

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
LOCAL GOVERNMENT AND RURAL DEVELOPMENT SECRETARIAT
MUZAFFARABAD.

NOTIFICATION

DATED- 16. June1982

No.3884-3912 /SLG/82.In exercise of the power conferred by Section 82 read with Section 38 of the Local Government ordinance, 1982, the Azad Government of the State of Jammu and Kashmir is pleased to make the following rules: -

1. SHORT TITLE AND COMMENCEMENT: -

- (1) These Rules may be called the Azad Jammu and Kashmir Local Councils (Contract) Rules, 1982.
- (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 hereby respectively assigned to them, that is to say: -
 - (a) agreement; means any kind of undertaking expressed or implied, made between a Local Council and any other person for consideration, for the purchase or supply of goods of materials, or for the acquisition, purchase or transfer by grant, gift, sale, mortgage, lease, exchange, or otherwise of any moveable or immoveable property or for the execution of any work or for the performance of any service;
 - (b) “contract” means an agreement enforceable by law;
 - (c) “contractor” means a person entering into a contract with a local council, and shall include a person submitting a tender under rule 7;
 - (d) “form” means the schedule annexed to these rules.
 - (e) “Schedule” means the schedule annexed to these rules.
2. Words and expressions used but not defined in these rules and defined in the ordinance shall have the same meanings respectively assigned to them in the ordinance.

3. LOCAL COUNCIL NOT RESPONSIBLE FOR UNAUTHORIZED CONTRACT.

No contract shall be binding on a local council unless it is made in conformity with the provisions of these rules.

4. **AUTHORITY TO MAKE CONTRACTS: -**

- (1) Subject to the provisions of the ordinance and the rules framed there under, all contracts shall be made on behalf of a Local Council by its Chairman; provided that if a contract is for an amount exceeding the powers of the Chairman specified in column 2 of schedule 1, it shall not be made without the prior approval of the local council.
- (2) All contracts made by the Chairman on his own Authority shall be reported to the local council in Form C-1 at the meeting next following the making of the contract.
- (3) The provisions of this rule shall apply to every variation or discharge of contract to the same extent as to the original contract.

5. **MANNER OF MAKING CONTRACTS.**

- (1) A formal deed of agreement shall be executed between the local council and the contractor for every contract:
 - (a) The performance whereof is subject to such condition as may be specified;
 - (b) Which is to be made after inviting tenders; or
 - (c) For the acquisition, purchase, lease, sale or transfer of any immovable property.
- (2) All agreements by or on behalf of a local council shall be signed by the Chairman and attested by two witnesses as shall bear the seal of the local council and shall be executed in such form as would bind him if it were made on his own behalf and may in the like manner and form be varied and discharged.
- (3) All agreements shall be written on a stamped paper of the appropriate value and shall, where necessary, be registered under the law for the time being in force.
- (4) All contracts shall be recorded in a Contract Register to be maintained in Form C-2.
- (5) All agreements and other documents to the contract shall be kept in the custody of the Chairman.

6. **PERSONAL RESPONSIBILITIES OF THE PERSONS APPROVING OR MAKING CONTRACTS.**

The Chairman making or approving a contract shall be personally responsible for ensuring that:

- (i) the contracts is made without concern, under influence, fraud or misrepresentation;
- (ii) the parties are competent to make the contract;
- (iii) the contracts are competent to make the contract.
- (iv) No official or member of the local council is directly or indirectly interested in the contracts;
- (v) the contract is in the best interest of the local council and in making it full advantage has been taken of the comparative rates available in the market; and .
- (vi) the contract is legally in order.

7. **TENDERS WHEN TO BE INVITED.**

- (1) Subject to the provisions of sub-rule (2) the Chairman shall, at least seven days before entering into a contract involving an expenditure exceeding rupees Twenty Five Thousand, give a public notice in a news paper inviting tenders for such contract and may accept any of the tenders so made which appears to him, upon a view of all the circumstances, to be the most advantageous: Provided that ;
 - (i) if he rejects the lowest tender or all the tenders made in pursuance of the public notice, the reason for this so doing shall be recorded;
 - (ii) if it is a contract entered into with approval of the local council the approval of the local council shall be obtained before rejecting the lowest tender; and
 - (iii) the Chairman may in case of calamity or any other emergency and with the previous sanction of the local council, dispense with the formality of inviting tenders, and enter into a contract with any person for the execution of any work for the provision of any supplies with due regard to the quality of work or speedy execution of the contract.

Explanation.

- (1) The local council shall be the sole authority to determine whether there has occurred any calamity or other emergency and its decision in this behalf shall be final.
- (2) Subject to sub-rule(3) a public notice in respect of a tender for an amount not exceeding the amount referred to in sub-rule (1) shall be pasted or affixed at some conspicuous place at the office of the local council.

- (3) The local council may, in case where the question of securing comparative prices or rates is not involved, authorize the Chairman to enter into a contract without inviting tenders.

8. PROVISIONS AS TO TENDERS.

- (1) No tender shall be deemed to be valid unless:
 - (a) it is sealed;
 - (b) in the case of a tender submitted by a firm, it is signed by each member of the firm or a person holding a power of attorney on their behalf; and
 - (c) it is accompanied by earnest money equal to two percent of the amount of tender, in each or currency notes, or the amount of earnest money is deposited in any other manner specified by the local council.
- (2) A local council may in special case, for reasons to be recorded in writing, waive the condition regarding the deposit of earnest money.
- (3) All tenders shall be opened by the Chairman at the time and place specified in the public notice issued under rule7, in the presence of such contractors as may be present and the chairman shall affix his initial and date on every tender opened.

9. SECURITY FOR PERFORMANCE OF CONTRACT.

- (1) When a tender has been accepted under the provision of these rules; an agreement, where necessary, shall be entered into between the contractor and the local council, and the contractor shall be required to deposit, in the specified manner and within the time fixed, such sum as together with the earnest money, if any, Will make up a sum equal to one tenth of the amount of his tender, as security for the due performance of the contract.
- (2) The security shall no completion of the contract to the satisfaction of the Chairman but after the maintenance period, if any prescribed under the agreement, be refunded to the contractor.

10. 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 such action as may be necessary to involve the penalty clause of the contract and 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.

Sd/=

Secretary

Local Government & Rural Dev.

SCHEDULE 1

(Rule 4)

Category of Local	Value or amount of contract Which can be entered into By the chairman.	
	On his own Authority	with the approval of the Local Council
1.	2.	3.
1. Contract for the acquisition, purchase or transfer by grant, gift sale mortgage, exchange or otherwise except that of a lease of immoveable property or any interest taken on and right thereto.		

Zila Council	Nill	Unlimited
Municipal Committee	Nill	-do-
Town Committee	Nill	-do-
Union Council	Nill	-do-

(2) **CONTRACT FOR THE LEASE OF IMMOVEABLE PROPERTY.**

RENTAL VALUE NOT EXCEEDING RS.

Zila Council	2400.00	-do-
Municipal Committee	1200.00	-do-
Town Committee	600.00	-do-
Union Council	300.00	-do-

**3. OTHER
CONTRACTS**

UPTO THE VALUE OF

Zila Council	Rs. 3 lacs	-do-
Municipal Committee	Rs. 50 lacs	-do-
With estimated annual Income exceeding One crore.		
Other Municipal Committees.	Rs. 30 thousand	-do-
Town Committee	Rs. 10 thousand	-do-
Union Council	Rs. 2 thousand	-do-