



**GOVERNMENT OF THE PUNJAB  
FINANCE DEPARTMENT**

16<sup>th</sup> September 2025

**NOTIFICATION**

**No.E&A(FD)11-11/2024.** In exercise of the powers conferred under section 30 of the Punjab Public Private Partnership Act 2025 (*XVII of 2025*), Governor of the Punjab is pleased to make the following rules:

**CHAPTER-I  
PRELIMINARY**

**1. Short title and commencement.**- (1) These rules may be cited as the Punjab Public Private Partnership Rules 2025.

(2) They shall come into force at once.

**2. Definitions.**- (1) In the rules, unless the subject or context requires otherwise:

- (a) "charges" includes fees, tolls, tariffs, rents, fees or any other charges imposed on users for infrastructure developed and services provided under a PPP Project;
- (b) "competitive bidding" means a procedure leading to the award of a Contract whereby all interested persons, firms, companies or organizations may bid for a Contract;
- (c) "consultant" means a person or firm who or which is qualified by appropriate education and relevant experience for provision of consultancy services;
- (d) "corrupt and fraudulent practices" means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the acts of another party for wrongful gain or any act or omission, including a misrepresentation that knowingly misleads or attempts to mislead a party to obtain a financial or other benefit or to avoid an obligation;
- (e) "Development Partners" means international multilateral or bilateral organization who collaborate with the Government to achieve its policy and development goals;
- (f) "exchange rate indexing" means the adjustment of costs and prices to compensate for the impact of the change of exchange rate of Pakistani currency against a foreign currency in accordance with the PPP Contract;
- (g) "Financial Close" means the stage in the Project lifecycle where all necessary Project and financing documents have been executed and delivered and all

Condition Precedent have been fulfilled in accordance with the terms and conditions of a PPP Contract except where the parties have mutually agreed to waive off the fulfilment of Conditions Precedent prior to Financial Close required finances including equity, loan and Project support have been arranged for their immediate availability for disbursements;

- (h) "Government Agency" includes an Administrative Department, attached Department, a government body, a local government, a municipal body, an authority, a body corporate, statutory body, a public sector company or a corporation or an entity wholly or majorly owned or controlled by the Government;
- (i) "International Financial Institution" means such multilateral development bank, multilateral financial institution, regional development bank, or sub-regional development bank, of which Pakistan is a member, as specified in the Schedule-VII;
- (j) "Letter of Award" means a formal document indicating the intention of an Implementing Agency to enter into a Contract with a successful Bidder;
- (k) "most advantageous bid" means a responsive bid by a qualified Bidder which offers most advantage in accordance with the evaluation criteria set out in the Bidding Documents in accordance with the Act and rules and brings value for money;
- (l) "Prequalification Document" means the document or set of documents issued for prequalification or shortlisting of Bidders under the rules;
- (m) "Project Concept" means the concept prepared for development of Project Proposal and Draft Bidding Documents;
- (n) "Project support" means the support provided by the Government or a Government Agency including the Implementing Agency to a Private Partner for successful implementation of a PPP Project in accordance with the PPP Contract;
- (o) "Proponent" means a Private Party who submits a concept or proposal for a Project on unsolicited basis;
- (p) "rules" means the Punjab Public Private Partnership Rules 2025;
- (q) "Schedule" means the Schedule appended to the rules; and
- (r) "Special Purpose Vehicle" means a company duly incorporated under law, in accordance with the PPP

Contract, by the Private Partner or successful Bidder, with the same composition or shareholding as that of the Bidder to perform the Contractual obligations of the Bidder in connection with the implementation of the Project.

(2) A word or expression used but not defined in the rules shall have the same meaning as assigned to it in the Act.

## **CHAPTER-II CLASSIFICATION OF PPP PROJECTS**

**3. Categories of the PPP Projects.**- (1) The PPP Projects shall be divided in the following categories:

<b>Category</b>	<b>Criteria</b>
<b>category A</b>	Projects with estimated: (a) Project cost exceeding one thousand million rupees; or (b) Project revenue exceeding one thousand million rupees.
<b>category B</b>	Projects with estimated: (a) Project cost exceeding five hundred million but does not exceed one thousand million rupees; or (b) Project revenue exceeding five hundred million but does not exceed one thousand million rupees.
<b>category C</b>	Projects with estimated: (a) Project cost up to five hundred million rupees; or (b) Project revenue up to five hundred million rupees.

(2) The estimated Project cost for categorization of a Project shall include:

- (a) costs of all types likely to be incurred in constructing an infrastructure or establishing a facility or service and allied expenditures during the construction or execution period;
- (b) cost of hiring transaction advisory, independent engineers, auditors or consultants;
- (c) cost of securing funding; and
- (d) other administrative costs.

(3) The estimated Project cost for categorization of a Project shall not include cost of operations, maintenance and future upgradation of Project beyond the construction or execution period.

(4) The estimated Project revenue for categorization of a Project shall include all types of revenues prior to taxation including revenue collected by the Private Partner from the users or received from the Government or any other source.

(5) In case a PPP Project is approved in a certain category but during the course of further processing, a revision of the Project

category is required, the Implementing Agency shall seek further approvals from the Authority or relevant PPP Working Party, as the case may be, for revised category, but no fresh approvals of the previously undertaken steps from the new forum shall be required.

### **CHAPTER-III DISTRIBUTION OF FUNCTIONS AND POWERS**

**4. PPP Steering Committee.-** There shall be a PPP Steering Committee comprising the following:

(a)	Secretary to the Government, Finance Department	Chairperson
(b)	Secretary of the concerned Administrative Department, whose Project is under consideration	Member
(c)	Secretary to the Government, Planning and Development Board	Member
(d)	one non-official member of the Authority nominated by the Authority	Member
(e)	Chief Executive Officer of the Authority	Member/ Secretary

**5. Functions of the PPP Steering Committee.-** The PPP Steering Committee shall:

- (a) clear a PPP Project Concept initiated by the Government Agency or Proponent of any category for development of a Project Proposal;
- (b) approve funding out of the Project Development Facility; and
- (c) approve amendment in the Bidding Documents in line with guidelines approved by the Authority, in case a Project Proposal and Bidding Documents including draft PPP Contract of a PPP Project has been approved by the Authority for implementation under the Act.

**6. Departmental PPP Working Party.-** There shall be a Departmental PPP Working Party in each Administrative Department comprising the following:

(a)	Secretary of the Administrative Department	Chairperson
(b)	representative of the Authority	Member
(c)	representative of the Planning and Development Board	Member
(d)	representative of the Risk Management Unit	Member
(e)	Head of the PPP Node or an officer nominated by the Administrative Secretary	Member/ Secretary

**7. Functions of the Departmental PPP Working Party.-** Subject to sub-rule (2) of rule 10, the Departmental PPP Working Party, in connection with the PPP Projects pertaining to the Implementing Agencies under its administrative control, shall:

- (a) clear a PPP Project Concept initiated by the Government Agency or Proponent for the PPP Projects of Category B and C;
- (b) approve the Project Proposal along with Bidding Documents for the PPP Projects of Category B and C; and
- (c) approve the award of Contract for the PPP Projects of Category B and C to the Private Partner selected in accordance with procedure provided under the rules.

**8. Divisional PPP Working Party.**- There shall be a Divisional PPP Working Party in each Administrative Division of the Province comprising the following members:

(a)	Divisional Commissioner	Chairperson
(b)	Deputy Commissioner of the District in which Project is to be implemented	Member
(c)	representative of the Authority	Member
(d)	representative of the Risk Management Unit	Member
(e)	Director Finance and Development or an officer nominated by the Divisional Commissioner	Member/ Secretary

**9. Functions of the Divisional PPP Working Party.**- Subject to sub-rule (2) of rule 10, the Divisional PPP Working Party shall:

- (a) clear a PPP Project Concept initiated by a Government Agency for the PPP Projects of Category C for development of a Project Proposal;
- (b) approve the Project Proposal along with Bidding Documents for the PPP Projects of Category C; and
- (c) approve the award of Contract of period of less than fifteen years for the PPP Projects of Category C to the Private Partner selected in accordance with procedure provided under the rules in case the PPP Project Concept initiated by a Government Agency.

**10. Approvals of the Authority.**- (1) The Authority shall:

- (a) approve the Project Proposal for the PPP Projects of Category A for implementation under the Act; and
- (b) approve the award of Contract for the PPP Projects of Category A to the Private Partner selected in accordance with the rules.

(2) Notwithstanding anything contained in rules 7 and 9, the Authority shall consider and approve the Project Proposal of all categories which involves:

- (a) funding out of Viability Gap Fund as a Project support;

- (b) a Minimum Revenue Guarantee by the Government as a Project support;
- (c) Standby Letter of Credit or the debit authority on the Provincial exchequer as Project support and in such case, approval of the Government shall be required;
- (d) Inflation Indexing or exchange rate indexing or Interest Rate Indexing as Project support; and
- (e) Contract period exceeding fifteen years.

(3) The Authority may perform such functions and exercise such powers as it deems necessary for implementation of the PPP Project in respect of functions mentioned in rules 5, 7 and 9.

(4) The functions assigned to the Authority under this rule shall not be delegated to any other authority or officer.

**11. Limitations on the PPP Working Parties.**- (1) Notwithstanding anything contained in rules 7 and 9, the PPP Working Parties may only:

- (a) consider and clear the PPP Project Concepts for which Project Proposals may be developed by Implementing Agencies through their in-house resources or funding is otherwise available with the Implementing Agencies for hiring of Transaction Advisor and development of Project Proposal; and
- (b) consider and approve Project Proposals which involve a Contract period of less than fifteen years and which otherwise fall in their competence.

(2) A PPP Project Concept of any category, which requires funding out of the Project Development Facility for the preparation of Project Proposal and Bidding Documents shall be submitted to the PPP Steering Committee for consideration, clearance and approval of funding out of Project Development Facility.

**12. Approval from other competent authorities.**- The Project Proposals involving land under the administrative control of the Collector shall be approved after the competent authority has agreed to grant required rights over such land in connection with the PPP Project.

**13. Meetings of the PPP Working Parties.**- (1) The PPP Working Parties shall meet as and when a PPP Project requires consideration.

(2) The notice specifying the date and place for the meeting shall be issued by the Secretary of the PPP Working Party after the approval of the Chairperson:

Provided that the notice shall allow such time as may be necessary for the members to prepare for the meeting.

(3) More than half of the members including the Chairperson shall constitute the quorum for the meeting of the PPP Steering Committee and a PPP Working Party.

(4) All decisions of the PPP Steering Committee and PPP Working Parties shall be made by majority of the members, present and voting.

(5) The Secretary of the PPP Working Party shall record the proceedings and the decisions of the meetings in writing.

(6) After the approval of the Chairperson, minutes of the meeting shall be circulated amongst all the concerned.

(7) The minutes of the previous meeting shall be placed before the members in the next meeting for confirmation.

(8) All cases shall be submitted to the Secretary of the PPP Working Party for consideration by a PPP Working Party.

(9) Where the Secretary of the PPP Working Party has refused to receive a case, without assigning a reason, the case may be directly submitted to the Chairperson of a PPP Working Party.

(10) The Secretary of the PPP Working Party shall provide copy of the case submitted for the consideration of the PPP Working Party to all its members.

(11) The minutes of the meetings of the PPP Working Parties shall be authenticated and issued under the signatures of their Secretaries.

**14. Determination of the Implementing Agency.**- (1) The Administrative Department, at the time of submission of the PPP Project Concepts, shall propose an Implementing Agency.

(2) The PPP Steering Committee or a PPP Working Party shall approve the Implementing Agency, as proposed by the Administrative Department or any other agency, for a PPP Project at the time of clearance of a PPP Project Concept:

Provided that the Authority or relevant PPP Working Party may change the Implementing Agency at the time of approval of a Project Proposal.

(3) Where a PPP Project involves more than one Administrative Department or Government Agency, one of them shall be declared as leading Implementing Agency by the Authority or relevant PPP Working Party, as the case may be.

**15. Establishment of the PPP Nodes.**- (1) An Administrative Department or an Implementing Agency may establish a PPP Node for implementation of the PPP Project throughout the Project life cycle as mentioned in the Schedule-I.

(2) The PPP Node shall work under the supervision of the Administrative Department or the Implementing Agency, as the case may be.

## **CHAPTER-IV PPP PLANNING**

**16. Preparation of sector roadmaps.-** (1) All Administrative Departments, within a period of one year from the commencement of the rules, shall prepare their Public Private Partnership sector roadmaps, specifying the sectoral priorities, targets and PPP agenda.

(2) The sector roadmaps shall be revised as and when required:

Provided that absence of a sector roadmap shall not in any way be a bar to the implementation of the PPP Projects in that sector.

(3) The Government may, from time to time:

- (a) declare certain sectors as priority sectors for undertaking the PPP Projects;
- (b) declare certain sectors as neglected sectors for undertaking the PPP Projects;
- (c) make special provisions in the Annual Budget for the PPP Projects pertaining to priority or neglected sectors; and
- (d) determine a certain portion of the development portfolio of a sector to be implemented on the PPP basis.

**17. Identification of Projects and preparation of the PPP Project Concepts.-** (1) The Chief Executive Officer, in accordance with the PPP calendar as mentioned in the Schedule-II, shall issue a PPP call circular requesting the Administrative Departments and Government Agencies to prepare the PPP Project Concepts, which the Administrative Departments or Government Agencies, plan to implement, wholly or partially, in the for next financial year.

(2) The Administrative Departments and Government Agencies shall prepare the PPP Project Concepts and seek their clearance from the PPP Steering Committee or relevant PPP Working Party. All the PPP Project Concepts initiated by Government Agencies shall be prepared on such form as mentioned in the Schedule-III.

**18. Annual business plan.-** (1) The Authority, subject to approval of the Government and in consultation with the Administrative Departments, prepare and publish an annual business plan for the PPP Project for a financial year specifying the PPP Project which are planned to be implemented, wholly or partially, in the next financial year.

(2) If a PPP Project Concept is cleared or a Project Proposal is approved during the currency of a financial year and was not included in the annual business plan, its non-inclusion in the annual business plan shall not be a bar to its further processing and implementation under the Act.

**19. Yearly estimates of the Project Development Facility and Viability Gap Fund.-** (1) All Administrative Departments shall prepare

requirement of funds out of Project Development Facility and Viability Gap Fund for the PPP Projects planned to be undertaken in the next financial year and submit to the Authority in the manner determined by it.

(2) The Chief Executive Officer shall prepare requirements and submit to the Finance Department for allocation of necessary funds for Project Development Facility and Viability Gap Fund for the PPP Projects planned to be implemented in the next financial year.

## **CHAPTER-V CONCEPT CLEARANCE**

**20. Assessment of the PPP Project Concept.**- (1) While preparing a PPP Project Concept, the scope of the Project, its implementation methodology, tentative schedule, the roles and responsibilities of the Implementing Agency and the Private Partner shall adequately be described.

(2) The following factors shall be considered for preparation of the PPP Project Concept and assessing its suitability for clearance:

- (a) a genuine requirement of the Project for public needs;
- (b) Project is suitable for being undertaken as a PPP Project;
- (c) description of scope, implementation methodology and tentative schedule of the Project; and
- (d) specified roles and responsibilities of the Implementing Agency and Private Partner.

**21. Clearance of the PPP Project Concept.**- (1) The PPP Steering Committee or relevant PPP Working Party may consider a PPP Project Concepts submitted by the Government Agencies.

(2) The PPP Steering Committee or relevant PPP Working Party, after making necessary analyses or assessments, may clear a PPP Project Concept which is suitable for development of Project Proposal and preparation of Bidding Documents.

(3) In case a PPP Project Concept is not suitable for development of Project Proposal, the relevant PPP Working Party may reject a PPP Project Concept by specifying the observations for revision and require the Government Agency to revise, restructure and resubmit a PPP Project Concept after fulfilling certain requirements.

(4) The clearance of a PPP Project Concept shall not be construed as a guarantee or indication that a Project Proposal developed on the basis of a cleared the PPP Project Concept shall also be approved for implementation as a PPP Project.

(5) In case of Projects for which Transaction Advisors have been engaged or for which funding for hiring Transaction Advisors has been approved under the repealed law, the Implementing Agencies shall directly submit the Project Proposals to the Authority or relevant

PPP Working Party for consideration and approval without the need to prepare afresh the PPP Project Concepts for such Projects.

## **CHAPTER-VI TRANSACTION ADVISORS**

**22. Role of the Transaction Advisor.**- A Transaction Advisor may be appointed to:

- (a) conduct technical feasibility of the PPP Project, including necessary surveys, site suitability assessment, preparation of Project drawings and design parameters, assessment of technical requirements *etc.*, preparation of cost estimates and assessment of optimality of proposed solution;
- (b) undertake financial and economic feasibility of the Project, including option analysis, Value for Money analysis, preparation of a viable financial model and development of proposal for tariffs, concessions and required Project support for implementation of a Project *etc.*;
- (c) perform legal and regulatory assessment of the Project including preparation of draft PPP Contract specifying the roles and responsibilities of the parties and terms and conditions of the PPP Contract;
- (d) identify and assess risks impeding successful implementation of the PPP Project and preparation of proposed allocation of risks between the parties;
- (e) make environmental and social impact assessment;
- (f) develop performance indicators and implementation schedule;
- (g) suitably structure the transaction for inviting bids;
- (h) prepare Bidding Documents and their evaluation;
- (i) assist in finalization of the PPP Contract and ancillary negotiations and achieving the Financial Close; and
- (j) any other tasks assigned by the Implementing Agency.

**23. Cost of the transaction advisory.**- The cost of transaction advisory may either be met by the Implementing Agency through its own resources or through funding out of the Project Development Facility where funding has been approved under the rules.

**24. Rights and obligations of the Transaction Advisor.**- The rights and obligations of the Implementing Agency and Transaction Advisor shall be governed by the Contract between them.

**25. Liability in case of joint venture or association of persons or Consortium.**- Where an association of persons, a joint venture or

Consortium is appointed as the Transaction Advisor, the Contract shall individually be signed by all members and all members shall jointly and severally be liable for the entire assignment.

**26. Intellectual property rights.**- All documents, reports, designs, research work and all deliverables prepared by the Transaction Advisors shall become and remain the property of the Implementing Agency.

**27. Professional liability of the Transaction Advisors.**- (1) The Transaction Advisor shall be liable for consequence of errors or omissions on his part.

(2) The extent of liability of the Transaction Advisor shall form part of the Contract and such liability shall not be less than remunerations and more than twice the remunerations.

(3) The Implementing Agency, where necessary, may demand insurance on part of the Transaction Advisor to cover the liability of the Transaction Advisor and necessary costs shall be borne by the Transaction Advisor.

(4) The Transaction Advisor shall be held liable for all losses or damages suffered by the Implementing Agency on account of any misconduct by the Transaction Advisor in performing the transaction advisory services.

## **CHAPTER-VII RISK MANAGEMENT UNIT**

**28. Assessment by the Risk Management Unit.**- (1) The Risk Management Unit, in addition to the tasks assigned under the Act, shall assist the Authority or Steering Committee in examining the PPP Project Concepts and Project Proposals initiated by Government Agencies or Unsolicited, and advising on:

- (a) their fiscal, direct and contingent liabilities;
- (b) detailed Project Risk Assessment and apportionment;
- (c) assessment of the likelihood of the occurrence of a potential risk and evaluation of its likely impact;
- (d) formulation of suitable Risk Mitigation Strategies to address the identified risks;
- (e) allocation of risks to the party best able to manage them;
- (f) assessment of viability gap funding and other Project support; and
- (g) any other task required by the Authority or PPP Steering Committee in connection with the risk assessment.

(2) The Risk Management Unit shall submit its recommendation to the Authority or PPP Steering Committee within fifteen days of the receipt of a PPP Project Concept or Project Proposal.

## **CHAPTER-VIII PROJECT APPROVAL**

**29. Development of a Project Proposal.**- (1) An Implementing Agency, after a PPP Project Concept is cleared by the PPP Steering Committee or relevant PPP Working Party, shall develop the Project Proposal along with Draft Bidding Documents.

(2) For development of a Project Proposal, the Implementing Agency may:

- (a) use its in-house resources; or
- (b) request another Government Agency having required capacity; or
- (c) appoint the Transaction Advisor.

(3) Where an Implementing Agency intends to save time, it may request the Authority or relevant PPP Working Party to consider a Project Proposal without the requirement of preparing a PPP Project Concept.

**30. Contents of the Project Proposal.**- The Project Proposal shall be comprehensive in all respects and shall be prepared in such form as mentioned in the Schedule-IV.

**31. Approval of the Project Proposal.**- (1) In case of Category A Projects:

- (a) the Implementing Agency shall submit the Project Proposal along with the Bidding Documents to the Administrative Department;
- (b) where the Administrative Department is satisfied with the Project Proposal, it shall forward it to the Chief Executive Officer of the Authority along with its recommendations;
- (c) the Chief Executive Officer shall forward one copy of the Project Proposal to the Risk Management Unit for assessment and also get it evaluated by the officers appointed by the Authority for the purpose;
- (d) where the Project Proposal is not comprehensive or it needs revision, modification or improvement, the Implementing Agency shall be required to revise, modify and improve the Project Proposal and shall resubmit the revised Project Proposal together with the Draft Bidding Documents after necessary revision, modification and improvement;
- (e) the Project Proposal shall be placed before the Authority together with Draft Bidding Documents along with the recommendations of the Risk Management Unit and officers appointed by the Authority for the purpose;

- (f) where the Authority, after considering a Project Proposal is of the opinion that the Project Proposal is suitable for implementation as a PPP Project, the Authority may approve the Project Proposal and Draft Bidding Documents for implementation as a PPP Project under the Act and invitation of bids. In other case, the Authority may either reject the Project Proposal or require the Implementing Agency to resubmit it after fulfilling certain requirement; and
  - (g) where in a particular case, the Implementing Agency is of the opinion that approval the Project Proposal from the Authority may be sought prior to preparation of Draft Bidding Documents, it may, subject to the permission of the Authority, seek such approval.
- (2) In case of Projects other than Category A:
- (a) the Implementing Agency shall submit the Project Proposal along with the draft Bidding Document, to the relevant PPP Working Party through its Secretary;
  - (b) the Secretary shall forward a copy of the Project Proposal along with the Draft Bidding Documents to all members of the relevant PPP Working Party for assessment;
  - (c) where the Project Proposal is not comprehensive or it needs revision, modification or improvement, the Implementing Agency shall be required to revise, modify and improve the Project Proposal and the Implementing Agency shall resubmit the revised Project Proposal along with Draft Bidding Documents after necessary revision, modification and improvement;
  - (d) the Project Proposal and Bidding Documents shall be placed before the relevant PPP Working Party;
  - (e) where the PPP Working Party is of the opinion that a Project Proposal is suitable for implementation as a PPP Project, the PPP Working Party may approve the Project Proposal and Bidding Documents for implementation as a PPP Project and invitation of bids. In other case, the PPP Working Party may either reject the Project Proposal or require the Implementing Agency to resubmit it after fulfilling certain requirement; and
  - (f) where in a particular case, the Implementing Agency is of the opinion that approval of the Project Proposal from the relevant PPP Working Party may be sought prior to preparation of Draft Bidding Documents, it

may, subject to the permission of the PPP Working Party, seek such approval.

**32. Notification of the PPP Project.**- Where a Project Proposal has been approved for implementation as a PPP Project and invitation of bids, the approval shall be notified under the signatures of the:

- (a) Chief Executive Officer, where a Project Proposal has been approved by the Authority;
- (b) Administrative Secretary, where a Project Proposal has been approved by the Departmental PPP Working Party; and
- (c) Divisional Commissioner, where a Project Proposal has been approved by the Divisional PPP Working Party.

**33. Invitation of the bids.**- After approval of the Project Proposal and notification of the PPP Project, the Implementing Agency shall invite bids for selection of Private Partner for the PPP Project.

**34. Modification in the Bidding Documents.**- Where an Implementing Agency is of the opinion that a modification in the approved Bidding Documents is necessary after a Project Proposal has been approved by the Authority along with the Bidding Documents which does not cause a material change in the scope of work, estimated cost, transaction structure, Project support, risk apportionment and role and responsibilities of the Parties; the Implementing Agency shall seek the approval of the PPP Steering Committee to such modifications:

Provided that such modifications approved by the Steering Committee shall be placed before the Authority when the approval of the Authority is sought to the award of the Contract or before that.

## **CHAPTER-IX CONCESSIONS AND PROJECT SUPPORT**

**35. Inclusion of concessions and Project support in the Project Proposal.**- (1) The Implementing Agency may subject to the approval of the Authority or relevant PPP Working Party grant concessions or provide Project support to a Private Partner.

(2) All concessions and Project support shall be clearly specified in the Bidding Documents issued to invite bids for selection of Private Partner in order to provide equal opportunities to all potential Bidders.

(3) If a concession or Project support is not specified in the Bidding Documents, it shall not be subsequently included in a PPP Contract or granted to a Private Partner.

**36. Administrative support.**- (1) The Implementing Agency and other Government Departments shall provide necessary administrative support in accordance with the PPP Contract. The Administrative support may include facilitation in obtaining necessary permissions, clearances, licenses etc., from regulatory bodies of the Provincial or the

Federal Government. Where such support entails a financial cost for the Implementing Agency or to any other Government Department, it shall be ascertained at the time of development of the Project Proposal and specified in the Bidding Documents with clarity as to which party shall bear what portion of such cost.

(2) Any support having a financial cost for a Government Agency other than the Implementing Agency shall not be included as a Project support without prior concurrence of that Agency.

**37. Provision of land and utilities.**- (1) The Project support for a PPP Project may include:

- (a) provision of land including right of way, where relevant, for implementation of a Project during the tenure of the PPP Contract;
- (b) acquisition of land on the expense of the Government or a Government Agency for implementation of the Project;
- (c) right of access and usage of the Government property and assets related to the Project; and
- (d) provision of utilities including electricity, gas, water etc., at the Project site.

(2) Save as otherwise provided in the PPP Contract, where land is provided for a specific use under a PPP Contract, all means or usages or exploitation of the land by the Private Partner other than the specified use shall be prohibited.

**38. Licensing and collection rights.**- Subject to approval by the Authority or relevant PPP Working Party, as the case may be, the concessions to a Private Partner may include grant of rights to receive and collect charges, licensing rights and rights as were previously held by the Implementing Agency.

**39. Funding out of Viability Gap Fund.**- (1) The funding out of Viability Gap Fund may be made where a PPP Project is economically feasible or its social benefits warrant its implementation, but:

- (a) Project is not commercially viable for investment by a Private Partner without a financial support;
- (b) Project is not suitable to increase the tariffs or user charges on the use of the facility(s) to be established under the Project to enhance its viability;
- (c) the risks associated with the Project may efficiently be transferred by providing such financial support to the Private Partner; and
- (d) no other suitable option for enhancing the commercial viability of the Project is available.

(2) The suitable funding out of Viability Gap Fund may be included as Project support for a PPP Project. However, the funding out

of Viability Gap Fund for Projects other than social sector Projects shall not be more than 40% of the estimated cost of the Project.

(3) The funding out of Viability Gap Fund may be disbursed in the form of a loan recoverable from the Private Partner or a grant to a Private Partner or an equity contribution, where the profits rendered by the Project shall be shared between the Government or Implementing Agency and the Private Partner in accordance with the PPP Contract or a combination of two or more of these forms. The funding out of Viability Gap Fund may be provided as:

- (a) capital financing at different stages of Project implementation and execution as determined by the Authority; or
- (b) operational funding across the whole or part of the Project lifecycle as determined by the Authority subject to such deductions as may be made on account of any deficiency in meeting the quality and performance standards; or
- (c) any other funding as determined by the Authority.

**40. Cost variation.**- In case of infrastructure Projects, where it is essential due to nature of a Project, a mechanism for allowing cost variation to the Private Partner on certain items as notified by the Finance Department may be included in a PPP Contract.

**41. Minimum revenue guarantee.**- (1) A Project support for the PPP Project may include minimum revenue guarantee by the Government.

(2) The Government, from time to time, may determine the limits of minimum revenue guarantee for the PPP Projects or certain classes thereof.

(3) The minimum revenue guarantee beyond the limits determined by the Government shall not be included as Project support without specific approval of the Government.

**42. Standby Letter of Credit.**- (1) Where a PPP Project involves commercial loan of more than one third of the total Project cost, issuance of a Standby Letter of Credit may be included as a Project support subject to the approval of the Government.

(2) Where Standby Letter of Credit is included as a Project support, the maximum portion of loan backed by the Standby Letter of Credit shall be specified in the Bidding Documents.

**43. Indexing of payments against certain variables.**- (1) Where it is essential to index payments to and by the Private Partner against the exchange rate of Pakistani rupee against a foreign currency during the Project lifecycle, an exchange rate indexing mechanism may be included in the PPP Contract, for reasons to be recorded in writing, subject to approval of the Authority.

(2) Where it is essential to index payments to and by the Private Partner against inter-bank offer rate during the Project lifecycle, an indexing mechanism against the inter-bank offer rate may be included in the PPP Contract for reasons to be recorded in writing subject to approval of the Authority.

(3) Where it is essential to index payments to and by the Private Partner against inflation rate during the Project lifecycle, an inflation indexing mechanism may be included in the PPP Contract, for reasons to be recorded in writing subject to approval of the Authority.

## **CHAPTER-X UNSOLICITED PROPOSAL**

**44. Submission of an Unsolicited Concept.-** (1) A Proponent, in the first instance, shall submit the PPP Project Concept to a Government Agency on such form as mentioned in the Schedule-V.

(2) An Unsolicited concept is required to be aligned with the Government priorities for sectoral goals or objectives and bring Value for Money and address public needs.

(3) A Proponent may be required by the Government Agency to provide such clarification and further information as is necessary for the review, analysis and appraisal of Unsolicited Concept.

(4) The Government Agency shall be under no obligation for consideration and clearance of an Unsolicited Concept.

**45. Clearance of an Unsolicited Concept.-** (1) Where a Government Agency, after the preliminary examination, is of the opinion that an Unsolicited Concept is not suitable to be undertaken as a PPP Project, it shall inform the Proponent about the unsuitability of its Unsolicited Concept.

(2) The Government Agency shall be under no obligation to explain the reasons for rejection to the Proponent.

(3) Where an Implementing Agency, after the preliminary examination, is of the opinion that an Unsolicited Concept is suitable to be undertaken as a PPP Project, it shall submit the Project Concept along with its recommendations to the PPP Steering Committee or Departmental PPP Working Party.

(4) The PPP Steering Committee or Departmental PPP Working Party, after considering the Unsolicited Concept along with recommendation of the Government Agency, may:

- (a) clear the Unsolicited Concept for development of Unsolicited Proposal by the Proponent with or without modification; or
- (b) reject the Unsolicited Concept; or
- (c) direct the Implementing Agency to require the Proponent to resubmit the Unsolicited Concept after fulfilling certain requirements; or

(d) pass such orders as it deems appropriate.

(5) Where an Unsolicited Concept has been cleared, the Steering Committee or Departmental PPP Working Party shall also determine its Implementing Agency.

(6) The clearance of an Unsolicited Concept shall not be construed as a guarantee or indication that an Unsolicited Project Proposal developed on the basis of a cleared Unsolicited Concept shall also be approved for implementation as a PPP Project.

**46. Submission of an Unsolicited Proposal.**- (1) After clearance of an Unsolicited Concept, the Implementing Agency shall inform the Proponent of the clearance of the Unsolicited Concept and require him to submit a detailed Unsolicited Proposal and draft PPP Contract in such time as allowed by the PPP Steering Committee or Departmental PPP Working Party:

Provided that time for preparation of Unsolicited Proposal and the draft PPP Contract shall not be more than six months from the date of information for clearance of Unsolicited Concept:

Provided further that the time may be extended by the PPP Steering Committee or Departmental PPP Working Party for another period of not more than ninety days.

(2) The Proponent shall prepare and submit the Unsolicited Proposal on such form as mentioned in the Schedule-VI to the Implementing Agency together with the draft PPP Contract within the given time.

(3) The Implementing Agency may seek clarification and further information from the Proponent required for review, analysis and appraisal of Unsolicited Proposal.

**47. Withdrawal of clearance of Unsolicited Concept.**- (1) Where an Unsolicited Proposal along with the draft PPP Contract is not received within the given time, the clearance of Unsolicited Concept may be withdrawn by the PPP Steering Committee or Departmental PPP Working Party.

(2) Where the clearance of detailed Unsolicited Concept is withdrawn but the Implementing Agency is of the opinion that the concept is otherwise suitable for implementation as a PPP Project, the Implementing Agency may seek the approval of the PPP Steering Committee or Departmental PPP Working Party to further process the concept as a PPP Project, initiated by a Government Agency. In such case, the Private Party who had submitted the concept shall no longer be entitled to the advantages given to a Proponent.

**48. Approval of an Unsolicited Proposal.**- (1) Where an Unsolicited Proposal and draft PPP Contract is received from the Proponent within the given time, the Implementing Agency shall conduct a comprehensive assessment covering all necessary aspects of the Unsolicited Proposal and draft PPP Contract.

(2) Where the in-house capacity is not sufficient to conduct the assessment of Unsolicited Proposal, a consultant or a Transaction Advisor may be appointed for assessment of an Unsolicited Proposal and preparation of Bidding Documents.

(3) Where an Implementing Agency requires funds out of the Project Development Facility for appointment of the Transaction Advisor it shall seek approval of funds in accordance with the procedure mentioned in the rules.

(4) The Implementing Agency shall prepare Request for Proposal and submit the Unsolicited Proposal along with draft Bidding Documents with its recommendations to the Authority or Departmental PPP Working Party.

(5) The Unsolicited Proposal of Category A shall be assessed and evaluated by the Risk Management Unit and officers appointed by the Authority for the purpose.

(6) Where the Implementing Agency is of the opinion that seeking approval of the Unsolicited Proposal and the draft PPP Contract from the Authority or Departmental PPP Working Party, prior to preparation of the Bidding Documents is in the fitness of things, it may seek the approval of the Authority or Departmental PPP Working Party at the first instance.

(7) The Authority or Departmental PPP Working Party may:

- (a) approve the Unsolicited Proposal and Bidding Documents for invitation of bids with or without modification; or
- (b) reject the Unsolicited Proposal; or
- (c) direct to revise the Unsolicited Proposal after fulfilling certain requirements and resubmit it or pass such order as deems appropriate.

**49. Advantages to the Proponent.**- The following advantages shall be given to a Proponent:

- (a) where a separate prequalification process is conducted, the Proponent shall not be required to participate in the prequalification process and may directly participate in the bidding;
- (b) where single stage three envelope bidding process is adopted, the Proponent shall not be required to submit the prequalification envelope and may submit the remaining two envelopes only;
- (c) where prequalification is not conducted, the Proponent shall be awarded an additional five out of hundred marks in the Technical Evaluation. Where an Unsolicited Proposal pertains to a priority neglected sector as declared under the rules, the Proponent

shall be awarded further two out of hundred marks in the Technical Evaluation; and

- (d) where the bid of the Proponent is failed to be the most advantageous bid, the Implementing Agency may determine suitable cost incurred by the Proponent on the preparation of Unsolicited Proposals to be reimbursed to the Proponent by the selected Private Partner before the Award of Contract:

Provided that the cost shall not be more than one percent of the PPP Contract amount:

Provided further that the Proponent may submit such information, reports and statements as may be necessary to assess the reasonability of the claimed cost of preparing the Unsolicited Proposal.

**50. More than one Unsolicited Concepts for the same Project.-**

Where more than one Unsolicited Concept for the same Project or similar objective are received, before the Unsolicited Concept received first in time is cleared or the Implementing Agency has informed its Proponent of the unsuitability of Unsolicited Concept or it has been rejected by the PPP Steering Committee or Departmental PPP Working Party, the Implementing Agency shall process the Unsolicited Concept received first in time.

**51. Public information for submission of Unsolicited Concepts.-**

(1) Where the Authority considers appropriate, it may through a public advertisement inform public at large that interested parties may submit Unsolicited Concepts for the PPP Projects to meet certain Government priorities and sectoral goals in all or some sectors.

(2) The submission of an Unsolicited Proposal in response to an advertisement under sub-rule (1) shall not disqualify its Proponent to benefit from the advantages given to a Proponent of an Unsolicited Proposal under rule 49.

## CHAPTER-XI

### ADVERTISEMENT AND BIDDING DOCUMENTS

**52. Advertisement.-** (1) A public advertisement for selection of the Transaction Advisors and Private Partners shall be uploaded on the website of the Authority and website of the Implementing Agency, where available.

(2) In addition to the advertisement uploaded under sub-rule (1), an advertisement for selection of the Transaction Advisors and Private Partners with estimated cost exceeding ten million rupees shall be published in at least two national daily newspapers of wide circulation, one in English and one in Urdu. In case of International Competitive Bidding, the advertisement shall also be published in an International English newspaper or magazine of wide circulation.

(3) The Advertisement shall include, but not limited to:

- (a) name, address and website of the Implementing Agency;
- (b) name and brief description of the Project or the transaction advisory;
- (c) selection procedure (single-stage two-envelope, two-stage two-envelope or single-stage three-envelope);
- (d) method of evaluation in case of Transaction Advisors, where different from least cost selection method;
- (e) method of submission of bids (electronic or through courier or by hand);
- (f) date of pre-bid meeting, where necessary;
- (g) bid security, if any;
- (h) method and fee for obtaining the Bidding Documents;
- (i) name, designation, address and contact number of the officer to whom the bids shall be addressed and under whose authority the advertisement has been published;
- (j) closing date, time and place of the submission of bids; and
- (k) any other relevant information.

**53. Types of bidding.** - There shall be two types of open competitive bidding:

**I. National Competitive Bidding:**

- (a) National Competitive Bidding shall be the principal type of bidding for selection of the Transaction Advisors and Private Partners.
- (b) National Competitive Bidding shall only be open to interested firms, companies or parties registered in Pakistan.
- (c) International firms, companies or parties shall not be invited for National Competitive Bidding:

Provided that an international firm, company or party as a junior partner in a Consortium, joint venture or association of persons where the lead partner is a national firm, company or party, registered in Pakistan, may participating in a National Competitive Bidding.

**II. International Competitive Bidding:**

- (a) Where the Authority is of the opinion that the technology of the required nature or technical expertise and professional capability of the required level are not available within the country or

International Competitive Bidding is likely to generate better competition, the Authority, may opt for International Competitive Bidding.

- (b) International Competitive Bidding shall be open to all interested firms, companies or parties, whether national or international.

**54. Contents of the Bidding Documents.**- (1) The Bidding Documents shall be comprehensive in all respects. The enclosures and annexures of the Bidding Documents shall be considered part of the Bidding Documents.

(2) The Bidding Documents for selection of the Private Partner as required by the nature of the Project, shall specify but not limited to:

- (a) description of the Project, its objectives, key components, giving the Bidders a clear understanding of scope and significance of the Project;
- (b) details about the Project location, key features, reference drawings, design and technical specifications, where necessary;
- (c) work to be performed by the Private Partner, including specific tasks, deliverables, and performance standards providing clarity on the responsibilities and expectations;
- (d) roles, responsibilities, and obligations of each party in sufficient detail;
- (e) transaction structure and the commercial arrangement underlying the Contract including the type of Contract, the Contract duration, payment mode and mechanism and the milestones and conditions under which such payments shall become payable;
- (f) details and duration of Project support, if any, including the rights and obligations of the Private Partner;
- (g) key financial and operational parameters of the Project support including concessions revenue-sharing arrangements, performance benchmarks, and any financial obligations of the Private Partner, to provide a clear basis for bid preparation;
- (h) requirements and timeline for achieving Financial Close, including any conditions precedent and the consequences of failing to meet the requirements of the Financial Close;

- (i) Project implementation and execution schedule so that all Bidders are aware of the timelines and can plan their submissions accordingly;
- (j) the maintenance and operation obligations of the Private Partner, including the standards, schedules, and reporting requirements, ensuring that Bidders are aware of the long-term responsibilities associated with the Project;
- (k) requirements of bid validity and security, including the amount, acceptable formats, and conditions for forfeiture of the security drawn;
- (l) eligibility requirements of the Bidders along with the disqualifications;
- (m) selection procedure (single-stage two envelop, two-stage two envelop or single-stage three envelope);
- (n) criteria to be used for evaluation of bids and determination of most advantageous bid;
- (o) performance guarantee along with its form and manner to be furnished before signing of the Contract by the successful Bidder;
- (p) forms as may be required for seeking information for evaluation of bids in accordance with the rules; and
- (q) a comprehensive draft PPP Contract.

(3) The Implementing Agency may provide guidelines for the preparation of bids including required documents.

**55. Request for Proposals.-** A Request for Proposals for selection of Transaction Advisor, shall include:

- (a) advertisement in accordance with the rules, where prequalification has not separately been done, or a Letter of Invitation addressed to all shortlisted firms for the relevant type of Projects or prequalified Bidders;
- (b) name and address of the Implementing Agency along with the name and designation of the officer to whom the Request for Proposals shall be addressed;
- (c) Terms of Reference of the Transaction Advisor clearly providing the objectives, goals and scope of the assignment along with core team of required experts and expected deliverables with timelines and list of services necessary to carry out the assignment;
- (d) eligibility requirements and qualification criteria for Bidders, where prequalification has not separately been done;

- (e) criteria to be used for evaluation of bids;
- (f) type of Contract, duration of services, required output and deliverables, remuneration and payment milestones in unambiguous terms; and
- (g) necessary instructions and information for the Bidders, which may help them prepare responsive proposals along with other provisions which the Implementing Agency considers appropriate to specify related to the Contract.

**56. Evaluation criteria.-** (1) The Implementing Agency shall prepare comprehensive evaluation criteria for evaluation of bids and determination of most advantageous bid in accordance with the rules.

(2) The evaluation criteria shall form an integral part of the Bidding Documents.

**57. Response time.-** (1) An adequate response time, keeping in view the complexity of the Project or transaction advisory, shall be allowed to the Bidders for submission of bids which shall not be:

- (a) less than thirty days for selection of Private Partner through National Competitive Bidding and forty-five days through International Competitive Bidding from the date of publication of advertisement; and
- (b) less than fifteen days for selection of Transaction Advisors through National Competitive Bidding and thirty days through International Competitive Bidding from the date of publication of advertisement.

(2) The advertisement shall expressly mention the response time allowed for the selection.

(3) The response time shall be calculated from the date of publication of the advertisement in a newspaper or on the website, whichever is later.

**58. Extension in response time for submission of the bids.-** Where an Implementing Agency considers that it is necessary in public interest to extend the last date for the submission of bids, it may, after recording reasons in writing, do so in the manner similar to the original advertisement.

**59. Currency of the bid.-** (1) The bids invited through National Competitive Bidding shall ordinarily be invited in Pakistani rupees.

(2) Where an Implementing Agency intends to invite bids in a currency other than Pakistani rupees, it shall seek the approval of the Authority.

(3) In any case, the payments to a Private Partner shall only be made in Pakistani rupees.

(4) Where Bidders are allowed to submit bids in different currencies, the financial offers shall be converted into Pakistani rupees

for purposes of comparison of the bids. The rate of exchange for comparison shall be the selling rate, prevailing on the date of opening of bids specified in the Bidding Documents as notified by the State Bank of Pakistan on that day.

**60. Bid security.**- (1) The Bidders may be required to furnish a bid security not exceeding five percent of the estimated cost of the PPP Contract in favour of the Implementing Agency for a period not less than thirty days beyond the period of bid validity, required by the Implementing Agency.

(2) The bid security shall be admissible in the form of call deposit, demand draft and bank guarantee.

(3) The bank guarantee shall be issued by a scheduled bank in Pakistan.

(4) The Implementing Agency shall get the instrument of bid security verified from the issuing bank.

**Explanation:** "estimated cost" in this rule shall mean the cost of Contract estimated by the Implementing Agency before initiation of the process of selection.

**61. Bid validity.**- (1) The bids, keeping in view the nature of the PPP Contract shall be required to comply to such validity period as the Implementing Agency considers appropriate.

(2) Subject to sub-rule (1), the Implementing Agency shall ordinarily process and evaluate the bids within the stipulated bid validity period but under exceptional circumstances and for reasons to be recorded in writing, if an extension is considered necessary, all the Bidders shall be requested to extend their respective bid validity period but such extension shall not be for more than the original period of bid validity or one hundred and eighty days, whichever is more.

(3) A Bidder, who agrees to the extension of the bid validity period, shall:

- (a) also extend the validity of the bid security for the extended period of the bid validity; and
- (b) not change the substance of the bid.

(4) A Bidder, who does not agree to an extension of the bid validity period, shall be allowed to withdraw the bid without forfeiture of the bid security.

**62. Corrupt and fraudulent practices.**- The Bidding Documents for the PPP Contracts with estimated costs exceeding hundred million rupees shall set forth the procedures for reporting suspected fraud or corruption ensuring that the bidding process is conducted with integrity and transparency.

**63. One person one bid.**- (1) One person shall be allowed to submit one bid in bidding. Where one person submits more than one bid, all bids submitted by him shall be rejected.

(2) If a Consortium of persons has submitted a bid in bidding, it shall be construed that each member of the Consortium has submitted the bid.

**64. Compliance to performance standards.-** An Implementing Agency may require the Bidders to offer machinery, equipment, systems *etc.*, in their bids in compliance with certain national or international performance standards.

**65. Prohibitions.-** In case of International Competitive Bidding, the Implementing Agency, subject to the approval of the Authority, may prohibit participation of Bidders of some nationalities, where as a matter of law or official regulations, commercial relations are prohibited with such countries by the Federal Government.

**66. Discriminatory and difficult conditions.-** Save as otherwise provided, no conditions which discriminate between the Bidders or which are difficult to meet, shall be allowed in a bidding.

**Explanation:** In ascertaining the discriminatory or difficult nature of a condition, reference shall be made to the ordinary practices of that business to which the particular bidding is related.

**67. Pre-bid meeting.-** (1) A pre-bid meeting may be held where appropriate.

(2) The proceedings of such meeting including the questions, queries and clarifications made in response thereto shall be recorded in writing.

**68. Clarification of the Bidding Documents.-** (1) The Bidders, within the period and in the manner specified in the Bidding Documents, may request in writing for clarification of Bidding Documents.

(2) All clarifications made in response thereto shall be made within such time, which allows sufficient time to the Bidders to take appropriate action.

(3) All clarifications shall be addressed to all recipients of the original documents ensuring that such clarifications do not give undue advantage to any Bidder.

(4) The clarification sought after the specified time may be disregarded.

**69. Clarification of the bids.-** (1) No Bidder shall be allowed to alter or modify his bid after closing of submission time for the bids.

(2) The Implementing Agency, if necessary, after opening of the bids, may seek and accept such clarifications of the bid which do not change the substance of the bid.

(3) Any request for clarification of the bid and its response shall be in writing.

**70. Addenda and corrigenda.-** (1) The Implementing Agency, in case there is a material change in the Bidding Documents such as a change in the scope of work or conditions of the bid, shall issue an

addendum or corrigendum through similar methods as were adopted in case of the original Bidding Documents. Where such change requires approval of certain forum under the rules, the Implementing Agency shall seek such approval.

(2) A sufficient time shall be allowed to the interested parties to take appropriate action and submit their bids.

## **CHAPTER-XII SHORTLISTING AND PREQUALIFICATION**

**71. Shortlisting of firms for transaction advisory services.-** (1) The Authority, on periodic basis, may shortlist firms for transaction advisory of Projects of different categories and types, keeping in view the nature of their expertise and ability to undertake a transaction advisory.

(2) The list of shortlisted firms shall be published on the website of the Authority.

(3) Where an Implementing Agency considers necessary, it may proceed to undertake the process of selection of a Transaction Advisor without reference to the shortlisting under sub-rule (1).

(4) Where an Implementing Agency proceeds to invite proposals from firms shortlisted under sub-rule (1), it shall send Letter of Invitation to all shortlisted firms of the relevant Category.

(5) Where bids have been invited from shortlisted firms and such mandatory requirements have been specified in the Bidding Documents, which are not discriminatory or difficult in nature under the rules, and a shortlisted firm fails on such requirements, he shall be deemed not qualified. Bids submitted by any such firm shall not be eligible for consideration and shall be rejected.

(6) Where bids have been invited from shortlisted firms for selection of Transaction Advisors, shortlisted firms may submit their bids separately or jointly in association with other shortlisted firms.

**72. Prequalification.-** (1) In order to invite capable companies, firms or persons having adequate capacity to submit bids in the main bidding process, prequalification of Bidders may be undertaken, through advertisement in accordance with the rules in the following cases:

- (a) in case of selection of Transaction Advisor, where the Implementing Agency considers it necessary to prequalify; and
- (b) in case of selection of Private Partner, where the Authority or relevant PPP Working Party considers it necessary to prequalify.

(2) A request for Expression of Interest or Prequalification Documents issued for shortlisting or prequalification of Bidders shall clearly set forth minimum qualifying score for shortlisting or prequalification. The Bidder who possesses eligibility criteria and

securing minimum qualifying score shall be considered shortlisted or prequalified.

(3) Where Prequalification has been conducted or bids are invited from the shortlisted firms, only the prequalified or shortlisted firms shall be entitled to participate in the Bidding process. In such case, Technical and Financial Proposals shall be invited only from the shortlisted or prequalified Bidders through a Letter of Invitation.

**73. Request for Expression of Interest or Prequalification Document.-** A request for Expression of Interest or Prequalification Document shall include:

- (a) name and address of the Implementing Agency along with the name and designation of the officer to whom the Expression of Interest in response to the document shall be addressed;
- (b) name or nature or category or type of Projects for which shortlisting or prequalification is being conducted together with an appropriate description of the Project and required intellectual and professional services;
- (c) closing date and place of the submission;
- (d) eligibility requirements and criteria for shortlisting or prequalification; and
- (e) any other information as the Implementing Agency considers appropriate to disseminate at this stage.

### **CHAPTER-XIII ELIGIBILITY AND DISQUALIFICATION**

**74. Eligibility of Government owned organization to Participate in a bid.-** (1) Government owned organizations, which are legally and financially autonomous and operate under a commercial or special law, shall be allowed to participate in a bid solely or in association with other partners.

(2) Nothing in sub-rule (1) shall bar the Implementing Agencies to engage through direct Contracting, a Government owned organization as Transaction Advisor under the rules.

**75. Disqualification on account of conflict of interest.-** A Bidder or his associate shall be considered in conflict of interest under the rules and shall be disqualified from participating in a bidding where:

- (a) a Bidder or his associate and another Bidder or associate thereof, have common controlling shareholders or ownership interest or has a relationship with another Bidder, or any associate thereof, directly or through common third party, that puts either or both of them in a position to have

access to each other's information, or to influence the bid of either or each other; or

- (b) a Bidder or his associate thereof has participated as a Transaction Advisor or Consultant; or
- (c) a spouse or dependent of a Bidder is a public servant having authority over the Project or is an employee of the Implementing Agency concerned or a member of a committee relating to Project.

**76. Disqualification on submission of false and inaccurate information.**- The Implementing Agency shall disqualify a Bidder, whether prequalified or not, if it finds at any time, that the information submitted by him was false, fabricated or materially incorrect or he has concealed relevant information or at any stage has indulged in corrupt and fraudulent practices.

#### **CHAPTER-XIV SELECTION COMMITTEES**

**77. Transaction Advisor Selection Committee.**- (1) The Implementing Agency shall constitute the Transaction Advisor Selection Committee comprising of odd number including a nominee of the Authority, not less than five members, for selection of a Transaction Advisor, where required.

(2) More than half of the members including the Chairperson shall constitute the quorum for meeting of the Transaction Advisor Selection Committee.

(3) All decisions of the Transaction Advisor Selection Committee shall be made by majority of the members present and voting.

(4) A Transaction Advisor Selection Committee shall:

- (a) approval of Terms of Reference for a Transaction Advisor;
- (b) approval of Expression of Interest, Prequalification Documents along with evaluation criteria and other ancillary documents, where applicable, where prequalification has been adopted for selection of a Transaction Advisor;
- (c) prequalification of Bidders in accordance with the approved evaluation criteria;
- (d) approval of Request for Proposal for inviting proposals from Bidders along with the evaluation criteria and other ancillary documents;
- (e) evaluation of technical and financial proposals in accordance with the approved evaluation criteria; and

- (f) finalization of recommendations for selection of Transaction Advisor to the competent authority in accordance with the approved evaluation criteria.

**78. Bid Opening and Evaluation Committee.-** (1) The Implementing Agency shall constitute the Bid Opening and Evaluation Committee comprising of odd number including a nominee by the Chief Executive Officer, not less than five members, for selection of a Private Partner, where required.

(2) More than half of the members including the Chairperson shall constitute the quorum for meeting of the Bid Opening and Evaluation Committee.

(3) All decisions of the Bid Opening and Evaluation Committee shall be made by majority of the members present and voting.

(4) A Bid Opening and Evaluation Committee, in accordance with the evaluation criteria for selection of Private Partner approved by the relevant forum, shall:

- (a) open the bids;
- (b) conduct prequalification of the Bidders, where applicable;
- (c) evaluate the technical and financial proposals; and
- (d) submit the evaluation report to the Implementing Agency.

## **CHAPTER-XV BID OPENING AND EVALUATIONS**

**79. Opening of the bids.-** (1) The date for opening of bids and the last date for the submission of bids shall be the same and bids shall be opened at the time specified in the Bidding Documents which shall not be less than thirty minutes after the closing time for the submission of the bids.

(2) The opening shall be done publicly in the presence of at least three members from Bid Opening and Evaluation Committee or Transaction Advisor Selection Committee and Bidders or their authorized representatives who choose to be present.

(3) No separate notice shall be required for the opening, except in case of opening of financial proposals, where the opening date, time and place for opening of financial proposals is not mentioned in the advertisement or Letter of Invitation.

(4) The attending members of the Bid Opening and Evaluation Committee or Transaction Advisor Selection Committee and the Bidders or their authorized representatives shall be required to record their attendance through signatures on the attendance sheet.

(5) The proceedings of the bid opening and the opening of financial proposals shall be recorded in writing.

(6) The bids submitted after the time specified for submission shall be rejected and returned un-opened.

**80. Evaluation of the bids.**- (1) All bids, in the first instance, shall be evaluated for the eligibility requirements set forth in the Bidding Documents.

(2) The bids submitted by the Bidders failing on eligibility requirements shall not be further evaluated.

(3) Where qualification criteria for the Bidders, in addition to the eligibility requirements, is specified in the Bidding Documents, the eligible Bidders shall be further evaluated against such qualification criteria. The eligible Bidders having been able to qualify against the qualification criteria and shall be considered qualified Bidder.

(4) The bids received from qualified Bidders shall be evaluated for their responsiveness against the requirements, specifications and terms and conditions set forth in the Bidding Documents.

(5) The bids substantially fulfilling the requirements, specifications and terms and conditions set forth in the Bidding Documents shall be considered qualified responsive bids.

(6) The qualified responsive bids shall be further evaluated in accordance with the evaluation criteria laid down in the Bidding Documents to determine the Most Advantageous Bid in accordance with the rules.

**81. Conditional bids not allowed.**- The bids with such conditions which materially alter the requirements set forth in the Bidding Document are not allowed and shall be rejected.

**82. Bidding procedures.**- Save as otherwise provided in the rules, A suitable bidding procedure, from the bidding procedures mentioned hereinafter, shall be selected for selection of the Transaction Advisor and Private Partner in view of the nature and complexity of the Contract.

**83. Single stage two envelope.**- (1) In this procedure, the Bidders shall be required to submit their bids in a single package comprising two separate envelopes containing the technical and financial proposals separately.

(2) The Bidders shall be required to separately mark the envelopes as "Technical Proposal" and the "Financial Proposal".

(3) The envelopes marked "Technical Proposal", shall be opened at the bid opening.

(4) The envelopes marked "Financial Proposal", shall be retained unopened in safe custody of the Bid Opening and Evaluation Committee or Transaction Advisor Selection Committee, as the case may be.

(5) The technical proposals shall be evaluated under the rules without reference to price and the non-conforming proposals shall be rejected.

(6) No amendment or alteration shall be allowed during the evaluation of technical proposals.

(7) The evaluation report of technical proposal shall be published in accordance with the rules.

(8) Followed by the publication of the evaluation report, all Bidders shall be informed of the date, time and place for opening of financial proposals except where the date, time and place for opening the financial proposal have already been specified in the advertisement.

(9) The financial proposals of only qualified and technically responsive bids shall be opened on the said date, time and place in accordance with the rules.

(10) The financial proposal shall be evaluated in accordance with the evaluation criteria set forth in the Bidding Documents under the rules to determine the most advantageous bid.

(11) The financial proposals of non-qualified and technically non-responsive bids shall be retained unopened and returned on the expiry of the grievance period or the decision of the grievance, whichever is later, provided that the Implementing Agency may return unopened financial proposal earlier if the Bidder who has been declared non-qualified or whose proposal has been declared non-responsive, submits an affidavit, through an authorized representative that he is satisfied with proceedings and the decision and does not intend to submit a grievance in this regard.

**84. Two stage bidding procedure.-** The procedure is suitable where large and complex Contracts are under consideration and multiple solutions to the requirements are possible.

**(I) First stage:**

- (a) The Bidders shall be required to initially submit the Technical Proposal only and the Financial Proposal shall not be called for, in the first instance.
- (b) The technical Proposals shall be evaluated in accordance with the rules for their eligibility, qualification and responsiveness to the requirements.
- (c) The technical proposals may be discussed with the Bidders for clarification, removal of deficiencies and improvement of the technical proposal.
- (d) The Implementing Agency, at this stage, may also change, revise, modify or improve the technical requirement or evaluation criteria and may add new requirements or criteria, not inconsistent with the rules. Where such change requires approval of certain forum under the rules, the Implementing Agency shall seek such approval.

- (e) All changes, revisions, modifications or improvements shall be communicated to all Bidders along with an invitation to submit their revised technical and financial proposals.
- (f) The Bidders shall be allowed response time in accordance with the rules and same shall be calculated from the date of inviting revised technical and financial proposals.
- (g) The Bidders, unwilling to conform their bids, to the changed, revised, modified or improved requirements may withdraw from the process without forfeiture of bid security.

**(II) Second stage:**

This process shall be carried out in accordance with the procedure given in sub-rules (3) to (11) of rule 83 for single stage two-envelope bidding procedure.

**85. Two stage two-envelope bidding procedure.**- The procedure is suitable where multiple and alternate proposals are possible.

**(I) First stage:**

- (a) The Bidders shall be required to submit a single package comprising two separate envelopes containing the Technical and the Financial Proposals separately.
- (b) The Bidders shall be required to separately mark the envelopes as "Technical Proposal" and the "Financial Proposal".
- (c) The envelopes marked "Technical Proposal", shall be opened at the bid opening in accordance with the rules.
- (d) The envelopes marked "Financial Proposal", shall be retained unopened in safe custody.
- (e) The technical proposals shall be evaluated in accordance with the rules for their eligibility, qualification and responsiveness to the requirements.
- (f) The technical proposals may be discussed with the Bidders for clarifications, removal of deficiencies and improvement of the technical proposal.
- (g) The Bid Opening and Evaluation Committee or Transaction Advisor Selection Committee, as the case may be, may, at this stage, also change, revise, modify or improve the technical requirement or evaluation criteria and may add new requirements or criteria, not in consistent with the rules.

- (h) All changes, revisions, modifications or improvements shall be communicated to all Bidders along with an invitation to submit their revised technical and supplementary financial proposals.
- (i) The Bidders shall be allowed response time in accordance with the rules and same shall be calculated from the date of inviting revised technical and supplementary financial proposals.
- (j) The Bidders unwilling to conform their bids to the changed, revised, modified or improved requirements may withdraw from the process without forfeiture of bid security.

**(II) Second stage:**

- (a) The Bidders shall be required to separately mark the envelopes as "Revised Technical Proposal" and "Supplementary Financial Proposal".
- (b) The envelopes marked "Revised Technical Proposal", shall be opened at the bid opening in accordance with the rules.
- (c) The envelopes marked "Supplementary Financial Proposal" along with the original "Financial Proposal" shall be retained unopened in safe custody.
- (d) The revised technical proposals shall be evaluated in accordance with the revised technical requirements or evaluation criteria without reference to the price and the non-conforming proposals shall be rejected.
- (e) No amendment or alteration shall now be allowed.
- (f) The evaluation report of revised technical proposal shall be published in accordance with the rules.
- (g) Followed by the publication of evaluation report, all the Bidders shall be informed of the date, time and place for opening of financial proposals and supplementary financial proposals.
- (h) The financial proposals and supplementary financial proposals of only qualified and technically responsive Bidders shall be opened on the said date, time and place in accordance with the rules.
- (i) The financial proposal and supplementary financial proposal shall be evaluated in accordance with the revised evaluation criteria to determine the most advantageous bid.
- (j) The financial proposals and supplementary financial proposals of non-qualified and technically non-responsive bids shall be retained unopened and

returned on the expiry of the grievance period or the decision of the grievance, whichever is later, provided that the implementing agency may return unopened financial proposal earlier if the Bidder who has been declared non-qualified or whose proposal has been declared non-responsive, submits an affidavit, through an authorized representative that he is satisfied with proceedings and decision and does not intend to submit a grievance in this regard.

**86. Single stage three envelope bidding procedure.**- (1) This procedure is suitable where the Implementing Agency intends to qualify the Bidders but a separate prequalification process is likely to cause the thinning of the competition.

(2) In this procedure:

- (a) The Bidders shall be required to submit a single package comprising three separate envelopes containing the Qualification, Technical and the Financial Proposals separately.
- (b) The Bidders shall be required to separately mark the envelopes as "Qualification", "Technical Proposal" and the "Financial Proposal".
- (c) The envelopes marked "Qualification", shall be opened at the bid opening in accordance with the rules.
- (d) The Bidders shall be evaluated in accordance with the qualification criteria set forth in the Bidding Documents. The bids submitted by Bidders who have not been qualified shall be retained unopened and returned on the expiry of the grievance period or the decision of the grievance, whichever is later, provided that the Implementing Agency may return unopened technical and financial proposals to the Bidder earlier if the Bidder who has not been declared qualified submits an affidavit through an authorized representative that he is satisfied with the proceedings and the decision and does not intend to submit a grievance in this regard.
- (e) The qualification report shall be published in accordance with the rules.
- (f) Followed by the publication of the qualification report, all Bidders shall be informed of the date, time and place for opening of technical proposals except where the date, time and place for opening the technical proposal have already been specified in the advertisement.

- (g) Further process shall be carried out in accordance with the procedure given in sub-rules (3) to (11) of rule 83 for single-stage two-envelope selection procedure.

**87. Confidentiality.**- All information regarding the bid evaluation shall be kept confidential until the announcement and publication of the evaluation report.

**88. Announcement and publication of evaluation reports.**- (1) The Authority, within seven days of the finalization of the shortlisting process, shall publish the list of shortlisted firms together with the evaluation reports of the shortlisting process on the website of the Authority.

(2) The Implementing Agency, within seven days of the finalization of the evaluation, shall publish the evaluations reports of the prequalification, qualification, technical and financial evaluations on the website of the Authority and the website of the Implementing Agency, if such a website exists.

(3) The publication of reports in accordance with this rule shall be conclusive evidence that all concerned have duly been informed for all purposes including calculation of contingent time limits, if any.

#### **CHAPTER-XVI MOST ADVANTAGEOUS BID**

**89. Most advantageous bid for selection of the Transaction Advisors.**- One of the following methods may be used for determination of most advantageous bid for selection of Transaction Advisors, keeping in view the nature of the transaction advisory:

**(I) Least cost selection method:**

- (a) The principal method for determination of most advantageous bid for selection of Transaction Advisor shall be least cost selection method but other methods for selection of Transaction Advisor may be used for reasons to be recorded in writing.
- (b) The responsive bid from a qualified Bidder offering least cost shall be considered most advantageous bid.
- (c) The method may be used for selection of Transaction Advisor for assignments of standard and routine nature where well-established practices and standards exist.

**(II) Quality and cost based selection method:**

- (a) This method may be used for selection of Transaction Advisor for such Projects where the quality of transaction advisory is of utmost importance and cost is a secondary consideration.

- (b) A formula shall be specified in the Request for Proposal according to which weightage to quality and cost of the bids shall be assigned. The weightage assigned to quality and cost in the formula depends on the nature of the transaction advisory.
- (c) The minimum qualifying marks on quality shall also be specified in the Request for Proposal which shall ordinarily be sixty-five percent. The bids, in the first instance, shall be evaluated for quality and assigned score on the basis of quality.
- (d) The financial proposals of only those bids securing the minimum qualifying marks shall be opened.
- (e) A combined evaluation of technical and financial proposals shall be carried out and combined score of the bids shall be calculated in accordance with the formula specified in the Request for Proposals.
- (f) The Bidder having obtained the highest combined score on quality and cost shall be invited to negotiate the financial proposal and the Contract.
- (g) The financial proposal, after negotiation, of the Bidder obtaining highest combined score shall be the most advantageous bid.

**(III) Quality based selection method:**

- (a) This method may be used for Selection of Transaction Advisor for highly specialized, innovative and complex Projects where quality is the predominant factor and it is difficult to define precise Terms of Reference and scope of work and the Project can be carried out in substantially different ways so that the proposals may not be comparable.
- (b) In quality based selection method, the quality of the Proposal shall be evaluated without using cost as the evaluation criteria.
- (c) The Financial Proposal of the Bidder having obtained highest score in the Technical Evaluation shall be opened and evaluated for its reasonability.
- (d) The Financial Proposals of the remaining Bidders shall be returned unopened.
- (e) The Bidder having obtained the highest score in the technical evaluation shall be invited to negotiate the Financial Proposal and the Contract.
- (f) The Financial Proposal, after negotiation, of the highest scoring Bidder shall be the most advantageous bid.

**90. Most advantageous bid for selection of the Private Partners.-** The evaluation criteria for determination of most advantageous bid for selection of the Private Partner may be based on one or a combination of more than of the following parameters:

- (a) least cost, comprising costs of all sorts, proposed by the Bidders;
- (b) highest share in Project returns, financial or other, proposed by the Bidder particularly in case of the PPP Projects where the Private Partner is expected to generate substantial returns over the Project lifecycle such as tolled road Projects, urban development Projects, commercial real estate Projects or social infrastructure on sharing basis between the Parties;
- (c) least requirement of Project support of any kind particularly in case of the PPP Projects which require huge financial support to make them commercially viable;
- (d) least concessions such as licensing rights and transfer of the Government rights or lowest proposed tariffs, charges, fees, tolls, payments or other charges;
- (e) time efficiency particularly in cases where early completion of Projects may bring significant revenues against the delayed completion as tolled-roads, parking plazas and cattle-markets etc.;
- (f) proposal to share maximum risk by the Bidder particularly where implementation of a Project involves significant risks such as cost overruns, fluctuations in exchange rate, reduction in Project usage and estimated revenues etc., In case of such Projects:
  - (i) the Implementing Agency shall quantify all the risks and their likely impact on the Project cost and allocate due weightage to the risks sharing in the evaluation criteria; and
  - (ii) the Bidder offering to shoulder more risk shall accordingly be given higher score against the risk parameter on the basis of specified evaluation criteria; and
- (g) any other parameter in accordance with nature of the Project.

**CHAPTER-XVII**  
**ALTERNATE METHODS FOR ENGAGING TRANSACTION**  
**ADVISORS**

**91. Direct Contracting for the Transaction Advisors.**- The direct Contracting may be undertaken for appointing the Transaction Advisors in following circumstances:

**(I) Direct Contracting with Government owned organizations:**

- (a) The Implementing Agency, in public interest, may engage through direct Contracting, an organization, research institute or a university owned or controlled by the Government, the Federal Government as the Transaction Advisor with the prior approval of the Authority:

Provided that before approval of Authority, approval of governing body of an autonomous body, authority, company or institution etc., established under a special law by the Government.

- (b) The direct Contracting under this category shall be undertaken if the organization, to be engaged through direct Contracting:
- (i) is eligible to render such services; and
  - (ii) shall perform the transaction advisory services exclusively through its own resources without involving private sector as a partner or in joint venture or as sub-Contractor.
- (c) The Implementing Agency shall negotiate Terms of Reference, scope of work and advisory fee with the government owned organization and devise a mechanism for determining the suitability of the advisory fee.
- (d) While seeking approval of the Authority for direct Contracting under this category, the Implementing Agency shall explain the reasons in writing to engage in direct Contracting and also submit a certificate that the advisory fee negotiated with the government owned organization is reasonable for award of Contract keeping in view the principles mentioned in section 13 of the Act.

**(II) Direct Contracting with UN Agencies, Development Partners, International Financial Institution or their allied agencies:**

- (a) The Implementing Agency, in case of large scale Projects where the cost exceeds ten billion rupees or Projects of complex nature or Projects of such nature

which have not been undertaken in the PPP mode in the Province and for which Transaction Advisors of requisite quality are generally not available within Pakistan, may engage, through direct Contracting, a UN Agency or a Development Partner or an International Financial Institution or their allied agency as a Transaction Advisor with the prior approval of the Authority:

Provided that before approval of Authority, approval of governing body of an autonomous body, authority, company or institution etc., established under a special law by the Government.

- (b) While seeking the approval of the Authority for direct Contracting under this sub-rule, the Implementing Agency shall explain the reasons in writing to engage in direct Contracting with a UN Agency, Development Partner or its allied agency and submit a certificate that the advisory fee negotiated with UN Agency, Development Partner or its allied agency, is reasonable for award of Contract keeping in view the principles enshrined in section 13 of the Act.
- (c) The direct Contracting under this category shall be undertaken if the selected Agency Development Partner, International Financial Institution or allied agency:
  - (i) has the ability to develop such Projects that guarantee long lasting benefits;
  - (ii) have relevant experience in providing transaction advisory services in similar Projects; and
  - (iii) shall perform the transaction advisory services, exclusively through its own resources without involving private sector as a partner or in joint venture or as sub-Contractor.
- (d) Where only one UN Agency, Development Partner, International Financial Institution or its allied agency, as the case may be, is eligible to perform the transaction advisory services, the Implementing Agency shall negotiate Terms of Reference, scope of work and advisory fee with the agency.
- (e) Where more than one UN Agency, Development Partner, International Financial Institution or their allied agencies, as the case may be, are eligible to perform the transaction advisory services, the Implementing Agency shall:

- (i) require information with regards to their approach and methodology, team composition and advisory fee within a period not more than fifteen days from the issuance of such requests, as may be required;
  - (ii) upon receipt of required information, select one agency, Development Partner, International Financial Institution or allied agency, as the case may be, for provision of transaction advisory services; and
  - (iii) negotiate the Terms of Reference, scope of work and advisory fee for provision of the transaction advisory services with the eligible agency, Development Partner, International Financial Institution or allied agency, as the case may be, for reasons to be recorded in writing.
- (f) The advisory fee may be a combination of milestone based payments and success fee, in such currency as agreed by the Implementing Agency with the Transaction Advisor, which shall be paid by the successful Private Partner to the Transaction Advisor through the Implementing Agency at Financial Close.

**(III) Direct Contracting in case there is only a single firm of exceptional worth in the market to provide the transaction advisory:**

- (a) This method shall only be sparingly used in case of Projects of complex nature for which only one firm in the market has the experience and expertise of exceptional worth to provide the transaction advisory on such Projects.
- (b) The Implementing Agency may engage the said firm as Transaction Advisor through Direct Contracting with the prior approval of the Authority:

Provided that before approval of Authority, approval of governing body of an autonomous body, authority, company or institution etc., established under a special law by the Government.

- (c) The Implementing Agency shall negotiate Terms of Reference, scope of work and advisory fee with the single firm and devise a mechanism for determining the suitability of the advisory fee.
- (d) While seeking the approval of the Authority for direct Contracting under this sub-rule, the Implementing Agency shall explain the reasons in writing to engage in direct Contracting with a single firm and submit a

certificate that the advisory fee negotiated with the single firm is reasonable for award of Contract keeping in view the principles mentioned in section 13 of the Act.

- (e) Where an Implementing Agency intends to proceed for direct Contracting with a Transaction Advisor for a Project on account of being of complex nature, it shall seek prior approval of the Authority to declare the Project of complex nature.
- (f) The Advertisement shall not be required for engaging Transaction Advisor through direct Contracting under the rules.

**92. Credentials based selection for selection of the Transaction Advisors.**- (1) The credentials based selection for appointment of the Transaction Advisors may be adopted for small assignments and simple Projects or evaluation of Unsolicited Proposals for which the cost of transaction advisory does not exceed five million rupees and it is not advisable to carry out a complete bidding process.

(2) For credentials based selection, the Implementing Agency shall:

- (a) prepare the Terms of Reference, eligibility requirements and evaluation criteria;
- (b) obtain credentials from at least three registered and well reputed firms or qualified individuals; and
- (c) select the firm or individual with the best qualification and relevant experience and invite it to submit its financial proposals which may be subject to further negotiations.

(3) In case of individuals, the Implementing Agency:

- (a) shall evaluate on the following criteria:

Evaluation Criteria	Points
General qualification	35
Expertise and experience for the assignment	65

- (b) may also conduct interviews from the individuals scoring 65 points for selection of suitable candidate.

**93. Direct Contracting of the Transaction Advisor in case of additional assignment.**- The direct Contracting may be used for engaging a Transaction Advisor for such additional assignment where it is a natural continuation of previous assignment and where continuity of technical services, approach and expertise is required:

Provided that the cost of the additional assignment does not exceed fifteen percent of the cost of the previous assignment.

**94. Design contest.**- (1) In case of Projects where aesthetic component is of prime consideration and the implementing agency is not clear about the design of a Project, the implementing agency may conduct a design contest among designers having requisite expertise.

(2) The Implementing Agency shall prepare a reference document specifying the concept of the Project along with eligibility requirements for the designers, criteria for evaluation of designs and the minimum qualifying marks.

(3) An adequate time shall be provided for preparing the designs keeping in view the nature and complexity of the Projects.

(4) The designers shall be invited to present their designs for the Project based on the concept provided by the Implementing Agency along with its implementation plan. The designers shall also submit cost estimates of their propose designs in a sealed envelope.

(5) The Design Selection Committee formed by the Implementing Agency shall evaluate the designs on the basis of specified criteria.

(6) The cost estimates for the design securing maximum marks shall be opened by the Design Selection Committee and examined for its reasonability and value for money.

(7) Where required, payment of participation fee may also be allowed for the designs, having been able to secure qualifying marks in the evaluation conducted by the Design Selection Committee on the basis of specified criteria. Where a participation fee is being allowed, it shall be specified in the reference document and shall be commensurate to the level of effort required to prepare the designs.

(8) Where the committee is of the view that the cost estimates submitted by the best ranked designer do not bring value for money or do not fit in the budget allocated for the purpose, it may proceed to open cost estimates of the next ranked designs or re-conduct the design contest or explore other options for the purpose.

**95. Selection of other consultants.**- Notwithstanding anything contained in the rules, services of individual consultants or firm of consultants other than transaction advisory, shall be appointed under the relevant provisions of the Punjab Procurement Rules 2014.

## **CHAPTER-XVIII NEGOTIATIONS**

**96. Negotiations for value for money.**- (1) The Implementing Agency, if considers necessary, may negotiate with the Bidder submitting the best ranked financial offer, in order to bring further economy but the terms and conditions set out in the Bidding Documents shall not be subject to negotiations.

(2) Nothing in this rule shall bar a best ranked Bidder to voluntarily reduce the bid amount, on his own motion, without the Implementing Agency entering into negotiations, prior to entering into Contract:

Provided that such voluntary reduction shall not affect any change in the terms and conditions set out in the Bidding Documents.

(3) A team constituted by the Implementing Agency shall only negotiate and negotiation by a single person on behalf of the Implementing Agency shall not be allowed.

(4) The negotiations shall be held with the authorized representative of the Bidder having power to negotiate and sign a Contract on his behalf.

(5) The proceedings of the negotiation shall be recorded in writing.

## **CHAPTER-XIX AWARD OF CONTRACT**

**97. Award of the Contract.-** (1) In case of selection of the Transaction Advisor, the Implementing Agency, within the original or extended bid validity period, shall award the Contract to the Bidder submitting the most advantageous bid after approval in accordance with the Punjab Delegation of Financial Powers Rules 2016.

(2) In case of selection of the Private Partner:

- (a) the Implementing Agency shall seek the approval of the award of Contract to the Bidder submitting the most advantageous bid from the Authority or relevant PPP Working Party;
- (b) where the most advantageous bid is within the estimated cost of the Contract, previously approved as a part of the Project Proposal or is not more than 4.5% above the estimates, the Authority or relevant PPP Working Party, may approve to award the PPP Contract to the Bidder submitting the most advantageous bid;
- (c) after approval of award of the PPP Contract, the successful Bidder shall be informed through a Letter of Award in writing; and
- (d) the award of Contract shall be within the original or extended bid validity period.

**98. Contents of the PPP Contract.-** A PPP Contract shall include:

- (a) details of the Parties including their names, addresses, authorized representatives and the method for changing authorized representatives during the period of the PPP Contract;
- (b) terms and conditions of the PPP Contract including the conditions precedents that shall be satisfied by the Parties before the Contract becomes effective;
- (c) description of the Project site including appurtenances attached to it, where relevant;

- (d) description of construction works, reference drawings, design and technical specifications, including quality standards and timelines for construction, where necessary;
- (e) schedule of tariffs, charges and concessions, authorization of the Private Partner to collect and the mechanism for their periodic adjustments, where necessary;
- (f) details of the Project support along with its terms and conditions;
- (g) details of the revenue collection arrangements including collection methods, where relevant;
- (h) arrangement of sharing of revenues and profits between the Parties, where relevant;
- (i) schedule of payments including the milestones upon which the payments shall become payable, where relevant;
- (j) obligations of the Parties with regards to tax liabilities;
- (k) details of the funding obligations of Private Partner including the equity contributions and its shareholding composition in connection with the Contract;
- (l) timelines and conditions for achieving Financial Close;
- (m) risk Allocation Matrix including how each risk shall be apportioned between the Parties;
- (n) obligations of each Party to secure necessary permits, licenses etc., where relevant;
- (o) requirements of regulatory compliance including responsibilities of the Parties in fulfilling such requirements;
- (p) reporting requirements including monitoring and evaluation framework;
- (q) Project acceptance requirements including inspections, testing and certifications, where relevant;
- (r) mode and method of appointment of independent auditor and independent engineer including their role and responsibilities in monitoring, Contractual compliance and audits, where relevant;
- (s) requirements of Performance Guarantee during different phases of the Contract;

- (t) commitments, obligations and warranties made by both parties, where relevant;
- (u) indemnity obligations of the Parties and the limits of their liability where relevant;
- (v) procedure for identification and rectification of defects and deficiencies including framework of penalties and liquidated damages including brief description of circumstances in which such penalties and liquidated damages shall be imposed;
- (w) mechanisms for resolving disputes that may arise between the Parties, including mediation, arbitration, and judicial proceedings;
- (x) conditions and procedures for the termination of the Contract, including post-termination obligations;
- (y) procedure for transferring and handing over Project assets upon Project closure or early termination, where relevant;
- (z) conditions governing the divestment of rights and interests by the Private Partner, including restrictions and approval requirements, where relevant; and
- (aa) any other relevant provision, where necessary.

**99. Single complying bid.**- (1) Nothing in the rules bars award of the PPP Contract, on a single complying Bid provided that it fulfils the requirements of section 13 of the Act and sub-rule (2).

(2) Where a separate prequalification is conducted and only one Expression of Interest is received or only Bidder is eligible for prequalification, the prequalification shall not be carried forward and suitable alternate procedures may be adopted to carry out the selection.

**100. Performance guarantee.**- (1) In case of selection of transaction advisors, where needed and clearly expressed in the Bidding Documents, the Implementing Agency shall require the successful Bidder to furnish a performance guarantee which shall not exceed ten percent of the Contract amount.

(2) In case of the PPP Projects where the Private Partner is required to construct an infrastructure or establish a facility or service, the successful Bidder shall be required to furnish an construction performance guarantee, keeping in view the nature of the PPP Contract, not less than two percent and not exceeding ten percent of the Contract amount, prior to signing of the PPP Contract in the form and manner set forth in the Bidding Documents except as otherwise provided in the rules. The construction performance guarantee required shall be valid up to the acceptance of the completed works under the Project or for six months beyond the estimated completion date of infrastructure, facility or service etc., whichever is later.

(3) In case of the PPP Projects where operations and maintenance is a part of the PPP Contract, the Private Partner, prior to the expiry of the construction performance guarantee, shall furnish an operations and maintenance performance guarantee in the form and manner set forth in the Bidding Documents.

(4) In case of the PPP Projects where the Contract includes only operations and maintenance, the Private Partner, prior to the signing of the PPP Contract, shall furnish an operations and maintenance performance guarantee in the form and manner set forth in the Bidding Documents.

(5) The operations and maintenance performance guarantee shall not be less than two percent and not exceed ten percent of the operations and maintenance cost for the relevant year of operations. The operations and maintenance performance guarantee shall be valid for a period up to six months beyond the expiry of the year of operations. The operations and maintenance performance guarantee shall be replaced on yearly basis, before the expiry of the previous operations and maintenance performance guarantee. The last operations and maintenance performance guarantee shall be valid for a period of six months beyond the completion of the Contract period or till the Project closure has been notified in accordance with the rules, whichever is later.

(6) The performance guarantee shall be admissible in the form of bank guarantee issued by a scheduled bank in Pakistan. The Implementing Agency shall get the instrument of performance guarantee verified from the issuing bank.

**101. Signing of the Contract.** - (1) A PPP Contract shall be signed by Head of the Implementing Agency on behalf of Implementing Agency and authorized representative of the Private Partner who has power to sign the Contract on his behalf.

(2) Where a PPP Project involves more than one Implementing Agency, the PPP Contract shall be signed by heads of all Implementing Agencies including the leading Implementing Agency.

(3) Where a PPP Contract has been awarded to an association of persons or joint venture or Consortium of persons etc., the PPP Contract:

- (a) shall be signed by all its members or their authorized representatives; and
- (b) signed by one of its members, shall be binding on all other members.

(4) Where formation of a Special Purpose Vehicle is required in the Bidding Documents, the PPP Contract shall be signed by the authorized representative of the Special Purpose Vehicle in the manner set forth in the Bidding Documents.

(5) A PPP Contract shall not be invalid merely because of a defect in the signing of the Contract.

**102. Contract Management Committee.**- (1) Where a PPP Node has not been established, the Implementing Agency, after award of a PPP Contract, may form a Contract Management Committee to supervise the implementation of the PPP Contract, fulfilment of condition precedent, achievement of Financial Close and management of other post award matters.

(2) The composition of Contract Management Committee may be revised from time to time to meet specific needs.

(3) The members of the Contract Management Committee shall not have conflict of interest.

(4) The Contract Management Committee shall be responsible for:

- (a) monitoring of the fulfilment of Contractual obligations by the parties;
- (b) timely fulfilment of condition(s) precedent and actions to taken on the part of the Implementing Agency for achieving Financial Close;
- (c) supervision of timely achievement of Financial Close;
- (d) monitoring the implementation of the PPP Contract during the course of Project implementation including execution and the operations and maintenance period;
- (e) conducting regular site visit, interaction with users of the facility established under the Project, during the course of Project implementation;
- (f) appointment and performance monitoring of independent engineer, expert or a firm of engineers and independent auditor or a firm of auditors, where required, for monitoring of a PPP Contract;
- (g) verification of completion of infrastructure, facility or services established under the PPP Contract and its formal acceptance after inspecting and confirming that all deliverables are met and the Contractual specifications and performance standards are fulfilled;
- (h) issuance of necessary directions to the Private Partner on behalf of Implementing Agency; and
- (i) any other task required in connection with a Project.

(5) Where a PPP Node is established, the functions of Contract Management Committee, *inter alia*, shall be performed by the PPP Node.

**103. Integrity pact.**- The PPP Contracts with costs exceeding hundred million rupees shall be subject to an integrity pact, as specified by the Authority, between the Implementing Agency and the Private Partner.

**104. Indemnity by the Private Partner.**- Subject to the PPP Contract, the Private Partner shall indemnify the Implementing Agency against any defect in design, construction, maintenance or operation of the Project and be liable to reimburse all costs, charges, expenses, losses and damages suffered by the Government, Authority or Implementing Agency or its users due to any such defect.

**105. Consequences of failure to sign the PPP Contract.**- Where a Bidder fails to sign the PPP Contract after the award, the Implementing Agency may forfeit the bid security and blacklist the Bidder under the rules.

**106. Default of the Bidder submitting most advantageous bid.**- Where the Bidder submitting the most advantageous bid fails to sign the PPP Contract, withdraws the Bid or defaults for any reason, the Implementing Agency shall forfeit his bid security or performance guarantee, and where, it considers appropriate, may within six months of the issuance of Letter of Award, subject to the approval of the Authority or relevant PPP Working Party, offer the next ranked Bidder to undertake the Contract on the same terms and conditions as that of the most advantageous bid.

## **CHAPTER-XX REJECTION, REBIDDING AND BLACKLISTING**

**107. Rejection of bids.**- (1) All bids may be rejected at any time prior to the award of Contract. In such case, all the Bidders shall immediately be informed about the rejection of the bids.

(2) The Implementing Agency, upon request, shall communicate the grounds of rejection of all bids to any Bidder but shall not be required to justify those grounds.

(3) The Implementing Agency shall incur no liability towards a Bidder, solely by virtue of its invoking sub-rule (1).

**108. Restarting the bidding process from a prior stage.**- In case of selection of Private Partner, the Implementing Agency, for reasons to be recorded in writing, may restart the bidding process from any prior stage, not more than once, if it is possible, without violating the principles contained in section 13 of the Act and shall immediately communicate the decision to all the Bidders.

**109. Rebidding and revision.**- (1) Where in case of selection of Private Partner, the bidding process has failed on any account and Implementing Agency is of the opinion that a re-bidding is required without the revision of Project Proposal, Bidding Document and draft PPP Contract, it may, without seeking fresh approval from the Authority or relevant PPP Working Party, re-conduct the bidding process, not more than once on the previously approved Bidding Documents.

(2) Where the bidding process has failed for the second time, or the Implementing Agency is of the opinion that a revision of Project Proposal, Bidding Document and draft PPP Contract is necessary before re-conducting the bidding process, the Implementing Agency shall bring the matter in the knowledge of the Authority or relevant PPP Working Party. Where revision of Project Proposal, Bidding Documents or draft PPP Contract is necessary, it shall also seek the approval of the Authority or the relevant PPP Working of the revised Project Proposal, Bidding Documents and the Draft Contract and submit in writing the reasons of doing so. The Authority or relevant PPP Working Party may take appropriate decision thereon.

**110. Blacklisting.**- (1) An Implementing Agency, for a specified period, may debar a Bidder or Transaction Advisor or Private Partner from participating in any bidding process of the Implementing agency, if the Bidder or Transaction Advisor or Private Partner has:

- (a) acted in a manner detrimental to the public interest; or
- (b) consistently failed to perform his obligation under the Contract; or
- (c) not performed the Contract up to the mark; or
- (d) indulged in any corrupt practice.

(2) If an Implementing Agency debars a Bidder or Transaction Advisor or Private Partner under sub-rule (1), the Implementing Agency:

- (a) shall forward the decision to the Authority for publication on the website of the Authority; and
- (b) may request the Authority to debar the Bidder or Transaction Advisor or Private Partner from participating in any or all selection processes being or to be conducted by some or all Implementing Agencies in the province.

(3) The Chief Executive Officer may debar a Bidder or Transaction Advisor or Private Partner from participating in any or all selection process being or to be conducted by some or all of the Implementing Agencies for such period as the Chief Executive Officer may determine.

(4) Any person aggrieved by a declaration made under sub-rule (1), within thirty days from the date of the publication of the information on the website of the Authority, may file a representation before the Chief Executive Officer and the Chief Executive Officer may pass such order on the representation as he may deem fit.

(5) Any person or Implementing Agency aggrieved by an order under sub-rule (3), within thirty days of the order, may file a representation before the Chairperson of the PPP Steering Committee

who may pass such order on the representation as he may deem appropriate.

## **CHAPTER-XXI REDRESS OF GRIEVANCES**

**111. Grievance Redress Committee.**- (1) The Implementing Agency shall constitute a Grievance Redress Committee, comprising members in odd numbers to address complaints filed by the Bidders, prior to award of the PPP Contract in accordance with the rules:

Provided that any member of the Selection Committee shall not be included in the Grievance Redress Committee for that particular selection.

(2) More than half the members including the Chairperson shall constitute the quorum for the meeting of Grievance Redress Committee.

(3) All decisions of the Grievance Redress Committee shall be made by simple majority of the members, present and voting.

**112. Procedure for grievance redressal.**- (1) Any Bidder aggrieved by evaluation of the Transaction Advisor Selection Committee or Bid Opening and Evaluation Committee, as the case may be, may lodge a written complaint not later than:

- (a) seven days after the publication of prequalification, qualification or technical evaluation report, where the grievance is regarding prequalification, qualification or technical evaluation; and
- (b) ten days after the publication of final evaluation report, where the grievance is regarding final evaluation.

(2) The Grievance Redress Committee shall examine the complaint, scrutinize the relevant record and decide upon the complaint within fifteen days of the receipt of the complaint and may pass an order as it deems appropriate.

(3) The Grievance Redress Committee may uphold, modify or set aside the decision of a Transaction Advisor Selection Committee or Bid Opening and Evaluation Committee, as the case may be, or propose to Implementing Agency corrective measures setting out a time bound implementation plan to redress the grievance or in extreme case may recommend to the Implementing Agency to quash the bidding process.

(4) The Letter of Award shall not be issued when a complaint against the final evaluation report, timely lodged, has not been finally decided upon by the Grievance Redress Committee. However, in case of grievance against technical evaluation, mere fact of lodging of a complaint shall not warrant suspension of the evaluation process, unless specifically required by the Grievance Redress Committee in writing.

(5) No complaint shall be entertained after the time specified in sub-rule (1).

## **CHAPTER-XXII COMMENCEMENT OF CONTRACT**

**113. Special Purpose Vehicle.-** (1) Subject to the terms and conditions set forth in the Bidding Documents, the Implementing Agency, after award of the PPP Contract, may require the successful Bidder to establish a Project company as a Special Purpose Vehicle for implementation of the Project prior to signing of the Contract.

(2) The Special Purpose Vehicle shall have same composition or shareholding as that of the successful Bidder.

(3) The Special Purpose Vehicle shall assume all rights and obligations of the successful Bidder.

**114. Commencement of the PPP Contract.-** A PPP Contract shall come into force from the date on which the signatures of the Parties are affixed to the Contract in accordance with the rules, and such affixing of signatures shall take place within thirty days of the award of Contract which may be extended for another period of thirty days.

**115. Publication of the PPP Contract.-** The signed PPP Contract, within fifteen days of its signing, shall be published on the website of the Authority and own website of the Implementing Agency, where applicable.

**116. Conditions precedent.-** (1) A PPP Contract shall clearly specify the conditions precedent and the Party responsible to fulfil them.

(2) A PPP Contract shall clearly specify necessary permissions, approvals, permits, licenses and certifications *etc.*, required to implement the Project and the Party responsible to secure them.

(3) Where relevant, a PPP Contract shall also specify the party responsible to make the land available for the Project, including the terms and conditions on which the land shall be made available.

(4) The Party responsible to fulfil the conditions precedent shall ensure that the conditions precedent are fulfilled in accordance with the PPP Contract.

**117. Failure to fulfil conditions precedent.-** (1) Where a Party fails to fulfil the conditions precedent specified in the PPP Contract, the affected party may issue a notice of default, specifying the nature of default, in writing to the other party requiring the other party to cure the default within the cure period, specified in the PPP Contract.

(2) Where the default continues after the expiry of the cure period, the affected Party may terminate the PPP Contract in accordance with the termination process laid down in the Contract.

**118. Reimbursement of cost of Project development.-** After signing of the PPP Contract and before the start of the commercial operations of the Project developed, the Private Partner shall reimburse:

- (a) cost incurred by the Authority, on the development of Project Proposal and other ancillary matters to the Authority where expenditure has been incurred out of the Project Development Facility; and
- (b) cost incurred on the development of Project Proposal by the Proponent, determined in accordance with the rules, where the Private Partner is different from the Proponent.

### **CHAPTER-XXIII FINANCIAL CLOSE**

**119. Time to achieve Financial Close.**- (1) The Private Partner shall make financing arrangement including equity contribution and loan in order to achieve Financial Close within the period specified in the PPP Contract, which shall not be more than one hundred and eighty days from the date of signing of the Contract.

(2) Where a Private Partner failed to achieve Financial Close within the period specified in the PPP Contract, the Implementing Agency, for reasons to be recorded in writing, may extend the period up to further one hundred and eighty days.

(3) Where fulfilment of certain conditions precedent is the responsibility of Implementing Agency which is the prerequisite for fulfilment of other conditions precedent by the Private Partner or achieving Financial Close, such additional time beyond the time given in sub-rule (1) or time extended in sub-rule (2) may be allowed by the Implementing Agency to the Private Partner for achieving Financial Close as has been taken by the Implementing Agency for fulfilment of conditions precedent.

(4) Where events beyond the control of the Private Partner in the opinion of the Implementing Agency have rendered it impossible to fulfil the conditions precedent and achieve Financial Close in the time given under sub-rule (1) or additional time allowed by Implementing Agency under sub-rules (2) or (3), the Implementing Agency may submit the case to the Authority whose decision in this regard shall be final.

(5) Where a Private Partner is failed to achieve Financial Close within the original or the extended period, the Implementing Agency may terminate the PPP Contract and forfeit the Performance Guarantee furnished by the Private Partner.

**120. Notice to achieve Financial Close.**- When the Private Partner has fulfilled all conditions precedent and made the financing arrangements including equity contribution and loan in accordance with the PPP Contract, the Private Partner shall give a notice of achieving Financial Close to the Implementing Agency, including the following:

- (a) proof of fulfilment of all conditions precedent by the Private Partner;



- (b) proof of achieving Financial Close including execution and delivery of necessary documents for arrangement of loan together with the equity contribution, showing the availability of financing to the Private Partner for execution of the Project as required in the PPP Contract;
- (c) where an independent auditor is required under a PPP Contract, a certificate from the independent auditor confirming that the financing documents have duly been executed and all necessary conditions have been fulfilled; and
- (d) any other relevant information as required under the PPP Contract.

**121. Confirmation of Financial Close.**- The Implementing Agency, after satisfying itself that the conditions precedent have been fulfilled and Financial Close has been achieved, may declare the achievement of Financial Close of a Project or seek such clarifications as it deems appropriate. The Private Partner shall address the clarifications sought by the Implementing Agency. Where an independent auditor has been engaged for a Project, the independent auditor shall be responsible to review and verify the fulfilment of conditions precedent and execution of financing documents.

**122. Documentation of Financial Close.**- The Private Partner and the lender shall maintain all documents and record related to the Financial Close including the Financing Documents and certificates, and make them available for inspection by the Implementing Agency or the independent auditor, as and when required.

#### **CHAPTER-XXIV MONITORING AND EVALUATION**

**123. Monitoring of the PPP Projects.**- (1) The Implementing Agency shall be responsible for efficient and successful implementation of a PPP Project through the PPP Node or Contract Management Committee, as the case may be.

(2) The Implementing Agency shall monitor that the Private Partner complies with the Contractual obligations as set out in the PPP Contract.

(3) Where necessary, the Authority or the PPP Working Committee may also review a Project and issue necessary instructions to the Implementing Agency as it deems appropriate.

(4) The Implementing Agency shall lay down a mechanism for effective monitoring and reporting in a PPP Contract. The Implementing Agency may require the Private Partner to submit such information as it deems appropriate. In case of failure of a Private Partner to comply with such requirements, action may be taken against the Private Partner as provided under the Act.

**124. Appointment of independent engineer and independent auditor.-** (1) The Implementing Agency, where a Contract so requires, may appoint an independent engineer, expert or a firm of engineers and an independent auditor or a firm of auditors for monitoring of a PPP Contract.

(2) The total cost for such appointments shall not exceed more than two percent of the Contract amount and shall be borne in accordance with the PPP Contract.

**125. Failure to comply with quality standards and Project timelines.-** (1) Where a Private Partner fails to comply with his obligations under the PPP Contract, or commits substantial breach, the Implementing Agency shall issue a notice of default specifying the nature of the non-compliance or breach, in writing.

(2) The Private Partner may be allowed a reasonable Cure Period, not more than the maximum specified in the PPP Contract. The Private Partner, during the Cure Period, shall take all corrective actions to make compliance and rectify the breach, identified in the notice, while the Implementing Agency shall closely monitor.

(3) Where a Private Partner fails to make compliance or rectify the breach within the Cure Period, specified in the notice of default, the Implementing Agency may impose such penalties as it deems appropriate, subject to the maximum specified in the PPP Contract, including liquidated damages.

(4) Where the maximum Cure Period specified in the PPP Contract has passed and the Private Partner has failed to make compliance or rectify the breach or the breach are persistently made by the Private Partner, the Implementing Agency may terminate the Contract subject to a notice of termination in accordance with the Act and the rules. The termination of Contract shall not relieve the Private Partner of his liability to penalties and liquidated damages under the rules.

**126. Enhancement in the scope of Contract.-** The Implementing Agency, during the execution period of the PPP Project, may enhance the scope of a PPP Contract, not exceeding fifteen percent of the original Contract subject to the approval of the Authority or relevant PPP Working Party on similar terms and conditions as that of the original Contract, if:

- (a) the Private Partner is agreed for such enhancement;
- (b) there is no increase in the agreed tariffs except the formula based tariff adjustments; and
- (c) neither additional Project support of financial nature is involved nor it increases the financial exposure of the Government.

**127. Modification in the composition of a Consortium or joint venture in case of a Private Partner.-** (1) Where a PPP Contract has

been awarded to a Consortium, joint venture or association of persons, the lead partner shall not be changed before the commercial debt obtained for the Project has been retired or till five years after the successful commission of the Project, whichever is later. The change shall be subject to the approval of the Authority or relevant PPP Working Party. The new lead partner shall at least possess similar level of professional expertise, technical capability and financial capacity and shall have similar legal status as that of the original lead partner.

(2) The other partners of the Consortium, joint venture or association of persons in case of the PPP Contract, may be changed earlier subject to the approval of the Implementing Agency, provided that the new partner(s) entering into the Consortium, joint venture or association of persons at least possesses similar level of professional expertise, technical capability and financial capacity as that of the partner who is being substituted.

## **CHAPTER-XXV PAYMENTS AND REVENUES**

**128. Payments to the Private Partner.-** (1) A PPP Contract shall clearly specify the payment structure along with the mechanism and the conditions under which the payments shall become payable.

(2) The payments shall be made in accordance with the PPP Contract, subject to any deductions on account of penalties and liquidated damages etc.

(3) The Implementing Agency shall ensure that all deductions are made before final settlement of accounts with the Private Partner.

**129. Annuity, availability-based and performance linked payments.-** The payments by an Implementing Agency to the Private Partner, may include, but not limited to:

- (a) periodic or annuity payments which are periodically made in accordance with the PPP Contract;
- (b) availability based payments which are made when the facility or service has been established and available for use in accordance with the PPP Contract. The availability based payments may also be linked with a performance criteria; and
- (c) performance linked payments which are made when the facility or service meets the performance criteria specified in the PPP Contract.

**130. Payment by the Private Partner.-** (1) Where a Private Partner is required to make payments to the Government or Government Agency, the PPP Contract shall specify the payment structure including the amount or share, time, manner and method of making payments, together with the mechanism and conditions under which the payments shall become payable.

(2) The Private Partner shall make payments in accordance with the stipulations made in the PPP Contract. Any delay or failure in making payment may attract penalties in accordance with the PPP Contract.

**131. Reporting of the PPP receipts.**- The Finance Department shall take necessary steps for accurate reporting of receipts from the PPP Projects in the Province.

## **CHAPTER-XXVI PROJECT CLOSURE**

**132. Project closing plan.**- (1) The Private Partner, in accordance with the timelines specified in a PPP Contract and where no such timeline has been specified, not later than six months before the planned closure of a PPP Contract, shall prepare and submit a comprehensive Project closing plan to the Implementing Agency.

(2) Where the Project assets are to be transferred to the Implementing Agency after the closure of the Project, the closing plan may include but not limited to:

- (a) complete inventory of Project assets, properties, infrastructure, equipment, systems and facilities *etc.*, together with necessary certificates for their maintenance and functionality in accordance with the standards agreed in the PPP Contract;
- (b) propose inspection plan to verify the functionality, quality and structural integrity of the Project assets, properties, infrastructure, equipment, systems and facilities *etc.*;
- (c) draft closing financial report including reconciliation statements and financial statements of Project accounts, outstanding claims and liabilities, payments, settlement of revenue share and clearance certificates from the lenders in accordance with the PPP Contract together with the estimated claims, liabilities and revenues for the remaining period of the Contract;
- (d) complete inventory of Project record and documents including warranties, user guides and operational manuals for assets, infrastructure, equipment, systems, and facilities *etc.*;
- (e) prepare list of personnel trained on the operations of the assets, infrastructure, equipment, systems and facilities *etc.*, in accordance with the PPP Contract;
- (f) record of suits, cases and other litigation in connection with the Project;
- (g) prepare mode and mechanism of providing back-up services where required in accordance with the PPP Contract; and

- (h) propose transition plan for handing over the Project assets, properties, infrastructure, equipment, systems and facilities *etc.*, to the Implementing Agency in accordance with the PPP Contract.

**133. Project Closing Committee.**- (1) The Implementing Agency shall form a Project Closing Committee to oversee the closing and taking over of the Project, where required.

(2) The Project Closing Committee shall be responsible for overseeing the taking over of Project assets, properties, infrastructure, equipment, systems and facilities *etc.*, by the Implementing Agency in accordance with the PPP Contract and the final settlement of claims and liabilities between the Parties.

(3) The Project Closing Committee shall proceed to verify the Project assets, properties, infrastructure, equipment, systems and facilities *etc.*, along with the contents of the Project closing plan:

Provided that the Project assets, properties, infrastructure, equipment, systems and facilities *etc.*, shall not be in a condition worse than the conditions specified in the PPP Contract or if not so specified, in good working condition.

(4) The Project Closing Committee may:

- (a) carry out such inspections for the purpose of verification as it considers appropriate; and
- (b) require the independent engineer or independent auditor or a third party to carry out verification on its behalf.

(5) After the Project Closing Committee has verified the condition of the Project assets, properties, infrastructure, equipment, systems and facilities *etc.*, together with the contents of the Project closing plan to its satisfaction, it shall inform the Private Partner of the final taking-over plan.

(6) Before closure of the Project, essential record of the Contract, as set forth in the PPP Contract, maintained by the Private Partner, shall be transferred to the Implementing Agency.

**134. Taking over Project assets.**- (1) Where an Implementing Agency has taken over a Project asset as a result of a dispute with the Private Partner or his non-performance or breach of Contractual obligations, it shall make an assessment of the condition of the asset taken over.

(2) Where the asset taken over is in a condition worse than the conditions specified in the PPP Contract; or if not specified, in poor condition, the Project Closing Committee may require the Private Partner to undertake such improvements as are required to restore the asset to the specified condition; or may recommend to the Implementing Agency to impose such penalty on the Private Partner as it deems appropriate to restore the asset to the specified condition and

an additional fine which shall not be more than twenty percent of the Contract value.

(3) Where the operations and maintenance performance guarantee is not sufficient, the difference may be recovered as arrears of land revenue.

**135. Notification of the Project Closure.**- Upon satisfactory completion of all requirements, the Project Closing Committee shall submit its final report to the Implementing Agency for the closure of Project which shall notify the Project closure, under the signature of the Head of the Implementing Agency.

## **CHAPTER-XXVII ARBITRATION, DISPUTE RESOLUTION AND TERMINATION**

**136. Amicable settlement.**- Any dispute or question of interpretation or construction that arises between the parties, related to or connected with the PPP Contract, shall in the first instance, be endeavoured by Parties to be settled amicably through direct engagement or with the assistance of independent expert or independent auditor.

**137. Arbitration.**- (1) Where the parties are unable to amicably settle a dispute within sixty days, or a part of dispute is left thereafter, either party may refer the unresolved dispute left thereafter to be resolved through arbitration by a board of arbitrators in the city of Lahore or any other place as agreed to by the Parties at any other place in the Province of the Punjab.

(2) The board of arbitrators shall comprise three arbitrators of whom each party shall select one, and the third arbitrator shall be appointed by the two arbitrators so selected, and in the event the two arbitrators are unable to agree on the third arbitrator, then the same shall be appointed by the Authority.

(3) The board of arbitrators shall make a reasoned award, which shall be final and binding on the parties from the date it is made. Where there is a difference of opinion between the arbitrators, the award shall be made by the majority of the arbitrators.

(4) In case of Projects where bids have been invited through International Competitive Bidding and which involve foreign equity, foreign investment or foreign loan, a PPP Contract may provide for International Arbitration, at a renowned forum subject to approval of the Authority. However, the Private Partner shall exhaust all local remedies before invoking international arbitration.

(5) Neither the Private Partner nor its agents, Contractor or sub-Contractors, shall stop, suspend or impede, either in whole or in part, or cause the suspension of or otherwise delay the provision of services to the users on account of pendency of any dispute.

**138. Termination of the PPP Contract.**- A PPP Contract may be terminated in accordance with the procedure as specified in section 36 of the Act.

**CHAPTER-XXVIII  
MISCELLANEOUS**

**139. Maintenance of record.-** The Implementing Agency shall maintain the record of:

- (a) selection of Private Partners and Transaction Advisors for a period of five years;
- (b) post-award matters of a PPP Contract for a period of five years; and
- (c) selection processes which not materialized into award of Contract for a period of three years.

**140. Powers to issue standard documents.-** (1) The Authority may issue standard documents for all stages of the PPP Project including its initiation, development and execution.

(2) The Implementing Agencies may prepare all documents relevant in a Project in accordance with the standard documents issued by the Authority after making necessary alterations keeping in view the requirements and nature of the PPP Project.

**141. Electronic bidding.-** The Authority, within one year of coming into force of the rules, shall take such steps as to develop a system of electronic bidding for the selection of Transaction Advisors and Private Partners.

**142. Language.-** All communication and documentation under the rules shall either be in Urdu or English or both.

**MUJAHID SHERDIL  
SECRETARY  
GOVERNMENT OF THE PUNJAB  
FINANCE DEPARTMENT**

**NO. AND DATE EVEN**

A copy is forwarded to the Superintendent, Government Printing Press, Lahore. He is requested to publish this Notification in Punjab Gazette and supply twenty copies thereof to this Department.

  
**(WAQAR HUSSAIN)  
DEPUTY SECRETARY (RES. & ADMN.)  
FINANCE DEPARTMENT**

**NO. AND DATE EVEN**

A copy is forwarded for information to the :

1. Principal Secretary to the Governor, Punjab, Lahore
2. Secretary to the Chief Minister, Punjab, Lahore
3. Additional Secretary (Coord)/Staff Officer to Chief Secretary Government of the Punjab, S&GAD
4. Senior Member, Board of Revenue Punjab, Lahore
5. Chairman, Planning & Development Board Punjab, Lahore
6. All Administrative Secretaries, Government of the Punjab
7. Secretary (Services), Government of the Punjab, S&GAD
8. Secretary (Regulations), Government of the Punjab, S&GAD
9. All Commissioners in the Punjab
10. All Deputy Commissioners in the Punjab
11. Chief Executive Officer, Punjab Public Private Partnership Authority, Lahore
12. The Deputy Director (Legis), Government of the Punjab, Law & Parliamentary Affairs Department with the request to kindly forward the said notification to the Government Printing Press for the Punjab Gazette
13. PS to Chief Secretary Punjab, S&GAD
14. PS to Additional Chief Secretary Punjab, S&GAD

  
**(WAQAR HUSSAIN)**  
**DEPUTY SECRETARY (RES. & ADMN.)**  
**FINANCE DEPARTMENT**

## PPP Project Life Cycle

Stages	Processes	Responsibility	Milestones	Competence and Responsibility
<b>Conception</b>	PPP Concept	1) Implementing Agency 2) Proponent, in case of USC	Clearance of PPP Concept	PPP Steering Committee or the relevant PPP Working Party
<b>Project Development</b>	Hiring of Transaction Advisor, where required			1) Implementing Agency 2) Transaction Advisor Selection Committee (TASC)
	Development of; a) Project Proposal b) Bidding Documents	1) Implementing Agency 2) Transaction Advisor, where hired 3) Proponent for Project Proposal and Draft PPP Contract of USP	Approval of; a) Project Proposal b) Bidding Documents	Authority or relevant PPP Working Party
<b>Contract Award</b>	a) Invitation of Bids b) Evaluation of Bids	1) Implementing Agency 2) Bid Opening and Evaluation Committee (BOEC)	a) Approval of the selection of Private Partner b) Letter of Award	1) Authority or the relevant PPP Working Party 2) Implementing Agency
	a) Submission of Construction Performance Guarantee b) Formation of Special Purpose Vehicle (SPV), where required c) Signing of contract d) Fulfilment of Condition(s) Precedent (CPs) e) Arrangement of Finances.	1) Private Partner 2) Implementing Agency	a) Verification of Condition(s) Precedents (CPs) b) Verification of Achievement of Financial Close	1) Implementing Agency 2) Independent Auditor, where relevant

	Transition			1) Implementing Agency 2) PPP Node or Contract Management Committee (CMC)
<b>Project Execution</b>	a) Construction of project infrastructure or establishment of facility or service b) Project completion & commissioning	Private Partner	a) Monitoring of project quality and timelines b) Project acceptance	1) Implementing Agency 2) PPP Node or Contract Management Committee (CMC) 3) Independent Engineer (IE) 4) Independent Auditor (IA)
<b>Operations &amp; Maintenance</b>	a) Submission of O&M Performance Guarantee b) Operation and Maintenance (O&M) c) Service delivery d) Revenue collection and payments e) Minor or major maintenance	1) Private Partner 2) Implementing Agency	Monitoring of contractual obligations	1) Implementing Agency 2) Independent Engineer (IE) 3) Independent Auditor (IA) 4) PPP Node or Contract Management Committee (CMC)
<b>Project Closure</b>	Proposed Project Closing Plan including asset handing over plan etc.	Private Partner	a) Verification of asset conditions b) Taking over of assets c) Taking over of record d) Final settlement of accounts e) Project Closure	1) Implementing Agency 2) PPP Node 3) Project Closing Committee (PCC)

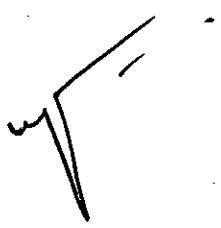


## PPP Calendar

SN	ACTIVITY	RESPONSIBILITY	TIMELINES (TENTATIVE)
<b>Annual Business Plan</b>			
1	Issuance of PPP Call Circular	CEO PPPP Authority	1 <sup>st</sup> October
2	Submission of Project Concepts to the PPP Steering Committee or PPP Working Party for clearance	1) Administrative Departments 2) Implementing Agencies 3) PPPP Authority	31 <sup>st</sup> January
3	Submission of requirement of Project Development Facility (PDF) and Viability Gap Fund (VGF) to the Authority	1) Administrative Departments 2) Implementing Agencies	28 <sup>th</sup> February
4	Clearance of the Project Concepts by the PPP Steering Committee or the relevant PPP Working Party	1) PPP Steering Committee 2) PPP Working Parties 3) Administrative Departments 4) Implementing Agencies 5) PPPP Authority	15 <sup>th</sup> March
5	Submission of cleared Project Concepts to the Authority for inclusion in Annual Business Plan for next financial year	1) Administrative Departments 2) Implementing Agencies	31 <sup>st</sup> March
6	Preparation, approval and publication of Annual Business Plan for next financial year	PPPP Authority	7 <sup>th</sup> May
7	Finalization of requirement of Project Development Facility (PDF) and Viability Gap Fund (VGF) and its submission to	CEO PPPP Authority	15 <sup>th</sup> May

	Finance Department for allocation for financial year		
8	1st quarter review	PPPP Authority	End of 1 <sup>st</sup> quarter
9	Mid-year review	PPPP Authority	End of 2 <sup>nd</sup> quarter
10	3rd quarter review	PPPP Authority	End of 3 <sup>rd</sup> quarter

*\*The timelines are tentative and may be changed/ modified with the approval of the CEO.*



# Concept Form

(For PPP Concepts Initiated by Government Agencies)

Unique PPP code to be assigned by the Implementing Agency through  
PPPPA e-system \_\_\_\_\_

<b>General Information</b>	
1.	Name of the Project
2.	Name of the Implementing Agency
3.	Administrative Department
4.	Sector (Please mention the name of the relevant sector, does the project pertain to a priority sector or a neglected sector as notified by the Government).
5.	Project category (Please mention the category of the project in accordance with the classification provided in the Rules).
6.	Competent forum to clear the concept. (Please specify the forum competent to clear the concept in accordance with the Rules).
<b>Project Information</b>	
7.	Briefly describe the scope of the project
8.	Why is the Project needed? (Explain the specific needs and challenges the project will address).
9.	What are project objectives and how are they aligned with the government priorities and sectoral goals?
10.	What are the expected Social & Economic benefits of the project?
<b>Proposed PPP Model</b>	
11.	What is the proposed PPP Model?
12.	What other options has the Implementing Agency contemplated to address the specific needs, which the project is proposed to address. Briefly describe, why is the proposed model better suited as against these options?
13.	What will be the role of Implementing Agency, briefly describe?

<b>14.</b> What will be the role of Private Partner, briefly describe?
<b>15.</b> Tentative Implementation Schedule: <ul style="list-style-type: none"> <li>a) Estimated Time for Development of Project Proposal including the time of hiring of Transaction Advisor, where required.</li> <li>b) Estimated Time of Project Execution, till the start of operations (Including design, invitation of bids, construction and installation).</li> <li>c) Estimated Contract Period (Indicate the estimated contract period including the time required for project implementation).</li> </ul>
<b>16.</b> Estimated Project Cost
<b>17.</b> Proposed break-down of Project Cost into partner's equity, loan and Project Support.
<b>18.</b> Source of Funding
<b>19.</b> Project Location (Mention name of the District, Tehsil, and Area where the proposed project will be executed; include the location map with geographic coordinates).
<b>20.</b> What is the status of Land, including Right of Way, required for the implementation of the project? <ul style="list-style-type: none"> <li>a) Where Land is available with the Implementing Agency for the implementation of the project, please attach a map of the land and evidence of land availability and ownership; what is the cost of land in the light of instructions issued by the Board of Revenue (BoR).</li> <li>b) What will be the proposed legal arrangement for the availability of land for the Implementation of Project.</li> <li>c) Where acquisition of land is being proposed, please indicate the initial requirement of the land to be acquired, broad geographical area and tentative cost.</li> </ul>
<b>21.</b> Whether the Project is green field or brown field? Clearly state whether the project is a green field (new development) or a brown field (re-development/upgrade of existing infrastructure project).
<b>22.</b> What concessions are being proposed for the Private Partner?
<b>23.</b> Whether the Project requires funding out of Viability Gap Fund (VGF) for its implementation? If so, please indicate the estimated amount of VGF that will be required for the Project lifecycle.

<p><b>24.</b> What other types of Project Support will be required for the project implementation?</p>
<p><b>25.</b> Estimated Revenues from the project, over the contract period, including their types and sources.</p>
<p><b>Project Risks</b></p>
<p><b>26.</b> What are potential Risks, which may occur during the project life cycle?</p>
<p><b>27.</b> What risks are being proposed to be borne by the Government or the Implementing Agency?</p>
<p><b>28.</b> What risks are being proposed to be borne by the Private Partner?</p>
<p><b>29.</b> What are the possible Environmental Risks associated with the project?</p>
<p><b>Capacity to develop Project Proposal</b></p>
<p><b>30.</b> Does the Implementing Agency have an in-house capacity for the development of Project Proposal; or it plans to utilize the services of another Department for the development of Project Proposal; or it will hire a Transaction Advisor for the purpose? Please attach the detailed Terms of Reference of the Transaction Advisor together with the estimated cost and payment milestones.</p>
<p><b>31.</b> Whether funding out of Project Development Facility (PDF) is required for the Project, if so, please indicate the amount in PKR.</p>
<p><b>32.</b> Any additional information, if required.</p>

**Note:**

*The project features including the cost estimates present the initial idea of the Implementing Agency for the project implementation and may be revised or modified at the time of development and approval of Project Proposal.*

## Certificate

(to be submitted with the PPP Concept)

It is certified that the PPP Concept has been prepared in line with the requirements of the Punjab PPP Act 2025 and the Rules. The proposed PPP Concept fulfils the requirement of the Act and the Rules and is suitable for clearance for development of Project Proposal.

### **Details of the officer who has prepared the PPP Concept**

Name: Designation:	Signature:
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### **Details of the officers who have checked the PPP Concept**

Name: Designation:	Signature:
-----------------------	------------

### **Name and signatures of the Head of Implementing Agency**

Name: Designation:	Signature:
-----------------------	------------

### **Name and Signatures of the Administrative Secretary (in case of PPP Concept submitted to the PPP Steering Committee)**

Name: Administrative Department:	Signature:
-------------------------------------	------------

### **Name and contact details of the focal person, for further information**

Name: Designation:	Contact: Phone number: Email: Office address:
-----------------------	--

Date of Submission: \_\_\_\_\_

# Project Proposal Form

(For PPP Project Initiated by Implementing Agencies)

Unique PPP code to be assigned by the Implementing Agency through  
PPPPA e-system\_\_\_\_\_

<b>General Information</b>	
<b>1.</b>	Name of the Project
<b>2.</b>	Name of the Implementing Agency
<b>3.</b>	Administrative Department
<b>4.</b>	Sector (Please mention the name of the relevant sector, does the project pertain to a priority sector or a neglected sector as notified by the Government).
<b>5.</b>	Project category (Please mention the category of the project in accordance with the classification provided in the Rules).
<b>6.</b>	Competent forum to approve the Project Proposal (Please specify the forum competent to approve the Project Proposal in accordance with the Rules).
<b>7.</b>	Name of the forum which approved the Project Concept (Please include the copy of the approved PPP Concept).
<b>PART-A</b>	
<b>Project Requirements and Benefits</b>	
<b>8.</b>	<p>Project objectives:</p> <p>a) Please include a comprehensive list of project objectives. How are they aligned with the government priorities and sectoral roadmap? How the project addresses existing challenges or gaps in achieving sectoral goals?</p> <p>b) How the project will contribute in achieving specific sectoral goals in quantifiable terms? Establish the justification of the project supported by relevant data.</p>
<b>9.</b>	Explain the approach and methodology used to prepare the Project Proposal. Has the Need Assessment been carried out? If so, please include its result and findings.

**10.** Please include the base-line data and projected data upon which the proposed project has been based.

**11.** What are the economic, social, and environmental benefits of the project, including its measurable outcomes e.g. revenue generation, job creation etc.

## **PART-B**

### **Comprehensive Technical Feasibility**

**12.** Please include the comprehensive scope of the project including the project components, infrastructure, services and facilities to be established under the project.

**13.** Please include the reference design, drawings, specifications, technology, processes upon which the cost estimates have been prepared. In case of infrastructure projects topographic surveys, geotechnical investigations, hydrological studies and other design parameters may also be included, where relevant.

### **Status of Land**

**14.** Project Location (Please mention name of the district, tehsil, and area, where the proposed project will be executed; please include the location map with geographic coordinates).

**15.** What is the status of land, including Right of Way, required for the implementation of the project?

**16.** Where land is available with the Implementing Agency for the implementation of the project, please include map of the area proposed for the project together with evidence of availability of land; what is the cost of land for the purpose of categorization of the project, in the light of instructions issued by the Board of Revenue (BoR). What will be the proposed legal arrangement for the availability of land for the Implementation of Project.

**17.** Where acquisition of land is being proposed, please include the land acquisition plan including the details of the land to be acquired and tentative cost. How the cost of acquisition shall be borne?

### **Cost Estimates**

**18.** Detailed project cost estimates including the EPC and non-EPC Costs (Please attach detailed cost estimates of the project including designing, consulting, transaction advisory, construction, installation, commissioning etc. till the commissioning of the Project. The cost estimates may further be broken down on yearly basis. Please include the assumptions used to reach such estimates).

**19.** Estimated operations and maintenance cost during the contract period (Please attach the detailed cost estimates of the operation and maintenance of the project during the contract period).

**20.** Estimated cost of up-gradations and overhauls required during the project lifecycle (Please include detailed cost estimates of up-gradations and overhauls of the project infrastructure during the contract period, together with the assumptions used to reach such estimates may also be provided. How will this cost be financed).

**21.** Does the project cost include a foreign funding. If so, please include the source of funding, its detailed breakdown and the level of commitment.

### **PART-C**

#### **Proposed PPP Model**

**22.** Explain the proposed PPP model in detail. Please attach the analysis of various options which the Implementing Agency has explored for the purpose. How the proposed PPP model is suitable out of all these options?

**23.** Please include the roles and responsibilities proposed to be assigned to Implementing Agency.

**24.** Please include the roles and responsibilities proposed to be assigned to the Private Partner.

**25.** Please include the role of lender or financial institution in the proposed PPP model.

**26.** Does the project assign any responsibility to a Government Agency other than Implementing Agency? If so, please include its details. Does it entail a financial cost, if so, what will be the mechanism of bearing that cost?

#### **Concessions, Project Support and Project Revenues**

**27.** Provide the details of the concessions being proposed to be offered to the Private Partner.

**28.** Whether the project requires funding out of Viability Gap Fund (VGF) for its implementation, if so, please include the detailed breakdown of funding requirement out of Viability Gap Fund (VGF) on yearly and quarterly basis. Why alternate methods to reduce viability gap funding not suitable?

**29.** Does the proposed model include any Minimum Revenue Guarantee (MRG)? If so, to what extend and which agency will provide these guarantees? Is there an adequate source of funding to provide such guarantees?

**30.** What other types of Project Support are being proposed for the project? Please provide a comprehensive list and establish their justification.

**31.** Please include the proposed tariff matrices and their underlying assumptions. Explain how the tariffs, charges, or fees proposed under the project shall remain affordable for end-users. Has an affordability survey been conducted? If so, include its findings.

**32.** Estimated project revenues including their types and sources. Have all the potential streams of revenues been adequately captured? Please include the year wise break-down of the projected revenues and estimated project cash flows including expenditure forecast.

### **Comprehensive Financial Feasibility**

**33.** Please include the comprehensive financial and economic viability of the proposed PPP model and the alternate options. Establish how the proposed model is most suitable.

**34.** Please provide the detailed financial model in the soft and editable form in Microsoft excel. The model may include all assumptions, estimates calculations, forecasts, key drivers, inputs and outputs.

**35.** Establish how the proposed model is suitable in terms of bankability. Establish that the proposed model is suitable for inviting bids and bringing investment at this stage.

**36.** Please provide the detailed break-down of the financing structure into Private Partner equity, Commercial loan and Project Support. In case of commercial loan, what will be the loan retirement period?

**37.** Has the sensitivity analysis has been conducted for the impact of the key drivers on the proposed PPP model under varying circumstances? If so, please include the findings of the sensitivity analysis and the impact of key drivers under the varying circumstances on the viability and its financial, direct and contingent liabilities for the Government.

**38.** Has the Value for Money (VfM) analysis been conducted for undertaking the project in the proposed model? If so, please include its findings.

**39.** Please include the details of the payment structure and conditions under which the payments shall become payable.

### **Project Tenure**

**40.** What is the estimated time of project execution, till the start of operations? (Please include a comprehensive project execution plan including design, invitation of bids, construction and installation, commissioning).

**41.** What is the proposed PPP Contract period? (Please include a breakdown of the contract period including execution, operations and maintenance, upgradation and overhaul and eventual transfer, where relevant).

## PART-D

### Legal Assessment

**42.** Please identify the relevant legal and regulatory framework concerning the project. Please identify regulatory clearance and approvals, which would be required for undertaking the project. Which party will be responsible for securing such approvals? How the Implementing Agency is empowered under law to enter into the proposed PPP Contract?

### Project Risks

**43.** Please include the detailed risk matrix of the project. How the risks are being allocated and apportioned between the parties. What mitigation strategies are being proposed to address the potential risks?

**44.** What risks are being proposed to be borne by the Government or the Implementing Agency? What will be the financial liability for the Government in bearing these risks? What mitigation strategies have been adopted to protect the interest of the Government against the occurrence of such risks?

**45.** What risks are being proposed to be borne by the Private Partner?

**46.** Please include a detailed break-down of the financial and contingent liabilities of the project. How those liabilities are being proposed to be met? The break-down on yearly and quarterly basis may also be included.

### Monitoring and Evaluation

**47.** Please include the monitoring and evaluation framework proposed for the project.

**48.** Have performance and quality standards been adequately defined for the project. If so, please include the standards that the project needs to comply with during the project life cycle. What will be the mechanism of monitoring and enforcing these standards?

**49.** Whether an Independent Engineer and Independent Auditor will be hired for the project, if so, please include their detailed Terms of Reference (ToR).

**50.** Please include the exit strategy in detail. What will be the mode and mechanism of transfer of assets and provision of services after the project closure.

## PART-E

### Environmental and Social Safeguards

**51.** What are the possible environmental risks associated with the project? Does the project require conduct of an environmental study before its

undertaking. Has the required environmental study been conducted? If so, please include the study and its findings.

**52.** Does the project require conduct of a Social Impact Assessment? If so, please include the study and its findings.

**PART-F**

**Draft Bidding Documents**

**53.** Please include the draft PPP Contract, Request for Expression of Interest (REOI), Pre-Qualification Document (PQD), Request for Proposal (RFP), proposed evaluation criteria and the method for inviting bids, where relevant.



## Certificate

(to be submitted with the Project Proposal)

It is certified that the Project Proposal has been prepared in line with the requirements of the Punjab PPP Act 2025 and the Rules. The estimates in the Proposal are realistic. The proposed project fulfils the requirement of the Act and the Rules and is suitable to be approved for implementation as a PPP project under the Act.

<b>Name of the Agency or Transaction Advisor who has prepared the Project Proposal and the signatures of its authorized representative</b>	
Name:	Signature:

<b>Name and signatures of the officers who have checked the Project Proposal</b>	
Name:	Signature:

<b>Name and signatures of the Head of Implementing Agency</b>	
Name:	Signature:

<b>Name and Signatures of the Administrative Secretary (in case of projects to be submitted to the Authority)</b>	
Name:	Signature:

<b>Name and contact details of the focal person, for further information</b>	
Name:	Contact:

Date of Submission: \_\_\_\_\_



# Unsolicited Concept Form (USC)

(For Unsolicited PPP Concepts (USC) to be Initiated by Proponent)

Unique PPP code to be assigned by the Implementing Agency through  
PPPPA e-system \_\_\_\_\_

## General Information

1. Name of the Project (Proponent may propose a suitable name for Unsolicited Concept (USC)).
2. Name of the Proponent (Please attach the company profile, registration evidence, certificate of incorporation, NTN etc., along with any other supporting evidence/document or data).
3. Information regarding the Technical, Financial and Legal Capability of the Proponent to Undertake the Unsolicited Project. (Please attach evidence to substantiate the technical, and financial capability to develop and undertake the project e.g. evidence of past experience including experience in projects of similar nature, proof of availability of required human resource, audited financial statements etc.).
4. Name of the Government Agency (The proponent may write name of the Government Agency to whom the USC is submitted, however, the final decision on the suitable Implementing Agency shall be taken by the PPP Steering Committee or the Departmental PPP Working Party).
5. Sector (Please mention the name of the relevant sector, does the project pertain to a priority sector or a neglected sector as notified by the Government).
6. Project category (Please mention the category of the project in accordance with the classification provided in the Rules).
7. Competent forum to clear the concept. (Please specify the forum competent to clear the concept in accordance with the Rules).

## Project Information

8. Briefly describe the scope of the project
9. Why is the Project needed?  
(Explain the specific needs and challenges the project will address)
10. What are project objectives and how are they aligned with the government priorities and sectoral goals?

**11.** What are the expected social & economic benefits of the project?

### **Proposed PPP Model**

**12.** What is the proposed PPP Model?

**13.** What will be the role of Implementing Agency, briefly describe?

**14.** What will be the role of Private Partner, briefly describe?

**15.** Tentative Implementation Schedule:

a) Estimated time required for development of Project Proposal

b) Estimated time of project execution, till the start of operations  
(Including design, invitation of bids, construction and installation)

c) Estimated Contract Period

(Indicate the estimated contract period including the time required for project execution)

**16.** Estimated Project Cost

**17.** Proposed break-down of Project Cost into partner's equity, loan and Project Support.

**18.** Project Location

(mention name of the district, tehsil, and area where the proposed project will be executed; include the location map with geographic coordinates).

**19.** What are the land requirements, including Right of Way, for the implementation of the project? Please indicate the broad geographic area.

**20.** Whether the Project is green field or brown field.

Clearly state whether the project is a green field (new development) or a brown field (re-development/upgrade of existing infrastructure project).

**21.** What concessions are being proposed for the Private Partner?

**22.** Whether the project requires funding out of Viability Gap Fund (VGF) for its implementation? If so, please indicate the estimated amount of VGF that will be required for the project lifecycle.

**23.** What other types of Project Support will be required for the project implementation?

**24.** Estimated revenues from the project, over the contract period, including their types and sources.

25. What are estimated revenues from the project, over the contract period, including their types and sources?

**Project Risks**

26. What are potential risks, which may occur during the project life cycle?

27. What risks are being proposed to be borne by the Government or the Implementing Agency?

28. What risks are being proposed to be borne by the Private Partner?

29. What are the possible environmental risks associated with the project?

30. Any additional information, if required.

**Note:**

*The project features including the cost estimates present the initial idea of the Proponent for the project implementation and may be revised or modified at the time of development and approval of Unsolicited Proposal (USP).*



## Certificate

(to be submitted with the Unsolicited Concept Form)

It is certified that the Unsolicited Concept has been prepared in line with the requirements of the Punjab PPP Act 2025 and the Rules. The proposed Unsolicited Concept fulfils the requirement of the Act and the Rules and is suitable for clearance for development of Project Proposal.

### **Details of the authorized representative who has signed and submitted the Unsolicited Concept on behalf of the Proponent**

Name: Designation: Organization: Address: Phone number: Email: Official website, where exists:	Signature:
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### **Details of the focal person, for further information**

Name: Designation: Organization:	Contact: Phone Number: Email: Office Address:
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***Please attach an undertaking on legal paper that neither the Proponent nor its director or employee:***

- a) are in conflict of interest under the Punjab PPP Act 2025 and the Rules.***
- b) ever been blacklisted and/ or defaulted***

***Please attach the evidence that the authorized representative who has signed and submitted the Unsolicited Concept (USC) on behalf of the Proponent is authorized to do so***

Date of Submission: \_\_\_\_\_

# Unsolicited Project Proposal Form

(For PPP Project Initiated by Proponent)

Unique PPP code to be assigned by the Implementing Agency through  
PPPPA e-system\_\_\_\_\_

## General Information

1. Name of the Project
2. Name of the Proponent (Provide the company profile, registration evidence, Certificate of incorporation, NTN etc., along with any other supporting evidence/document).
3. Information regarding the technical, financial and legal capability of the Proponent to Undertake the Unsolicited Proposal. (Please attach evidence to substantiate the technical, and financial capability to develop and undertake the project e.g. evidence of past experience including experience in projects of similar nature, proof of availability of required human resource, audited financial statements etc.).
4. Name of the Implementing Agency
5. Administrative Department
6. Sector (Please mention the name of the relevant sector, does the project pertain to a priority sector or a neglected sector as notified by the Government).
7. Project category (Please mention the category of the project in accordance with the classification provided in the Rules).
8. Competent forum to approve the Unsolicited Proposal (Please specify the forum competent to approve the Unsolicited Proposal in accordance with the Rules).
9. Name of the forum which approved the Unsolicited Concept? (Please include the copy of the approved Unsolicited Concept form).

## PART-A

### Project Requirements and Benefits

10. Project objectives:
  - a) Please include a comprehensive list of project objectives. How are they aligned with the government priorities and sectoral roadmap? How the project addresses existing challenges or gaps in achieving sectoral goals?

<p>b) How the project will contribute in achieving specific sectoral goals in quantifiable terms? Establish the justification of the project supported by relevant data.</p>
<p><b>11.</b> Explain the approach and methodology used to prepare the Unsolicited Proposal (USP). Has the Need Assessment been carried out? If so, please include its result and findings.</p>
<p><b>12.</b> Please include the base-line data and projected data upon which the proposed project has been based.</p>
<p><b>13.</b> What are the economic, social, and environmental benefits of the project, including its measurable outcomes e.g. revenue generation, job creation etc.</p>
<p><b>PART-B</b></p>
<p><b>Comprehensive Technical Feasibility</b></p>
<p><b>14.</b> Please include the comprehensive scope of the project including the project components, infrastructure, services and facilities to be established under the project.</p>
<p><b>15.</b> Please include the reference design, drawings, specifications, technology, processes upon which the cost estimates have been prepared. In case of infrastructure projects topographic surveys, geotechnical investigations, hydrological studies and other design parameters may also be included, where relevant.</p>
<p><b>Status of Land</b></p>
<p><b>16.</b> Project Location (mention name of the district, tehsil, and area where the proposed project will be executed; please include the location map with geographic coordinates).</p>
<p><b>17.</b> What is the requirement of land, including Right of Way, for the implementation of the project?</p>
<p><b>18.</b> Where land is available with Proponent for the implementation of the project, please include map of the area proposed for the project together with evidence of availability of land; What will be the proposed legal arrangement for the availability of land for the Implementation of Project?</p>
<p><b>Cost Estimates</b></p>
<p><b>19.</b> Detailed project cost estimates including the EPC and non-EPC Costs (Please attach detailed cost estimates of the project including designing, consulting, transaction advisory, construction, installation, commissioning etc. till the commissioning of the Project The cost estimates may further be broken down on yearly basis. Please include the assumptions used to reach such estimates).</p>

**20.** Estimated operations and maintenance cost during the contract period (Please attach the detailed cost estimates of the operation and maintenance of the project during the contract period).

**21.** Estimated cost of up-gradations and overhauls required during the project lifecycle (Please include detailed cost estimates of up-gradations and overhauls of the project infrastructure during the contract period, together with the assumptions used to reach such estimates may also be provided. How will this cost be financed).

**22.** Please include the break-down of cost of project development together with documentary evidences to substantiate the claim.

### **PART-C**

#### **Proposed PPP Model**

**23.** Explain the proposed PPP model in detail. Please attach the analysis of various options which the Proponent has explored for the purpose. How the proposed PPP model is suitable out of all these options?

**24.** Please include the roles and responsibilities proposed to be assigned to Implementing Agency.

**25.** Please include the roles and responsibilities proposed to be assigned to the Private Partner.

**26.** Please include the role of lender or financial institution in the proposed PPP model.

**27.** Does the project assign any responsibility to a Government Agency other than Implementing Agency? If so, please include its details. Does it entail a financial cost, if so, what will be the mechanism of bearing that cost?

#### **Concessions, Project Support and Project Revenues**

**28.** Provide the details of the concessions being proposed to be offered to the Private Partner.

**29.** Whether the project requires funding out of Viability Gap Fund (VGF) for its implementation, if so, please include the detailed breakdown of funding requirement out of Viability Gap Fund (VGF) on yearly and quarterly basis. Why alternate methods to reduce viability gap funding not suitable?

**30.** Does the proposed model include any Minimum Revenue Guarantee (MRG)? If so, to what extend and which agency will provide these guarantees?

**31.** What other types of Project Support are being proposed for the project? Please provide a comprehensive list and establish their justification.

**32.** Please include the proposed tariff matrices and their underlying assumptions. Explain how the tariffs, charges, or fees proposed under the project shall remain affordable for end-users. Has an affordability survey been conducted? If so, include its findings.

**33.** Estimated project revenues including their types and sources. Have all the potential streams of revenues been adequately captured? Please include the year wise break-down of the projected revenues and estimated project cash flows including expenditure forecast.

### **Comprehensive Financial Feasibility**

**34.** Please include the comprehensive financial and economic viability of the proposed PPP model and the alternate options. Establish how the proposed model is most suitable.

**35.** Please provide the detailed financial model in the soft and editable form in Microsoft excel. The model may include all assumptions, estimates calculations, forecasts, key drivers, inputs and outputs.

**36.** Establish how the proposed model is suitable in terms of bankability. Establish that the proposed model is suitable for inviting bids and bringing investment at this stage.

**37.** Please provide the detailed break-down of the financing structure into Private Partner equity, Commercial loan and Project Support. In case of commercial loan, what will be the loan retirement period?

**38.** Has the sensitivity analysis has been conducted for the impact of the key drivers on the proposed PPP model under varying circumstances? If so, please include the findings of the sensitivity analysis and the impact of key drivers under the varying circumstances on the viability and its financial, direct and contingent liabilities for the Government.

**39.** Has the Value for Money (VfM) analysis been conducted for undertaking the project in the proposed model? If so, please include its findings.

**40.** Please include the details of the payment structure and conditions under which the payments shall become payable.

### **Project Tenure**

**41.** What is the estimated time of project execution, till the start of operations? (Please include a comprehensive project execution plan including design, construction and installation, commissioning).

**42.** What is the proposed PPP Contract period? (Please include a breakdown of the contract period including execution, operations and maintenance, upgradation and overhaul and eventual transfer, where relevant).

## PART-D

**43.** Please identify the relevant legal and regulatory framework concerning the project. Please identify regulatory clearance and approvals, which would be required for undertaking the project. Which party will be responsible for securing such approvals? How the Implementing Agency is empowered under law to enter into the proposed PPP Contract?

**44.** Please include the detailed risk matrix of the project. How the risks are being allocated and apportioned between the parties. What mitigation strategies are being proposed to address the potential risks?

**45.** What risks are being proposed to be borne by the Government or the Implementing Agency? What will be the financial liability for the Government in bearing these risks? What mitigation strategies have been adopted to protect the interest of the Government against the occurrence of such risks?

**46.** What risks are being proposed to be borne by the Private Partner?

**47.** Please include a detailed break-down of the financial and contingent liabilities of the project. How those liabilities are being proposed to be met? The break-down on yearly and quarterly basis may also be included.

### Monitoring and Evaluation

**48.** Please include the monitoring and evaluation framework proposed for the project.

**49.** Have performance and quality standards been adequately defined for the project. If so, please include the standards that the project needs to comply with during the project life cycle. What will be the mechanism of monitoring and enforcing these standards?

**50.** Whether an Independent Engineer and Independent Auditor will be hired for the project, if so, please include their detailed Terms of Reference (ToR).

**51.** Please include the exit strategy in detail. What will be the mode and mechanism of transfer of assets and provision of services after the project closure.

## PART-E

### Environmental and Social Safeguards

**52.** What are the possible environmental risks associated with the project? Does the project require conduct of an environmental study before its

undertaking. Has the required environmental study been conducted? If so, please include the study and its findings.

**53.** Does the project require conduct of a Social Impact Assessment? If so, please include the study and its findings.

**PART-F**

**Draft Bidding Documents**

**54.** The Implementing Agency shall prepare Request for Proposal (RFP) including Request for Expression of Interest (REOI), Pre-Qualification Document (PQD) and all ancillary documents etc. The Bidding Documents shall also include the draft PPP Contract prepared by the proponent.



## Certificate

(to be submitted with the Unsolicited Proposal)

It is certified that the Unsolicited Proposal has been prepared in line with the requirements of the Punjab PPP Act 2025 and the Rules. The estimates in the Proposal are realistic. The proposed Unsolicited Proposal fulfils the requirement of the Act and the Rules and is suitable to be approved for implementation as a PPP project under the Act.

### Details of the authorized representative who has signed and submitted the Unsolicited Proposal on behalf of the Proponent

Name: Designation: Organization: Address: Phone number: Email: Official website, where exists:	Signature:
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### Details of the focal person, for further information

Name: Designation: Organization:	Contact: Phone Number: Email: Office Address:
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***Please attach an undertaking on legal paper that neither the Proponent nor its director or employee:***

***a) are in conflict of interest under the Punjab PPP Act 2025 and the Rules.***

***b) ever been blacklisted and/ or defaulted***

***Please attach the evidence that the authorized representative who has signed and submitted the Unsolicited Proposal (USP) on behalf of the Proponent is authorized to do so***

Date of Submission: \_\_\_\_\_



## **List of International Financial Institutions**

International financial institutions recognized under these Rules shall include the advisory wings, if any, of the following IFIs:

- a) The World Bank (WB);
- b) International Finance Corporation (IFC);
- c) Asian Development Bank (ADB);
- d) Asian Infrastructure Investment Bank (AIIB);
- e) Islamic Development Bank (IDB); and
- f) Any other IFI approved by the Authority from time to time.