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NOTIFICATION
(123 of 2026)

09 JUNE 2026

Notification No. DG/PHATA/TPS/F-46/2020/845, dated 08.06.2026 issued by the Punjab Housing and Town Planning Agency, is hereby published in the Punjab Gazette (Extraordinary) for general information:

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"PUNJAB HOUSING & TOWN PLANNING AGENCY

NOTIFICATION

[June 08, 2026]

No. DG/PHATA/TPS/F-46/2020/845: In exercise of the powers conferred under Section 21 of the Management and Transfer of Properties by Development Authorities Act 2014 (XIX of 2014), the Punjab Housing and Town Planning Agency (PHATA), Government of the Punjab is pleased to make the following regulations:

Chapter I

Preliminary

1. **Short title and commencement.** - (1) These Regulations may be cited as the Punjab Housing and Town Planning Agency (Joint Venture) Regulations 2026.

(2) They shall come into force at once.

(3) These Regulations shall apply to all Land owned, controlled, possessed and managed by the Punjab Housing and Town Planning Agency and all such Land shall be deemed to be Controlled Area for the purposes of Section 15 of the Ordinance.

2. **Definitions**. - (1) In these Regulations, unless there is anything repugnant in the subject or context, –

(a) "Act" means the Management and Transfer of Properties by Development Authorities Act 2014 (XIX of 2014).

(b) "Affordable Housing Units" means Units developed under affordable housing.

(c) "Affordable Price" means price within the payment capacity of the lower income households who are eligible for the Affordable Housing Units as per criteria laid down by the Agency.

(d) "Agency" means the Punjab Housing and Town Planning Agency established under the Punjab Housing and Town Planning Agency Ordinance 2002.

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(e) "Award" means the formal decision and act by the Agency to grant the Contract to the successful Bidder.

(f) "Beneficiary" means a natural person eligible to purchase, rent or own the Affordable Housing Unit in accordance with the eligibility criteria set by the Agency.

(g) "Beneficiary Management Information System" means the system developed for the screening, collection, management, evaluation, and monitoring of the data of Beneficiaries of a program to identify eligible Beneficiaries for Affordable Housing Units by the Agency.

(h) "Bidding Documents" means any document or a set of documents prescribing the quantity, quality, specifications, characteristics, conditions, evaluation criteria and procedures on the basis of which Bidders prepare their Bids.

(i) "Design" means the development of the Project from initial concept and output requirements to construction-ready design specification.

(j) "Disintegrated Joint Venture" means a model selected for Joint Venture where the Private Partner and third parties collaborating on the Project shall work independently and separately and shall execute separate Contracts.

(k) "Contract" means an agreement signed between the Agency and the Private Partner for undertaking the Project as a Joint Venture partner.

(l) 'Corrupt and Fraudulent Practice' means the offering, giving, receiving, or soliciting of anything of value to influence the action of an official of the Agency in the bidding process or in Contract execution to the detriment of the Agency, misrepresentation of facts in order to influence a bidding process or the execution of the Contract, collusive practices among Bidders designed to establish Bid prices at artificial, non-competitive levels and to deprive the Agency of the benefits of free and open competition and any request for, or solicitation of anything of value by any official of the Agency in the course of the exercise of their duty and it may include any of the following practices:

i. Coercive Practice by impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party,

ii. Collusive Practice by arrangement between two or more parties to the Bidding process or contract execution, designed to achieve with or without the knowledge of the Agency to establish prices at artificial, non-competitive levels for any wrongful gain,

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iii. Corrupt Practice by offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the acts of another party for wrongful gain,

iv. Fraudulent Practice by any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation and by defrauding the Agency by organizing under different legal entities once blacklisted and not disclosing the same,

v. Gross Misrepresentation i.e. untrue or misleading statement of fact made during the bidding process or during the implementation period of the Contract.

vi. Obstructive Practice by harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a bidding process, or affect the execution of a Contract or deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements before investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of inspection and audit right.

(m) "Evaluation Committee" means the evaluation committee constituted under Regulation 20 of the Regulations.

(n) "Fair Market Value" means the estimated value of Land determined on an arm's length basis, as of the relevant date of the Bid. In determining such value, the Agency shall have due regard to, and the determination shall be primarily guided by, the applicable DC rate and FBR value, while also considering recent comparable transactions and any other officially recognized valuation basis, and may obtain an independent valuation where it considers it necessary. The Agency may amend, increase or decrease the Fair Market Value based on the joint venture mode selected for the project.

(o) "Fees" means the fee imposed by the Agency in accordance with the terms of these Regulations.

(p) "Financing" means the finance facilities, loans, advances, financial accommodation, or arrangement, subscription, issuance of debentures, bonds, redeemable capital, risk participation, take out financing and/or any other financial obligation availed by the Private Partner from sponsors, lenders, financers in respect of the Project.

(q) "Floor Area Ratio /FAR" shall represent the ratio of a building's total floor area to the size of the plot of Land on which it is constructed.

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(r) "Government Entity" means anybody, department, corporation etc. working under the control of the Government of Punjab.

(s) "Inquiry Committee" means the Inquiry Committee established under Regulation 22 of the Regulations.

(t) "Integrated Joint Venture" means a model selected for the Joint Venture where there is collaboration between the Private Partner, third parties and the Agency till the completion of the Project.

(u) "Land" shall have the meaning prescribed under Section 2(g) of the Ordinance and shall include any portion of the Land.

(v) "Off-take" means the binding arrangement, commitment or guarantee to purchase, transfer, sell or dispose an Affordable Housing Unit in accordance with the terms set by the Agency.

(w) "Ordinance" means Punjab Housing and Town Planning Agency Ordinance 2002 (Ordinance No. LXXVIII of 2002).

(x) "person" means a legal person including a company incorporated under the provisions of the Companies Act, 2017 (Act No. XIX of 2017), any limited liability partnership registered under the Limited Liability Partnership Act, 2017 (Act No. XV of 2017) and a firm registered under the Partnership Act, 1932 (Act No. IX of 1932).

(y) "Pre-Qualification Application" means the application submitted for prequalification under Regulation 39.

(z) "Prequalification Criteria" means the prequalification criteria set by the Evaluation Committee for prequalifying bidders under Regulation 37.

(aa) "Prequalification Document/PQD" means the prequalification documents prepared for prequalifying bidders under Regulation 36.

(bb) "Project Feasibility" means the feasibility undertaken to ascertain if the Project should be undertaken

(cc) "Project Site" means the portion of the Land identified for development of the Project by and at the discretion of the Agency.

(dd) "Proposer" means a Private Partner who submits an Unsolicited Proposal to the Agency.

(ee) "Rules" means the Punjab Housing and Town Planning Agency (Joint Venture) Rules 2025 as amended from time to time

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(ff) "Risk" means any event or circumstance affecting the Project which can adversely affect performance and costs of any of the contractual obligations related thereto including, design, construction, financing, operation and/or maintenance.

(gg) "trunk infrastructure" shall mean and include all essential infrastructure systems including roads, utilities, waste management system, public facilities etc.

(hh) "Units" means individual residential dwellings, houses, flats, quarters, combined houses, incremental houses, row houses, apartments, or residential plots that will be specifically designed, constructed, and allocated to provide housing for individuals and families.

(ii) "Unsolicited Proposal" or "USP" means a written offer received from a private person by the Agency to undertake a Project without a solicitation by the Agency.

Chapter II

Models and Structure of Joint Venture

3. **Joint Venture.** (1) Subject to the processes provided in the Rules and these Regulations, the Agency shall be permitted to enter into a Joint Venture with a Private Partner for providing Affordable Housing Units to Beneficiaries on the terms and conditions agreed between the Agency and the Private Partner.

4. **Objectives of Joint Venture.** (1) These Regulations seek to promote the rehabilitation of existing schemes to cater for Affordable Housing and delivery of innovative Projects that are not only sustainable and climate resilient including socially, environmentally, and economically efficient but are also aligned with the highest standards of transparency and accountability, offer creative solutions that meet the housing needs in Punjab while ensuring that all processes are conducted with integrity and openness.

5. **Principles of Joint Venture.** (1) Notwithstanding the generality of the foregoing objectives, for all Affordable Housing Projects undertaken or proposed to be undertaken pursuant to these Regulations, the Agency shall ensure that they lead to an efficient use of resources of the Government, focus on sustainability, the decision-making is clear and transparent and the mechanisms for good governance are in place for ensuring value for money.

6. **Scope.** - (1) The Agency may enter into a Joint Venture for partnership with any Private Partner for the Project in accordance with the provisions of these Regulations and any applicable law.

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(2) For the purpose of providing Affordable Housing through a Joint Venture in the province of Punjab, the Agency shall be fully empowered to enter into agreements and arrangements with Private Partners under mutually agreed terms and conditions in one or several project planning and management functions such as designing, developing, financing, building, constructing, owning, operating and maintaining different Projects.

7. **Structure of Joint Venture.** – (1) The Agency may select any structure and model for the Joint Venture:

(a) where the Project Feasibility conducted by the Agency or the Proposer justifies the selection of a particular structure, or

(b) where consultation with stakeholders, Government Entities, Beneficiaries etc. under the Rules justify the selection of a particular structure, or

(c) where any donor agency involved in providing Affordable Housing in Punjab directs the Agency to select any specific structure.

(2) Subject to the Agency justifying the reasons noted in sub-clause (1), the Agency may select either of the following models:

(a) Off-take by the Government in return for cash consideration,

(b) Off-take by the Government in return for consideration in the form of Land,

(c) Off-take by the Government in return for cash payments made by the Government out of rentals from the Unit,

(d) Off-take by the Government in return for cash payments made by the Beneficiary out of rentals from the Unit,

(e) Off-take by the Government in return for cash payments made by the Beneficiary for the sale of the Unit to the Beneficiary,

(f) Off-take by the Private Partner in return for cash payments made by the Beneficiary out of rentals from the Unit,

(g) Off-take by the Private Partner in return for cash payments made by the Beneficiary for the sale of the Unit to the Beneficiary,

(h) Any model which is an improvement on the models listed from sub-clauses (a) to (g).

(3) The Agency shall be empowered to conduct consultations with stakeholders, Gov-ernment Entities, Beneficiaries etc. to determine and decide the structure of the Joint Ven-ture for each Project.

(4) The Agency may amend the structure based on the outcome of the feasibility study conducted under Rule 6, to ensure efficient use of resources of the Agency.

8. **Incentives and Exemptions.** – (1) To incentivize and encourage participation of Private Partners, the Agency shall be empowered to contribute in the form of cash or in one or multiple equivalent kinds. Examples for in-kind contributions include: land, relaxations in planning standards, building and/or zoning restrictions, development rights, revenues generated from land, infrastructure

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and building assets, subsidies, taxation relief; and/or a share or shares of the equity generated over a fixed period.

(2) The Agency may vest and transfer title in Land to any Private Partner for providing Affordable Housing pursuant to the Rules and Regulations on such terms and conditions as the Agency may deem fit.

(3) The Agency shall arrange or provide for any applicable payment or contribution to the Private Partner in accordance with the terms and conditions of the Contract.

9. **Transfer of Land. -** (1) Where the contribution of the Agency is in the form of Land that is free and clear from any liens and encumbrances, the Agency may lease the Land to the Private Partner or transfer the ownership of the Land to the Private Partner or to a jointly held SPV in the mode and manner specified in the Regulations.

(2) To ensure value for money, the value of the Land to be leased or transferred under sub-clause (1) shall be determined on the basis of the Fair Market Value of the Land at the time of the execution of the Contract. As applicable, the Fair Market Value may be enhanced for any in-kind contribution as per Regulation 8 provided by the Agency, unless the latter contributions are accounted for separately under the project.

10. **Role of Agency and Private Partner.** - (1) The Agency shall facilitate the implementation of the Joint Venture by:
    (a) lidentifying Projects;
    (b) Carrying out feasibility studies including environmental, social, governance, and climate resilient considerations, such as use of green building materials, provision of green spaces, permeable pavements, prevention of urban flooding, water efficiency and energy-efficient designs, to ensure holistic approach to address these impacts;
    (c) Monitoring and evaluating implementation and operation of Projects including environmental, social and governance instruments and approvals by relevant departments.
    (d) Managing JV agreements and contracts;
    (e) Determining risk sharing arrangements;
    (f) Providing incentives specified in Regulation 8; and
    (g) Putting in place an appropriate enabling environment, including favourable policies, implementation strategies, demand aggregation, and/or a clearly defined legal and institutional framework.

(2) The roles, risks, obligations etc. of the Private Partner shall be clearly identified in the Contract executed between the Agency and the Private Partner.

(3) Notwithstanding anything contained in sub-clause (2), the Private Partner shall be responsible for facilitating the Project by:

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(a) Carrying out feasibility studies in case of an Unsolicited Proposals (USP),
(b) Mobilizing resources,
(c) Risk sharing,
(d) Monitoring and evaluating the development of the Project,
(e) Providing technical expertise and managerial skills, and
(f) Complying with the directions of the Agency as consideration for the incentives.

11. **Risks and Responsibilities**. (1) The Agency may, in its discretion, select an integrated Joint Venture model or a disintegrated Joint Venture model after conducting the Project Feasibility. The Risks and responsibilities between the Agency and the Private Partner shall be allocated accordingly

(2) Subject to the structure of Joint Venture selected by the Agency for any Project, the Agency shall clearly communicate to the potential Bidders in the Request for Proposal, the Risk allocation and responsibilities of the Agency and Private Partner for each of following components of the Project:

(a) Design of the Project including the Units, access to utilities, common spaces and areas, access to trunk infrastructure and social infrastructure (schools, markets etc.) etc.
(b) Financing of the Units including recovery of costs for transfer of Units,
(c) Construction of the Units and other ancillary areas and infrastructure on the Project Site,
(d) Beneficiary selection,
(e) Allotment of the Units,
(f) Off-take of the Units,
(g) Marketing of the Project,
(h) Operation and Maintenance of the Project Site including the common spaces and areas including the financial cost for the Operation and Maintenance after the construction has been completed.

(3) Notwithstanding the specific Risks and responsibilities of each party to a Contract, through the Joint Venture, both parties shall seek to:

(a) design, develop, and implement the Project in a manner that maximizes energy efficiency, optimizes water usage, minimizes waste generation, and reduces the overall carbon footprint.
(b) Ensure Affordable Housing development will comply with all applicable zoning regulations, building codes, and local planning policies.
(c) Identify and obtain all necessary approvals, permits, and variances required for the Project.
(d) Ensure the Projects are in compliance and alignment with the applicable urban development plans and regulations.
(e) design, develop, and implement the Project in full compliance with all applicable environmental laws, regulations, and policies.

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(f) Consider environmental conditions assessment, highlighting any significant risks, constraints, or opportunities that may influence the site selection and project Design.
(g) To the maximum extent possible, align the Affordable Housing development with the local government's land use policies and master plans.
(h) Ensure Affordable Housing development is seamlessly incorporated into the existing urban environment, ensuring it is compatible and complementary with the surrounding land uses.
(i) Optimise land use and accommodate the diverse needs of the community, the proposed development shall incorporate a strategic mix of housing types, densities, and building heights.
(j) Ensure Affordable Housing development will provide a suitable allocation of open spaces, recreational amenities, and community facilities to serve the needs of the affordable housing residents.

12. **Risks and Responsibilities for provision of Utilities and connection.** - (1) To encourage participation of the private sector and to make the Project commercially viable, the Agency shall allocate the Risks and responsibilities for the provision of utilities for each Project and the connection with the trunk infrastructure for each Project Site.

(2) The responsibility for the development of the trunk infrastructure shall be the Agency's or any other third party including a Government Entity, directed by the Agency under Section 12 of the Ordinance.

(3) Where the Risk and responsibility has been passed on to the Private Partner, the Agency may provide assistance in facilitating the provision of infrastructure facilities and utilities for the Project Site.

Chapter III

Assets

13. **Project Assets.** - (1) Subject to Regulation 8, whether the assets for any Project shall vest in the Agency or Private Partner will depend on the Risks and Responsibilities allocated pursuant to Regulation 11 and the terms of the Contract.

(2) The Contract shall specifically detail the effect on the ownership of assets for any Project due to termination of the Contract on grounds of default or breach of the terms of the Contract or expiry due to completion of the Project.

14. **Compensation in the Form of Land.** – (1) Where the Agency is compensating the Private Partner in the form of Land, the Land shall not be transferred to the Private Partner till the delivery of the Units in accordance with the terms of the Contract.

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(2) The Agency may provide for a performance-based adjustment mechanism in the Contract to allow the transfer of a portion of the Land as and when the Units are handed over to the Government or Beneficiaries, as the case may be. This performance-based adjustment mechanism shall, however, only be applicable where a prescribed minimum number of Affordable Housing units are handed over to Government or Beneficiaries. The minimum number for each Project will be determined by the Agency in consultation with a transaction advisor

(3) To build trust with the private sector and to encourage participation in the Project, the Agency may transfer the ownership of any portion of the Land forming part of the compensation for the Project pursuant to an escrow arrangement under Regulation 16.

15. **Special Purpose Vehicle.** – (1) The Agency may establish a Special Purpose Vehicle (SPV) or require the Private Partner to establish an SPV, prior to the execution of the Contract, for the implementation of the Contract and the segregation of assets of the Project and the Private Partner.

(2) The SPV may raise funds for Financing the Project, however, it shall not create any encumbrance on the Land including the Project Site.

(3) The incorporation of the SPV, the rights and obligations of the SPV sponsors, governance structure, the shareholding, shareholder lock-in etc. shall be regulated under the Bidding Documents and the Contract.

(4) The funds for the Project raised under sub-clause (2) shall be placed in a separate account which shall be jointly operated by signatories of the Agency and the Private Partner. The funds placed in the separate account shall be used solely and exclusively for the Project.

16. **Escrow Transfer of Land.** – (1) The Agency may transfer ownership of any portion of the Land which is to be transferred as compensation to the Private Partner to a new entity established by the Agency for the purpose of holding the Land in escrow as an escrow agent.

(2) The escrow agent shall hold, manage and transfer the Land in accordance with the terms and conditions and any applicable escrow instructions provided by the Agency.

(3) The portion of Land shall be held in escrow until the conditions imposed on the Private Partner as specified in the Contract are met.

(4) Upon satisfaction of the conditions specified in Contract, the escrow agent shall transfer portion of Land to the Private Partner in accordance with the written instructions of the Agency and Private Partner.

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(5) In the event that the conditions specified in Contract are not satisfied, the Contract is terminated, or the parties have initiated a dispute mechanism under the Contract, the escrow agent shall return the Land to the Agency.

(6) The shareholding interests and governance structure of the escrow agent shall be determined by the Agency and will be disclosed in the Bidding Documents.

17. **Costs due to Transfer.** – (1) The transfer of any portion of the Land shall be exempt from the payment of stamp duty under Section 3 of the Stamp Act, 1899 (Act No. II of 1899).

(2) Any additional costs, taxes etc. associated with the transfer shall be borne by the Private Partner.

18. **Access to Project Site.** – (1) During the term of the Contract or any other time specified by the Agency, the Private Partner shall have the access to the Project Site to investigate, study, design, engineer, procure, finance, construct, develop, operate, maintain and implement the Project on a design, build, finance, operate, transfer etc. basis, and shall have the right to exercise and enjoy the rights, powers, benefits, privileges other than collection of revenues, over the Project Site.

Chapter IV

Committees

19. **Committees.** – (1) The Agency shall constitute and notify such committees as may be required for effective Project monitoring, evaluation, appraisal, assessment, grievance redressal etc.

(2) The terms of reference for each of the committees shall be specified in writing by the Agency and shall be communicated to the members of the committee after the committee has been constituted.

(3) The Agency may amend any of the terms of reference of the committees constituted under this Chapter. The amendment in the terms of reference shall be communicated to the members of the committee in writing.

(4) The Agency shall determine the composition of each of the committees constituted under these Regulations. In determining the composition, the Agency shall ensure that no member has any conflict of interest and they are capable of exercising their impartial and independent judgment.

(5) Notwithstanding anything contained in these Regulations, including sub-clauses (1) to (4) of this Regulation, any matter required to be considered, de-

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termined, or decided shall be undertaken in accordance with such rules, regulations, directions, policies, or decisions of the Agency, and may be exercised through such delegation or sub-delegation of powers, to any officer, committee, or authority, as the Agency may, from time to time, specify or approve, subject to such conditions and limitations as it may deem appropriate.

20. **Evaluation Committee. –** (1) There shall be an Evaluation Committee which shall be responsible to evaluate tender or proposal to ascertain whether the Bidder's proposal or tender correspond to the evaluation criteria formulated by the Agency.

(2) The Evaluation Committee shall evaluate the Bids in accordance with the terms of these Rules and Regulations formulated under the Ordinance.

(3) The Evaluation Committee shall perform, amongst others, the following functions:

(a) Conducting an eligibility evaluation of all Bidders against criteria approved by the Competent Authority,
(b) Pre-qualifying Bidders including assessing their responsiveness as per the evaluation criteria,
(c) Disqualifying Bidders,
(d) Developing the evaluation criteria for Bidders,
(e) Conduct environmental, social, and governance evaluation,
(f) Conducting technical and financial evaluation of Bids,
(g) Issuing evaluation reports,
(h) Evaluating USPs,
(i) Any other function that may be notified by the Agency in writing.

(4) The Evaluation Committee shall comprise of at least five members including one convener and a Secretary to the committee, which shall be nominated and appointed by the Agency from time to time. The Evaluation Committee may also Co-opt up to two more technical members (if deemed necessary).

(5) The quorum for a meeting of the Evaluation Committee shall be at least three members present in person or through video link and all decisions of the Evaluation Committee shall be made on a simple majority basis.

(6) To facilitate the bid evaluation process, the Evaluation Committee may outsource the functions under sub-clause (3) to any third-party bid evaluation service provider. The outsourcing shall not, however, discharge the Evaluation Committee from its obligations at any stage.

(7) The Agency may, in its discretion, notify additional committees and sub-committees to perform the functions specified in sub-clause (3) on behalf of the Evaluation Committee.

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21. **Grievance Redressal Committee.** – (1) There shall be a Grievance Redressal Committee which shall be responsible for the redressal of grievances of Bidders.

(2) The Grievance Redressal Committee shall perform, amongst others, the following functions:

(a) Accepting or rejecting complaints filed by aggrieved Bidders,
(b) Probing into the contents of a complaint with powers to summon and requisition any documents,
(c) Any other function that may be communicated by the Agency in writing.

(3) The Grievance Redressal Committee shall be empowered to suspend or cancel any bidding process in accordance with the provisions of the Regulations formulated under the Ordinance.

(4) The Grievance Redressal Committee shall comprise of at least three members, which shall be nominated and appointed by the Agency from time to time.

(5) The quorum for a meeting of the Grievance Redressal Committee shall be at least three members present in person or through video link and all decisions of the Grievance Redressal Committee shall be made on a simple majority basis.

(6) There shall not be any overlap between the members of the Evaluation Committee and the Grievance Redressal Committee.

22. **Inquiry Committee.** – (1) There shall be an Inquiry Committee which shall be responsible:

(a) To register the reported matter relating to blacklisting of a prospective Bidder, Bidder or Private Partner and initiate proceedings, if considered necessary,
(b) To identify the grounds of blacklisting a prospective Bidder, Bidder or Private Partner,
(c) To send show cause notices to the a prospective Bidder, Bidder or Private Partner and to receive replies from the a prospective Bidder, Bidder or Private Partner
(d) To conduct personal hearings, inquiries and proceedings of the case and make recommendations to the Agency,
(e) To recommend to the Agency the time period for the blacklisting.

(2) The Agency may formulate a blacklisting policy which shall be implemented by the Inquiry Committee.

(3) The Inquiry Committee shall comprise of at least three members, which shall be nominated and appointed by the Agency from time to time.

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Chapter V

Beneficiaries

23. **Market Off-take.** - (1) Where the Joint Venture structure selected by the Agency allocates the risk and responsibility for off-take and transfer of Affordable Housing units to Beneficiary on the Private Partner, the Private Partner shall identify the Beneficiary in accordance with this Chapter and any directions issued by the Agency from time to time.

24. **Beneficiary Identification.** – (1) The Private Partner shall identify and select Beneficiaries in accordance with the eligibility criteria set by the Agency.

(2) Notwithstanding the requirements specified pursuant to sub-clause (1), while identifying Beneficiaries, the Private Partner shall ensure that the Beneficiary meets the following conditions:

(a) The Beneficiary is a resident of Punjab,
(b) The Beneficiary or any of the members living with the Beneficiary do not own a pucca house in their names,
(c) The financial capacity of the Beneficiary and the family is according to the threshold prescribed by the Agency,
(d) The Beneficiary will be able to finance the Affordable Housing unit in any manner acceptable to the Agency,
(e) The Beneficiary undertakes to be bound by any lock-in period that may be prescribed by the Agency.

25. **Application Process.** – (1) The Beneficiary shall apply for Affordable Housing Unit in accordance with the mechanism prescribed by the Agency, in consultation with the Private Partner.

26. **Selection Process.** – (1) The Agency shall develop a policy for the selection of Beneficiaries meeting the eligibility criteria set for Beneficiaries. The Agency and Private Partner may use the Beneficiary Management Information System to optimize the selection process for a Beneficiary.

(2) The policy developed by the Agency under sub-clause (1) shall, at the minimum, specify the process for application and selection of the Beneficiary including but not limited to the following:

(a) Advertisement of availability of Affordable Housing Units,
(b) The process for drawing lotteries (if required),
(c) Selection of Beneficiaries for any quotas set by the Agency,

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(d) Any other mechanism developed by the Agency for application and selection.

Chapter VI

Exemptions

27. **Exemptions.** – (1) To incentivize and encourage participation of Private Partners, the Agency shall be empowered to grant the following relaxations and incentives:
   (a) Relaxation in building regulations including height restrictions,
   (b) Relaxation in planning standards and prescription of new planning standards for Affordable Housing Units,
   (c) Development of trunk infrastructure up to the Project Site,
   (d) Guaranteed off-take,
   (e) Exemption from the payment of any Fee,
   (f) Relaxation of density norms,
   (g) Fast-track approval,
   (h) Higher Floor Area Ratio,
   (i) Any other incentive or relaxation that the Agency deems fit.

28. **Subsidies.** – (1) The Agency may, with assistance from other Government Entities, offer subsidies to encourage the private sector for undertaking the Project as a Joint Venture.

(2) The types of subsidies offered may include:
   (a) Differentiated location subsidy
   (b) Incentive subsidy and additional savings reward
   (c) Subsidized financing
   (d) High densification allowance
   (e) Equipment and public space subsidy
   (f) subsidy for special territories and isolated localities

Chapter VII

Project Origination and Appraisal

29. **Identification of Project Site.** – (1) While selecting any Project Site, the Agency or the Private Partner, as the case may be, shall prioritize sites that are well-connected to public transportation networks, major employment centres, and essential community services and amenities.

(2) The Agency or the Private Partner, as the case may be, shall conduct a thorough assessment of land availability and affordability within the targeted development area.

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(3) After the selection of Project Site, the Agency shall document the key findings and conclusions, so as to make informed decisions about the most suitable and viable location for Joint Venture.

30. **Project Feasibility**. (1) For and on behalf of the Agency, the transaction advisor shall undertake or cause to be undertaken a feasibility study in line with Rule 6.

(2) The Project Feasibility shall cover the following components:

(a) Need analysis to ascertain the Agency's strategic objectives, budget, institutional analysis, output specifications and scope.

(b) Solution option analysis for the options considered, the evaluation and assessment of each option, summary of evaluation and assessment of all options considered and recommendation of a preferred option.

(c) Project due diligence including legal aspects, site enablement and socio-economic factors,

(d) Value assessment of the Joint Venture including assessment of Risks, information verification,

(e) Economic valuation with the assumptions and valuation results etc.

(f) Procurement plan.

(3) The feasibility study, comprising all the components covered under sub-clause (2) shall be compiled and made available to the Agency who shall decide whether or not the Project ought to be undertaken.

31. **Design Contests** (1) In order to encourage innovative and sustainable designs of Affordable Housing Units, the Agency may conduct design contests, with or without prize, in which the winner shall be selected through an evaluation by the transaction advisor in accordance with the principles and procedures stated in the documents formulated for the contest.

Chapter VIII

Pre-Advertisement

32. **Feedback**. – (1) Prior to the finalization of the Joint Venture structure in light of the Project Feasibility conducted under Regulation 30, the Agency shall elicit feedback from the key stakeholders identified by the Agency on the proposed Joint Venture structure.

(2) The proposed structure for the Joint Venture will be made available to key stakeholders for comments to be provided by the stakeholders prior to the finalization of the Bidding Documents and within such time as may be communicated by the Agency

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(3) The Agency shall finalize and amend the Bidding Documents in light of any feedback received after time specified in sub-clause (2) has lapsed.

Chapter IX

Advertisement

33. **Publication of Advertisement.** – (1) All Projects initiated under the Rules and these Regulations shall be advertised by the Agency on its website and in at least one widely circulated Urdu daily newspaper and at least one widely circulated English daily newspaper.

(2) In case of an advertisement relating to a Project originated by a Proposer as a USP, the Agency shall not disclose the name of the Proposer in the advertisement, nor shall it disclose the incentives and exemptions to be granted to the Proposer during the advertisement process.

34. **Availability of Bidding Documents.** – (1) The Agency shall ensure that Bidding Documents are made available to any prospective Bidder immediately after the advertisement has been published on the website.

(2) The Agency may make the receipt of Bidding Documents under sub-clause (1), subject to the payment of a Fee set by the Agency. The Fee set by the Agency shall not be excessive or discouraging for prospective Bidders.

35. **Response Times.** – (1) The Agency may determine the response time for receipt of proposals for prequalification and submissions from the date of publication of an advertisement or notice keeping in view the complexity of the Project, the urgency of undertaking the Project and other factors as may be determined.

(2) Notwithstanding sub-clause (1) the response time shall not be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

(3) All advertisements shall expressly mention the response time allowed for the submission along with the information for collection of Bidding Documents which shall be issued till a given date, allowing sufficient time to complete and submit the Bid by the closing date.

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

(5) The Agency shall have the right to extend the response time if it determines that such an extension will result in a more competitive and effective outcome.

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Chapter X

Pre-Qualification Stage

36. **Pre-Qualification Documents.** – (1) For all Projects, the Agency shall, prior to issuing the Request for Proposal, engage in prequalification of Bidders to only encourage competent Bidders to participate in the bid-ding process.

(2) The pre-qualification of Bidders shall be undertaken considering the following:

(a) Qualification of the Bidder,
(b) Relevant experience and past performance,
(c) Financial capacity,
(d) Managerial capability,
(e) Ability to manage the Project,
(f) Legal capability,
(g) Environment, social and governance management capacity,
(h) Assets of the Bidder,
(i) Any other factor that the Agency may deem necessary, not being inconsistent with these Regulations.

(3) The Agency shall determine the parameters and selection criteria for pre-qualification of Bidders and publish the information online.

(4) The PQD may be prepared by the Agency independently or through the assistance of a transaction advisor appointed under the Regulations.

37. **Pre-Qualification Process.** – (1) The Agency shall announce, in the PQD, all information required for prequalification including instructions for preparation and submission of the documents, evaluation criteria, list of documentary evidence required by Bidders to demonstrate their respective qualifications and any other information that the Agency deems necessary for prequalification.

(2) The PQD shall specify the deadline for the submission of the Prequalification Application.

(3) The PQD will also be available on the Agency's website and can be accessed by all interested parties.

38. **Additional Information.** – (1) The Agency, at any stage of the process, having credible reasons for, or prima facie evidence of, any defect in the capacity or otherwise of a Bidder, whether or not prequalified, may require the contractor to provide such further information concerning the professional, technical, financial, legal or managerial competence as the Agency may decide.

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39. **Pre-Qualification Application.** (1) The Prequalification Application shall be submitted in the form specified by the Agency and shall contain, at the minimum, the following information:

(a) Proof that it meets the prequalification criteria including the technical and financial criteria

(b) Information about the Bidder,

(c) An affidavit in the form specified by the Agency in the PQD confirming that the prospective Bidder is able to pay its debts as and when they fall due and is not currently involved in bankruptcy or liquidation proceedings, has not been blacklisted by any Government Entity including the Agency, it (including its directors and shareholders) has not been convicted of commission of any Corrupt and Fraudulent Practice and is not currently involved in any fraud, corruption, collusion or money laundering investigation and has not indulged in any anti-corruption practice, is not aware of any conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which could materially affect its capability to comply with the obligations in respect of the PQD.

(d) Proof of payment of any Fee imposed by the Agency for the submission of the Prequalification Application.

(e) Undertaking that the Prequalification Application is unconditional and without any limitations.

40. **Clarifications.** – (1) Any prospective Bidder submitting or interested in submitting the Prequalification Application may seek clarification from the Agency. Any request for clarification to the PQD shall be made in writing

(2) The response to the request for clarification to the PQD under sub-clause (1) shall be made in writing and shall be circulated to all prospective Bidders who have requested or obtained the PQD.

(3) If similar or repeated queries are made by prospective Bidders, those queries may be listed as one query and responded to only once.

41. **Preliminary Examination.** – (1) The Evaluation Committee (directly or through the transaction advisor), upon receipt of the Prequalification Application, shall carry out a preliminary examination to determine if it is complete and the documents have been properly signed.

(2) Where the Evaluation Committee deems it convenient or necessary, it may request supplementary information or documentation from a prospective Bidder. The request shall be made through the Agency and the Prospective Bidder shall provide the information to the Agency in writing and in a manner which does not amend or alter the substance and essence of the Prequalification Application.

(3) Any Prequalification Application that is incomplete or unsigned and the defect is not rectified in response to the request made under sub-clause (2) shall

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be deemed to be non-responsive and the Agency shall not be bound to evaluate the Prequalification Application.

42. **Evaluation of Prequalification Application.** – (1) The Evaluation Committee with assistance from the transaction advisor will conduct an evaluation of the Prequalification Applications that have not been rejected after the preliminary examination under Regulation 41 to ascertain if they meet the Prequalification Criteria and other requirements of the PQD.

43. **Pre-Qualified Bidders.** – (1) A prospective Bidder whose Prequalification Application is determined by the Evaluation Committee to be responsive and to meet the Prequalification Criteria specified in the PQD shall be prequalified by the Agency.

(2) The Proposer of a USP which has been accepted under the Rules or Regulations may be automatically prequalified by the Agency.

44. **Rejection.** – (1) A Prequalification Application which is non-responsive for the following reasons shall be rejected by the Evaluation Committee and the prospective Bidders shall not be prequalified:
    (a) any requirements set out in the PQD are not met or satisfied,
    (b) the Prequalification Application is not submitted by the date specified by the Agency.

45. **Decision on Pre-Qualification.** – (1) At the end of the evaluation of the Prequalification Applications, the Agency will announce the results in the form of a report, which will be posted on the website of the Agency.

(2) The Agency will communicate the results to all prospective Bidders at least seven (7) days prior to the launch of the RFP.

Chapter XI

RFP Stage

46. **Request for Proposal.** - (1) The Agency shall issue a Request for Proposal to Prequalified Bidders after payment of a Fee as may be determined by the Agency.

(2) The Request for Proposal process shall seek to ensure that the Bidder selected as the potential Private Partner is able to provide good quality constructed Affordable Housing Units at the best revenue flow to the Agency or the least cost to the Beneficiary, as the case may be.

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47. **Submission of Bids.**– (1) A Prequalified Bidder shall submit the Bid in a sealed package or packages in such manner that the contents of the Bid are fully enclosed and cannot be known until duly opened.

(2) The Agency shall specify the manner and method of submission and receipt of bids in an unambiguous and clear manner in the Bidding Documents.

48. **Bidding Documents**. (1) For open competitive bidding, the Bidding Documents shall include the following:

(a) Invitation to Bid,
(b) Instructions to Bidders,
(c) Form of Bid including the information required for technical evaluation,
(d) Form of contract,
(e) Draft of the Joint Venture Contract,
(f) Information about the Joint Venture structure,
(g) Proposed timeline for completion of Project,
(h) Bid evaluation criteria,
(i) Format of all securities and guarantees required,
(j) Terms of reference including minimum performance standards,
(k) Any other document relevant to the Project.

(2) Any information that becomes necessary for Bidding or for evaluation, after the invitation to bid or issue of the Bidding Documents to the prospective Bidders shall be provided in a timely manner and on equal opportunity basis.

(3) Where any change becomes essential in the bidding process, such change shall be made keeping in view the principles of fair and competitive bidding in accordance with the Rules or Regulations.

(4) The Evaluation Committee shall formulate an appropriate evaluation criterion listing all the relevant information against which a Bid is to be evaluated and such evaluation criteria shall form an integral part of the Bidding Documents. The Evaluation Committee can, from time to time, re-evaluate and alter the bid evaluation criteria with the approval of the Agency and the Agency shall communicate the change to the prospective Bidders.

(5) The Bidding Documents shall specifically address whether the technical evaluation will be on pass-fail basis or if the technical and financial evaluation shall be conducted on the basis of a weighted scoring system.

49. **Pre-Bid Meeting and Clarifications.** – (1) To provide clarifications to Bidders, to correct any error and to discuss the terms and conditions of the Joint Venture Contract, the Joint Venture structure etc., the Agency shall, within such period as it deems reasonable, conduct a pre-bid meeting with the Bidders and may, if necessary, issue an addendum to the Bidding Documents.

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(2) The clarifications and amendments to the Bidding Documents, if any, shall be circulated to all Pre-Qualified Bidders.

(3) No Bidder shall be allowed to alter or modify his Bid after the closing time for the submission of the bids. Clarifications may be provided during the bid evaluation process subject to principles of integrity, transparency and equal opportunity.

(4) The Agency may, if considered necessary after the opening of the bids, seek and accept such clarifications to the Bid as which do not change the substance of the Bid.

(5) Any request for clarification in the bid, made by the Agency and its response, shall be in writing.

50. **Time for Submission of Bid.** (1) The Agency shall provide all Bidders with a reasonable amount of time for preparation and submission of bids. The time provided for preparation of bids in response to USPs shall be no less than 15 days.

(2) The Agency shall ensure that Bidders have timely and equal access to the same information about the Project as the Proposer of a USP.

51. **Bid Security** – (1) Each Bidder shall furnish a bid security amounting to [x]% in the form of bank guarantee, for the Project.

(2) The Bid Security shall be in the form of an unconditional and irrevocable bank guarantee or other form of security submitted by the bidder from a scheduled commercial or Islamic bank in Pakistan.

(3) Any Bid not accompanied by an acceptable bid security, in the manner stated above, shall be rejected by the Evaluation Committee as non-responsive.

(4) Unless forfeited in accordance with sub-clause (6), the bid security of the unsuccessful Bidder will be returned by the Agency no later than 30 (thirty) days from the date of execution of the Contract.

(5) The bid security of the Bidder selected as the Private Partner shall be returned upon furnishing of a performance security to the Agency.

(6) Unless otherwise provided in these Regulations, the bid security shall be forfeited by the Agency where the Bid is withdrawn by the Bidder or the Bidder is blacklisted under Chapter XV of these Regulations.

52. **Innovative Proposal.** – (1) In addition to the documents submitted as part of the response to the Bidding Documents, the Bidder may submit the following:

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(a) Innovative proposal explicitly detailing energy conservation/sustainable building materials/climate resilient buildings and infrastructure/water conservation & management/rain water harvesting along with cost-benefit analysis.
(b) New construction technologies leading to efficient construction and development.
(c) Technical documentation with need/gap analysis.

(2) The Evaluation Committee may grant additional points for an innovative proposal under this Regulation which shall not exceed 5% of the total technical scores.

53. **Evaluation Criteria.** – (1) In accordance with the Act, the evaluation criteria to be developed by the Evaluation Committee shall include the following parameters:
(a) Expertise in affordable housing projects and experience in similar markets
(b) Understanding of the local regulatory environment, market dynamics, and community needs in Punjab.
(c) Understanding of the local market conditions including policies, regulations, land availability, and cultural aspects.
(d) Flexibility in adapting to evolving project requirements and market conditions.
(e) Understanding of social responsibility initiatives, community engagement strategies, and measures to ensure the inclusion of vulnerable populations in project planning and implementation.
(f) Comprehensive risk management strategy with clear mitigation measures and contingency plans to address potential project disruptions or uncertainties.
(g) Financial stability and the ability to sustain long-term engagements in affordable housing projects.
(h) Track record of delivering affordable housing projects on time and within budget.
(i) Possession of technical expertise and qualifications necessary to effectively execute affordable housing projects, including knowledge of urban planning, architecture, construction, and real estate development,
(j) Any other parameters decided by the Evaluation Committee.

54. **Evaluation.** – (1) The Evaluation Committee shall ensure that the evaluation process is transparent and fair while ensuring confidentiality so as not to compromise the legitimate commercial interests of the Bidders.

(2) The Evaluation Committee shall evaluate the Bids against the evaluation criteria communicated to the Bidders in the Bidding Documents within a period of thirty days from the receipt of the Bids.

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(3) On receipt of bids, the Evaluation Committee shall assess the technical, operational, and environmental responsiveness of the bids received, according to the requirements, criteria, minimum standards, and basic parameters specified in the Bid Documents, and shall reject non-responsive Bids.

(4) After the technical evaluation of the Bids, the Evaluation Committee shall conduct a financial evaluation of the responsive bids; and, depending on the structure of the Project, it may use any parameter set for the evaluation of the Bids by the Agency.

(5) The Agency shall announce the result of the bidding process on the website of the Agency and shall issue a letter of award for execution of the Contract to the successful Bidder within ten days of the bid evaluation and acceptance of the process by the Agency.

(6) During the ten-day period noted in this sub-clause, any unsuccessful Bidder may initiate grievance redressal proceedings under Chapter XVI and the Grievance Redressal Committee may suspend the Award of Contract till the completion of the proceedings by the Grievance Redressal Committee.

(7) The Evaluation Committee shall, through the evaluation process, seek to select the best evaluated bid which may be based on the lowest cost, the highest revenue for the Government, the number of Affordable Housing Units or any other factor as may be determined by the Agency on a case-by-case basis.

55. **Evaluation of Financial Proposal** - (1) A Bidder's financial proposal will be assessed in accordance with the parameters set in the Bidding Documents.

56. **Rejection of Bids**. – (1) The Evaluation Committee may reject any Bid that is non-responsive or that which is not selected as the successful Bid.

(2) The Bidders shall be promptly informed about the rejection of their Bids or all Bids whatever the case may be.

57. **Rejection based on Speculation**. – (1) The Evaluation Committee with the prior approval of the Agency may reject a speculative or unrealistic bid as non-responsive.

(2) The Evaluation Committee may also reject such Bids that are abnormally low compared to other Bids or the estimated cost determined by the Agency after consideration under sub-clause (3).

(3) Before rejecting these Bids, the Evaluation Committee shall request from the related Bidders, the details relating to components of the Bid that are determined to be significant, in writing and within a specified period.

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(4) The Evaluation Committee shall evaluate the abnormally low Bids taking into consideration the written explanations documented on the following aspects:

(a) The type of Project and the work plan submitted by the Bidder,
(b) The selected technical solutions and advantageous conditions to be utilized by the Bidder for completion of the Project and fulfilment of the works,
(c) The originality of the solutions suggested by the Bidder.

(5) For evaluating bids to identify abnormally low Bids, the Evaluation Committee may set limit values or average values for undertaking the Project in order to identify and evaluate abnormally low Bidders and to determine the economically most advantageous Bid.

Chapter XII

Bidding Procedures

58. **Preferred Bidding Procedure.** – (1) The Agency shall adopt a two-stage bidding procedure as a preferred option as specified in Regulation 59, where the specifications for the Project have been sufficiently established pursuant to the Project Feasibility process undertaken under these Regulations.

59. **Two Stage Single Envelope.** – (1) First Stage:

(a) In the first stage, the Bidder shall submit their technical proposal in accordance with the Bidding Documents without the submission of a financial proposal.
(b) The technical proposal shall be evaluated in accordance with the specified evaluation criteria and may be discussed with the Bidders regarding any deficiencies and unsatisfactory technical features. The Bidders shall be allowed to revise or adjust their technical proposals to meet the requirements of the Agency.
(c) The Agency may revise or modify any aspect of the technical requirements or evaluation criteria, or it may add new requirements or criteria while ensuring a free and transparent bidding process. The revisions or modifications shall be communicated to all the Bidders at the time of invitation to submit final Bids, and sufficient time shall be allowed to the Bidders to prepare their revised Bids but such time shall not be less than fifteen days.
(d) Bids of Bidders who are unable or unwilling to bring their Bids to conform to the acceptable technical standard may be rejected as non-responsive, however, their bid security shall be returned without its forfeiture under Regulation 51.

(2) Second Stage:

(a) The Bidders whose technical proposal conforms with the applicable standard under sub-clause (1), shall submit a finalized technical proposal along with the financial proposal,

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(b) The finalized technical proposals and the financial proposals shall be opened at a time, date and venue announced and communicated to the Bidders in advance but in setting the date for the submission of the revised technical proposals and financial proposals, the Agency shall allow sufficient time to the Bidders to incorporate the agreed changes in the technical proposal and prepare their financial proposals accordingly, and

(c) The revised technical proposal and the financial proposal shall be evaluated in the manner prescribed above and the best evaluated bid shall be accepted.

60. **Two Stage Two Envelopes.** – (1) Where the Agency is of the view that the Project can be developed using alternate types of construction, Design etc., it may adopt the Two Stage Two Envelope process.

(2) First Stage:

(a) The Bid package shall comprise of two separate envelopes containing the financial proposal and the technical proposal and each envelope shall be marked as "Financial Proposal" and "Technical Proposal."

(b) The envelope marked "Technical Proposal" shall be opened first, and the envelope marked as "Financial Proposal" shall be retained unopened in the custody of the Agency.

(c) The technical proposals shall be discussed with the Bidders with reference to the Agency's technical requirements and those Bidders willing to meet the requirements of the Agency shall be allowed to revise their technical proposals following discussions with the Agency. The proposals shall not be revised so as to substantially change the development plan submitted by the Bidder; and

(d) Bidders not willing to conform to the technical proposal as per revised requirements of the Agency shall be allowed to withdraw their respective bids without forfeiture of the bid security under Regulation 51.

(3) Second Stage:

(a) After conclusion of discussions between the Agency and the Bidders on the technical requirements, Bidders who are willing to conform to the revised technical specifications and whose Bids have not already been rejected shall submit a revised technical proposal and supplementary financial proposal, according to the technical requirement.

(b) The revised technical proposal along with the original financial proposal and supplementary financial proposal shall be opened at a date, time and venue announced in advance by the Agency.

Provided that in setting the date for the submission of the revised technical proposals and supplementary financial proposals the Agency shall allow sufficient time to the Bidders to incorporate the agreed changes in the technical proposal and to prepare the required supplementary financial proposal.

(c) The Agency shall evaluate the whole proposal in accordance with the evaluation criteria and the best evaluated bid shall be accepted.

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Chapter XIII

Contract

61. **Award of Contract.** – (1) The best evaluated Bidder under Chapter XII shall be awarded the Contract.

62. **Technical Feasibility.** - (1) After the Award of a Contract, the Private Partner shall conduct a Technical Feasibility which shall include the following documents and/or information:

(a) Complete technical plan with need/gap analysis
(b) Project locational analysis along with site analysis
(c) Topographic Survey, Geo-technical Investigations, Hydrology and hydraulics study covering climate change factors.
(d) Proposal detailing planning or architectural drawings showing housing Units as per standards prescribed by the Agency
(e) Infrastructure (Roads, Water Supply, Sewerage, Drainage) and Services (structure/MEP/HVAC) proposal with drawings and calculations and cost estimate
(f) Initial Environmental Examination/Environmental Impact Assessment as per requirements under applicable laws
(g) Traffic Impact Assessment
(h) Natural Hazard/Flood/Seismic Studies along with mitigation/adaptation, if required
(i) Economic & Financial Viability which clearly defines the income bracket of the target population and subsequent payment plans along with government support/subsidies to ensure that the Project is economically as well as financially viable.

(2) The Agency may increase or reduce any information or document required under sub-clause (1).

63. **Contract.** – (1) The Contract to be signed between the Agency and the Private Partner shall, at the minimum, cover the following:

(a) Delivery of dwelling units, including the number, mix, qualities, and price points of affordable dwelling units,
(b) Mechanism for payment of contribution by the Agency,
(c) Environmental and social management plans (ESMPs), and Governance Management Plan along with institutional responsibilities for implementation during pre-construction, construction and operations & maintenance phases with associated costs
(d) Off-take mechanism,
(e) Consequences of delays,
(f) Handover of the Project,
(g) Role of the Agency and Private Partner,
(h) Risks of the Agency and Private Partner,

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(i) Dispute resolution mechanism,
(j) Price adjustment mechanism (if any),
(k) The nature and scope of works and services that the parties shall carry out and the conditions for their implementation.
(l) The rights of the Agency and the Private Partner.
(m) A description of any property to be contributed by a party to the Contract.
(n) A description of any utilities to be provided in relation to the project and the responsibility thereof.
(o) Ownership of the Project assets, the obligations of parties related to the handover and receipt of the Project Site.
(p) A description of any sharing of revenue between the Agency and Private Partner.
(q) The preparation and submission of financial and other reports and the carrying out of financial audits in relation to the Project.
(r) The means of quality assurance and quality control, and supervision as well as administrative, financial and technical monitoring of the Project operation, utilisation, and maintenance.
(s) The extent of the right of the Agency to vary the conditions of the Project and other obligations imposed on the Private Partner, and the basis and mechanism of compensation for any loss resulting from such variation order.
(t) The types of insurance to be taken out on the Project, and the Risks of its operation or utilisation, executive warranties issued in favour of the Agency, and provisions and procedures for their release.
(u) The basis of Risk allocation in respect of a change in the law, unforeseeable accidents, by force majeure, as the case may be, and the resultant compensation,
(v) Term of the Contract.
(w) Early termination events under which a party may terminate the Contract prior to completion.
(x) The process of handing over the Project on expiry or on termination of the project agreement by a party to the Contract.
(y) Mechanism for dispute resolution including resolution of disputes by way of arbitration or another amicable dispute resolution mechanism.
(z) The events giving rise to compensation and the mechanisms for payment of such compensation or penalties.
(aa) Performance securities or other securities required when undertaking the Project, the value and renewal mechanisms.
(bb) Appointment of independent third parties.
(cc) Obligations of undertakings and warranties.

(2) Once the Contract has been signed and subject to the fact that there has been no contravention of the Ordinance, Rules, Regulations or any other applicable laws, the terms of the Contract shall dictate the relationship between the Agency and the Private Partner.

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64. **Renegotiation** – (1) The Agency and the Private Partner may renegotiate the terms of the Contract if the following reasons impact the Project:
    (a) Significant changes in economic conditions.
    (b) Unforeseen circumstances affecting the performance of the Contract.
    (c) Mutually agreed upon improvements or modifications to Project scope or objectives.

    (2) The Parties shall renegotiate only such terms that are beneficial for the Project and Beneficiary.

65. **Defects Liability.** – (1) Every Contract shall mandatorily contain a defects liability period of at least two years from the date of handover and delivery to the Beneficiary by the Agency or the Private Partner as the case may be.

Chapter XIV

Third Parties

66. **Independent Auditor-** (1) The Agency and Private Partner shall appoint an independent auditor with the requisite expertise, knowledge and experience to oversee the Contract and provide an independent assessment of the performance of the Private Partner.

    (2) The terms of appointment, reference etc. of the independent auditor shall be agreed between the Agency and the Private Partner in the Contract.

    (3) The independent auditor shall be required to act independently, reasonably, fairly and expeditiously to facilitate the timely completion of the Affordable Housing Units.

67. **Independent Engineer-** (1) The Agency shall appoint an independent engineer with the requisite technical expertise, knowledge and experience in the design, engineering and construction of Affordable Housing Projects or similar areas as the independent engineer for the Project. The independent engineer will be required to be registered with the Pakistan Engineering Council.

    (2) The terms of appointment, reference etc. of the independent engineer shall be agreed between the Agency and the Private Partner in the Contract.

    (3) The independent engineer shall be required to act independently, reasonably, fairly and expeditiously to facilitate the timely completion of the Affordable Housing Units.

68. **Town Planner.** – (1) Where the Design of the Project has to be provided by the Private Partner, the Private Partner shall be required to hire a person for town planning, urban designing, architectural design etc. (as the case may be) registered with the Pakistan Council of Architects & Town Planners.

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69. **Transaction Advisor.** – (1) The Agency may appoint a person who has appropriate skills and experience to assist and advise the Agency in connection with a Joint Venture, including the preparation and conclusion of the Joint Venture Contract, Bidding Documents etc. The transaction advisor shall conduct the detailed financial, technical, and legal work required to prepare the Contract for the Project.

(2) The Agency shall appoint the Transaction Advisor in accordance with the provisions of the Punjab Public Procurement Rules, 2014.

(3) Notwithstanding the generality of the scope of work of the transaction advisor under sub-clause (1), the transaction advisor shall be engaged for:

(a) Preparation of the Project Feasibility study,
(b) Administration of the bidding process including the prequalification stage,
(c) Evaluation of the Bids,
(d) Submission of the close-out report (if required),
(e) Any other scope of work defined by the Agency.

Chapter XV

Blacklisting

70. **Blacklisting.**–(1) Where the Agency believes that a prospective Bidder, a Bidder or a Private Partner ought to be blacklisted, it may blacklist the prospective Bidder, a Bidder or a Private Partner following the procedure provided in this Chapter.

71. **Grounds for Blacklisting during the Bidding Process.** – (1) The Agency may blacklist any prospective Bidder or Bidder on the following grounds:

(a) Conviction on the Corrupt or Fraudulent Practices, theft, forgery, bribery or any other criminal offence at any time before or during the Bidding process;
(b) Indulgence in Corrupt and Fraudulent Practice,
(c) Declaration of the final decision by a court or tribunal of competent jurisdiction that any prospective Bidder or Bidder is guilty of tax evasion, default or has been convicted of any crime or civil wrong,
(d) Failure to disclose blacklisting or debarment by any Government Entity or donor agency,
(e) Unauthorized use of any prospective Bidder or Bidder's name or using the name of another for the purpose of bidding;
(f) Any attempt by any prospective Bidder or Bidder to unduly influence the outcome of the bidding in its favor or to act in a manner detrimental to the public interest or good practices;

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(g) Obstructing the access of third-party evaluators authorized by the Agency to evaluate bid, by either threatening or physically obstructing the evaluators

(h) Any other act that defeats the purpose behind open competitive bidding.

72. **Grounds for Blacklisting after Award of Contract.** – (1) Notwithstanding the generality of the grounds for blacklisting, the Agency may blacklist any Private Partner on the following grounds:

(a) If any of the instances mentioned in Regulation 71 are discovered during the execution of the Contract,

(b) Failure to remedy a breach or violation of the Contract, consistent breach or violation as identified by the Agency;

(c) Making a Gross Misrepresentation at the time of executing the Contract or continuing to make a gross misrepresentation when performing the Contract,

(d) Wilful failure or refusal to perform the Contract in accordance with the terms of the Contract.

73. **Impact of Blacklisting.** – (1) A prospective Bidder, a Bidder or a Private Partner which is blacklisted is prohibited from participating in any Joint Venture being undertaken by the Agency or any other activity of the Agency as may be determined by the Agency from time to time.

(2) Where an inquiry is initiated against a Private Partner which may lead to blacklisting, the Inquiry Committee may propose to suspend any payments or incentives due to the Private Partner till the completion of the investigation and the decision or a period of six months, whichever is earlier. The Contract shall, however, continue to be in force and the obligations under the Contract shall not be suspended.

74. **Show Cause Notice.** – (1) Where any information is received by the Agency or any information comes to its knowledge that justifies the blacklisting of a prospective Bidder, a Bidder or a Private Partner on the grounds provided in Regulations 71 and 72, it shall forward the same to the Inquiry Committee and the Inquiry Committee shall issue a show cause notice to the prospective Bidder, Bidder or a Private Partner.

(2) The show cause notice shall contain:

(a) allegation against the prospective Bidder, Bidder or Private Partner,

(b) the suggested time period for which the Agency seeks to blacklist the prospective Bidder, Bidder or Private Partner,

(c) the impact of blacklisting,

(d) the statement, if needed, about the intention of the Agency to make a request to any Government Entity or donor to blacklist the prospective Bidder, Bidder or Private Partner from participating in bidding processes.

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75. **Findings of Inquiry Committee.** – (1) The Agency shall give a minimum of fifteen days to the prospective Bidder, Bidder or Private Partner for submission of written response of the show cause notice.

(2) Where the prospective Bidder, Bidder or Private Partner submits a written response within the requisite time, the Inquiry Committee shall afford an opportunity of hearing to the prospective Bidder, Bidder or Private Partner.

(3) The Inquiry Committee shall, after perusal of the response and affording the opportunity of being heard, determine if reasonable cause exists for blacklisting, and if it does, it shall issue recommendations to Agency or notify the Agency of its finding that no reasonable cause exists against the prospective Bidder, Bidder or Private Partner.

(4) The inquiry shall be concluded within a period of thirty days from the date of hearing afforded to the prospective Bidder, Bidder or Private Partner. In no case shall the total period from the issuance of show cause notice till the decision shall exceed 90 days.

76. **Decision.** – (1) Based on the recommendations of the Inquiry Committee, the replies, complaints and other material on record, the Agency shall issue a decision in writing which shall notify the prospective Bidder, Bidder or Private Partner about the time during which such prospective Bidder, Bidder or Private Partner shall be blacklisted and the option of challenging the decision.

(2) The decision shall clearly and distinctly state the facts, evidence and the instructions issued by the Agency on which it is based, as well as the date on which the blacklisting becomes effective.

(3) For every decision reached, the Agency shall record reasons of blacklisting and the period during which the prospective Bidder, Bidder or Private Partner shall remain blacklisted.

77. **Delisting.** – (1) A blacklisted prospective Bidder, Bidder or Private Partner shall be automatically delisted after lapse of the period for the blacklisting.

78. **Maintenance of the Blacklist.** – (1) The Agency shall maintain an updated list of blacklisted prospective Bidder, Bidder or Private Partner and shall publicize the list on its website.

79. **Challenging the Decision.** – (1) The prospective Bidder, Bidder or Private Partner may challenge the decision of the Agency under Regulation 76 within a period of ten days from the date of communication of the order to the prospective Bidder, Bidder or Private Partner.

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(2) The challenge against any decision shall be filed before the Grievance Redressal Committee which shall examine the decision made by the Agency and grant an opportunity of hearing to the prospective Bidder, Bidder or Private Partner in order and determine the matter finally within a period of thirty (30) days.

(3) The Grievance Redressal Committee may uphold the decision or overturn it. In both cases, the decision of the Grievance Redressal Committee shall be final and binding on
prospective Bidder, Bidder, Private Partner and Agency.

(4) No appeal or challenge shall lie against the order of the Grievance Redressal Committee under this Regulation.

Chapter XVI

Grievance Redressal Mechanism

80. **Complaint.** – (1) Any complaint to be filed before the Grievance Redressal Committee under Regulation 21 shall be filed in a written form.

(2) The Grievance Redressal Committee shall hear and determine an objection filed under sub-clause (1) within three working days of receiving the complaint.

(3) The Grievance Redressal Committee shall adopt a code of conduct and a conflict of interest policy for the better administration of the affairs of the Grievance Redressal Committee.

81. **Determination of Complaint.** – (1) When dealing with a complaint filed under Regulation 80, the Grievance Redressal Committee:
   (a) may require a petitioner or a complainant to appear before the Grievance Redressal Committee;
   (b) may require a complainant to provide further information in addition to the information contained in the complaint;
   (c) may compel a person in relation to the petition or the complaint to produce documents for examination by the Grievance Redressal Committee;
   (d) may issue summons to any person in relation to the complaint who is likely to help in the resolution of the petition or complaint.

(2) The Grievance Redressal Committee may suspend the bidding process while the complaint is being heard and determined.

(3)The Grievance Redressal Committee shall hear and determine a complaint within ten working days of the hearing to consider the complaint and the Grievance Redressal Committee shall notify the parties to the complaint in writing,

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promptly, of the determination but in any case no later than three days after the determination is made.

(4) The Grievance Redressal Committee shall develop and publish standardised forms for use by complainants in the submission of complaints to the Grievance Redressal Committee and the standardised forms may provide for:

(a) the identity of the complainant;
(b) the date the complaint is made;
(c) the bidding process against which the complaint is being made;
(d) the nature of the decision against which the complaint is being made;
(e) the reasons for the complaint; and
(f) documents, if any, that the complainant shall rely on in the complaint.

(5) The complaint shall be entertained if it specifies the abuse of process or non-compliance with the procedure followed by the Evaluation Committee. Other complaints will be dis-missed, or, if needed, be forwarded to other relevant agencies for further responses.

(6) The decision of the Grievance Redressal Committee shall be final and binding on parties.

Chapter XVII

Conflict of Interest

82. **Conflict of Interest**. – (1) All parties involved in the bidding process shall disclose any actual, perceived, or potential conflicts of interest at the earliest opportunity.

(2) A conflict of interest shall exist when an individual or person involved in the bidding process, including but not limited to public officials, private partners, contractors, consultants, or their representatives, has interests that could improperly influence their duties and responsibilities under the Contract.

83. **Disclosure** – (1) All disclosures of any conflict of interest shall be made in writing and submitted to the Agency.

(2) The disclosure must include:

(a) A description of the conflict of interest.
(b) The nature and extent of the interest.
(c) Steps taken or proposed to manage, mitigate, or eliminate the conflict.

84. **Management of Conflicts of Interest** – (1) Upon disclosure of a conflict of interest, the relevant oversight authority shall assess the conflict and determine appropriate measures to manage, mitigate, or eliminate it.

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85. **Prohibitions due to Conflict.** – (1) Individuals and persons with a conflict of interest shall be prohibited from:

(a) Participating in any decision-making process related to the bidding where the conflict exists.

(b) Using their position to influence or attempt to influence any bidding related decisions for personal gain or the benefit of related parties.

(c) Engaging in any activities that could compromise the integrity and impartiality of the bidding process.

Chapter XVIII

Miscellaneous

86. **Monitoring and evaluation.** - (1) All Projects shall be monitored by the Agency throughout the term of the Contract to incorporate coherent oversight and regular review mechanisms that would include:

(a) measurable performance targets;

(b) meaningful incentives and exemptions; and

(c) effective penalties.

(2) The Agency may engage any third party to perform its functions under this Regulation.

(3) The Agency shall, as much as practicable, involve other relevant stakeholders for better implementation and conduct of monitoring and evaluation of the Project.

87. **Private Partner Financing.** – (1) Subject to the Structure of the Joint Venture selected by the Agency under the Rules and these Regulations, the Private Partner shall be responsible for arranging its own financing for the Project.

(2) The Private Partner shall not create any encumbrance including a lien, charge, mortgage etc. on the assets including Land of the Agency or any Government Agency to secure financing for the Project.

88. **Reports and audits:** - The Agency shall include appropriate reporting and audit requirements in the Contract, taking into consideration the nature of the Project, its business structure, the source of financing and the financial commitments of the Government to the Private Partner, environment, social and governance reporting, monitoring and audits. To the extent required, the Agency may retain external advisors, consultants and auditors to perform periodic reviews of the Private Partner's accounts which may include reports submitted by the Private Partner to its lenders amongst other documents.

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89. **Whistleblower Policy**: - (1) The Agency shall develop and implement a whistleblower policy to encourage the good faith reporting and disclosure of the commission of any Corrupt and Fraudulent Practice.

(2) The policy developed under sub-clause (1) shall establish a clear, accessible, and confidential channel for internal reporting and ensure that potential whistleblowers are aware of these channels.

(3) The identity of the whistleblower shall be kept confidential to the fullest extent possible, except where disclosure is required by law or is necessary to allow a fair investigation of the disclosed information.

90. **Removal of difficulties: -** (1) If any difficulty arises in giving effect to or applying the provisions of these Regulations, the Agency may make such orders, not inconsistent with these Regulations, as may be necessary for removing the difficulty.

91. **Power to amend: -** (1) The Agency shall have the right to amend the provisions of these Regulations as and when required.

92. **Regulations to prevail: –** (1) Notwithstanding anything contained anywhere in the law, in the event of any conflict or inconsistency between the provisions of these and any other Regulations, the provisions of these Regulations shall, to the extent of such conflict or inconsistency, prevail.

(2) In case of any inconsistency between any rules or regulations formulated under the Act, the interpretation which permits harmony between the inconsistent provisions shall be adopted.

(3) Notwithstanding anything contained in these Regulations including sub-clause (2), the provisions hereof shall be read as subject to the applicable provisions of the Act, the Ordinance and the Rules. In the event of any conflict or inconsistency between these Regulations and the Act, the Ordinance or the Rules, the provisions of the Act, the Ordinance or, as the case may be, the Rules shall prevail to the extent of such conflict or inconsistency.

DIRECTOR GENERAL
PUNJAB HOUSING AND TOWN PLANNING AGENCY"

(MUHAMMAD ASIF BALAL LODHI)
SECRETARY
Government of the Punjab
Law and Parliamentary Affairs Department

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