



The Punjab Gazette

PUBLISHED BY AUTHORITY

LAHORE THURSDAY MAY 18, 2017

**GOVERNMENT OF THE PUNJAB
LAW AND PARLIAMENTARY AFFAIRS DEPARTMENT**

**NOTIFICATION
(83 of 2017)**

17 May 2017

The following Notification No. SOR(LG)38-11/2016, dated 15.05.2017 issued under section 144 of the Punjab Local Government Act 2013 (XVIII of 2013) for the Punjab Local Governments (Contract) Rules 2017 is published for general information:

DR SYED ABUL HASSAN NAJMEE

Secretary

Government of the Punjab
Law and Parliamentary Affairs
Department

GOVERNMENT OF THE PUNJAB
LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT
DEPARTMENT

Dated: 15th May 2017

NOTIFICATION

No.SOR(LG)38-11/2016. - In exercise of the powers conferred under section 144 of the Punjab Local Government Act 2013 (*XVIII of 2013*) and after previous publication, Governor of the Punjab is pleased to make the following rules:

1. Short title and commencement.- (1) These rules may be cited as the Punjab Local Governments (Contract) Rules 2017.

(2) They shall come into force at once.

(3) These rules shall apply to all the local governments except District Education Authorities and District Health Authorities.

2. Definition.- (1) In these rules:

- (a) "Act" means the Punjab Local Government Act 2013 (*XVIII of 2013*);
- (b) "Agreement" means any kind of undertaking, express or implied, made between a local government and any other person for the purchase or supply of goods or material or for the acquisition, purchase or transfer by grant, gift, sale, mortgage, lease, exchange or otherwise, of any movable or immovable property or for the execution of any work or 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 government;
- (d) "contract" means an agreement enforceable at law;
- (e) "contractor" means a person entering into a contract with a Mayor or Chairman or any officer duly authorized by the Mayor or Chairman on behalf of the local government;
- (f) "Form" means a Form appended to these rules;
- (g) "House" mean the elected body of a local government;
- (h) "rules" means the Punjab Local Governments (Contract) Rules 2017; and
- (i) "Schedule" means the Schedule appended to these rules.

(2) An expression used but not defined in the rules shall have the same meaning as is assigned to it in the Act and the Punjab Procurement Regulatory Authority Act, 2009.

3. **Responsibility of a local government.**— No contract shall be binding on a local government 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.**— (1) Subject to the provisions of the Act, the rules and any other law for the time being in force, all contracts on behalf of the local government shall be executed by the concerned Mayor, Chairman or as the case may be, by an officer duly authorized by the Mayor or Chairman in accordance with the Schedule.

(2) The provisions of sub-rule (1) shall apply to every variation or discharge of a contract.

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 local government by the concerned Mayor or Chairman or an officer authorized by the Mayor or Chairman and the contractor.

(2) All agreements by or on behalf of the local government shall be signed by the Authority and attested by two witnesses and shall bear the seal of the local government 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 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.

6. **Responsibility 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 Punjab Procurement Regulatory Authority Act, 2009 and the rules made thereunder;
- (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 government is directly or indirectly involved in the contract; and
- (e) the contract is in the best interest of the local government.

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

(2) The Authority, if satisfied that the contractor is not performing his responsibilities according to the terms and conditions of the contract, shall take such action as may be necessary to invoke the penal clause of the contract and to safeguard the interest of the local government.

(3) The Authority, on the completion of the contract, shall record a certificate to that effect and if the contract was made with the approval of the House, a report regarding its completion shall be submitted to the House.

8. Disputes.— (1) In case of any dispute arising between the contractor and the local government on the terms and conditions of the contract or any matter arising out of contract, the contractor and the local government shall have a right to resolve such dispute through arbitration under the Arbitration Act, 1940.

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

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

(4) Subject to the provisions of the Arbitration Act, 1940, the decision of the arbitrator shall be final and binding on the parties.

9. Saving and repeal.— (1) The Punjab Local Governments (Contract) Rules, 2003 is hereby repealed.

(2) Notwithstanding anything contained in sub-rule (1), the contracts awarded under the Punjab Local Governments (Contract) Rules, 2003 shall continue to be in force till the completion of contract under the said rules.

**SECRETARY
GOVERNMENT OF THE PUNJAB
LG&CD DEPARTMENT**

The Schedule
(see rule 4)

Sr.NO	Category of Local Government	Amount or Value of Contract	
		By the Mayor or Chairman	By the House
1.	Metropolitan Corporation	Rs. 10 million	Unlimited
2.	Municipal Corporation	Rs. 5 million	--do--
3.	Municipal Committee	Rs. 2 million	--do--
4.	District Council	Rs. 5 million	--do--
5.	Union Council	Rs.0.2 million	--do--

FORM C-I
(see rule 5)

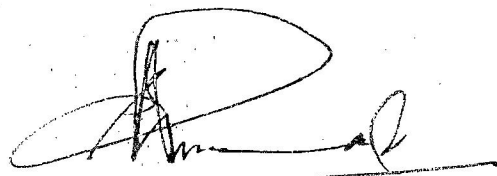
Contract made by the Mayor or Chairman

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

FORM C-II
(see rule 5)

Contract made by the Mayor or Chairman with approval of the House

Sr. No.	Date and Resolution No. containing approval of the House	Date of making contract	Particulars of the contract	Name, Address & CNIC of the Contractor	NTN	Amount or Value of the contract	Due date of completion of contract	Actual date of completion	Action taken on non-observance of terms and conditions of the contract	Remarks
1	2	3	4	5	6	7	8	9	10	11


 SDR LG 2017