

PCMMDC AUCTION & ENLISTMENT POLICY 2022

WHEREAS, the company (PCMMDC) in its Memorandum of Association, Objective Clause (Clause IV (1)) provides **to define laws rules and procedures** to ensure its objective; and Clause IV (11) provides **to devise most suitable mechanism for animal fee collection**. Moreover, Clause 42 (a) of Articles of Association under DUTIES AND POWERS OF THE BOARD provides **to establish operation policies and procedures** including periodic auditing and reporting.

Therefore, the Board of Directors of Punjab Cattle Market Management & Development Company (PCMMDC) by exercising its powers and authority interested in its Memorandum & Articles of Association is pleased to enact and approve the following contractor's enlistment policy.

CHAPTER I

1. **Short Title and Commencement.** – (1) This policy rules may be cited as Punjab Cattle Market Management & Development Company Auction & Enlistment Policy 2022. This also may be cited as PCMMDC Auction & Enlistment Policy 2022.
(2) This policy shall come into force subject to the approval of Board of the company and from the date of commencement mentioned in notification issued by the company.
2. **Definitions.** – (1) In this policy:
 - a) "Company" means Punjab Cattle Market Management & Development Company also may be cited as PCMMDC.
 - b) "Office" means registered office of the company may also be referred as Head Office situated at its address registered with registrar Joint Stock of Companies or SECP.
 - c) "Board" means Board of Directors of the company.
 - d) "Minutes" means the minutes issued by or on the behalf of Board or by any of its committee dually constituted and authorized by the Board.
 - e) "Memorandum of Association" means memorandum of association of the company also may be cited as MOA.
 - f) "Articles of Association" means Articles of Association of the company also may be cited as AOA.
 - g) "Competent Authority" means the authority defined under Articles of Association of the company.
 - h) "Auction" means the public and open auction conducted under this policy rules.
 - i) "Auction Committee" means the committee constituted and notified under clause 7.
 - j) "Price Estimation Committee" means the committee constituted and notified under clause 18(6) and or under clause 10(3).
 - k) "Contract" means the contract awarded by the company to the successful and responsive bidder of the auction.
 - l) "Contractor" means a person eligible to make contract with the company.
 - m) "Income" means revenue received from the return of contract.
 - n) "Public Notice" means a notice issued for conduct for an auction under this policy.
(2) This policy shall be applicable for the auction of or in all cattle markets of Punjab under the operational control and authority of the company.

3. **Auction of Collection Rights.** - The company may award contract, assign right to collect income on its behalf, to the contractor for the next or current financial year.
4. **Prohibition.** – The contract shall not be awarded to the contractor, except according to the procedure prescribed in this policy.

CHAPTER II

5. **Auction procedure.** – (1) The company shall:
 - a) Award the contract through the public auction; and
 - b) Issue a public notice, in at least two national daily newspaper one in Urdu and one in English, through the office of the Director General, Public Relation, Punjab minimum seven days prior to date of auction; or
 - c) Past a copy of the public notice at conspicuous place of the area and at notice board in the office of the company and at the notice board in the office of the company situated at concerned cattle markets; or
 - d) Announcement of auction by beat of drum and other local means.(2) The public notice shall contain:
 - a) the date, time and venue of auction;
 - b) specification of the major terms and conditions for participating in the auction;
 - c) the reserve price for auction, period of contract, notified rate of tax or fee and other necessary details(3) For each time for conduct auction, the publication of public notice is compulsory and no alternative dates shall be given in the public notice.
6. **List of participations.** – (1) On date and time of auction, the list of participants, eligible for participation in the auction and who have deposited the earnest money, shall be prepared and signed by the convener of the auction committee or any member of auction committee authorized by the convener.
(2) The name, address and computerized national identify card number of each participant, mentioned under sub-clause (1), shall be recorded on the list and attested copy thereof shall be kept in the record.
7. **Auction committee.** – (1) The Chief Executive Officer / Managing Director of the company shall notify an auction committee for conducting auction comprising on the following members with their prescribed TORs to be mentioned in the notification.
 - a) Chief Operating Officer of relevant division (convener)
 - b) Representative of Secretary LG & CD department (member)
 - c) Representative of relevant divisional commissioner (member)
 - d) Representative of relevant Metropolitan / Municipal Corporation / Committee (member)
 - e) Head of Procurement Department of relevant division (member / secretary)(2) The auction committee shall conduct the auction, prepare final result with necessary detail including acceptance and rejection of bids, and shall submit with signs to the head of Admin Department of the company (PCMMDC) for its consolidated report to subsequent approval from the Board of Directors before award of contract.



8. **Statement of bid.** - (1) Before starting the auction, terms and conditions of the contract shall be announced and the copy of such terms and conditions shall be delivered to the participants of auction by the convener of the auction committee.
- (2) A statement of bids shall be:
- Prepared in the presence of the participants of auction;
 - Signed by the convener of the auction and members of the auction committee; and
 - Signed by the highest bidder in a column against which the amount of his bid is written.

CHAPTER III

9. **Manner for awarding contract.** – The contract shall be awarded to the highest bidder through an open bid by adopting the procedure of auction as laid down in chapter II.
10. **Reserve price.** – (1) The reserve price for an income shall be determined by average actual income of the company received for last preceding three years.
- (2) If an income is introduced by the company for first time, the assessed and expected income as provided in the budget from the source shall be reserve price for the income from that source.
- (3) Reserve price of the new cattle market will be determined by the Reserve Price Committee notified by the Board.
11. **Attempt to award the contract.** - (1) At least three attempts shall be made to award the contract through open bid, above the reserve price, by the administration of the company before the commencement of financial year.
- (2) In case a new cattle market is to be auction for the first time during the financial year that may be auctioned and the contract thereof may be awarded for next twelve months subject to the special approval of the Board.
12. **Acceptance or rejection bid.** – (1) The bids for collection rights received in auction, if less than the reserve price, shall be rejected by the Board.
- (2) The bids if rejected under sub-clause (1), the collection rights shall be put for re-auctioned in the prescribed manner within reasonable time.
- (3) The highest bid, above the reserve price, received in auction and recommended by the respective auction committee or Chief Executive Officer of the company, shall be placed before the Board within ten days of receipt of bid for approval.
- (4) The highest bid, received under sub-clause (3), shall:
- reasonably justifiable; and
 - not have scope of further enhancement in view of the company.
- (5) The Board shall approve or reject the bid duly recommended by the auction committee or Chief Executive Officer under sub clause (3).
- (6) The Board shall record the reasons of rejection in writing, if highest bid, received under sub clause (3), is rejected by it.
- (7) Subject to sub clause (8), if the company accepts a bid for collection rights and enters into an agreement with the contractor, it shall not repudiate the agreement.



- (8) If the Board is satisfied that the auction has not been conducted in accordance with the approved policy or in a transparent manner it may repudiate the agreement through a speaking order.
- (9) The single highest bid above the reserve price received may be considered under sub-clause (3).

13. Acceptance of bid below the reserve price. – If the bid is not received above the reserve price in three attempts, the Chief Executive Officer shall place the matter before the Board:

- a) examine the reasonability of the bids; and
- b) decide acceptance or rejection of the bid after recording reasons of its rejection or acceptance.

14. Intimation of Acceptance of bid. – (1) As soon as the approval from the Board about the acceptance of bid is received, the company shall:

- a) communicate through concerned Chief Operating Officers or Divisional Financial Controllers the acceptance of bid by a letter to contractor on his postal address provided by him at the time of auction through:
 - i. courier service or special messenger; or
 - ii. any other means of communication deemed appropriate to the contractor; and
- b) direct the contractor to enter into written agreement; and
- c) fulfill his obligations in accordance with the terms and conditions of contract.

(2) The cost of written agreement, signed under the policy rules, shall be borne by the contractor.

(3) The bid shall be automatically stand cancelled and the deposits made by the contractor stand forfeited and be presumed that the contractor is no more interested in the contract, if he fails to:

- a) turn up to deposit dues as per the terms and conditions of auction; or
- b) enter into written agreement within three days of the communication made under sub clause (1).

(4) If contractor fails to deposit dues or enter into agreement under sub clause (3), the collection rights shall also be put to re-auction.

CHAPTER IV

15. Terms and conditions of contract. -Beside other conditions as the company may decide, the conditions laid down in this chapter shall invariably be part of the terms and conditions of the contract.

16. Eligibility of contractor. – A person shall not be eligible to be a contractor who:

- a) is defaulter in respect of any dues to the company;
- b) has been blacklisted by the company or any other department;
- c) has been declared insolvent; or
- d) is not competent to enter into agreement under the law.

17. Enlistment of contractors. – (1) A contractor, who participates in the auction proceedings of collection rights under this policy rules, shall first be enlisted himself according to the categories mentioned in sub clause (3).

(2) The contractor, who is not enlisted under sub clause (1), shall not be eligible to participate in the auction proceeding conducted by the company.

(3) The following shall be the classification of contractors for registration purposes of the policy:

Sr No	Category / Classification	Limit of Reserve Price	Registration Fee (PKR) (nonrefundable & valid for one year)
1	A	10 crore and above	1 Million
2	B	5 crores up to 10 crores	5 Lac
3	C	3 crores up to 5 crores	3 Lac
4	D	Up to 3 crores	1 Lac

(4) The contractor(s) shall be enlisted in accordance with the following criteria;

- a) the contractor shall submit an affidavit to the extent of eligibility required under clause (16) of this policy.
- b) the company shall verify about the status of financial default (if the applicant is current or previous contractor of the company) through concerned Chief Operating Officers or Divisional Financial Controllers or from the financial record of the company.
- c) the applicant of enlistment shall submit the requisite registration fee along with the requirement of clause 4(a)(b) and (i) in finance department of the company office in a prescribed manner before issuance of registration certificate.
- d) if the information provided in the affidavit of the applicant under clause 16 would have been found false or incorrect at any stage, his registration certificate shall stand cancelled and the contract if so awarded shall be revoked.
- e) the registration certificate shall be valid for one financial year.
- f) the registration shall be made every year from January to March or minimum three months before the publication of tender notice.
- g) the contractor registration fee shall be non-refundable and the certificate of one category will be valid for the same category for which it will be issued.
- h) the registered contractor shall not be considered eligible and technically qualified for bidding process unless to fulfil the criteria provided in Bid Form or Bidding Document.
- i) the applicant must be timely filer of last year Income Tax Return.

18. Earnest Money. - (1) A bidder shall deposit pay order equivalent to the amount of ten percent of the reserve price as an earnest money in the funds of the company before taking part in an auction.

(2) The sixty percent of the earnest money deposited by successful contractor shall be adjusted against the amount payable by him as first monthly installment. The contractor shall deposit remaining amount of his first installment including the signed advanced cheques for next remaining months and the security required under clause (27). All deposits and securities shall be received by the finance department of the company before signing the contract.

(3) The balance earnest money shall be retained by the company as a security for successful completion of contract and payment of dues under the agreement.

(4) The earnest money of un-successful bidders shall be returned immediately after completion of the auction proceedings.

(5) The earnest money retained as security shall be refunded to the contractor:

- a) after successful completion or performance of contract; and
- b) production of a certificate from the head of accounts office of respective divisional office of the company that nothing is due from the contractor respective and contract has been completed or satisfactorily performed.

(6) The Chief Executive Officer of the company shall notify the constitution of the committee for the estimation of reserve price or earnest money for the auction preferably comprising on the following members.

- a) Divisional Chief Operating Officer of relevant division (chairman)
- b) Representative of LG & CD department (member)
- c) Representative of relevant Metropolitan / Municipal Corporation (member)
- d) Representative of Live Stock & Dairy Development department (member)

19. Dues and deposits. – (1) After receipt of communication of acceptance of bid from the company;

- a) the contractor shall deposit one tenth of the amount of approved bid in the funds of the company within specified time period; and
- b) the contractor shall enter into written agreement with the company within three days.
- c) The concern Chief Operating Officer will sign and execute the contract relating to his division with witness of concerned Division Financial Controller.

(2) The remaining amount of bid shall be paid by the contractor to the company in equal monthly installments that the whole amount be recovered at least one month before completion of contract.

(3) The installments shall be paid by the contractor in advance by the fifth day of each month.

(4) The late fee charges equal to zero-point two percent (0.2%) per day not more than seven days from the due date of installment shall be paid by the contractor in case of late deposit due upon him.

20. Other deposits. – (1) The contractor shall deposit other charges such as rent of building under his possession, cost of books, stationary, electricity, furniture and fixtures of any other property provided by the company for the use of collection of income, in the funds of company in advance by the fifth day of each month.

(2) When the contractor shall use the services of company staff or employees for the administration of collection of respective income, he shall be responsible for deposit of salaries and all other benefits to the company employee permissible under the Human Resource Manual before the start of each month in advance. The company staff shall be deputed for this purpose with the approval of competent authority.

(3) the income tax, sales tax, professional tax or any other levies enforced by law or instructions issued by the government shall be recovered from the contractor.

(4) Any other deposit agreed upon between the company and the contractor shall be recovered from the contractor.

21. Maintenance of account and official record. - A contractor shall keep the record relating to accounts of the income as well as other documents in proper order as provided in the respective rules, bye laws and procedures for the inspection of the company with the approval of competent authority.

22. Properties and assets. - (1) The contractor shall:

- a) keep the properties of the company in the same condition as those were received by him at the time of delivery; and
- b) be responsible for any material loss caused to properties, mentioned under clause (a), due to his negligence during the contract.

(2) The contractor shall:

- a) deliver all assets and properties received by him back to the company after completion of the contract; and
- b) get certificate from the company for delivery of all assets and properties made under clause(a).

23. Implementation of collection procedure and bye laws. - (1) The contractor shall get approved a procedure and operational plan relating to the execution of the contract from the competent authority or from his authorized person for this purpose and shall abide by all bye laws, policies, notifications etc., issued from time to time relating to execution of the contract.

(2) The contract shall, if the interpretation of any clause of this policy or the contract is required, refer the matter to the company for interpretation.

24. Overcharging. - (1) The contractor shall not be involved in overcharging either by himself or through his agent or any other person.

(2) In case of violation of sub clause (1), action shall be taken against the contractor or his agent or any other person, involved in overcharging and his contract shall be cancelled and all deposits made by him shall be forfeited forthwith.

25. Rights and responsibilities of the contractor. - The contractor shall:

- a) abide by the terms and condition of the contract; and
- b) collect income in accordance with the operational plan approved by the competent authority, applicable bye laws, policy of the company and notifications;
- c) all directions passed by the competent authority time to time for the execution of contract.

26. Disputes - (1) If any dispute arises between the contractor and the company regarding contract or any other matter arising out of contract, the contractor and the company shall resolve the dispute through arbitration under the Arbitration Act,

- (2) The arbitrator shall decide the dispute within one month.
- (3) The decision of the arbitrator shall be final and binding on the parties concerned.
- (4) The dispute between the public and the contractor shall be settled by the competent authority of the company.
- (5) The arbitrator may be appointed by the Secretary LG & CD department or by the chairman of the company through notification, if parties fail to agree on an arbitrator and one of the parties approaches the Chief Executive Officer of the company for appointment of an arbitrator.



27. Sureties and guarantees. – (1) The successful bidder shall, at the time of signing the agreement, furnish a surety for the due performance of the contract to the satisfaction of the company.

(2) The surety in addition to earnest money retained under clause (18) shall be equal to 10 % of contract price or the bid price offered by the contractor in form of bank guarantee in favor of the company.

(3) In case of default of contractor to discharge his obligations under the contract for any reason, then, without prejudice to the claims of the company against the contractor, the company shall be entitled to recover from the surety, not only the amount including charges, dues and fees which may have become due under the contract, but also the cost of proceedings initiated in this regard.

28. Cancellation of contract. – (1) The company shall cancel the contract if a contractor:

- a) fails to abide by any term and condition of the contract;
- b) fails to pay any dues on due date and time;
- c) the provided information reveals to be false or incorrect at any stage, or he becomes black listed or found to be a partner of any black listed firm or company;
- d) involves in overcharging and circumventing any law or policy of the company related to collection of respective income; or
- e) violates any other condition which the company may deem fit to impose in the public interest.

(2) The contract shall not be cancelled without providing an opportunity of hearing to the contractor by the Chief Executive Officer or his authorized person on the motion of concerned Chief Operating Officer.

(3) After cancellation of contract, the Board may decide to re-auction the income for the remaining period of contract or may make self-collection.

(4) In both situations mentioned under sub clause (3), if the income so received is found less than the contractual amount, the difference shall be recovered from the contractor as arrears of land revenue.

29. Rebates. – The contractor shall not be entitled to rebate on any ground what so ever.

30. Amendments. – The Board may amend any of the clause of the policy any time on the recommendation of Chief Executive Officer in the best interest of company and the amendments so made shall be applicable on subsequent contracts.

