

**The Ravi Urban Development Authority (RUDA)
Auction Regulations, 2022**

Notification: No CEO/RUDA/16-11-2022/02/01: In exercise of the powers conferred under section 55 read of The Ravi Urban Development Authority Act 2020 (amended), the Board of The Ravi Urban Development Authority is pleased to frame the Ravi Urban Development Authority Auction Regulations with effect from 16th November 2022:

- 1. Short title and commencement.** - (1) These Regulations may be cited as The Ravi Urban Development Authority (RUDA) Land Auction Regulations, 2022.
- (2) They shall come into force at once.

Chapter 1 – General Provisions

- 2. Definitions.** - (1) In these Regulations:

- a) "Act" means The Ravi Urban Development Authority, Act, 2020 (XVII of 2020).
- b) "Auction" means an auction process carried out in relation to immovable property of the Authority in accordance with these regulations for determining the highest/successful bidder;
- c) "Auctioneer" means an officer of the Authority, or engaged otherwise as such from outside the Authority, by the Auction Committee to carry out an auction;
- d) "Auction Committee" means the committee constituted by the Authority in accordance with regulation 5;
- e) "Auction Document" means the document prepared in accordance with regulation 10(5);
- f) "Auction venue" means, in case of an open and public auction, the place where the auction will be held and, in case of an auction by invitation of sealed bids, the place where the bids shall be opened;
- g) "Auction with reservation" means a type of auction where the reserve price may or may not be disclosed to the public and the Authority reserves the right to accept or reject the highest bid even if it is in excess of the reserve price;



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- h) **"Authority"** means the Authority as defined in Section 2(c) of the Act;
- i) **"Bid"** means the price offered at an auction by a bidder for immovable property put to auction which once made cannot be withdrawn without the permission of the Auction Committee;
- j) **"Bidding Documents"** means the instructions to bidders or the RFP or any document of a similar nature by whatever name called that includes details about the land being put to auction, the method of auction, the type of auction, the date and place of auction, the reserve price, earnest money, the mode and manner of payment of consideration, the terms and conditions of transfer, and other details that enable a person to understand the requirements for participating in an auction and the terms and conditions applicable thereto;
- k) **"Bidder"** means the qualified bidder, the highest bidder and/or the successful bidder as the case may be;
- l) **"Board"** means the Board of the Authority established under Section 4A of Ravi Urban Development Authority Act, 2020.
- m) **"Contract"** means the agreement or agreement(s) enforceable at law entered in to between the Authority and the successful bidder;
- n) **"Land valuator"** means a person, partnership, firm or company listed on the panel of approved valuers maintained by the State Bank of Pakistan;
- o) **"Government"** means Government of the Punjab;
- p) **"Highest Bidder"** means the bidder at an auction who offers the highest price for the property at auction and has been declared as such by the Auctioneer;
- q) **"Information Memorandum"** means the information relating to the property and the auction;
- r) **"Invitation by sealed bid"** means an auction process in which sealed bids are invited from the public and opened at such place and on such time that has been duly notified in advance to the public;
- s) **"Minimum bid auction"** means a type of auction where the reserve price is disclosed to the public and the Authority must accept the highest bid provided it is equal to or above the reserve price;





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- t) **"Open and public auction"** means an ascending English auction that takes place in a traditional manner where bids are made in public in the presence of other qualified bidders and which is concluded with the fall of the hammer;
- u) **"Public notice"** means a notice issued for conduct of an auction under regulation 13;
- v) **"Qualified bidder"** means the bidder at a public auction who fulfills all legal and codal requirements mentioned in these regulations and is declared as eligible to participate in the auction conducted;
- w) **"Regulations"** means The Ravi Urban Development Authority Land Auction Regulations 2022;
- x) **"Successful Bidder"** means the bidder who has fulfilled all legal, codal and just formalities and has been approved and declared to be the successful bidder by the Auction Committee;
- y) **"Sealed bid"** means a bid submitted 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;
- z) **"Transfer"** means the conveyance or grant of the Authority's title, right and/or interests in immovable property subject to such terms and conditions as may be prescribed in the Auction Document/bidding documents and includes a transfer way of registered sale deed, conditional sale, leasehold or allotment.

(2) Any expression used but not defined in these Regulations shall have the same meaning as is assigned to it in the Act.

Chapter II – Land Disposal

3. **Transfer of Property.** – (1) Save as otherwise provided, the Authority shall transfer its immovable property situated in the Area to private/public entity through auction in accordance with the terms and conditions prescribed in these regulations.

4. **Principle guiding the Authority.** – (1) The Authority shall ensure that every transaction that it enters into with private/public entities for the transfer of its immovable property shall, to the fullest extent possible, maximize the economic potential and utility of such property without comprising on the principles of transparency and fairness.





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Chapter III – General Provisions for Auction



5. Auction Committee – (1) The Board shall notify an Auction Committee for carrying out auction of the Authority's immovable property in accordance with these regulations. The Auction Committee shall include:

- (a) Two (2) Board Members of the Authority which includes at least one Ex-Officio member, one of whom shall be designated as the Chairperson;
- (b) Executive Director Commercial (Secretary);
- (c) DD Land & Estate Management; and
- (d) Director Finance.

(2) Subject to these regulations, the Auction Committee shall, as the delegatee of the Board, grant final approvals for the auction of the Authority's immovable property in accordance with these regulations and shall conduct, manage, review and supervise the auction process.

6. Preparatory Work. – (1) The preparatory work required to prepare the Auction Document shall be carried out by the Commercial Directorate and the Land and Estate Management.

(2) The Commercial Directorate shall work with the Land and Estate Management to:

- (a) identify lots of immovable property owned by the Authority to be auctioned;
- (b) appoint, engage and hire land valuator(s), consultant(s), advisor(s) and auctioneer(s) as and when required;
- (c) solicit and review land valuation reports;
- (d) solicit, review and seek recommendations from consultant(s), advisor(s) on structuring transactions for the transfer of immovable property;
- (e) solicit and review recommendations received from consultant(s), land valuator(s) and advisor(s) regarding the transaction structure for auction(s) including appropriate auction procedure, reserve price, amount and deposit of security, earnest money, terms and conditions





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of transfer, mode and time of payment of consideration, and proposed timeline of the auction;

- (f) prepare the Auction Document for the review and approval of the Auction Committee,
- (g) conduct, manage, review and supervise the auction process.

7. No Auction without Board or Auction Committee's Approval. – Notwithstanding anything contained in these regulations, no auction shall be conducted without the approval of the Board or Auction Committee duly nominated by the Board. Auction proceeding duly notified by the Committee is to be presented to the Board for ratification.

8. Method and Type of Auction. – (1) Auction of immovable property under these regulations may be carried out on the basis of open and public auction, auction by invitation of sealed bids or such other method of auction as may be recognized internationally for the transfer of immovable property.

(2) An open and public auction or auction by invitation of sealed bids shall be carried out in the form of an auction with reservation. In rare and exceptional cases, the Auction Committee may, for reasons to be recorded in writing, carry out a minimum bid auction and the provisions of Chapter V will be read with such variations as may be necessary to accommodate a minimum bid auction.

(3) The Auction Committee may in granting an approval use or combine any variant of the above as may be recommended by the consultant(s).

9. Land Valuation. - (1) No lot(s) of immovable property shall be put to auction without conducting a valuation of the land through an independent-third party land valuator.

(2) The Land and Estate Directorate shall procure a valuation report of the land from at least three land valutors.

(3) In fixing the reserve price, the Auction Committee shall have due regard to the land valuation conducted by the land valuator(s) and under no circumstances shall the reserve price be less than the combined average of the valuations proposed by the land valutors appointed under sub-regulation (2) above; provided however



that the reserve price may be reduced with the sanction of the Board if no bids are received at the reserve price.

10. Auction Document. – (1) The Commercial Directorate and the Land and Estate Directorate may engage the services of a consultant and/or advisor(s) to select the appropriate transaction and auction structure and propose the reserve price, the terms and conditions of transfer, the method and type of auction, the amount of earnest money, and other relevant details necessary to determine the viability of using auction as a method of land disposal.

(2) The proposed terms of the auction shall be finalized in an Auction Document which shall be submitted as recommendations to the Auction Committee no later than four (4) months after receiving all three valuation reports from the land valuers.

(3) The Auction Committee will review the Auction Document and may approve, reject or modify the Auction Document and the terms and conditions thereof.

(4) In granting its approval of the Auction Document, the Auction Committee shall ensure that the same has been prepared in accordance with these regulations and that the method and type of auction, the minimum reserve price and the earnest money have been duly specified.

(5) The Auction Document shall include the bidding documents, the Information Memorandum, the draft Advertisement, the Letter of Acceptance and other documents of transfer and such other details that may be necessary for making an informed decision on whether to proceed with the auction on the proposed terms and conditions.

11. Property may be auctioned in lots. – (1) The Auction Committee may put immovable property to auction in lots so as to obtain the highest possible bid or in a combination of various lots or otherwise.

12. Auctioneer. – (1) In the event that the Auction Committee approves an Auction Document and decides to proceed therewith, the Auction Committee shall also appoint an auctioneer to conduct the auction in accordance with the mandate of the Auction Document.

(2) The Auctioneer shall have no authority to bind the Authority and shall exercise its powers at all times under the supervision and instructions of the Auction Committee.

Chapter IV – Auction Process

13. Public Notice.– (1) Within 28 days of the Auction Committee's approval for the auction of its immovable property, the Authority shall cause a public notice of the auction to be made and such notice shall state the time and place of auction, provided that where the property is divided into lots for the purpose of being sold separately, it shall not be necessary to cause a public notice to be made for each lot unless proper notice of the sale cannot, in the opinion of the Auction Committee, be given.

(2) In addition to the information specified in sub-regulation (1), the public notice shall also specify the following as fairly and accurately as possible:

- (a) a description of the property to be sold;
- (b) any encumbrances to which the property is liable;
- (c) the broad terms and conditions of transfer;
- (d) the costs and procedure for obtaining the Auction Document (bidding documents, the Information Memorandum and other relevant documents);
- (e) the date and time of auction and the venue of auction in the case of an open and public auction;
- (f) the date and time for submitting bids in the case of an auction by invitation of sealed bids;
- (g) any other thing which the Auction Committee considers material for a bidder to know in order to judge the nature and value of the property and/or understand the type and method of auction.

(3) In cases of auction by invitation of sealed bids, the public notice shall specify the manner and method of submission and receipt of bids in an unambiguous and clear manner.

14. Mode of issuing public notice. – (1) Every public notice shall be made and published in at least two leading English and Urdu newspapers of wide circulation



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in order to enable free and open competition.

(2) The public notice shall also be published on the website of the Authority and will also be proclaimed on the property.

(3) Notwithstanding anything contained in these regulations to the contrary, the date of auction shall be set at least fourteen (14) days after the date of publication of the public notice.

15. Inspection of property and provision of Auction Documents. – (1) Interested bidders shall be entitled to inspect and visit the site prior to the auction on the payment of such fees as may be prescribed in the Auction Document.

(2) The Authority may collect such fee as may be determined by the Auction Committee to defray the expenses of preparing the requisite bid documents and may for this purpose require any bidder to pay the stipulated fee for collection of Auction Documents.

16. Open and Public Auctions. – (1) In the case of an open and public auction, interested bidders shall be required to register themselves with the Authority in the manner and within the time specified in the Auction Document.

(2) A unique bidding number shall be provided to each potential bidder by the Auction Committee whose name shall be entered into a register of bidders to be maintained by the Authority.

(3) Only potential bidders registered with the Authority shall be allowed to participate in the open and public auction.

(4) The Authority may collect such fees for registration as may be prescribed in the Auction Document.

(5) Notwithstanding anything contained in this regulation, the Authority may as a condition of registration require the interested bidder to furnish such security or provide such information or documentary evidence concerning its professional, technical, financial or legal competence as may be necessary; provided however that any such conditions have already been specified in the Auction Document.

(6) In imposing any conditions under sub-regulation (5), the Authority shall ensure that the conditions are narrowly tailored for achieving the objectives of the Authority and do not unduly restrict or hamper competition.



(7) The Authority shall have the right not to register any person who does not fulfill the conditions of registration specified in the Auction Document.

17. Earnest Money. – (1) The Auction Committee shall fix the amount of earnest money payable against the auction of immovable property under these regulations.

(2) The earnest money shall be payable at such time and at such stage of the auction process and in such form as may be specified in the Auction Document.

Chapter V – Acceptance/Rejection of Bids

18. Bids to be made and opened in public. – (1) On the day of auction, the auctioneer shall in the case of an open and public auction, carry out an ascending English/Numeric auction at the auction venue in the presence of the registered bidders to discover the highest price.

19. Record of Auction. – (1) The Land and Estate Directorate shall maintain a complete record of the auction process which shall include a video recording.

(2) In case of an open and public auction, the Auction Committee or any person authorized by it shall record each bid on a record sheet which shall be signed by the auction committee/any authorized person(s).

20. Acceptance or rejection of a bid. - (1) All bids received in auction proceedings shall be deemed to be offers that are subject to acceptance by the Authority.

(2) The bidder who submits the highest bid and whose bid is equal to or greater than the reserve price shall be declared the highest bidder.

(3) The Auction Committee shall record the reasons of rejection in writing, in case the highest bid, received under sub-rule (3), is rejected.

(4) In the event that the bids received in auction are less than the reserve price, all such bids shall be rejected by the auctioneer after obtaining the approval of the Auction Committee and the immovable property shall be put up for re-auction.

(5) Notwithstanding anything contained in these regulations or in any Auction Document issued pursuant thereto, the Authority reserves the right to accept or reject all or any of the bids at any stage without assigning any reason whatsoever and any decision to that effect will be deemed final.



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(6) The Auction Committee shall ensure that the details of each auction carried out by the Authority are placed in the form of a report before the Board for its information and subsequent ratification.

21. Acceptance of bid below the reserve price. – (1) If no bid is received equal to or above the reserve price, the Auction Committee shall place the matter before the Board to:

- (a) examine the reasonability of the bids;
- (b) decide acceptance or rejection of the bid after recording reasons of its rejection or acceptance;
- (c) lower the reserve price and carry out a re-auction if not already done so.

22. Intimation of acceptance of bid. – (1) As soon as the recommendation from the auction committee about the acceptance/rejection is received, approval shall be sought from CEO prior to:

- (a) communicate acceptance of the highest bid by a written letter to the successful bidder and confirm it as the successful bidder; and
- (b) direct the successful bidder to enter in to a written agreement for the transfer of property in accordance with the Auction Document; and
- (c) direct the successful bidder to fulfill its obligations in accordance with the terms and conditions of contract.

(2) The cost of executing the agreement including any direct or indirect cost, taxes, duties, charges or fees levied in relation to the transfer of property shall be borne by the successful bidder.

(3) Subject to the terms and conditions of transfer as may be specified in the Auction Document, the auction shall automatically stand cancelled, the deposits made by the successful bidder shall stand forfeited and the land put to re-auction if the successful bidder fails to:

- (a) deposit dues as per the terms and conditions of auction;
- (b) enter into written agreement(s) within forty-five (45) days of the communication made under sub-regulation (1) or such other period as may be specified in the Auction Documents; or
- (c) commits a material default under the terms and conditions of the transfer.

23. Power to Cancel. – (1) The Auction Committee may direct the Auctioneer to



cancel the auction at any time without assigning any reason whatsoever.

24. Grievance Committee. - (1) The Authority shall constitute a committee of odd number of persons, with necessary powers and authorizations, to address the complaints of the bidders that may occur during the auction proceedings in accordance with these regulations.

(2) Any bidder may file its written complaint against the eligibility parameters, evaluation criteria, or any other terms and conditions prescribed in the Auction Document if found contrary to the provisions of these regulations and the same shall be addressed by the Grievance Committee.

(3) Any bidder feeling aggrieved by any act of the Auctioneer or Auction Committee may lodge a written complaint concerning his grievances within seven days of the auction date in the case of open and public auction, or the date of opening of bids in the case of auction by invitation of sealed bids.

(4) Any bidder or party not satisfied with the decision of the Grievance Committee, may file an appeal before the Chairman of the Board within thirty days of communication of the decision, subject to depositing a fee of PKR 5,000 and in accordance with the procedure issued by the Authority. The decision of the Chairman shall be considered as final.

(5) Unless specified otherwise by the Authority, the Grievance Committee constituted under sub-regulation (1) shall consist of the following members:

- i. Chief Operating Officer (Chairman)
- ii. Executive Director ICT,
- iii. Director Investor Relations (Secretary)

25. Rebates. - The bidder may be allowed rebate as may be determined in the Auction Document/Information Memorandum


(Imraan Amin)
Chief Executive Officer
Ravi Urban Development Authority

