assignment.

- 2.8. To ensure that this Contract is executed solely by the Consultant and shall not be assigned, transferred, subcontracted or sublet, in whole or in part, to any third party without prior written consent of PCAA.
- 2.9. To ensure that the total number of man-days quoted and utilized under this Contract includes both on-site and off-site activities, including but not limited to preparation, analysis, documentation review, reporting and presentation, and no additional man-days shall be claimed beyond those agreed.
- 2.10. To ensure that all costs associated with the execution of the assignment, including but not limited to travel (international/local), boarding, lodging, local transportation, professional fees, administrative overheads and applicable taxes, are fully covered within the quoted rates, and no additional financial liability shall be borne by PCAA unless expressly agreed in writing.
- 2.11. To comply with the agreed payment structure linked to achievement of deliverables and milestones as defined in Article 4 of this Contract, and to submit invoices strictly in accordance with the prescribed manner.
- 2.12. The Consultant shall submit all deliverables within the agreed timelines specified in the Article 1. Time shall be of the essence in the performance of this Contract.
- 2.13. In the event that PCAA determines that any deliverable is incomplete, deficient, or does not meet the required standard, PCAA shall notify the Consultant in writing, specifying the deficiencies. The Consultant shall, within seven (07) calendar days of receipt of such notice (or such other period as PCAA may specify), rectify the deficiencies and resubmit the deliverable. Payment shall not be released until the deliverable has been accepted by PCAA.
- 2.14. Any activities, services, or deliverables beyond the agreed Scope of Work (WP1 to WP4) shall not be undertaken by the Consultant without the prior written approval of PCAA. Any such additional work, if approved, shall be subject to mutually agreed terms and conditions, including pricing, timelines, and deliverables, which shall be documented in a written amendment to the Contract Agreement signed by both parties.
- 2.15. The Consultant shall perform with due professional skill and diligence. Any negligence shall render the Consultant liable for damages.
- 2.16. The Consultant shall furnish Performance Security equivalent to 10% of Contract Price.
- 2.17. If the Consultant is found to have submitted forged, falsified, or counterfeit documents; fake or fraudulent financial instruments; or false, misleading, or materially incomplete information at any stage of the procurement process or during the execution of the Contract, such Consultant shall be liable for:
 - 2.17.1. Immediate disqualification from the procurement process;
 - 2.17.2. Forfeiture of Bid Security and/or Performance Security;

- 2.17.3. Termination of the Contract, if already awarded;
- 2.17.4. Blacklisting and debarment from participation in future PCAA procurement processes for a period to be determined by PCAA, which may be indefinite;
- 2.17.5. Recovery of all payments made, together with interest at the rate; and
- 2.17.6. Initiation of legal proceedings, including criminal prosecution, in accordance with applicable laws.

3. OBLIGATION OF PCAA:

- 3.1. PCAA shall cooperate fully with the Consultant by facilitating all activities required for the effective execution of the Gap Assessment of QMS and SSP, and shall ensure timely provision of all necessary support, resources and coordination required for successful completion of the assignment.
- 3.2. Without prejudice to the generality of the foregoing, PCAA shall:
 - 3.2.1. Supply to the Consultant all necessary and relevant documents, records, manuals, procedures, policies and supporting material, including but not limited to QMS documentation, SSP framework documents, regulatory instruments, internal audit reports, management review records and any other relevant working documents, sufficiently in advance to enable the Consultant to perform the assessment effectively.
 - 3.2.2. Provide the Consultant with access to all relevant offices, locations, Directorates, Branches and operational sites, and ensure that such access is granted in a manner that enables the Consultant to conduct on-site assessment activities efficiently, while ensuring that all applicable safety, security and operational requirements are complied with in accordance with the laws and regulations of Pakistan.
 - 3.2.3. Take all necessary measures to remove any impediments, constraints or difficulties that may hinder the proper performance of the Consultant's services, and to extend full cooperation in scheduling meetings, interviews, working sessions and site visits, and to act in good faith throughout the execution of the assignment.
 - 3.2.4. Nominate focal persons and ensure availability of relevant personnel for interviews, consultations and validation of findings, and facilitate coordination between different Directorates and Branches to support the assessment process.
 - 3.2.5. Allow, where applicable and upon prior intimation, the presence of observers or representatives associated with the Consultant, provided that such presence is necessary for the proper execution of the assignment and subject to compliance with applicable confidentiality and security requirements.
- 3.3. PCAA shall support the Consultant throughout the assignment and shall:

- 3.3.1. Facilitate the execution of all Work Packages (WP1–WP4), including project initiation, documentation review, on-site assessment and gap analysis activities, in accordance with the agreed methodology and timelines.
- 3.3.2. Review and provide feedback on draft deliverables, including preliminary findings and reports, within reasonable timeframes to ensure timely completion of the assignment.
- 3.3.3. Ensure that relevant stakeholders participate in meetings, workshops and presentations conducted by the Consultant, including the final presentation of findings and recommendations.
- 3.3.4. Acknowledge that the assignment is limited to assessment and advisory services, and that no certification, accreditation or formal compliance endorsement shall be issued under this Contract.
- 3.3.5. Use the outputs of the Gap Assessment, including reports and recommendations, for internal improvement and decision-making purposes, without altering or misrepresenting the findings of the Consultant.
- 3.4. PCAA shall provide to the Consultant all data, information and documentation that is accurate, complete and authentic, and shall ensure that such information is sufficient to enable the Consultant to carry out a comprehensive and reliable assessment.
- 3.5. PCAA shall inform the Consultant of any applicable statutory, regulatory or operational requirements that may have a bearing on the assessment, and shall remain solely responsible for compliance with such requirements.
- 3.6. PCAA shall promptly notify the Consultant of any significant changes affecting its organizational structure, functions, processes, management systems, or key personnel, which may impact the execution of the assignment under this contract.

4. FINANCIAL PROVISIONS:

- 4.1. The total contract price (along with breakup on WP-wise prices) to be paid to the Consultant are specified Annexure-A attached hereto. The total contract price shall cover all activities under the scope of work, including all applicable costs, overheads, taxes and expenses, unless otherwise expressly agreed.
- 4.2. Payment shall be made to the Consultant on a milestone basis upon completion of each Work Package in a manner provided in Annexure-A, subject to the satisfactory completion and acceptance by PCAA of the deliverables for each Work Package.
- 4.3. Each milestone payment shall be subject to the following conditions precedent:
 - 4.3.1. Submission by the Consultant of the specified deliverables in the format and to the standard required under the Contract;
 - 4.3.2. Review and acceptance of the deliverables by PCAA; and

- 4.3.3. Submission by the Consultant of a valid invoice addressed to the Additional Director QMS & IA (or such other designated authority as PCAA may notify in writing).
- 4.4. All payments shall be made in Pakistani Rupees (PKR) through cheque to the Consultant's designated bank account in Pakistan.
- 4.5. The Consultant shall not be entitled to any additional payments beyond the agreed contract price, except for any additional scope of work duly approved in writing by PCAA. Any such additional work shall be compensated based on mutually agreed terms and rates consistent with **Annexure-A**.
- 4.6. All applicable taxes, duties and new taxes (if imposed) under the applicable laws shall be deducted by the PCAA at source as per the prevailing applicable rates at the time of release of payments to the Consultant.
- 4.7. For any invoice received and not disputed, PCAA shall make the payment within one month from the date of invoice but not later than 60 days.
- 4.8. PCAA shall have the right, at any time and without prejudice to any other rights or remedies available to it under this Agreement or applicable law, to set-off, deduct, or withhold from any sum due or becoming due to the Consultant under this Agreement, any amount which is due and recoverable from the Consultant to PCAA, whether under this Agreement or otherwise, including but not limited to amounts arising from overpayments, liquidated damages, penalties, indemnity claims, or any loss or damage suffered by PCAA attributable to the acts or omissions of the Consultant.
- 4.9. Provided that PCAA shall notify the Consultant in writing of the nature and quantum of such amount prior to exercising the right of set-off, and shall furnish reasonable particulars thereof. In the event that the amount recoverable exceeds the payments due to the Consultant, the Consultant shall remain liable to pay the balance forthwith upon demand by PCAA.
- 4.10. The exercise of the right of set-off by PCAA shall not in any manner relieve the Consultant of its obligations under this Agreement, nor shall it prejudice any other right or remedy available to PCAA under this Agreement or under applicable law.
- 4.11. In the event that the scope of the gap assessment is extended by PCAA to include additional Directorates, Branches, functional areas, or operational units not originally contemplated in the Scope of Work, the rates quoted by the Consultant in its Financial Proposal shall remain unchanged and shall apply to all such additional work. Any such extension shall be subject to mutual written agreement on the revised scope, timelines, and deliverables, and shall be documented in a written amendment to the Contract Agreement.

5. DURATION OF THE CONTRACT

- 5.1. The Contract shall become effective from the date of signing and shall remain valid for the **entire duration of the assignment**, covering completion of all agreed Work Packages (WP1–WP4), including project initiation, documentation review, on-site

assessment, submission of Gap Analysis Report, prioritized improvement roadmap and final presentation.

- 5.2. The total duration of the assignment shall be **six (06) weeks** from the date of commencement of services as specified in the Letter of Commencement to be issued by PCAA.
- 5.3. Any extension of the Contract, if required, shall be subject to mutual consent of both Parties, and shall be limited to circumstances including, but not limited to:
 - 5.3.1. Expansion of scope to additional Directorates / Branches
 - 5.3.2. Requirement for additional analysis, clarification or validation
 - 5.3.3. Delays attributable to operational or administrative constraints
- 5.4. Such extension shall be agreed in writing, and the rates and terms agreed under this Contract shall remain unchanged.
- 5.5. The Contract shall expire upon successful completion and acceptance of all deliverables by PCAA, including submission of the final Gap Assessment Report and associated outputs, unless extended in accordance with Clause 5.4 above.

6. PERFORMANCE SECURITY

- 6.1. The Consultant shall furnish a Performance Security in the form of an unconditional, irrevocable, and on-demand bank guarantee issued by a scheduled bank operating in Pakistan, in favour of the Pakistan Civil Aviation Authority (PCAA), in an amount equivalent to ten percent (10%) of the total Contract Price.
- 6.2. The Performance Security shall be:
 - 6.2.1. be unconditional, irrevocable, and payable on first written demand by PCAA;
 - 6.2.2. not require PCAA to provide any justification, evidence, or proof of default, loss, or damage;
 - 6.2.3. not contain any condition, qualification, or limitation that may delay, restrict, or impair PCAA's right of invocation; and
 - 6.2.4. remain valid for the entire duration of the Contract, including any extensions thereof, plus an additional period of sixty (60) calendar days after acceptance of the final deliverables.
- 6.3. The Consultant shall ensure that the Performance Security is duly extended or renewed as necessary to maintain continuous validity throughout the period specified above. Failure to extend or renew the Performance Security within the required time shall constitute a material breach of this Agreement, entitling PCAA, without prejudice to other rights and remedies, to:
 - 6.3.1. invoke the existing Performance Security in full or part; and/or
 - 6.3.2. terminate the Agreement forthwith.

- 6.4. The Performance Security shall secure the due, faithful, and timely performance of all obligations of the Consultant under this agreement, including but not limited to compliance with scope, timelines, quality standards, and deliverable requirements.
- 6.5. PCAA shall have the unconditional right to invoke the Performance Security, in whole or in part, without prejudice to any other rights or remedies available under this Agreement or applicable law, in the event of:
 - 6.5.1. failure by the Consultant to perform any obligation under this Agreement in accordance with agreed terms, scope, timelines, or quality standards;
 - 6.5.2. failure to deliver any milestone or deliverable within the stipulated timeframe without prior written approval of extension by PCAA;
 - 6.5.3. failure to cure any breach within the period specified in a written notice issued by PCAA;
 - 6.5.4. termination of the Agreement due to default, negligence, misconduct, or breach attributable to the Consultant; or
 - 6.5.5. any other event expressly entitling PCAA to invoke the Performance Security under this Agreement.
- 6.6. PCAA may invoke the Performance Security partially or fully, and such invocation shall not preclude PCAA from exercising any other right, including recovery of additional losses or damages.
- 6.7. The Performance Security shall be released and returned to the Consultant within thirty (30) calendar days after the satisfaction of all of the following conditions:
 - 6.7.1. successful completion and acceptance of all deliverables under the Contract;
 - 6.7.2. completion of all Work Packages and settlement of all contractual obligations;
 - 6.7.3. confirmation that no outstanding claims, disputes, or deficiencies exist; and
 - 6.7.4. issuance of a completion certificate by PCAA.
- 6.8. Any rights of PCAA to invoke the Performance Security shall survive the termination or expiration of this Agreement

7. BREACH OF CONTRACT

- 7.1. In the event that either Party commits a breach of any of its obligations under this Agreement, the non-breaching Party shall issue a written notice to the breaching Party specifying the nature and particulars of such breach and requiring the same to be remedied within a period of fifteen (15) calendar days from the date of receipt of such notice.

- 7.2. If the breaching Party fails to cure the breach within the stipulated period, the non-breaching Party shall, without prejudice to any other rights or remedies available under this Agreement or applicable law, have the right to:
 - 7.2.1. terminate this Agreement, in whole or in part;
 - 7.2.2. suspend further performance of its obligations;
 - 7.2.3. invoke Performance Security (if applicable);
 - 7.2.4. recover damages, losses, costs, or expenses incurred as a consequence of such breach; and/or
 - 7.2.5. take any other action deemed appropriate under applicable law.
- 7.3. Notwithstanding the foregoing, PCAA shall have the right to terminate this Agreement immediately, without any cure period, in the event of a material breach by the Consultant, including but not limited to:
 - 7.3.1. submission of false, misleading, or fraudulent information;
 - 7.3.2. gross negligence or willful misconduct;
 - 7.3.3. unauthorized subcontracting or assignment;
 - 7.3.4. breach of confidentiality obligations;
 - 7.3.5. failure to maintain required professional standards; or
 - 7.3.6. any act or omission that materially compromises the integrity, security, or objectives of the assignment.

8. CONSEQUENCES OF TERMINATION FOR BREACH

- 8.1. Upon termination due to breach by the Consultant:
 - 8.1.1. PCAA shall be entitled to recover all losses, damages, and additional costs incurred in completing the remaining work through alternative means;
 - 8.1.2. PCAA shall be entitled to recover any payments made for incomplete or deficient deliverables;
 - 8.1.3. the Consultant shall not be entitled to any further payments except for satisfactorily completed and accepted deliverables up to the date of termination; and
 - 8.1.4. PCAA may initiate blacklisting or debarment proceedings in accordance with applicable procurement rules.

9. DELAY IN PERFORMANCE

- 9.1. The Consultant acknowledges that time is of the essence in the performance of this Agreement and undertakes to complete all deliverables within the timelines specified herein.
- 9.2. In the event of any anticipated or actual delay in performance, the Consultant shall promptly notify PCAA in writing, specifying:

- 9.2.1. the reasons for the delay;
 - 9.2.2. the expected duration of the delay; and
 - 9.2.3. the proposed remedial measures to mitigate such delay.
- 9.3. Failure to notify shall constitute an independent breach of this Agreement.
- 9.4. In the event of delay attributable to the Consultant in achieving any milestone or deliverable, PCAA shall have the right to impose liquidated damages at the rate of 0.1% of the total Contract Price per day of delay, subject to a maximum of ten percent (10%) of the total Contract Price.
- 9.5. Such liquidated damages shall be recoverable through deduction from payments due or invocation of Performance Security.
- 9.6. If the delay exceeds a period of fifteen (15) days beyond the agreed timeline, or such other period as may be determined by PCAA, the delay shall constitute a material breach, and PCAA shall have the right to:
 - 9.6.1. terminate the Agreement;
 - 9.6.2. engage alternate consultant(s) at the risk and cost of the Consultant; and
 - 9.6.3. recover any additional costs incurred.
- 9.7. Imposition of liquidated damages shall not relieve the Consultant from its obligation to complete the Services, nor shall it prejudice any other rights or remedies available to PCAA.
- 9.8. PCAA may, at its sole discretion and upon written request by the Consultant supported by sufficient justification, grant an extension of time for performance, provided that:
 - 9.8.1. the delay is not attributable to the Consultant's fault or negligence; and
 - 9.8.2. such extension is documented in writing.

10. INTELLECTUAL PROPERTY

- 10.1. All reports, documents, data, analyses, presentations, recommendations, methodologies and other materials developed or produced by the Consultant under this Contract shall be the exclusive property of PCAA, and all intellectual property rights therein shall vest in PCAA.
- 10.2. The Consultant shall not, without prior written consent of PCAA:
 - 10.2.1. Use any deliverables or outputs for purposes other than fulfillment of this Contract;
 - 10.2.2. Disclose or share such materials with any third party;
 - 10.2.3. Publish, reproduce or otherwise utilize such materials for commercial or promotional purposes.

- 10.3. The Consultant may, with prior written approval of PCAA, make general references to the engagement in its professional credentials or corporate profile, provided that no confidential or sensitive information is disclosed and no implication of certification or endorsement is made.
- 10.4. PCAA shall have the unrestricted right to use, reproduce, modify and disseminate the deliverables produced under this Contract for its internal purposes, including policy development, regulatory improvements and capacity building.
- 10.5. The Consultant shall ensure that all third-party materials, tools or methodologies used during the assignment are either:
 - 10.5.1. Properly licensed; or
 - 10.5.2. Used in compliance with applicable intellectual property laws
 - 10.5.3. and shall indemnify PCAA against any claims arising from infringement.

11. CONFIDENTIALITY

- 11.1. PCAA authorizes the Consultant to access and utilize information, documents and data necessary for execution of the assignment, provided that the Consultant shall ensure that all such information is treated as strictly confidential and used solely for the purpose of fulfilling obligations under this Contract.
- 11.2. Each Party hereby agrees that it shall not disclose, in whole or in part, any confidential information obtained during the performance of this Contract to any third party without prior written consent of the other Party, except where such disclosure is required by law or regulatory authority.
- 11.3. The Consultant shall ensure that all its employees, representatives, agents and associated personnel involved in the assignment are bound by strict confidentiality obligations, and shall remain responsible for any breach thereof.
- 11.4. All information, data and materials obtained or generated during the assignment shall be used exclusively for the purpose of this Contract and shall not be used for any other purpose, including commercial, research or competitive purposes, without prior written consent of PCAA.
- 11.5. Any observer, expert or third-party participant engaged by the Consultant in connection with the assignment shall also be bound by confidentiality obligations equivalent to those contained in this Contract, and their participation shall be subject to prior approval of PCAA.
- 11.6. The provisions of this Article shall survive the expiration or termination of this Contract for a period of five (05) years, or for such longer period as may be required by PCAA in accordance with applicable laws and regulatory requirements.

12. INDEMNITY

- 12.1. The Consultant hereby irrevocably agrees to indemnify, defend, and hold harmless the Pakistan Civil Aviation Authority (PCAA), its officers, employees, representatives,

and agents (collectively, the “Indemnified Parties”) from and against any and all losses, damages, liabilities, claims, actions, proceedings, demands, costs, and expenses (including reasonable legal fees and costs) arising out of, or in connection with:

- 12.2. any act, omission, negligence, gross negligence, willful misconduct, or breach of duty by the Consultant, its employees, agents, representatives, or approved subcontractors in the performance of this Agreement;
- 12.3. any breach, violation, or non-performance of any term, condition, covenant, or obligation of this Agreement by the Consultant;
- 12.4. any actual or alleged infringement, misappropriation, or violation of any intellectual property rights, including but not limited to copyrights, trademarks, patents, trade secrets, or proprietary rights, arising from the Consultant’s use of methodologies, tools, reports, software, documents, or materials in the performance of the Services;
- 12.5. any claim by a third party arising out of or relating to the Consultant’s performance of the Services, including claims for personal injury, death, or property damage to the extent caused by the Consultant; and
- 12.6. any fraud, misrepresentation, or submission of false or misleading information by the Consultant during the procurement process or performance of the Agreement.
- 12.7. The Consultant’s indemnity obligations under this Clause shall survive the expiration or termination of this Agreement and shall remain in full force and effect notwithstanding completion of the Services.

13. FORCE MAJEURE

- 13.1. A Party will not be held responsible for any default occurring in performance of the contract due to event of Force Majeure such as acts of God, war, riots, civil commotion, strike, lock-outs, act of foreign governments and its agencies and disturbance directly affecting over the performance of the contract which events or circumstances the Party has no control.
- 13.2. If any foregoing event of force majeure occurs, the date(s) for performance of the obligation(s) affected shall be postponed for so long as is made necessary by the event of force majeure. However, without limitation to the foregoing, each party shall use its reasonable endeavors to minimize the effects of any event of force majeure.

14. SETTLEMENT OF DISPUTES

- 14.1. The parties will make an effort to settle amicably all disputes that could arise in the interpretation or execution of this contract.
- 14.2. The parties agree, in this situation, to resort to alternate dispute resolution methods (ADR) under the applicable law without delay to settle their dispute.
- 14.3. The language used throughout the ADR shall be English language.

15. APPLICABLE LAW

15.1. This Agreement shall be governed by the laws of Pakistan.

16. SEVERABILITY

16.1. If any provision, clause, or part of this Agreement is declared or determined by any court of competent jurisdiction or other competent authority to be illegal, invalid, or unenforceable, in whole or in part, under any applicable law, such provision or part thereof shall, to the extent of such illegality, invalidity, or unenforceability, be deemed severed from this Agreement and shall not affect or impair the legality, validity, or enforceability of the remaining provisions of this Agreement, which shall continue in full force and effect.

16.2. The Parties further agree that, in the event of such severance, they shall, in good faith, negotiate and agree upon a valid and enforceable provision that, to the greatest extent possible, achieves the intended commercial and legal purpose of the provision so severed.

17. ATTENDANCE OF MEETINGS

17.1. The Consultant shall attend all meetings when called by the PCAA on mutual understanding to discuss the quality of services and other matters related to the Contract, without any compensation from the PCAA. The minutes of such meetings shall be recorded and maintained.

18. COMMUNICATIONS AND CHOICE OF ADDRESS

18.1. The parties agree that any communication between PCAA and the Consultant shall be done through authorized representative via the means mentioned hereunder:

<u>Authorized Representative of the Consultant:</u>	<u>Authorized Representative of PCAA:</u>
	Additional Director AQMS Inspectorate Building, Shahrah e Faisal, HQCAA , Karachi. Phone No. 021-99072781 e-mail: adld.qms-audits@pcaa.gov.pk

18.2. Whenever an either party changes its mailing address, the same shall be intimated to the other party at the earliest but not later than ten (10) days through registered post with request for acknowledgement.

19. MISCELLANEOUS PROVISIONS

19.1. Upon satisfactory performance of the contract by the Consultant and discharge of fiscal liabilities on part of PCAA, the contract shall be formally closed.

19.2. To close the contract, the Consultant shall issue a No Demand Certificate (NDC) to PCAA mentioning that the PCAA has no outstanding amounts towards the Consultant; whereas, the PCAA shall issue a Completion Certificate in respect of the Consultant mentioning that the Consultant has successfully accomplished the tasks under this contract.

19.3. The parties hereto have signed this contract on date and place first above mentioned.

FOR AND ON BEHALF OF PCAA:	FOR AND ON BEHALF OF THE CONSULTANT
Signature: Name) Designation: CNIC #:	Signature: Name) Designation: CNIC #:
Witness-1: Signature: Name) Designation: CNIC #:	Witnesses-1: Signature: Name) Designation: CNIC #:
Witness-2: Signature: Name) Designation: CNIC #:	Witness-2: Signature: Name) Designation: CNIC #: