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PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY
(Cabinet Division)

NOTIFICATION

Islamabad, the 2nd April, 2024

S. R. O. 615(I)/2024.—In exercise of power conferred by section 27 of Public Procurement Regulatory Authority Ordinance, 2002 (No XXII of 2002), the Public Procurement Regulatory Authority is please to make the following regulations, namely:—

1. **Short title and Commencement.**—(1) These regulations may be called “Disposal of Public Assets Regulations, 2024”.

(2) These regulations extend to the whole of Pakistan.

(3) They shall come into force as and when it has been declared mandatory by specific notification by the Authority.

1329(1—17)

Price: Rs. 40.00

GENERAL PROVISIONS

2. **Definitions.**—(1) In these Regulation unless, there is anything repugnant in the subject or context:

- (a) “**disposal**” means the definition as prescribed in Section 2(ca) of PPRA Ordinance, 2002.
- (b) “**e-advertisement**” means advertisement for disposal of public assets through EPADS portal;
- (c) “**e-Auction**” means an online, real-time dynamic auction for disposal for public assets between a procuring agency and number of buyers who shall submit an open offer/ price and compete against each other to win the contract by submitting successively higher priced tenders.
- (d) “**Mis-disposition**” means disposal of public assets in contravention of any provision of PPRA Ordinance, 2002, Public Procurement Rules, 2004 and Disposal of Public Assets Regulations, 2024, orders or instructions made thereunder in respect of or relating to disposal of public assets;
- (e) “**Reserve Price**” means the minimum price determined by the procuring agency for the disposal of public assets.

(2) The expressions used but not defined in these Regulations shall have the same meanings as are assigned to them in the Public Procurement Regulatory Authority Ordinance, 2002 and the Public Procurement Rules 2004.

3. **Scope.**—These Regulations shall be applicable to all the procuring agencies whether within or outside Pakistan:

Provided that these regulations shall not be applicable to Ministry of Defence and Ministry of Defence Production and their attached departments. The aforementioned Ministries shall bring a separate set of regulations for disposal of defence related assets for approval of the Board under the PPRA Ordinance.

PLANNING FOR DISPOSAL OF PUBLIC ASSETS

4. **Planning for disposal of public assets.**—(1) All procuring agencies shall prepare an annual public assets disposal plan for the items declared as unserviceable, surplus or obsolete, obsolescence assets or equipment and publish the same on EPADS on the prescribed format (**Schedule-I**) in the beginning of each financial year.

(2) The disposal plan shall be flexible to accommodate emerging issues in the disposal process.

NOTIFICATION AND ADVERTISEMENT

5. **Response time.**—(1) The procuring agency may decide the response time for receipt of bids from the date of publication of an advertisement or notice. Under no circumstances the response time shall be less than fifteen (15) days for national disposal and thirty (30) days for international disposal from the date of publication of advertisement or notice on EPADS and newspapers.

(2) All advertisements or notices shall expressly mention the response time allowed for that particular disposal proceedings along with the information for inspection of public assets, which shall be issued till a given date, allowing sufficient time to the potential bidders to submit the bid by the closing date.

(3) The response time shall be calculated from the date of first publication of the advertisement in a newspaper or posting on the web site, as the case may be.

(4) In situations where publication of such advertisements or notices has occurred in both electronic and print media, the response time shall be calculated from the day of its first publication in the newspapers.

6. **Advertisement for disposal of public assets.**—(1) The procuring agency shall post notification of disposal of public assets on the appropriate section of the EPADS using online template available on the EPADS, as notified by the Authority.

(2) All disposal of public assets shall be advertised on EPADS, as well as procuring agency's website (if available):

Provided that if the reserved price of the public asset(s) being disposed of exceeds Rs.3,000,000 (three million rupees), the procuring agency shall also publish the advertisement in newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu.

(3) The advertisement will contain (a) the date, time and venue of disposal ; (b) description and specifications of the public assets and their condition or particulars of the location; (c) the reserve price for assets being disposed of, period handing-over/ taking-over, notified rate of tax or fee and other necessary details and any other terms and conditions, where applicable, the disposal document shall be made available in the relevant section of the EPADS and shall be made accessible to all registered users.

(4) In case of international disposal, the notice shall be published in widely circulated international newspapers and on widely read internet sites, in the English language as well as on EPADS.

7. Notification of Disposal Committee.—(1) Procuring agency shall constitute and notify the Disposal Committee consisting of odd number of persons. The Committee shall be entirely responsible for determination of reserved price and processing of all disposal proceedings:

Provided that the procuring agency may co-opt any member outside the organization keeping in view the complexity of the disposal proceedings as well as the specifications of the public assets.

8. Functions of the Disposal Committee.—(1) The disposal committee shall perform the following functions:

- (a) Prepare the disposal of public assets document;
- (b) conduct survey of public assets for disposal;
- (c) verify the condition and the location of the items identified for disposal;
- (d) determine the current market value of the items for disposal:
provided that in case of high value and complex nature public assets the disposal evaluation committee may recommend for external / independent valuation services.
- (e) set up a reserve price;
- (f) verify the justification and procedure for disposal;
- (g) seek technical expertise where necessary to ascertain the value and the condition of the items.

9. **Access to Disposal of public assets proceedings.**—(1) Access shall be open, equal and unrestricted to all eligible bidders who are registered in EPADS in accordance with these regulations.

(2) The procuring agency shall hold an open competition to ensure maximum participation of bidders in the disposal of public assets proceedings. There will normally be a minimum of three bidders in the disposal proceedings, albeit there is no upper limit for number of bidders. However, if less than three bidders participate in the disposal proceedings the offers may be considered on merit.

PREPARATION AND SUBMISSION OF OFFER FOR DISPOSAL OF PUBLIC ASSETS

10. **General Requirements for Disposal of Public Assets.**—(1) The procuring agency shall consider the following general requirements for the disposal of public assets:

- (a) the scope of disposal of public assets and the eligibility requirements/ evaluation criteria for selection of highest offer and award of a contract is clearly prescribed in the advertisement and disposal of public assets document;
- (b) the reserve price of public assets to be disposed of is high enough to make it commercially viable for a competitive bidder base, but not so high as to materially reduce competition;
- (c) the procuring agency shall verify that all operational conditions as well as terms and conditions prescribed in the advertisement and/or disposal documents are satisfactorily being met to start disposal of public assets, ensuring that conditions required for safeguarding anonymity are in place; and
- (d) Each disposal of public assets proceedings is carefully monitored for market manipulation.

11. **Blacklisting of bidder.**—(1) Any bidder;

- (a) found involved in corrupt and fraudulent practices, coercive practices, collusive practices, or obstructive practices as defined in Rule-2(f) of public procurement rules, 2004 shall be blacklisted and debarred by the procuring agency for not more than ten years.

- (b) blacklisted and henceforth cross debarred for participation in respective category of public assets disposal proceedings for a period of not more than three years, if the bidder fails to perform his contractual obligations during the execution of contract or breaches the contract due to his capacity and capability to perform or otherwise. However, procuring agency shall initiate such blacklisting or debarment proceedings after exhausting the forum of arbitration, provided that such provision exists in the conditions of contract, and if such failure or breach is covered in the respective dispute settlement clauses of the contract, and;
- (c) who escapes after being selected as successful bidder in respective disposal of public assets proceedings, his security deposit shall be forfeited and shall be blacklisted and debarred for not more than six months.

(2) The procuring agency shall constitute a committee for blacklisting proceedings, while providing an opportunity of hearing to the bidder.

(3) Such blacklisting action shall be communicated by the procuring agency to the Authority and respective bidder in the form of decision containing the grounds for such action. The same shall be publicized by the Authority.

(4) The bidder may file the review petition before the Authority within thirty days of communication of such blacklisting or barring action after depositing the prescribed fee and in accordance with procedure prescribed by the Authority vide "Procedure of filing and disposal of Review Petition under Rule 19(3)", 2021" Regulations and the Authority shall evaluate the case and decide within ninety days of filing of review petition. The decision of the Authority shall be considered as final.

(5) Notwithstanding anything contained in these regulations, the blacklisted or debarred bidder shall be bound to perform his contractual obligations in such on-going disposal of public assets contracts in which such bidder is already engaged. This shall however be at the option of respective procuring agency.

12. Preparation of disposal of public assets documents.—(1) Procuring agency shall prepare disposal of public assets documents using online template available on the EPADS, stipulating e-signature or digital signature, whichever is applicable, by their authorized representative.

(2) The online template shall contain at least following sections;

- (a) Instructions on obtained the disposal of public assets documents;
- (b) Data Sheet (language, information about pre-bid conference, site visits, access to assets, conditions, specification and value of the assets being disposed of, instructions on the location, deadline for bid submission etc.);
- (c) Eligibility requirements and evaluation criteria;
- (d) General conditions of the contract;
- (e) Special Conditions of contract;
- (f) Contract forms; and
- (g) Assets with implications on public health and safety, and environmental protection;

(3) Procuring agency shall prepare unambiguous disposal of public assets documents and shall be made available to the interested bidders immediately after the publication of the advertisement.

13. Correspondence, amendments and clarifications.—(1) A request for clarifications by bidders and responses to queries shall be posted online on EPADS before or after inspection of public assets for disposal, within the time prescribed in the disposal of public assets documents.

(2) To the extent permissible, procuring agencies may amend the disposal of public assets documents at any time prior to the closing date for receipt of offers.

(3) Procuring agencies shall publish an addendum in the relevant section of the disposal of public assets document. Addendum shall be issued in a manner similar to the original advertisement such as EPADS, publication in the newspaper, and/or publish on procuring agency's website, as the case may be.

(4) All pre-disposal of public assets clarifications and amendments made in the disposal of public assets documents shall be posted simultaneously onto the EPADS. Modifications to any of the procedures, operations, specifications or conditions made by the procuring agency shall be tracked and recorded for audit.

14. **Submission of e-bids for disposal of public assets.**—(1) A bid submitted electronically shall be considered to be true and legal version, duly authorized and duly executed by the bidder and intended to have binding legal effect.

(2) The bidder shall place e-signature or digital signatures for identity and authentication purposes and the identity of the bidder may be verified through due diligence process. Signatory should be an individual who is authorized to sign the document by virtue of his legal status and/or his relationship to the entity on whose behalf the signature is executed.

(3) A bidder shall submit e-bid through EPADS ensuring the integrity, authenticity and completeness in all respects of his submissions, prior to the closing date and time. The bidder shall receive an autogenerated acknowledgement for submission through email as a proof of bid submission.

15. **Security deposit.**—(1) The procuring agency may require the bidders to furnish a fixed amount (not a percentage) of security deposit not exceeding ten percent of the reserve price of the public assets being disposed of in the manner prescribed by the procuring agency.

(2) The security deposit of the bidder may be forfeited if a bidder:

(a) Withdraws his bid after the opening of bids.

(b) Do not accept the corrections of errors.

(3) For unsuccessful bidders, the security deposit shall be refunded in line with the provisions of the disposal of public assets documents.

16. **Site visit.**—(1) The procuring agency shall organize a site visit or virtual tour to enable bidders to gain access and inspect the public assets being disposed of, before closing date to make their own assessment.

17. **Bid validity.**—(1) A procuring agency, keeping in view the nature of public asset being disposed of, shall fix a bid validity period.

(2) Bids shall be valid for the period of time specified in the disposal of public assets documents.

(3) The procuring agency shall ordinarily be under an obligation to complete the disposal proceedings and evaluate the bid within the stipulated bid validity period. However, under exceptional circumstances and for reason to be recorded in writing, if an extension is considered necessary, all those who have

submitted their bids shall be asked to extend their respective bid validity period. Such extension shall be for not more than the period equal to the period of the original bid validity.

(4) Bidders who:

- (a) agree to extension of their bid validity period shall also extend the validity of the security deposit for the extended period of the bid validity;
- (b) agree to the procuring agency's request for extension of bid validity period shall not be permitted to change the substance of their bids; and
- (c) do not agree to an extension of the bid validity period shall be allowed to withdraw their bids without forfeiture of their security deposit.

18. **Extension of time for submission of bids.**—(1) Where a procuring agency has already prescribed a deadline for the submission of bids for disposal of public assets and due to any reason, the procuring agency finds it necessary to extend such deadline, it shall do so only after recording its reasons in writing and in an equal opportunity manner. Advertisement of such extension in time shall be done in a manner similar to the original advertisement.

METHODS FOR DIPOSAL OF PUBLIC ASSETS

19. **Methods for disposal of public assets.**—(1) Save as otherwise provided in these regulations, the following procedures shall be penmissible for disposal of public assets through open competition, namely:—

- (a) **Disposal of public assets through e-auction.**—(1) The procuring agency shall carry out the auction according to the information specified in the invitation to the e-auction while bids shall be automatically ranked by the system, in case of automated evaluation system.
 - (2) EPADS shall automatically and instantaneously inform bidders of new ranking(s) as they occur, together with price in such a way that bidders are able to ascertain their ranking at any moment.

- (3) Under no circumstances may the identities of the bidders be disclosed or identified by any party during any phase of the e-auction.
 - (4) Procuring agencies shall not provide any additional information or clarification related to the e-auction that may potentially distort competition; and where it is necessary to provide information or clarification, such communication shall invariably be in writing and posted on EPADS and shall be made available to all bidders.
 - (5) The procuring agency shall close the e-auction in accordance with the option it has specified and the closure shall be—
 - (a) at the time and date as previously published; or
 - (b) when a previously advertised time period has elapsed during which no new valid bids have been received.
 - (6) The e-auction shall not be closed before the deadline has elapsed, in which case the EPADS shall immediately inform bidders about e-auction closure including any decision in case the closing date extended.
- b. **Disposal Through Sealed Envelopes.**—(1) The procedure and process to be used by the procuring agency for the disposal of public assets shall be similar to the procedure and process followed for procurement of goods, works and services through competitive open bidding as prescribed in Rule- 36(a) of the Public Procurement Rules, 2004. However, the award in the disposal of assets shall be made to the highest rated bidder, of which bid shall be equal or above the reserve price.
- c. **Disposal of assets by destruction, dumping, burying or burning.**—(1) Procuring agency after carefully considering the environmental effects and obtaining the clearance from the relevant authorities, may destroy, dump, bury or burn assets only when all other disposal options have been eliminated and no conversion into another form or recycling possibilities can

be identified. When items have been disposed of through any of the methods allowed, standard disposal report shall be prepared, duly signed by the competent authority.

ALTERNATIVE METHODS FOR DISPOSAL OF PUBLIC ASSETS

20. **Alternative methods for disposal of public assets.**—A procuring agency may utilize the following alternative methods of disposal of public assets, namely:—

(a) **Disposal of public assets pertaining to national security.**—

(1) The procuring agency under following circumstances may deviate from the requirement of open competition for disposal of public assets, with the prior approval of the relevant competent authority:

(i) The proposed disposal of public assets is related to national security and its publication could jeopardize the national security objectives; and

(ii) The proposed disposal of public assets comes within the ambit of restricted assets (i.e. arms, ammunition, used shells, etc.).

(b) **Intellectual property.**—(i) The procuring agency may deviate from the requirement of open competition for disposal of public assets which relates to disclosure of information which is proprietary in nature and falls within the definition of intellectual property.

21. **Right of first choice for disposal of public assets.**—(1) If the disposal of public asset falls within the ambit of Regulations 20 of these regulations, i.e. that assets belong to national security, restricted assets and intellectual proprietary rights, the procuring agency shall adopt following method.

(2) In order to ensure maximum economic utilization of public assets, respective procuring agency shall prepare inventory of the disposable assets and shall publish on EPADS. Only the federal and provincial government organizations, autonomous and semi-autonomous organizations, state-owned entities shall be eligible to participate in such disposal proceedings. A minimum of fifteen (15) days period shall be accorded to procuring agencies for submitting their offers through EPADS.

(3) Under subject provision, procuring agency may negotiate with the most advantageous bidder, while constituting a negotiation committee and shall record all proceedings. The assets being disposed of shall be transferred on at least 125% of the approved Reserve Price. In case of failure of financial negotiations, the procuring agency may approach to second successful bidder and so on:

Provided that under special circumstances and in case all options are exhausted the disposal committee may negotiate with all interested public organizations to reach at a price of mutual consent.

EVALUATION OF BIDS

22. Evaluation of disposal proceedings.—(1) The procuring agency shall formulate Evaluation/ eligibility Criteria for Disposal of public assets.

(2) The Disposal Committee shall evaluate the bids in accordance with predefined eligibility / evaluation criteria either through automated electronic evaluation matrix or through standard entries manually incorporated. The Disposal Committee shall not alter, amend or modify any information provided by the bidder.

23. Treatment in case of equal/identical bids/ offers for disposal of public assets.—(1) In case two or more bidders have offered equal/ identical prices, and have been evaluated as most advantageous bids, the procuring agency shall provide the opportunity to most advantageous bidders to submit revised bids in the presence of Disposal Committee, however the same shall not be less than price offered earlier. Those shall be opened and read aloud on the same day in the presence of the bidders. Financial bids shall then be evaluated in accordance with the evaluation criteria prescribed in the disposal documents.

ACCEPTANCE AND AWARD OF CONTRACT

24. Approval, notification of award and contract signing.—(1) The procuring agency shall upload the final evaluation report on the EPADS after fulfilling the formalities prescribed in these regulations.

(2) The procuring agency shall issue award notification to the most advantageous bidders online through EPADS and the bidders shall be required to acknowledge receipt through EPADS within prescribed time.

(3) Disposal Committee may conduct contract negotiations with the most advantageous bidder either online or offline (as the case may be), in accordance with the terms and conditions prescribed in the disposal of public asset document. Moreover, the minutes of the meetings/ discussion shall be recorded and provided on the EPADS.

(4) The authorized officer(s) of the procuring agency and the authorized representative of the most advantageous bidder shall sign the contract and manually as well as digitally by using digital signatures.

(5) The procuring agency shall publish the contract award information on EPADS under prescribed module of the EPADS.

25. Payment and collection of public assets.—(1) The procuring agency within fifteen days of the disposal of public assets proceedings shall handover the possession of the public assets to the most advantageous bidder, after signing of the contract and receipt of payment as provided in the contract.

Where the most advantageous bidder fails to meet the requirements in paragraph (1), the procuring agency shall forfeit the security deposit and shall proceed for blacklisting in accordance with regulations 11 of these regulations.

GRIEVANCE REDRESSAL

26. Notification of Grievance Redressal Committee for Disposal of Public Assets.—(1) Procuring agency shall constitute and notify Grievance Redressal Committee for Disposal of public assets comprising of odd number of persons with proper powers and authorization to address that complaint. The same shall be published on EPADS as well as on procuring agency's website (if available). The GRC shall not have any of the members of Disposal Committee:

Provided that the procuring agency may co-opt any expert outside the organization keeping in view the complexity of the disposal proceedings as well as the specifications of the public assets. However, the opinion of the expert shall not be binding.

27. Grievance Redressal.—(1) Any party may file its written complaint against the eligibility parameters, evaluation criteria or any other terms and conditions prescribed in the disposal of public asset documents, if found contrary to the provisions of the procurement regulatory framework, and the same shall be addressed by the grievance redressal committee (GRC) well before the bid submission deadline.

(2) Any bidder/ party feeling aggrieved by any act of the procuring agency / may lodge a written complaint concerning his grievances within seven days of announcement of the final evaluation report.

(3) In case, the complaint is filed after the issuance of the final evaluation report, the complainant cannot raise any objection against the eligibility parameters, evaluation criteria or any other terms and conditions prescribed in the disposal of public assets documents.

(4) The GRC shall investigate and decide upon the complaint within ten days of its receipt.

(5) Any bidder or party not satisfied with the decision of the GRC, may file an appeal before the Authority within thirty days of communication of the decision subject to depositing the prescribed fee and in accordance with the procedure issued by the Authority. The decision of the Authority shall be considered as final.

28. Rejection of public assets disposal.—(1) The procuring agency may reject all bids or offers at any time prior to the acceptance of a bid or offer. The procuring agency shall upon request communicate to any bidder who submitted a bid or offer, the grounds for its rejection of all bids or offers, but is not required to justify those grounds.

(2) The procuring agency shall incur no liability, solely by virtue of invoking regulations 28 (1) towards bidder who have submitted bids or offers.

(3) Notice of the rejection of all bids or offers shall be given promptly to all bidders that submitted bids or offers.

29. Re-bidding.—(1) If the procuring agency has rejected all bids under regulations 28 of these regulations, it may call for a re-bidding.

(2) The procuring agency before invitation for re-bidding shall assess the reasons for rejection and may revise specifications, eligibility requirements, evaluation criteria, reserve price or any other conditions for bidders as it may deem necessary.

30. Entry into the force of the disposal contract.—(1) A procurement contract shall come into force,—

- (a) where no formal signing of a contract is required, from the date the notice of the acceptance of the bid has been given to

the bidder whose bid has been accepted. Such notice of acceptance shall be issued within a reasonable time; or

- (b) where the procuring agency requires signing of a written contract, from the date on which the signatures of both the procuring agency and the successful bidder are affixed to the written contract. Such affixing of signatures shall take place within a reasonable time:

Provided that where the coming into force of a contract is contingent upon fulfillment of a certain condition or conditions, the contract shall take effect from the date whereon such fulfillment takes place.

31. **Closing of contract.**—(1) As specified in the conditions of contract, performance of the contract shall be deemed closed on the issuance of over all handing over certificate which shall be issued within thirty days of final handing over of public assets being disposed of enabling the buyer or contractor to submit final payment.

32. **Arbitration.**—(1) After coming into force of the disposal contracts, disputes between the parties to the contract shall be settled by arbitration.

(2) The procuring agencies shall provide for a method of arbitration in the disposal of public assets contract, not inconsistent with the laws of Pakistan.

33. **Mis-disposition.**—(1) Any violation of these regulations shall amount to mis-disposition.

RECORD MAINTENANCE ANT PUBLIC ACCESS

34. **Record of the disposal proceedings.**—(1) All procuring agencies shall maintain a record of their respective disposal proceedings along with all associated documentation including disposal of public assets documents, basis for determining the reserve price and summary of the others terms and conditions, names and addresses of the bidders that submitted bids, evaluation reports, name and address of the bidder with whom the disposal contract is entered into and contract price, for a minimum period of five years.

35. **Public access and transparency.**—(1) As soon as a contract has been awarded the procuring agency shall make all documents related to the evaluation of the bid and award of disposal contract public:

Provided that where the disclosure of any information related to the award of a contract is of proprietary nature or where the procuring agency is convinced that such disclosure shall be against the public interest, it can withhold only such information from public disclosure subject to the prior approval of the Authority.

36. **Overriding effect.**—(1) The provisions of these regulations shall have effect notwithstanding anything to the contrary contained in any other rules concerning disposal of public assets:

Provided that the prevailing rules and procedures will remain applicable only for the disposal of public assets for which notice for invitation of bids had been issued prior to the commencement of these regulations unless the procuring agency deems it appropriate to re-issue the notice for the said disposal of public assets proceedings after commencement of these regulations.

[No. 03(08)/M&E/PPRA/2023.]

DR. ASIM J. ABRO,
Director (M&E).

SCHEDULE-I**Annual Public Assets Disposal Plan**

Financial Year:

Name of the Procuring Agency:

1	2	3	4	5	6	7	8	9	10	11	12	13
No	Item Description	Qty	Unit of Issue	Purchase Price	Estimated current value	Justification for disposal	Ref No of the assets register	Disposal Method	Tentative date of disposal notice	Tentative date of award of contract	Tentative date of completion	Remarks (If any)
1.												
2.												
3.												

Prepared by: Name & Designation: Signature: Date:

Approved by: Name & Designation: Signature: Date: