

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR

SECRETARIAT LOCAL GOVERNMENT AND RURAL DEVELOPMENT

MUZAFFARABAD

DATED: 22/01/2021

NOTIFICATION

No.AJK-SLG/ 711-21 /2021 In exercise of the power conferred by Section 89 read with Section 40 of the Azad Jammu and Kashmir Local Government Act, 1990 (VII of 1990) the Azad Government of the State Jammu and Kashmir is pleased to make the following rules, namely: -

1. **Short Title and Commencement.** - (1) These Rules may be called the Azad Jammu and Kashmir Local Councils (Contract) Rules, 2020.

(2) They shall come into force at once.

2. **Definitions.** - (1) In these rules, unless the subject or context otherwise requires, the following expressions shall have the meanings as hereby respectively assigned to them:-

- (a) "Act" means the Azad Jammu and Kashmir Local Government Act, 1990;
- (b) "Agreement" means any kind of undertaking written expressed or implied, made between a Local Council and any other person for consideration, for the purchase or supply of goods or materials, or for the acquisition, purchase or transfer by grant, gift, sale, mortgage, lease, exchange, or otherwise of any moveable or immovable property or for the execution of any work or for the performance of any service;
- (c) "Authority" means a mayor or chairman or any officer duly authorized by the mayor or chairman on behalf of the Local Council;
- (d) "Contract" means an agreement enforceable by law;
- (e) "Contractor" means a person registered in Local Government Board as a Contractor and entering into a Contract with a Local Council, and shall include a person submitting a tender;
- (f) "Form" means the Form annexed to these rules.
- (g) "Government" means the Azad Government of the State of Jammu and Kashmir.
- (h) "Local Council" means a Local Council constituted under the Act, and includes a Union Council, District Council, Town Committee, Municipal Committee and a Municipal Corporation;
- (i) "Rules" means the Azad Jammu & Kashmir (Contract) Rules, 2020.
- (j) "Schedule" means the schedule annexed to these rules.

(2) Words and expressions used but not defined in these rules shall have the same meanings as are assigned to them in the Act and the Azad Jammu and Kashmir Public Procurement Regulatory Authority Act, 2017.

3. **Responsibility of a Local Council.**- A Contract shall not be binding on a Local Council unless it is made in conformity with the provisions of these rules and any other law for the time being in force in this behalf.

4. **Authority to make Contracts.**- Subject to the provisions of the Act and the rules, all Contracts shall be made on behalf of Local Council and shall be executed by such authorities as referred in scheduled to these rules.

5. **Manner of Making Contracts.**- (1) A formal deed of agreement for every Contract, after observing the procedure specified in the relevant rules shall be executed between the Authority and the Contractor.

(2) All agreements by or on behalf of the Local Council shall be signed by the Authority and attested by the two witnesses and shall bear the seal of the Local Council and be executed in such form as shall bind him if it were made on his own behalf and may in the like manner be altered and discharged.

(3) All agreements shall be written on a stamp paper of the appropriate value and shall, where necessary be registered under the law for the time being in force.

(4) All agreements and the other documents relating to the Contract shall be kept in the safe custody and recorded in a register in Form C-I or as the case may be, in Form C-II.

(5) All agreements / Contracts shall be made for a period of one year.

6. **Responsibilities of the Authority Approving or Making Contracts.**- The Authority approving or executing a Contract shall be responsible for ensuring that,-

(a) the Contract is made after observing all legal and procedural formalities under these rules and the Azad Jammu & Kashmir Public Procurement Regulatory Authority Act, 2017 and the rules made there under;

b) the Contract is made without coercion, influence, favoritism, fraud or misrepresentation;

(c) the parties are competent to make the Contract;

(d) no official or member of the concerned Local Council is directly or indirectly beneficiary of the Contract; and

(e) the Contract is in the best interest of the Local Council.

7. **Enforcement of Contracts.**- (1) The Chairman shall take such steps as may be necessary to enforce the performance of Contract in accordance with the terms and conditions thereof and to the best interest of the Local Council.

(2) Where a Contract is not performed according to its terms and conditions, the Chairman shall take all necessary measures to safeguard the interest of the Local Council.

(3) On the completion of the Contract, the Chairman shall record a certificate to that effect, and if the Contract was made with the approval of the Local Council, a report regarding its completion shall be submitted to the Local Council.

8. **Disputes.**- (1) In case of any dispute arising between the Contractor and the Local Council on the terms and conditions of the Contract or any matters arising out of Contract, the parties to contract shall have a right to resolve such dispute through arbitration under the Arbitration Act, 1940 as adopted and in force in Azad Jammu and Kashmir.

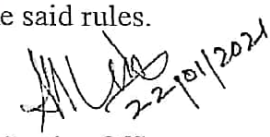
(2) The arbitrators shall be appointed by the Local Government and the Rural Development Department through notification in the official Gazette.

(3) The arbitrator shall decide the dispute within the ninety days from the date of the receipt of the dispute.

(4) The decision of the arbitrator shall be final and binding on the parties.


9. **Repeal.**- (1) The Azad Jammu & Kashmir Local Council (Contract) Rules 1982 are here by repealed.

(2) Notwithstanding anything contained in sub rule (1), the contract awarded under the Azad Jammu & Kashmir Local Council (Contract) Rules 1982 shall continue to be in force till the completion of contract under the said rules.


22/01/2021
Section Officer
Local Govt. & Rural Dev.

Cc:

1. Secretary to the President, Azad Jammu & Kashmir.
2. Principal Secretary to the Prime Minister, Azad Govt. of the State of Jammu & Kashmir
3. Private Secretary to the Minister, Local Govt. and Rural Development Department.
4. The Chief Secretary, GoAJ&K.
5. The Additional Chief Secretary (Gen), GoAJ&K.
6. The Secretary, Local Govt. & Rural Development, GoAJ&K.
7. Secretary, Law, Justice, Parliamentary Affairs & Human Rights, GoAJ&K.
8. Accountant General, Azad Jammu & Kashmir, Muzaffarabad.
9. Secretary Local Government Board, Muzaffarabad.
10. Controller, Government Printing Press, Azad Jammu & Kashmir, Muzaffarabad for publication in official gazette
11. Master File.


22/01/2021
Section Officer
Local Govt. & Rural Dev

The Schedule

(See rule 4)

S.NO.	Category of Local Council	Amount or Value of Contract	
		By the Mayor or Chairman	By the Local Council
1.	District Council	Rs. 5 Million	Unlimited
2.	Municipal Corporation	Rs. 5 Million	--do--
3.	Municipal/ Town Committee	Rs. 2 Million	--do--
4.	Union Council	Rs. 0.2 Million	--do--

FORM C-1

(See rule 5)

Contract made by the Mayor or Chairman

1	2	3	4	5	6	7	8	9	10
Sr. No.	Date of making Contract	Particulars of the Contract	Name, Address & CNIC of the Contractor	NTN	Amount or the value of the Contract	Due date of the completion of Contract	Actual date of completion	Action taken on non- observance of terms and conditions of the Contract	Remarks

FORM C-II

(See rules 5)

Contract made by the Mayor or Chairman with approval of the Local Council

2	3	4	5	6	7	8	9	10	11
Date and Resolution No. containing approval of the Local Council	Date of making Contract	Particulars of the Contract.	Name, Address & CNIC of the Contractor	NTN	Amount or the value of the Contract	Due date of the completion of Contract	Actual date of completion	Action taken on non-observance of terms and conditions of the Contract	Remarks

22/01/2021