

**THE SINDH LOCAL GOVERNMENT CONTRACT RULES, 2001.**

**CONTENTS**

**RULES.**

1. Short title and Commencement.
2. Definitions.
3. Authority to make contract.
4. Manner of making contract.
5. Personal responsibility of the authority.
6. Tenders when to be invited.
7. Provisions as to tenders.
8. Security for performance of contract.
9. Appointment of consultants.
10. Enforcement of contract.
11. First Schedule
12. Second Schedule.

GOVERNMENT OF SINDH  
LOCAL GOVERNMENT, RURAL DEVELOPMENT  
AND KATCHI ABADIS DEPARTMENT.

NOTIFICATION

Karachi the 5<sup>th</sup> December, 2001.

SINDH LOCAL GOVERNMENT CONTRACT RULES, 2001.

NO: SLGB/CAO/2001/7482. In exercise of the powers conferred under section 191, subsection (1) of the Sindh Local Government Ordinance, 2001 read with Item No. 6 of Vth Schedule thereto, the Government of Sindh are pleased to make the following Rules:-

1. **Short title and commencement.**— (i) These Rules may be called the Sindh Local Government Contract Rules, 2001.  
  
(ii) They shall come into force at once.
2. **Definitions.**— In these rules, unless the context otherwise requires, the following expression shall have the meaning hereby respectively assigned to them that is to say:
  - (a) “Authority” means the City Nazim, Zila Nazim, Taluka/Town Nazim or Union Nazim and includes any other officers of the council specially authorized by respective Nazim.
  - (b) “Contractor” means a person entering into a contract with a council and shall include a person submitting a tender under rule 7.
  - (c) “Ordinance” means the Sindh Local Government Ordinance, 2001.
  - (d) “Schedule” means a schedule annexed to these rules, and
  - (e) “Section” means a section of the Ordinance.
3. **Authority to make contract.**— (a) Subject to the provisions of Ordinance, all contracts including any modification thereof shall be made on behalf of Local Government by the Authority.  
  
(b) No contract exceeding the value specified in Column 2 of the First Schedule against the Local Government specified in Column 1 thereof shall be made without the approval of the council.

4. **Manner of making contract.**— (a) A deed of contract specifying the terms and conditions of every contract shall be drawn under the instructions of the respective Nazim of Local Government, and in consultation with the Legal Advisor of the council if any.
- (b) All contracts shall be signed by the authority and shall be attested by two witnesses and shall bear the seal of the council.
- (c) All contracts shall be written on a stamped paper of appropriate value and shall, where necessary, be registered under the law for the time being in force for the registration of documents.
- (d) All contracts shall be recorded in a Contract Register to be maintained in Form “C” in the Second Schedule and shall be reported to the council.
5. **Personal responsibility of the authority.**— The Authority shall be personally responsible for ensuring that—
- (i) The contract is made without coercion, under influence, fraud or misrepresentation of parties.
- (ii) The parties are competent to make the contract.
- (iii) The contract does not involve any favoritism.
- (iv) The contract is in the best interest of the Administration and is made at the competitive rates prevailing in the market.
- (v) The contract is legally in order.
- (vi) No official or member of council is directly or indirectly interested in the contract.
6. **Tenders when to be invited.**— (1) Subject to the provision of sub-rule (3) the authority shall, at least seven days before entering into a contract involving an expenditure exceeding the limit prescribed in Third Schedule give a seven days’ public notice in newspapers inviting tenders for such contract and may, subject to the provision of the Ordinance, accept any of the tenders so made which appears to be most advantageous:
- Provided that expenditure mentioned in Third Schedule shall not exceed 20% of total budgetary allocation of relevant budget head in a single financial year, provided further that this limit may be extended by concerned council up to 50%.
- (2) Subject to sub-rule (3) a public notice in respect of the tenders other than those referred in the sub-rule (1), shall be

**[GAZETTE OF SINDH, EXTRAORDINARY,PART I,  
KARACHI, 5<sup>TH</sup> DECEMBER,2001.**

pasted or affixed at a conspicuous place of the office of the respective Local Government.

(3) The council may in the case where question of securing competitive prices or rates is not involved due to contracting agency being State enterprise/sole distributor/authorized agent or monopolistic producer of any branded and registered item as per law for the time being in force, authorize the authority to enter into a contract without inviting tenders.

7. **Provision as to tenders.**--- (i) 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 firm or a person holding a power of attorney on their behalf, and
- (c) it is accompanied by an earnest money equal to two per centum of amount of the tender in shape of all deposit.

(ii) All tenders shall be opened by the authority at the time and place specified in the notice issued under rule 6 in the presence of such contractor or their agent as may be present and the authority shall affix his initial on every tender when opened.

8. **Security for performance of contract.**— (i) When a tender is accepted under the provisions of these rules contract agreement shall be entered into between the contractor and the council in accordance with these rules and the contractor shall be required to deposit in the specified manner and within the time fixed such a sum together with the earnest money, if any and will make up a sum equal to one-tenth of the amount of contract as security for the due performance of the contract. On failure to do so the remaining 8% amount shall be deducted as Security from the running payment of the contract.

(ii) The security shall be refundable after six months of the completion of work to the satisfaction of authority and after issuance of completion certificate by the Engineer in case of original/maintenance of development works whereas in case of supply item it shall be refunded after three months from the date on which the supply is completed to the satisfaction of the authority.

9. **Appointment of consultants.**— (i) Where the nature of work/scheme so requires the authority may with the approval of the council appoint Consultants for survey, investigation design, planning or advisory supervision or other ancillary matters after pre-qualification through press advertisement.

(ii) The council shall for the purpose of sub-rule (1) enter into an agreement with such re-qualified consultant in a

manner to suit the individual requirement of the work/scheme.

(iii) The consultant shall be required to deposit 10% of the contract value within 15 days of the agreement in the form of pay order of bank draft in favour of the council or approved valid irrevocable bankers guarantee bond till the successful completion of the whole project, and expiry of the maintenance period if any.

(iv) In case of consultant fails to furnish pay order or bank draft or guarantee bond the deposit will be recovered from the consultant's first running payable equal to 10% of the contract value.

(v) The deposit made under sub-rule (3) or the amount recovered under sub-rule (4) shall be released after a period of 3 months from the date of written certificate of the Investigating Officer. Infrastructure Engineer Incharge to the effect that the design survey investigation planning/advisory supervision of the consultant has been considered satisfactory and accepted finally.

10. **Enforcement of contracts.**—(i) The authority shall take such steps as may be necessary to enforce the performance of the contract in accordance with the terms and conditions thereof and to the best interest of the council.

(ii) Whereas contract is not performed according to its terms and conditions the authority shall take such action as may be necessary to enforce the penalty clause of the contract which shall be provided in the contract agreement in order to safeguard the interest of the council.

(iii) On the completion of the contract the authority shall record a certificate to that effect and if the contract was made with the approval of the council a report regarding its completion shall be submitted to the council.

#### FIRST SCHEDULE

[See Rules 3(2)]

#### VALUE/AMOUNT OF CONTRACT WHICH CAN BE ENTERED INTO BY THE NAZIM ON HIS OWN AUTHORITY

1. Contracts for the acquisition, purchase or transfer by grant, gift, mortgage, lease, exchange or otherwise of immovable property or any interest or any right thereto:--

<u>Tier of Local Government</u>	<u>Amount of the Contract</u>
1. City District Government	40,00,000
2. District Government.	15,00,000

**[GAZETTE OF SINDH, EXTRAORDINARY, PART I,  
KARACHI, 5<sup>TH</sup> DECEMBER, 2001.]**

3.	Town Municipal Administration and Taluka Municipal Administration of Taluka Hyderabad, Latifabad, Qasimabad, Sukkur, Larkana and Mirpurkhas.	10,00,000
4.	Taluka MA (all other District Head Quarter)	5,00,000
5.	Taluka MA (all others)	2,00,000
6.	Union Administration	50,000

**II OTHER CONTRACTS**

1.	City District Government	20,00,000
2.	District Government	10,00,000
3.	Town Municipal Administration and Taluka Municipal Administration of Taluka Hyderabad, Latifabad, Qasimabad, Sukkur, Larkana and Mirpurkhas.	7,00,000
4.	Taluka MA (all other District Head Quarter)	5,00,000
5.	Taluka MA (all others)	3,00,000
6.	Union Administration	10,000

**SECOND SCHEDULE  
FORM C  
[See Rule 4(4)]  
CONTRACT REGISTER**

Sr. No.	Date of making The contract	Particulars of the contract	Name, parentage, caste and Residential Address of Contractor.	Amount of value of the contract.	Date on which required to the council land reference to the resolution of the council.	Remarks.

[GAZETTE OF SINDH, EXTRAORDINARY, PART I,  
KARACHI, 5<sup>TH</sup> DECEMBER, 2001.

**THIRD SCHEDULE**  
**(See Rule-6(1))**  
**TENDERS TO BE INVITED BY THE NOTICE IN NEWSPAPERS**  
**(Expenditure from Local Fund)**

1.	City District Government	Contracts involving expenditure exceeding.	Rs: 200,000/-
2.	District Government	-do-	Rs: 50,000/-
3.	Town Municipal Administration & Taluka Municipal Administration of Taluka Hyderabad, Latifabad, Qasimabad, Sukkur, Larkana & Mirpurkhas.	Contract involving expenditure exceeding.	Rs: 50,000/-
4.	Taluka MA (all other Dist. Head Quarter)	-do-	Rs: 30,000/-
5.	Taluka MA (all Others)	-do-	Rs: 20,000/-
6.	Union Administration	-do-	Rs. 10,000/-

**MUHAMMAD LKAYUB SHAIKH**  
**ADDITIONAL SECRETARY (LOCAL GOVT.)**  
**FOR SECRETARY TO GOVT.OF SINDH**  
**LOCAL GOVERNMENT DEPARTMENT.**

