

Government of Balochistan
PUBLIC PRIVATE PARTNERSHIP UNIT

September 27, 2022

NOTIFICATION

NOTIFICATION NO. 04/2022:- In exercise of powers conferred by Section 30 read with Section 16 and Section 7 of the PPP Act 2021, the Board of Balochistan Public Private Partnership is pleased to notify the following guidelines, namely:-

UNSOLICITED PROPOSALS GUIDELINES, 2022

GLOSSARY

“**Bidder**” has the meaning given to it in Section 2(1)(d) of the PPP Act;

“**Government**” means the Government of Balochistan;

“**Government Agency**” has the meaning given to it in Section 2(1)(h) of the PPP Act;

“**Government Support**” means the Government support for a PPP Project, in terms of Section 17 of the PPP Act;

“**Guidelines**” means these Unsolicited Proposal Guidelines, 2022, prepared pursuant to Section 30 of the PPP Act;

“**PDF**” or “**Project Development Facility**” means the project development facility, established under Section 20 of the PPP Act;

“**PPP Authority**” has the meaning given to it in Section 2(1)(v) of the PPP Act;

“**PPP Board**” has the meaning given to it in Section 2(1)(p) of the PPP Act;

“**PPP Project**” means a project implemented on a PPP mode;

“**PPP Unit**” has the meaning given to it in Section 2(1)(q) of the PPP Act;

“**Public Private Partnership**” or “**PPP**” has the meaning given to it in Section 2(1)(t) of the PPP Act;

“**PPP Act**” means the Balochistan Public Private Partnership Act, 2021;

“**PPP Agreement**” has the meaning given to it in Section 2(1)(u) of the PPP Act;

“**Implementing Agency**” has the meaning given to it in Section 2(1)(i) of the PPP Act;

“**Initiator**” means any person or entity submitting the Unsolicited Proposal;



“Procurement Rules” means the Balochistan Public Private Partnership Procurement Rules, 2022 as may be made and notified by the Government;

“Successful Bidder” means a Bidder whose bid is determined to be compliant with the requirements of the respective bidding documents, as well as the PPP Act and the applicable rules framed thereunder, and is issued the notification of award for the relevant PPP Project;

“Unsolicited Proposal(s)” has the meaning given to it in Section 2(1)(y) of the PPP Act;

“VGF” means the viability gap fund to be established by the Finance Department of the Government under Section 19 of the PPP Act.

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1. INTRODUCTION

- 1.1. The Government is striving towards sustainable socio-economic development, with a focus on infrastructure, public service and public interest projects to uplift the standard of living of the people of Balochistan.
- 1.2. The Government intends to actively engage the private sector and promote investments across potential sectors through PPP mode as a means of delivering public services and physical and social infrastructure in Balochistan.
- 1.3. The Government, through the promulgation of the PPP Act, is encouraging the private sector to pitch proposals to meet the needs of the citizens and to participate in the sustainable socio-economic development of Balochistan. Preference shall be given to projects with innovative ideas. To further the Government's development agenda, the Government is encouraging submission of Unsolicited Proposals by the private sector.
- 1.4. Unsolicited Proposals allow the Government to identify and prioritize PPP Projects, help overcome challenges related to early-stage project identification and assessment and generate feasible solutions to such challenges that are faced in infrastructure, service delivery and other public-interest projects.
- 1.5. In pursuance thereof, the PPP Board approves and promulgates these Guidelines which set out the mechanism and procedure for the submission and evaluation of Unsolicited Proposals and specify the competitive procurement procedure to be followed, subject to the Procurement Rules, for such Unsolicited Proposals.

2. SUBMISSION OF AN UNSOLICITED PROPOSAL

- 2.1. An Initiator may, on its own initiative, submit an Unsolicited Proposal for a PPP Project to the PPP Authority. However, prior to submission of the Unsolicited Proposal to PPP Authority, the Initiator may submit draft of the Unsolicited Proposal to a Government Agency and may seek inputs and comments thereon. Once the Unsolicited Proposal is submitted to the PPP Authority by the Initiator, the PPP Authority may seek such assistance and facilitation from the relevant Government Agency in terms of Section 31 of the PPP Act.
- 2.2. All Unsolicited Proposals will be treated on a case-by-case basis, with the view to selecting PPP Projects that advance the Government's public policy and development agenda. Projects that demonstrate innovation or unique value proposition shall be preferred.
- 2.3. An Unsolicited Proposal may be based on:
 - (a) ideas that are in line with the Government's development and sectoral plans and policies;
 - (b) the private sector's interest in developing commercially viable project solutions; and



(c) developing feasibility studies to help reduce Government's lack of technical and financial resources.

2.4. In case more than one Unsolicited Proposal is submitted for a specific PPP Project to the PPP Authority, the PPP Board may accept the best-case option out of the submitted Unsolicited Proposals on the recommendations of the PPP Authority, via PPP Unit), and thereafter, such Unsolicited Proposal shall be processed in the manner as stated in these Guidelines.

3. CONTENTS OF UNSOLICITED PROPOSAL

3.1. The Unsolicited Proposal shall be accompanied by project documents, which shall include, but are not limited to the following:

- (a) an analysis of the feasibility and sustainability of the PPP Project including technical, legal, financial and socio-economic viability over the expected duration of the PPP Project;
- (b) an environmental impact assessment, as per applicable laws;
- (c) requisite information pertaining to required Government Support for such PPP Project in accordance with the PPP Act;
- (d) affordability of the PPP Project;
- (e) determination of the appropriate PPP modality under which the PPP Project shall be undertaken;
- (f) risk analysis and risk management strategy;
- (g) a draft PPP Agreement;
- (h) a detailed financial feasibility and market study to ascertain the viability of the PPP Project; and
- (i) any other document that may be required to evaluate the Unsolicited Proposal and / or to justify the placement of the Unsolicited Proposal before the PPP Board.

4. REVIEW AND EVALUATION OF AN UNSOLICITED PROPOSAL

4.1. The PPP Authority shall review and evaluate the Unsolicited Proposal and other documents or information submitted pursuant to Section 3.1 of these Guidelines. If required, the PPP Authority may access PDF funds to hire a Transaction Adviser for review and evaluation of the Unsolicited Proposal.



- 4.2. Upon receipt of the Unsolicited Proposal, the PPP Authority, if deemed necessary, may require the Initiator to submit additional information regarding the PPP Project and / or details about its legal, technical, managerial and financial capabilities, along with details regarding the cost of preparing the Unsolicited Proposal, in each case, with relevant supporting evidence. Such information shall be submitted to the PPP Authority by the Initiator within the time period specified by the PPP Authority.
- 4.3. Upon receipt of the requested information / documentation from the Initiator under Section 4.2 of these Guidelines, the PPP Authority shall review and evaluate the Unsolicited Proposal, along with other submitted documents and information. If the PPP Project is found to be economically, technically, legally and environmentally feasible, and the information submitted by the Initiator about its legal, technical, managerial and financial capability (along with details of costs of preparation of the Unsolicited Proposal) is satisfactory to the PPP Authority (acting in its sole discretion), then the PPP Authority may submit the Unsolicited Proposal to the PPP Unit for review, appraisal and subsequent onward submission to the PPP Board for consideration.
- 4.4. The PPP Authority may also either reject the Unsolicited Proposal if it is found to be non-feasible or return the Unsolicited Proposal to the Initiator to resubmit an amended Unsolicited Proposal and/or provide additional information / documentation if the PPP Authority considers it necessary for the purposes of review and evaluation of the Unsolicited Proposal.
- 4.5. The decision of the PPP Board with respect to the Unsolicited Proposal shall be communicated to the Initiator, in writing, by the PPP Authority.
- 4.6. The timelines for review and evaluation of an Unsolicited Proposal as well as the timelines for submission of requested information by the Initiator shall be as specified in the Procurement Rules.
- 4.7. The approval process for submission, review and evaluation of Unsolicited Proposals has been illustrated in the flowchart set out in Annexure A.

5. BIDDING PROCESS FOR UNSOLICITED PROPOSALS

- 5.1. If the PPP Board approves the Unsolicited Proposal, as per the PPP Act, the Implementing Agency that will invite competitive bids for the PPP Project in accordance with Procurement Rules, shall be: (i) the PPP Authority; or (ii) the Government Agency, provided that as per Section 12(6) of the PPP Act, no funds from PDF were availed for review of USP and no funds are required from VGF, as the case may be, and such Implementing Agency shall award the PPP Project and enter into the PPP Agreement .
- 5.2. In the event that pre-qualification for the relevant PPP Project is conducted, the Initiator shall be exempted from the pre-qualification process and shall be allowed to directly participate in the bidding process.



- 5.3. Subject to the Procurement Rules, the Initiator may be given certain benefits during the bid evaluation process.
- 5.4. If the Initiator fails to match the best bid or improve its bid as per the best bid received, the successful bidder shall be directed to reimburse the amount specified in the bidding documents as the cost of preparing the Unsolicited Proposal to the Initiator, but the reasonability of the cost of preparation of the Unsolicited Proposal, and the final amount to be specified in the bidding documents in relation thereto, shall be determined by the PPP Authority. If the PPP Authority has accessed the PDF Funding for review and evaluation of the Unsolicited Proposal, then such fee may also be recovered, to the extent possible.
- 5.5. If other valid competitive Bids, except the bid of the Initiator, are not received, the Implementation Agency may: (1) negotiate and / or enter into the PPP Agreement with the Initiator, subject to the approval of the PPP Board; or (2) decide to undertake the bidding process afresh.

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ANNEXURE A – SUBMISSION, REVIEW AND EVALUATION PROCESS FLOW OF UNSOLICITED PROPOSALS

