SCAN TO VERIFY
LAW DEPARTMENT
GOVERNMENT OF SINDH
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GOVERNMENT OF SINDH
LOCAL GOVERNMENT AND HOUSING
TOWN PLANNING DEPARTMENT

Karachi dated 4th October, 2016

NOTIFICATION

No.SOA/LG/4(34)/2014: In exercise of the powers conferred by section 138 of the Sindh Local Government Act, 2013, read with section 77 and entery 5 of Schedule VII thereof, the Government of Sindh are pleased to make the following Rules, namely.-

1. **Short title and commencement.-** (1) These rules may be called the Sindh Local Council (Contract) Rules, 2016.

(2) These rules shall come into force at once.

2. **Definations.-** (1) In these rules, unless the subject or context otherwise requires, the following expressions shall have the meaning hereby respectively assigned to them, that is to say-

(a) "Act" means the Sindh Local Government Act; 2013;

(b) "agreement" means any kind of undertaking expressed or implied, made between a Council and 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 movable or immovable properly or for the execution of work or for the performance of any service;

(c) "Authority" means the Mayor or Chairman, as the case may be, and includes any other officer of the Council authorized by it;

(d) "contract" means an agreement enforceable by law;

(e) "Contractor" means a person, firm, company or organization which undertakes to execute work including services related thereto, other than consulting services, incidental to or required for the contract with the Council;

(f) "form" means from appended to these rules;

(g) "Schedule" means the Schedule annexed to these rules

(2)Words and expressions used but not defined in these rules shall have the same meanings respectively assigned to them in the Act.

3. **Councils not responsibel for unauthorized contract.-** No contract shall be binding on a Council unless it is made in conformity with the provisions of these rules.

4. **Authority to make contract.--**(1) Subject to the provisions of the Act and rules made thereunder and the Sindh Public Procurement Regulatory Authority Act, 2009 and the rules framede thereunder, all contracts shall be made on behalf of a Council by the Authority.

(2) No contract exceeding the value specified in column 2 of the First Schedule against the Council specified in column 1 thereof shall be made without the prior approval ot the Council.

5. **Manner of making contracts.--** (1) A formal deed of contract shall be executed between the Authority and the contractor for every contract-

(a) The performance whereof shall be subject to such conditions as may be specified by the Authority;

(b) shall be made after inviting tender; or

(c) for the acquisition, purchase, lease, sale or transfer of any immovable property or for any consideration.

(2) All contracts by or on behalf of a Council shall be signed by the Authorityor any officer authorized by it in this behalf and attested by two witnesses and shall bear the seal of the Council and shall be executed in such form as would bind him if these were made on his own behalf .

(3) All agreement 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 for the registration of documents.

(4) All contracts shall be recorded in a Contract Register to be maintained in Form ‘A’ & ‘B’.

6. **Personal responsibility of the person approving or making contract.-** The Authority shall be personally responsible for ensuring that-

(i) The contract is made without coercion, undue influence, fraud or misrepressentation of parties;

(ii) the parties are competent to make the contract;

(iii) the contract does not involve any favoritism;

(iv) no official or member of the Council is directly or indirectly interested in the contract;

(v) the contract is in the best interest of the Council and in making it full advantage has been taken of the competitive rates prevailing in the market; and

(vi) the contract is legally in order.

7. **Procurement of Goods, Works and Related Services and invitation of tenders.-** (1) In procurement of goods, works and services, the provisions of the Sindh Public Procurement Rules, 2010 shall be followed in letter and spirit.

(2) Subject to provisions of sub-rule (1), the Authority shall, at least seven days before entering into contract involving an expenditure specified in the First Schedule, give public notice in newspaper inviting tenders for such contract and may accept any of the tenders so made, which appears to be most advantageous.

(3)The Council may in cases where the question of securing competitive prices or rates is not involved, authorize the Authority to enter into a contract without inviting tenders.

(4) Subject to sub-rule (3), a public notice in respect of the tenders shall be pasted or affixed at a conspicuous place at the office of the Council.

8. **Provisions as to tenders.-** (1) No tender shall be deemed to be valid unless -

(i) it is sealed;

(ii) 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

(iii) it is accompanined by an earnest-money equal to two percentum of the amount of the tender, in cash, or in any other manner specified by the Council; provided that the Council may, in special cases and for reasons to be recorded in writing, waive the condition of the earnest money.

(2) All tenders shall be opened by the Authority at time and placo specified in the public notice issued under rule 7 in the presence of such contractors as may be present and the Authority shall affix his initials and date on every tender so opened.

9. **Security for performance of contract.-** (1) When a tender is accepted under the provisions of these rules and the Sindh Public Procurement Rules, 2010, a contract agreement shall be entered into between the contractor and the Council in accordance with thoso rulos, and the contractor shall be required to deposit in the specified manner and within the time fixed, such sum together with the earnes money, if any, and will

make up sum equal to one-tenth of theamount of his tender, as security for the due performance of the contract.

(2) The security shall, on completion of the contract to the satisfaction of the Authority and after the maintenance period, if any, prescribed under the agreement, be refunded to the contractor.

10. **Appointment of Consultants.** Where the nature of works or schemes so requires, the Authority may, with the approval of the Council, appoint consultants in accordance with the procedure laid down in the Sindh Public Procurement Rules, 2010.

8. **Enforcement of contract.-**(1) The Authority shall take such steps as may be necessary to enforce the performance of contracts in accordance with the terms and conditions thereof and to the best interest of the Council.

(2) Where a contract is not performed according to its terms and conditions, the Authority shall take such action as may be necessary to invoke the penalty clause of the contract and to safeguard the interest of the Council.

(3) On the completion of the contract, the Authority shall record a certificate to that effect, and if the contract was made with the aproval of the Council; a report regarding its completion in a prescribed proforma shall be submitted to the Council.

(BAQAULLAH UNNAR)
SECRETARY TO GOVERNMENT OF SINDH

No.SOAL(LG)/4(34)/2014. Karachi, dated the 4th October-2016.

A copy is forwarded for information and necessary action to:-

1. The Additional Chief Secretary,_____(all), Government of Sindh, Karachi.
2. The Secretary of Governor Sindh, Karachi.
3. The Administrative Secretary_____(all), Government of Sindh, Karachi.
4. The Commissioner_____(all).
5. The Mayor/Municipal Commissioner, KMC/HMC/SMC and LMC.
6. The Chairman, District Municipal Corporation_____(all), Karachi.
7. The Chairman/Chief Officer, District Council_____(all).
8. The Director, Local Government_____(all).
9. The Deputy Secretary (Staff) to Chief Secretary Sindh, Karachi.
10. The Chairman/Chief Municipal Officer, Municipal Committee,_____(all).
11. The Chairman/Town Officer, Town Committee,_____(all).
12. The Assistant Director, Local Government,_____(all).
13. The Section Officer (Legislation), Law Department, Government of Sindh, Karachi, with reference to his letter No.S.REG.4(11)2016.178, dated 3rd October- 2016
14. PS to Minister, Local Government and Housing Town Planning.
15. PS to Secretary, Local Government and Housing Town Planning Department.

SECTION OFFICER (ADMN:)

FIRST SCHEDULE
[RULE 4 (1)]

Value of amount of contract which can be entered into by the Mayor or Chairman

1. Contract for the acquisition, purchase or transfer by grant, gift, sales mortgage, exchange or otherwise except that of a lease,, of immovable property or any interest taken on and right thereto-

S.No	Name of Council	Up to the value of -
1	Metropolican corporation	Five million
2	Corporations	Two million
3	District Council	Two Million
4	Municipal Committee	One Million
5	Town Committee	Five hundred thousand rupees
6	Union Committee/ Council	Two hundred and fifty thousand rupees

2. Other contracts --

S.No	Name of Council	Up to the value of -
1	Metropolican corporation	Five million
2	Corporations	Three million
3	District Council	Three Million
4	Municipal Committee	Two Million
5	Town Committee	One Million
6	Union Committee/ Council	Five hundred thousand rupees

FIRST SCHEDULE
FORM-A
{Rule 5(4)}

S.No.	Date of making Contract	Particulars of the Contract	No. and date of Council Resolution or letter of Authority approving or sanctioning the Contract	Name, parentage, caslo, residential and office address of the Contractor	Date of reporting to the Council and reference of Council Resolution	Remarks
1	2	3	4	5	6	7

FORM-B
(Rule5(4))

S.No.	Date of making Contract	Particulars of the Contract	No. and date of Council Resolution orletter of Authority approving or sanctioning the Contract	Name, parentage, caste, residential and office address of the Contractor	Amount or value of the Contract	Bid Security deposited with date, amount and form of deposit
1	2	3	4	5	6	7

Performance Security details	Due date of Completion	Actual date of Completion	Details of payments made to the Contractor are deducted	Action taken on the default by the Contractor	Remarks
8	9	10	11	12	13