SCHEDULE-J

BIDDING PROCEDURE

1. General
   i. Bidding will be held under Section 19 of PEMRA Ordinance 2002, when the number of applications exceeds the number of FM radio licences to be granted.

   ii. The bidding process shall be conducted by the Bidding Committee constituted by the Chairman.

   iii. Bidding shall be held at such time, place and date as determined by the Committee.

   iv. Only authorized representative of the pre-qualified/ shortlisted applicant companies (specimen for authority letter is given in Schedule-K) shall be allowed to participate in the bidding process and make bids on behalf of the companies.

   v. Bids shall be made on the form provided in Schedule-L of this bidding procedure.

   vi. The bidding shall consist of following two rounds:

   First Round: Through Sealed Bids
   Second Round: Through open outcry.

   vii. The bidding proceedings shall be video recorded by PEMRA.

2. **First Round: Sealed Bids**

   i. The Authority shall invite the shortlisted applicant companies to submit the sealed bids for the FM radio broadcast station licence.

   ii. Base price and applicable application processing fee for various districts for award of FM radio broadcast station licences is given in the Schedule B.

   iii. Shortlisted applicant companies shall submit Earnest Money not less than 15% of the Base Price in the form of Pay Order or Demand Draft drawn on PEMRA (valid for a minimum period of ninety days) along with the Sealed Bids.

   iv. Bids without or less than required earnest money shall be rejected.

   v. Bid offered less than the base price shall not be accepted.

vi. The sealed bids shall be dropped in the box reserved for this purpose along with Earnest Money in presence of the Bidding Committee.

vii. No subsequent addition, deletion or alteration in the sealed bid shall be acceptable.

viii. The bids shall be given in Pak Rupees.

ix. Conditional bids, having 'ifs' and 'buts', shall out-rightly be rejected.

x. The bidders who have successfully complied with the above conditions shall be considered as qualified bidders for the second round.

xi. The Bidding Committee shall open sealed bids in the presence of authorized representatives of the bidders. The Bidding Committee shall announce:

a. The Offered /Quoted price of each bidder;
b. Amount of earnest money
c. The Highest Bid Price; and
d. The names of Qualified Bidders for the Next Round

3. **Second Round:Open Outcry**

i. The qualified bidders of the first round shall be eligible to participate in the second round (open outcry).

ii. The highest bid amount concluded in the first round for a particular area /district licence shall be the base price for open outcry bidding for the second round.

iii. In case only one bid is received for a FM radio broadcast station licence in a particular district/area, the bidder shall be considered provisional successful only if the bid amount is not less than the base price provided the bidder fulfills all other conditions of bidding process.

iv. To make a bid, the minimum incremental value for next higher bid shall be multiple of Rupees Fifty Thousand.

v. Each eligible bidder shall raise hand before offering the bid.

vi. Each bidder shall cry-out his bid and shall write on the prescribed form (Schedule-L) the final bid amount offered by the authorized representative of the company and after signing it, hand it over to the Bidding Committee who shall announce it.

vii. Authorized Representative of a bidder shall not be allowed to participate in any activity on behalf of any other bidder during the bidding process.

viii. The open outcry session shall continue till the time the highest bid is not further contested.

ix. Each highest bid will get a maximum time of three minutes comprising three announcements each of one minute duration. However, each bidder may once be granted a timeout not exceeding ten minutes, if requested.

x. When the bid offered by a bidder is not contested within given time, the Bidding Committee shall announce the highest bid and bidder.

xi. The highest bidder in a particular district/area shall be considered provisional successful bidder and the highest bid shall become 'Applicable Licence Fee (ALF)' for the respective licence.

xii. The Earnest Money of the successful bidder or bidders, as the case may be, for any particular category shall be adjusted towards the applicable licence fee (ALF) while the Earnest Money of the unsuccessful bidders shall be released within thirty (30) working days of the bidding date without bearing any liability by the Authority towards interest, indexation, inflation etc.

xiii. The successful bidder for a particular district/area shall deposit the difference between the earnest money already deposited and 15% of the 'Applicable Licence Fee' as balance earnest money within fifteen (15) working days from the date of bidding. The mathematical representation is as follows:

Balance Earnest Money to be deposited within 15 days After Bidding = 15% of the Applicable Licence Fee "minus" Earnest Money (15 % of Base Price) already deposited

xiv. The successful bidder for a particular district/area shall be obliged to deposit the balance 'Applicable Licence Fee' alongwith Security Deposit equal to 3% of the Applicable Licence Fee (which shall be refundable or adjustable in annual fee on the request of licensee after successful operation of one year)and advance tax if applicable as per government policy within thirty (30) days when asked as follows:

a. Upfront: 100% of the balance of applicable licence fee as a one-time upfront amount
OR

b. Installments: an upfront payment of the balance 50% (i.e. 50-15) of the applicable licence fee, and the remaining amount in 10 years in 10 equal annual installments with a cumulative mark up rate at KIBOR, applied from the period of the date the upfront payment is due to the payment date. The successful bidders may pay the remaining balance of the applicable licence fee at any time in advance of the schedule installment, along with payment of cumulative mark up to such date of payment.

xv. In case the successful bidder fails to meet the requirement of clause (xiii) or (xiv), he shall be considered in-eligible for grant of licence and the deposited earnest money and all other amounts paid in this regard shall be forfeited.

xvi. The highest bidders for any particular district/area licence shall be allowed to withdraw their bid after lapse of two years from the date of bidding. No claim whatsoever towards interest, indexation, inflation etc. shall be entertained /maintainable after this period.

xvii. The FM radio broadcast station licences shall be awarded to successful bidders after completion of all the legal requirements, including approval of Authority, security clearance from the Ministry of Interior, Consultation with the Provincial Government where the Station is to be established, Public Hearing, allocation of frequency and payment of licence fee and security deposit.

xviii. In case of any dispute during the bidding process, decision of the Bidding Committee shall be final.

4. Disqualification

Without prejudice to any other remedy that may be available to it, the Authority reserves the right, on the recommendation of the Bidding Committee, to disqualify any bidder and forfeit its deposited amounts, for any of the following reasons:

i. If a Successful Bidder abandons the bid or fails to deposit the balance amount of earnest money equal to 15% of the Applicable Licence Fee within fifteen (15) days of the bidding date.

ii. Inaccuracy or misrepresentation of any fact in any of the documents &bid.

iii. Indiscipline, disruption during the bidding process, or indulgence in improper attempts to influence the outcome, or delay the process.

iv. Any “corrupt practice” including the offering, giving, receiving or soliciting of anything of value to influence any official of the Authority in relation to the bidding process.

v. Any fraudulent practice or misrepresentation of facts in order to influence the results of the bidding process.

5. <u>Reservation of Rights</u>

i. The Authority reserves the right to reject any or all of the bids after recording reasons in writing.

ii. The Authority reserves the right, in its sole discretion, to take any action, which it deems necessary to ensure that the bidding process occurs in a fair, open and transparent manner, in accordance with law and discourage collusion and destructive bidding that may block the entry of potential bidders into the biding process.

iii. No suit, prosecution or other legal proceeding shall lie against the Authority or any member of Bidding Committee or employee of the Authority in respect of anything done or intended to be done by the Authority in good faith in connection with bidding process.