

सत्यमेव जयते

झारखण्ड गजट

असाधारण अंक

झारखण्ड सरकार द्वारा प्रकाशित

संख्या 604

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नगर विकास विभाग

अधिसूचना

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संख्या-2/न०वि०/Reform (ABDES)-05/11-4980-झारखण्ड नगरपालिका अधिनियम, 2011 की धारा-112 एवं 113 के प्रावधानों तथा केन्द्र प्रायोजित JnNURM योजना के अन्तर्गत सभी नगर निकायों/प्राधिकारों में लेखा की दोहरी प्रविष्टि प्रणाली का अधिष्ठापन किया जाना है । इस हेतु नगर विकास विभाग द्वारा परामर्शी के रूप में M/s Pricewaterhouse Coopers Pvt. Ltd., Gurgaon का चयन किया गया तथा विभागीय अधिसूचना संख्या-1537, दिनांक-12 मई, 2011 द्वारा सचिव, नगर विकास विभाग की अध्यक्षता में, परामर्शी को सलाह देने के लिए राज्य स्तरीय स्टीयरिंग समिति का गठन किया गया ।

2. परामर्शी द्वारा समर्पित कार्यादेश तथा राज्य स्तरीय स्टीयरिंग समिति के मार्गदर्शन में Jharkhand Municipal Accounts Manual, 2012 तैयार किया गया जिसके प्रमुख रूप से दो भाग हैं:-

- (i) Jharkhand Municipal (Accounts & Finance) Rules, 2012.
- (ii) Jharkhand Municipal Accounts Preparation Guideline.

Jharkhand Municipal (Accounts & Finance) Rules, 2012 में स्थानीय निकायों में लेखा संधारण हेतु नियमों का उल्लेख है तथा लेखा एवं वित्तीय मामलों के लिए प्रपत्र एवं पंजी का प्रारूप संलग्न किया गया है ।

Jharkhand Municipal Accounts Preparation Guideline में लेखा सुधार संबंधी CAG Task Force की अनुशंसाओं एवं शहरी विकास मंत्रालय द्वारा तैयार किये गए National Municipal Accounts Manual के दिशा-निर्देश का अनुपालन किया गया है । Guideline में प्रमुख रूप से दोहरी लेखा प्रविष्टि प्रणाली के सिद्धांत, Chart of Accounts, Opening Balance Sheet तैयार करने हेतु दिशा-निर्देश तथा लेखा प्रविष्टि हेतु Formats एवं प्रणाली निरूपित की गई है ।

3. इस प्रकार लेखा की दोहरी प्रविष्टि की अधिष्ठापन हेतु Jharkhand Municipal Accounts Manual, 2012 के उपर्युक्त दो खंडों द्वारा सभी नियम, परिपत्र एवं प्रपत्र निरूपित किये गये हैं जिनके माध्यम से झारखण्ड नगरपालिका अधिनियम, 2011 की धारा-112 एवं 113 तथा JnNURM योजना के अन्तर्गत लेखा संबंधी अनिवार्य सुधार, सभी नगर निकायों/प्राधिकार एवं मुख्यालय (निदेशालय सहित) में लागू किये जायेंगे ।

4. Jharkhand Municipal Accounts Manual, 2012 पर दिनांक-21 सितम्बर, 2012 को राज्य मंत्रिपरिषद् की बैठक में स्वीकृति प्रदान की गई है ।

5. Jharkhand Municipal Accounts Manual, 2012 अपने उपर्युक्त स्वरूप में नगर विकास विभाग के अधीन सभी नगर निकायों/प्राधिकार के साथ-साथ मुख्यालय (निदेशालय सहित) में तत्काल प्रभाव से लागू किया जाता है ।

झारखण्ड राज्यपाल के आदेश से,

डॉ० नितिन कुलकर्णी,

सरकार के सचिव ।

PREFACE

Regulatory Framework

The Municipal Corporations, Municipal Councils, Nagar Panchayats and Notified Area Committees in the state of Jharkhand are currently governed by the Jharkhand Municipal Act, 2011 (JMA).

Section – 112 of the Jharkhand Municipal Act, 2011 requires that the Executive officer or the Municipal Commissioner of the Municipality shall prepare and maintain accounts of Income and Expenditure of the Municipality by way of Accrual based Double Entry Accounting System (DEAS).

Further Section - 113 of the same Act requires the State Government to prepare and maintain a document to be called the Municipal Accounting Manual containing details of all financial matters and procedures relating thereto in respect of the Municipality. In light of this, a comprehensive set of documents have been prepared and divided into two sections containing:

- Part A – Jharkhand Municipal (Accounts & Finance) Rules, 2012
- Part B – Jharkhand Municipal Accounts Preparation Guidelines

Part – A: About Jharkhand Municipal (Accounts & Finance) Rules, 2012

Section 590 of the Jharkhand Municipal Act, 2011 gives power to the State Government to make rules for carrying out the purposes of the Act. The Jharkhand Municipal (Accounts & Finance) Rules, 2012 has been prepared in congruence with the Jharkhand Municipal Act, 2011. The rules governing local bodies of other States like West Bengal, Rajasthan and Madhya Pradesh and Orissa have been studied and relevant portions have been suitably modified and incorporated for preparation of the Jharkhand Municipal Accounts & Finance Rules.

The Jharkhand Municipal (Accounts & Finance) Rules, 2012 has been presented with the rules containing Accounting and Financial matters and forms and registers related to the rules.

Part – B: About Jharkhand Municipal Accounts Preparation Guidelines

In terms of the recommendation of the CAG Task Force on Accounting Reforms for ULBs and the National Municipal Accounts Manual released by the Ministry of Urban Development, Government of India, a draft of Jharkhand Municipal Accounts Preparation Guidelines has been prepared. The Guidelines has been prepared in pursuance to Rule no **13** of Jharkhand Municipal Accounts & Finance Rules, 2012. The document has been placed for discussion before the Steering Committee in its meeting held on 20th January, 2012. The Guidelines in separate volume consist of

- Accounting Principles under the double entry accrual system of accounting.
- Chart of Accounts
- Guidelines for preparation of Opening Balance Sheet
- Formats and procedures to record the accounting entries.

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CHAPTER 1: SHORT TITLE AND DEFINITIONS

1. Short title, applicability and commencement

- (1) These rules may be called The Jharkhand Municipal (Accounts & Finance) Rules, 2012.
- (2) They shall apply to all Municipal Corporations, Municipal Councils, Nagar Panchayats and Notified Area Committees as defined under Jharkhand Municipal Act 2011.
- (3) They shall come into force on the ___day of _____2012.

2. Definitions

1. In these rules unless the context otherwise requires-
 - (a) “Accountant” means the person(s) to whom the Accounts Officer entrusts the responsibility of accounting the transactions in various Books of accounts;
 - (b) “Accounts Officer” means head of the Accounts Department of the Municipality entrusted with the responsibility of accounting the Incomes, Expenditures, Assets and Liabilities of the Municipality;
 - (c) “Accrual Accounting” means the method of accounting whereby revenues and expenditures are identified with specific periods of time, such as a month or year, and are recorded as incurred, along with acquired assets, without regard to the date of receipt or payment of cash, distinguished from cash basis;
 - (d) “Act” means the Jharkhand Municipal Act, 2011 ;
 - (e) “Assets” mean tangible objects or intangible rights owned by the Municipality or assigned/ transferred to the Municipality, and carrying probable future benefits;
 - (f) “Auditor” means an auditor appointed under Sec.117 of the Act, and includes any officer authorized by him to perform all or any of the functions of an Auditor under the Act ;
 - (g) “Balance Sheet’ means a statement of the financial position of a Municipality as at a given date, which exhibits its assets, liabilities, capital, reserve and other account balances at their respective book values;
 - (h) “Bank Book” means a book of original entry for recording transactions pertaining to Bank Savings/ Current Account(s) or Treasury Accounts of the Municipality;
 - (i) “Budget” means quantitative estimate of programmes and activities expressed in terms of money in respect of Assets, Liabilities, Revenues and Expenditures. The Budget expresses the Municipality’s goals in terms of specific financial and operating objectives;
 - (j) “Capital Expenditure” means expenditure intended to benefit future period in contrast to a revenue expenditure, which benefits a current period. The term is generally restricted to expenditure that adds fixed asset units or that has the effect of improving the capacity, efficiency, life span or economy of operations of an existing asset;
 - (k) “Cash Book” means a book of original entry for cash receipts and/ or disbursements;
 - (l) “Cashier” means the person who is responsible for receiving payments to the Municipality by way of cash, cheques or any other instruments, and for making cash payments on behalf of the Municipality.
 - (m) “Competent Authority” means in relation to a Municipal Corporation, the Chief Executive Officer/ Municipal Commissioner whereas in relation to a Municipal Council and Nagar Panchayat, the Executive Officer/ Municipal Commissioner or any other person authorised thereof .
 - (n) “Council/Committee” means the Council/ Committee of a Municipality as referred in Section 15 of the Act.
 - (o) “Director of Municipal Administration (DMA)” means an officer appointed as such by the State Government, or any other officer of the State Government authorised by it to perform the functions of the Director of Municipal Administration.
 - (p) “Executive Officer” means a person appointed by the State Government in relation to a Municipal Council or Nagar Panchayat, the Executive Officer/ Municipal Commissioner of a Municipal Council or Nagar Panchayat.
 - (q) “Expenditure” means cost relating to the operations of an accounting period or to the revenue earned during the period or the benefits of which do not extend beyond that period;
 - (r) “Extra-ordinary Payment” means a payment that does not result in - construction or acquisition of fixed assets or additions thereto - or that does not result in the enhancement of the useful life of the fixed assets e.g. repayment of loans, and also means a payment that is in the nature of advance, refund of deposits, or payment of recoveries;

- (s) “Extraordinary Receipt” means a receipt that is in the nature of recovery of a loan or an advance or deposit from others;
- (t) “Financial Statements” means the Balance Sheet, Income and Expenditure Statement, Receipts and Payment Statement, Cash Flow Statement and any other supporting statement or other presentation of financial data derived from accounting records;
- (u) “Forms” means any forms prescribed under these rules or under the powers conferred under these rules;
- (v) “Fund” means an activity for which separate books of accounts and financial statements are required to be prepared, as per orders of the State Government;
- (w) “General Ledger” means a compilation of all accounts used for accounting purposes;
- (x) “Government” means the Government of Jharkhand;
- (y) “Grants – General” means grants which have no conditions attached to their usage. They include grants which can be used for other purposes, if the conditions or purposes for which they are received are met or paid out of municipal funds.
- (z) “Grants – Specific” means such grants that are given for a specific purpose or use in a particular manner or proportion as per the conditions of the grant, requiring submission of Utilisation Certificate and are recoverable if not used according to the conditions attached.
- (aa) “Income and Expenditure Statement” is a Financial Statement, prepared by the Municipality, to present its revenues and expenditure for an accounting period and to show the excess of revenues over expenditure (or vice-versa) for that period. It is similar to Profit and Loss Statement and is also called Revenue and Expenditure Statement;
- (bb) “Income” means and includes the money or money equivalent earned or accrued during an accounting period, increasing the total of previously existing net assets, and arising from provision of any type of services and rentals, including any grants/ contribution received from the State Government, etc;
- (cc) “Jharkhand Municipal Accounts Preparation Guidelines” means the Accounting Guidelines issued by the Urban Development Department, Government of Jharkhand, as modified from time to time;
- (dd) “Liabilities” mean an amount owing by one person to another, payable in money, or in goods or services; the consequence of an asset or service received or a loss incurred or accrued; particularly, any debt (a) due or past due (current liability), (b) due at a specified time in the future (e.g. funded debt, accrued liability), or (c) due only on failure to perform a future act (contingent liability);
- (ee) “Municipal Fund” means the main Fund maintained by the Municipalities as referred in Section 99 of the Act;
- (ff) “Municipality” means all forms of Urban Local Bodies as defined under Sec 2(67) of the Jharkhand Municipal act, 2011;
- (gg) “National Municipal Accounts Manual” means the Accounting Manual issued by the Ministry of Urban Development, Government of India, as modified from time to time;
- (hh) “Payments” mean amounts actually paid and accounted during the year;
- (ii) “Receipt” is a written acknowledgement of something acquired; hence an accounting document recording the physical receipt of cheque/cash;
- (jj) “Receipts and Payments Statement” means a Financial Statement prepared for an accounting period to depict the changes in the financial position and to present the cash received in and paid out in whatever form (Cash, Cheques, etc.) under certain heads. All non-cash related transactions are ignored while preparing this Statement;
- (kk) “Receipts” mean amounts actually received and accounted during the year;
- (ll) “Revenue Payment” means a payment in discharge of revenue expenditure and is, therefore, a payment other than a capital payment or an extra-ordinary payment;
- (mm) “Revenue Receipt” means a receipt other than a capital receipt or extra-ordinary receipt
- (nn) “Sub-ledger” means a group of subsidiary accounts, the sum of the balances of which is equal to the balance of control accounts created in the general ledger;
- (oo) “Voucher” means a document which serves as an authorisation for any financial transaction and forms the basis for recording the accounting entry for the transaction in the books of original entry, e.g., Cash Receipt Voucher, Bank Receipt Voucher, Journal Voucher, Payment Voucher, etc;
- (pp) “Year” means the financial year.

CHAPTER 2: PREPARATION OF BUDGET ESTIMATES

3. Details of preparation of budget estimate

- (1) The Executive Officer/ Municipal Commissioner of the Municipality in consultation with the ward committee shall prepare in each year a budget estimate along with an establishment schedule of the municipality for the ensuing year, and such budget estimate shall be an estimate of the income and expenditure of the municipality.
- (2) Subject to the provisions of sub-section (2) of section 99 of Jharkhand Municipal Act, 2011, the budget estimate shall separately state the income and the expenditure of the municipality to be received and incurred in terms of the various heads of accounts.
- (3) The budget estimate shall state the rates, at which various taxes, surcharges, cesses and fees shall be levied by the municipality in the ensuing year.
- (4) The budget estimate shall state the amount of money to be raised as loan during the ensuing year.
- (5) The Mayor and the Chairperson of the Municipality shall present the budget estimate to the Standing Committee before the fifteenth day of February in each year.
- (6) The budget estimate shall be prepared for each of the revenue and capital account heads in form BUD – 1 provided in JMAPG. This form is to be prepared by individual departments of the municipality for each of the Major and Minor Heads of Account.
- (7) The annual financial statement prepared under sub-section (1) of Section 117 and annual statement of inventory prepared under sub-section (2) of section 131 together with the statement of surplus money prepared under sub-section (1) of section 107 and report on environmental status of the municipality prepared under sub-section (2) of section 329 of Jharkhand Municipal Act, 2011 shall be enclosed with the budget estimate.

4. Payments not to be made out of Municipal Fund unless covered by budget grant

- (1) The Executive Officer/ Municipal Commissioner of the Municipality shall have powers to make payment of any sum out of the Municipal Fund or enter into any contract involving any expenditure, provided such payment or expenditure is covered by a current budget grant and sufficient balance of such budget grant is available, notwithstanding any reduction or transfer thereof under the provisions of the Jharkhand Municipal Act, 2011.
- (2) However, the Executive Officer/ Municipal Commissioner shall also have power to make payment of sums in cases mentioned in Section 101 of the Jharkhand Municipal Act, 2011 which are not covered by budget grant, subject to his following the due post-facto approval process as mentioned in Sec 102 of the Jharkhand Municipal Act, 2011.

5. Procedure when money not covered by budget grant is paid

The procedure when payment is made in cases which are not covered by budget grant is covered in Section 102 of the Jharkhand Municipal Act, 2011.

6. Budget for the Basic Services to the Urban Poor Fund

- (1) The municipality shall as per Section 105(3) of the Jharkhand Municipal Act, 2011, have to allocate minimum of twenty five percent of the funds within the municipality's budget on annual basis for the Basic Services to the Urban Poor fund.
- (2) A separate budget document called P-budget for Basic Services to the Urban Poor fund shall be prepared as per Section 105(4) of the Jharkhand Municipal Act, 2011. The P-budget shall be prepared and adopted as per the procedures mentioned in Rule 3 above.

7. Report on services provided at subsidized rate

The Municipal Commissioner or the Executive Officer of the municipality shall as per Section 109 of the Jharkhand Municipal Act, 2011, while preparing the budget estimate, append thereto a report indicating whether the following services are being provided at a subsidized rate and, if so, the extent of the subsidy, the reasons therefore, the source from which the subsidy is being met, and the sections or categories of the local population who are the beneficiaries of such subsidy, namely:

- (a) Water supply and disposal of sewage,
- (b) Collection, transporting and disposal of solid wastes,
- (c) Public transport, and
- (d) Any other service which the Municipality or the State Government may decide, from time to time.

8. Sanction of budget estimate of municipality

The budget estimate of the municipality shall be sanctioned as per Section 110 of the Jharkhand Municipal Act, 2011.

9. Power to alter budget grant

Section 111 of the Jharkhand Municipal Act 2011 provides that a Council, on the recommendation of the Standing Committee, may from time to time, during a year –

- (a) Increase the amount of any budget grant under any head,
- (b) Make an additional budget grant for the purpose of meeting any special or unforeseen requirement arising during the year,
- (c) Transfer the amount of any budget grant or portion thereof under one head to the amount of budget grant under any other head, or
- (d) Reduce the amount of the budget grant under any head.

10. Preparation and sanction of revised budget estimate

The budget estimate for the current year shall be reviewed by the 30th day of September each year and a revised budget estimate for the year shall be prepared by 15th day of November each year and adopted by the Council of the municipality within the 31st day of December, each year.

In preparing and adopting such revised budget estimate, the procedures as enunciated in Rule 3 shall be applicable mutatis mutandis.

11. Publication and submission of budget and revised budget

- (1) After the budget estimate or the revised budget estimate, as the case may be, is finally adopted, a copy of the same shall be forthwith published in the Notice Board and official website of the Municipality for inspection of the members of the public.
- (2) A copy of such estimate along with a copy of the relevant resolution shall be sent to the DMA.

12. Extension of time for adoption of budget and revised budget

- (1) If for any reasons to be recorded in writing the annual budget and revised budget cannot be sanctioned within the stipulated time, the Chairman of the municipality shall place the matter before the Council to fix up the date for adoption of the same within a reasonable time and a proposal to that effect shall be submitted to the DMA.
- (2) Such delayed annual budget or revised budget shall then be prepared and adopted accordingly in the same manner as prescribed under section 108 and 110 of the Jharkhand Municipal Act, 2011.
- (3) Such delayed budget shall come into force with retrospective effect from the 1st day of the concerned financial year provided that the proposal for extension of time is duly approved by the DMA.



CHAPTER 3:

BOOK KEEPING & ACCOUNTING SYSTEM

13. Jharkhand Municipal Accounts Preparation Guidelines

The Municipality shall follow the Jharkhand Municipal Accounts Preparation Guidelines for maintaining their books of Accounts.

14. Accounting System

- (1) The Municipality shall maintain their books of accounts on accrual basis under the double entry system of book-keeping.
- (2) The Municipality shall follow the Accounting Policies prescribed by the Government for accounting transactions, maintaining Books of accounts and preparing Financial Statements.
- (3) Separate Books of accounts shall be maintained for each year.
- (4) All transactions pertaining to the Municipality shall be recorded in the Books of accounts maintained.
- (5) Forms in which accounting data shall be compiled and the books of accounts to be maintained by the Municipality are given in Jharkhand Municipal Accounts Preparation Guidelines (JMAPG).

15. Cash and Account branches to be kept distinct

The Cash and Account Branches of each Municipality shall be kept distinct from each other as far as possible and under different officers who for the purpose of these Rules shall be termed 'Cashier' and 'Accountant'.

16. Chart of Accounts

- (1) Accounting entries shall be recorded using uniform Chart of Accounts consisting of:
 - (a) Function Code
 - (b) Account Code
- (2) The Municipality shall follow the codes and the guidelines given in the Chapter 4 of JMAPG issued by State Government. Modifications/additions to the Chart of Accounts shall be made in accordance with the guidelines given in the JMAPG.

17. Books of accounts

- (1) The primary Books of accounts and supporting documents under the double entry accounting system shall be:
 - (a) Cash Book;
 - (b) Bank Book;
 - (c) Journal Book;
 - (d) General Ledger and Sub ledger; and
 - (e) Vouchers with all supporting e.g. bills, receipts, invoices etc.
- (2) The Books of accounts, Forms and Registers must be maintained in English.
- (3) Wherever the books of accounts are maintained manually, the Books of accounts, Registers, Receipts, Bill books and other Accounting Records and Registers shall be affixed with the Seal of the Municipality and each of the pages of the aforesaid records shall be serially numbered. The number of pages of each Book or Register shall be certified in writing on the last page, after actual verification, by the Executive Officer/ Municipal Commissioner or any other person duly authorized by him. In case if the books of accounts are maintained in computerised accounting and electronic records are kept, the Executive Officer/ Municipal Commissioner shall ensure that rules contained in Clause 26 is adhered to.

18. Cash Book

- (1) The Cash Book shall be maintained by the Cashier and shall record the transactions pertaining to cash receipts and disbursements of the Municipality. It shall be maintained by the Cashier in Form GEN-1 given in JMAPG.
- (2) All amounts received in cash by the Municipality including cash withdrawals from Bank/Treasury Saving Account(s) shall be entered on the debit side of the Cash Book.
- (3) The Cash Book shall be closed daily, the totals for the end of the day struck and the closing balance worked out with details to show unremitted and undisbursed cash, if any.
- (4) The Accounts Officer shall daily examine the entries and the closing balance in the Cash Book and affix his signature in token of such examination. The cash balance in hand with the Cashier shall be verified with the Cash Book balance on a daily basis and a certificate to that effect be recorded in the Cash Book by the Accounts Officer or any person designated for the purpose.

19. Bank Book

- (1) The Bank Book shall be maintained by the Accountant and shall record all amounts deposited or withdrawn, either in cash or cheque, from Bank Savings/ Current Account(s) or Treasury Account.
- (2) The bank book is a book of original entry for recording transactions pertaining to bank and treasury accounts of the Municipality. It shall be maintained by the Accountant in Form GEN – 1 given in JMAPG with a series of folio reserved for each bank account and designated as 'Bank Book of Bank, Account No. _____'. The Bank Book shall record all amounts deposited into or withdrawn or paid from each such treasury or bank account.
- (3) The following items of Receipts shall be accounted on the debit side of the Bank Book:
 - (a) The total amount of Cash collection remitted into Bank Savings/ Current Account(s) or Treasury Account;
 - (b) The total amount of Cheques deposited into Bank Savings/ Current Account(s) or Treasury Account;
 - (c) The total amount of collections deposited directly in Bank Savings/ Current Account(s) or Treasury Account;
 - (d) Amounts remitted or received directly in the Treasury Account;
 - (e) Any other collections, demand drafts, warrants, etc., received in the Bank Savings/ Current Account(s) or Treasury Account

- (4) All withdrawals and payment through cheques from the Bank Savings/ Current Account(s) or Treasury Account shall be accounted on the credit side of the Bank Book.
- (5) The Bank Book shall be closed daily, the totals for the end of the day struck and the closing balance worked out with details to show the balance in Bank Savings/ Current Account(s) or Treasury Account, as per the Books of accounts.
- (6) The actual balance in the Bank Savings/ Current Account(s) or Treasury Account shall be compared and reconciled with the Bank Book balance periodically and at least once at the end of every month. Note: Where books of accounts are maintained manually, the Cash Book and Bank Book may be maintained in the same register, with separate columns for cash and each bank account.

20. Journal Book

- (1) All entries which do not involve cash or Bank Savings/ Current Account(s) or Treasury Account shall be recorded through the Journal Book, appropriately identifying the account heads to be debited and credited in respect of the transaction.
- (2) The Journal Book shall be maintained by the Accountant in Form GEN-2 given in JMAPG.

21. General Ledger

- (1) The General Ledger shall be maintained by the Accountant in Form GEN-3 given in JMAPG, with separate folios for each head of account which have an opening balance or transaction entry.
- (2) At the end of every day the transactions recorded in the Cash Book, Bank Book and Journal Book shall be posted to the appropriate ledgers to complete the double entry book-keeping.

22. Sub Ledger

Sub-Ledger may be maintained for any account in the General Ledger identified as a Control Account, for detailed information, for example, contractors, suppliers, etc. The Sub-Ledger shall be maintained in the same form as the General Ledger.

23. Vouchers

- (1) A voucher is a standardised form for recording the debit and credit aspects of every financial transaction in the books of accounts.
- (2) Every transaction of the Municipality shall be entered in a Voucher and the type of Voucher to be used shall depend on the nature of transaction.
 - (a) A receipt voucher in Form GEN – 4 given in JMAPG shall be prepared in respect of all transactions involving receipt of cash or cheque or direct credit in bank or treasury;
 - (b) A payment voucher in Form GEN -5 given in JMAPG shall be prepared in respect of all transactions involving payment by cash or cheque or direct debit by bank or treasury;
 - (c) A contra voucher in Form GEN – 6 given in JMAPG shall be prepared in respect of all transactions between cash and bank accounts only;
 - (d) A journal voucher in Form GEN – 7 given in JMAPG shall be prepared in respect of transactions which do not involve cash or bank accounts;
- (3) All Vouchers shall be prepared by or under the supervision of the Accountant and shall be used as the covering sheet for all supporting documents which form the basis of authorization of transaction.
- (4) Vouchers shall be numbered separately for each type and shall be distinctly coded for each Fund. The Voucher numbering shall begin afresh every year.
- (5) In order to maintain the number series of Vouchers, a running serial number list shall be maintained for each Voucher type, for each Fund, for each year.

24. Opening Balance Sheet

- (1) An Opening balance sheet is required to be prepared for recognition of assets and liabilities at the municipalities.
- (2) The Guidelines for preparation of Opening Balance Sheet is contained in Chapter 34 of JMAPG.

25. Corrections in Accounts

- (1) Any correction to an entry made in the books of accounts shall be authorized by the Executive Officer/Municipal Commissioner, or any person duly authorized by him, and effected only through another rectification entry. A Journal Voucher shall be used to affect the same.

- (2) Any correction or alteration to an entry in the forms or registers shall be made in red ink (a single line being drawn through the original entry to be corrected) and attested by the dated initials of the Executive Officer/ Municipal Commissioner.
- (3) All corrections and alterations to bills/claims and Vouchers shall be similarly attested by the payee, while those in the pay orders shall be attested by the Executive Officer/ Municipal Commissioner signing them. No erasures shall be made and no document with an erasure shall be accepted.
- (4) No correction or alteration in figures in the Receipts shall be made and whenever errors occur in writing up of Receipts, copies of all such Receipts shall be cancelled and preserved.

26. Computerised Accounting and Electronic Records

- (1) Records and Registers required under these Rules shall be maintained manually or in a Computer Based System.
- (2) The Government may specify the manner and format in which such Electronic Records shall be created, prepared, maintained and issued and the manner and method of payment of fees or charges for issue of any Electronic Record.
- (3) Where the records are so kept, it shall be the responsibility of the Executive Officer/person designated by the Executive Officer/ Municipal Commissioner to ensure that appropriate controls and procedures are exercised for the integrity and security of the data files and programs and storage of Back up of this data and its retrieval.

27. Books of accounts to be separately maintained for Funds

- (1) Municipal Fund shall be the main Fund maintained by the Municipalities and shall consist of those sources as mentioned in Section 99 of the Act.
- (2) Within the Municipal Fund, the Government may prescribe Funds for which separate books of accounts have to be maintained. Every municipality shall constitute a separate fund called Basic Services to the Urban Poor Fund u/s 105(2) of the Act for the purposes of delivery of basic services of the urban poor, including the inhabitants of slum areas.
- (3) The Municipality shall prepare separate Financial Statements for each Fund.
- (4) Where Government has prescribed separate Fund, the Municipality shall maintain separate records and the following shall be observed:
 - (a) All Books of accounts and Vouchers shall be prepared separately for each Fund.
 - (b) Separate Bank accounts shall be maintained for each Fund, and remittances shall be made to the relevant Fund's Bank account. In case any receipt or payment is recorded in another Fund's Bank account, it shall be treated as an 'inter-fund transfer' and accounted accordingly.
 - (c) Inter-fund transfer shall normally not be resorted to. In case of exigent situations inter-fund transfer can be permitted only with prior of the Council. This inter-fund transfer shall be re-couped back within a period of three months.
- (5) In addition to the Financial Statements for each Fund, the Municipality shall prepare Consolidated Financial Statements for the Municipal Fund as a whole.

28. Stock book of forms

- (1) No account forms other than those prescribed under these rules shall be used by the Municipality.
- (2) The Municipality shall maintain a stock of printed forms in the as prescribed in the rules.
- (3) The Executive Officer/ Municipal Commissioner and the Accounts Officer shall be responsible for the correct maintenance of the Stock Book. The balance of forms on hand shall be verified annually by the Officer appointed by the Municipality to check the stock, who should record a certificate of correctness or otherwise over his dated signature.
- (4) A Document Control Register shall be maintained in Form GEN – 29 provided in JMAPG to keep stock of the forms.

29. Receipt Books

Receipt books shall, on receipt in the Municipality, immediately be counted, numbered and entered in the Stock Book of Forms. Each Receipt Book shall be serially numbered and paged and a certificate of the number of pages each book contains shall be furnished in each book and signed by the Executive Officer/ Municipal Commissioner or Accounts Officer or other Officer duly authorised in this behalf. The issue of Receipt Books shall be in order of their numbers and the signature of the receiver obtained in the Stock Book of Forms. No fresh Book shall be issued before the previous one is completely exhausted and returned to the Municipality, except under unavoidable circumstances. In such cases, the reason shall be specifically written in the new Receipt book.

CHAPTER 4:

RECEIPTS

Section I- General Rules

30. Accounting of Receipts

- (1) All items of revenue shall be accounted according to the accounting policies prescribed by the Government.
- (2) In respect of revenues to be accounted on accrual basis, the Head of the Department handling the respective revenue shall prepare, on monthly basis, a Summary Statement of Bills Raised in GEN 22 given in JMAPG, a Summary Statement of Refunds/ Remission in GEN 26 given in JMAPG, a Summary Statement of Write-offs in GEN 27 given in JMAPG and send it to Accounts Department for accounting these in the books of accounts. In case there is no demand, refund/ remission, write-off or collection in any month, a nil statement shall be given. A Register of refunds, remissions and write offs shall be maintained in Form GEN – 25 given in JMAPG.

31. Accounting of Receipts on accrual basis

- (1) All items of revenue which fulfils the following criteria, shall be taken as receipt on accrual basis:
 - (a) The revenue is earned or the right to receive it is established;
 - (b) The amount due is determined or determinable; and
 - (c) No significant uncertainty exists about its realisation.
- (2) In all such cases, a summary statement of demand raised or receipt accrued shall be submitted by the concerned department in GEN – 22 given in JMAPG to the Accountant as and when they become due for collection or such frequency as decided by the Municipality.
- (3) The Accountant shall, based on this statement, pass a journal voucher and accrue the income by debit to its “Receivable Account”.
- (4) All collections in respect of accrued receipts shall be credited to the same ‘Receivables Account’.

32. Receipts accounted on cash basis

Receipts which do not fulfil the criteria of accrual as mentioned in Rule 31 above, shall be accounted as and when they are actually collected or received by the Municipality.

33. Modes of collection of Receipts

- (1) The Municipality shall accept collections through various options such as bill collectors citizen facilitation centres, direct credit through Bank, collection by Bank branches, collection through internet, or may appoint any collection agency with a view to increase convenience of the citizens.
- (2) All collections made on behalf of the Municipality shall be entered in the Cash/ Bank Book on the same day as of the collection.

34. All moneys to be brought to account

- (1) All money transactions to which any member, officer or employee of a Municipality in his official capacity is a party shall without any reservation are brought to account.
- (2) All moneys received shall be lodged in a Government Treasury Savings Account(s) or Scheduled Bank Account to the credit of the Municipality.
- (3) The Executive Officer/Municipal Commissioner shall draw any money required for disbursement from the Treasury Savings Account(s), Banks or State Treasury by cheques/bills. No moneys received on behalf of the Municipality shall be utilised for its expenditure without first being brought into account and paid or remitted into the Treasury Savings Account(s) or Banks.

35. Issue of Receipts for moneys received

- (1) All moneys received in the Municipality or by any member of the outdoor staff authorised in this behalf, in cash or in the form of cheques, demand drafts, Indian postal orders, collection through internet, collection through bank branches, direct credit in bank, etc., shall without exception be acknowledged by a Receipt in Form GEN – 8 given in JMAPG.
- (2) The Receipts shall be pre-numbered and written up by using double sided carbon paper, when issued manually.
- (3) No duplicate or copy of a Receipt shall be issued on the ground that the original has been lost. If any necessity

arises for such a document, a certificate may be given that on a specified day a certain sum on certain account was received from a certain person.

36. Receipt of Municipal dues by cheques/ demand drafts

- (1) Crossed cheques/ demand drafts may be accepted in payments of Municipal dues or in settlement of other transactions with the Municipality. On receipt of crossed cheque/ demand draft, a Receipt shall be issued, specifically indicating there in, that the amount is “subject to realisation”.
- (2) Outstation cheques may be accepted provided that the Bank Charges are included in the cheque amount.
- (3) The Municipality shall maintain a record of all cheque/ demand drafts and other bank instruments received.

37. Dishonour of Cheques received

- (1) In the event of a cheque being dishonoured by the Bank, the Municipality shall cancel the office copy of the Receipt and the fact shall be reported at once to the tenderer of the cheque intimating that the Receipt issued for the payment through cheque, stands cancelled and that he/ she has to make payment of such amount in cash or demand draft only, along with the amount of Bank Charges debited by the Bank, if any.
- (2) The Municipality shall acknowledge the payment made by the party in this regard by the issue of a fresh Receipt.
- (3) The dishonoured cheque shall be retained by the Accountant and it shall not be handed over to anyone till the amount is remitted by the party
- (4) The Municipality shall proceed under relevant laws in case of dishonoured cheques.

38. Banking of Collections

The collections during a day, received in cash, money orders, cheques or any other in any other form, shall be deposited in the designated Bank accounts/ Treasury Saving Account(s) on the next working day.

39. Accounting of collections

- (1) The receiving Collection Centre shall record the receipt issued for receipt of the cheques/drafts received from other collection centres in its receipt register maintained in Form GEN -9 given in JMAPG.
- (2) The Collection Offices and Collection Centres shall record the particulars of each Receipt issued in the Collection Register, maintained in Form GEN-11 given in JMAPG, on a daily basis. The Collection to be maintained in the above form is to be account head wise details of the daily collections. This collection register shall be maintained in triplicate where in one copy can be sent to the concerned departments along with one copy of the Bill/ Challan collected, if any, one can be sent to the Accounts and other one will be retained as book copy.
- (3) Based on the details from the collection register, the Cashier shall prepare a Summary of Daily Collection in Form GEN-12 given in JMAPG. The Summary of Daily Collection is a covering sheet that provides a summary of the total revenues collected by the Collection Office/Centre. Further, the Cashier shall ascertain the status of cheques presented for collection and prepare the Statement on Status of Cheques Received in Form GEN-10 given in JMAPG.
- (4) The amount collected during the day shall be accounted based on the summary statements, through a Cash Receipt Voucher or Bank Receipt Voucher.
- (5) The Accounts Department shall maintain separate Subsidiary Ledger for each of the Major revenues in Form GEN – 33 given in JMAPG. The Subsidiary Ledgers would provide function-wise break-up of above-mentioned income earned/received by the Municipality on a daily basis. Separate folios shall be maintained for each function within the Subsidiary Ledger for recording incomes in respect of each function.
- (6) The folio for the Revenue in the Subsidiary Ledger shall provide for separate columns for various major heads on Receipt for which the Receipts are received. The details of Receipts received, after being posted in the general ledger, shall be posted in the relevant Subsidiary Ledger.
- (7) In case of a dishonour of cheque, based on the Statement on Status of Cheques Received, the Accounts Department shall reverse the entry passed for collection as stated above, i.e., on preparation of Bank Receipt Voucher. The Accounts Department, thus, shall pass the entry for reversal of receipt.

40. Refunds

The Municipality shall, to the extent possible, adjust refunds against future receipts. In cases where adjustments are not possible, refund shall be made by the Executive Officer/ Municipal Commissioner after recording the reasons in writing.

41. Custody of Money

- (1) The cash balance of the Municipality shall be deposited in a strong cash chest at the end of each day.

- (2) The cash chest should have two keys. One key will be with the cashier of the collection office and the other will be with another officer designated for this purpose by the Municipality. Cash in chest should be insured for theft, fire, etc.
- (3) It shall be the duty of the Accounts Officer to verify the Remittance Book on a daily basis and weekly basis respectively.
- (4) The officers designated by the Municipality for operating the designated Bank Accounts shall co-ordinate with the banks on a daily basis and ascertain the status of the cheques/drafts deposited by them.
- (5) Any discrepancy in remittances shall be reported immediately to the Executive Officer/ Municipal Commissioner or Accounts Officer as the case may be.

Section II – Source of Revenue

The Municipality's source of revenue is tax, non tax revenue and any other assigned revenue. The tax revenue consists of Holding and Other taxes, Cesses, etc. The non tax revenue consists of Rental, fees and other income.

42. Accounting for Holding and Other Taxes

The accounting for holding and other taxes shall be done as per guidelines contained in Chapter 6 of JMAPG.

43. Accounting for Cesses

The accounting for cess shall be done as per guidelines contained in Chapter 8 of JMAPG.

44. Accounting for Assigned Revenues, Rentals and other revenues

The accounting for non tax revenues like assigned revenues, rentals/other revenues shall be done as per guidelines contained in Chapter 10 and 11 of JMAPG.

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CHAPTER 5:

EXPENDITURE

45. Charge of expenditure

- (1) No expenditure shall be charged against the Municipal Fund until and unless the expenditure is covered by a budget grant.
- (2) The amounts directly debited by the State Government or any agencies authorised by the State Government, may be charged against the respective heads of account, even without acceptance of the Municipal Fund.

46. Claims against Municipal Fund

- (1) Every person having any claim against the Municipal Fund shall present a written claim with supporting documents like Invoice, etc. to the Executive Officer/ Municipal Commissioner of the Municipality.
- (2) A bill shall be prepared by the designated Officer incurring the expenditure and the claimant's claim, with supporting documents, shall be attached thereto.

47. Accrual of expenditure

- (1) Every claim against the Municipal Fund, shall after examination with reference to Work Order/Supply Order/ Indent shall be accepted, if it is in order and accrued through a Journal Voucher.
- (2) Provided that such accrual shall be carried out on a regular basis only in respect of establishment expenditure, and claims pertaining to procurement of goods and services, supported by work order and contractor's bill. Other revenue expenditures may be accounted on payment and the outstanding accrued only at period ends.
- (3) Details of all such bills shall be entered in Register of Bills for Payment in Form GEN – 13 provided in JMAPG.
- (4) All expenditures shall be accrued and payments shall be made only after it has been duly verified by the persons authorised for the same. The Government shall specify by notification in the Gazette the persons who shall conduct pre-audit.

48. Provision for Expenditure

At the end of each year, a provision shall be made in respect of expenditure already incurred but not paid by the Municipality. Cut off date for provisioning of bills shall be 30 days prior to the date prescribed for the

finalisation of Annual Financial Statements. A Summary Statement of Outstanding Liability in Form GEN – 28 provided in JMAPG shall be prepared by the Accounts Department based on the provisions of expenditure.

49. Settlement of claims

All liabilities incurred shall be discharged within 30 days of incurring of liability.

50. Record of claim passed for payment

The Accountant shall keep a record of each claim passed for payment detailing the number, date, amount, etc. and a Payment Order in Form GEN – 14 provided in JMAPG shall be prepared.

51. Advances

All moneys advanced to contractors, accredited agencies should be restricted to the amount actually necessary to meet immediate payments within the next three months against bank guarantee or other deposit and as and when this amount exhausts, it may be recouped by submitting documents for expenditure incurred. In case the advance is not utilised within the specified timeframe the Municipality shall have the right to invoke the bank guarantee or liquidate the deposits to recoup the unutilised portion of the advance.

52. Deposits

- (1) All deposits received in cash, cheque and demand drafts shall be deposited in the designated Bank Savings/ Current Account(s) or Treasury Account.
- (2) Deposit received otherwise than in cash, cheque or demand drafts shall be kept by the Executive Officer/ Municipal Commissioner in safe custody. At the end of every half year a certificate regarding the verification of the balance of such deposits as are then on hand shall be recorded by the Executive Officer/ Municipal Commissioner.
- (3) All deposits received shall be entered in the records prescribed for the same.
- (4) Deposits received in cash, cheque or demand drafts shall not be refunded or adjusted to revenue except on the written order of the Executive Officer/ Municipal Commissioner.
- (5) When deduction are made from the bills of contractors as security for the due performance of work in the future, the bills shall be passed by the Competent Authority for the full amount of the bill but accounted appropriately for the net amount paid.
- (6) The following items shall not be credited to any deposit head of account
 - (a) Sums that can be clearly treated as revenue of the Municipality
 - (b) Pay, Pension, leave salary or other allowances or contributions
 - (c) Fines and forfeitures.

53. Payments from Municipal Funds

- (1) All payments from the Municipal Funds shall be made in cash, by cheque, demand drafts or other means such as Electronic Clearing System (ECS)/ Direct Credit to Bank Account of payee, Real Time Gross Settlement (RTGS) etc., with a view to facilitate convenience of payees.
- (2) Cash payments shall be avoided to the extent possible. However, if need arises, cash payments shall be made up to Rs. 5000/- per voucher to a single party on a given day.
- (3) The cost of drafts shall be borne by the payee and the amount to be paid shall be reduced to the extent of the same.
- (4) All payments to employees shall be made through direct transfer to the Bank Accounts of the employees.

54. Requirement of Signature

- (1) No money shall be paid on a Payment Voucher or Pay Order signed with rubber or facsimile stamp. When the acquittance on a Voucher is given by a mark or seal or thumb impression, it shall be attested by an officer not below the rank of a Gazetted cadre.
- (2) Claims affixed with the facsimile signature of the Authorised Officer, presented by the concerned departments and institutions may be accepted for payment, if otherwise in order:
 - (a) Telephone bills including internet charges;
 - (b) Bills for water charges;
 - (c) Electricity Bills of electricity supply companies or such organisations which supply electricity in that area.

55. Cash Payment out of Imprest

If the claim is to be paid in cash, out of the imprest amount, it shall be approved by the Council and made over to the Officer holding imprest for payment. The Officer holding imprest amount shall pay the amount, and after payment in cash, stamp the Voucher with the words "Paid in Cash" in conspicuous type. This shall be attached as a Sub-Voucher to the next bill while recouping the permanent advance.

56. Cheque Payments

If the amount is paid by cheque, the bill shall be stamped 'Paid by Cheque No.' in conspicuous type and the cheque shall be written up by the Accountant. Facsimile signature shall not be made in such cases.

57. Control over Cheque Books

- (1) Cheque books shall always be kept under lock and key in the personal custody of the Executive Officer/ Municipal Commissioner who, when relieved, shall take a receipt for the correct number of cheques made over to the relieving Officer. A specimen signature shall, at the same time, be forwarded to the authorised officer, under the signature of the Officer relieved.
- (2) When the Executive Officer/ Municipal Commissioner receives a new cheque book from the Treasury or Bank, he/ she shall count the cheque leaves contained therein and shall record on the back of the cheque book a certificate that "this Cheque Book contains ____ leaves".
- (3) The Executive Officer/ Municipal Commissioner or any officer authorised by him shall verify on a daily basis the unused cheques and satisfy himself that all unused cheques are in the book and that none has been surreptitiously extracted.

58. Issue of Cheques

- (1) The Accountant shall ensure that there is adequate balance in the Bank/ Treasury Saving Account(s) before issuing a cheque.
- (2) On verification of the Cash/ Bank Payment Voucher, a cheque shall be prepared. The date of preparation of the Bank payment voucher shall be the date of the cheque. The person preparing the cheque shall mention the date of the cheque. An entry of the cheque prepared shall be made in the Cheque Issue Register, maintained in Form GEN-15.
- (3) The cheques shall be written/ printed as the case may be and the Accountant shall be responsible for the same.
- (4) Every cheque shall be in favour of the person to whom the money is to be actually paid. The stamp 'Account Payee' shall be affixed on all cheques. No bearer cheques shall be issued.
- (5) The amount of every cheque drawn shall be written in words as well as in figures both on the cheque itself and on the counterfoil/ record slip/ transaction sheet available in the cheque book and initialled by the person who signs the cheque. It shall also be entered into the record maintained for the same.
- (6) When a cheque is being prepared for signature, the amount which is the next higher number of rupees than the sum for which the cheque is drawn, shall, as a safeguard, be written in red ink across it and its counterfoil as follows: 'Below Rupees.....'

59. Signing of Cheques

- (1) No cheques shall ordinarily be signed unless required for immediate delivery to the person to whom the money is to be paid. No signed cheques shall be retained in the office except under exceptional circumstances which shall, in each case, be recorded.
- (2) The authorized signatories shall sign the cheque, Cash/ Bank Payment Voucher and Cheque Issue Register.
- (3) The cheques shall be disbursed by the Accountant after making a payment entry in the records prescribed for the same.

60. Payments to be covered by Receipts

The Executive Officer/ Municipal Commissioner or any other authorised officer shall see that every payment made either in cash or by cheque is covered by a receipt stamped if necessary and signed by the person to whom the money is due and to whom it has actually been paid.

61. Payment Voucher to bear acknowledgments of payees

- (1) Every Cash Payment Voucher shall bear or have attached to it an acknowledgment of the payment, signed by the person for whom or on whose behalf the claim is put forth. No cash payment shall be made in the absence of the necessary acknowledgment.

- (2) Dates of payment shall invariably be noted by the Payees in their acknowledgments.
- (3) If a Payment Voucher is lost, a certificate of payment prepared in manuscript and signed by the disbursing Officer and endorsed by the superior Officer shall be placed on record. Full particulars of all claims shall be set forth.
- (4) Payments to illiterate persons shall be certified by the disbursing Officer and the thumb impression of those persons shall be obtained against their names on the Vouchers concerned.

62. Accounting of payments

- (1) The entry for payments shall be made by credit to the Cash or Bank/ Treasury Saving Account(s) and:
 - (a) In case a liability was earlier taken for the amount of the bill, by debit to the same liability account;
 - (b) In case, no liability was taken, by debit to the appropriate expenditure/ payment account head.
- (2) The Accounts Department shall maintain separate Subsidiary Ledger for each of the Major expense head in Form GEN – 34 given in JMAPG. The Subsidiary Ledgers would provide function-wise break-up of above-mentioned expenses incurred by the Municipality on a daily basis. Separate folios shall be maintained for each function.

63. Cancellation of cheques

- (1) When a signed cheque is cancelled, it shall be stamped “cancelled” by the drawing Executive Officer/ Municipal Commissioner or authorised officer. The fact of cancellation shall be noted in red ink over the initials of the drawer of the cheque upon the counterfoil/ record slip/ transaction sheet available in the cheque book, across the Order of Payment which has been endorsed on the Payment Voucher and in other records prescribed to record the details of cheques issued.
- (2) If a cheque is cancelled before the entry is made in the Bank Book, no further correction is required. However, if the entry for cheque has already been recorded in the Bank Book, the entry should be reversed.
- (3) Cancelled cheques shall be retained with their counterfoils for purpose of audit.

64. Lost cheques

If a lost cheque is reported to the Municipality, the Executive Officer/ Municipal Commissioner or authorised officer shall issue a ‘Stop Payment Order’ to the Bank/Treasury and a fresh cheque can be issued to the party after obtaining a certificate from the Bank/Treasury that it has not been paid.

65. Stale cheques

If the cheques are not encashed within the period of their currency, the amount covered by the cheque shall be transferred to a ‘Stale Cheque Account’ creating a liability for the amount and debiting it in the Bank Book. When a fresh cheque is issued, the stale cheques account will be debited. If a Stale Cheque is presented to the Municipality, it shall be cancelled as per Rule 63.



CHAPTER 6:

PROCUREMENT OF GOODS, WORKS AND SERVICES

Section I -Introduction

This chapter contains the general rules regarding procurement of goods, works and services required for use in the Municipality.

Section II—General Rules

66. Definition

- (1) The term “goods” used in this chapter includes all articles, materials, commodities, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant, etc., purchased or otherwise for the use of Municipality but excludes books, publications, periodicals, etc. for a library.
- (2) The expression “consulting services” defines services of an intellectual and advisory nature provided by consultants using their professional skills to study, design, and organize specific projects, advice clients, conduct training, and transfer knowledge.

- (3) “Original works” means all new constructions, additions and alterations to existing works, special repairs to newly purchase or previously abandoned buildings or structures, including remodeling or replacement.
- (4) “Repair works” means works undertaken to maintain building and fixtures.
- (5) “Procurement” is the effective acquisition of goods or services as per requirement depending on the facts and circumstances of each case and by following the procedures as laid down in the rules.

67. Powers for procurement of goods

Municipality has been delegated full powers to make their own arrangements for procurement of goods subject to the limits prescribed under Sec 101(f)(v) of the Jharkhand Municipal Act, 2011.

68. Procurement Plan

- (1) Procurement Plan shall include description of contracts for the goods, works and services required to be carried out in the next twelve months consistent with the project prices, technically and administratively approved estimates and proposed methods of procurement over the total project period. The Procurement Plan shall be consistent with the budgetary allocations. Guidelines for preparation of Procurement Plan are contained in clause 2.2 of Appendix 2.
- (2) The Procurement Plan shall be prepared by the Head of Department and in his absence by the Executive Officer/ Municipal Commissioner and approved by the Council.

69. Administrative Sanction

The administrative sanction for the procurement of goods, works and services shall be as per Section 101(f)(v) of the Act.

70. Technical Sanction

- (1) Technical Sanction shall be preceded by Administrative Sanction.
- (2) Provided that for procurement of
 - (a) Goods and services – specifications of goods and scope of services should be predetermined by the Head of the department or in his absence by the Executive Officer/ Municipal Commissioner.
 - (b) Works – For estimating up to an expenditure of Rs. 5,00,000/- (Rupees five lakhs), approval shall be given by an officer not below the rank of Assistant Engineer. Provided further that for procurement of works estimating expenditure of more than Rs. 5,00,000/- (Rupees five lakhs) but up-to Rs. 25,00,000 (Rupees twenty-five lakhs) approval shall be given by an officer not below the rank of Executive Engineer. Provided further that for procurement of works of more than Rs. 25,00,000 (Rupees twenty-five lakhs) but up-to Rs. 1,00,00,000/- (Rupees one crore) approval shall be given by an officer not below the rank of Superintending Engineer. Provided further that for procurement of works estimating expenditure for more than Rs. 1,00,00,000/- (Rupees one crore) approval shall be given by an officer not below the rank of Chief Engineer. In the absence of the sanctioning officer concerned, the power of approval shall vest with the higher officer.

71. Rate Contract

Any State Department/ Agency or the Municipality’s Works Department, as the case may be, may conclude rate contract with the registered suppliers, for goods and items of standard types, which is identified as common user items and are needed on recurring basis by the Municipality. Definition of Registered suppliers is given in Rule 72 below. The State Department/ Agency or the Municipality’s Works Department, as the case may be, shall furnish and update all the relevant details of the rate contracts on its website. The Municipality shall follow these rate contracts to the maximum extent possible. The Municipality may procure goods through DGS&D rate contract where applicable.

72. Registration of Suppliers

- (1) With a view to establishing reliable sources for procurement of goods commonly required for Government use, the Public Works Department (PWD) or the Municipality’s Works Department, as the case may be, will prepare and maintain item-wise lists of eligible and capable suppliers. Such approved suppliers will be known as “Registered Suppliers”. All Municipalities may utilise these lists as and when necessary. Such registered suppliers are prima facie eligible for consideration for procurement of goods through Limited Tender Enquiry. They are also ordinarily exempted from furnishing bid security along with their bids. A Head of Department may also register suppliers of goods which are specifically required by that Department or Office.
- (2) Credentials, manufacturing capability, quality control systems, past performance, after-sales services, financial background etc. of the supplier(s) shall be carefully verified before registration.
- (3) The supplier(s) will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods. At the end of this period, the registered supplier(s) willing to continue with registration are to apply afresh for

renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions.

- (4) Performance and conduct of every registered supplier is to be watched by the concerned Department. The registered supplier(s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply substandard goods or make any false declaration to any Government agency, or for any ground which, in the opinion of the Government, is not in public interest.

73. Enlistment of Indian Agents

As per the Compulsory Enlistment Scheme of the Department of Expenditure, Ministry of Finance, Government of India it is compulsory for Indian agents, who desire to quote directly on behalf of their foreign principals, to get themselves enlisted with the Central Purchase Organisation (E.g. DGS&D). Such Indian agents will have to get themselves registered with Public Works Department (PWD) or the Municipality's Works Department, as the case may be,. However, such enlistment is not equivalent to registration of suppliers as mentioned under Rule 72 above.

74. Price Preference and other concessions for small scale industries

It shall be guided by the Jharkhand Purchase Policy, applicable at that time.

75. Procurement without quotation

Procurement may be done without inviting quotations or bids upto limits as notified by the State Government from time to time on the basis of a certificate to be recorded by the Executive Officer/ Municipal Commissioner or any authorized officer of the municipality in the following format.

"I am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable, supplier at a reasonable price."

76. Procurement through Limited Tender

The Municipality shall call for quotation through Limited Tender Process when the estimated value of the procurement exceeds the limits determined in Rule 75 but not more than Rs. 1,50,000/- (Rupees one lac fifty thousand only). Detailed discussion is given in Clause 4.7.4 of Appendix 2.

77. Procurement through Open Tender

Any procurement plan where estimated expenditure is more than Rs. 1,50,000/- (Rupees one lac fifty thousand) shall be done through open tender process. In case of works urgently required and in public interest provisions of Sec 103 of the Jharkhand Municipal Act, 2011 shall apply.

78. Power of Procurement Committee

- (1) A Procurement Committee duly constituted by the Municipality shall be responsible for finalizing the procurement of goods, works and services upto an expenditure of Rs 1,00,00,000/- (Rupees One Crore).
- (2) The Procurement Committee of the Municipality shall consist of Chairman, Executive Officer, Representative of the concerned Department and Representative of Finance/account Department. The Chairman, at his discretion, may seek expert assistance, to help the committee in discharging its duties.

79. Purchase of goods directly under rate contract

- (1) In case of purchase of rate contracted goods from suppliers, the prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of the purchase should be in line with those specified in the rate contract. The Municipality shall make its own arrangement for inspection, and testing of such goods where required.
- (2) The Public Works Department (PWD) or the Municipality's Works Department, as the case may be, should host the specifications, prices and other salient details of different rate contracted items, appropriately updated, on the website for use by the procuring Department.
- (3) A demand for goods should not be divided into small quantities to make piece-meal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.
- (4) The Municipality may procure goods through DGS&D rate contract where applicable.

80. Purchase of goods by obtaining bids

Except in cases covered under Rule 75, 76, 77, Municipality shall procure goods by following the standard method of obtaining bids in:

- (1) Advertised Tender Enquiry;
- (2) Single Tender Enquiry.

81. Advertised Tender Enquiry

- (1) Invitation to tenders by advertisement shall be used for procurement of goods of estimated value of Rs. 1,50,000/- (Rupees One lakh fifty thousand only) and above. Advertisement in such cases shall be given in at least one local daily in local language and one national daily in English having wide circulation.
- (2) The Municipality having its own web site shall also publish all its advertised tender enquiries on the web site and provide a link with State web site. It should also give its web site address in the advertisements in newspapers.
- (3) The Municipality shall also post the complete bidding document in its web site and permit prospective bidders to make use of the document downloaded from the web site. If such a downloaded bidding document is priced, there shall be clear instructions for the bidder to pay the amount by demand draft etc. along with the bid.

82. Two bid system

This system shall be adopted for evaluation purpose only when the Procurement Committee so decides after considering the prevailing circumstances. Two bid system should be used for when procuring under QBS, SFB, QCBS And SBCQ methods of selecting bidders. An indicative list of cases where two bid system should be used is attached in Clause 3.12 of Appendix 2.

83. Late Bids

In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) shall not be considered.

84. Single Tender Enquiry

Procurement from a single source may be resorted to in the following circumstances:-

- (1) The goods are in the nature of a proprietary item and only a particular firm is the manufacturer of the same.
- (2) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of Council obtained.
- (3) For standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the Council, the required item is to be purchased only from a selected firm).

Note: Proprietary Article Certificate in the following form is to be provided by the Municipality before procuring the goods from a single source under the provision of sub Rule (1) as applicable.

- (i) the indented goods are manufactured by M/s
- (ii) No other make or model is acceptable for the following reasons:-
.....
.....
- (iii) Concurrence of internal finance wing/Finance Department to the proposal vide:-
.....
- (iv) Approval of the Council vide:
(Signature with date and designation of the procuring officer)'

85. Cost of Tender papers

- (1) Intended bidders shall be charged fees for purchase of tender papers:

Value of work	Tender form Rs.
Up to Rs. 5,00,000	1,000/-
From Rs. 5,00,001 to Rs. 25,00,000	5,000/-
From Rs. 25,00,001 to Rs. 5 Crores	10,000/-
Over Rs. 5 Crores	25,000/-

- (2) For tender forms sold to the intended bidders, a receipt shall be issued for the amount received in Form GEN-8 of JMAPG.

86. Tender notice

- (1) Notice inviting tender shall be in Form **NIT-1** given in Appendix 1.
- (2) All tenders shall be invited by the Executive Officer/ Municipal Commissioner or any authorised officer.
- (3) Sealed Tender shall be invited in Form **NIT-2** given in Appendix 1.

87. Deposit

- (1) As a rule, no tender for the execution of work of any description shall be received unless accompanied by the deposit of earnest money to the extent of 2% which will be notified in the tender notice.
- (2) At the time of entering into contract, security deposit to the extent of 3% shall be charged from the party. The earnest money deposit of the successful bidder shall be converted to Security Deposit over and above the 3%. Earnest money deposit of the unsuccessful bidders shall be returned forthwith. The total Security Deposit shall be released upon final completion of work with the last payment.
- (3) As a safeguard against possible loss to the Municipality, the Executive Officer/ Municipal Commissioner shall as a rule take performance security for the due fulfilment of contract and this shall be charged as deduction of 5% from payments due from time to time on account of work done. This shall be returned upon final completion of work with the last payment.

88. Contents of Bidding Document

All the terms, conditions, stipulations and information to be incorporated in the bidding document are to be shown in the appropriate chapters as below:-

Chapter - 1: Instructions to Bidders.

Chapter - 2: Conditions of Contract.

Chapter - 3: Schedule of Requirements.

Chapter - 4: Specifications and allied Technical Details.

Chapter - 5: Price Schedule (to be utilised by the bidders for quoting their prices).

Chapter - 6: Contract Form.

Chapter - 7: Other Standard Forms, if any, to be utilised by the purchaser and the bidders.

89. General Principles of a Contract

The following general principles shall be observed by the subordinate authorities empowered to enter into contracts of agreements involving expenditure from public funds:-

- (1) The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein;
- (2) Standard forms of contracts shall be adopted, wherever possible, the terms to be subject to adequate prior scrutiny;
- (3) In case where standard forms of contracts are not used, legal and financial advice shall be taken in the drafting of contracts and before they are finally entered into;
- (4) The terms of a contract once entered into shall not be materially varied without the prior consent of the Council to enter into the contract as so varied. No payments to contractors by way of compensation, or otherwise, outside the strict terms of the contract or in excess of the contract rates shall be authorised without the previous approval of the Council.
- (5) No contract involving an uncertain or indefinite liability or any condition of an unusual character shall be entered into without the previous consent of the Council;
- (6) Contracts, whenever practicable and advantageous and in all cases required by the rules or orders of a Municipality, shall be placed only after tenders have been openly invited. In cases, where Lowest Cost Selection and Selection based on Consultants Qualification method is used and the lowest tender is not accepted, the tender process shall be cancelled;
- (7) Even in cases where a formal written contract is not made, no order for supplies, etc., shall be placed without at least a written agreement as to the price;
- (8) Provision will be made in contracts for safeguarding Government property entrusted to a contractor;
- (9) In selecting the tender to be accepted, the financial status of the individuals and firms tendering shall be taken into consideration in addition to all other relevant factors;
- (10) When a contract is likely to endure for a period of more than 5 years, it shall, include a provision for an unconditional power of revocation or cancellation by Government at any time on the expiry of 3 months notice to that effect;
- (11) A person who is a near relative of a contractor shall not be accepted as surety for the fulfilment of a contract by a contractor unless the officer accepting security is fully satisfied that the near relative has separate property of his own. In such a case the officer should at least insist on the surety filing an affidavit to the effect that he has separate property of his own;

- (12) Normally no work of any kind shall be commenced without the execution of proper contract documents. Where the tenure of a contract/ agreement has expired and the work has to be continued, timely action shall be taken for renewing the contract/agreement for the further period required, after a suitable review of the provisions of the old contract/agreement to see whether any modifications are needed;
- (13) All contracts shall have a provision for recovery of liquidated damages/compensation for defaults on the part of the contractor unless any special instructions are issued by the Council;
- (14) The question whether any sales tax, octroi and other local taxes and duties are to be paid and if so, by which party should be settled and cleared up before entering into any contract;
- (15) All contracts for purchases involving import of material from abroad shall as a rule provide for purchases on F.O.B. basis.
- (16) Where escalation in respect of excise/duties, freight, raw-materials, etc., is provided for in a contract, the basis for the calculation of the same shall be clearly indicated;
- (17) A warranty clause should be incorporated in every contract, requiring the supplier to, without charge, repair or rectify defective goods or to replace such goods with similar goods free from defect. Any goods repaired or replaced by the supplier shall be delivered at the buyers premises without costs to the buyer and;
- (18) Copies of all contracts and agreements for purchases of and above the value of Rs 50 lacs shall be sent to the Directorate, Municipal Administration for records.
- (19) Every contract for rendering of services shall have penalty clause for non performance of duties.
- (20) Every contract shall have a Dispute Resolution Mechanism including a process for Arbitration built into the contract.

90. Management of Contract

- (1) Implementation of the contract shall be strictly monitored and notices issued promptly whenever a breach of provisions occurs.
- (2) Proper procedure for safe custody and monitoring of Bank Guarantees or other Instruments should be laid down. Monitoring shall include a monthly review of all Bank Guarantees or other instruments expiring after three months. Extensions of Bank Guarantees or other instruments, where warranted, shall be sought immediately.
- (3) Wherever disputes arise during implementation of a contract, legal advice should be sought before initiating action to refer the dispute to conciliation and/or arbitration as provided in the contract or to file a suit where the contract does not include an arbitration clause. The draft of the plaint for arbitration should be got vetted by obtaining legal and financial advice. Documents to be filled in the matter of resolution of dispute, if any, should be carefully scrutinized before filing to safeguard government interest.

91. Maintenance Contract

Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contract(s) of suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery. It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the contract terms may provide and the paid maintenance shall commence only thereafter.

92. Bid Security

- (1) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from all the bidders. The bidders shall be asked to furnish bid security along with their bids. Amount of bid security shall ordinarily be 2% of the estimated value of the goods to be procured. The exact amount of bid security, shall be determined accordingly by the Municipality and indicated in the bidding documents. The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the commercial banks in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.
- (2) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract.

93. Advance payment to supplier

- (1) Payments for services rendered or supplies made shall be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in the following types of cases:-

- (a) Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment, etc.
- (b) Advance payment demanded by firms against fabrication contracts, turn-key contracts etc. Such advance payments should not exceed the following limits:-
 - (i) Thirty per cent, of the contract value to private firms:
 - (ii) Forty per cent, of the contract value to a State or Central Government agency or a Public Sector Undertaking; or
 - (iii) In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.
- (2) While making any advance payment as above, adequate safeguards in the form of bank guarantee, etc. should be obtained from the firm.
- (3) Part payment to suppliers: Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

94. Transparency, competition, fairness and elimination of arbitrariness in the procurement process

All government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows:-

- (1) The text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The bidding document should contain, inter alia;
 - (a) the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc.;
 - (b) eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc which may require to be met by the successful bidder;
 - (c) the procedure as well as date, time and place for sending the bids;
 - (d) date, time and place of opening of the bid;
 - (e) terms of delivery;
 - (f) special terms affecting performance, if any.
- (2) Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/or rejection of its bid.
- (3) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.
- (4) The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.
- (5) The bidders should be given reasonable time to send their bids,
- (6) The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening.
- (7) The specifications of the required goods should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids. In order to attract sufficient number of bidders, the specification should be general and broad based to the extent feasible. Efforts should also be made to use standard specifications which are widely known to the industry.
- (8) Pre-bid conference: In case of turn-key contract(s) or contract(s) of special nature for procurement of sophisticated and costly equipment, a suitable provision is to be kept in the bidding documents for a pre-bid conference for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery projected in the bidding document. The date/ time and place of pre-bid conference should be indicated in the bidding document. This date should be sufficiently ahead of bid opening date.
- (9) Criteria for determining responsiveness of bids, criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the responsive lowest bidder should be clearly indicated in the bidding documents.
- (10) Bids received should be evaluated in terms of the conditions already incorporated in the bidding documents; no new condition which was not incorporated in the bidding documents should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to external evidence.

- (11) Bidders should not be permitted under any circumstances to alter or modify their bids after expiry of the deadline for receipt of bids.
- (12) Negotiation with bidders after bid opening shall normally not be resorted to. However, in special circumstances where price negotiation may be resorted to only with the lowest evaluated responsive bidder.
- (13) Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document. However, where the lowest acceptable bidder against ad-hoc requirement is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive bidder at the rates offered by the lowest responsive bidder.
- (14) The name of the successful bidder who has been awarded the contract should be mentioned in the Municipality's notice board or bulletin or web site.

95. Efficiency, Economy and Accountability in Public Procurement System

Public procurement procedure is also to ensure efficiency, economy and accountability in the system. To achieve the same, the following keys areas should be addressed:

- (1) To reduce delay, appropriate time frame for each stage of procurement should be prescribed by the municipality. Such a time frame will also make the concerned purchase officials more alert.
- (2) To minimize the time needed for decision making and placement of contract, every Municipality, with the approval of the Council, may delegate, wherever necessary, appropriate purchasing powers to the lower functionaries.
- (3) The Municipality should ensure placement of contract within the original validity of the bids. Extension of bid validity must be discouraged and resorted to only in exceptional circumstances.
- (4) The designated Public Works Department (PWD) or the Municipality's Works Department, as the case may be should bring into the rate contract system more and more common user items which are frequently needed in bulk by various Municipality. The Public Works Department (PWD) or the Municipality's Works Department, as the case may be should also ensure that the rate contracts remain available without any break.

96. Buy-Back Offer

When it is decided with the approval of the Council to replace an existing old item(s) with a new and better version, the Municipality may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

**Section-III- Works
Measurement Book**

97. Maintenance of Measurement Book of works

The overseer or other officer deputed for the duty of periodically measuring the works shall keep up a Measurement Book in **W-1** provided in the Appendix 1.

98. Manner of recording entries and making corrections, if there be any in the Measurement Book

- (1) The pages of the books shall be machine numbered, and no page shall on any account be torn out, nor shall any entry be erased or effaced so as to be illegible. If mistake be made, it shall be corrected by crossing out the incorrect words or figures, and the correction thus made shall be initialed. No correction fluid should be used.
- (2) The entries in the Measurement Book should necessarily be made in indelible ink preferable blue or black.

99. Preparation of bill from the Measurement Book and the scrutiny thereof-

- (1) The Measurement Book shall be the basis of account of quantities whether of work done by daily labour or by piece or by contract or of materials received which have to be counted or measured.
- (2) Before the bill of a Contractor is prepared the entries in the Measurement Book relating to the description and quantities of work or supplies shall be scrutinized by the Municipal Engineer or by the officer selected by the Councilors at a meeting and the calculation of the "contents or area" shall be checked arithmetically under his supervision. The bill shall then be prepared from the measurement entries in Form **W-1** and **W-4** provided in Appendix 1, as the case may be, and the rates shall be taken from the Item Rate tender and contract of works

agreement for which tender is accepted. The pages of the Measurement Book in which the detailed measurements are recorded, shall invariably be quoted on the bill. The bill shall be signed with date by the officer in charge of the work and by the contractor in token of its correctness.

- (3) Before signing the bill, the Municipal Engineer or the officer selected by the Council at a meeting shall compare the quantities in the bill with those recorded in the Measurement Book and see that all the rates are correctly entered and that all calculations have been checked arithmetically. When the bill is on a running account, it should be compared with the previous bill. The memorandum of payment shall be checked and any recoveries which shall be made on account of work or supply or on other accounts shall be shown therein. Every page containing the detailed measurements shall then be scored out by a diagonal red ink line.
- (4) The Accountant shall then check the bill with the Measurement Book, estimate, agreement, previous payments (in case of running bills), balance of allotment available and the arithmetical calculations, and shall submit the same through the Finance Officer before the Executive Officer/ Municipal Commissioner. The number and date of the payment voucher shall be noted on the abstract of measurement in the Measurement Book and also on the pages containing the detailed measurements.

100. Submission of Measurement Book with the bills

To enable the overseer or other officer-in-charge of works to submit his Measurement Book with the bills or accounts to the municipal office two or more books for his use shall be provided. The Measurement Books after they are completed shall be returned to the municipal officer for record.

101. Manner of issuing Measurement Book

When note or Measurement Books are issued, the name of the subordinate to whom they are issued and the date of issue will be noted on the book and attested by the signature of the head of the office. All the Measurement Books shall be numbered serially. A list of all books issued shall be kept in the municipal office in view of their being promptly called in and filed when done with.

102. Recording of incomplete work

Proper reading of the measurement works needs to be taken on 31 March or as close to that date to enable booking of works done but not completed/ billed. A bill need not necessarily be prepared for this work which is only for the purposes of recording progress as on the date of financial year ending.

103. Contractor's Bill

- (1) Contractors' bills shall furnish full particulars of the work done so as to admit the items being identified and checked by a comparison with the estimate.
- (2) The bill shall be checked with the Measurement Book and other records by the next higher municipal engineer than the engineer who has recorded the measurements in the Measurement Book and if in order, shall be passed on to the Accounts Officer through the Municipal Engineer for processing and payment. When there is no higher municipal engineer, then this check shall be exercised by an officer authorized by the Municipality.
- (3) All bills shall be checked by the Accountant before accounting with reference to the supporting documents (for e.g. contract, sanctioned estimate and Measurement Book). The bill shall finally be approved by the Accounts Officer and the Executive Officer, in accordance with their powers or shall be approved by such authority which has the necessary powers.
- (4) On the basis of work completed, a bill shall be prepared and sent for payment. The amount of security deposit, income tax deducted at source, works contract tax and any other recovery or deduction, including recovery for supply of material by the Stores and money advanced to contractor, should be specified in the bill. On receipt of the processed bill, the particulars should be entered in the Register of Bills for Payment in Form GEN-13 of JMAPG.
- (5) Payment for works given out on contract for which running accounts are kept shall be made in Form **W-3** given in Appendix 1. Such payment should be treated as payment on account subject to adjustment in the final bill which should be drawn, in the appropriate form but printed on yellow paper, when the work or supply is completed or the running account is to be closed for other reasons.
- (6) If the contractor refuses to give an acknowledgement to that effect that the payment made to him was in full settlement of all demands, it is not necessary to insist on obtaining a qualified acknowledgement.
Note: - A form printed on yellow paper is never to be used except for final payment.
- (7) When contractors or suppliers are paid up at once on completion of the work or supplies, Form **W-4** given in Appendix 1. may be used for the bill. In this form the accounts of several works, and, if necessary, of more than one payee, may be included.

- (8) If there is delay in completion of construction or contractor has done sub-standard work or for any other reason, deductions shall be made from Contractor's Bill in the nature of penalty or liquidated damages. In cases where dues are recoverable from the contractor, the Accounts Department after the receipt of approval, draw the cheque for net amount after deducting the recoveries from Security Deposit to be made from the contractor.

104. Payment to Contractors

- (1) The Accounts Department shall, on receipt of Payment order in Form GEN-14 of JMAPG together with the Work Sheet and Contract Completion Certificate, where applicable, enter the details of the payment in the Work Sheet in Form PW-2 of JMAPG, and record the entries for making payments to the Contractors.
- (2) Payment to Contractors and suppliers shall be made by means of 'Account Payee' cheque drawn in their favour. The Municipality shall ensure that bills submitted by the Contractors are examined, processed and paid within 30 days of the date of submission of such bill. In case of delay beyond 30 days, the reasons for the same should be recorded in writing. If the reasons are not found to be satisfactory, a suitable penalty may be imposed by the Executive Officer/ Municipal Commissioner on the person responsible which shall be deducted from the person's salary.
- (3) Every payment to a contractor shall be made on account of some particular work for which a work order exists. No payment in anticipation of measurements shall be made to a contractor.
- (4) In respect of large works, mobilization advance may be paid to the contractors with prior approval of the Executive Officer/ Municipal Commissioner and after obtaining further securities like bank guarantee etc.

105. Recording of difference between the issue rate and Contractors rate

The Accounts Department shall determine the difference between the Stores Issue Rate and the Recovery Rate for the materials issued to the Contractors. The materials to the Contractors/Suppliers shall be issued in Material Requisition-cum-issue Note in Form **PS-1** given in Appendix 4. In case of favourable Rate Variance, where Stores Issue Note is less than Recovery Rate with the Contractor for materials issue, the variance shall be debited to the Contractors. In case of adverse Rate Variance, where Stores Issue Rate is more than Recovery Rate with the Contractor for materials issue, the variance shall be credited to the Advance to the Contractors.

Works executed through departmental agency

106. Muster Roll

- (1) When work is done by daily labour through departmental agency the basis of the account shall be the Muster Roll and when payments are not made daily the Muster Roll shall be a nominal one, i.e., names of the labourers shall be entered in it. This shall be kept in Form **W-2** provided in Appendix 1. The nominal Muster Roll being the initial record of the labour employed each day on a work, shall be written up daily by the subordinate deputed for the purpose each morning before the labourers begin work.
- (2) An extract from the Measurement Book shall ordinarily be endorsed on the Muster Roll and the quantity or work turned out shall be compared with the cost of the labour employed so as to afford satisfactory evidence that the out-turn of work gives a sufficient return for the money spent. Any deficiency in this respect shall be noticed by the paying officer.
- (3) If, however, the work is of a petty nature, and in consequence not susceptible of measurement, a certificate in lieu of the above shall be furnished by the officer-in-charge of the work to the effect that the work turned out is worth the amount paid for it.
- (4) The Muster Roll shall be closed immediately after the close of the week or other period for which it is kept and the labourers paid as soon as possible.
- (5) The payment shall be made in the presence of the Executive Officer, Finance Officer or an officer appointed by the Council at a meeting, who shall initial with date against the group of labourers paid on that date. The amount paid on each date shall be noted in words as well as figures at the foot of the Muster Roll (Form PW-5). The disbursement certificate at the foot of the Muster Roll shall then be signed by the officer witnessing the disbursement.

107. Furnishing of non-drawal certificate for arrear claims of wages

Wages not claimed within three months of their falling due shall not be paid without the written orders of the Executive Officer. Claims preferred six months after their becoming due shall, however, be supported by a certificate from the Accounts officer or any person authorized on his behalf that the amount was not paid before.

108. Completion Certificate

Before final payment for a work is made, a completion certificate shall be submitted by the Engineer/Assistant Engineer or Overseer to the effect that he has examined the work, and that it has been properly carried out in accordance with the sanctioned plans and estimates. If it has not been so carried out, an explanation of the difference shall be given. The bill shall also be countersigned by the Department-in-charge.

109. Check-measurement

All important works executed under the supervision of the municipal authorities shall be check-measured by the Junior Engineer or any other person authorized by the Municipality. The fact of check-measurement shall invariably be noted under his signature with date or dates of check-measurement both against the measurement entries in the Measurement Book and in the Contract Certificate on which final payment is made.

110. Register of works

A Register of Works in Form PW-2 of JMAPG shall contain a record of every original work or repair showing the expenditure incurred in comparison with the estimate and the arrears due on accounts for which part payments have been made.

111. Submission of Summary Statement of Status on Capital Work-in-Progress

At the end of Financial year the department incurring expenditure on capital projects shall submit a Summary Statement of Status on Capital Work-in-Progress in Form PW-1 detailing total expenditure incurred till date on each of the capital projects. The details of total expenditure incurred on each of the capital projects shall be collated from Work Sheet in Form PW-2. The details with regard to the Deposit Works shall be recorded in Deposit Works Register in Form PW 3.

112. Work Register and Muster Roll

- (1) To enable a check to be kept upon the work done in the workshop the officer-in-charge shall keep up a Work Register in Form PW-2. He shall also keep up a Muster Roll (Form W-2 given in Appendix 1.) of the workmen.
- (2) The Workshop Stock Book and the Work Register shall be examined not less often than once a month by the Municipal Engineer or other officer in charge of Public Works, who shall sign the register in token of his having made this examination. This officer shall also at frequent and unexpected intervals check the Muster Rolls.

Works from the Development Fund

113. Development Works with the financial assistance from the Government Financial Institution and Development Authority

When any work is to be carried out from the financial assistance either in the shape of grant or loan available from the State Government or the Central government or the Development Authority, the work out of such fund shall be subject to such terms and conditions as may be set forth in the sanction order. Similarly the work undertaken with the approval of the State Government out of loan available from the Financial Institution shall also be subject to such terms and conditions as may be imposed by the State Government and the Financial Institution.

114. Separate Account to be opened for development fund

Progressive statement showing therein the amounts received, the amounts spent out of them and the balance left unspent in respect of each such specific grant, shall be submitted on quarterly basis, to the State Government and a copy of the same shall be forwarded to the Directorate, Local Fund Audit.

115. Capital Works-in-Progress

Assets under erection/installation on existing projects and capital expenditures on new projects (including advances for capital works and project stores) shall be shown as "Capital Work-in-Progress". This includes costs of constructing fixed assets before construction is substantially complete. The identification of an item of construction as 'Capital Work in Progress' means that the item is intended to be capitalized once it is complete/ put into use.

116. Capital Commitments

In the case of value of work sanctioned, estimate approved and all formalities have been completed but work has not commenced, –such cases will form part of capital commitment. Estimated amount of contracts remaining to be executed on capital accounts and not provided for will form part of capital commitments.

117. Capitalisation of Capital Work-in Progress

- (1) On completion of construction of the asset, the asset becomes ready for use. Thus, it becomes necessary to transfer the cost incurred for construction (which is temporarily accounted in capital work-in-progress account) to the relevant asset account. This process is called capitalization.
- (2) Recording of capitalisation of Capital Work-in-progress - On receipt of Contract Completion Certificate, the Accounts Department shall capitalise the amount lying in the Capital Work-in-Progress Account and convert the amount pertaining to the Capital Work-in-Progress and lying in the Capital Work-in-Progress Account into a Fixed Asset.
- (3) Where any loan has been borrowed for the construction of any qualifying fixed asset, i.e., Original Works, the cost of construction of qualifying fixed asset shall also include the interest paid on that loan till the date of capitalisation of the asset.
- (4) The amount of interest to be charged to the Original Works under consideration shall bear the same proportion to the total interest payable on loan as the project cost of the concerned work bears to the total project cost for which funds have been borrowed. However, in case where the loan has been specifically borrowed for the execution of a particular work, the entire amount of interest payable on that loan shall be capitalised. The accounting entry for capitalization of interest shall be passed for the interest accrued, whether paid or not, till the date of capitalization of the work.

118. Accounting for works executed through Government Agencies

Where works are executed through the Government Agencies, they may consist of either (1) Deposit works or (2) Delegated Loan Works.

- (1) Deposit Works: In respect of deposit works carried out by Government Agency on behalf of the Municipality, the following accounting procedure shall be observed:—
 - (a) The gross estimated expenditure of the work shall be paid to the Government Agency in either one lump sum or in such instalments as agreed. The amounts paid shall be treated as advance to the concerned Government Agency. The Government Agency shall send to the Municipality every month, a statement showing the outlay incurred during each month and up-to-date outlay on the works concerned. On receipt of this statement, the amount shown as spent during the month shall be adjusted against the advance paid earlier and also accounted in the 'Capital Works in Progress'
 - (b) After completion of the deposit works, the statement of the deposit work shall be sent by the concerned Government Agency to the Municipality. On receipt of such statement the expenditure under 'Capital Works in Progress' pertaining to that work shall be capitalized.
 - (c) The unspent balances of completed works shall be refunded to the Municipality by the Government Agency, which shall be adjusted against the un-cleared advance.
- (2) Delegated Loan Works: When loans are raised by any other agency including Government Agency on behalf of the Municipality for capital works, the works are called as 'delegated loan works'.
- (3) The following procedure shall be observed in respect of delegated loan works:
 - (a) The Municipality shall enter into a legally valid agreement enabling the agency to raise loan on its behalf and undertake to repay the principal and interest as per the terms and conditions of the loan and the said agreement.
 - (b) Once the agency raises the loan, it shall send an advice indicating the loan raised, date of loan, period of repayment, rate of interest and terms and conditions of the loan.
 - (c) On receipt of such advice, the Municipality shall make necessary entries in the books of accounts. It shall also record it in the Register of Loans (Form LA – 1 contained in JMAPG) and Register of Advances in GEN – 16 provided in JMAPG.
 - (d) The agency shall send a monthly statement of outlay incurred during each month showing the progress on the works concerned. On receipt of this statement, the amount shown as spent during the month shall be adjusted by passing necessary entries.
 - (e) On receipt of completion report the Capital Work in Progress shall be capitalised.

Section-IV- Procurement of Services

The Municipality may hire external professionals, consultancy firms or consultants (referred to as consultant hereinafter) for a specific job, which is well defined in terms of content and time frame for its completion or outsource certain services.

This chapter contains the fundamental principles applicable to all Municipality regarding engagement of consultant(s) and

outsourcing of services. Detailed instructions to this effect may be issued by the concerned Municipality. However, the Municipality shall ensure that they do not contravene the basic rules contained in this chapter.

119. Identification of Work/Services required to be performed by Consultants

Municipalities may engage consultants only when they do not have the requisite technical capacity with prior approval of the Council.

120. Preparation of scope of the required work/service

The Municipality should prepare in simple and concise language the requirement, objectives and the scope of the assignment. The eligibility and pre-qualification criteria to be met by the consultants should also be clearly identified at this stage.

121. Estimating reasonable expenditure

Municipality proposing to engage consultant(s) should estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other organisations engaged in similar activities.

122. Procurement of services

- (1) Where the estimated cost of the services is up to Rs. 25,00,000/- (Rupees twenty-five lakhs), the Municipality may procure it by a limited tender to agencies empanelled by the Municipality or any other Department/ Agency of State Government. This process of empanelment should ordinarily be done on an annual basis through a process of open tender.
- (2) Where the estimated cost of the work or service is above Rs. 25,00,000/- (Rupees twenty-five lakhs), an enquiry for seeking 'Expression of Interest' from consultants shall be published in at least one local daily in local language and one national daily in English language and the municipality/Urban Development Department's web site. The web site address shall also be given in the advertisements. Enquiry for seeking Expression of Interest shall include in brief, the broad scope of work or service, inputs to be provided by the municipality, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time shall be allowed for getting responses from interested consultants.

123. Short listing of consultants

On the basis of responses received from the interested parties, consultants meeting the requirements should be short listed for further consideration. The number of short listed consultants should not be less than three. Detailed discussion is given in Clause 3.2.5 of Appendix 5.

124. Preparation of Terms of Reference (TOR)

The detailed discussion relating to Preparation of TOR is given in Clause 3.4 of Appendix 5. However, the TOR should include-

- (1) Precise statement of objectives;
- (2) Outline of the tasks to be carried out;
- (3) Schedule for completion of tasks;
- (4) The support or inputs to be provided by the Municipality to facilitate the consultancy;
- (5) The final outputs that will be required of the Consultant.

125. Preparation and Issue of Request for Proposal (RFP)

RFP is the document to be used by the Municipality for obtaining offers from the consultants for the required work/service. The RFP should be issued to the short listed consultants to seek their technical and financial proposals. The RFP should contain:

- (1) A letter of Invitation.
- (2) Information to Consultants regarding the procedure for submission of proposal
- (3) Terms of Reference (TOR).
- (4) Eligibility and pre-qualification criteria in case the same has not been ascertained through Enquiry for Expression of interest.
- (5) List of key position whose Curriculum Vitae (CV) and experience would be evaluated.
- (6) Bid evaluation criteria and selection procedure.

- (7) Standard formats for technical and financial proposal.
- (8) Proposed contract terms.
- (9) Procedure proposed to be followed for midterm review of the progress of the work and review of the final report.

126. Receipt and opening of proposals

- (1) Proposals shall be asked for from consultants in 'Two-bid' system with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in a bigger envelop duly sealed and submit the same to the Municipality by the specified date and time at the specified place.
- (2) On receipt, the technical proposals shall be opened first by the Municipality at the specified date, time and place.

127. Evaluation of Technical Bids

Technical bids shall be analyzed and evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Municipality. The CEC shall record in detail the reasons for acceptance or rejection of the technical proposals analysed and evaluated by it. The detailed process for the evaluation of technical bids is provided in clause 3.6, 3.7, 3.8, 3.9 of Appendix 2.

128. Evaluation of Financial Bids of the technically qualified bidders

The Municipality shall open the financial bids of only those bidders who have been declared technically qualified by the Consultancy Evaluation Committee as per Rule- 127 above for further analysis or evaluation and ranking and selecting the successful bidder for placement of the consultancy contract. The evaluation of financial bids is further explained in clause 3.6.8 of Appendix 2.

129. Consultancy by nomination

Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Municipality. Full justification for single source selection should be recorded in the file and approval of the Standing Committee shall be obtained by the Executive Officer/ Municipal Commissioner before resorting to such single-source selection. Further explanation is provided in clause 3.2.6 and 3.2.7 of Appendix 2.

130. Performance Security

- (1) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Performance Security is to be obtained from every successful bidder irrespective of its registration status etc. Performance Security should be for an amount of ten percent of the value of the contract. Performance Security may be furnished in the form of an Account payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee from a Commercial.
- (1) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.
- (2) Bid security should be refunded to the successful bidder on receipt of Performance Security.

131. Monitoring the Contract

The Municipality should be involved throughout in the conduct of consultancy, preferably by taking a task force approach and continuously monitoring the performance of the consultant(s) so that the output of the consultancy is in line with the Municipality's objectives.

Section-V- Outsourcing of Services

132. Outsourcing of Services

A Municipality may with the prior approval of the Council, outsource certain services in the interest of economy and efficiency. Such outsourcing jobs shall be governed by the following basic guidelines.

133. Identification of likely contractors

The Municipality may empanel potential contractors on an annual basis through a process of open tender. It may also use similar empanelled contractors by Departments/ Agencies of State Government.

134. Preparation of Tender enquiry

The Municipality shall prepare a tender enquiry containing, inter alia:-

- (1) The details of the work or service to be performed by the contractor;
- (2) The facilities and the inputs which will be provided to the contractor by the Municipality;

- (3) Eligibility and qualification criteria to be met by the contractor for performing the required work/service; and
- (4) The statutory and contractual obligations to be complied with by the contractor.

135. Invitation of Bids

- (1) For estimated value of the services up to Rs. 25,00,000/- (Rupees twenty-five lacs) or less: The Municipality should scrutinise the preliminary list of likely contractors as identified as per Rule 133 above, decide the prima facie eligible and capable contractors and issue limited tender enquiry for them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should not be less than three.
- (2) For estimated value of the work or service above Rupees 25,000/- (twenty five lacs): The Municipality should issue advertised tender enquiry asking for the offers by a specified date and time etc. in at least one popular largely circulated national newspaper and web site of the Department.

136. Evaluation of Bids Received

The Municipality should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.

137. Monitoring the Contract

The Municipality should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.



CHAPTER 7:

ESTABLISHMENT COSTS

138. Accounting of Establishment Costs

- (1) Establishment Costs shall be accrued at the end of each month in accordance with the procedure prescribed in Chapter 5 of the Rules.
- (2) The payment of salary shall be in accordance with the procedure prescribed in Chapter 5 of the rules.
- (3) Leave encashment shall be accounted as and when due for payment i.e. on accrual basis.

139. Sections of Establishment to be distinct

Pay bills shall be, as far as practicable, prepared distinctly based on functions as shown in the budget, using Function Codes prescribed in Chart of Accounts.

140. Alterations of Establishment

The provisions relating to appointment of officers/ appointment of post for municipal establishment is contained in Section 55 & 56 of Jharkhand Municipal Act, 2011.

141. Transfer of Office

- (1) Section 62(2) of Jharkhand Municipal Act, 2011 states that the Director of Municipal Administration shall be the appointing authority of all officers borne in common municipal services and shall have authority to transfer such officers and other employees from one municipality to another. However, Section 56(2) of the Act provides that notwithstanding anything contained in the Jharkhand Municipal Act, 2011, the State Government shall have the necessary powers to transfer an officer or employee of a municipality to any other municipality. A report of transfer of officer/ employee of the municipality shall be duly made and signed both by the relieved and relieving officer/ employee of the municipality.
- (2) In cases in which the transfer of charge involves assumption of responsibility for cash, stores, etc., the following instructions should be observed:
 - (a) The cash book or imprest account should be closed on the date of transfer and a note recorded in it over the signature of both the relieved and the relieving officer, showing the cash and imprest balances, and the number of unused cheques, if any, made over and received by them respectively.
 - (b) The relieving officer in reporting that the transfer has been completed should bring to notice anything irregular or objectionable in the conduct of business that may have come officially to his notice. The officer should

examine the accounts, count the cash, inspect the stores, count, weigh and measure certain selected articles in order to test the accuracy of the returns. He should also describe the state of the records related to accounts.

- (c) In the case of any sudden casualty occurring or any emergent necessity arising for a officer/ employee to quit his charge, the next senior officer/ employee of the department present will take charge. When the person who takes charge is not a gazetted officer, he must at once report the circumstances to the Council of the municipality, and obtain orders as to the cash in hand, if any.

142. Charge reports

The charge reports shall contain the name of the relieving and relieved Officer/ employee in Block letters below their signatures. The purpose for transfer of charge like transfer, leave, retirement, etc., shall also be indicated in the reports.

143. Date of Birth

- (1) Every person newly appointed to a service or a post under municipality shall at the time of the appointment declare the date of his birth by the Christian era with documentary evidence such as a matriculation certificate, municipal birth certificate and so on.
- (2) The actual date determined under the above rule shall be recorded in the history of service, service book, or any other record that may be kept in respect of the officer and once recorded; it cannot be altered, except in the case of a clerical error, without the prior orders of the Executive Officer/ Municipal Commissioner of the Municipality.

144. Power to Attest/Verification

The power to attest/verify the records of municipality shall vest with the Executive Officer/ Municipal Commissioner or any person authorized by the Council of the Municipality.

145. Leave Applications

- (1) Subject to any special rules or orders issued by the municipality, all applications for leave (regular leave only) shall be submitted to the Executive Officer/ Municipal Commissioner of the municipality or any other officer authorized on his behalf concerned in Form **EST-1** given in Appendix 3.
- (2) Leave accounts shall be maintained by the municipality in a leave register.
- (3) The Executive Officer/ Municipal Commissioner of the municipality or any other officer authorized on his behalf shall attest entries of leave account of all the officers and also keep them in his custody.

146. Service Book/Service Rolls

- (1) The service books/ service rolls of all officers shall be maintained by the Executive Officer/ Municipal Commissioner of the municipality or any other officer authorized on his behalf by the Council of municipality.
- (2) The Person shall see that entries are duly made and attested and that the book contains no erasure or overwriting, all corrections being neatly made and properly attested.

147. Attestation of entries of Service Books/ Service Rolls

The Council of municipality may delegate powers to the Executive Officer/ Municipal Commissioner of the municipality to attest entries in service books/ service rolls of all officers/ employee of the municipality and authorize to keep these documents in his custody provided that the authorized officer remains responsible for the proper maintenance of and attestation of entries in service books/ service rolls and for its custody. The Council shall scrutinize if possible, all these documents every year and initial the same in token of having done so.

148. Verification of Services

- (1) Within the 1st quarter every year, the service books should be taken up for verification by the Executive Officer/ Municipal Commissioner of the municipality or any other officer authorized on his behalf, who after satisfying himself that the services of the officers/ employee are correctly recorded in each service book, should record in it a certificate in the following form over his signature:
“Service verified up to (date) from (the record from which the verification is made)”.
- (2) The verification of service referred to above shall be in respect of all service qualifying for pension.
- (3) The Cashier of the Municipality shall attach to the salary bills for the month of June every year a certificate to the effect that annual verification of service with local records in respect of all the incumbents (whose pay is drawn in the bills) has been completed. In the absence of this certificate the bill will not be passed for payment.
- (4) The Cashier of the municipality in recording the annual certificate of verification shall, in the case of any portion of service that cannot be verified from office records, distinctly state that for the expected period (naming them) a statement in writing by the officer, as well as a record of the evidence of his contemporaries, is attached to the book.

149. Inspection of Service Books/Service Rolls by employees

Service book/ rolls may be inspected by employees only if prior approval for the same is taken from the Executive Officer/ Municipal Commissioner.

150. Monthly pay bills – Preparation and Deduction

- (1) Bills for pay and fixed allowances shall be prepared in Form EST-1 given in JMAPG for permanent and temporary establishments separately.
- (2) The certificate at the foot of the form, prescribed at sub-rule (1), of this rule shall be signed by the Executive Officer/ Municipal Commissioner or, in his absence, the officer authorized by the Board of Councilors in this behalf.
- (3) When pay and/ or allowances is drawn for a portion of a month only, the rate at which it is drawn and the number days, for which it is claimed shall be stated either against the name of the employee in the body of the bill or in a note at the foot of the page of the bill.
- (4) The monthly pay bill shall be supported by an attendance statement given as **Form EST-2** given in Appendix 3. Such statement shall be filled in and signed by the Executive Officer/ Municipal Commissioner or, in his absence, the officer authorized on his behalf.
- (5) Pay not distributed shall be refunded by short drawl in the next monthly pay bill.
- (6) Tax on profession, wherever applicable, shall be deducted from the monthly pay bills of the employees in terms of provisions of the applicable Act.
- (7) Deduction from pay bills on account of income-tax shall be deducted in terms of the relevant provisions of the Income Tax Act, 1961, and as modified from time to time, and the rules and orders issued there-under.
- (8) Authorities in charge of drawl of pay bills shall deduct Provident Fund subscription, and payment of advances taken by the employees from the Provident Fund from the monthly pay bills of the concerned employees in terms of the provisions of the applicable Act.
- (9) Payment of pay bills shall be done by bank transfer/ NEFT/ RTGS for the net amounts payable.

151. Depositing all kinds of deductions to the appropriate authorities

- (1) The Executive Officer/ Municipal Commissioner or any other officer authorized by the Council shall be responsible to ensure that statutory deductions being made from the monthly pay of officers/ employees are being deposited with the concerned authorities in due time as notified by the concerned authorities from time to time.
- (2) All money received by the municipality's by way of deduction from the monthly pay bills as subscriptions and payment of advances taken by the employees from the Provident Fund, shall be deposited in the Provident Fund Deposit Account of the Local Body concerned maintained at the Government Treasury.
- (3) The Income Tax deducted from the monthly pay bill shall be paid by cheque to the Income Tax Department of the jurisdictional district. Tax on profession, trade and callings deducted from the monthly pay bill shall be deposited to concerned authority.
- (4) The net amount of the bill will be disbursed in the municipal office. The total of the Provident fund will be remitted to the Treasury by a cheque drawn in favour of the Treasury officer, and the income tax deducted will be paid by cheque to the Income Tax Office of the jurisdictional district.

152. No demand certificate for drawl of last pay, etc.

The last pay of an employee's salary, travelling allowance, Provident Fund deposits, and gratuity or security deposits shall never be made until it has been ascertained that there are no demands outstanding against him. A certificate to this effect signed by the Executive Officer/ Municipal Commissioner or in his absence the officer authorized on his behalf shall be attached to each such bill.

153. Affixing a receipt stamp before signing the salary bill

Every municipal employee shall give a receipt with date in the appropriate column on the form for the sum paid to him and shall in the case of sums exceeding Rs.5000/- affix a revenue stamp of Re. 1/- before signing. The cost of such receipt stamp must be borne by the person who received the money and not by the Municipality. Employees unable to write shall give their thumb impression and shall be paid in the presence of some responsible officer, who shall record a certificate to that effect.

154. Refund of undisbursed amount of salary by short drawl

The Executive Officer/ Municipal Commissioner or any other officer authorized on his behalf is personally responsible for every salary drawn on a bill signed by him until he has paid it to the persons entitled to receive it, and has had the

acquaintance roll signed and, if necessary, stamped by the payee. The undisbursed amount shall not be kept in hand for over two months and shall be refunded by short drawl either in the next monthly bill or in the bill for the month next following.

155. No re-adjustment of salary among the officers and no payment to the absentee

The Executive Officer/ Municipal Commissioner or any other officer authorized on his behalf shall not re-adjust the salaries of the establishment by giving one officer more, and another less, than the sanctioned pay of his post, nor shall he distribute the pay of an absentee otherwise than as provided by any general or special rules or orders of the Councilors at a meeting.

156. Drawl of arrear pay and noting the number and date of voucher on the bill when making payment

- (1) Arrear pay shall be drawn not in the ordinary monthly bill, but in a separate bill, with a quotation of the bill from which the change was omitted or withheld or on which it was refunded by deduction, or of any special order granting a new allowance. Such bills may be presented at any time and may include as many items as are necessary, but they shall be supported by a certificate from the head of the office that the amount was not paid before.
- (2) When the bills are paid the number and date of the voucher shall be noted on the original bill from which the charge was withheld or omitted or in which it was refunded, against the item concerned in order to prevent a second claim from being entertained.



CHAPTER 8:

STORES

157. Introductory

This chapter contains the general rules applicable to all Municipalities regarding purchase of stores required for use in the Municipality for its projects.

Note.- The term 'Stores' used in this chapter applies to all articles and materials purchased or otherwise acquired for the use of Municipality, including not only expendable and issuable articles in use or accumulated for specific purpose, but also articles of dead stock/ fixed assets of the nature of plant, machinery, instruments furniture's, equipment, fixtures etc.

158. Procurement of Stores

The procurement of stores shall be treated in the same manner as mentioned for procurement of goods in Chapter 6 of the Jharkhand Municipal Accounts and Finance Rules, 2012.

159. Inspection on receipt of stores

- (1) Immediately on receipt of material in the stores, the Stores-in-charge will ensure the following:-
 - (a) That there is a purchase order for that item on the firm;
 - (b) That the supply is made within the time specified in the purchase order;
 - (c) That the supply is made at the correct receiving points as mentioned in the purchase order; and
 - (d) That the material is conforming to the specification, nomenclature/part number and description as mentioned in the firm's challan which shall be got tallied with the purchase order.
- (2) In case there is a deviation from the purchase order w.r.t. points (b) and (c) only as mentioned above, the Stores-in-charge shall report the matter to the Executive Officer/ Municipal Commissioner for his approval to accept the material. The Executive Officer/ Municipal Commissioner may condone the delay in supply of materials or place of supply and levy suitable penalty on the supplier for delay in delivery or charges that the Municipality may have to incur for bringing the material to the required place of delivery. An amendment to the Purchase Order shall be issued to the supplier by the Stores-in-charge to record the deviation.

160. Detailed Inspection:

- (1) Quantity inspection: 100% quantity check shall be made by Stores-in-charge (either by actual counting wherever possible and/or weighing and counting quantity and then converting total quantity received and tallying with the challan).

- (2) Quality Inspection: The material shall be inspected for quality by the Stores Inspecting Officer/ Committee/ Technical Officer on the following points:
 - (a) In case of proprietary items, the manufacturer's mark, trade mark, part number, etc., on the material and/or cartons/label shall be verified, with description given in the purchase order;
 - (b) The size and/or type required from the documents and/or nameplates and other identification details marked on the stores will be checked;
 - (c) Dimensional details like length, width, height, thickness, diameter, etc., will be verified;
 - (d) The supply will be checked to conform to the specification and/or drawings given in the purchase order and in case of approved samples the supply shall conform also to the approved samples. In all such cases, the sample will be supplementary to and will not supersede the specifications and/or drawings; and
 - (e) If necessary, the supply will be received subject to tests in cases where laboratory tests are to be carried out in the manner given below:
- (3) Laboratory Tests: If the situation so demands, sample testing, precision tests or laboratory tests may be done from a recognised laboratory.

161. Defective Supply, Replacement:

In case of defective supply the store-in-charge shall report it to the Officer who placed the purchase order. The concerned officer on receipt of report on defective items shall ask the supplier to replace it at his own cost by good supplies within the time frame as may be specified.

162. Issue of stores

- (1) Stores shall be issued by the officer-in-charge of the store only against an indent in the prescribed form Stores Issue Note (SIN) annexed in Form **PS-1** provided in Appendix 4.
- (2) Once materials from stores are issued, a written acknowledgment should be obtained to this effect.

163. Transfer of charge of Stores

In case of transfer of Officer-in-charge of Stores, the transferred officer shall see that the goods or material are made over correctly to his successor. A statement giving all relevant details of the goods, materials etc., in question shall be prepared and signed with date by the relieving officer and the relieved officer. Each of these officers will retain a copy of the signed statement.

164. Custody and Accounts of Stores

The store-in-charge should take special care for arranging for their safe custody, for keeping them in good and efficient condition and for protecting them from loss, particularly for valuable and combustible stores. He should maintain suitable accounts in respect of the stores.

165. Separate stock accounts should be kept of:

- (1) Dead stock such as plant, machinery, furniture, equipment, fixtures, and
- (2) Other stores.

166. Dead stock

An inventory of the dead stock should be maintained in all Municipalities in Form **PS-2** given in Appendix 4.

167. Other stores

- (1) A reliable list, inventory or account of all stores in the custody of store-in-charge should be maintained, in Form ST-2 given in JMAPG.
- (2) Priced lists, recording both quantities and values, should be maintained in cases where the stores are intended to be converted into money, or where it is desired to distribute their cost over the works, items or objects on which they are actually used. In such cases, the expenditure on stores must be charged to stores suspense head in the first instance.
- (3) The lists, inventories or accounts of stores should in all cases be subject to periodical check and verification by the Municipality whether or not they are subject to any check by the Directorate, Local Fund Audit.

Materials Account

168. Procuring goods required for regular maintenance or development works

Materials required in connection with carrying out regular maintenance works or undertaking development works may be acquired by municipality and supplied to its contractors for the speedy execution of works subject to recovery of the

costs of such materials from the work bills. In any case and when such materials are procured necessary accounts for the same shall be maintained by the Store Keeper in the Stock Register in Form ST-2 given in JMAPG.

169. Procedure for booking the expenditure for purchasing materials and its subsequent utilization through adjustment

- (1) On acceptance and approval of the material supplied and on receipt of the same by the Stores Department, the Accounts Department shall pass the entry for recording of Liabilities to the supplier. On the basis of the information received from the Stores Department with regard to the stores consumed, the Accounts Department shall pass an entry for the consumption of stores. If the stores are utilized in specific works, the same shall be charged to specific work. The entry for making the payment shall be passed on the receipt of Payment Order in Form GEN-14 of JMAPG from the Stores Department.
- (2) In cases of deduction for materials supplied from Stores to the contractor, the bill shall be passed by the Chairman or the Executive Officer/ Municipal Commissioner or any other officer authorized by the Council at a meeting to sign the bills and cheques for the full amount due on this bill but only the net amount paid shall be entered in the Cash Book. The amount deducted towards recovery of cost of materials supplied shall be brought upon the municipal account and in the Ledger of Materials. The payment order shall run below:—
Passed for Rs,...../- (Rs. in words), pay Rs...../- (Rs. in words) by cheque and adjust Rs...../- (Rs. in words) by debit to..... (Head of account) applied for and credit to materials account of (Cement, Bitumen, Stone chips etc.) as the case may be.

170. Preparation of quarterly list of unutilised materials and checking thereof:

At the close of every quarter the Stores Ledger (Form ST-2 given in JMAPG) shall be closed and the balance struck. A list of materials remaining unutilised shall be prepared from such quarterly closing balance. The postings in the Stores Ledger shall be checked with the accounts at the end of each quarter.

171. Physical Verification

- (1) A physical verification of all stores should be made at least once in every year by the store-in-charge and the list shall be counter-signed by the Executive Officer/ Municipal Commissioner of the Municipality concerned.
- (2) A certificate of verification of stores with its results should be recorded on the list, inventory or account, as the case may be and each Municipality shall furnish a certificate to the DMA by 31st May of each year.
- (3) In making a physical verification, the following instructions should invariably be observed:
 - (a) Verification must always be made in the presence of the officer responsible for the custody of the stores or of a responsible person deputed by him;
 - (b) All discrepancies noticed should be brought to account immediately in the manner indicated below so that the book balance may be set right and the account may exhibit the true state of the stores:
 - (i) Any excess detected during verification should be entered in the stock account as “Receipt” with the remark “excess found on stock verification”.
 - (ii) Any deficit noticed should be noted in the stock accounts in the column “Particulars of Issues: and described as “shortage found on stock verification”. No entry should be made in the “Quantity” column so that the articles found short may continue to be borne on the stock accounts until the loss is adjusted either by a recovery or a sanctioned write off;
 - (iii) Shortages, and damages, as well as unserviceable stores should be reported immediately to the Executive Officer. A Committee headed by the Executive Officer/ Municipal Commissioner or any other authorized officer would be responsible for the disposal of unserviceable stock surplus and damaged stores.
- (4) A report of obsolete stores shall be submitted to the Executive Officer/ Municipal Commissioner who shall take steps for their disposal (See Rule-172 and 173). Such inspection should be made six monthly in the case of perishable stores and once a year in the case of other stores.
- (5) All profits and losses due to stocktaking or other causes should be duly recorded brought to the notice of the Council of the Municipality.

172. Sale and disposal of Stores

- (1) A Committee headed by the Executive Officer/ Municipal Commissioner or any other authorized officer in his behalf shall be responsible for the sale or disposal of stores.
- (2) Stores which are reported to be obsolete or unserviceable may be disposed-off by sale or otherwise, under the

orders of the Committee.

- (3) Each order declaring stores as unserviceable should record the full reasons for condemning them and how the condemned stores are to be disposed of, i.e., whether by sale, public auction or otherwise. The store-in-charge should record full particulars regarding all condemned stores in suitable lists from which their disposal can be watched.

173. Modes of Disposal:

- (1) Obsolete or unserviceable stores should be disposed of by:
 - (a) obtaining bids through advertised tender or
 - (b) public auction
 - (c) any other mode of disposal as determined by the Council, keeping in view the necessity to avoid accumulation of such stores and consequential blockage of space and also deterioration in value of stores to be disposed of.
- (2) Certain obsolete or unserviceable stores such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such stores. In all such cases, proper records should be maintained for disposed/destroyed stores and should be done under the supervision of the Executive Officer/ Municipal Commissioner or any other officer authorized on his behalf. Records shall be maintained in the **Form PS-3** as in Appendix 4 of these Rules.

174. Disposal through Advertised Tender

- (1) The broad steps to be adopted for this purpose are as follows:
 - (a) Preparation of bidding documents
 - (b) Invitation of tender for the surplus stores to be sold
 - (c) Opening of bids
 - (d) Analysis and evaluation of bids received
 - (e) Selection of highest responsive bidder
 - (f) Collection of sale value from the selected bidder
 - (g) Issue of sale release order to the selected bidder
 - (h) Release of the sold surplus stores to the selected bidder
 - (i) Return of bid security to the unsuccessful bidders
- (2) The important aspects to be kept in view while disposing the stores through advertised tender are as under:
 - (a) The bidders should be asked to furnish bid security along with their bids. The amount of bid security should ordinarily be not less than ten percent of the assessed or reserved price of the stores. The exact bid security amount should be indicated in the bidding document.
 - (b) The bid of the highest acceptable responsive bidder should be accepted.
 - (c) In case the total quantity to be disposed off cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to next higher bidder(s) at the price offered by the highest acceptable bidder.
 - (d) Full payment, i.e. the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the stores.
 - (e) In case the selected bidder does not show interest in lifting the stores, the bid security should be forfeited and other actions initiated including re-sale of the stores in question at the risk and cost of the defaulter after obtaining legal advice.
- (3) Late bids i.e. bids received after the specified date and time of receipt should not be considered.

175. Disposal through Auction:

- (1) A Municipality may undertake auction of stores to be disposed of either directly or through approved auctioneers.
- (2) The applicable terms and condition of sale etc., (as already indicated earlier while giving wide publicity for the same), the condition and location of the stores to be auctioned, should be announced before the assembled bidders. During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five percent of the bid value) should immediately be taken on the spot from the successful bidder. The stores should be handed over to the

successful bidder only after receiving the balance payment.

- (3) The Executive Office or any other officer authorized on his behalf will decide the composition of the auction team. The team should however include a Finance officer.

176. Disposal at scrap value or by other modes:

- (1) Disposal of obsolete or unserviceable stock at scrap value shall be resorted to by a Municipality only if it is unable to sell the item through advertised tender or auction. In case if the Municipality is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner after constituting a committee headed by the Executive Officer/ Municipal Commissioner or any other officer authorized on his behalf who is not directly dealing with stores.
- (2) A sale account should be prepared for stores disposed of and duly signed by the officer who supervised the sale or auction.
- (3) The sale account shall have the following details:
 - Particulars of Stores
 - Quantity/ weight
 - Name and full address of purchaser
 - Highest bid accepted
 - Highest bid rejected
 - Earnest money realized
 - Actual date of handing over of the articles with quantities
 - Date on which the complete amount is realized and credited into treasury/ bank account
 - Auctioneer's Commission if any and acknowledgement for its payment

177. Audit of Stores and Stock Accounts

The accounts of stores and stock kept in any Municipality is subject to audit by the Departmental Audit and Local Fund Audit.

178. Preparation of Statement of Closing Stock

At the end of every accounting period, the Stores Department shall prepare and send a Statement of Closing Stock in Form ST-3 given in the JMAPG.

179. Valuation of Stores

At the end of the financial year, reconciliation shall be carried out by Stores-in-charge to match the physical stock with the book stock and discrepancies identified shall be incorporated in the Statement of Closing Stock. The balances in various accounts of the item-wise Stores Ledger shall be extracted and valuation shall be carried out as per First in First out (FIFO) method.

180. Accounting of Stores

- (1) Expenditure in respect of material, equipment, etc., procured shall be recognised on accrual basis, i.e., on admission of bill by the Municipality in relation to materials, equipment, etc., delivered.
- (2) Accounting for goods received and accepted shall be done on the basis of Invoice. In case if the invoice is not received, accounting shall be done based on purchase orders.

181. Internal Controls

The following internal controls shall be observed by the Municipality in respect of Stores related transactions:

- (1) The Head of the Accounts Department shall ensure budget availability with respect to the expenditure incurred at the time of accruing of the expenditure i.e. Budget monitoring shall be on accrual basis rather than payment basis.
- (2) The Head of the Accounts Department shall ensure that all the purchase bills/invoices were journalised before release of the payments.
- (3) At the end of the financial year, the Stores-in-charge, the Head of the Accounts Department and the Municipal Chief Auditor, if any, shall physically verify the stock lying in stores and compare it with the stock as per the book records and in case of any difference, appropriate remedial steps as prescribed by the Municipality shall be taken.
- (4) The Stores-in-charge shall ensure availability of adequate budget allocation before procuring any material, after considering all commitments made against the budget allocation.

- (5) At the time of issue of any material to the Departments, the Stores-in-charge shall ensure that there is an adequate budget provision in respect of that department. A declaration shall be obtained from the user department that same store material issued previously if any, has been fully consumed. In case of abnormal quantity desired based on past consumption pattern the user department shall justify such usage on the indent.
- (6) The Head of the Accounts Department shall ensure that the entire dues recoverable including advance provided to supplier has been recovered before making the final payment to the supplier. Further, it should be ensured that only net amount has been paid to the supplier, as may be applicable to the materials actually received or accepted.
- (7) Before releasing payment to the supplier, the Head of the Accounts Department shall ensure that the material received is recorded in the Stores Ledger. Further, it shall be ensured that the Payment Order provides reference to the Stores Ledger where the entry for receipt of material is recorded. In addition, at the time of payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.
- (8) The Stores-in-charge shall ensure that materials in respect of which bills have been received but have not been forwarded to the Accounts Department are stated separately in the Statement of Closing Stock (Form ST – 3 given in JMAPG).
- (9) The Head of the Accounts Department shall ensure that the ‘Purchase of Materials’ account has been reconciled at the period and the balance has become nil on accounting of stock entries for the closing stock (on the basis of Statement of Closing Stock in Form ST –3) and consumption of stores.
- (10) The Head of Accounts Department shall also ensure that the balance in the ‘Opening Stock’ account has become nil at the period end on accounting of stock entries and consumption based on the closing stocks.

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CHAPTER 9 : ADVANCES AND INVESTMENTS

182. Recipients of loans and advances made by the municipality fall under the following categories:

- (a) Officer/Employee of the municipality
- (b) Contractors
- (c) Others such as Committees/ Boards/ Undertakings set up by the municipality.

183. Interest bearing and Interest free Loans and Advances

- (1) Interest bearing loans and advances are given to Officer/Employee of municipality. These comprise:
 - (a) Advances for construction, purchase or repairs of house;
 - (b) Advances for the purchase of motor conveyances;
 - (c) Advances for any other purpose.
- (2) Interest free Advances
 - (a) Advances repayable comprising miscellaneous advances to municipality staff or various public purposes;
 - (b) Permanent Advances

Section I – General Rules

Except as otherwise provided in any department rules or orders, loans and advances to categories mentioned in above rule requires the sanction of Executive Officer/ Municipal Commissioner of the municipality. If Executive Officer/ Municipal Commissioner is not in position, then the sanctioning authority shall be any other officer as authorised by the Municipal Council.

184. Estimates

- (1) Provision should be made in the budget for all loans and advances which can be foreseen.
- (2) The Executive Officer/ Municipal Commissioner or any officer authorized by the Executive Officer/ Municipal Commissioner should make timely estimates both of the gross advances and recoveries of the coming year and include them in the annual estimates.

185. Conditions of Repayments

The following instructions apply to all loans and advances given by municipality(s) and subject to the provisions of Jharkhand Municipal Act, 2011, the conditions under which loans/advances are granted should be regulated accordingly :-

- (1) A specific term should be fixed which should be as short as possible, within which each loan or advance should be fully repaid with interest due. The term may in very special cases extend up to 30 years (subject to tenure of service of the employee in case of employee loans/advances).

Note: - The term "special case" in above sub-rule implies if any force majeure event takes place during the term of loan, the repayment schedule of the loan can be revised after approval from the Executive Officer/ Municipal Commissioner of the municipality. The force majeure event can be defined as extraordinary event or circumstance which is beyond the control of the parties, such as a war, strike, riot, crime, or an event described by the legal term act of God (such as hurricane, flooding, earthquake, volcanic eruption etc.), and prevents the borrower from fulfilling his obligations under the contract.

- (2) The term is to be calculated from the date on which the loan is completely drawn or any other date which falls after the final disbursement of loan by the Executive Officer/Municipal Commissioner.
- (3) The repayment of loans shall be effected by installments, which should be fixed on a proper time period basis as deemed fit, due dates for payment being specifically prescribed. However, the borrower shall also be given an option of making one time repayment of the loan obtained.
- (4) The repayment schedule prepared should exhibit the amount of installment, breakup of installment i.e. Principal and Interest Component, and due date for payment.
- (5) Installments paid before the due date will be taken entirely to principal unless of course, any interest for a preceding period is overdue.
- (6) The Executive Officer/ Municipal Commissioner shall ensure that all loans are given on bonds properly executed on non judicial stamp paper.
- (7) The installments of loan given to staff of municipality shall be recovered by way of deduction from the pay bills of the staff.
- (8) Pre-payment of loan may be done by the borrower anytime during the pendency of the loan.
- (9) The advances given to contractors or any other undertaking shall be adjusted from the invoice/bill raised by the contractors.

186. Requirements of considering application for loans & advances

It will be the sole responsibility of Executive Officer/ Municipal Commissioner of municipality to ascertain and certify the genuineness of loan application. The Executive Officer/ Municipal Commissioner can carry out the background verification of the applicant, if necessary. Further, the Executive Officer/ Municipal Commissioner shall check that whether following requirements are fulfilled before considering a loan application:

- (a) That there is adequate budget provision;
- (b) That the grant of the loan is in accordance with approved policy and accepted pattern of assistance;
- (c) The purpose for which the loan is proposed to be utilised and the economics of the scheme; and
- (d) The applicant shall furnish the undertakings and necessary information as and when demanded by the Executive Officer.

187. Procedure for Recovery of Loans

- (1) When a loan of public money is disbursed in installments, each installment of the loan so drawn shall be treated as a separate loan for purposes of repayment of principal and payment of interest thereon except where the various installments drawn during a financial year are, for this purpose, allowed to be consolidated into a single loan as at the end of that particular financial year.
- (2) Repayment of each loan or the consolidated loan, as the case may be, and the payment of interest thereon shall be arranged by the borrower annually on or before the anniversary date of drawl or consolidation of the loan in such number of installments as the Executive Officer/ Municipal Commissioner may prescribe. The Executive Officer/ Municipal Commissioner may allow, in deserving cases a moratorium towards repayment of principal but not for the payment of interest subject to a maximum of 2 years to borrower. In case of employees the moratorium shall be subject to remaining length of service of the employees or 2 years whichever is earlier.
- (3) But should it appear that there is an undue delay on the part of the debtor in taking out the last installment of a loan, the Executive Officer/ Municipal Commissioner at any time may declare the loan closed, and order repayment of loan to commence.

Note 1 – The instructions are applicable mutatis mutandis, to loans the repayments of which are made by equated monthly installments.

Note 2 – It must be noted that the calculation of fixing the amount of equal periodical installments, by which an advance is repaid with interest, pre-supposes punctual payment of the installments, and that, if any installment is not punctually repaid, the fixed installment will not in the end discharge the loan.

- (4) Borrowers should be required to adhere strictly to the terms settled for the loans made to them. Modifications of these terms can be made subsequently only for very special reasons upon approval of Executive Officer.

188. Interest

The rate of interest to be charged by the Municipality for any particular loan or for the class of loans concerned shall be in concurrence with the rate applicable to employees of the State Government.

189. Default in Payments

- (1) Any default in the payment of interest upon a loan or advances or in the repayment of the principal, will be promptly reported to the Executive Officer/ Municipal Commissioner who sanctioned the loan or the advance. On receipt of such a report the Executive Officer/ Municipal Commissioner shall immediately take such steps to get the default remedied. In special cases, a relaxation of 6 months may be given to the borrower for making good the default.
- (2) The Executive Officer/ Municipal Commissioner who sanctioned the loan, may enforce a penal rate of compound interest upon all over-due installments of interest or principal and interest. If a penal rate is enforced it should not except under special orders of the Council, be less than 2.5 per cent per annum.

190. Irrecoverable Loans and Advances

- (1) The municipality may remit or write off any loans or advances owing to their ir-recoverability or otherwise.
- (2) The Accounts department shall review recoverability status of all Loans on periodical basis and based on the review and in accordance with the provisioning principle laid down by the state, appropriate amount of provisioning or write off needs to determined and accounted after obtaining the requisite approvals of the Executive Officer.

Section II – Advances to Officer/ Employee of municipality

191. General

- (1) Before sanctioning an interest bearing advance to an officer/employee of municipality, a certificate regarding the availability of funds should be obtained from the Finance Department of the municipality and the order sanctioning the advance should specifically state the date on which the Finance Department certified the availability of funds. It should also be specifically mentioned in the sanction that an advance should be drawn within the financial year in which the sanction is issued, and that the sanction would otherwise lapse with close of the financial year.
- (2) It is not permissible to sanction an advance, which involves a breach of any of the basic principles mentioned in Rule no 184 to 186.
- (3) Interest will be charged on advances granted to officer/ employee for house building, purchase of motor cars, motor cycles or other conveyances. The interest will be calculated on balance outstanding on the last day of each month.

Note 1 – In case where the pay bills for a month are disbursed before the end of the month, an installment in payment of an advance received through the pay bill will be taken as having been refunded on the first of the following month, the normal date for the disbursement of pay.

Note 2 – When an advance is drawn in more than one installment, the rate of interest recoverable will be determined with reference to the date on which the first installment is drawn. This will apply where the various installments drawn during a financial year are, allowed to be consolidated into a single loan as at the end of that financial year.

Note 3 – In case where the amount of outstanding advance is to be adjusted from the death cum retirement gratuity of an officer/employee, the interest should be calculated only up to the date of his retirement or of death, whichever is earlier.

- (4) Interest bearing advances or Interest free advances should not be given to staff that are not in permanent employment. However, in special cases, advances may be granted in accordance with the terms of these rules to officiating staff/ staff on deputation under general or special sanction of the Executive Officer.
- (5) All advances are subject to adjustment by the municipality staff receiving them, in accordance with the rules applicable to each case. When an advance is adjustable, by recovery, the amount to be recovered monthly should not be affected by the fact that borrowing municipality staff is going on leave of any kind with leave salary.

The Executive Officer/ Municipal Commissioner may, in exceptional cases order a reduction in the amount of the monthly installment provided that in the case of interest bearing advances to municipality staff, the whole amount due should be completely recovered within the originally fixed term.

Note – The register of advances and recoveries made should be maintained in Form ES-1 provided in JMAPG.

Section III – Advances to Contractors

192. General

- (1) As per the terms of agreement, advance may be paid to the contractor. While making any advance payment as above, adequate safeguards in the form of bank guarantee, etc. should be obtained from the firm.
- (2) Advance may be provided either in cash or in kind, i.e., by way of supply of materials.
- (3) On receipt of approval for payment, and on payment, entries will be made for money advanced in Cheque Issue Register in Form GEN-15 contained in JMAPG and in Register of Advance in Form GEN-16 contained in JMAPG for the cheques issued to the contractor.
- (4) The municipality shall have to maintain Form PW-2 contained in JMAPG and PW-3 contained in JMAPG for recording details of advance provided and deposit works respectively.
- (5) The power to give advances to Contractors and management of the advances shall vest with the Executive Officer/ Municipal Commissioner or in the absence of the Executive Officer by any officer authorized by the Council of the Municipality.
- (6) The advance paid to the Contractors shall be adjusted from the invoice/bill raised by the contractor on the municipality.

Section IV – Advances to Others

193. General

- (1) Municipality may lend loans out of general funds as per the rules and provisions of the Jharkhand Municipal Act, 2011. Municipality's may also advance out of specific funds/ grants received for long term projects if the terms and conditions of the fund/grant provide for the same. In such cases, interest earned on the loans and advances lent out of the specific project fund/grant shall be credited to these funds/grants account.
- (2) The amount of loans granted to external organizations and undertakings shall be entered in the "Register of Loan to others" in Form LA-1 contained in JMAPG.
- (3) The municipality in respect of Loans lent to others shall observe the following internal controls:
 - (a) The loans to others shall be entered in the 'Loans to Others register' in Form LA-1 contained in JMAPG and on a monthly basis, the amount as per the register shall be reconciled with the amounts as per the ledger accounts.
 - (b) Also the interest accrued at the period ends shall be entered in the registers referred above and the interest on loans as per the registers shall be reconciled with the amount as per Interest ledger.
 - (c) At the end of the year, an abstract of 'Loans to Others' has to be made showing the loans outstanding at the beginning of the year, loans lent during the year, total interests accrued during the year and total amount of recoveries/ adjustments during the year.

Section V – Interest bearing advances

194. General

- (1) On sanction of the Executive Officer, the municipality may advance the following interest bearing advances to permanent employees:
 - (a) House building advance including that for repair of house and advance for purchase of land/house.
 - (b) Advance for the purchase of Motor Car, Motor Cycle, Bicycle or any other conveyance
 - (c) Advance for purchase of Computer/Laptop
- (2) The Council shall specify the eligibility criteria, amount of advance that could be availed, procedure for sanction, security to be furnished, documents to be provided, bonds to be executed, penal interest, repayment schedule and other terms and conditions associated with the advance for the Municipality. It will be the sole responsibility of Executive Officer/ Municipal Commissioner to ascertain and certify the genuineness of loan application as per the approved policy.
- (3) The rate of interest to be charged by the Municipality for interest bearing advances shall be governed by Clause 188 of the Rules.

195. House Building Loan/ Advance

- (1) The officer/ employee of the municipality shall have to submit an application for house building loan/ advance to the Executive Officer. No officer shall be entitled if he or his/ her spouse already has an ongoing House Building Loan/ Advance.
- (2) With the sanction of the Executive Officer, Loan/ Advances may be granted to officers/ employees who desire to build houses for occupation by themselves, at places where no house is readily available or where house rent is exceptionally high. No advance is permissible for the construction of a house except at the place in which the officer/ employee is actually serving or at which he is permitted to reside while performing the duties at his office. Also no advance is permissible to an Officer/ employee who is likely to retire before complete recovery can be affected. Further, no advance is permissible for building/ purchase of new house if the employee or his spouse has already got a house in the same place in which the employee is actually serving.
- (3) An advance shall not exceed eighteen months basic pay and grade pay of the Officer/ employee to whom it is made; not more than one advance shall be made for the same house; and no Officer/ employee may receive a second advance while any portion of a previous advance with interest accrued thereon is outstanding against him.
- (4) The advances can be drawn in installments; the amount of each installment being such as is likely to be required for expenditure in the next three months. Satisfactory evidence should be produced to show that the amount of the installment has been actually utilised for the purpose for which it was drawn before the next installment is paid. The repayment shall commence from the fourth issue of pay after the first installment is taken and be completed in five years.
- (5) Advances will be recovered by the deduction of equated monthly installments (EMI) calculated as per repayment schedule, from the pay bills of the officer/ employee concerned. The Executive Officer/ Municipal Commissioner may however, permit recovery to be made in a smaller number of installments if the Officer/ employee receiving the advance so desires. The EMI shall consist of both principal and interest component, breakup of which will be given in repayment schedule.
- (6) The officer/ employee must satisfy the Executive Officer/ Municipal Commissioner regarding his title to the land upon which the house is or is proposed to be built.
- (7) An Officer/ employee quitting or removed from the station where he has built a house, before the whole amount due has been liquidated, will continue liable to the deductions of his monthly installments until the advance with interest accrued thereon has been repaid; but, with the sanction of the Executive Officer/ Municipal Commissioner he may be allowed to dispose of the house provided he is thereby enabled to clear off at once the whole amount due.
- (8) The last pay certificate granted to Officer/ employees under advances must specify the original amount of such advance, the amount repaid and the balance together with interest accrued thereon remaining due.
- (9) In order to save the Municipality from loss, the applicant's title to the property should be carefully examined by the Executive Officer/ Municipal Commissioner and the original documents pertaining to the property should be deposited with the Executive Officer/ Municipal Commissioner of the Municipality.
- (10) An advance may be made to a Officer/ employee for the purchase of a house including the costs of effecting repairs and improvements to it, the general principles of the foregoing rules about house building advances being applicable, and the Officer/ employee being required in addition to a mortgage deed, to deposit with Executive Officer, satisfactory evidence of a clear title of the house.
- (11) An advance may also be given for the purpose of repaying a private loan taken by officer/ employee expressly
 - (i) for the purchase of land for building a house or (ii) for the purchase of a house, provided:
 - (a) That the usual conditions specified in above rules are satisfied; title to the land or the house purchased; and
 - (b) That the applicant has through his private loan acquired an unencumbered title to the land or the house purchased; and
 - (c) That the original loan for the purchase of the land or the house, as the case may be, was taken not more than twelve months before the date of receipt of the application for an advance to discharge the private debt.

196. Advance for House Repairs

- (1) An Advance may be made under the following rules to an officer/ employee to enable him to effect repairs to his house—
 - (a) An advance may be made only if (1) the repairs are required to make the house habitable, (2) they are not in the nature of ordinary repairs and (3) they involve an outlay large in comparison with the value of the house.
 - (b) Not more than one advance is admissible in respect of the same house.
 - (c) No advance shall exceed nine months pay of the Officer/ employee to whom it is made.

- (2) An advance may be made to an Officer/ employee to repair a house which he has built or purchased with a previous advance under above rule, but unless the Council permits otherwise, at least five years must elapse since the last advance was drawn.

197. Advances for Purchase of Motor Car

- (1) The officer/employee of the municipality shall have to submit an application for purchase of motor car to the Executive Officer. The Executive Officer/ Municipal Commissioner after verification of the same shall sanction the same.

Note.—Advances under this rule may also be granted to the officer engaged on contract basis subject to the following conditions:—

The amount of advance together with interest thereon shall be repaid by them in full before the expiry of the period of contract. In order to ensure this, the rate of recovery of the advance should be so fixed that the advance together with interest thereon is recovered at the time of issue of the last pay of the officer. In all such cases the renewal of contract at the end of the prescribed period of contract should not be taken for granted while fixing the number of installments of recovery.

- (2) The total amount of advance which may be granted to an officer/ employee for the purchase of a motor car for the first occasion shall not exceed Rs.1, 80,000 (Rupees One lakh eighty thousand) or eight month's basic pay and dearness pay of the officer/ employee taken together, or the anticipated price of the motor car, to be purchased by the officer/ employee, whichever is the least. If the actual price of the motor car purchased by the officer/ employee is less than the amount of advance, then he shall refund the balance to municipality forthwith.

Note - Officer/employee whose pay is less than Rs. 50,000/- per month inclusive of cost of living allowance will not be eligible for the grant of motor car advances except in very exceptional cases where relaxation of this rule may be necessary on public grounds.

- (3) The quantum of advance that may be granted on the second or subsequent occasions for the purchase of a motor car shall not exceed Rs. 1,60,000 (Rupees One lakh sixty thousand) or eight month's basic pay and dearness pay of the officer/employee taken together, or the anticipated price of motor car to be purchased, whichever is the least. Such second or subsequent advances for the purchase of a motor car will be admissible only after four years, reckoned from the date of drawl of the last advance, have elapsed. Provided that this restriction of 4 years shall not apply where an advance had been allowed earlier for the purchase of a motor cycle but it is now desired to draw the advance for the purchase of a motor car. The format of Mortgage Bond is annexed as **ADV-3** to Appendix 5.

Note—the amount of the advance to be recovered monthly should be fixed in whole rupees except in the case of the last installment when the remaining balance including any fraction of a rupee should be recovered.

198. Conditions of Sanction

- (1) The officer/employee, who has already drawn an advance for purchase of motor car and a period of 4 (four) years has not elapsed from the date of drawl of the earlier advance, shall not be eligible for the grant of second or subsequent advance for the purchase of motor car.
- (2) The motor car will be required to be mortgaged in the name of the Council. Make, Model and Chasis No. of the motor car should be entered in the Mortgage Deed (Form No **ADV-2** annexed to Appendix 5).
- (3) An application for the grant of advance for the purchase of motor car shall be required to be made in Form No **ADV-1** given in Appendix 5.
- (4) The order sanctioning an advance will remain valid for only six months from the date of issue.

199. Recovery of motor car advance

- (1) Advance sanctioned for the purchase of a motor car shall be recovered in such number of equated monthly installments (EMI) as the officer/employee may elect, but not exceeding 48 or the service tenure of the employee whichever is earlier.
- (2) Recovery of the EMI shall be as per repayment schedule prescribed by the Executive Officer/ Municipal Commissioner before sanctioning the loan/ advance.

200. Conditional transfer to another Municipality staff

If an officer/employee seeks permission to transfer a motor car to another officer/employee who should use a motor car in the discharge of his duties, he may be permitted to transfer the liability attached to the car to the latter, provided that the transferee records a declaration that he is aware that the motor car transferred to him remains subject to the Mortgage Bond and that he is bound by the terms and conditions.

201. Sale of motor car before repayment of advance and interest

- (1) In all cases where a motor car is sold before the amount of advance and the interest thereon is fully repaid, the entire amount of outstanding advance together with interest thereon shall be repaid immediately after the car is sold, provided that when the motor car is sold only in order that another motor car may be purchased, the Executive Officer/ Municipal Commissioner may permit an officer/employee to apply the sale proceeds towards such purchase, subject to the following conditions:
 - (a) The entire sale proceeds of the old car should be applied towards the purchase of the new car and the new car should be purchased within a month from the date on which the old car is sold.
 - (b) The amount of advance outstanding should not be permitted to exceed the cost of the newly purchased car.
 - (c) The amount outstanding should continue to be repaid at the rate previously fixed.
 - (d) A fresh Mortgage Bond (Form No **ADV-4** annexed to Appendix 5) should be executed in favour of the Council for the amount then due and not for the amount originally advanced.
 - (e) The newly purchased motor car should be mortgaged to the Council of the Municipality.
- (2) Unless officer/employee, who is sanctioned an advance for the purchase of a motor car, completes the purchase of, and pays for, the motor car within one month from the date on which he draws the advance, he shall refund forthwith the full amount of the advance drawn together with interest on that amount for one month.

Note 1 – The Executive Officer/ Municipal Commissioner in exceptional circumstances may extend the period of one month prescribed in this rule to a maximum of two months.

Note 2 – Where an officer/employee refunds the full amount of the advance before the end of the month in which it was drawn for the purchase of a car, the interest may be recovered for the actual period the advance was retained by the officer/employee.

202. Advance for Motor Cycles/Scooter/moped

- (1) The Executive Officer/ Municipal Commissioner may sanction to the officer/employee, an advance for the purchase of a motor cycle/scooter/moped. Such an advance shall be subject to the same conditions regulating the advance for purchase of a motor car.
- (2) Provided that, the amount of such advance for the first occasion shall not exceed Rs. 30,000/- (Rupees Thirty thousand) or four months basic pay and dearness pay taken together or the anticipated price of the motor cycle/scooter/moped, whichever is the least.
- (3) The quantum of advance that may be granted on the second or subsequent occasions for the purchase of a motor cycle/scooter/moped shall be restricted to Rs.24,000/- (Rupees twenty four thousand) or three months basic pay and dearness pay taken together or the anticipated price of the motor cycle/scooter/moped, whichever is the least.
Provided that, the amount of advance granted to officer/employee for the purchase of motor cycle/scooter/moped shall be recovered by the Executive Officer/ Municipal Commissioner in such number of equated monthly installment (EMI) as he may elect but such number shall not be more than 36 or the remaining tenure of service of the employee whichever is lower.

203. Advance for Bicycle

- (1) An officer/employee whose grade pay does not exceed Rs. 2500/- (Rupees Two Thousand five hundred only) may be granted an advance for the purchase of a bicycle.
- (2) Provided that
 - (a) The amount of such advance (shall not exceed Rs.3000/-) and shall be restricted to the anticipated price, inclusive of sales tax, of the bicycle. If the actual price of the bicycle paid by the officer/employee is less than the amount of the advance sanctioned, he shall refund the balance to Council forthwith.
 - (b) The amount of such advance shall be recovered in equated monthly installment not exceeding twenty four or the remaining tenure of service of the employee whichever is lower.
- (3) If an officer/employee, without a substantive appointment, is granted an advance for the purchase of a bicycle, but ceases to be in Government service before the amount of the advance and the interest thereon is completely repaid, the balance shall, to the extent possible, be adjusted against the pay and allowances due to the officer/employee. Any amount, as then remains unpaid, shall be recovered forthwith from the surety deposited, if any.

204. Insurance of Vehicle

- (1) The vehicle must be insured against full loss by fire, theft or accident and against all third party claims.
- (2) All officers of municipality taking advances for purchase of vehicles should disclose to the insurer the fact of the vehicle having been purchased with the help of such advances and also have the clause referred to insert in

the policies of insurance of such vehicles. The vehicle should in no case be insured with Insurance Companies which do not agree to include the clause in the policy.

- (3) Contravention of the above rules will render the Officer/employee liable to refund the whole of the amount advanced with interest accrued unless good reason is shown to the contrary. The amount for which the vehicle is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount due is completely repaid. If at any time and for any reason the amount insured under a current policy is less than the outstanding balance of the advance, including interest already accrued, the Officer/employee should refund the difference to the Municipality. The amount to be refunded must be recovered in not more than three monthly installments.

205. Advances for other purposes

- (1) Advances may be granted to specified class of Government servants for:
 - (a) Festival advance for festivals as notified by State Government,
 - (b) Marriage Advance restricted to own marriage and marriage of own children,
 - (c) Advance for meeting emergency expenses for health treatment of self, spouse, own children, dependent parents of self and spouse.
- (2) The DMA shall specify the eligibility criteria, amount of advance that could be availed, procedure for sanction, security to be furnished, documents to be provided, bonds to be executed, interest rate, penal interest, repayment schedule and other terms and conditions associated with the advance for the Municipalities. It will be the sole responsibility of Executive Officer/ Municipal Commissioner to ascertain and certify the genuineness of loan application as per the approved policy.

Section VI-Interest free Advances

206. Advances on Transfer

- (1) Advances may be made to a permanent and temporary officer/employee of the municipality including one officiating in a higher post under orders of transfer (including transfer for the purpose of deputation for training) to the extent of pay that he is in receipt of immediately before transfer or the pay that he will be entitled to after transfer, whichever is less, plus the travelling allowance to which he may be entitled under the rules in consequence of the transfer.
- (2) The advances should be recorded on the Officer/employee's last pay certificate. The advance of pay should be recovered from the pay of the Officer/employee in not more than three monthly installments, the recovery commencing from the month in which the Officer/employee concerned draws full months pay or/and leave salary on joining his new appointment. The advance of travelling allowance should be recovered in full on submission of the Officer/employees travelling allowance bill.

Note 1 - An advance under this rule is also admissible to Officer/employee who receives orders of transfer during leave.

Note 2 - The amount of an advance of pay granted to an officer/employee shall be recovered in not more than three equal monthly installments in whole rupees, the recovery commencing from the month in which the officer/employee concerned draws his full month's pay and/or leave salary after joining his new appointment.

Note 3 - This rule does not preclude the grant of a second advance to an officer/employee to cover the travelling expenses of any manner of his family who follows him within six months from the date of his transfer and in respect of whom an advance of travelling allowance has not already been drawn.

Note 4 - In case an officer has been transferred from one Municipality to other, details of recoupment of any advance taken by him shall be sent to the transferee Municipality by the transferor Municipality. Deductions for repayment of advance done by the transferee Municipality shall be transferred to the Transferor Municipality within 30 days of deduction from the officer's salary

Note 5 - When a single lump sum advance is drawn to cover the travelling expenses both of the officer/employee himself and his family, it may be adjusted by the submission of more than one bill if it so happens that the members of the officer/employee's family do not actually make or complete the journey with him. In such a case the officer/employee should certify on each adjustment bill submitted by him that a further bill in respect of travelling allowance of the members of his family (spouse, dependent children and parents) who have not yet completed the journey will be submitted in due course and is expected to include an amount not less than the balance of the advance left unadjusted in this bill. In case an officer/employee has drawn an advance in excess

of the probable amount of travelling allowance claim, the difference should be recovered from him immediately from his pay bill instead of the recovery being postponed for adjustment from subsequent travelling allowance claim.

207. Advance in connection with tours

- (1) The Executive Officer/ Municipal Commissioner may sanction to a permanent or temporary officer/employee of the municipality under his administrative control, who is required to proceed on tour.
- (2) Advances under this rule to Head of Departments may be sanctioned by the Executive Officer/Municipal Commissioner.

In this rule (a), "Personal travelling expenses" mean steamer, rail or air fares, incidental charges, road mileage and daily allowance for a period not exceeding thirty days in cases falling under this rule and (b) "Contingent charges" means expenses on hire of conveyances or animals for the carriage of records, tents or other Government property.

208. Payment of leave salary in advance

- (1) On the lines of recommendation of the Central Pay Commission, the Officer/employee, both permanent and temporary, proceeding on leave may be allowed one month's salary in advance subject to the following conditions:-
 - (a) No advance may be granted when the leave taken is for less than a month/30 days.
 - (b) Amount of the advance should be restricted to the net amount of the leave salary thereon for the first month of the leave that are clearly admissible to the Officer/employee after deductions on account of Income Tax, Provident Fund, House Rent, re-payment of advance etc. so that there is no financial risk involved.
 - (c) The advance may be made on the basis of leave payable for one month of leave irrespective of the fact that a portion of leave may extend to the month following the month in which it is being drawn.
 - (d) The deductions to be effected from the leave salary in the case of Municipality staff can be ascertained from the previous pay bill of the officer concerned. Deductions to be made in respect of advances, if any, the recovery of which has not commenced before the person proceeds on leave but falls due during the currency of leave or deductions to be made in respect of any other event which comes to notice (e.g. making postal life insurance policy, court attachment etc.) may also be taken into account to the extent information is readily available.
 - (e) The advance should be adjusted in full in the leave salary bill in respect of the leave availed of. In case where the advance cannot be so adjusted in full, the balance will be recovered from the payment of pay or/and leave salary.
 - (f) The advance shall be sanctioned by the Executive Officer/ Municipal Commissioner both in the case of gazetted and non-gazetted officers.
 - (g) Advances under these orders shall be sanctioned in whole rupees.
 - (h) The advance sanctioned under these orders shall be treated as advance in lieu of leave salary.

209. Permanent Advance

Procedure for drawl of permanent advance

- (1) Whenever the Council at its meeting decides that a permanent advance may be granted to the Executive Officer/ Municipal Commissioner or other officers for payment of petty charges, the following procedure shall be adopted :—
 - (a) On first receiving or taking charge of the permanent advance the holder shall sign and file an acknowledgement in these terms:

"I acknowledge to have in my possession a permanent advance of Rs..... (Rupees in words) which sum is due from me to the Council and I am personally accountable for the amount".
 - (b) A similar acknowledgement shall also be given by the holder on the first working day of each year.
 - (c) The permanent advance when first drawn shall be charged in the Cash Book to the head "Advances" and shall be debited to the holder's account in the Permanent Advance Register (GEN-17 contained in JMAPG)
- (2) There will be no further entries in the ledger account until the advance is finally repaid. A portion of a permanent advance shall never be refunded. If the amount originally fixed for the permanent advance is subsequently increased or decreased by the Council at a meeting, the original advance shall be repaid and a fresh advance drawn.

210. Other Advances

Procedure for drawl of other advances:

- (1) All moneys advanced to contractors or to the Chairman, Vice-Chairman, Councilors or other individuals under whose personal superintendence a work is being-executed, all sums paid without proper vouchers, and any

other advance that may be made shall in the first instance be charged to the head “Advances” and entered in the Form GEN-16 contained in JMAPG. A separate account shall be opened in this ledger for each person to whom an advance has been given and this account shall be credited with the amount of any repayments that may be made.

- (2) Advances for work to be carried out departmentally should not be for the full sanctioned cost of the work, but should be restricted to the amount actually necessary to meet immediate payment; and as this amount is exhausted it can be recouped by submitting detailed bills for the expenditure incurred.

211. Procedure for booking the expenditure incurred out of advance made

Upon submission of bills by the contractor for work done and approved by the Engineer in the Measurement Book, the bills shall be adjusted with advance, if any, given to the contractor for the respective work. The Executive Officer/ Municipal Commissioner or any other person authorised on his behalf shall order this adjustment and pass the following order:

“Passed for rupees Adjust Rs.....by credit to advance account ofand debit to”

212. Procedure for making deduction from the bills through adjustment

In case of deductions of security deposit, performance guarantee, income tax, etc. from bills of contractors, the same shall be done by the Executive Officer/ Municipal Commissioner or any person authorised on his behalf. The amount so deducted shall be recorded in a Deposit Register (Form GEN-18 given in JMAPG) and amount paid in the Cash Book (Form GEN-1 given in JMAPG). The payment order shall state:

“Passed for rupees Pay Rs..... by cheque and adjust Rs. by debit to And credit to deposit account of.....”

213. Stores Account

Register of Security Deposits other than cash — Security deposits in cash shall be entered at once in the Cash Book of the Municipality and the Deposit Register and paid into the Treasury like revenue. All other forms of security such as Government paper, Post Office Saving Bank deposit and the like shall be recorded in the register.

214. Annual verification of securities

- (1) The total amount of securities which are in the safe custody of the Council shall be verified annually by the Executive Officer/Municipal Commissioner, Finance Officer or any other authorized officer at the close of each calendar year and a certificate of verification given in the remarks column of the register against each entry therein.
- (2) Securities shall also be verified by the Director Local Fund Audit at the time of audit.

215. Observance of strict financial discipline

The Municipal Authority shall be obliged to observe such financial discipline in the matter of debt servicing, including creation of sinking fund as the State Government may determine in this regard case wise while acting under rules above. In doing so the State Government may prescribe different sets of rules for observance by different groups of Municipalities.

216. Creation of Sinking Fund for loans raised

- (1) In case of loans raised with an obligation to create a sinking fund, the Municipality appoint a Trustee, preferably a Bank, and shall on a periodical basis invest proportionate sums in trust securities. Interest accrued on such investments shall be added to the sinking fund. In case of repayment of loans, the securities held for this purpose shall be thus utilised.
- (2) The transactions of the Trust account will be recorded in the Cash Book. As soon as possible after the 31st March in each year the Trustees may forward to the Chairman an abstract of account and obtain from him a written acknowledgement of the correctness of the account. The Trustees may bring to the notice of the DMA of any default in payment to the Sinking Fund which is not immediately remedied.

Special Fund Register

217. Loans, Government securities, endowments and other funds

In case of loans, funds or special grants that need to be carried forward in more than one financial year, an Special Fund Register shall be maintained by the Municipality (Form SF-1 of the JMAPG). Interest earned from such funds shall be added to the fund balance.

ACCOUNTING FOR INVESTMENTS

218. Investments

- (1) Investment shall be recognized at cost of investment. The cost of investment shall include cost incurred in acquiring investment and other incidental expenses incurred for its acquisition.
- (2) All long-term investments shall be carried/ stated in the books of accounts at their cost. However, in the event of any permanent diminution in their value as on the date of balance sheet, these shall be provided for.
- (3) Short-term investments shall be carried at their cost or market value (if quoted) whichever is lower.
- (4) Interest on investments shall be recognized as and when due. At period-ends, interest shall be accrued proportionately.
- (5) Dividend on investments shall be recognized on actual receipt.
- (6) Profit/loss, if any, arising on disposal of investment (net of selling expense such as commission, brokerage, etc.) from the Municipal Fund shall be recognized in the year when such disposal takes place.
- (7) Income on investments made from Special Fund and Grants under specific Scheme shall be recognized and credited to Special Fund and Grants under Specific Scheme respectively, whenever accrued. Profit/loss, if any, arising on disposal of investments (net of selling expense such as commission, brokerage, etc) made from the Special Fund and Grants under specific Scheme shall be recognized and credited/debited to Special Fund Account and Grant under specific scheme Account respectively. However, interest or gains from an investment made from grants received as reimbursements, shall be credited to Municipal/General fund of the Municipality instead of the Grant account.
- (8) A Register of Investments held by the Municipality shall be maintained in Form IN – 1 contained in JMAPG showing all investments belonging to the Municipality. The purpose for which each investment is held shall be stated in the column provided and the orders of Government, if any, shall be quoted.
- (9) The register shall also indicate interest due, and received from time to time to ensure that the amounts due are realized on due dates. In respect of interest accrued but not received at the end of the year, an accrual entry shall be made in the books of accounts.



CHAPTER 10:

CONTINGENT EXPENDITURE AND BORROWINGS

Contingent Bills

219. Recoupment of contingent charges

- (1) Contingent charges or “Contingencies” means and includes all incidental and other expenses which are incurred for the management and technical/ functional work of the municipal office, other than those which fall under some other head of expenditure e.g. works, stocks, tools and plant etc.
- (2) All recoupment of contingent charges shall be drawn on a bill in Form GEN-21 given in JMAPG.

Imprest Account

220. Permanent Advance

- (1) A sum of permanent advance specified from time to time by the Councilors at a meeting but not exceeding Rs. 25,000/- without the sanction of the Director of Municipal Administration may be placed as cash imprest at the disposal of an officer whose duties cause him to incur petty expenses which require to be paid at once before money can be obtained on a contingency bill. Similar advances may also make to schools, dispensaries and other municipal institutions.
- (2) Payments exceeding Rs.5000/- shall not ordinarily be made from the imprest.

221. Payment against a bill received by the payee

- (1) The holder of the permanent advance shall make payments from his permanent advance from time to time as may be required, and for each payment he shall obtain and hold a bill received by the payee, or in the case of petty office expenses a written detailed statement of sums spent.

- (2) These bills or statements shall be numbered consecutively, enfacéd or stamped “paid in cash” and entered in the expenditure columns of the permanent advance account in Form GEN-17 provided in JMAPG, the classification of the charges being carefully entered in the columns provided for the purpose.

222. Time and manner of recoupment

- (1) The permanent advance may be recouped whenever necessary, and it shall always be recouped on the last working day of the month and it shall be recouped in the following manner:
 - (a) The officer holding the advance shall compare the sub-vouchers with the entries in the permanent advance account and he shall deface them by stamping them “cancelled” so that they cannot be used again. He shall total and initial the column “amount of sub-voucher” in the permanent advance account and also the amounts in the classification columns, the gross total of which should agree with the total of the column “amount of sub-voucher” and shall rule a red-ink line across the page.
 - (b) The bill for recoupment shall then be drawn out and sent to the municipal office for payment. After the bill is enfacéd with the usual payment order in the form prescribed in GEN-14 provided in JMAPG, a cheque shall be drawn out in favour of the officer holding the advance.
- (2) The recoupment shall always be in full of expenditure from the last recoupment to date so that the balance in hand after recoupment will always be the full amount of the advance.

223. Numbering of sub-voucher for each recoupment

The serial number of the sub-vouchers shall always recommence with No. 1 after each recoupment. The numbering system shall be as follows: CPV-(Serial no of Main Cash Payment Voucher)-(Serial no of sub-voucher)

224. Sanction of recurring contingent charges

Sanction of the Executive Officer shall be obtained for the purchase of books, periodicals, newspapers, official publications, for unusual contingent charges, such as fountain pens, furniture, etc., and for all recurring contingent charges which bind the Municipality beyond a single payment.

Stamps and Postage

225. Stamp Register

- (1) Stamps and postage and franking charges shall ordinarily be met from the permanent advance. But in order to enable a check to be kept upon the number of stamps/ franking expended by each department using stamps/ franking upon the business of the municipality; a Stamp/ Franking Register shall be maintained by the Municipality. The same register shall be used for receipt of other stamps, separate pages being allotted for each description.
- (2) This register shall also serve as the dispatch register.

226. Verification of the balance of stamp in hand

The balance of stamps in hand shall be verified once a month by the head of the office that shall make a note of the verification in the remarks column under his signature.

Stationery accounts

227. Maintenance of stationery accounts and half-yearly verification of its stock

The stationery accounts shall be maintained in Form ST-2 provided in JMAPG. The purchases shall be made annually or half-yearly on indents duly sanctioned by the Executive Officer/Municipal Commissioner and showing the stock in hand at the time, the actual consumption of the previous year and the quantity required. The issues shall be acknowledged in the register under the initials of the officer supplied. The balances shall be struck at the end of the half-year and verified with the actual stock by the head of the office, who shall record a certificate to this effect in the register.

Note.—Contingent charges are to be recorded and treated in the accounts and charges of the month in which they are actually disbursed from treasury.

228. Powers of Subordinate Authorities to Sanction Contingent Charges

- (1) The financial powers of subordinate authorities to sanction contingent expenditure shall be regulated by the general or special orders as may be issued by DMA in this behalf.
- (2) Subject as aforesaid, the head of an office may incur or sanction expenditure on contingencies within the amount of appropriation placed at his disposal for the purpose, provided that:
 - (a) In cases where any special rules, restrictions, limit or scale has been prescribed by Council regarding any particular item or class of contingent expenditure, it should be strictly observed.

- (b) Contingent expenditure of an unusual character or involving departure from any general or special rule or order made by Government should not be incurred, nor should any liability be undertaken in connection therewith, without the previous sanction of DMA.
- (c) In respect of contract contingent charges for which a lump sum is placed annually at the disposal of a disbursing officer, no formal sanction will be required for expenditure incurred within the annual allotment, except in so far as the authority fixing the contract allotment issues directions to the contrary.
- (d) The Council, may, authorize any officer serving under him to sign a bill or order for him, communicating the name and specimen signature of the officer to the disbursing office concerned. This will not, however, relieve the head of the office in any way of his responsibility for the accuracy of the bill, or for the disposal of the money received in payment.

229. Control of Contingent Expenditure

- (1) Each voucher for contingent expenditure shall, contain full details of the expenditure, supported by necessary sub-vouchers for individual payments.
- (2) The following special instructions are laid down for the control of contingent expenditure:
 - (a) Where the appropriation for contingent charges covers expenditure on a number of distinct and individually important objects or class of expenditure, such appropriation should be distributed by the controlling authority among the important items comprised in it. If some of the items are not important, those items taken as a whole may be treated as a single important item for this purpose. The expenditure on each important item should be watched and controlled separately against the allotment for it, especially when the charges are of a fluctuating nature.
 - (b) For countersigned contingencies the monthly detailed bills provide all the information required by the controlling authority for checking the expenditure against the appropriation, if, in any month, expenditure exceeds the monthly proportion of the appropriation for the year, the disbursing officer should send a report to the controlling authority along with the detailed bill, furnishing special reasons for incurring the excess expenditure.
 - (c) For all contingencies, the Finance Officer or any other person authorized on his behalf shall get from each disbursing officer quarterly statements of the cumulative expenditure duly compared with the budgetary allocation under each head. The Finance Officer or any other person authorized on his behalf shall regularly monitor the expenditure pattern. In case of expenditure exceeds the budgetary allocation he shall notify the disbursing officer to restrict expenditure under the same head.

230. Special Rules Relating to Particular Kinds of Contingent Contracts

- (1) When under any special order of competent authority a lump sum amount is placed annually at the disposal of a disbursing officer for expenditure on specified items of contingencies without further restrictions, the officer incurring expenditure against the lump sum allotment should be held entirely responsible for the regularity of such expenditure, and for any expenditure in excess of such allotment until the excess is sanctioned by competent authority.
- (2) The cash obtained for contingent charges should not be mixed up with the balances of cash obtained for other purposes.

Borrowings by Municipality

231. Power of Municipality to raise loan

Section 133 of the Jharkhand Municipal Act (JMA), 2011 provides power to Municipality to raise loan as per Comprehensive debt limitation policy stated in Section 132 of the JMA, 2011.

232. Sinking fund

- (1) The Municipality shall establish a Sinking Fund under section 136 of the JMA, 2011 in respect of each loan raised for the repayment of money borrowed, or debentures issued, and shall, every year, pay into such Sinking Fund such sum as shall be sufficient for the repayment within the period fixed for the loan, of the money borrowed or the debentures issued.
- (2) The provisions relating to application and management of sinking fund is contained in Section 137, 138, 139 and 144 of the JMA, 2011.

233. Debentures

The provisions relating to issue and redemption of debentures is contained in section 140, 141 and 142 of the JMA, 2011.

234. Power of Municipality to borrow money from State Government and attachment of Municipal Fund for recovery of such money

Section 145 of the JMA, 2011 provides power to the Municipality to borrow money from the State Government for carrying out the purpose of the Act on such terms and conditions as the State Government may determine.

235. Annual Statement

- (1) Section 143 of the JMA, 2011 requires the Municipal Commissioner or the Executive Officer/ Municipal Commissioner to prepare an annual statement at the end of every year showing:
 - (a) The amount which has been paid into the Sinking Fund or taken out of Sinking Fund,
 - (b) The date of last investment made during the year,
 - (c) The aggregate amount of the securities in the hands of the Municipality at the end of the year, and
 - (d) The aggregate amount which has been applied for the purpose of repayment of the loan.

236. Records and Procedures

For the purposes of recording of Loans, there are certain forms, registers, etc., which are specific to Loans, e.g., Register of Loans (Form BR-1), Register of Debentures (Form BR-2) and Register of Sinking Fund (Form BR-3) provided in JMAPG.



CHAPTER 11:

MISCELLANEOUS PROVISIONS

Section –I Miscellaneous Revenue

237. Revenue leased out for which there is fixed demand

- (1) When the collection of revenue is leased out for fixed amount the recoveries shall be watched by means of the Demand Register in Form GEN 20 given in JMAPG.

Note.—A few but not exhaustive cases of such sources of revenue which are generally leased out are given below:-

- (a) Market rent
 - (b) Rent of buildings and lands
 - (c) Ferry rent
 - (d) Fishery rent
 - (e) Slaughter-house rent
 - (f) Produce of lands and gardens
 - (g) Cattle pounds
 - (h) Town Hall rent
- (2) A separate page or sets of pages of the register shall be set apart for each of the above kinds of revenue for which there is fixed monthly, quarterly, half-yearly or annual demand.

238. Posting of arrear and current demand along with security deposit and checking thereof

- (1) The Accountant shall fill up the current year's register in respect of the arrear demands from the previous register and lay it with the register for the previous year before the Executive Officer/ Municipal Commissioner or any other officer authorized for the purpose that after comparing the entries shall put his initial in.
- (2) When the agreement with the party for the current year has been signed and security deposit paid, the Accountant shall fill up and post the amount in the deposit register annexed as Form GEN-18 given in JMAPG. He shall then lay the agreements, the register and the challans (or the Cashier's Cash book) before the Executive Officer/ Municipal Commissioner or any other authorized officer who shall put his initials against the entries in the deposit register.

239. Presentation of bill and granting of receipt

- (1) Bills shall be prepared in Form GEN-21 given in JMAPG from the Demand Register as soon as rents fall due. One copy of the bill shall be served by the collecting staff on the concerned parties and the other copy kept by

them for watching realisation. A receipt in Form GEN-8 given in JMAPG shall be granted to the parties when money is actually realised.

- (2) A Collection register (Form GEN-11 given in JMAPG) shall be kept for such collections and the Collection Register shall be posted by the Accountant from it.

240. Posting of satisfaction of dues and checking of total monthly collection

Payments made in satisfaction of the demand shall be posted by the Accountant from the daily collection register (Form GEN-12 given in JMAPG) in the column for the month in which the money is credited in the Accountant's Cash Book, e.g. a payment credited in June on account of May will appear in the column for June and not May. When all the receipts of the month have been entered they shall be totaled and checked with the credit for the month in the Abstract Register of Receipts.

241. Verification of monthly receipts

When the monthly posting of the receipts has been completed the register shall be laid before the Executive Officer/ Municipal Commissioner or any other authorized officer who shall compare the total for the month with the Abstract Register of Receipts and after a check of the credits with the daily collection Register given as Form GEN-12 in JMAPG, shall initial below the monthly total. He shall also take necessary action for the recovery of the outstanding dues.

242. Adjustment of security deposit to rent

The security deposit will ordinarily be taken in satisfaction of the demand for the last three months of the year in which the contract expires and shall be transferred by adjustment from "deposits" to "rent" and entered in the register in the column for March. Such credits in the register shall be made in red ink to distinguish them from cash payments made during the same month, and shall be noted in the register against the name of the party on the payment side and detailed information in regard to such adjustment shall be indicated within a bracket under the entry.

243. Refund of excess security deposit and restriction on its transfer to any other head

If any part of the deposit is taken as fine for non- fulfillment of contract, the balance shall be taken in part satisfaction of the demand during the last three months of the year and if on 31st March the deposit or the balance of deposit is more than the demand the excess shall be refunded to the party.

244. Miscellaneous revenue managed departmentally

Municipalities derive substantial portions of their miscellaneous revenue which are being managed departmentally such as Sale of scrap items, Penalties from Contractors/Suppliers, Fines under Act, Recovery of Bad Debts etc. The treatment of such type of revenue in terms of books and records shall be same as mentioned in above Rule no 237 to 240.

Section – II Miscellaneous Expenditure

245. General

The term "miscellaneous expenditure" applies generally to all expenditure in the departments of a Municipality, which does not fall under the category of pay and allowances of officers/employees of Municipality, pensions, contingencies, grants-in-aid, contributions, stores or work. It may include Loss on Disposal of assets, Loss on disposal of investments, decline in value of investments etc.

Note – Grants – in – aid & contributions have, however, been dealt with in this chapter for the sake of convenience.

Miscellaneous expenditure is subject generally to the rules of procedure which apply to contingent expenditure, except in so far as it may be governed by any special rules or orders made by competent authority.

246. Refunds of Revenue

- (1) Refunds of revenue are broadly classified as –
 - (a) refunds to which the claimants are legally entitled, and
 - (b) refunds which are made voluntarily, Government being under no legal obligation to make them.

Note – Remissions of revenue allowed before collection are to be treated as reduction of demands and not as refunds.
- (2) Subject to the rules made there under the sanction necessary for refunds of revenue will be regulated by the orders of the State Government.
- (3) Before refund is allowed, the original demand or realization as the case may be, must be traced, and a reference to the refund should be so recorded against the original entry in the cash book or other documents as to make

the entertainment of a double or erroneous claim impossible. Any acknowledgment previously granted should, if possible, be taken back and destroyed and a note of the repayment recorded on the counterfoil of the receipt.

247. Records and Procedures

- (1) The concerned department, on receipt of bill/invoice or any other document for miscellaneous expenditure shall prepare a Payment Order in Form GEN-14 given in JMAPG and forward it to the Accounts Department for payment.
- (2) On receipt of the Payment Order, the Accounts Department shall enter the particulars thereof in a Register of Bills for Payment (Form GEN-13 given in JMAPG).
- (3) Before release of a payment, the Accounts department shall verify and ensure the following relating to a payment order.
 - (a) Whether the supporting documents such as invoices, bills, etc are stamped with 'certified for payment' and signed by the authorities of the concerned department
 - (b) Whether adequate budget appropriation/provision is available under the particular head
 - (c) Whether evidence of entry into purchase/fixed assets/ investments register with folio and reference numbers are attached/ available
 - (d) Further, physical verification of the concerned registers such as fixed assets/ stocks/ investments, etc. may also be carried out to ensure that the miscellaneous expenditure related items are properly recorded in the books.
 - (e) In case of any queries in the process of verification of books & records explained above, including non-reference to the relevant folio/page number of the Stock/Measurement Book or Fixed Asset Register (Form GEN-30/GEN-31 given in JMAPG) or Register of Bills for Payment (GEN-13), the same shall be noted on the Payment Order (GEN-14) and shall be forwarded back to the respective department.
 - (f) The concerned department shall resolve the query raised (in d. above), make the necessary changes in the Payment Order and the other registers/forms, if required, and forward the documents back to the Bill Passing authority for review of the revised payment order.
 - (g) A Cash/Bank Payment Voucher (Form GEN-5 given in JMAPG) shall be prepared for payment and verified

248. Grants to Municipalities, etc.

The sanction necessary for payment of grants-in-aid or contributions to Municipalities is regulated by departmental rules or order. The following instructions are issued for the general guidance of subordinate authorities in the matter of according sanctions for grants-in-aid.

- (1) Unless in any case DMA direct otherwise, every order sanctioning a grant should specify clearly the object for which it is given and the conditions, if any attached to the grant. In the case of non-recurring grants for specified objects, the order should also specify the time limit within which the grant or each installment of it is to be spent.
- (2) Only so much of the grant should be paid during any financial year as is likely to be expended during that year: In the case of grants for specific works or services such as buildings, water supply schemes and the like, the sanctioning authority should use its discretion in authorizing payments according to the needs of the works.
- (3) Before a grant is paid to any Municipality, the sanctioning authority should as far as possible insist on obtaining an audited statement of the account of the Municipality concerned in order to see that the grants-in-aid is justified by the financial position of the grantee and to ensure that any previous grant was spent for the purpose for which it was intended. It is not essential for this purpose, however, that the account should be examined and audited by Directorate, Local Fund Audit and it will be sufficient therefore if the accounts are certified as correct by a registered accountant or other recognised body of auditors.
- (4) In cases in which conditions are attached to the utilisation of a grant in the form of specification of particular objects of expenditure or the time within which the money must be spent or otherwise, the departmental officer on whose signature or countersignature the grants-in-aid bill was drawn should be primarily responsible for certifying to the Director Local Fund Audit, where necessary, the fulfillment of the conditions attaching to the grant, unless there is any special rule or order to the contrary. The certificate should be furnished in such form and at such intervals as may be agreed between the Director Local Fund Audit and the head of the department, concerned. Before recording the certificate, the certifying officer should take steps to satisfy him that the conditions on which the grant was sanctioned have been or are being fulfilled. For the purpose he may require the submission to him at suitable intervals of such reports, statements, etc., in respect of the expenditure from the grants as may be considered necessary. Where the accounts of expenditure from grant are inspected or audited

locally the inspection or audit report, as the case may be, will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of those conditions.

- (5) Unless it is otherwise ordered by DMA, every grant made for a specific object is subject to the implied condition that the grant will be spent upon the object within a reasonable time, if no time-limit has been fixed by the sanctioning authority.

249. Expenditure from Discretionary Grants

When under orders of competent authority, an allotment for discretionary grants is placed at the disposal of a particular officer, the expenditure from such grants will be regulated by general or special orders of the DMA, specifying the objects for which the grants can be made any other condition that should apply to them. Such grants must be non-recurring i.e. not involving any future commitments.

250. Compensation to Civil Officers for Loss of Property

- (1) All cases in which it is proposed to grant compensation to any civil officers for the accidental loss of his property should be referred to Government for orders through the administrative department concerned.
- (2) Compensation will not ordinarily be granted to a Government servant for any loss to his property, which is caused by an act of God as earthquake, floods, etc., or which due to an ordinary accident, which may occur to any citizen, e.g., loss by the or as the result of railway accident, fire, etc. The mere fact that, at the time of the accident, the Government servant is technically on duty or is living in Government quarters in which he is forced to reside for the performance of his duties will not be considered as a sufficient ground for the grant of compensation. These points should be borne in mind while submitting proposals to Government.

251. Guidelines, Clarifications and Instructions

The State Government may issue, from time to time, such guidelines, clarifications, or instructions as it may find necessary, in order to ensure that these rules are followed properly.

Section – III Destruction of Office Records connected with Accounts and other miscellaneous provisions

252. Destruction of Office Records connected with Accounts

- (1) The destruction of records (including correspondence) connected with accounts is governed by the rules and such other subsidiary rules consistent therewith as may be prescribed by the State Government from time to time.
The following should on no account be destroyed:-
 - (a) Records connected with expenditure which is within the period of limitation fixed by law.
 - (b) Records connected with expenditure on projects, schemes, of works not completed although beyond the period of limitation.
 - (c) Records connected with claims to service and personal matters affecting persons in the service.
 - (d) Records that have not been audited.
 - (e) Orders and sanctions of a permanent character, until revised.
- (2) Those records which can be destroyed after preserving it for a given period of time shall be determined by the State Government from time to time.

253. Defalcation, Losses etc.

- (1) Report of Losses:
 - (a) With the exceptions noted below, any loss of public money, departmental revenue or receipts, stamps, stores or other property held by or on behalf of Municipality caused by misappropriation, fraudulent draw/payment or otherwise, which is discovered in a treasury or other office or department shall be immediately reported by the officer concerned to the next higher authority as well as to the DMA, even when such loss has been made good by the party responsible for it. Such reports must be submitted as soon as a suspicion arises that there has been a loss; they must not be delayed while detailed enquiries are made. When the matter has been fully investigated, a further and complete report shall be submitted of the nature and extent of the loss showing the errors or neglect of rules by which such loss was rendered possible, and the prospects of effecting a recovery.
 - (b) If the irregularity is detected by Audit in the first instance, the Directorate, Local Fund Audit will report it immediately to the administrative authority concerned, and if he considers necessary, to Government as well.
 - (c) Cases involving loss of revenue due to (i) mistakes in assessment which are discovered too late to permit

of a supplementary claim being made, (ii) under assessments which are due to interpretation of the law by the subordinate authority (being over-ruled by the higher Authority) after the expiry of the time limit prescribed under the law, and (iii) refunds allowed on the ground that the claim were time-barred, should be reported to the Director, Local Fund Audit.

- (d) Petty cases, i.e. cases, involving losses not exceeding Rs.20,000/-each, should be reported to the Council and corrective measures should be taken to prevent recurrence of such losses.
- (e) In case of such losses which disclose defect in system the amendment of which requires the orders of Government or serious negligence on the part of some officers or officer which might call for disciplinary action requiring the orders of the Government, report shall be made to the Government irrespective of any amount involved in each case.

254. Accidents

- (1) All losses of immovable property such as buildings, roads, breach of canals or other works caused by fire, flood, cyclone, earthquake or any other natural cause exceeding value of Rs. 15,000/- shall be reported at once by the Executive Officer/ Municipal Commissioner to the DMA and by the later to the State Government. When a full enquiry as to the cause and extent of the loss has been made, the detailed report shall be sent by the Executive Officer/ Municipal Commissioner to the DMA, a copy of the report or an abstract there of being simultaneously forwarded to the Directorate, Local Fund Audit.
- (2) Losses not exceeding Rs. 15,000/- in value shall continue to be reported to the Council, they need not be reported to the DMA or to the Directorate, Local Fund Audit.

Note: The terms ‘Value’ for this purpose should be interpreted as meaning the ‘Written-down Value’.

255. Responsibility for Losses, etc.

- (1) Every Government Servant should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.
- (2) Every Government servant should realise that the correct maintenance of accounts is as important a part of his duties as his executive work. A knowledge of the accounts and financial rules relevant to his duties is necessary for every Government servant through whose hands Government money passes and he is expected to be sufficiently familiar with financial and account rules.

256. Write off of Losses etc.

- (1) Subject to the limits and conditions which may be laid down by DMA, the Council may sanction, the writing off finally of the irrecoverable value of stores or public money lost by fraud, negligence by individuals or other causes, provided that:-
 - (a) The loss does not disclose a defect of system the amendment of which requires the orders of higher authority; and
 - (b) there has not been any serious negligence on the part of some individual Government servant or officer which may possibly call for disciplinary action requiring the orders of any higher authority.
- (2) The orders contained in the preceding para do not apply to loss of cash in treasuries, whether in the course of remittance or out of treasury balance. Individual cases of such losses shall be reported to the DMA and it’s specific approval obtained before any item can be written off in the accounts of the Government.
- (3) In case where recoveries pertaining to other authorities are made in cash, for example, by deduction from pay or otherwise from the persons responsible for a loss, the entire amount recovered shall be remitted to the concerned authority.

Section – IV- Annual Administrative Report

257. Annual Performance Report

- (1) The Annual Performance Report of the Municipality shall consist of the following:-
 - (a) Financial Statements consisting of:
 - i. Balance Sheet;
 - ii. Income and Expenditure Statement;
 - iii. Statement of Cash flows (a summary of an enterprise’s cash flow over a given period of time);
 - iv. Receipts and Payments Account (detailed as per the account heads);

- v. Notes to Accounts; and
- vi. Financial Performance Indicators
- (b) Report of the Municipal Chief Auditor;
- (c) Executive Officer's Report on the Annual Financial Statements and the qualifications and comments made in the Report of the Municipal Chief Auditor; and
- (d) Standing Committee's Action Taken Report on the qualifications and comments made in the Report of the Municipal Chief Auditor and the Report of the Executive Officer.
- (2) The annual administration report shall also be accompanied by brief notes on the following:
 - (a) Statement showing the rates at which taxes and license fees are levied
 - (b) Demand Collection and Balance statement of all the sources of income (current) and arrear explanation for the outstanding balances and percentage of collection to demand
 - (c) Statement of loans
 - (d) Statement of government grants showing unspent balances with explanation
 - (e) Statement of receipt and expenditure under license fees.

258. Publicising Annual Administration Report

The Executive Officer/ Municipal Commissioner as the case may be, shall, not later than six months after the end of the financial year, or such other date as the State Government in special circumstances may allow-

- (1) Publish the Annual Administration Report;
- (2) Publish a detailed version of the Annual Administration Report on the website of the Municipality if the website has been hosted;
- (3) Send an abridged version of Income and Expenditure Account, Balance Sheet and Budget Variance Statement to the District Information and Publicity officer for being published in two news papers having highest circulation in the district;
- (4) Publish a notice in 2 news papers, advising of the publication of the Annual Administration Report and that copies of the report are available at the office of the Municipality;
- (5) Send a copy of the Annual Administration Report to the Director of Municipal Administration

Section V – Period end and Reconciliation Procedures

259. Period end procedures

- (1) The period end procedure prescribed in this rule shall be carried out by the Executive Officer/ Municipal Commissioner or Accounts Officer or an Officer designated by the Executive Officer/ Municipal Commissioner in this regard.
- (2) The following procedures shall be carried out daily:
 - (a) Closing of Cash Book
 - (b) Physical verification of cash balance
 - (c) Deposit of collections (both cash and cheque) in the bank
 - (d) Checking ledger accounts with the books of original entries, i.e., Cash Book and Journal Book
 - (e) Verification of number of receipts issued as reported by the collection office with the Collection Register
 - (f) Updation of Subsidiary Ledgers
- (3) The following procedures shall be carried out at the end of every month:
 - (a) Bank Reconciliation
 - (b) Recording of expenditures incurred against permanent advance
 - (c) Payment of provident fund dues and pension contribution in respect of employees on deputation
 - (d) Reconciliation of Function wise Income/Expense Subsidiary Ledgers with respective trial balance totals
 - (e) Compilation of details of closing stock for recording the consumption of stores at the end of each month
 - (f) Closing of ledger accounts
- (4) The following procedures shall be carried out at the end of every quarter:
 - (a) Reconciliation of deposits, advances, receivables and incomes
 - (b) Provision for period-end expenses
- (5) Transfer of revenue grant received in advance for specific purpose to grant income.
- (6) Recognition of grant income for revenue expenditure incurred in respect of grant receivable as reimbursement

- (a) Accrual of interest on borrowings
 - (b) Recording of provision for bills remaining unpaid in respect of Special Fund expenditure
 - (c) Accrual of interest on investments
 - (d) Accrual of interest on loans to employees
 - (e) Reconciliation of Capital Work in Progress
 - (f) Reconciliation of Inter Unit Balances
 - (g) Passing of adjustment entries
 - (h) Closing of ledger accounts
- (7) The following procedures shall be carried out at the end of every year:
- (a) Physical verification of stores
 - (b) Physical verification of fixed assets
 - (c) Transfer of funds from special funds to Special Funds (Utilised)
 - (d) Confirmation of all categories of advances
 - (e) Provision for unrealized revenue
 - (f) Accounting of prepaid expenses
 - (g) Contribution of difference in interest to the provident fund
 - (h) Expenditure for the benefit of Backward classes or similar other welfare schemes
 - (i) Confirmation from Government/Quasi-government and Government owned agencies
 - (j) Closing of ledger accounts

260. Reconciliations

The reconciliation procedures shall be carried out by the Accounts Department, Audit Department and the concerned departments. The procedures shall include:

- (1) Bank Reconciliation,
- (2) Inter-unit reconciliation,
- (3) Reconciliation of deposits,
- (4) Reconciliation of receivables and collections in respect of:
 - (a) Water supply;
 - (b) Holding and other taxes;
 - (c) Cess;
 - (d) Other heads of revenues.
- (5) Reconciliation of advances to:
 - (a) Contractors/suppliers;
 - (b) Departments of the Municipality; and
 - (c) Employees of the Municipality;
- (6) Reconciliation of loans received (borrowings),
- (7) Reconciliation of payables including contractors' payables,
- (8) Reconciliation of balances with Government, quasi-Government agencies, Government Corporations, and
- (9) Reconciliation of loans given to others
- (10) Reconciliation of the accounts for the income and expense heads falling under the following categories with the Function wise Income/ Expense Subsidiary Ledgers maintained at the Accounts Department in respect of those categories:
 - (a) Fees and User Charges;
 - (b) Sale and Hire Charges;
 - (c) Establishment Expenses;
 - (d) Administrative Expenses; and
 - (e) Repairs and Maintenance Expenses.

Section VI – Audit

261. Power to Audit

- (1) The accounts of Local Bodies shall be examined and audited by Director Local Fund Audit or his equivalent authority through its auditors or Chartered Accountants appointed/engaged by the State Government.

- (2) The Comptroller and Auditor General of India shall provide Technical Guidance and Supervision (TGS) over proper maintenance of accounts and audit thereof of Local Bodies.

262. Report relating to Audit

- (1) The C&AG shall prepare an Annual Technical Inspection Report based on the TGS and the test check of accounts of Local Bodies.
- (2) The Annual Technical Inspection Report of C&AG along with the Annual Report of the Director of Local Fund Audit shall be submitted to the Governor, who shall cause them to be laid before the Legislature of the State.

263. Applicability of other rules framed under the Jharkhand Municipal Act, 2011

In all matters not expressly provided for by these Rules, the Rules, forms, registers and returns prescribed in Government Codes, Rules, Regulations in force for the time being under the orders of Government or other competent authority, shall in so far as they are consistent with these Rules and the Act, apply to the accounts of the Municipality, and shall be so observed, used and kept.

264. Opening Balance Sheet Adjustments

- (1) The Government shall issue guidelines for valuation of assets and other related areas for facilitating preparation of Opening Balance Sheet of the Municipality.
- (2) If, after the opening balance sheet is prepared, any error or omission is noticed, such error or omission shall be incorporated in the opening balance sheet figure, by routing it through an 'Opening Balance Sheet Adjustment' account.
- (3) Any such adjustment shall be placed before the Council/ Committee for approval before it is included in the accounts.

265. Write back of unreconciled items in Bank Reconciliation Statements, old unpaid deposits, provisions, etc.

- (1) The Executive Officer/ Municipal Commissioner shall cause to write back the amounts of unreconciled items in Bank Reconciliation Statement, old unpaid deposits, provisions, etc., to the books of the Municipality.
- (2) The DMA shall decide on the period after which, items like those mentioned in sub rule (1), is to be written back and issue a circular to this effect.

266. Record of inventories

The Executive Officer/ Municipal Commissioner shall maintain an inventory of all movable and immovable property owned by the Municipality or assigned/ transferred to the Municipality.

267. Misappropriation of Municipal Fund

Whenever a misappropriation of Municipal Fund, store or any property is discovered, the Executive Officer/ Municipal Commissioner shall report the same to the Police, the Council/ Committee and the DMA. After the necessary proceedings are carried out in this respect, the Executive Officer/ Municipal Commissioner shall take necessary disciplinary proceedings as per the relevant rules.

268. Power of Government to prescribe forms, formats, procedures, etc.

The DMA may issue detailed guidelines, circulars, manuals, orders, etc., laying down the forms, formats, procedures, etc., to be maintained by the Municipalities and the Financial Statements, Reports, etc., to be prepared and submitted by the Municipalities under these rules.

These forms and formats shall be printed by the respective Municipalities.

269. Miscellaneous

In all matters not expressly provided for by these rules, the rules, forms, registers and returns prescribed in the National Municipal Accounts Manual, or under any other orders of the DMA, shall, in so far as, they are consistent with the Act and these Rules, apply to the accounts of the Municipality.

□□□

Appendix 1
(Reference to Chapter
6-Procurement of Goods,
Works and Services)

Form W-1
[Vide Rule no 97, 99(2)]
Measurement Book

..... Municipality

Name of the Contractor	Particulars of Work allotted	Details of work Allotted			Due date of completion	Amount of Work (Rs)	Work completed till date			Amount of Work completed (Rs)	Advance paid	TDS	Security Deposit	Sanctioning Authority
		Length	Breadth	Height			Length	Breadth	Height					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Form W-2
[Vide Rule no 106(1), 112(1)]

Muster Roll

Name of Work-

Description Of labourers	Number	Name	Father's Name	1	2	3	4	5	6	Total	Rate	Amount	Date of payment	Initials and remarks of paying officer, or signature of labourer when he is able to write his name
				5	6	7	8	9	10						11	12	13	14	15
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Grand Total of the Muster Roll-

Certified that the above payments have been made by me in person.

(Signature)

Designation of Paying Officer

Form W-3

[Vide Rule no 103(5)]

Contract Certificate

Number of this Certificate-

Name of Work-

Name of Contractor-

Authority for work

Unit	Quantity executed or supplied since last certificate	Quantity executed or supplied up to the date as per measurement	Item	Rate	Amount		Remarks (In the case of supplies the name of the receiving officers should be entered here)
					Up To Date	Since last certificate	
1	2	3	4	5	6	7	
Total value of work done Or supplies made to date..... Deduct value of work or Supplies shown on last Certificate..... Net value of work done Or supplies made since Last certificate.....							

Contractor.

Certified that the necessary detailed measurements have been taken by me in the 20.; and are recorded at page ... of any measurement book no...

Dated the.....

Overseer or officer in charge of the work certified that foregoing claim and that the work has been satisfactorily completed.

**Vice Chairman, Secretary or Ward Commissioner
Memorandum of Payments made**

Particulars	Rs.	Amount P.
Total value of Work done- Amount of previous payments from last certificate no..... of.....		XX XX
Payments now made -		
By cash		
By cheque no..... of		
By value of stock supplied		
Total		XX
Balance Due		XX

Received Rs() only as per details above, on account of this work.

Witnesses-

.....

Signature of the Contractor with stamp

Dated the20...

Form W-4

[Vide Rule no 99(2), 103(7)]

Contract Bill

Name of Contractor or Contract	Name of work or supplies	Reference to recorded measurement or name of officer receiving of the supplies	Quantity	Rate	Amount	Acknowledgement
1	2	3	4	5	6	7

Total:-

Dated.....

(Signature)

Designation of Officer preparing the bill

Form No NIT-1

[Vide Rule 86]

Notice Inviting Tender

..... Municipality

No.....

Dated.....

Sealed tenders in printed tender form as specified are invited for the following works from eligible tenderers as per particulars below and will be received by the Executive Officer/ Authorized Officer:-

- a) Name of Work:
- b) Contractor(s) eligible to submit tender:
- c) Estimated value of work put to tender:
- d) Initial Earnest Money:
- e) Due date and time for receipt of Tender:
- f) Date and time for opening of tender:
- g) Date up to which rates are to be firm:
- h) Price of Tender Form:
- i) Price of Duplicate copy:
- j) Address of Submission:

Signature of Executive Officer/Municipal Commissioner/ Authorized Officer

Form No NIT-2

[Vide Rule 86]

Tender

(For works estimated to cost up to Rs)

.....Municipality,

No. of.....

ITEM RATE TENDER AND CONTRACT FOR WORKS

General Rules and Directions for the Guidance of Contractors

1. All work proposed for execution by contract will be notified in a form of invitation to tender pasted in public places and signed by the Competent Authority. Tender notice for works costing more than Rs. 1,50,000/= shall be published at least in one daily in local language and one National local daily newspaper in English language newspaper.
This form will state the work to be carried out as well as the date for submitting and opening tenders and the time allowed for carrying out the work; also the amount of earnest money to be deposited with the tender, and the amount of the security deposit to be deposited by the successful tenderer and the percentage, if any, to be deducted from bills copies of the specifications, designs and drawings and any other documents required in connection with the work signed for the purpose of identification by the Executive Officer/Municipal Commissioner/Authorised Officer shall also be open for inspection by the contractor at the municipal office during office hours.
2. In the event of the tender being submitted by a firm, it must be signed separately by each member thereof, or, in the event of the absence of any partner, it must be signed on his behalf by a person holding a power-of- attorney authorising him to do so, such power-of-attorney to be produced with the tender and save in the case of a firm carried on by one member of a joint family it must disclose that the firm is duly registered under the Indian Partnership Act.
3. Receipts for payments made on account of a work, when executed by a firm, must also be signed by the several partners, except where the contractors are described in their tender as a firm in which case the receipts must be signed in the name of the firm by one of the partners or by some other person having authority to give effectual receipts for the firm.

4. Any person who submits a tender shall fill up the usual printed form, stating at what rate he is willing to undertake each item of the work. Tenders which propose any alteration in the work specified in the said form of invitation to tender, or in the time allowed for carrying out the work, or which contain any other conditions of any sort, will be liable to rejection. No single tender shall include more than one work, but contractors who wish to tender for two or more works shall submit a separate tender for each. Tenders shall have the name and number of the work to which they refer written outside the envelope.
5. The Executive Officer/Municipal Commissioner/Authorised Officer will open tenders in the presence of any intending contractors who may be present at the time, and will enter the amounts of the several tenders in a Comparative Statement in a suitable form. In the event of a tender being accepted, a receipt for the earnest money forwarded therewith shall thereupon be given to the contractor who shall thereupon for the purpose of identification sign copies of the specifications and other documents mentioned in Rule 1 of this form. In the event of a tender being rejected the earnest money forwarded with such unaccepted tender shall be refunded within 10 days from the date on which the tender is decided provided the contractor(s) present himself/themselves before the Executive Officer/Municipal Commissioner/Authorised Officer to take the refund.
6. The accepting authority reserves the right to reject any or all the tenders without assigning any reasons and he will not be bound to accept either the lowest tender or any of the tenders.
7. The receipt of an accountant or clerk for any money paid by the contractor will not be considered as any acknowledgement of payment to the Authority and the contractor shall be responsible for seeing that he procures a receipt signed by duly authorised cashier.
8. The memorandum of work tendered for, and the schedule of materials to be supplied by the Municipality and their issue rates, shall filled in and completed in the office before the tender form is issued. If a form is issued to an intending tender without having been so filled in and completed, he shall request the office to have this done before he completes and delivers his tender.

I/We hereby tender for execution of the work specified in the underwritten memorandum within the time specified in such memorandum at the rates specified therein, and in accordance in all respects with the specifications, designs, drawings, and instructions in writing referred to in Rule 1 hereof and in clause II of the annexed conditions and with such materials as are provided for, by, and in all other respects in accordance with such conditions so far as applicable.

Memorandum

- (a) General description [if several subworks are included they should be detailed in a separate list.]
- (b) Estimated cost Rs.
- (c) Earnest money Rs;
- (d) Security deposit
(including earnest money) Rs.
- (e) Percentage, if any, to be deducted
from bill (Rupees %) percent Rs.
- (f) Time allowed for the work from date of written orders
to commence months

Item	Item of work Unit for	Rate tendered (in words)
------	-----------------------	--------------------------

Note—To be continued on additional sheets as found necessary.

Should this tender be accepted I/we hereby agree to abide by and fulfil all the terms and provisions of the said conditions of contract annexed hereto so far as applicable, or in default thereof to forfeit and pay to the Competent Authority or his successors in office the sums of money mentioned in the said conditions.

Earnest Money Deposit

The sums of Rs* is herewith forwarded in currency notes/ demand draft as earnest money [(a) the full value of which is to be absolutely forfeited to the Executive Officer/Municipal Commissioner or any authorized officer on his behalf, without prejudice to any other rights or remedies of the Executive Officer/Municipal Commissioner or any authorized officer on his behalf, should I/we fail to commence the work specified in the above memorandum, or should I/

we not deposit the full amount of security deposit specified in the above memorandum, in accordance with clause 1(a) of the said conditions of contract otherwise the said sum of Rs..... shall be retained by Municipality as on account of such security deposit as aforesaid or the full value of which shall be retained by Municipality on account of the security deposit specified in clause 1 of the said conditions of contract.]

Dated, the day of 20

Witness**

Signature of the Tenderer

Address

Occupation

The above tender is hereby accepted by me.

Dated, the day of 20

.....
Signature of the Executive
Officer/Municipal Commissioner/
Authorized Officer

CONDITIONS OF CONTRACT

Clause 1. Security deposit.—The person/persons, whose tender(s) may be accepted [hereinafter called the contractor(s)] shall permit Municipality at the time of making any payment to him/them for work done under the contract to deduct such sum at such rate as along with the sum already deposited by him/them as Earnest Money which Amouns to 10% (ten per cent) of the value of work done with maximum limit unless he is/they are exempted from payment of Security Deposit in individual cases or has/have deposited the amount of security at the rates mentioned above in Cash or in the form of Government Securities or Fixed Deposit Receipts or Guarantee Bonds of any Scheduled Bank or State Bank of India. In case of a Fixed Deposit Receipt of any Bank is furnished by the Contractor(s) to the municipality as part of the Security Deposit and the Bank goes into liquidation or for any reason is unable to make payment against the said fixed deposit receipt the loss caused thereby shall fall on the contractor(s) and the contractor(s) shall forthwith on demand furnish additional security to the Municipality to make good the deficit.

Such Deductions to be held by the Municipality by way of Security Deposit. Provided always that the Municipality for this purpose shall be entitled to recover 10% (ten per cent) of the amount of each running bill the balance of the amount of Security Deposit is realised. All compensation or other sums of money payable by the contractor/s under the terms of this contract may be deducted from, or paid by the sale of a sufficient part of his/ their Security Deposit, or from the interest arising there from, or from any sums which may be due to or become due to the contractor/s by Municipality or any account whatsoever and in the event of his/ their Security Deposit being reduced by reason of any such deductions or sales as aforesaid, the contractor/s shall within 10 (ten) days make good in cash or Guarantee Bonds in favour of the Competent Authority of the Municipality executed or Fixed Deposit Receipt tendered by the State Bank of India or by scheduled bank (in case of guarantee offered by scheduled banks the amount shall be within the financial limits prescribed by the Reserve Bank of India) or Government Securities (if deposited for more than 12 months) endorsed in favour of the Competent Authority any sum or sums which may have been deducted for, or raised by sale of his/ their security deposit or any part thereof. The Security Deposit shall be collected from the running bills of the Contractor(s) at the rates mentioned above and the Earnest Money if deposited in cash at the time of tender(s) will be treated as part of the—SECURITY DEPOSIT.

Clause 2. Compensation for delay.—The time allowed for carrying out the work as entered in the tender shall be strictly observed by the Contractor shall be reckoned from the date on which the order to commence work is given to the Contractor. The work shall throughout the stipulated period of the contract be proceeded with, with all the diligence (time being deemed to be of the essence of all the contract on the part of the contractor) and the contractor shall pay as compensation an amount equal to one per cent or such smaller amount as the Competent Authority (whose decision in writing shall be final) may decide on the amount of the tendered amount of the whole work as shown by the tender for every day that the work remains uncommenced, or

unfinished after the proper dates. The Contractor shall commence execution of such part of the work as may be notified to him within days from the date of the order for commencement for work and diligently continue such work, and further to ensure good progress and during the execution of the work, he shall be bound in all cases in which the time allowed for any work exceeds one month to complete one-fourth of the whole of the work before one-fourth of the whole time allowed under the contract has elapsed one-half of the work, before one half of such time has elapsed, and three-fourths of the work, before three-fourths of such time has elapsed, and three-fourths of the work, before three-fourths of such time has elapsed., In the event of the contractor failing to comply with any of the conditions herein shall be liable to pay as compensation an amount equal to one per cent or such smaller amount as the Competent Authority (whose decision in writing shall be final) may decide on the said tendered amount of the whole work for every day that the due quantity of work remains incomplete, PROVIDED ALWAYS that the entire amount of compensation to be paid under the provisions of this clause shall not exceed ten per cent on the tendered amount of the work as shown in the tender.

Clause 3. Action when whole of security deposit forfeited.—In any case in which under any clause or clauses of this contract the contractor shall have tendered himself liable to pay compensation amounting to the whole of his security deposit (whether paid in one sum or deducted by instalments) Competent Authority shall have power to adopt any of the following courses, as he may deem best suited to the interest of Municipality:—

- (a) To rescind the contract (of which rescission) notice in writing to the contractor under the hand of the Competent Authority shall be conclusive evidence and in which case the security deposit of the contractor shall stand forfeited, and the absolutely at the disposal of Municipality.
- (b) To employ labour paid by the Municipality and to supply materials to carry out the work, or any part of the work, debiting the contractor with the cost of the labour and the price of the materials (of the amount of which cost of price a certificate of the Competent Authority shall be final and conclusive against the contractor) and crediting him with the value of the work done, in all respects in the same manner and at the same rates as if it had been carried out by the contractor under the terms of his contract; the certificate of the Chairman as to the value of the work done shall be final and conclusive against the contractor.
- (c) To measure up the work of the contractor and to take such part thereof as shall be unexecuted out of his hands and give it to another contractor to complete, in which case any expenses which may be incurred in excess of the sum which would have been paid to the original contractor, if the whole work had been executed by him (of the amount of which excess the certificate in writing of the Competent Authority shall be final and conclusive) shall be borne and paid by the original contractor and may be deducted from any money due to him by Municipality under the contract or otherwise, or from his security deposit or the proceeds of sale thereof or a sufficient part thereof.

In the event of any of the above courses being adopted by the Municipality the contractor shall have no claim to compensate for any loan sustained by him by reason of his having purchased or procured any materials or entered into any engagements or made any advances on account of or with a view to the execution of the work or the performance of the contract. And in case the contract shall be rescinded under the provision aforesaid, the contractor shall not be entitled to recover or be paid any sum for any work therefore actually performed under this contract unless and until the Competent Authority will have certified in writing the performance of such work and the value payable in respect thereof and he shall only be entitled to be paid the value so certified.

Clause 4. Contractor remains liable to pay compensation if action not taken under clause 3.—In any case in which any of the powers, conferred upon the Competent Authority by clause 3 hereof shall have become exercisable and the same shall not be exercised, the non-exercise thereof shall not constitute a waiver of any of the conditions hereof and such powers shall notwithstanding be exercisable in the event in any future case of default by the contractor for which by any clause or clauses hereof he is declared liable to pay compensation amounting to the whole of his security deposit and the liability of the contractor for past and future compensation shall remain unaffected. In the event of the Competent Authority putting in force either of the powers (a) or (c) vested in him under the preceding clause he may, if he so desires, take possession of all or any tools, plant, materials and stores, in or upon the works, or the site thereof or belonging to the contractor, or procured by him and intended to be used for the execution of the work or any part thereof, paying or allowing for the same in account at the contract rates or in case of these not being applicable, at current market rates to be certified by the Chairman whose certificate thereof shall be final, otherwise the Chairman may be noticed in writing to the contractor or his clerk of the works, foreman or other authorised agent require him to remove such tools, plant, materials or stores from the premises (within a time to be specified in such notice); and in the event of the contractor failing to comply with any such requisition, the Competent Authority may remove them at the contractor's expense or sell them by auction or private sales on account of the contractor and at his risk in all

respects, and the certificate of the Competent Authority as to the expense of any such removal and the amount of the proceeds and expense of any such sale shall be final and conclusive against the contractor.

- Clause 5. Extension time.**—If the contractor shall desire an extension of the time for completion of the works on the grounds of his having been unavoidable hindered in its execution, the contractor shall give an immediate report of such hindrance to the Competent Authority in writing and if he shall desire an extension of time for completion of the work on the ground thereof he shall apply in writing to the Competent Authority within 7 days of the date of cessation of such hindrance on account of which he desires such extension as aforesaid and the Chairman shall, if in his opinion (which shall be final) reasonable grounds be shown therefore, authorise such extension of time, if any, as may, in his opinion, be necessary or proper.
- Clause 6. Final certificate.**—On completion of the work, the contractor shall be furnished with a certificate by the Engineer of such completion, but no such certificate shall be given, nor shall the work be considered to be complete until the contractor shall have removed from the premises on which the work shall be executed all scaffolding, surplus materials and rubbish, and cleaned off the dirt from all wood work, doors, windows, walls, floors or other parts of any building, in, upon or about which the work is to be executed, or of which he may have possession for the purpose of the execution thereof, nor until the work shall have been measured by the Engineer whose measurements shall be binding and conclusive against the contractor, if the contractor shall fail to comply with the requirements of his clause as to removal of scaffolding, surplus materials and rubbish and cleaning off dirt on or before the date fixed for the completion of the work, the Engineer may at the expense of the contractor remove such scaffolding, surplus materials and rubbish, and dispose of the same as he thinks fit and clean off such dirt as aforesaid; and the contractor shall forthwith pay the amount of all expense so incurred, and shall have no claim in respect or any such scaffolding or surplus materials as aforesaid except for any sum actually realised by the sale thereof.
- Clause 7. Payment on intermediate certificates to be regarded as advances**—No payments shall be made for works estimated to cost less than rupees ten thousand till after the whole of the works shall have been completed and a certificate of completion given. But in the case of works estimated to cost more than rupees ten thousand the contractor shall on submitting the bill therefor be entitled to receive a monthly payment proportionate to the part thereof then approved and passed by the Engineer certificate of such approval and passing of the sum so payable shall be final and conclusive against the contractor. But all such intermediate payments shall be regarded as payment by way of advance against the final payment only and not as payments for work actually done and completed, and shall not preclude the requiring of bad, unsound, and imperfect or unskilful work to be removed and taken away and re-constructed, or re-erected, or be considered as an admission of the due performance of the contract or any part thereof, in any respect, or the accruing of any claim, nor shall it conclude, determine or affect in any way the powers of the Engineer-in-charge under these conditions or any of them as to the final settlement and adjustment of the accounts or otherwise or in any other way vary or affect the contract. The final bill shall be submitted by the contractor within one month of the date fixed for completion of the work, otherwise the Engineer-in-charge's certificate of the measurement and of the total amount payable for work accordingly shall be final and binding on all parties.
- Clause 8.** A bill shall be submitted by the contractor each month on or before the date fixed by the Engineer for all work executed in the previous month, and the Engineer shall take or cause to be taken the requisite measurement for the purpose of having the same verified and the claim as far as admissible adjusted, if possible, before the expiry of ten days from the presentation of the bill. If the contractor does not submit the bill within the time fixed as aforesaid the Engineer may depute a subordinate to measure up the said work in the presence of the contractor, whose countersignature to the measurement list will be sufficient warrant; and the Engineer may prepare a bill from such list which shall be binding on the contractor in all respects.
- Clause 9. Bills to be on Printed Forms.**—The contractor shall submit all bills on the printed forms to be had on application at the office of the Engineer and the charges in the bills shall always be entered at the rates specified in the tender or in the case of any extra work ordered in pursuance of these conditions, and not mentioned or provided for in the tender at the rate hereinafter provided for such work.
- Clause 9A.** (1) Payments due to the contractor may, if so desired by him, be made to his Bank instead of direct to him, provided that the contractor furnishes to the Engineer.
- (i) an authorisation in the form of a legally valid document, e.g., irrevocable power-of-attorney conferring authority on the Bank to receive payment; and
 - (ii) his own acceptance of the correctness of the account made out as being due to him by Municipality or his signature on the bill or other claim preferred against Municipality before settlement by the

Engineer of the account or claim by payment.

While the receipt given by such Bank shall constitute a full and sufficient discharge for the payment the contractor should, wherever possible, present his bills duly received and discharged through his Bankers.

- (2) In the case of bills, which the contractor presents for payment direct and which are not endorsed in favour of the Bank, while efforts will be made to secure payment to the financing Bank, payments made to the contractor should be accepted as full acquittance so far as Municipality is concerned. As part of the arrangements, the financing Bank should give Municipality a letter to this effect.

Note.—1. The procedure will not affect the usual rights of Municipality to deduct from contractor's bills (whether endorsed in favour of a Bank or not) any sum due to Municipality on account of penalties, over payments, etc., on this or any other contract with the Chairman.

- (3) Nothing herein contained shall operate to create in favour of the Bank any rights or equities vis-a-vis the Chairman.

Clause 10. Stores supplied by Municipality.—If the specification or estimate of the work provides for the use of any special description of materials to be supplied from the Engineer store or if it is required that the contractor shall use certain stores to be provided by the Engineer (such materials and stores, and the prices to be charged therefore as hereinafter mentioned being so far as practicable or the convenience of the contractor, but not so as in any way to control the meaning or effect of this contract specified in the schedule or memorandum hereto annexed), the contractor shall be supplied with such materials and stores as required from time to time to be used by him for the purposes of the contract only, and the value of the full quantity of materials and stores so supplied at the rates specified in the said schedule or memorandum may be set off or deduced from any sums then due, or thereafter to become due to the contractor under the contract, or otherwise, or against or from the security deposit, or the proceeds of sale thereof, if the same is held in Government securities, the same or a sufficient portion thereof being in this case sold for the purpose. All materials supplied to the contractor shall remain the absolute property of Municipality and shall not on any account be removed from the site of the work, and shall at all times be open to inspection by the Engineer. Any such materials unused and in perfectly good condition at the time of the completion or determination of the contract shall be returned to the Engineer's store, if by a notice in writing under his hand he shall so require; but the contractor shall not be entitled to return any such materials unless with such consent, and shall have no claim for compensation on account of any such materials so supplied to him as aforesaid being unused by him, or for any wastage in or damage to any such materials.

Clause 11. Works to be executed in accordance with specification drawings orders, etc.—The contractor shall execute the whole and every part of the work in the most substantial and workman like manner, and both as regards materials and otherwise in every respect in strict accordance with the specifications. The contractor shall also conform exactly, fully and faithfully to the designs, drawings and instructions in writing relating to the work assigned by the Engineer-in-charge and lodged in his office and to which the contractor shall be entitled to have access at such office, or on the site of the work for the purpose of inspection during office hours, and contractor shall, if he so requires, be entitled at his own expense to make or cause to be made copies of the specifications, and of all such designs, drawings and instructions as aforesaid.

Clause 12. Alteration in specifications and designs.— The Engineer shall have power to make any alterations in, omission from, additions to or substitutions for, the original specifications, drawings, designs and instructions, that may appear to him to be necessary or advisable during the progress of the work and the contractor shall be bound to carry out the work in accordance with any instructions which may be given to him in writing signed by the Engineer and such alterations, omissions, additions or substitutions, shall not invalidate the contract but shall be deemed to have formed as work included in the original tender and any altered, additional or substituted work which the contractor may be directed to do in the manner above specified as part of the work shall be carried out by the contractor on the same conditions in all respects on which he agreed to do the main work and at the same rates, if any, may be specified in the tender for the main work. The time for the completion of the work shall be extended in the proportion that the altered, additional or substituted work bears to the original contract work and the certificate of the Engineer shall be conclusive as to such proportion. And if the altered additional or substituted work includes any class, of work, for which no rate is specified in this contract, then such class of work shall be carried out at the rates entered in the schedule of rates of the district, which was in force at the time of the acceptance on the contract minus/plus the percentage which the total tendered amount bears to be estimated cost of the entire work put to tender, and if the altered, additional or substituted work is not entered in the said schedule of rates payments thereof shall be made by the Engineer

by determining the rates on analysis worked out from (a) the basic rates of materials and labour provided in the current schedule of rates or (b) the current market rates of materials and labour when even basic rates for the work are not available in the schedule. In cases when such rates are determined on analysis by the Engineer under (a) above, the stipulated percentage above or below schedule of rates as provided in the contract shall also apply and in case of rates worked out on analysis under (b) above payment shall be made at the rates so determined without application of the said stipulated percentage, in the event of any dispute regarding rates determined on analysis for any altered, additional or substituted work under this clause, the decision of Chairman shall be final and binding.

- Clause 12A.** In the case of any altered, additional substituted work, which the contractor is required, under the preceding clause 12 to do at the rates specified in the tender for the main work or on the basis of the rates in the schedule of rates of the district and which involves the employment of additional materials (notwithstanding anything to the contract in the preceding clause) the contractor, may within seven days from the receipt of the order claim revision of the rates in respect of such additional materials and the Engineer-in-charge may revise such rates having regard to the increase in the market price of such materials in the event of a dispute the decision of the Chairman shall be final and binding and this contractor shall be construed as if the said revised rates for the said additional materials had been incorporate in this contract as being applicable to such work.
- Clause 13. No compensation for alteration in or restriction of work to be carried out.**—If at any time after the commencement of the work the Municipality shall for any reason whatsoever not require the whole thereof as specified in the tender to be carried out, the Engineer-in-charge shall give notice in writing of the fact to the contractor who shall have no claim to any payment or compensation whatsoever on account of any profit or advantage which he might have derived from the execution of the work in full, but which he did not derive in consequence of the full amount of the work not having been carried out; neither shall he have any claim for compensation by reason of any alterations having been made in the original specifications, drawings, designs and instruction which shall involve any curtailment of the work as originally contemplated.
- Clause 14. Action and compensation payable in case of bad work.**—If it shall appear to the Engineer or his subordinate in charge of the work, that any work has been executed with unsound, imperfect, or unskilful workmanship, or with materials or any inferior description, or that any materials or article provided by him for the execution of the work are unsound, or of a quality inferior to that contracted for, or otherwise not in accordance with the contract, the contractor shall on demand in writing from the Engineer specifying the work, materials or articles complained of notwithstanding that the same may have been inadvertently passed, certified and paid for, forthwith rectify, or remove and reconstruct the work so specified in whole or in part, as the case may require, or as the case may be, remove the materials or articles so specified and provide other proper and suitable materials or articles at his own proper charge and cost and in the event of his failing to do so within a period to be specified by the Engineer in his demand aforesaid, then the contractor shall be liable to pay compensation at the rate of one per cent, on the amount of the estimate for every day not exceeding ten days, while his failure to do so shall continue and in the case of any such failure the Engineer may rectify or remove, and re-execute the work or remove and replace with others, the materials or articles complained of as the case may be at the risk and expense in all respects of the contractor.
- Clause 15. Work to be open to inspection.**—All work under or in course of execution or executed in pursuance of the contract shall at all times be open to the inspection and supervision of the Engineer and his subordinates and the contractor shall at all times during the usual working hours, and at all other time at which reasonable notice of the intention of the Engineer-in-charge or his subordinate to visit the works shall have been given to the contractor, either himself be present to receive orders and instructions, or have a responsible agent duly accredited in writing present for that purpose. Order given to the contractor's agent shall be considered to have the same force as if they had been given to the contractor himself.
- Clause 16. Contractor or responsible agent to be present.**—The contractor shall give not less than five days notice in writing to the Engineer or his subordinate in charge of the work before covering up or otherwise placing beyond the reach of measurement any work in order that the same may be measured, and correct dimensions thereof be taken before the same is so covered up or placed Notice to be given before beyond the reach of measurement and shall work is covered up not cover up or place beyond the reach of measurement any work without the consent in writing of the Engineer or his subordinate in charge of the work; and if any work shall be covered up or placed beyond the reach of measurement without such notice having been given or consent obtained, the same shall be uncovered at the contractor's expense, or in default thereof no payment or allowance shall be made for such work or the materials with which the same was executed.

Clause 17. Contractor liable for damage done and for imperfections for 3 months after certificate.—If the contractor or his workmen or servants shall break, deface, injure or destroy any part of a building, in which they may be working or any building, road, road curbs, fence, enclosure, water pipes, cables, drains, electric or telephone post or wires, trees, grass or grass land or cultivated ground contiguous to the premises on which the work or any part of it is being executed or if any damage shall happen to the work while in progress, from any cause whatever or any imperfections before apparent in it within three months (six months in the case of a road work) after a certificate final or otherwise of its completion shall have been given by the Engineer as aforesaid the contractor shall make the same good at his expense, or in default, the Engineer may cause the same be made good by other workmen and deduct the expense (of which the certificate of the Engineer shall be final) from any sums that may be then, or at any time thereafter become due to contractor or from security deposit; or the proceeds of sale thereof, or of a sufficient portion thereof.

The security deposit of the contractor made in the manner provided in Clause I thereof shall be refundable on the expiry of 3 months (6 months in the case of a road work) after the issue of the certificate, final or otherwise of the completion of the work subject to the condition that no such refund of security deposit shall be allowed till the final bill has been prepared and passed, provided however, that in the case of road work if in the opinion of the Engineer-in-charge half of the security deposit is sufficient to meet all the liabilities of the contractor under this contract, half of the security deposit will be refundable after three months of the issue of the said certificate of completion. Provided further that in the case of any work (whether Road, Building, Bridge, Electrical, Sanitary and Plumbing etc.) where the Engineer is satisfied that contractor after completion of the major portion of the contract is unable to execute remaining part of the work for reasons beyond his control the Engineer in his discretion may make a proportionate refund of the security deposit to the contractor.

The contractor shall be responsible for rectifying defects in asphaltic work noticed within a year from the date of completion of the work and the portion of the security deposit relating to asphaltic work shall be refunded after the expiry of this period.

Clause 18. Contractor to supply plant, ladders, scaffolding etc.—The contractor shall supply at his own cost materials (except such special materials, if any, as may in accordance with the contract be supplied from the Engineer plant, tools, appliances, implements, ladders, cordage, tackle, scaffolding and temporary works requisite or proper for the proper execution of the work, whether original, altered or substituted, and whether included in the specification or other documents forming part of the contract or referred to in these conditions or not or which may be necessary for the purpose of satisfying or complying with the requirements of the Engineer as to any matter as to which under these conditions he is entitled to be satisfied, or which he is entitled to require together with carriage therefore to and from the work. The contractor shall also supply without charge the requisite number of persons with the means and materials necessary for the purpose of setting out work, and counting, weighing and assisting in the measurement or conditions he is entitled to be satisfied, or which he is entitled to require together with carriage therefore to and from the work. The contractor shall also supply without charge the requisite number of persons with the means and materials necessary for the purpose of setting out works, and counting, weighing and assisting in the measurement or examination at any time and from time to time of the work or materials. Failing his so doing the same may be provided by the Engineer at the expense of the contractor and the expenses maybe deducted from any money due to the contractor under the contract or from his security deposit or the proceeds of sale thereof, or of a sufficient portion thereof. The contractor shall also provide all necessary fencing and lights required to protect the public from accident, and shall be bound to bear the expenses of defence of every suit, action or other proceeding at law that may be brought by any person for injury sustained owing to neglect of the above precautions and to pay any damages and costs which may be awarded in any such suit, action or proceedings to any such person or which may with the consent of the contractor be paid to compromise any claim by any such person.

Clause 18A. The contractor shall be responsible for and shall take proper care and caution in respect of all rollers, machinery, tools and implements as may be made over by the Municipality to the contractor for use in the execution of the works under this contract and shall be liable for any loss of and damages caused to the said rollers, machinery tools and implements by any reason whatsoever during the period the same are in the possession of the contractor and shall on demand pay to the Municipality such amount as may be fixed by the Chairman for such loss and damages, the decision of the Chairman in this respect being final. Should the contractor fail or neglect to pay such amount on demand, the Municipality shall have the right and be entitled, in addition to the other rights and remedies available to it, to deduct such amount from the amount of security deposited by the contractor and/ or any amount remaining payable to the contractor under this contract for any work done by the contractor.

Clause 18B. In every case in which by virtue of the provisions of Section 12, sub-section (1) of the Workmen's Compensation

Act, 1923, Municipality is obliged to pay compensation to a workman employed by the contractor, in execution of the works, Municipality will recover from the contractor the amount of the compensation so paid, and, without prejudice to the rights of Municipality under section 12, sub-section (2) of the said Act, Municipality shall be at liberty to recover such amount or any part thereof by deducting it from the security deposit or from any sum due by the Municipality to the contractor whether under this contract or otherwise.

Municipality shall not be bound to contest any claim made against it under section 12, sub-section (1) of the said Act, except on the written request of the contractor and upon his giving or Municipality full security for all cost for which Municipality might become liable in consequence of contesting such claim.

- Clause 19.** (a) The contractor shall pay to labour employed by him either directly or through sub-contractors, wages not less than fair wages as defined in the C.P.W.D. Contractors' Labour Regulations in so far as such Regulations have application within the State of Jharkhand or as per the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971, wherever applicable. The contractor shall also consider the relevant clauses of Minimum Wages Act, 1948 while making payment to labour.
- (b) The contractor shall notwithstanding the provisions of any contract to the contrary, cause to be paid fair wages to labour indirectly engaged on the work, including any engaged by his sub-contractors in connection with the said work, as if the labour had been immediately employed by him.
- (c) In respect of all labour directly or indirectly employed in the work for performance of the contractors' part of his agreement, the contractor shall comply with or cause to be complied with the Central Public Works Department Contractors' Labour Regulations as mentioned in sub-para (a) above made from time to time in regard to payment of wages, wage period deductions from wages, recovery of wages not paid and deductions unauthorisedly made, maintenance of wage books or wage slips, publication of scale of wages and other terms of employment, inspection and submission of periodical returns and all other matters of the like nature or as per the provisions of the Contract Labour (Regulation & Abolition) Act, 1970 and the Contract Labour (Regulation & Abolition) Rules, 1971 wherever applicable:
- (d) The Council shall have the right to deduct from the moneys due to the contractor any sum required or estimated to be required for making good the loss suffered by a worker Or workers by reasons of non-fulfilment of the conditions of the contract for the benefit of the workers, non-payment of wages, or of deductions made from his or their wages which are not justified by their terms of contract or non-observance of the Regulations as mentioned above.
- (e) The contractor shall comply with the provisions of Payment of Wages Act, 1936, Minimum Wages Act, 1948, Employees' Liability Act, 1938, Industrial Dispute Act, 1947, Maternity Benefit Act, 1961 and the Contract Labour (Regulation & Abolition) Act, 1970 or the modifications thereof or any other laws relating thereto and the Rules made there-under from time to time.
- (f) The contractor shall indemnify Municipality against payment to be made under and for the observance of the laws aforesaid and the C.P.W.D. Contractors' Labour Regulations having application within the State of Jharkhand without projects to his right to claim indemnity from his subcontractors.
- (g) The regulations aforesaid shall be deemed to be a part of this contract and any breach thereof shall be deemed to be a breach of this contract.

Clause 20. Work not to be sublet—The contract shall not be assigned or sublet without specific orders from Municipality in respect of a specified sub-contractor, and if the contractor shall assign or sublet his contract, or attempts so to do, or becomes insolvent or commences any insolvency proceedings or make any composition with his creditors, or attempts so to do, or if any bribe, gratuity, gift, loan, perquisite, reward or advantage, pecuniary or otherwise, shall either directly or indirectly be given, promised, or offered by the contractor or any of his Servant or agents of any public officer or person in the employ of Municipality if any way relating to his office of employment or if any such officer or person shall become in any way directly or indirectly interested in the contract, the Chairman may thereupon by notice in writing rescind the contract, and the security deposit of the contractor shall thereupon stand forfeited and be absolutely at the disposal of Municipality and the same consequences shall ensue as if the contract had been rescinded under clause 3 hereof, and in addition the contractor shall not be entitled to recover or be paid for any work therefore actually performed under the contract.

Clause 21. Sum payable by way of compensation to be considered as reasonable compensation without reference to actual loss.—All sums payable by way of compensation under any of these conditions shall be considered as reasonable compensation to be applied to the use of Municipality without reference to the actual loss or damage sustained and whether or not any damage shall have been sustained.

- Clause 22. Change in constitution of firm.**—In the case of a tender by partners any change in the constitution of the firm shall be forthwith notified by the contractor to the Engineer for his information.
- Clause 22. Works to be under direction of Superintending Engineer.**—All works to be executed under the contract shall be executed under the direction and subject to the approval in all respects of the Chairman who shall be entitled to direct at what point or points and in what manner they are to be commenced and from time to time carried on.
- Clause 24. Settlement of disputes.**—Except where otherwise provided in the contract all questions and disputes relating to the meaning of the specifications, designs, drawing and instructions hereinbefore mentioned and as to the quality of workmanship or materials used on the work or as to any other questions, claim, right, matter or thing whatsoever, in any way arising out of or relating to the contract, designs, drawings, specifications, estimates, instructions, orders or those conditions or otherwise concerning the works, or the execution, or failure to execute the Same whether arising during the progress of the work, or after the completion or abandonment thereof shall be referred to the sole arbitration of the Chief Engineer, or DMA in case of services. The award of the arbitrator shall be final, conclusive and binding on all parties to his contract. The award shall be a speaking one, that is the arbitrator shall recite facts and assign reasons in support of the award after discussing fully the claims and contention of the parties.
- Clause 25. Lump sums in estimates**—When the estimate on which the tender is made includes lump sums in respect of parts of the work, the contractor shall be entitled to payment in respect of the items of works involved or the part of the work in question at the same rates as are payable under this contract for such items, or if the part of the work in question is not in the opinion of the Engineer capable of measurement, the Engineer, may at his discretion pay the lump sum amount entered in the estimate, and the certificate in writing of the Engineer shall be final and conclusive against the contractor with regard to any sum or sums payable to him under the provisions of this clause.
- Clause 26. Action where no specification**—In the case of any class of work for which there is no such specification as is mentioned in rule 1, such work shall be carried out in accordance with the distinct specification and in the event of there being no distinct specification, then in such case the work shall be carried out in all respects in accordance with the instructions and requirements of the Engineer-in-charge.
- Clause 27. Definition works.**—The expression “works” or “work” where used in these conditions shall, unless there be something either in the subject or context repugnant to such construction be construed and taken to mean the works by or by virtue of the contract contracted to be executed whether temporary or permanent and whether original, altered, substituted or additional.
- Clause 28.** The contractor(s) shall at his/their own cost provide his/their labour with hutting on an approved site, and shall make arrangements for conservancy and sanitation in the labour camp to the satisfaction of the local Public Health and Medical Authorities. He/They shall also at his/their own cost make arrangements for the laying of pipe lines for water supply to his/ their labour camp from the existing mains wherever available and shall pay all fees, charges and expenses in connection therewith and incidental thereto.

Schedule showing (approximately) materials to be supplied by the Municipality under clauses 10 and 26 for work contracted to be executed and the rates at which they are to be charged for

Particulars	Rates at which the material will be charged to the contractor			Place of delivery
	Unit	Rs.	P.	

Note 1. The person or firm submitting the tender should see that the rates in the above schedule are filled up by the Engineer on the issue of the form prior to the submission of the tender.

SPECIAL TERMS AND CONDITIONS

1. **Tenderer to see the site**—Intending tenderers are required to see the site of work and get themselves thoroughly acquainted with local conditions and all factors which may affect their rates. Each tenderer shall have to furnish a certificate of compliance with the above by signing the “Declaration by the Tenderer” provided in the documents (at the end of the Special terms and conditions).
2. **Convenience of the occupants & damage to property.**—All works are to be carried out with due regard to the convenience of the occupants, if any, and in close co-operation with other contractor/contractors that may be working on the premises or in the areas of work. All arrangements and programme of work must be adjusted accordingly. All precautions must be taken to guard against chances of injury or accident to the occupants, users or workers. The contractor must see that all damages to the compound road or any property, which in the opinion of the Chairman are due to the negligence of the contractor must be promptly rectified as per his direction and to his satisfaction. For work within Hospitals etc., the rules and regulations of the authorities concerned must be strictly obeyed. All the works shall be done at the cost and expenses of the contractor and deemed to have been covered by rates of the different items of work.
3. **Work programme.**—Before the actual commencement of work the contractor shall submit a programme of construction clearly showing the materials, men and equipment and a time table divided into four equal periods of progress of works for approval of the Executive Officer/ Municipal Commissioner of the ULB who will have authority to make additions, alterations and substitutions to such programme with the consent of the contractor and such approved programmes shall be adhered to by the contractors unless the same is subsequently found impracticable in some or all respects in the opinion of the Executive Officer/ Municipal Commissioner of the ULB and is modified by him. The contractor must give proper notice in writing praying for such modification of programme.
4. **Work Order Book.**—The contractor shall within ten days of receipt of the order to take up work, supply at his own cost one work order book to the sub-divisional officer, concerned. The work order book shall be kept at the site of work under the custody of the sub-divisional officer or his authorised representatives. The work order shall have machine numbered pages in duplicate. Directions or instructions from supervising officer to be issued to the contractor will be entered in the work order book (except when such directions or instructions are given by separate letters). The contractors or his authorised representative shall regularly note the entries in the work order book and also record thereon the action taken or being taken by him in complying with said direction or instructions or any relevant point relating to the work. The contractor or his authorised representative may take away the duplicate pages of the work order book for his own record.
5. **Work at night.**—If the contractor desires to take up work at night he shall have to seek written permission from the Chairman/Executive Officer beforehand. The contractor shall also take up work at night in addition to day-work. If the Chairman/Executive Officer shall so require by giving a notice in writing for proper progress of work and for such period and hours as he may specify. If ordered or permitted to work at night, the contractor shall provide sufficient or satisfactory lighting arrangement. No extra payment shall be made for night work.
6. **Responsibility for setting out of work.**—The contractor shall be responsible for true setting out the works and for the correctness of the position, levels, dimensions and alignments etc.
7. **Tools & plants.**—All tools and plants required for the work will have to be supplied by the successful tenderers at his own cost. If however supplied by the Dept., the hire charge will be recovered at the rate mentioned in departmental schedule as per terms and conditions laid down therein.
8. **Materials to be approved.**—Samples of goods to be supplied by the contractors and used in the work shall have to be got approved of the Executive Officer of work prior to being utilised.
9. **Collection of materials at site.**—All materials should be carried or supplied as per requirement. Carriage for site supply should be started from one end of a particular kilometre and completed before any other kilometre is taken up. Stacking should be continuous and of uniform section as far as practicable and all stacks must be evenly placed throughout the length of the road. Before stacking materials when supplied at roadside the beams and flanks as the case may be dressed and levelled and for which no extra will be paid. Stacking should be done on beams or flanks as per direction of the Executive Officer No extra for stacking on beam will be paid.
10. **Custody of materials.** The contractor shall be required to adopt all necessary precautions for all the materials supplied by him or made over to him prevent damage, loss or theft. Such materials shall not be moved to any other site without the written permission of the Executive Officer The contractor shall be required to maintain account or receipts and issues all materials to him or supplied.
11. **Arranging stores for departmental materials.**—The contractor must provide suitable stores of sufficient capacity for cement and other materials. The godown/stores should be water tight and on elevated floor. Cement and steel in connection with the work may immediately on arrival be made over to the contractor who shall be responsible for the safe custody thereof as enumerated in Clause 10 above. No separate payment shall be made for storage.

12. **Rates quoted to cover any enhancement etc.**—Rates quoted by the contractor will cover any enhancement or Railway freight, cost of fuel, lubricants, Govt, and Municipal taxes, duties, royalties, etc., which may taken place during the period of contract remain in operation. This will also include payment of royalties for river sand at the bridge site if utilised for the purpose of work.
13. Unless otherwise specifically mentioned in the schedule or anywhere in the contract, an item will mean complete item, including necessary cost of all labours, materials and labour item will include necessary carriage of materials from roadside dumps/godowns if not otherwise mentioned in the schedule.
14. **Variation in the quantities of work**—It must be clearly understood that the value of work of his quantities of the various items indicated in the specific priced schedule of probable items are approximate only and may be appreciably increased or decreased during actual execution. One or more items may even kept non-executed. The contract shall remain unaffected by such alteration and/or non-execution.
15. **Reduced Rate**—If materials and/or workmanship supplied and/or executed by the contractor does not conform to specification laid down in the printed/priced schedule/Deptt. Schedule/special specification, in spite of his best efforts and the Executive Officer feels that such materials/work are however acceptable, then in such case the Executive Officer may accept the materials/works subject to the conditions that the contractor will have no objection to the reduction of rate of such supplies/works/workmanship and the decision of the Executive Officer in this respect will be final and binding upon the contractor.
16. **Appropriation of contractor's dues.**—Any sum of money due and payable to the contractor (including security deposit returnable to him) under this contract may be appropriated by the Municipality and set off against any claim of Municipality for the payment of a sum of money arising out of or under any other contract made by the contractor with the Municipality.
17. **Idle labour.**—No claim for idle labour will be entertained under any circumstances whatsoever.
18. **Extension of time.**—Time is the essence of contract, if however a contractor desires an extension of time for no fault on his part, he should apply in writing to the Chairman/Executive Officer who shall grant it in writing, if reasonable grounds be shown for it, and without such written authority of the Chairman applied for and obtained prior to expiry of the original date provided for in tender, the contractor shall not claim exemption from compensation leviable under Clause 2 of agreement form.
19. **Site clearance.**—After completion of the work the roadside/worksite is to be properly cleaned off from all materials scattered by the roadside/ worksite. All such scattered materials have to be picked up and stacked and to be returned in place as per direction of the Executive Officer for such clearance work no payment will be made.

DECLARATION BY THE CONTRACTOR

I/We have inspected the site of work, have made myself/ourselves fully acquainted with local conditions in and around the site of work. I/We have carefully gone through the Notice Inviting tenders and other tender documents mentioned therein. I/ We have also carefully gone through the special terms and conditions. My/Our tender is offered taking due consideration of all factors and if the same be accepted, I/We promise to abide by all the stipulations of the contract documents and carry out and complete the work to the satisfaction of the Executive Officer

Date:-

Place:-

Signature

Form of Supply Order

Telegram.

[Post Box No.]

GOVERNMENT OF JHARKHAND

No.

Office

Date

Station

From

To

Subject :-

Reference :-

Dear Sir,

1. Your offer to supply the materials as detailed in the list appended is accepted subject to the conditions mentioned therein. Please effect the supply according to the special conditions given below, the instructions in the notes

below and in accordance with the list of materials appended. The special conditions, if any, printed on your quotation sheets or attached with your tender will not be applicable to this order unless they have been expressly accepted in the list appended.

2. An agreement has to be executed by you in the prescribed form on stamp paper of adequate value after furnishing a security of Rs..... within a month/fortnight for the due fulfillment of the contract. The Stamp paper is obtainable from any licensed vendor in the State of Jharkhand. Payment on account of supplies against this order is liable to be withheld until the agreement is executed. The earnest money will be refunded on furnishing the security /treated as part security deposit for the contract. Bank draft for the security should be drawn in favour Cheques are not acceptable. In the case of firms within the State the security amount may be remitted in the nearest Government Treasury under Revenue Deposit account by challans countersigned by the Purchasing Officer.

Yours faithfully,

(Signature and Designation of Purchasing Officer)

“Special Conditions”

NOTES

1. The packages should be marked meaning
2. They should be insured to destination viz.....
3. They should be despatched FREIGHT PAID TO..... to whom all shipping/railway documents should be sent.
4. The materials shall be despatched by goods train. If this is found not possible the prior approval of the officer mentioned in clause 6 below is to be obtained before despatch by passenger train or any other appropriate conveyance.
5. The contents of the packages should be STRICTLY CONFINED to this order.
6. INVOICES IN TRIPLICATE SHOULD BE DRAWN ON AND FORWARDED FOR PAYMENT TO
7. Acknowledgement of and all other communications regarding this order may be sent to the Purchasing Officer who has placed this order.
8. In all future correspondence and bills relating to this order the number and date at the top should INVARIABLY be quoted.
9. SEPARATE BILLS SHOULD BE SENT FOR EACH ORDER.
10. The consignment will be paid for only AFTER RECEIPT AND SURVEY of the articles by the Department.
11. The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents/road challans are made through Banks. In exceptional cases where the stamped receipts of the Firms are not received for the payments (in advance) the unstamped receipt of the bank(i.e., counterfoils of pay -in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.

List of materials accepted and to be supplied

Item No.	Specifications	Quantity	Unit	Rate		Remarks
				Rs.	P.	

N.B.— The specifications, quantities, price, etc., are subject to correction. Errors or omissions, if any, will be intimated to or by the contractor within ten days from this date.

Form of Bank Guarantee (For Security Deposit)

GUARANTEE No.

To

(Here enter designation of Head of Department)

1. WHEREAS the Government of Jharkhand have placed the order for the supply of at a total cost of Rs..... with M/s
2. AND WHEREAS the said Government have called upon the said Company to furnish a sum of Rs as security for the due fulfilment of the said contract.
3. AND WHEREAS the said Government have in lieu of the said security deposit agreed to accept a guarantee from us the Bankers of the said Company.
4. WE the said Bankers of the said Company hereby guarantee payment to the State Government of Jharkhand upto and not exceeding altogether a sum of the amount if any payable by the said Company to the said Government on account of any breach on the part of the Company in the performance of the said contract.
5. THIS guarantee shall not be avoided, declared or affected by the Government giving time to the contractor for the performance of his part of the contract or granting him any indulgence by the Government making any variation in the contract. This guarantee shall remain in full force and effect notwithstanding any neglect of forbearance or delay in the enforcement of any of the terms of the contract between the Government and the Contractor.
6. THIS guarantee will remain in force for a period of one year from the date of its issue up to and including and will be renewed for a further period of one year if necessary.

In WITNESS whereof we have hereunto set our hands and seal this day of
..... Two thousand

Signed and delivered by the above-named

Witness:

Bank in the presence of

1

Countersigned by the above named Witness:

in the presence of

1

2

Form of Agreement

(For Contracts for supply of specific quantities)

This AGREEMENT executedday of BETWEEN..... (hereinafter called “the Contractor”) and the of Jharkhand (hereinafter called “the Government”).

WHEREAS the contractor has tendered for the supply of articles for the use of the Government as per tender Notification No..... dated published at pages..... of part of the **Jharkhand Government Gazette** datedwhich tender notification shall form part of this Agreement as if incorporated herein.

AND WHEREAS the Government/purchasing officer have/has been pleased to accept the offer subject to the conditions stipulated in the supply order No..... dated(which shall form part of this agreement as if incorporated herein) in respect of the articles mentioned therein.

AND WHEREAS the contractor has as security for the due fulfilment of his obligations under this deed deposited Rs..... being per cent of the estimated value of the contract in..... Treasury as per Pass Book No..... Challan No..... and pledged the Pass Book to the /as per draft on Bank duly approved by the Government/in the form of letter of guarantee for such amount from..... Bank approved by the Government.

NOW THESE PRESENTS WITNESS AS FOLLOWS:-

1. (a) In cases where along with the tender samples have been forwarded to the Government and the samples approved, the Contractor agrees to supply the materials according to the approved samples. In other cases the Contractor agrees to forward samples to Government for approval if so required and then to supply materials according to such approved samples. When the samples are not required, the Contractor agrees to supply according to

standard specifications. Samples forwarded by the contractor to the Government will not be paid for and shall be the property of Government but the Government are at liberty to return them to the contractor on the completion of his contract or to pay for them at agreed rates if they so choose. All samples must be clearly labelled showing to what particular items tendered for they relate and they should be of sufficient size and quantity to enable the Government to see if the supplies made are according to the approved samples.

- (b) The Contractor hereby declares that the goods sold to the buyer, under this contract shall be of the best quality and workmanship and shall be strictly in accordance with the specifications and particulars contained in the copy of the order attached herewith and the contractor hereby guarantees that the said goods would continue to conform to the description and quality aforesaid for a period of days/months from the date of delivery of the said goods to the Government and that notwithstanding the fact the Government may have inspected and /or approved the said goods, if during the aforesaid period of days/months the said goods be discovered nor to conform to the description and /quality aforesaid or have deteriorated (and the decision, of the Government in that behalf will be final and conclusive) the Government will be entitled to reject the said goods or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection the goods will be at the contractor's risk and all the provisions herein contained relating to rejection of goods etc., shall apply. The contractor shall, if so called up on to do, replace the goods etc., or such portion there of as is rejected by the Government. Otherwise the Contractor shall pay to the Government such damages as may arise by reason of the breach of the condition herein contained. Nothing herein contained shall prejudice any other right of the Government in that behalf under this contract or otherwise.
2. Requests for enhancement or rates once accepted will not be considered except where Government have, prior to the actual supplies, expressly agreed in writing for any price variation under specified circumstances. Conditions of sale or other special terms and conditions, if any, printed on the quotations sheets of the contractor or attached with the contractor's tender or any other letter or paper from the contractor will not govern this contract nor bind the Government in any manner whatsoever, unless such forms have been expressly accepted by the Government in writing.
 3. The articles and quantities to be supplied are shown in the copy of the supply order attached herewith. The contractor agrees to supply the quantities of the articles shown in the order at the rate tendered by him for each articles within the time fixed.
 4. The contractor agrees that time is the essence of this contract so the activities to be done by the contractor shall be completed within the stipulated time as agreed with the Government.
 5. If the contractor defaults in the supply of all or any of the article correctly and promptly as above the Government are at liberty to procure the same from elsewhere without cancelling the contract as a whole. If Government incur, in thus procuring such materials a higher cost than the agreed rate such excess cost may be deducted by the Government from the contractor's bill or adjusted or otherwise realised from his security deposit or recovered from him by other means. The contractor agrees that he shall not be entitled to claim the excess, if any of the tendered rate over such cost to Government.
 6. (a) All payments to the contractor for supplies effected satisfactorily will be made after scrutiny of his bills.
 - (i) either by departmental cheques payable at the Government Treasuries;
 - (ii) or by cheques or drafts on the Reserve Bank of India, any other bank
 - (iii) or in the case of supplies from abroad by drafts or otherwise as may be agreed to.(b) The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the Firms are not received for the payments (in advance) the unstamped receipt of the bank (i.e. counterfoils or pay-in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.
 7. All incidental expenses incurred by the Government for making payment outside the district in which the claim arises shall be borne by the contractor.
 8. The contractor shall not assign or make over in part or wholly the contract or the benefits or burdens thereof. The contractor shall not underlet or sublet the execution of the contractor or any part thereof without the consent in writing of the Government. The Government shall have absolute power to refuse such consent or rescind such consent (if given) at any time. The contractor shall not be relieved from his obligation, duty or responsibility under this contract even if consent to let or sublet is given by Government.
 9. NOTWITHSTANDING the provisions contained in clause 4, the Government shall have the right to cancel the contract for any default on the part of the contractor in due performance thereof.
 10. It shall be lawful for the Government from and out of any moneys for the time being payable or due to the contractor from the Government under this contract or otherwise to set off any loss or expense cost or damages sustained or incurred by the Government by reason of the cancellation of the contract.
 11. The security deposit shall subject to the conditions specified herein be returned to the contractor with three months

after the expiration of the contract. In all cases where there are guarantees for the goods supplied the security deposit will be released only after the expiry of the guarantee period.

12. The contractor agrees that any communication addressed to him may be handed over to him or his agent personally or left at his residence or place of business or may be sent by pre-paid post to his address as mentioned in this deed.
13. In case the supply of articles involves erection of machinery the contractor agrees that the machinery will be erected within the time and at the place specified by the Government/ Purchasing Officer in that behalf. It shall also be the duty and responsibility of the contractor to see that the machinery thus erected is in good working condition to the satisfaction of the person duly authorised by the Government/Purchasing Officer in that behalf and to ensure the proper functioning of the machinery till the guarantee period is over. In the event of the failure of the contractor to erect the machinery within the time and at the place specified by the Government/ Purchasing Officer or in the event of the machinery failing to function properly during the guarantee period the amount spent by the Government and the loss sustained by the Government on this account by making alternative arrangements shall be recoverable from the contractor in the manner provided in the Clause 14 hereunder.
14. The contractor agrees that all sums found due to the Government under or by virtue of these presents shall be recoverable from him and his properties movable and immovable, under the provisions of the **Revenue Recovery Act** for the time being in force as though they are arrears of land revenue or in any other manner and within such time as the Government may deem fit. The contractor agrees that deciding what sum of money is due from the Contractor under or by virtue of this agreement, the decision of the Government shall be final and conclusive and shall be binding on the contractor.

Form of agreement Rate or running Contracts

Agreement executed the day of
..... between..... (hereinafter called “the Contractor”) and of Jharkhand
(hereinafter called “the Government”)

WHEREAS the contractor has tendered for the supply of articles for the use of the Government as per tender Notification No...
..... dated published at pages of part of
The Jharkhand Gazette dated..... which tender notification shall form part of this Agreement
as if incorporated herein;

And WHEREAS the Government/ Purchasing Officer have/has been pleased to accept the offer subject to the conditions stipulated in the supply order No..... dated (which shall form part of this agreement as if incorporated herein) in respect of the articles mentioned therein.

AND WHEREAS the contractor has as security for the due fulfilment of his obligations under this deed deposited Rs.....
..... being per cent of the estimated value of
the contract in Treasury as per Pass Book No.....
..... Challan No..... and pledged the pass Book to the
...../as per draft on Bank duly approved by the Government/in the form of
a letter of guarantee for such amount from Bank approved by the Government.

NOW THESE PRESENTS WITNESS AS FOLLOWS:-

1. (a) In cases where along with the tender samples have been forwarded to the Government and the samples approved, the contractor agrees to supply the materials according to the approved samples. In other cases the contractor agrees to forward samples to Government for approval if so required and then to supply materials according to such approved samples. When samples are not required the contractor agrees to supply according to standard specifications. Samples forwarded by the contractor to the Government will not be paid for and shall be the property of the Government but the Government are at liberty to return them to the contractor on the completion of his contract or to pay for them at agreed rates if they so choose. All samples must be clearly labelled showing to what particular items tendered for they relate and they should be of sufficient size and quantity to enable the Government to see if the supplies made are according to the approved samples.
- (b) The contractor hereby declares that the goods sold to the buyer under this contract shall be of the best quality and workmanship and shall be strictly in accordance with the specifications and particulars contained in the copy of the order attached herewith and the contractor hereby guarantees that the said goods would continue to conform to the description and quality aforesaid for a period of days/months from the date of delivery of the said goods to Government and that notwithstanding the fact that the Government may have inspected and/or

approved the said goods, if during the aforesaid of days/months the said goods be discovered not to conform to the description and quality aforesaid or have deteriorated (and the decision of the Government in that behalf will be final and conclusive) the Government will be entitled to reject the said goods or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection the goods will be at the contractor's risk and all the provisions here in contained relating to rejection of goods etc., shall apply. The contractor shall, if so called upon to do replace the goods etc. or such portion thereof as is rejected by Government. Otherwise the contractor shall pay to the Government such damages as may arise by reason of the breach of the condition herein contained. Nothing herein contained shall prejudice any other right of the Government in that behalf under this contract or otherwise.

2. Requests for enhancement of rates once accepted will not be considered except where Government have prior to the actual supplies expressly agreed in writing for any price variation under specified circumstances. Conditions of sale or other special terms and conditions, if any printed on the quotation sheets of the contractor or attached with the contractor's tender or any other letter or paper from the contractor will not govern this contract nor bind the Government in any manner whatsoever, unless such terms have been expressly accepted by the Government in writing.
3. The approximate quantities to be supplied are shown in the copy of the supply order herewith attached, but it is agreed that they are only estimates of and not the actual quantities required by the Government. The Government however are not obliged to purchase the entire quantity mentioned in the order or even any portion of such quantity during the period of contract, in case no actual need arises therefore. The contractor however agrees to supply the quantity required (even if it be in excess of the quantity estimated in the order but not exceeding the estimated quantity beyond..... per cent) of any article at the rate tendered by him for that article within the time fixed.
4. The contractor agrees that time is the essence of this contract so the activities to be done by the contractor shall be completed within the stipulated time as agreed with the Government.
5. If the contractor defaults in the due supply of all or any of the articles correctly and promptly as above, the Government are at liberty to procure the same from elsewhere without cancelling the contract as a whole. If Government incur, in thus procuring such materials, a higher cost than the agreed rate such excess cost may be deducted by the Government from the contractor's bill or adjusted or otherwise realised from his security deposit or recovered from him by other means. The contractor agrees that he shall not be entitled to claim the excess, if any, of the tendered rate over such cost to Government.
6. (a) All payments to the contractor for supplies effected satisfactorily will be made after scrutiny of his bill—
 - (i) either by departmental cheques payable at the Government Treasuries;
 - (ii) or by cheques or drafts on the Reserve Bank of India, any other bank;
 - (iii) or in case of supplies from abroad by drafts or otherwise as may be agreed to.(b) The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the Firms are not received for the payments (in advance) the unstamped receipt of the bank (i.e., counterfoils or pay-in-slips issued by the Bank) alone may be accepted as valid proof for the payment made.
7. All incidental expenses incurred by the Government for making payments outside the district in which the claim arises shall be borne by the contractor.
8. The contractor shall not assign or make over in part or wholly the contract or the benefits or burdens thereof. The contractor shall not underlet or sublet the execution of the contract or any part thereof without the consent in writing of the Government. The Government shall have absolute power to refuse such consent or rescind such consent (if given) at any time. The contractor shall not be relieved from his obligation, duty or responsibility under this contract even if consent to let or sublet is given by the Government.
9. NOTWITHSTANDING the provisions contained in clause 4, the Government shall have the right to cancel the contract for any default on the part of the contractor in the due performance thereof.
10. It shall be lawful for the Government from and out of any moneys for the time being payable or due to the contractor from the Government under this contract or otherwise to set off any loss or expense, cost or damages, sustained or incurred by the Government by reason of the cancellation of the contract.
11. The security deposit shall subject to the conditions specified herein be returned to the contractor within three months after the expiration of the contract. In all case where there are guarantee for the goods supplied the security deposit will be released only after the expiry of the guarantee period.
12. The contractor agrees that any communication addressed to him may be handed over to him or his agent personally or left at his residence or place of business, or may be sent by pre-paid post to his address as mentioned in this deed.
13. In case the supply of articles involves erection of machinery the contractor agrees that the machinery will be erected within the time and at the place specified by the Government/ Purchasing Officer in that behalf. It shall also be the

duty and responsibility of the contractor to see that the machinery thus erected is in good working condition to the satisfaction of the person duly authorised by the Government/Purchasing Officer in that behalf and to ensure the proper functioning of the machinery till the guarantee period is over. In the event of the failure of the contractor to erect the machinery within the time and at the place specified by the Government/ Purchasing Officer or in the event of the machinery failing to function properly during the guarantee period, the amount spent by the Government and the loss sustained by the Government on this account by making alternative arrangement shall be recoverable from the contractor in the manner provided in Clause 14 hereunder.

14. The contractor agrees that all sums found due to the Government under or by virtue of these presents shall be recoverable from him and his properties, movable and immovable, under the provisions of the Revenue Recovery Act for the time being in force as though they are arrears of land revenue or in any other manner as the Government may deem fit. In deciding what sum of money is due to Government under or by virtue of this deed, the contractor agrees that the decision of the Government shall be final and conclusive and shall be binding on the contractor.

15. In witness whereof the contractor and Sri..... (*Name and designation*) for and on behalf of the Government of Jharkhand have here unto set their hands.

Signed, sealed and delivered by

(Contractor)

In the presence of witnesses : (1)

(2)

Signed, sealed and delivered by (*Name and designation*)
for and on behalf of the Government of Jharkhand.

In the presence of witnesses : (1)

(2)

Form of Supplemental Agreement

SUPPLEMENTAL AGREEMENT executed the day of between..... (hereinafter called "the contractor") of the one part and the of Jharkhand (hereinafter called "the Government") of the other part;

WHEREAS the contractor has offered as per the letter No..... dated..... to extend the period of the existing 'Rate Contract' for the supply of articles mentioned in the order No..... dated at the same rates, terms and conditions of the existing agreement executed between the aforesaid parties on the (hereinafter called the principal agreement) for a further period of from to AND WHEREAS the Government have in their order dated..... agreed to extend the period of the principal agreement for a further period of..... from..... to..... NOW THESE PRESENTS WITNESS AND IT IS HEREBY MUTUALLY AGREED between the Government and the contractor to extend the period of the principal agreement for further period of..... From to on the same terms and conditions enumerated in the principal agreement.

Save as varied as aforesaid all the terms and conditions of the principal agreement shall remain in full force and effect.

IN WITNESS WHERE OF the contractor and Sri..... (*Here enter the name and designation*) for and on behalf of the Government of Jharkhand have hereunto set their hands.

Signed, sealed and delivered by.....

..... Sri

..... for and on behalf of the contractor.

In the presence of witnesses : (1)

(2)

Signed, sealed and delivered by..... (*Here enter the designation*) for and on behalf of the Government of Jharkhand.

In the presence of witnesses : (1)

(2)

Appendix-2

Jharkhand Municipal Procurement Guidelines
**(Reference to Chapter 6-Procurement of Goods,
Works and Services)**

CHAPTER 1 - INTRODUCTION

1.1 OBJECTIVE

The Jharkhand Municipal Procurement Guidelines has been framed setting forth the procedures and guidelines for procurement of goods, works and services by the Municipalities of Jharkhand.

1.2 SCOPE OF THE MANUAL

This Procurement Manual is procedures to be followed for procurement of goods, works and services by Municipalities in Jharkhand.

The Manual include draft of Invitation of Bids; briefs of Contract data; eligibility and qualification requirements of the bidders; eligibility for sub-contracting the works; pre-bid conference; procurement process, evaluation of bids for works & goods and award of contract.

Checks and Controls required to maintain transparency in the procurement process of goods, works and services have been covered and as far as possible, clauses for exercising in-built checks and controls have been provided either by fixing threshold value of tenders at different levels by constitution of committees, delegation of financial powers at various levels. Appropriate Standard Bidding Documents shall be followed for procurement of goods, works and services for individual projects as per approved Procurement Plan, and for changes, if any, prior clearance of the Council shall be obtained.

1.3 MODIFICATION TO GUIDELINES

The guidelines shall be a reference tool for the project implementation by the Municipalities for procurement of goods, works and services. The guidelines and procedures for procurement of goods, works and services are however, subject to modification by Govt. of Jharkhand in case of any peculiar circumstances and where situation so warrants.



CHAPTER II - PROCUREMENT POLICY, PLAN & STRATEGY

2.1 GENERAL

The responsibility of implementation of the project, for the award and administration of contracts under the project, rests with the Municipality. It has to be ensured that proceeds of the grants/ loan/ credit are used only for the purposes for which such grants/ loan/ credit has been granted.

The aim of procurement is to obtain right quality of works, goods and services at reasonable and competitive prices, giving equal opportunities to all individuals, companies, firms, manufacturers, contractors, who are capable of delivering the goods, works and services to the laid down specifications, standards and provisions of bid documents. Procurement policy is also to provide incentive and encouragement for development of national manufacturers, contractors, firms, institutions and consultancy firms etc. The procurement policy is based on below noted principles:

- (a) Economy and efficiency in the implementation of project.
- (b) Economy and efficiency in the procurement of goods, works and services involved.
- (c) Equal opportunity to all eligible bidders in providing goods and works by providing timely and adequate notification of bid documents.
- (d) To encourage development of domestic contracting and manufacture industries and consulting firms.
- (e) Importance of transparency in the procurement process.

2.2 PROCUREMENT PLAN

- 1.1.1 Procurement Plan shall include description of contracts for the goods, works and for services required to carry out the project during the initial period consistent with project prices and proposed methods for procurement over the

total agreed period. The procurement shall be consistent with budgetary allocations. The Procurement Plan shall be updated annually or as needed throughout the duration of the project. The Procurement Plan shall be implemented in the manner in which it shall be approved by the Council. The Procurement Plan is critical for:

- ensuring satisfactory implementation of project;
- ensuring speedy transfer of resources by way of disbursement;
- achieving economy and efficiency; and
- ensuring success of the project.

A sound procurement plan and public procurement is a vital arm for promoting good governance and better fiscal management of the project.

1.1.2 Under Procurement Plan, works, goods and services to be procured shall be identified year-wise over the implementation period. Similar items of work shall be identified i.e. civil works, goods, equipment, vehicles, supplies and consultancies which shall help in estimation and project cost. List of works to be procured under the project, year-wise with estimated cost and method of procurement shall be detailed in format at Annex-1. The details shall be worked out in terms of requirement of resources and materials, sources of supply and availability of contractor's meeting the criteria to undertake the works, year-wise over the project period including procurement method best suited for the items and shall be entered in format at Annex- 1. Similarly, the details for procurement of goods, equipment, vehicles, furniture etc. year-wise over the project period shall be entered in format at Annex- 2. The details of consultancy services to be hired in terms of estimation of man months, estimated cost, method of procurement, individual (sole source), year-wise over the project period shall be projected in format at Annex- 3.

1.1.3 For procurement of works, goods, equipment etc. suitable package shall be framed which shall be determined by below noted factors, namely

- Time limits
- Geographical location (dispersal of works)
- Capacity of Contracting Agencies
- Extent of Plant and equipment required and available
- Institutional capacity of the Employer
- Economies of Scale

1.3 METHODS OF PROCUREMENT

1.1.1 Method of procurement includes:

(a) Goods, works and services (other than consultancy services)

- International Competitive Bidding (ICB)
- National Competitive Bidding (NCB)
- Shopping
- Direct Contracting
- Force account
- Community Participation in Procurement

(b) Consultancy Services

- Quality and Cost Based Selection (QCBS)
- Quality Based Selection (QSB)
- Selection under a Fixed Budget (SFB)
- Least Cost Selection (LCS)
- Selection Based on Consultants Qualification (SBSQ)
- Single Source Selection (SSS) and
- Commercial Practices (CP)

(c) Skilled/ unskilled labour

- On daily wages (muster roll)
- Community labour

1.3.2 The choice of appropriate method of procurement is related to the nature, size, complexity, likely impact of the assignment, technical and financial considerations and particular circumstances of the assigned job. It is necessary to define the assignment, the objectives and scope of goods, works and services before deciding the selection process.

1.4 FINANCIAL DELEGATION

For implementation of project as approved by the Council in a time-bound manner, the financial delegation of various authorities shall be similar to that provided under Jharkhand Municipal (Accounts and Finance) Rules, 2012 unless otherwise specified.

1.5 FUNDS FLOW ARRANGEMENT

The fund flow arrangement shall be guided by the scheme guidelines of the as prescribed by the Urban Development Department (UDD).

1.6 FRAUD AND CORRUPTION

1.6.1 It is the State Government's policy to require that Local Bodies, as well as bidders, suppliers, and contractors under financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts.

1.6.2 In pursuance of this policy, for the purposes of this provision, the terms set forth below as follows:

- (i) "corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the procurement process or in contract execution;
- (ii) "fraudulent practice" means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract;
- (iii) "collusive practices" means a scheme or arrangement between two or more bidders, with or without the knowledge of the Local Bodies, designed to establish bid prices at artificial, non-competitive levels;
- (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract.

1.6.3 Council shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.

1.6.4 State Government shall have the power to issue suitable instruction to the Municipality for corrective actions if it has knowledge of any corrupt, fraudulent, collusive, or coercive practices.

1.6.5 State Government or the Municipality may sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a financed contract if it at any time determines that the firm has directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, a financed contract



CHAPTER III -

PROCUREMENT OF CONSULTANCY SERVICES

3.1 GENERAL

The expression "consulting services" defines services of an intellectual and advisory nature provided by the Consultants using their professional skills to study, design and organize specific projects, advise clients, conduct training and transfer knowledge. Consultants are engaged for the following reasons:

- (i) Consultant offer more efficient allocation of resources by providing specialized services for limited amounts of time without any obligation of permanent employment on the part of municipality.
- (ii) Consultant, engaged for their superior knowledge, transfer skills and upgrade the knowledge base of their clients while executing the assignment. Knowledge transfer from Consultants to Municipality forms an important part of the assignment.
- (iii) Consultants can offer independent advise to their client on the most suitable approaches, methodologies, and solution for their projects.

Consultant services in funded projects should satisfy the following requirements:

- Meet the highest standards of quality and efficiency;
- Be unbiased, that is, delivered by a consultant acting independently from any affiliation, economic or otherwise, which may cause conflicts between the consultant's interest and those of the client; and
- Be proposed, awarded and executed to be ethical principles of the consulting profession.

Independence may be the most important asset offered by Consultants. It allows consultants to choose technologies and products from a range of contractors and suppliers to satisfy the needs of the Municipality and to protect its interests:

Consultancy services may be grouped as under:

Preparation Services	Implementation Services	Advisory services
Sector studies	Tender documents	Policy and Strategy
Master plans	Procurement assistance	Re-organization/ Privatization
Feasibility studies	Construction supervision	Institutional building
Design studies	Project management	Training/ Knowledge transfer
	Quality management	Management Advice
	Commissioning	Technical / Operating Advice

The Selection of consultants is guided by the following principles:

- High quality of services;
- Economy and efficiency;
- Competition among qualified consultants from all eligible countries;
- Participation of national consultants; and
- Transparency in the selection process

The Municipality shall be responsible for selecting, evaluating, awarding and supervising the performance of consultant under the assignment

3.2 PROCEDURE

3.2.1 The steps involved in the selection of a Consultant for any consultancy services refer to:

- Preparation of Terms of References (TOR)
- Preparation of cost Estimate and Budget of the assignment
- Advertising for wide publicity
- Preparation of short listing of Consultants for the assignment
- Preparation and issue of the Request for Proposal (RFP) containing Letter of Invitation, Information to Consultants and Proposed Contract
- Receipt of Proposal from Consultants
- Evaluation of technical proposal : consideration of quality
- Evaluation of financial proposal : cost evaluation
- Final evaluation of quality and cost; and
- Negotiation and award of the contract to the selected firms;
- Publication of award on website and debriefing of unsuccessful consultants.

3.2.2 The Terms of Reference (TOR) should include:

- A precise statement of objectives;
- An outline of the task to be carried out;
- A schedule for completion of tasks;
- The support / inputs provided by the client (Municipality);
- The final outputs that will be required of the consultant;
- Composition of Review Committee (not more than three numbers) to monitor the consultant's works and procedure for; and
- Mid term review and reports required form consultants;
- Review of the Final Draft Report.
- List of key professionals whose CV and experience would be evaluated.

3.2.3 The Cost Estimates or Budget should be based on Municipality's assessment of the resources needed to carry out the assignment; staff time; logistic support; and physical inputs e.g. vehicles and laboratory equipment. Cost shall be divided into two broad categories; (a) fee or remuneration and (b) reimbursable; and further divided into local and foreign currency.

3.2.4 Advertising [seeking Expression of Interest (EOI)] for short listing shall include:

- National Newspapers
- International Newspapers; and
- Technical Magazines

3.2.5 Short Listing

Municipalities are responsible for preparation of the short list and give first consideration to those firms imposing interest which possess the relevant qualification.

The short list can comprise of entirely national consultants, if the value of assignment is less than Rs.90.00 lakhs however, if foreign firms have expressed interest, they shall not be excluded from consideration.

- 3.2.6 Single source selection is appropriate only if it presents a clear advantage over completions:
- (a) for tasks that represent a natural continuation of previous work carried out by the firm;
 - (b) where a rapid selection is essential (emergency operation);
 - (c) for very small assignments; or
 - (d) when only one firm is qualified or has experience or exceptional worth for assignment.
- 3.2.7 Government owned enterprises in India may participate only if they can establish that they:
- are legally and financially autonomous; and
 - operate under commercial law

3.3 SELECTION METHODS

3.3.1 The methods for selection of Consultants include:

- Quality and Cost Based Selection (QCBS);
- Quality Based Selection (QBS);
- Selection under a Fixed Budget (SFB);
- Least Cost Selection (LCS);
- Selection Based on Consultants Qualification (SBCQ);
- Single Source Selection (SSS); and
- Commercial Practices (CP)

The choice of the appropriate method of selection is related to the nature, size, complexity, likely impact of the assignment, technical and financial considerations, and particular circumstances. It is therefore necessary to carefully define the assignment, particularly the objectives and scope of the services, before deciding on the selection method.

3.3.2 Quality and Cost Based Selection (QCBS)

3.3.2.1 Quality and Cost Based Selection (QCBS) is method based on the quality of the proposals and cost of services to be provided. This method is appropriate when:

- the scope of work assignment is precisely deprived and the TOR are well specified and clear; and
- an estimate with reasonable precision for the staff time as well as the other inputs and cost required of the Consultants can be assessed.

3.3.2.2 The QCBS is appropriate for assignments such as:

- Feasibility studies and designs;
- Preparation of bidding documents and detailed designs;
- Supervision of construction of works and installation of equipment;
- Technical assistance services and institutional development of Municipalities; and
- Procurement and inspection services.

3.3.2.3 Under QCBS the technical and financial proposals are submitted simultaneously in separate sealed envelopes (two-envelope systems). Evaluation of proposals is carried out in two stages: (1) quality; and (2) cost. The technical envelopes are opened by a Technical Evaluation Committee appointed by the Municipality immediately after closing time for submission of proposal; the financial proposals remain sealed and shall be deposited with senior officer until the technical evaluation and the evaluation report are completed and approved by the Procurement Committee and technical scores are disclosed publicly.

The financial envelopes of those consultants who submitted responsive technical proposals meeting the minimum qualifying mark are opened in the presence of the Consultants or their representatives. The proposal is carried out

by weighing and adding the quality and the cost scores, and the Consultant having the highest comprised score is invited for negotiations. Since price is a factor of selection, staff rates and other unit rates shall not be negotiated.

3.3.2.4 QCBS permits the Municipality to select a preferred trade-off between cost and quality and the benefit from prices competition, even if only to a limited extent. Transparency is increased under QCBS with public opening of the financial proposals. The contract negotiations will be easier because of the limited scope of financial negotiations.

3.3.3. Quality Based Selection (QBS)

3.3.3.1 Quality Based Selection (QBS) is based on an evaluation of the quality of the proposals and the subsequent negotiation of the financial proposal and contract with the consultant who submitted the highest ranked technical proposal. QBS is appropriate if:

- the downstream impact of the assignment is so large that the quality of services becomes of overriding importance for the outcome of the project;
- the scope of work of the assignment and TOR are difficult to define and there is need to select among innovative solutions;
- the assignment can be carried out in substantially different ways such that cost proposal may not easily be comparable; and
- the introduction of cost as a factor of selection renders competition unfair.

3.3.3.2 **QBS should be adopted for assignment such as:**

- Complex country sector and multi disciplinary investment studies.
- Strategic studies in new fields of policy and reforms
- Master plans, complex pre-feasibility and feasibility studies and design of complex projects.
- Assignments in which traditional consultants, non government organization (NGO) and /or a U.N. agencies compete

3.3.3.3 Under QBS the Municipality may request submission of technical proposals only. After receiving the Council's no objection for the technical evaluation report, the Consultant with highest rendering technical proposal is invited to present its financial proposal. However, the Municipality may wish the financial proposals to be submitted at the same time as the technical proposals but in separate envelope (two-envelope system). In that case, financial proposals should be kept safety until the Council's no-objection to the technical evaluation is received. Only the financial proposal of winning consultant is opened; the others returned un-opened after negotiations with the winning firm are successfully concluded.

3.3.3.4 The staff effort indicated by the consultation may differ considerably from the Municipality's estimate depending on the particular methodology adopted by the consultant. Since TOR of assignments under QBS are generally less defined and relatively more complex than QCBS. Contract negotiations with the winning consultant may be lengthy and complicated.

3.3.4. Selection under Fixed Budget (SFB)

3.3.4.1 Selection under a Fixed Budget (SFB) is based on disclosing the available budget to invited consultants in RFP and selecting the consultant with the highest – ranking technical proposal within the budget. It needs to be ensured that budget is compatible with the TOR and that consultant will be able to perform the tasks within the budget. SFB is appropriate only when:

- the budget is fixed and cannot be exceeded;
- the TOR are precisely defined; and
- the time and staff month effort required from the Consultant can be assessed with precision.

3.3.4.2 To reduce the financial risk for consultant and to avoid receiving unacceptable technical proposals or no technical proposals at all, SFB must be used for well defined and simple assignments with a low financial risk for the consultants. Typical assignments awarded under SFB are:

- sector studies, market studies, and surveys of limited scope;
- simple pre-feasibility studies and review of existing feasibility studies;
- review of existing technical design and bidding documents; and
- project identification for which the level of detail can be matched with the available funds

3.3.4.3 Under SFB, Consultants are requested to submit their technical and financial proposals in separate envelopes. Technical proposals are evaluated first, using same procedure as for QCBS and QBS, then the financial envelopes are opened in public. In case a proposal does not cover minor technical aspects included in the TOR, the Municipality

calculates the evaluated price of that proposal by adding to the offered price the estimated cost of the missing activities or items. Proposals that exceed the indicated budget after adjustments and corrections are discarded. The Consultant, who has submitted the highest ranked technical proposal among the remaining proposals, is selected.

3.3.4.4 Since the budget is predetermined, the Consultants TOR cannot change substantially, and technical negotiations shall cover minor aspects. Financial negotiation will not include discussion of remuneration rates and of other unit rates, but only minor rearrangements of activities and staff compatibility with the plan of work and clarification of any tax liability.

3.3.5 Least Cost Selection (LCS)

3.3.5.1 Under Least Cost Selection (LCS) a minimum qualifying mark for quality is established and indicated in the RFP, short-listed consultants have to submit their proposals in two envelopes. The technical proposals are opened first and evaluated. Proposals scoring less than minimum qualifying mark are rejected, and the financial envelopes of the rest are opened in public. The consultant with the lowest evaluated price is selected.

3.3.5.2 The LCS method is more appropriate for small assignments of a standard or routine nature where well established practices and standards exist from which a specific and well defined outcome is expected, which can be executed at different costs, eg.

- Standard accounting audits
- Engineering designs and/ or supervision of simple projects.
- Repetitive operations and maintenance work and routine inspection, and
- Surveys

3.3.5.3 Since quality is set as the minimum qualifying mark, the Municipality should not set such a mark higher than the usual (75 per cent) to ensure quality and avoid the risk of selecting low-cost proposals of poor or marginally acceptable quality.

3.3.6 Selection Based on Consultant's Qualification (SBCQ)

3.3.6.1 The Selection Based on Consultant's Qualification (SBCQ) method applies to very small assignments for which the full –fledged selection process would not be justified. SBCQ is considered for assignments such as:

- brief evaluation studies at critical decision points of projects;
- executive assessment of strategic plans;
- high level, short term, legal –expertise; and
- participation in project review expert panel.

3.3.6.2 Under SBCQ the municipalities first prepare the TOR, then requests for Expression of Interest and qualification information on the consultant's experience and competence relevant to the assignment. The Municipality establishes a short list and selects the firm with the best qualifications and references. The selected firm is asked to submit a combined technical and financial proposal and is then invited to negotiate the contract if the technical proposal proves acceptable.

3.3.6.3 The SBCQ method aims at reducing the cost and time needed to hire a Consultant.

3.3.7 Single Source Selection (SSS)

3.3.7.1 Under Single Source Selection (SSS) the Municipality asks a specific consultant to prepare technical and financial proposals, which are then negotiated. Since there is no competition, this method is acceptable to the lending agency only in exceptional cases and made on the basis of strong and convincing justification where it offers clear advantages over the competition. This is because:

- the assignment represents a natural or direct continuation of a previous one awarded competitively, and performance of the incumbent consultant has been satisfactory.
- a quick selection of consultant is essential e.g. in emergency operation and financial crisis ; or
- the contract is very small in value; or
- only one consulting organization has the qualification or experience of exceptional worth to carry out the assignment.

3.3.7.2 If continuity of downstream work by retaining an incumbent consultant for a downstream assignment is essential to the project and is in the interest of the Municipality, the RFP for the original assignment should indicate this likelihood. Satisfactory performance in the first assignment has to be a pre-condition for continuation. In these cases, the Municipality should balance the importance of continuing with the same technical approach, the experience acquired and the continued professional liability of the incumbent against the benefits of renewed competition such as fresh technical approaches and competitive remuneration rates.

- 3.3.7.3 Once the lending agency agrees to an SSC on a combination, the Municipality should ask the consultant to prepare technical and financial proposals on the basis of TOR prepared by the Municipality or by an independent advisor with no relation to the incumbent. This is the basis for negotiating a continuation contract.

3.4 SCOPE OF WORK

3.4.1 In a TOR, scope of work of the assignment is usually defined by addressing the following issues:

- definition, scope, limits, and criteria of acceptance of assignment;
- desired level of detail (level of design, accuracy, composition of cost estimate etc.)
- span of projections (time horizon, life span of project components, and so forth);
- necessary comparison of the assignment with similar projects;
- main issues to be addressed;
- alternatives to be considered;
- necessary surveys, special analysis, and models;
- special equipment requirement;
- institutional and legal framework of the project;
- transfer of knowledge, objectives and scope;
- language requirement;
- need of continuity, such as data gathering, and
- quality management requirements.

3.4.2 Phased assignments are likely to require that the scope of work be modified depending on intermediate results. For instance, the scope of work for a feasibility study originally covering a number of alternatives will be reduced if, during execution of the assignment, some alternatives prove more viable. Similarly, the scope of work can be expanded if more accurate studies than initially anticipated become necessary. In such cases, the TOR should clearly indicate the circumstances under which a decision will be made by the Municipality to modify the scope of work.

3.5 ESTIMATING COST & BUDGET

3.5.1 In preparation of cost estimate, the following expenses are added:

- Consultant staff remuneration;
- Travel and transport;
- Mobilization and demobilizations;
- Staff allowances;
- Communication;
- Office rent, supplies, equipment and insurance;
- Surveys and training programs;
- Report printing;
- Taxes and duties; and
- Contingencies.

3.5.2 The cost estimate is based on an estimate of the personnel (expert per month) required for carrying out the services, taking into account the time required by each expert needed, and then making estimate for each of the related cost components. It is important to define these inputs as accurately as possible.

3.5.3 Cost estimate includes a breakdown of the total costs of the assignment in local and foreign currency. Fig.3.1 shows a flowchart for preparing budget.

3.6 EVALUATION

3.6.1 The evaluation of the technical proposals should be done as per criteria specified in the Letter of Invitation. The following criteria are used as a basis for evaluation of technical proposals:

- Specific experience of the consultant relevant to the assignment;
- Adequacy of the proposed methodology and work plan in responding to the TOR; and
- Key staff's qualification and competence for the assignment.

Depending on the particular objectives of the assignment, two additional criteria may be required:

- Suitability of the transfer of knowledge programme (training); and
- Participation of nationals among proposed key staff.

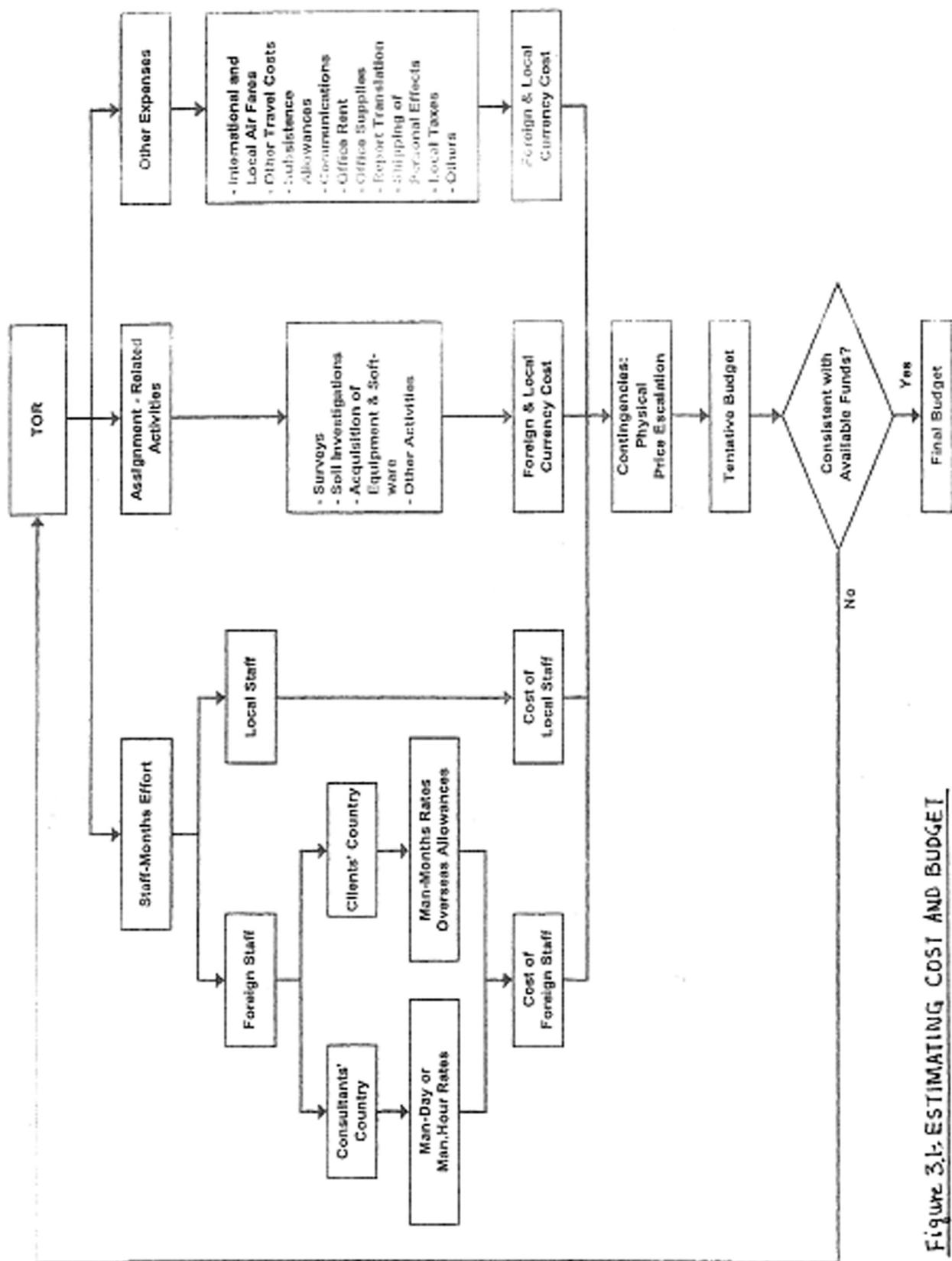


Figure 3.1: ESTIMATING COST AND BUDGET

3.6.2 Table below shows a range of points that may be allocated to each criterion on a scale of 1 to 100. The weights may be adjusted for specific circumstances.

Table: Point Distribution of Evaluation Criteria for Technical Proposals

Evaluation Criteria	Points (Weights)
• Specific experience of Consultants	30 to 50
• Adequacy of the proposed methodology and work plan	10 to 20
• Qualification and competence of key staff	20 to 40
• Suitability of the transfer of knowledge program (training) – optional	Normally not to exceed 10
• National participation (nationals among key staff) – optional	Not to exceed 10
• Total	100

3.6.3 The criterion qualifications and competence of key staff is divided into following sub criteria:

- general qualification;
- adequacy for the assignment; and
- experience of region.

The evaluation is carried out using the pre-qualification and experience shown in their curriculum vitae (CV). The points allotted to the criterion are distributed among the above sub criteria as per percentage given in Table below:

Table: Range of percentage in Point Distribution of Key Staff Qualification and Competence Sub Criteria

Sub-criteria	Range of Percentage
• General Qualifications	20-30
• Adequacy for the assignment	50-60
• Experience in region and language	10-20
Total	100

3.6.4 Methodology & Work Plan:

The methodology and work plan is a key component of the technical proposal and should be evaluated carefully. Sub-criteria for evaluating this component of the proposal should include the following:

- (i) **Technical Approach & Methodology:** Here consultants explain their understanding of the objective of the assignment, highlights the issues and their importance, and explain technical approach they would adopt to address them. They should then explain the methodology they propose to adopt, demonstrate the compatibility of these methodologies with the proposed approach.
- (ii) **Work Plan:** Here consultants propose the main activities of the assignment, their content and duration, phasing and inter relations, milestones and delivery dates of the most important reports. The consistency of the technical approach and methodology with the proposed work plan is a good indication that consultants have understood the TOR and are able to translate them into a feasible working plan.
- (iii) **Organisation and staffing:** In this section the Consultants propose the structure and composition of their team. It will list the main disciplines involved, the key expert responsible, and proposed technical and support staff. The roles and responsibilities of key experts should be set out in job description.

The methodology, work plan and organization are all integrated. The work plan depends on the technical approach and methodology adopted, and these in turn determine the required organization.

3.6.5 The RFP has to indicate the relative weight assigned to the technical and financial proposals. For standard arrangement, the weight for quality is normally 80 percent with 20 percent given to cost. More than 20 percent weight to the cost of services is justified only irrelative routine and straight forwarded assignments, (such as designs of very simple structures), whereas in no case should it exceed 30 percent. For assignments in which quality considerations are relatively important, a minimum weight of 10 percent should be given to cost, and when considerations of quality are of primary importance, QBS is preferable to QCBS.

If cost is a factor of selection, a minimum technical qualifying mark may be provided in RFP to minimize the risk of accepting low-quality proposals at a very low cost. A qualifying mark in the range of 70 to 80 percent is typical. Any technical proposal with a score below this threshold is rejected, and the financial envelope is returned unopened. Setting the threshold too high increases the risk of rejection of a majority of proposals.

3.6.6 Table below summarizes the five evaluation criteria provided in the Standard Request for Proposals and gives examples of sub-criteria that could be adopted by the Municipality when preparing the RFP.

Table: Evaluation Criteria and Sample Sub-criteria

Evaluation criteria (as defined in the Consultant Guidelines)	Evaluation sub-criteria (select a maximum of three)
Specific experience of the consultants in the field of assignment	
Adequacy of the proposed methodology and work plan in responding to the TOR	<ul style="list-style-type: none"> - Technical approach and methodology - Work plan - Organization and staffing <p>Note: The number of sub criteria may be increased depending on the characteristic of the assignment</p>
Qualification and competence of key staff proposed for the assignment	<ul style="list-style-type: none"> - General qualifications - Adequacy for the assignment - Experience in the region and language <p>Note : These three sub criteria are defined by the RFP and cannot be changed.</p>
Suitability of the transfer of knowledge program (training)	<ul style="list-style-type: none"> - Relevance of program - Training approach and methodology <p>Qualifications of training specialists</p>
National participation (nationals among key staff)	

3.6.7 **Notification to Consultants:** On completion of evaluation of Technical Proposal, the Evaluation Committee (appointed by the municipality) no objection is received to the Technical Evaluation Report. On receipt of the Evaluation Committee no objection, the municipality notifies consultants whose proposal did not meet the minimum technical qualifying marks specified in the RFP, or were found to be non responsive, indicating that the consultant's financial proposal will be returned unopened at the end of selection process. The municipality simultaneously notifies consultants whose technical proposals were above minimum technical qualifying mark, and inform them of the date and time set for opening of financial envelopes. The opening date should be at least two weeks after the notification date, to allow enough time for consultants to make arrangements to attend the opening.

3.6.8 **Evaluation of Financial Proposals:** On the date and time set for opening the financial proposal, the Evaluation Committee verifies that the financial proposals have remained sealed and then open them. The name of consultants, the qualifying scores, and proposed prices are read aloud and recorded as each financial proposal is opened. No modification to financial proposal is permitted. The Empowered Committee within the Municipality prepares the minutes of the public opening, which should be attached to the Financial Evaluation Report.

The Evaluation Committee should first review the financial proposals for arithmetical errors and consistency between financial and technical proposals. Arithmetical errors should be corrected, omitted items evaluated, and corresponding adjustments made to the offered prices to obtain final evaluated prices. For purposes of comparing proposals, evaluated prices should be converted to Indian Rupees using exchange rate on date indicated in RFP.

3.6.9 **Combined Evaluation and Final Score:** If QCBS is the method of selection, the Evaluation Committee weights and combines the scores of the technical and financial proposals to obtain a final ranking of the proposals and recommendation of award. The Final Evaluation Report is submitted to decision making authority for review and forward the report to the Council for its information. The Municipality invites the selected consultant for negotiations and inform the other consultants that they were unsuccessful and furnishes the name of selected firm. The scope of negotiation is given in para 3.10 below. After technical and financial negotiations are completed, the Municipality may furnish to the State Government, in sufficient time for its review, a copy of initialled negotiated contract. If the negotiated contract results in a substitution of key staff or any changes in TOR and in the originally proposed Contract, the Municipality shall highlight the changes and provide an explanation of why these changes are necessary.

3.7 NEGOTIATIONS

- 3.7.1 Negotiations shall include discussions of TOR, the methodology, staffing, Municipality input and special conditions of the Contract.
- 3.7.2 The selected firm should not be allowed to substitute Key Staff, unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives to the assignment.
- 3.7.3 Financial negotiation shall include clarification of the Consultants tax liability in the Municipality own country and now this tax liability has been or would be regulated in the contract.
- 3.7.4 Where QCBS procedure is followed, in the case of lump sum, contract price should not be negotiated. In the Time Based Contracts, proposed unit rates for staff months and reimbursable shall not be negotiated (since there have already been a factor of selection) unless there are exceptional reasons. Reimbursable are paid on actual upon presentation of receipts and hence not subject to negotiations. If client wants to fix a ceiling he should do so by indicating in RFP.

3.8 EVALUATION COMMITTEE

For technical and financial evaluation of consultants' proposals, the Municipality shall appoint a committee of three or five qualified number of individuals of comparable hierarchical level who shall undertake the process in the highest ethical standards. After the Committee has agreed upon the criteria and sub criteria definitions, and on rating and scoring methods, each committee member shall evaluate the proposals received independently. The Evaluation Committee should include one or two members of the team responsible for preparation of the TOR. To ensure transparency and consequent acceptability of the evaluation process and its results in sensitive case, a truly independent observer is allowed to participate in session of Evaluation Committee.

The Evaluation Committee submits its report and recommendation to the designated decision making authority for review and transmission to the State Government, of required for no objection if the contract is subject to the prior review, or for review and award for contracts for post-review.

3.9 REJECTION OF ALL PROPOSALS

Cases of rejection of all proposals received need to be referred to Urban Development Department (UDD) for no objection and clearance. The grounds for rejecting all proposals can be as under:

- The proposals present major deficiencies in responding to RFP.
- The cost proposals are substantially higher than the Municipality's estimated budget.

3.10 ROLE OF THE STATE GOVERNMENT IN EVALUATION PROCESS

- 3.10.1 Selection of Consultants is the Municipality's responsibility and the State Government does not participate in the evaluation of proposals but, upon request of the Municipality, may provide advice in methodology and selection procedures before the actual evaluation takes place.
- 3.10.2 In assignments in which prior review is required, the State Government reviews the Technical Evaluation Report, if satisfied, sends its no objection to the municipality. The Municipality may request additional explanation or information about the report contents from the funding agency when necessary. In exceptional cases, the funding agency may ask the Municipality to submit one or more proposals for its review.
- 3.10.3 Under QCBS, if the State Government determines that the final evaluation report, recommendations for award and / or negotiated contract are inconsistent with the provision of RFP, it shall promptly inform the Municipality and state the reason for its determination, otherwise, the State Government shall provide the final "no objection" to the contract award. The Council shall confirm the award of the contract. The description and amount of the contract, together with the name and address of the firm, shall be subjected to public disclosure by the State Government upon the Municipality's confirmation of contract award.

3.11 TYPES OF CONSULTANT'S CONTRACTS

- 3.11.1 The type of contract with Consultant can be:
- Lump Sum;
 - Time – based;
 - Retainer and / or success fee
 - Percentage; and
 - Indefinite delivery

1.1.2 Lump sum Contracts

Lump sum contracts are used mainly for assignment in which the content and length of the services and duration of services is clearly defined. Remuneration is fixed for the life of the contract, and no physical or price contingencies are normally provided. Lump sum contracts are often used in relatively simple and clearly defined assignments such as:

- Planning and Feasibility studies
- Environmental studies
- Detailed design of infrastructures
- Preparation of Data Base

Payments are made in accordance with a contractually agreed upon schedule of delivery or against schedule of percentage of work completed.

A lump sum contract is easy for the State Government to administer and requires little technical supervision.

1.1.3 Time –Based Contracts

Under time based contract, the consultant provides services on a time basis according to quality specification and consultant’s remuneration as based on agreed upon unit rate for consultant staff multiplies by actual time spent by staff on assignment and reimbursable expenses as per actual and/or agreed unit rates. Such contracts are recommended:

- Complex studies or studies of new approach
- Supervision of Implementation assignment
- Training Assignments
- Advisory services

Time based contracts transfer cost risks to the Municipality

3.11.4 Retainer and/ or Success Fee Contracts

The type of contract is often adopted to remunerate financial and management advisers who assist the funding agency in the sale of assets, such as privatization operation. In these cases the QCBS method, in which consultants are asked to quote a retainer fee and/ or a success fee, is generally recommended for selection of Consultants. The proportion of retainer and success fee is often fixed in advance and is not subject to negotiation by the winning consultant. The retainer fee proportion is higher if the Consultant’s role constitutes more to planning and design of privatizations reforms. Success fees are appropriate when success is related to the efforts of the firms involved and is relatively easy to quantify.

3.11.5 Percentage Contracts

In a percentage contract consultants receive an agreed upon percentage of the actual project cost. Sample of percentage contract includes:

- Architectural services
- Engineering services
- Procurement services
- Inspection Agents

3.11.6 Indefinite Delivery Contracts

Indefinite delivery contracts are used for on-call specified services. The Municipality and the firm agree upon the unit rates to be paid to the experts and payments are made on the basis of the time actually used. Such contracts include:

- Advisory for complex projects i.e. Dam panel
- Expert Adjudicator
- Technical Trouble shooting

3.12 SELECTION OF APPROPRIATE CONTRACT FORM

Table below indicates the correlation between type of assignment, selection method and type of contract. They should be considered with some degree of flexibility, depending on the size and characteristics of the assignment

Table: Correlation between Type of Assignment, Selection Method, and Type of Contract

Type of assignments/scope of work	Selection method	Type of contract
Critical studies in the field of policy, strategy, and management of Municipality's institutions Country economic, section, or investment studies Master plans Pre feasibility studies Complex feasibility studies Studies or design of complex projects Studies in new technology or human and social Defence Related matter	QBS	Time –based
Simple planning studies Simple feasibility studies Environmental studies Contract and detailed design of infrastructures Preparation of bidding documents Data processing	SBCQ and LCS	Lump sum
Technical assistance for institutional development Technical assistance for privatization programs	QBS or QCBS	Time-based or indefinite delivery
Technical assistance in investment projects Construction supervision Privatization operations Financial sector reforms Procurement/ inspection Clearly defined strategy and management studies Simple, precisely defined assignment with fixed budget Standard or routine assignments costing less than Rs.90.00 lakhs	QCBS QCBS QCBS QBS QCBS QCBS SFB LCS	Time –Based Time-Based Retainer and/or success fee Retainer and/or success fee Percentage Lump sum Lump sum Lump sum

3.13 CONTRACTS

The contract invariably comprises of :

- the form of contract to be signed by the Municipality and the Consultant
- the General Condition of Contract (GCC), which must be kept unchanged
- the Special Condition of Contract (SCC), which are specific to the assignment, and
- the Appendices

It needs to be noted the text of the Form of Contract and of the GCC cannot be changed. The SCC enables the Municipality to amend or supplement the clauses of the general condition to reflect local conditions and characteristics of the assignment. The format of contract is annexed as Annex – 16.

3.14 PROCUREMENT OF SERVICES OF INDIVIDUAL CONSULTANT

- 3.14.1 Individual consultants are employed on assignments for which (a) teams of personnel are not required, (b) no additional outside (home office) professional support is required, and (c) the experience and qualifications of the individual are the paramount requirement. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a firm.
- 3.14.2 Individual consultants are selected on the basis of their qualifications for the assignment. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the State Government. Individuals considered for comparison of the qualifications shall meet the minimum relevant qualifications and those selected to be employed by the State Government shall be the best qualified and shall be fully capable of carrying out the assignment. Capability is judged on the basis of academic background, experience, and, as appropriate, knowledge of local conditions such as local language, culture, administrative system and government organization.
- 3.14.3 From time to time, permanent staff or associates of a consulting firm may be available as individual consultants. In such cases, the conflict of interest provisions described in the guidelines of the State Government, if any shall apply to the parent firm.
- 3.14.4 Individual consultants may be selected on a sole source basis with due justification in exception cases such as:

- (a) tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively;
- (b) assignments with total expected duration of less than six months;
- (c) emergency situations resulting from natural disasters; and
- (d) when the individual is the only consultant qualified for the assignment.

3.14.5 For hiring of consultant job description, qualification and experience required and terms of engagement should be finalized. The consultants for the assignments must be called through advertisement in the newspaper. Individual should meet all relevant qualifications and should be fully capable of carrying out the assignment. The qualified individuals will be called for interview/ discussions prior to offering the assignment. Based on the above, a list of candidates shall be prepared for each assignment separately and the top listed candidate shall be offered the job.



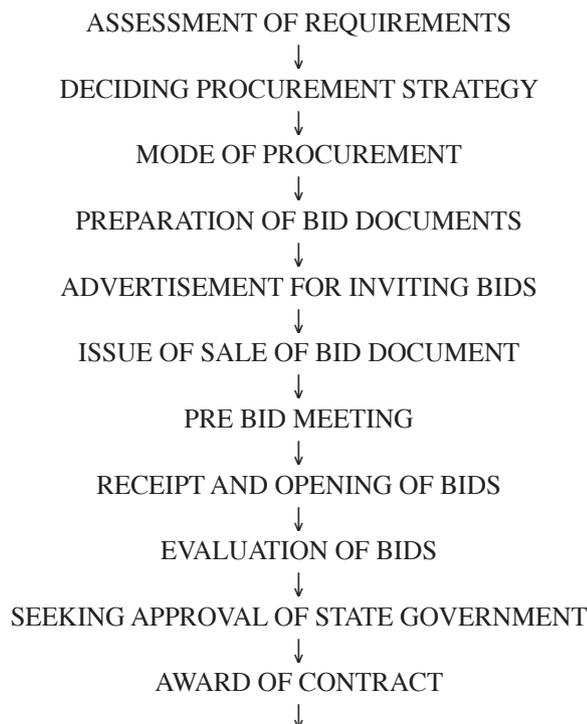
CHAPTER IV - PROCUREMENT PROCESS & MODES

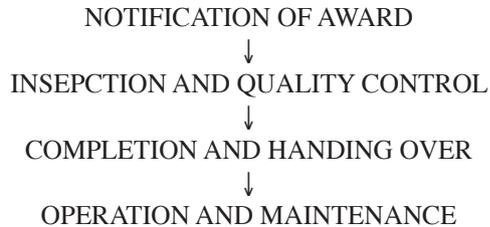
4.1 GENERAL

- 4.1.1 Before undertaking procurement of goods, works and services as per approved Procurement Plan it needs to be ensured that Budget allocations are made available under State Budget under appropriate heads for meeting expenditure during the financial year for implementation and accomplishment of the project.
- 1.1.2 Based on approved Procurement Plan for the financial year, method of procurement shall be finalized depending open type of goods, works and services to be procured; availability of competent agencies for supply of goods, execution of works; availability of resources in the market.
- 1.1.3 The technical and professional support shall be provided to the Municipalities by the State Government / DMA at all stages including preparing of bid documents, specifications, evaluation of bids, inspection of equipment, implementation of works, financial and technical audit.

4.2 PROCUREMENT PROCESS

Procurement steps are explained in pictorial form as under





4.7 MODES OF PROCUREMENT

4.7.1 The modes of procurement that may be followed includes:

- (i) International Competitive Bidding (ICB).
- (ii) National Competitive Bidding (NCB).
- (iii) Local Competitive Bidding (LCB).
- (iv) Shopping.
- (v) Single tender/ Direct Contracting.
- (vi) Procurement of Civil Works through Panchayati Raj Institutions (PRIs).

Slicing / packaging/ lots shall be appropriately framed to meet with requirement of efficient and economical procuring consistent with the specifications and provision of bid documents. The aggregate value of all the packages for which bids are to be invited shall form the basis to determine the mode of procurement.

4.7.2 INTERNATIONAL COMPETITIVE BIDDING (ICB).

4.7.2.1 This method of procurement of goods, works and services is generally adopted where supplies need import and foreign (international) firms are expected to participate irrespective of the value.

4.7.2.2 This requires adequate notification of Municipality requirements to provide equal opportunity to bid for the required goods and works. The size and scope of individual contracts will depend on the magnitude, nature and volume of projects. For projects requiring similar but separate item of equipment or works, bids may be invited under alternative contract option that would attract the interest of both small and large firms, which could be allowed at their option, to bid for individual contracts (slices) or for a group of similar contracts (package). All bids and combination of bids shall be received by the same deadline and opened and evaluated simultaneously so as to determine the bid or combination of bids offering the lowest evaluated cost to the Municipality.

4.7.2.3. For projects that include ICB the Municipality is required to prepare and submit to the Urban Development Department (UDD) a General Procurement Notice which shall be published in at least one newspaper of national circulation and web site of the municipality and Urban Development Department (UDD). Notification shall be given in sufficient time (45 to 90 days) to enable prospective bidders to obtain pre-qualification or bidding documents and prepare and submit their responses.

4.7.2.4. The related prequalification or bidding documents, as the case may be, shall not be released to the public earlier than the date of publication of the General Procurement Notice.

4.7.2.5. The prequalification is usually necessary for large or complex works or in any other circumstances in which the high cost of preparing detailed bids could discourage competition. The prequalification shall be based on:

- (c) experience and past performance on similar contracts.
- (d) capabilities with respect to personnel, equipment and construction or manufacturing facilities and
- (e) financial position.

The invitation to prequalify for bidding on specific contracts or groups of similar contracts shall be advertised and notified as per para 4.7.2.2 and 4.7.2.3 above.

All such applicants that meet the specified criteria shall be allowed to bid. Municipality shall inform all applicants of the results of prequalification. As soon as prequalification is completed, the bidding document shall be made available to the prequalified prospective bidder.

4.7.2.6. Bidding period shall be 45 to 90 days from date of start of sale of bidding document.

4.7.2.7. The bidding documents shall include the details as is described in various paras that follow.

4.7.2.8. Within two weeks of receiving the State Government's "no obligation" to the recommendation of contract award, the Municipalities shall publish on its website (if any) as well as Urban Development Department (UDD) website results of the bids and lot numbers and the following information:

- (a) name of each bidder who submitted a bid;
- (b) bid prices as read out at bid opening;
- (c) name and evaluated prices of each bid that was evaluated;
- (d) name of bidder whose bids were rejected and the reasons for their rejection; and
- (e) name of the winning bidder, and price it offered, as well as the duration and summary scope of the contract awarded.

4.7.2.9. **Limited International Bidding (LIB)**

Limited International Bidding (LIB) is essentially ICB by direct invitation without open press advertisement. It may be an appropriate method of procurement where:

- (a) there is only a limited number of supplier; or
- (b) other exceptional reasons may justify departure from full ICB procedures.

Under LIB, bids shall be invited from a list of potential suppliers broad enough to assure competitive prices, such list to include all suppliers when there are only a limited number. Domestic preferences are not applicable in the evaluation of bids under LIB. In all respects other than advertisement which shall be restricted to special procurement notices issued in two National newspaper, web site of Urban Development Department (UDD), ICB procedures shall apply, including the publication of the award of contract as indicate in para 4.7.2.8 above.

4.7.9 **NATIONAL COMPETITIVE BIDDING (NCB)**

4.7.3.1 National competitive bidding for procurement of goods, works and services is most appropriate way of procurement when nature or scope of goods or works are unlikely to attract foreign competition because:

- (a) the contract values are small;
- (b) the works are scattered geographically or spread over time;
- (c) works are labour intensive; or
- (d) the goods or work are available locally at prices below the international market.

4.7.3.2 To have competitive bids, the advertising of bids shall be in at least one English newspaper with nationwide circulation and one regional language newspaper; web site of Municipalities (if any), official gazette and website of Urban Development Department (UDD). Tendering period shall be minimum 30 days from date of publication. Tenders can be sold from different places but shall be received at one place only. Tenders shall be opened half an hour after the deadline of submission.

4.7.3.3 The bidding documents shall provide clear instruction on how bids should be submitted, how prices should be offered, and the place and time of submission of bids. Adequate response time for preparation and submission of bids shall be provided. The procedures shall provide for adequate completion in order to ensure reasonable prices, and methods used in the evaluation of bids and the award of contracts shall be objective and made known to all the bidders in bidding documents and not be applied arbitrarily

4.7.3.4 The procedure shall also include public opening of bids, publication of results of evaluation and of the award of contract and provision for bidders to protest. If foreign firms wish to participate under these circumstances, they shall be allowed to do so.

4.7.4 **LIMITED TENDER/ LOCAL COMPETITIVE BIDDING (LCB)**

Limited tendering is the mode of inviting tenders from selected potential suppliers of proven capacity-cum-capability (from at least two different countries in case of international Limited Tender) without open advertisement but broad enough to ensure receipt of competitive bids.

The procedure could be adopted where:

- There are only a limited number of suppliers of the particular goods or services.
- Demand is urgent in nature and exceptional circumstances exist justifying departure from advertised open tender. Other procedures under limited tender will be same as that of open advertised tenders.
- Use of Rate contracts of DGS&D shall also be an appropriate method under limited tender system. The purchaser shall however, check the rate contracts are representative of the market price and are not obsolete. In all such cases approval of the competent authority to dispense with open advertised tender should be taken. Rate contracts of State Governments can be taken as one of the bids only.
- This method of procurement shall be followed where the estimated cost as per contract is above the threshold value specified in shopping.

4.7.5 SHOPPING

Shopping is a procurement method based on comparing price quotations obtained from several suppliers (in case of goods) or from several contractors (in case of civil works), with a minimum of three, to assure competitive prices, and is an appropriate method for providing readily available off-the-shelf goods or standard specification commodities of small value or simple civil works of small value.

- Requests for quotation shall indicate the description and quantity of the goods, specification of works and desired delivery (or completion) time and place (Annex-15).
- Quotations may be submitted by letter, facsimile or by electronic means.
- The evaluation of quotations shall follow the same principles as of open bidding. If quotations are called for more than one item, it shall also be indicated whether the evaluation would be item wise or as a package.
- The terms of accepted offer shall be incorporated in a purchase order or brief contract.

Prior approval of competent authority shall be arranged for items to be purchased or works to be undertaken with brief description, specification and estimated costs and agencies from whom quotations shall be invited.

4.7.6 DIRECT CONTRACTING

Direct contracting in contracting without competition (single source) and may be an appropriate method under following circumstances:

- (a) An existing contract for goods or works, awarded in accordance with procedures acceptable to be the State Government, may be extended for additional goods or works of similar nature. The State Government shall be satisfied in such cases that no advantage would be obtained by further competition and that the prices of extended contract are reasonable.
- (b) Standardization of equipment or space parts, to be compatible with existing equipment may justify additional purchases from the original supplier.
- (c) The required equipment is proprietary and obtainable only from one source.
- (d) The contractor responsible for a process design requires the purchase of critical items from a particular supplier as a condition of a performance guarantee.
- (e) In exceptional cases, such as in response to natural disasters.
- (f) The estimated cost of procurement lies within the thresholded value for Direct Contracting.

4.8 BIDDING DOCUMENTS

4.8.1 Bidding documents shall have to be prepared on the basis of the standard Bidding Documents cleared with the State Government for the Project. Deviation shall not be made without prior clearance from the State Government.

4.8.2 Bidding document shall include invitation of Bids (Annex-4); Instructions to the Bidders; Form of Bid; Basis of bid evaluation and contract award; Form of Contract; Conditions of Contract, both general and special; Specifications and Drawings; List of Goods or Bill of Quantities; Delivery time or schedule of completion; Price Schedule; Bid Security Forms; contract Form; Performance Security Form and Advance Payment Security Form etc. Bidding document should specify the relevant factors in addition to price to be considered in the bid evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated bid.

4.8.3 Bidding documents in the case of goods shall specify what inspection and tests the purchaser requires, where and who will conduct the tests. The purchasers should notify the suppliers in writing the identity of inspection agency retained alongwith the supply order. A draft model clause for inspection and testing of samples/ items shall be included in the contract (refer Annex-14).

4.8.4 Where Package and Slice procedure is followed, the clauses of submission and evaluation of bids should be modified suitably and modifications got cleared with the State Government.

4.8.5 The below noted aspects shall be complied with while inviting the bids and their evaluation :

- (i) No special preference will be given to any bidder either for price or for any other terms and conditions when competing with State owned enterprises, small scale enterprises etc.
- (ii) Extension of bid validity will not be allowed without prior concurrence of State Government
- (iii) Except with prior concurrence of State Government there will be no negotiation of price with the bidders even with the lowest evaluated bidder.
- (iv) Rebidding will not be carried out without prior concurrence of State Government
- (i) The two or three envelope system will not be used.
- (vi) DGS&D rate contract or rate contracts of Controller of Store of States will not be acceptable as a substitute for NCB procedure.
- (vii) No materials are to supplied to contractor.

4.8.6 Guidelines as regard financial terms of Bidding Document shall refer to:

- (a) **Validity of Tenders:** Bidders shall be required to submit tender valid for period of 90 days.
- (b) **Earnest Money/Bid Security:** shall be 1% of the estimated amount of goods, works and a specific amount be indicated. The bid security shall be in the form of Demand Draft / Bankers Cheque/ Bank Guarantee from a Scheduled Bank, which should be valid for 45 days beyond validity period of bid in favour of the Executive Officer/ Municipal Commissioner who has invited the bids. The bid security of unsuccessful bidders shall be returned within 28 days of the end of bid validity period. The bid security shall be forfeited in the event of withdrawal of bid within original validity or if the bidder does not accept the correction to the Bid Price in pursuant of corrections as per provisions of Bid Document, and in the case of successful bidder if the bidder fails to sign the agreement within specified period or furnish the required performance security within specified time limit.
- (c) **Performance Security Deposit:** The amount of performance security shall be 5 (five) percent of contract price plus additional security for unbalanced bids in pursuant to provisions of Bidding document in the shape of Bank Guarantee from a scheduled Bank/ certified cheque/ Bank Draft in favour of concerned Executive Officer/ Municipal Commissioner valid upto 28 days after date of expiry of defects liability period/ warranty period/ warranty period, as applicable.
The performance security deposit shall be refunded within one month of the completion of supply of goods or expiry of warranty period/ defect liability period.
Failure of the successful bidder to furnish performance security shall constitute a breach of contract, cause of annulment of the award, forfeiture of the bid security, and any other remedy the Employer may take under the contract, and the Employer may resort to awarding the contract to next ranked bidder.
- (d) **Retention Money:** shall be deducted @ 6% from each bill subject to a maximum of 5% of final contract price. 50% of the amount retained shall be paid to the Contractor on completion of whole of work and balance 50% on expiry of defect liability period provided the Engineer has certified that all defects notified by the Engineer to the Municipalities before the end of this period have been corrected. On completion of the whole work the contractor shall have the option to substitute retention money (balance 50%) by a Bank Guarantee from a Scheduled Bank of similar amount.
- (e) **Defect Liability Period :** 180 days from the date of certification of completion of work.
- (f) **Delay in updated Programme :** Amount to be withheld for late submission of an updated Programme shall be Rs. 10,000/-
- (g) **Liquidated damages :** Liquidated damages @ 0.01% (percent) per day (for goods) and 0.05% (percent) per day (for works) of the whole value of goods / works for delay in supply of goods/ completion of works subject to a maximum of 10 (ten) percent of final contract price.
- (h) **Mobilization Advance:** In respect of contracts above Rs. 45.0 lakhs, provision of mobilization advance for equipment and materials may be incorporated for civil works @ 5% of contract price against Bank Guarantee from Scheduled Bank of similar amount. The recovery shall commence from interim payments after 20% of contract price has been reached @ 20% (percent) of interim payments until such time that advance has been repaid and that too prior to the expiry of original time for completion.
- (i) **Liability on Termination :** In the event of termination because of fundamental breach of contract by contractor, the provision for additional cost for completion of works shall be 20% (percent) of unexecuted works to be adjusted from the final payment of the contractor.
- (j) **Property:** If the contract is terminated because of a contractor's default, all materials on the site, plant, equipment, temporary works and works shall deemed to be property of the Employer.

4.9 SALE OF BIDDING DOCUMENTS, RECEIPT AND OPENING

- 4.9.1 Bidding documents should be made available for sale till a day prior to the last date of receipt of bids, to all those who intend to participate in the bidding. A period of minimum 30 days shall be ensured from date of sale of bidding documents and receipt of bids.
- 4.9.2 Bidders shall be permitted to deposit their bids on any day during the bidding period either by post or in person. Bids shall be received only at one place (i.e. by the authority inviting the Bids) and shall be kept in safe custody till the stipulated time of opening.
- 4.9.3 Last date of receipt of bids and opening of Bids shall be the next day, following the close of sale of Bidding Documents. If the day happens to be a holiday, the last date of receipt and opening of bids shall be the next working

day. The time of opening of bids shall be half an hour late to time of closure of receipt of bids. All bids received shall be opened in presence of bidder's representatives who choose to attend and shall sign a register evidencing their attendance.

- 4.9.4 The bids shall be opened by "Bid Opening Committee" formed by the Local Bodies
- 4.9.5 Even envelopes marked "WITHDRAWAL" shall be opened first, and the name of the bidder shall be read out. Bids for which acceptable notice of withdrawal has been submitted shall not be opened. Subsequently all envelopes marked "MODIFICATION" shall be opened and submission therein read out in appropriate detail. The bidder's names, bid prices including any alternative Bid Price or deviations, discounts, bid modification and withdrawals and the presence or absence of bid security and such other details as considered appropriate shall be announced during opening of bids in the meeting. All cuttings and /over writings observed in the Bid Form and Price schedules shall be authenticated by the members of Bid Opening Committee by encircling and initialing the cuttings/ over-writings. The minutes of the bid opening should be prepared in the specified format (Annex-13). No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the bidder.
- 4.9.6 Bids and modifications that are not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances. Withdrawal bids will be returned unopened to bidders.

4.10 PRE-BID CONFERENCE

- 4.10.1 Pre bid conference should be provided where necessary and should be convened early in the bidding process (midway), but should allow sufficient time for bidders to study the bidding documents and prepare queries/clarifications.
- 4.10.2 The meeting should be scheduled at about midpoint of bidding time. The purpose of meeting will be to clarify issues and bidder's queries/questions on any matter that may be raised at this stage.. Minimum post qualification criteria to be met, important provisions of the bidding document, schedule of requirements, special conditions of contract and special features of the specifications shall be explained to the prospective bidders.
- 4.10.3 Minutes of meeting indicating the responses given in the meeting (including an explanation of query but without identifying the source of inquiry) shall be furnished expeditiously to all those attending the meeting and subsequently to all the purchasers of bidding documents, after getting the same cleared with the State Government.
- 4.10.4 Any modification of the bidding documents which may become necessary as a result of the prebid meeting shall be made exclusively through issuance of corrigendum (after getting the same cleared with the State Government) and not through the minutes of the prebid meeting.

4.11 PRICE ADJUSTMENT

- 4.11.1 Bidding documents shall state either (i) bid price will be fixed; or (ii) that price adjustment will be made to reflect any charges (upwards or downwards) in major cost components of the contract such as materials, labour, POL components.
- 4.11.2 Bid price adjustment clause shall be applicable only after prior concurrence of the state govt. when the stipulated value of work exceeds Rs. 45.00 lacs and period of completion of works or supply of goods is more than 18 months. The total percentage of labour, materials and POL components should be equal to "100", in the formula.
- 4.11.3 When the total value of contract does not exceed Rs. 45.00 lakhs and stipulated period of completion of works or supply of goods is less than 18 months, prices quoted by the bidder shall be fixed during the bidders performance of the contract and not subject to variation on any account. In such cases, a bid submitted with an adjustable price quotation will be treated as non-responsive and rejected.
- 4.11.4 Price adjustment clause shall be provided when total value of contract exceeds Rs. 45.00 lakhs and stipulated period of completion of works or supply of goods is more than 18 months. The total percentage of labour, materials and POL components shall be 100 in formula detailed in Annex-5, if 'R' in the formula represents the work done. In such cases a bid submitted with a fixed price quotation will not be rejected, but price adjustment shall be treated as zero.
- 4.11.5 The contract price shall be adjusted for increase or decrease in the rates and price of labour, materials, fuels and lubricants in accordance with following principles and procedures and as per formula given in Annex-5.
- (a) The price adjustment shall apply for the works done from the start date given in the contract data upto the end of initial intended completion date or extension granted by the Engineer and shall not apply to the work carried out beyond the stipulated time for reasons attributable to the contractor.
- (b) The price adjustment shall be determined during each quarter from the formula given in the Annex-5.

- (c) Following expression of meanings are assigned to the work done during each quarter.
R = Total value of work done during the quarter. It would include the amount of secured advance for materials paid for (if any) during the quarter, less the amount of the secured advance recovered, during the quarter. It shall exclude value of works executed under variation for which price adjustment shall be worked separately based on the terms mutually agreed.

4.11.6 To the extent that full compensation for any rise or fall in costs to the contractor is not covered by the provision of formula vide Annex-5 or other clauses of the contract, the unit rates and prices included in the contract shall be deemed to include amounts to cover the contingency of such other rise or fall in costs.

4.12. EVALUATION OF BIDS

4.12.1 Before proceeding for evaluation, it shall be ascertained whether the bids:

- (i) meet the eligibility requirements
- (ii) have been properly signed
- (iii) are accompanied by the required authorization/ undertaking
- (iv) are accompanied by the required securities.
- (v) are substantially responsive to the requirements of bidding documents.
- (vi) provides any clarification and or substantiation that the Employer is required to determine the responsiveness; and
- (vii) are otherwise generally in order.

If a bid is not substantially responsive, that is, it contains material deviation from or reservation to the terms, conditions and specifications in the bidding documents, it should not be considered further. The bidder must not be permitted to correct or withdraw material deviations or reservations once bids have been opened.

4.12.2 The Employer may waive any minor informality or unconformity or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder. In those cases for the purposes of evaluation, adjustments should be made for the costs to the Employer of any quantifiable non-material deviation or reservations.

4.12.3 A subsequently response bid is one which conforms to all the terms and conditions of bidding document without material deviations. The determination of a bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.

4.12.4 No bidder should be requested or permitted to alter his bid after the bid has been opened. In order to evaluate his bid, if any, clarification is required, the same can be called. The request for clarification and the response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted.

4.12.5 No preferential treatment should be given to any bidder or class of bidders either for price or for condition unless specifically cleared with the State Government and stipulated in the Project Agreement. Any procedure under which bids above or below a pre-determined assessment of bid values are automatically disqualified, is not applicable.

4.12.6 Evaluation of bids for Civil Works :

All substantially responsive bids should be evaluated in detail as per procedure stipulated in bidding documents.

In evaluating the bids, the Employer will determine for each Bid the evaluated Bid price by adjusting the Bid price as under:

- (a) making any correction for errors;
- (b) excluding provisional sums and the provision, if any, for contingencies in the Bill of Quantities, but including day work, where priced competitively;
- (c) making an appropriate adjustment for any other acceptable variations, deviations, or alternative offers; and
- (d) making appropriate adjustments to reflect discounts or other price modifications offered:
 - The Employer reserves the right to accept or reject any variations, deviation, or alternate offer. Variations, deviations, and alternative offers and other factors which are in excess of the requirement of the bidding documents or otherwise result in unsolicited benefits for the Employer will not be taken into account in Bid evaluation.
 - The estimated effect of any price adjustment conditions during the period of implementation of the Contract, will not be taken into account in Bid evaluation.

Suggested format for preparation of the bid evaluation report for civil works is enclosed at Annex-6 (with relevant Enclosures).

4.12.7 Evaluation of bids for Goods

- (a) Comparison of bids shall be ex-factory/ ex-warehouse/off-the-shelf price of goods such price to include all costs as well as duties and taxed paid or payable on components and raw materials incorporated in the goods.
- (b) Evaluation of bids shall include excise duty and not take into account sales and other similar taxes, VAT which will be payable on goods.
- (c) Evaluation of the bids should take into account, in addition to the bid price and the price of incidental services, the following factors in a manner and to the extent indicated in the documents:
 - Cost of inland transportation, insurance and other costs, incidental to delivery of the goods to their final destination;
 - delivery schedule offered in the bid;
 - deviation in payment schedule from that specified;
 - cost of components, mandatory spare parts and service;
 - the availability of spare parts and alter sales service for the equipment offered.
 - projected operating and maintenance costs during life of the equipment;
 - performance and productivity of the equipment offered; and
 - other specific criteria indicated in the bidding document.

Bids shall be loaded appropriately as per bidding documents for any deviation with reference to the requirements.

- (d) Bonus or additional credits for bid evaluation should not be given for offered features that exceed the required standards or specifications viz. additional horse power or capacity unless there is a specific provision for this in the bidding document.
- (e) Bids often omit a particular component or options or accessories or a minor attachment. If the item offered for supply is otherwise functional and if the omissions are minor and these parts can be procured separately, the bid may be loaded for the parts not included in the scope of supply and evaluated. In other cases the bid should be treated as non-responsive. Pricing of components or features which are omitted shall be based on prices for corresponding components item etc. in other responsive bids; if not available from external sources as such as printed parts list, price list etc.
- (f) All substantially responsive bids should be evaluated in detail as per procedure stipulated in bidding documents.

Suggested format for preparation of the bid evaluation report for good is enclosed at Annex-7 (with relevant Enclosures).

4.12.8 The evaluation will exclude and not take into account any allowance for price adjustment during the period of execution of the contract.

4.12.9 A bidder should not be required as a condition of award to undertake responsibilities for work not stipulated in the specifications or otherwise to modify his bid.

4.13 SINGLE BIDS

Where only one bid is received, efforts should be made to ascertain the reasons. If it is determined that publicity was not adequate, bid specification or any of the terms were restrictive or unclear, the bid shall be cancelled and invited afresh after amending the specifications/ terms.

If however, it is determined that bid specifications are not restrictive and prices quoted are reasonable and bid is technically and commercially responsive, the single bid shall be considered for award.

4.14 EXCEPTIONS

4.14.1 In the case of civil works, if the bid of the successful bidder is seriously unbalanced in relation to SOR/ cost of work as assessed, Performance Security should be increased to a level sufficient to protect the Employer against financial loss in the event of subsequent default of the successful bidder under the contract.

4.14.2 If the contract is being let on a 'Slice and Package" basis, the lowest evaluated bid price (the combined cost of all the lots) will be determined in conjunction with other contracts to be awarded concurrently taking into account any discounts offered by the bidders for the award of more than one contract.

4.14.3. If extension of bid validity is required, it should be sought from all bidders before stipulated expiration date (for valid bids only) and not from the lowest alone and the State Government notified accordingly. The extension shall

be for the minimum period required to complete the evaluation. In the case of fixed priced contracts, if the award is delayed by a period exceeding 4 weeks beyond the expiry of the initial bid validity, the contract price will be adjusted by a factor specified in the request for extension. The State Government's prior concurrence is required if the extension is larger than 4 weeks beyond the original validity period.

4.15. AWARD OF CONTRACT

- 4.15.1 Contract should be awarded to a bidder, whose bid has been determined to be substantially responsive and who has offered the lowest evaluated price provided further that the bidder is determined to be qualified to perform the contract satisfactorily and meets the qualification criteria specified in bidding document.
- 4.15.2 If the lowest evaluated bidder (in the same name and style) does not meet the qualification criteria, his bid should be rejected and a similar determination should be made for the next lowest evaluated bidder, the process continued, if necessary.
- 4.15.3 Bids should not be rejected solely on account of non –submission of historical information. Bidders should be given an opportunity to furnish the necessary information by giving adequate time.
- 4.15.4 Where considered necessary verifying the information independently be undertaken before considering rejection of lowest offers for non-submission of some information.
- 4.15.5 To qualify for a package of contracts made of other contracts for which bids are invited, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.

4.16 REJECTION OF BIDS

- 4.16.1 Regardless of value, if all bids are proposed to be rejected and bids are to be re-invited, the State Government shall be consulted before such action.
- 4.16.2 (a) In case of civil works, the system of rejecting bids outside a pre-determined margin or “bracket” of prices should not be used without prior clearance with the State Government.
(b) In the case of receipt of unreasonably high prices, the bidders shall be requested to furnish breakdown of unit rates providing justification for higher bid prices. If the justification, after review, is determined rational, contract should be awarded to the lowest evaluated responsive bidder. If not, these bidders shall be declared as ineligible from bidding in the re-bid for that contract.

4.17 SUBCONTRACTING IN CIVIL WORKS

- 4.17.1 All bidders are required to indicate clearly in the bids, if they propose sub contracting elements of works amounting to more than 20 (twenty) percent of the Bid Price. For each such proposal the qualification and experience of the identified sub –contractor in relevant field shall be furnished alongwith the bid to enable the Employer to satisfy himself about their qualification before agreeing for such sub contracting and include in the contract i.e. if main contractor is to be sublet the work of construction, the sub contractor must have executed work of similar or higher capacity.
- 4.17.2 The contractor shall not be required to obtain any consent of the Employer in respect of following in the event of having furnished information under para 4.17.1 above:
 - (a) the sub contracting any part of works for which the Sub Contractor is named in the contract;
 - (b) the provision of labour; and
 - (c) the purchase of materials which are made in accordance with the standards specified in the contract.
- 4.17.3 Beyond above, if the Contractor proposes sub contracting of any part of work during execution of works, because of unforeseen circumstances to enable him to complete the work as per terms of the contract, the following principles shall be followed by the Engineer before agreeing to the proposal of contract;
 - The contractor shall not sub-contract the whole of the works.
 - Any consent by the Engineer shall not relieve the contractor from any liability or obligation under the contract, and he shall be responsible for the acts, defaults and neglects of his sub contractor, his agents or workmen as fully as if they were the acts, defaults or neglects of the contractor, his agents or workmen.
 - The Engineer shall satisfy:
 - (a) whether circumstances warrant such sub-contracting, and
 - (b) the sub–contractor so proposed possess the necessary experience, qualification and equipment for the job proposed to be entrusted to him in accordance with the quantum of work to be sub contracted.

4.17.4 If payments are proposed to be made directly to the sub-contractor, this should be agreed only subject to specific authorization by the prime contractor so that this arrangement does not alter the contractor's obligations.

4.18 RESOLUTION OF DISPUTES

4.18.1 There can be a number of possible causes of dispute during the execution of contract and may involve:

- Interpretation of the terms and conditions of the contract.
- Delay in delivery/ completion of work.
- Delay in handing over possession of site.
- Delay in release of payment
- Rates of the items, variation in civil works construct
- Condition of the items on arrival at consignee site and after delivery.
- Design and specification issues.

4.18.2 As per as possible, dispute may be resolved with mutual agreement between the Employer and contractor to avoid going through arbitration and litigation stages.

4.18.3 **Arbitration:** In case of dispute or difference between the Municipality and contractor relating to any matter arising out of or connected with agreement, such dispute or difference shall be settled by appointing an Arbitrator acceptable to both the Municipality and the Contractor. The decision of the Arbitrator shall be acceptable and binding on both the parties. Contracts shall be within the jurisdiction of the State of Jharkhand

4.19. EXTENSION OF CONTRACT

Normally contract once awarded should not be extended. Under exceptional circumstances, extension of existing contracts upto 25 (twenty five) percent of the original contract value may be considered, it is justifiable on grounds, subject to approval of the Council as per delegation of powers and with the prior approval of the State Government whenever required.

4.20 LAW GOVERNING THE CONTRACT

4.20.1 The contract shall be governed by the laws of India in force.

4.20.2 The Courts at the place from where the acceptance of tender has been issued shall alone have jurisdiction to decide the dispute arising out of or in respect of the contract.

4.20.3 Irrespective of the place of delivery, the place of performance or place of payment under the contract or the place of issue of advance intimation of acceptance of tender, the contract shall be deemed to have been made / entered into at the place from where the acceptance of tender has been issued.

4.21 BILL OF QUANTITIES (BOQ)

4.21.1 Bill of quantities format shall include description of items (with brief specification and reference to Book of Specification where applicable), quantity, unit, rate (both in figures and words) and amount.

4.21.2 Unit rates and prices shall be quoted by the Bidder in Indian Rupees. Amount shall be worked out for the specified quantity at quoted unit rate and price.

Where there is a discrepancy between the rates in figures and words, the rates in words will govern. Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by quantity, the unit rate quoted shall govern.

4.21.3 Item for which no rate or price has been entered into by the Bidder will not be paid for by the Employer when executed and shall be deemed covered by the other rates and prices in the bill of quantities.

4.21.4 Bidders may quote speculative/ non-competitive prices for items with zero quantity in BOQ as this will not affect the bid evaluation. Hence no item with nil quantity shall be entered in the BOQ.

4.22 TAXES & DUTIES

The rates quoted by the Contractor shall be deemed to be inclusive of all taxes, duties, levies and all other taxes that the Contractor shall have to pay for the performance of the Contract. The Employer will perform such duties in regard to the deduction of such taxes etc. at source as per applicable law.

4.23 COMPLAINT REDRESSAL MECHANISM (ALSO APPLICABLE TO PROCUREMENT OF SERVICES)

In order to deal with the complaints from the contractors / suppliers and public effectively, a complaint handling mechanism shall be set up at the State level as well as at district level, and immediate action shall be initiated on

receipt of complaints to redress the grievances. All complaints shall be handled at a level higher than that of the level at which the procurement process is being undertaken and the allegation made in the complaints should be thoroughly enquired into, and if find correct, appropriate remedial measures shall be taken by the appropriate authorities. In case any individual officer/staff is found responsible, suitable discrepancy proceedings shall be initiated against such officer/staff. The existing provision under the Indian Law including the instructions of Central Vigilance Commission shall be followed.

□ □ □

LIST OF ANNEXURES TO APPEN DIX 2

Annex- 1

LIST OF WORKS TO BE PROCURED

_____ Name of the Municipality

S. No.	Description of Work	Est. Cost (Rs. in millions)	Year-wise Procurement					Remarks on proposed Method of Procurement [ICB, NCB, Three Quotations, D.C./F.A.]
			I	II	III	IV	V	

Annex -2

LIST OF GOODS /EQUIPMENT /VEHICLES /FURNITURE ETC. TO BE PROCURED

_____ Name of the Municipality

Item Description	Number	Mode of Tendering*	Est.Cost (Rs. M)	Year Wise Procurement					Remarks on Proposed Methods of Procurement (ICB/LIB/NCB/ Shopping [I or N]/D.C.)
				I	II	III	IV	V	
Goods:									
Equipment:									
Vehicles:									
Furniture:									

* State whether it is Supply, Supply supervision of erection, Supply/Erection/Commissioning or Turnkey.

Annex -3

LIST OF CONSULTANCY SERVICES TO BE HIRED

_____ Name of the Municipality

Name of Consultancy (Brief Description)	Estimated Man months	Estimated Cost	Year wise Procurement				Remarks on Proposed Method of Procurement [QCBS/QBS/Least Cost/Fixed Budget/ Qualifications/Single Source etc.]
			I	II	III	IV	
International :							
National :							
Individual or Sole Source :							

Annex - 4

GOVERNMENT OF JHARKHAND, URBAN DEVELOPMENT DEPARTMENT

_____ Name of MUNICIPALITY

INVITATION FOR BIDS (IFB) NATIONAL COMPETITIVE BIDDING

Date:

Bid No.:

1. The _____ Municipality intends to apply a part of the funds for the construction of works as detailed below. Bidders registered the Govt. of Jharkhand and Bidders registered with other State Governments/ Government of India, or State/ Central Government Undertakings, are eligible to bid for the work. . Bidders are advised to note the minimum qualification criteria specified in Instructions to Bidders to qualify for the award of the contract.
2. The Competent Authority, _____ Municipality, Distt. _____ invites bids for the construction of works detailed in the table. The bidders may submit bids for any or all of the following works:

Package No.	Name of Work	Approx. value of work (Rs. in lakhs)	Bid Security (Rs. in lakhs)	Cost of document (Rs.)	Period of completion in months
1	2	3	4	5	6
.....
.....
.....
.....

3. Bidding documents (and additional copies) may be purchased from the office of Competent Authority, _____ Municipality from _____ to _____ (dates with period of minimum 30 days) for a non-refundable fee of Rs. _____ (Each set) as indicated, in the form of cash or Demand Draft on any Scheduled Bank payable at _____ in favour of _____ Municipality, Distt. _____. Interested bidders may obtain further information at the same address. Bidding documents requested by mail will be dispatched by registered/ speed post on payment of an extra amount of Rs.500.00. The _____ Municipality will not be held responsible for the postal delay if any, in the delivery of the documents or non-receipt of the same.
4. Bids must be accompanied by bid security of the amount specified for the work in the table above payable at _____ drawn in favour of _____ Municipality Distt. _____. Bid security will have to be in any one of the forms as specified in the bidding document and shall have to be valid for 45 days beyond the validity of the bid.
5. Bids must be delivered to Competent Authority, _____ Municipality, Distt. _____ on or before _____ hours on date _____ and will be opened on the same day at _____ hours, in the presence of the bidders who want to attend. If the office happens to be closed on the date of receipt of the bids as specified, the bids will be received and opened on the next working day at the same time and venue.
6. A pre bid meeting will be held on _____ (preferably mid of bidding process) at _____ in the office of the _____ Municipality to clarify the issues and to answer questions on any matter that may be raised at that stage as stated in clause 9.2 of Instructions to Bidders of the Bidding Document.

Other details can be seen in the bidding documents.

Competent Authority,
_____ Municipality
_____ District

Annex - 5

PRICE ADJUSTMENT FORUMULA

The formula (e) for adjustment of prices is:

R = Value of work

Adjustment for Labour component

1. Price adjustment for increase or decrease in the cost due to Labour shall be paid in accordance with the following formula:

$$V_L = 0.85 \times P_1/100 \times R \times (L_1 - L_0)/L_0$$

V_L = increase or decrease in the cost of work during the quarter under consideration due to changes in rates for local labour.

L_0 = the average consumer price index for industrial workers for the Jharkhand State for the quarter preceding the date of opening of Bids as published by Labour Bureau, Ministry of Labour, Government of India.

L_1 = the consumer price index for industrial workers for the Jharkhand State for the quarter under consideration as published by Labour Bureau, Ministry of Labour, Government of India.

P_1 = Percentage of Labour component of the work.

Adjustment for cement component

- (ii) Price adjustment for increase or decrease in the cost of cement procured by the contractor shall be paid in accordance with the following formula:

$$V_c = 0.85 \times P_c/100 \times R \times (C_1 - C_0)/C_0$$

V_c = increase or decrease in the cost of work during the quarter under consideration due to change in rates for cement.

C_0 = The all India average wholesale price index for cement for the quarter preceding the date of opening of Bids as published by the Ministry of Industrial Development, Government of India, New Delhi.

C_1 = The all India average wholesale price index for cement for the quarter under consideration as published by Ministry of Industrial Development, Government of India, New Delhi.

P_c = Percentage of cement component of the work.

Adjustment for steel component

- (iii) Price adjustment for increase in the cost of steel procured by the Contractor shall be paid in accordance with the following formula.

$$V_s = 0.85 \times P_s/100 \times R \times (S_1 - S_0)/S_0$$

V_s = Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for steel.

S_0 = The all India average wholesale price index for steel (Bars and Rods) for the quarter preceding the date of opening of Bids as published by the Ministry of Industrial Development, Government of India, New Delhi.

S_1 = The all India average wholesale price index for steel (Bars and Rods) for the quarter under consideration as published by the Ministry of Industrial Development, New Delhi.

P_s = Percentage of steel component of the work.

Note: For the application of this clause, index of Bars and Rods has been chosen to represent steel group.

Adjustment of POL (fuel and lubricant) component

- (iv) Price adjustment for increase of decrease in the cost of POL (fuel and lubricant) shall be paid in accordance with the following formula:

$$V_f = 0.85 \times P_f/100 \times R \times (F_1 - F_0) / F_0$$

V_f = Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for fuel and lubricants.

F_0 = The average official retail price of High Speed Diesel (HSD) at the existing consumer pumps of IOC at nearest center on the day 30 days prior to the date of opening of Bids.

F_1 = The average official retail price of HSD at the existing consumer pumps of IOC at nearest center for the 15th day of middle calendar month of the quarter under consideration.

P_f = Percentage of fuel and lubricants component of the work.

Note: For the application of this clause, the price of High Speed Diesel oil has been chosen to represent fuel and lubricants group.

Adjustment of Plant and Machinery Spares Component

(v) Price adjustment for increase or decrease in the cost of plant and machinery spares procured by the Contractor shall be paid in accordance with the following formula:

$$V_p = 0.85 \times P_p / 100 \times R \times (P_i - P_o) / P_o$$

V_p = Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for plant and machinery spares.

P_o = The all India average wholesale price index for heavy machinery and parts for the quarter preceding the date of opening of Bids published by the Ministry of Industrial Development, Govt. of India, New Delhi.

P_i = The all India average wholesale price index for heavy machinery and parts for the quarter under consideration as published by Ministry of Industrial Development, New Delhi.

P_p = Percentage of plant and machinery spares component of the work

Note: For the application of this clause, index the Heavy Machinery and Parts has been chosen to represent the plant and Machinery Spares group.

Adjustment of Local materials Component

(vii) Price adjustment for increase or decrease in cost of local materials other than cement, steel, bitumen and POL procured by the Contractor shall be paid in accordance with the following formula:

$$V_m = 0.85 \times P_m / 100 \times R \times (M_i - M_o) / M_o$$

V_m = Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for local materials other than cement, steel and POL.

M_o = The all India average wholesale price index (all commodities) for the quarter preceding the date of opening of Bids, as published by the Ministry of Industrial Development, Govt. of India, New Delhi.

M_i = The all India average wholesale price index (all commodities) for the quarter under consideration as published by Ministry of Industrial Development, Govt. of India, New Delhi.

P_m = Percentage of local material component (other than cement, Steel and POL) of the work.

The following percentage will govern the price adjustment for the entire contract:

1. Labour- P_1	___%
2. Cement- P_e	___%
3. Steel- P_s	___%
4. POL- P_1	___%
5. Plant & Machinery Spares- P_p	___%
6. Other Materials- P_m	___%
Total: 100%	

Note: [The percentage of various components shall be determined for each work based upon its scope of work]

Annex - 6

_____ Name of Municipality

SUGGESTED FORMAT FOR BID EVALUATION REPORT FOR CIVIL WORKS (NCB)

1. Scope of contract and approximate cost:
Outline brief description of works covered by invitation.
Furnish estimated cost at the time of appraisal and the actual cost for the proposal contract.
2. **Bidding Document:**
Furnish the following details and discuss:

- Approval by Executing Agency/ Govt.
 - Variations from the approved document, if any.
 - Specifications and drawings (approval)
 - Implementation schedule and stipulated time for completion.
 - Important bidding conditions, such as, price adjustment, if any etc.
- (Enclose copy of bidding document with amendments if any, if not sent earlier).

3. **Bid Invitation Process:**

Furnish the following details and discuss:

- Bid invitation advertisement in national press, name of news papers and dates of publication.
- Dates the bidding document was available for sale.
- Number of bidders who purchased the bidding documents and their nationality.
- Prebid conference, minutes of meeting and resulting amendments, if any.
- Date and time of public bid opening, attendance, highlights of the bid opening meeting, etc.

(Enclose copies of Bid Invitation, Prebid minutes, minutes of bid opening).

4. **Bid Response:**

- State number of offers received and the nationality.
- Furnish details of offers received:
 - (i) In time :
 - (ii) Late :

Total :
- Furnish table of bid prices as read out at the bid opening meeting and as converted (in increasing order of bid value):

Sl. No.	Name of bidder	Nationality	Bid price as read out	Remarks
.....
.....
.....
.....

5. Clarifications obtained, if any:

6. **Preliminary Examination of Bids:**

- Discuss preliminary examination for eligibility, arithmetical errors, completeness, legal validity (has been properly signed and has submitted power of attorney etc.), bid validity, bid security and substantial responsiveness to commercial and technical aspect of bidding documents.
- Furnish details of all bids in Enclosure 1 and 2 of Annex-6.
- List the bids rejected as non-responsive.

Sl. No.	Name of bidder	Bid price	Brief reasons for rejection
.....
.....
.....
.....
.....

7. **Evaluation of Substantially Responsive Bidders:**

- State evaluation criteria and methodology cross-referencing to bid documents.
- Discuss conditions, if any and loading of bid prices.
- Prepare evaluation table showing the rankings as under:

Rank	Bidder	Bid Price
1
2.
3

(Furnish details as in Enclosure -3 to Annex-6)

- Discussion of offers:
 - Determination of lowest evaluated responsive bid.
 - Comments on unbalanced item bids, if any.
8. **Subcontracting**
- Comment on sub-contracting proposed and discuss qualifications/experience of sub-contractors determining whether it is acceptable.
9. **Post –qualification/ Verification for prequalified bidders:**
- Furnish actual qualification of selected bidder and determine whether the selected lowest evaluated responsive bidder is qualified to satisfactorily perform the contract. (Enclosure-4 to Annex- 6) *[To qualify for a package of contracts made up of this and other contracts for which bids are invited, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.]*
 - If the determination is negative, bid of the lowest bidder will have to be rejected and the next lowest evaluated bid considered to make a similar determination of bidder’s capability to perform satisfactorily.
 - Discuss bid capacity – Attach calculations sheet to show how they possess the capacity.
10. **Construction Methodology**
- Discuss the proposed construction methodology and other details of the selected bidder [submitted by him in ITB] and comment on its acceptability.
11. **Recommendations:**
- Furnish important features of bid recommended for award such as:
 - Advances
 - Price adjustments, if any
 - Performance security
 - Additional security proposed for unbalanced bids, if any
 - Bid validity
 - Stipulated period of completion
 - Other important terms and conditions
12. **Value of contract proposed for approval:**

Signature of Evaluating Officer

(Enclose checklist duly filled)

Enclosures (enclose only those which were not forwarded earlier):

1. Copy of bidding document
2. Copy of bid invitation and press advertisement
3. Prebid minutes and Copies of Amendments, if issued
4. Minutes of Bid Opening
5. Assessment of Bids (Enclosure- 1 and 2 to Annex-6)
6. Comparative statement of Offers (Enclosure- 3 to Annex- 6)
7. Details of post-qualification / verification of prequalified bidders (Enclosure-4 to Annex-6)
8. Details of Recommended Bidder (Enclosure-5 to Annex-6)

Enclosure-1 (to Annex- 6)

_____ Name of Municipality

Assessment of Bids

S1. No.	Particulars	Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5
1.	Name of Bidder					
2.	Country of Origin					
3.	Bid Price					
4.	Credentials Letter of Authorisation					
5.	Commercial Assessment *					

6.	Technical Assessment *					
7.	Decision on Responsiveness					
8.	Capacity cum Capability* Assessment (Post/ Prequalification)					

*For details see attachment

Enclosure-2 (to Annex- 6)

_____ Name of Municipality

EVALUATION OF THE BIDS

Analysis for Responsiveness of Bid:

S1. No.	Particulars and Clause Reference		Name of Bidder 1	Name of Bidder 2	Name of Bidder 3
1.	Validity of Bid	ITB			
2.	Bid Security * 5.1 Form of Bid Security 5.2 Bank and Branch 5.3 Expiry Date 5.4 Amount	ITB			
3.	Letter of Authorization	ITB			
4.	Bid Form	ITB			
5.	Exceptions to Clauses, if any:				
6.	Unbalanced Bids	ITB			
7.	Price Adjustment, if suggested	ITB			
8.	Technical Deviations, if any				
9.	Decision on Commercial Responsiveness				

Note: [a] Add parameters as required to suit the item under procurement & as specified in your bidding document

Enclosure-3 (to Annex- 6)

_____ Name of Municipality

COMPARATIVE STATEMENT OF OFFERS

S1. No.	Item of Bill of Quantities	Quantity	Unit	Estimate		Bidder 1		Bidder 2	
				Rate in Rs.	Value In Rs.	Rate in Rs.	Value In Rs.	Rate in Rs.	Value In Rs.
	Grand Total:								

Enclosure-4 (to Annex- 6)

_____ Name of Municipality

POST QUALIFICATION

Criteria as specified in the bidding document *	Bidder 1	Bidder 2	Bidder 3
1.			
2.			
3.			
4.			

- Note:** 1(*). List all criteria specified in the bidding document and give comments on how bidder meets or fails in criteria.
2. Give details for the recommended bidder and other lower bidders whose offer is evaluated as non-responsive / who have been determined as not meeting with these criteria.

Enclosure-5 (to Annex- 6)

_____ Name of Municipality

DETAILS OF RECOMMENDED OFFER

- | | | |
|----|---|---|
| 1. | Total Value of Bid in Rupees | : |
| 2. | Advances: Mobilization / Equipment | : |
| 3. | Performance Security | : |
| 4. | Additional Performance Security for Unbalanced Bids, if any | : |
| 5. | Retention Money | : |
| 6. | Milestones to be Achieved | : |
| 7. | Liquidated Damages for different milestones | : |

Annex - 7

_____ Name of Municipality

SUGGESTED FORMAT OF BID EVALUATION REPORT FOR GOODS & EQUIPMENT (NCB)

1. **Scope of contract and approximate cost:**
 - Outline brief description of goods and services covered by invitation.
 - Furnish estimated cost at the time of appraisal and the actual cost for the proposal contract.
2. **Bidding Document:**

Briefly discuss and indicate:

 - Details of approval by Executing Agency/ Govt.
 - Variations from the approved document, if any.
 - Specifications (approval reference, if any)
 - Requirement of accessories/spares, if any
 - Delivery requirements.
 - Important bidding conditions, such as:
 - price adjustment
 - load for
 - (a) delivery schedule
 - (b) payment schedule
 - (c) performance and productivity
 - (d) operating and maintenance costs

(Enclose copy of bidding document and amendments if any, if not sent earlier, Annexure I).
3. **Bid Invitation Process:** Furnish the following details:
 - Date of publication of general procurement notice
 - Bid invitation advertisement in national press, News papers and dates of publication.
 - Period in which the bidding documents were made available for sale.
 - Number of firms who purchased the bidding documents and their nationality.
 - Date of closing and extensions, if any
 - Prebid conference, minutes of meeting and resulting amendments, if any.
 - Date and time of public bid opening, attendance, highlights of the bid opening meeting, etc.
4. **Bid Response:**
 - State number of offers received and the nationality.
 - Furnish details of offers received:
 - (i) In time =
 - (ii) Late =

Total =

- Furnish Table of bid prices as read out at the bid opening (in ascending order):

Sl. No.	Name of bidder	Nationality	Bid price as read out	Remarks
.....
.....
.....
.....
.....

- 5. Clarifications obtained, if any:

6. **Preliminary Examination of Bids:**

- Discuss preliminary examination for eligibility, arithmetical errors, completeness, legal validity (has been properly signed and has submitted power of attorney etc.), bid validity, bid security and substantial responsiveness to commercial and technical aspects of bidding documents.
- List arithmetical errors and corrected bid price.
- Furnish details of all bids in Enclosure 1,2 and 3 to Annex-7.
- List the bids rejected as non-responsive.

Sl. No.	Name of bidder	Bid price	Brief reasons for rejection
.....
.....
.....
.....

7. **Evaluation of substantially Responsive Bidders:**

- State evaluation criteria, methodology cross-referencing to bid documents, assumptions, if any, made in evaluation (Enclosure-4 to Annex-7).
- Discuss briefly offers and adjustment, if any for.
- Commercial aspects:
 - omissions
 - inland transportation
 - delivery
 - deviation in payment schedule
 - spare parts
 - operation and maintenance
 - performance and productivity etc.
- Technical criteria:
 - efficiency
 - productivity
 - training etc.

- Prepare evaluation table showing the rankings as under:

Rank	Name of bidder/ Manufacturer/ Agent	Evaluated CIP destination price
1
2
3

(Details in Enclosure-5 to Annex-7)

- Brief discussion of offers:
- Determination of lowest evaluated responsive bidder.

8. **Post –qualification:**

- State criteria, if any, outlined in the bid document.
- Discuss actual qualification of selected bidder and determine whether the selected lowest evaluated responsive bidder is qualified to satisfactorily perform the contract.

[If the determination is negative, lowest bid will have to be rejected and the next lowest evaluated bid considered for similar determination of bidder’s capability to perform satisfactorily. To qualify for a package of contracts made up

of this and other contracts for which bids are invited, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.]

(Details in Enclosure – 6 of Annex- 7)

9. **Recommendations:**

- Furnish important features of bid recommended such as:
 - Bidders name
 - Model, quantity and total bid price for :
- Basic machine
- list of tools
- list of special accessories
- list of 2 years maintenance spares
- Other Services

Total Rs. _____

- Source of origin
- Payment terms
- Agency commission
- Delivery
- Inspection
- Insurance
- Freight
- Performance security
- Specifications
- Other important terms and conditions
- Date of expiry of validity of the selected bid

(Enclose contract information sheet of selected bidder)

Signature of Evaluating Officer

Signature of Competent Authority

Enclosures (enclose only those which were not forwarded earlier):

- 1 Copy of bidding document
- 2 Prebid minutes
- 3 Minutes of bid opening
- 4 Details of assessment of bids (Enclosure- 1,2 and 3 to Annex- 7)
- 5 Assessment made in evaluation (Enclosure- 4 to Annex- 7)
- 6 Evaluated bid prices of offers (Enclosure- 5 to Annex- 7)
- 7 Details of post-qualification (Enclosure- 6 to Annex- 7)
- 8 Contract information and selected bidder (Enclosure- 7 to Annex- 7)

Enclosure-1 (to Annex- 7)

_____ Name of Municipality

Assessment of Bids

Sl. No.	Particulars	Name of Bidder 1	Name of Bidder 2	Name of Bidder 3	Name of Bidder 4	Name of Bidder 5
1.	Manufactured by					
2.	Country of Origin					
3.	Agent					
4.	Classification					

Sl. No.	Particulars	Name of Bidder 1	Name of Bidder 2	Name of Bidder 3	Name of Bidder 4	Name of Bidder 5
5.	Model Offered					
6.	Model Number					
7.	Total Bid Price					
8.	Total Cost per unit as per Bid document in Indian Rupees					
9.	Credentials Letter of Authorization					
10.	Commercial Assessment*					
11.	Technical Assessment*					
12.	Decision on Responsiveness					

* For details see attachment.

Enclosure-2 (to Annex- 7)

_____ Name of Municipality

EVALUATION OF THE BIDS

Commercial Analysis for Responsiveness of Bid :

Sl. No.	Particulars	Name of Bidder 1	Name of Bidder 2	Name of Bidder 3
1.	Model Offered			
2.	Model No.			
3.	Manufd. By			
4.	Country of Origin	ITB		
5.	Bid Security	IRB		
	5.1 Form of Bid Security			
	5.2 Bank and Branch			
	5.3 Expiry Date			
	5.4 Amount			
6.	Validity of Bid	ITB		
7.	Letter of Authorisation	ITB		
8.	Bid Form	ITB		
9.	Exception to :			
	Delivery:	ITB		
	Payment Terms; and	ITB		
	Others			
10.	Bid Currency	ITB		
11.	Performance Statement	ITB		
12.	Decision on Commercial Responsiveness			

Note: [a] Add parameters as required to suit the item under procurement and as specified in your bidding document.

[b] Bid security of Joint Venture must be in the name of all the partners in the Joint Venture submitted the bid.

Enclosure-3 (to Annex- 7)

_____ Name of Municipality

Technical Evaluation of the Bids:

Sl. No.	Particulars	Technical Specifications Clause Reference	Name of Bidder 1	Name of Bidder 2	Name of Bidder 3
1.	Model No.				
2.	Mfd. By*				
3.	Model Type				
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.	Decision on Commercial Responsiveness				

- (a) List the mandatory and optional features which are checked and compared as detailed in technical specifications to determine on conformity to technical specifications.
- (b) This should also cover all deviations listed by the bidder.

Enclosure-4 (to Annex- 7)

_____ Name of Municipality

Brief details of Assumptions made in Evaluation

- a)
b)
c)
d)

Enclosure-5 (to Annex- 7)

_____ Name of Municipality

Comparative Statement of Responsive Offers

Items		Price		
(Groups A and B separately) Cost per unit (in Rs.)		Bidder's Name	Bidder's Name	Bidder's Name
1.	Ex-factory/ex-showroom/ ex-warehouse or Off – the Shelf prices			
2.	Excise duty (if quoted separately)			
3.	Packing & forwarding charges			
4.	Inland freight			
5.	Insurance			
6.	Other charges, if any			
	TOTAL			
7.	Discounts, if any			

8.	Total unit cost as quoted			
9.	No. to be supplied			
10.	Total cost as quoted			
11.	Delivery period offered			
12.	Delivery period loading			
13.	Payment terms loading			
14.	Other loadings			
15.	Total evaluated price with loading			
16.	Ranking			

Enclosure-6 (to Annex- 7)

_____ Name of Municipality

POST QUALIFICATION

Criteria as specified in the bidding document *	Bidder 1	Bidder 2	Bidder 3
1.			
2.			
3.			
4.			

- Note** 1(*) List all criteria specified in the bidding document and give comments on how bidder meets or fails in criteria.
 2. Give details for the recommended bidder and other lower bidders whose offer is evaluated as non-responsive / who have been determined as not meeting with this criteria.

Enclosure-7 (to Annex- 7)

_____ Name of Municipality

Details of Recommended Offer

Name of Bidder _____

Sl. No.	Name of Item	Specification or Part No.	Unit	Qty.	Rate	Value
1.	Basic Item					
2.	List of Tools					
3.	List of Special accessories and spares					
4.	List of spares for 2- year maintenance					
5.						
	Total Cost					

Annex - 8

_____ Name of Municipality

**PROCUREMENT
CHECKLIST FOR CONTRACTS ABOVE PRIOR REVIEW THRESHOLD
FOR CIVIL WORKS**

1. Name of the Project :
2. Procurement Package Number and Procurement Plan reference :
3. Description of works :
4. Estimated cost of works :
5. Stipulated time of completion (including non-working season) :(in months)

1 Not applicable for NCB

6. Type of contract : ICB/NCB
7. Whether the bidders were prequalified : Yes/No
8. Date of clearance of bidding document by Executing Agency :
10. ¹When the bid notice was published in Official website of Urban Development Department (UDD)? :
11. Publicity (National Press – Name and Date of Publication) :
12. Dates when the bidding documents were made available for sale : From.....to.....
13. Number of bidding documents purchased by prospective bidders :
- a) Domestic :
- b) Foreign :
14. Prebid conference held on :
- (Scheduled it at about mid of bidding time)
15. Date of clearance of prebid conference minutes by the Executing Agency :
16. Last date of receipt and date of opening of bids (both should be the same) :
17. Number of bids received :
- a) Domestic :
- b) Foreign :
18. Date of clearance of award by the Executing Agency (No Objection cable) :
19. Award amount as cleared by the Executing Agency : Currency Amount
20. Amount of contract^{2*} : Currency Amount
21. Date of signing of the Contract :
22. Contract Number :
23. Name and nationality of the contractor :
24. Whether the contract includes price adjustment Clause ? : Yes/ No
25. Date of start of work :
26. Stipulated period of completion :
27. Performance Security : Percentage Deduction Total not
- Initial (%) from bills (%)
- exceeding
- a) Amount and currencies in proportion to the currencies of payment :
- b) Additional Security for unbalanced bids, if any :
- c) Defects liability period :months
- d) Validity as required :months
- e) Has the successful bidder furnished the performance security in various currencies in an acceptable form with validity in accordance with the conditions of contract: If so, indicate
- Form :
- Amount :
- Validity :
- (Attach copy of Instrument)
28. Reasons for delay, if any, in forwarding the confirmed copy of the contract. (Contracts along with the checklist, should be forwarded to the Executing Agency within ten days of signing of agreement) :

* Clarify reasons for variation if any from the value as cleared by the Executing Agency vide S. No. 20

29. Any other remarks (attach sheet, if necessary) :
30. Has the letter of appointment of Adjudicator been issued following the suggested format : Yes/ No
- Signature :
- Name:
- Designation :

Dated:

Enclosure-1 (to Annex- 8)

_____ Name of Municipality

PREQUALIFICATION DETAILS

1. Date of clearance of prequalification document by the Executing Agency :
2. Date of prequalification :
3. When the pre-qualification notice was published in Official website of Urban Development Department (UDD)? :
4. Publicity : (National press – Name and Date of publication : 1.....
2.....
3.....
5. Dates when prequalification documents were made available for sale : From.....To.....
(ICB – 45 to 90 days/
LCB – 30 to 60 days)
6. Last date of receipt of prequalification application and date of opening :
7. Date of prequalification conference :
- (Schedule it at about mid of the time given to applicants)
8. Date of clearance of prequalification conference minutes by the Executing Agency :
9. No. of applicants who :
- a) purchased the prequalification documents :
- Domestic :
- Foreign :
- b) submitted the prequalification application :
- Domestic :
- Foreign :
- c) are prequalified :
- Domestic :
- Foreign :
- d) Date of clearance of pre-qualification by Executing Agency :

Signature

Name

Designation

Date

Annex - 12

Suggested Draft of the Letter of Appointment of Adjudicators in Civil Works Contracts

Sub: _____ (Name of the Contract)

To

Name and address of the Adjudicator

We hereby confirm your appointment as adjudicator for the above contract to carry out the assignment specified in this Letter of Appointment.

For administrative purposes _____ (name of the officer representing the Municipality) has been assigned to administer the assignment and to provide the Adjudicator with all relevant information needed to carry out the assignment on behalf of both the Municipality and the Contractor. The services will be required during the period of contract for the work of _____ (Name of the Contract)

The Adjudicator shall visit the worksite once in 3 (three) months till the completion of the work indicated above or as specifically requested by Municipality/ Contractor for the period upto the end of defects liability period with prior intimation to the Municipality and the Contractor. The duration of each visit shall ordinarily be for one day only. These durations are approximate and (Name of the Municipality and Name of the Contractor) may find it necessary to postpone or cancel the assignment and/or shorten or extend the duration.

The appointment will become effective upon confirmation of this letter by you. The appointment of Adjudicator shall be liable for termination under a 30 (thirty) days written notice from the date of issue of the notice, if both Municipality and the Contractor so desire. Also the appointment shall automatically stand terminated 14 days after the defect notice/ correction period of Contract is over.

The Adjudicator will be paid a fee of Rs.3000/- (Rupees : three thousand only) per each day of visit at the worksite. The actual expenses for boarding and traveling in connection with the assignment will be reimbursed to the Adjudicator. The Adjudicator will submit a pre-receipted bill in triplicate to the Municipality indicating the date of the visit, fees for the visit and a proof in support of the actual expenditure incurred by him against boarding, lodging and traveling expenses after performing the visit on each occasion. The Municipality will make the admissible payment (both the Municipality's and the Contractor's share) to the Adjudicator within 30 days of the receipt of the bill. The Contractor's share on this account (half the paid amount) will be recovered by the Municipality from the Contractor's bills against the work.

In accepting this assignment, the Adjudicator should understand and agree that he is responsible for any liabilities and costs arising out of risks associated with travel to and from the place of emergency repatriation, loss or damage to personal/professional effects and property. The Adjudicator is advised to effect personal insurance cover in respect of such risks if he does not already have such cover in place. In this regard, the Adjudicator shall maintain appropriate medical, travel, accident and third-party liability insurance. The obligation under this paragraph will survive till termination of this appointment.

Procedures for resolution of disputes by the Adjudicator is described in the contract of _____ (name of the Contract) between the Municipality and the contractor.

The Adjudicator will carry out the assignment in accordance with the highest standard of professional and ethical competence and integrity, having due regard to the nature and purpose of the assignment and will conduct himself in a manner consistent herewith. After visiting the worksite, the Adjudicator will discuss the matter with the Municipality and if necessary with the Contractor before arriving at any decision.

The Adjudicator will agree that all knowledge and information not within the public domain, which may be acquired while carrying out this service shall be for all time and for all purpose, regarded as strictly confidential and held in confidence, and shall not be directly or indirectly disclosed to any party whatsoever, except with the permission of the Municipality and the Contractor. The Adjudicator's decision should be communicated in the form of a speaking order specifying the reasons.

The Adjudicator will agree that any manufacturing or construction firm, with which he might be associated with, will not be eligible to participate in bidding for any goods or works resulting from or associated with the project of which this consulting assignment forms a part.

Read and Agreed

Name of Adjudicator
Signature

Place:

Date:

Name of Municipality

Signature of authorized representative of Municipality

Name of Contractor

Signature of authorized representative of Contractor

Attachment : Copy of contract document between the employer and contractor and format for recommendation.

SUMMARY OF ADJUDICATOR’S RESPONSIBILITIES

The Adjudicator has the following principal responsibilities :

1. Visit the site periodically
2. Keep abreast of job activities and developments
3. Encourage the resolution of disputes by the parties
4. When a dispute is referred to it, conduct a hearing, complete its deliberations, and prepare a recommendation in a professional and timely manner (as per sample format)

Sample Format of Adjudicators’ Recommendation

[Project Name]

RECOMMENDATION OF ADJUDICATOR

Dispute No. _____[NAME OF DISPUTE]

Hearing Date :.....

Dispute

Description of dispute. A one or two sentence summation of dispute.

Contractor’s Position

A short summation of the Contractor’s position as understood by the Adjudicator.

Employer’s Position

A short summation of the Municipality’s position as understood by the Adjudicator

Recommendation

The Adjudicator’s specific recommendation for settlement of the dispute. (the recommended course is consistent with explanation).

Explanation

(This section could also be called Considerations, Rationale, Findings, Discussion, and so on)

The Adjudicator’s description of how each recommendation was reached.

Respectfully submitted.

Date : _____

Annex - 13

_____ Name of Municipality

MINUTES OF BID OPENING – (NCB Goods/Works)

_____Project

Basic Data Sheet

- | | | |
|----|-----------------------|---|
| 1. | Tender Number | : |
| 2. | Item/Work Description | : |
| 3. | Estimated Value | : |
| 4. | Date of issue | : |

5. Mode of Procurement : _____
6. (a) Deadline for submission of bids (date and time) : _____ at _____ hours
 (b) Bid opening date and time : _____ at _____ hours
7. No. of Bidding Documents Sold : _____
8. Number of bids received : _____
9. Bid Validity expires on : _____

Signature of the bid opening officer : _____
 (Bid Opening Committee)

Name of bid opening officer : _____
 (Bid Opening Committee)

Title of the bid opening officer : _____

_____ Name of Municipality

(Name of the Project)

2.1 RECORD OF BID OPENING (NCB)

Loan Number : _____

Credit Number : _____

Tender Number : _____

Description of Item / Work: _____

1. The following bids received by closing date and time i.e. _____ hours on _____, were publicly opened in the presence of the bidders representatives listed below at _____ hours on _____ (date)

S. No.	Number of Bidder	Group	Bid Security in Rupees		Bid Amount * (CIP Destination/ In Rupees)	Discount offered, if any (modifications or withdrawals)	Alternative offer, if any
			Amount	Validity			
1.							
2.							
3.							
4.							
5.							

2. The following representatives of bidders are present during the bid opening :

S. No.	Name of Representative	Signature	Name of Bidder/	Name* of Manufacturer if different from bidder

3. Complaints, if any:

Signature, Name and Designation of the Bid Opening Officer's (Bid Opening Committee) :

1.
2.
3.
4.

*Modify as required for each case

Annex - 14

MODEL INSPECTION AND TEST CLAUSE

● **INSPECTION & TESTS**

The following inspection procedures and tests are required by the Employer:

After manufacture, the supplier shall get each equipment (item of Goods inspected in manufacturer’s work and forward to the Engineer along with his letter seeking inspection, a test certificate along with guarantee/ warranty certificate confirming that the equipment/ goods conformed to contract specifications.

Upon receipt of the test certificate, the Engineer or his representative shall arrange for inspection and / or test, of any or all the equipments (Goods prior to issuance of dispatch clearance). In cases where the suppliers are received from abroad, the Engineer has the option to waive the pre dispatch inspection.

However, the inspection and dispatch clearance by the Engineer or the waiver thereof will not prejudice the right of the Engineer or its consignee to test the equipment/ goods on receipt at destination upon receipt of goods at final destination, the Engineer shall have the right to inspect and/or test the equipment/ Goods to confirm their conformity to the contract specifications.

If the equipment fails to meet the contract specifications during inspection, whether pre-dispatch or upon receipt of at final destination, the supplier shall take immediate steps to remedy the deficiency or replace the defective equipment to ensure that all suppliers meet with the specifications specified in the contract.

Annex – 15

FORMAT OF QUOTATION*

Sl. No.	Description Goods	Specifications	Qty.	Unit	Quoted Unit Rate in Rs.	Total amount	
						In Figures	In words

Total Cost : Rs

Add Sales Tax/ VAT : Rs

Grand Total

We agree to supply the above goods in accordance with the technical specifications for a total contract price of Rs..... (amount in figures) (Rs.....(in words) within the period specified in the Invitation for Quotations.

We also confirm that the normal commercial warrantee/ guarantee ofmonths shall supply to the offered goods.

We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in bribery

Signature of Supplier

Annex-16

Contract for Consultancy Services for

.....

Between

(Name of Municipality)

Through

.....

and

.....

I. Form of Contract

This CONTRACT (hereinafter called the "Contract") is made the day of the month of for the between, on the one hand, [*Name of Municipality*], located at through the (hereinafter referred to as "Client", which expression shall, unless repugnant to the context thereof, include its affiliates, associates, successors and assigns) and, on the other hand, **a Company incorporated under the provisions of Companies Act, 1956 and having** its registered office at(hereinafter called the "Consultant" which expression shall, unless repugnant to the context thereof include its permitted assigns).

WHEREAS

- (a) the Client has invited consultants to render certain defined consultancy services and the Consultant, being the lowest quoting participants, is ready to provide the services as defined in this Contract (hereinafter called the "Services") on the terms, conditions and stipulations of the client;
- (b) the Consultant, having represented to the Client that it has the required professional skills, and personnel and technical resources, has agreed to provide the Services faithfully, expeditiously and honestly on the said terms and conditions;

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) The terms, Conditions and stipulations of Contract;
 - (b) The following Appendices:
 - Appendix A: Scope of Work
 - Appendix B: Key Personnel of the Consultant
 - Appendix C: Form of Performance Guarantee
2. The mutual rights and obligations of the Client and the Consultant shall be as set forth in the Contract, in particular:
 - (a) the Consultant shall carry out the Services in accordance with the provisions of the Contract; and
 - (b) the Client shall make payments to the Consultant in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of [*Name of Municipality*]

Name.....

Position/ Address.....

For and on behalf of (Consultant's Name)

Name of the Consultant.....

Position.....

Conditions of Contract General Provisions

Commencement, Completion, Modification and Termination of Contract

- | | |
|--------------------------------------|---|
| 2.1 Effectiveness of Contract | This Contract shall be effective from the signing of the contract i.e. DD/MM/YY. The date this Contract comes into effect is defined as the Effective Date. |
| 2.2 Commencement of Services | The Consultant shall begin carrying out the Services immediately after the Effective Date. |
| 2.3 Expiration of Contract | This Contract shall be valid for a period of from the Effective Date. No extension of time for completing the same shall be made owing to any reason, unless the client extends the time allowed for the completion of the assignment. |
| Modifications or Variations | Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties hereto.
The Consultant shall be fully responsible for evolving the service technically sound, workable in all respect and in correlation with the Prevalent Practices and shall ensure that the planning is carried out based on prevailing legislation, other relevant bye-laws and good engineering and town planning practices. The Consultant shall guarantee the sustainability of the services rendered. |

2.6 Termination
2.6.1 By the Client

The Client may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause 2.6.1. In such an occurrence the Client may terminate the agreement 30 days after serving the notice to the Consultant.

If the Consultant does not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the Client may have subsequently approved in writing.

If the Consultant becomes insolvent or bankrupt.

If the Consultant, in the judgment of the Client has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

If the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 8 hereof.

This agreement may be terminated at any time by the client upon one month's notice in writing being given to the Consultant, if the Consultant's work is not found to be satisfactory according to the terms of the agreement. In case the agreement is terminated on account of Consultant's work not being satisfactory, the client will be at their liberty to get the work done through some other consultant. The consultant shall not be entitled to any claim/ compensation after termination of the agreement.

2.6.2 By the Consultant

The Consultant may terminate this Contract, by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of the event specified in paragraph below of this Clause 2.6.2:

If the consultant does not desire to render the services due to personal reasons, on refund of all payments/advances made by the client till that date along with the interest as admissible in the eyes of law along with forfeiture of the EMD and performance guarantee by the client.

Obligations of the Consultant

3.1 General

The consultant has deposited an earnest deposit money of Rs..... only through a bank guarantee of and has agreed to provide additional bank draft/ bank guarantee against advance to be made (if any).

3.1.1 Standard of Performance

The Consultant shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's interests in any dealings with Sub-Consultants or third Parties.

3.2 Prohibition of Conflicting Activities

The Consultant shall not engage, and shall cause their Personnel as well as indirectly, in any business or professional activities which would conflict with the activities assigned to them under this Contract.their Sub-Consultants and their Personnel not to engage, either directly or

3.3 Confidentiality

Except with the prior written consent of the Client, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the Personnel make public the recommendations formulated in the course of, or as a result of, the Services.

3.4 Insurance to be Taken Out by the Consultant

The Consultant (a) shall take out and maintain, at their own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums have been paid.

- 3.5 Consultant's Actions Requiring Client's Prior Approval The Consultant shall obtain the Client's prior approval in writing before taking any of the following actions:
entering into a subcontract for the performance of any part of the Services,
appointing such members of the Personnel not listed by name in Appendix B, and
any other action that may be specified.
- 3.6 **Reporting Obligations** The Consultant shall submit to the Client the reports and documents as specified herein.
Final reports shall be delivered in a storage media protected by Password in addition to the hard copies as desired by the client.
- 3.7 Documents Prepared by the Consultant to be the Property of the Client All plans, drawings, specifications, designs, reports, other documents and software submitted and developed by the Consultant under this Contract shall become and remain the property of the Client.
The Consultant may retain a copy of such documents and software. The consultant will not use these documents for their future use except, with the written consent of the Client.
- 3.8 Collection of data/details The consultant undertakes to visit site and otherwise collect all details/data/information required for the planning purposes. The client shall in no case be held responsible and accountable for unavailability of any data. Any delay in procuring data will not be treated as a ground for the time extension of the contract.
- 3.9 Correction in deliverables. The consultant shall carry out all modifications/ deletions /additions / alteration in the deliverable documents as required by the client till it is finally approved by the client/competent statutory body/bodies.
- 3.10 Proprietary rights All drawing shall be the property of the client and the name & LOGO of the client shall be predominantly displayed on all the drawings and documents as "Prime Consultant". The originals of approved drawings will be on good quality reproducible on tracing paper. The proprietary rights of the master plan shall remain with the client.
- 3.11 **Law Governing services** Primary responsibility of complying with all the requirements of the applicable laws/ local customs and practices which would be applicable unto the Consultant pursuant this Contract relating to the extent of its scope of activities under this Contract shall be of the Consultant and the Consultant shall keep the Client (including its Directors, employees, agents and representatives) fully indemnified against all costs, charges, damages, penalties or litigation that may arise on account of any contravention or violation thereof.
- 3.12 **Liabilities of consultants** Notwithstanding anything to the contrary in this agreement, any Exhibit or Attachment or any other document signed between the Parties regarding the subject matter of this agreement, either prior or subsequent to this agreement, in no event shall the client be liable for any loss of profits or revenue, or loss or inaccuracy of data or for any direct, indirect, incidental, special or consequential damages incurred by the consultant."
"Notwithstanding anything to the contrary in this Agreement, any Exhibit or Attachment or any other document signed between the Parties, in no circumstances, the client shall ever be liable for any indemnities or any of liabilities admitted by the Consultant in this Agreement, The client will not be responsible for any delay / stoppage of work due to force majeure conditions like natural calamities, civil disturbances, strikes, war etc. and losses suffered, if any, by the consultant on this account. The client shall not be liable in any way to bear such losses and no claim/ compensation of any kind whatsoever will be payable to the consultant.
While providing consultancy services, the Consultant shall ensure that there is no infringement of any patent or intellectual rights and he shall be fully responsible for consequence / any actions due to any such infringement. The Consultant shall keep the client indemnified all the times and shall bear the losses suffered by the client in this regard.

3.13 Liquidated damages In case the Consultant fails to complete the work within the contract period or extended period, if any, duly approved by the client, the Consultant shall be liable to pay liquidated damages @ 1% per week of the total fees subject to a maximum of Security/Performance guarantee deposited. The client shall be entitled to deduct such damages either from the dues that may be payable to the Consultant or through revoking the bank guarantee.

Consultant’s Personnel

4.1 Description of Personnel The Consultant shall employ and provide such qualified and experienced Personnel and Sub-Consultants as are required to carry out the Services. The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Consultant’s Key Personnel are described in Appendix B.

4.2 Removal and/or Replacement of Personnel Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultant, such as retirement, resignation, death, medical incapacity, among others, it becomes necessary to replace any of the Key Personnel, the Consultant shall provide as a replacement a person of equivalent or better qualifications with the approval of the client.
 If the Client finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) have reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the Client’s written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the Client.
 The Consultant shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

Obligations of the Client

5.1 Assistance and Exemptions The Client shall use its best efforts to ensure that the Government shall provide the Consultant such assistance and exemptions as the govt. deems fit and proper

Payments to the Consultant

6.1 Lump-Sum Payment The total payment due to the Consultant shall not exceed the Total Fee which is an all inclusive lump-sum payment covering all costs required to carry out the Services.

6.2 Total Fee The total estimated fee to be paid to the Consultant shall be **Rs. (Rupees in words)** inclusive of all incidental charges, taxes and duties etc.

6.3 Terms and Conditions of Payment The ‘Client’ will pay the consultancy fee to the consultant in the following manner :-

S. No.	Description of Deliverables	Percentage payment
1.	On signing of agreement against Bank Guarantee	10%
2.	Submission of Inception Report and Survey Report	20%
3.	Submission of Draft DPR	25%
4.	Approval of final DPR from the Govt. of India / State Govt.	20%
5.	Against Project Monitoring Consultancy	25%
Total		100%

6.4 Security against advance. The Consultant shall furnish within 10 days of the issue of Work Order, an unconditional Bank Guarantee from a Bank for an amount equivalent to 10% of the total Contract value on the Proforma of the client towards Security against the payment to be made under para 6.3, valid for a period of from the date of signing of this Contract. The Bank Guarantee shall be extendable till the services rendered and deliverable documents approved by the competent body.

Good Faith

7.1 Good Faith The Parties undertake to act in good faith with respect to each other’s rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

Settlement Of Disputes

8.1 Arbitration

In the event of any question, dispute and or difference whatsoever arising under the agreement or in connection there-with including any question relating to existence, meaning and interpretation of this agreement or any alleged breach thereof, the same shall be settled as far as possible by mutual discussions and consultation between the consultant and the client with reference to and in context of the agreement failing which the same will be referred to the Executive Officer, *[Name of Municipality]* or the Sole Arbitration of any arbitrator appointed by him, and his decision shall be final and binding on both the parties. It is clearly agreed that in every case where any appointee arbitrator refuses or vacates his office or neglect or refuses to act or become incapable of acting or dies, the vacancy shall be supplied by the Secretary as aforesaid.

8.2 Amicable Settlement

The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of the Contract and the success of the assignment. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

8.3 Dispute Resolution

Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement.

APPENDICES

Appendix-A

Description of the Services

Scope of work

(To be added by Municipality)

Appendix B

Key Personnel

Sl. No.	Name	Position
1.	(To be added by Municipality)	(To be added by Municipality)
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Appendix C

Form of Performance Guarantee

(To be added by Municipality)

Appendix 3
(Reference to Chapter 7
Establishment)

Form EST-1

[Vide Rule 145(1)]

Application for leave

Name of the ULB

Sl. No	Particulars	Details
1	Name of applicant	
2	Leave Rules applicable	
3	Post held	
4	Department of ULB	
5	Pay	
6	House Allowance, conveyance allowance, or other compensatory allowances drawn in the present post	
7	Nature and period of leave applied for and date from which required	
8	Ground on which leave is applied for	
9	Date of return from last leave and the nature and period of that leave	

Place:-

Date: -

Signature of applicant

For use in Office

1. Statement of leave granted to the applicant prior to this application

	In the current year	During the previous year	Total
(i) Earned leave. (ii) Half-pay leave. (iii) Special disability leave/ study leave/ maternity leave. (iv) Extraordinary leave			

2. Certified that Sri..... (Designation.....) has the following leave at his credit on.....

Earned Leave.....

Half pay leave.....

3. Order of the sanctioning authority –

Date: -

Signature

Designation

Form EST-2

[Vide Rule 150(4)]

Attendance Statement/Register

Name of the ULB

Attendance for the "Month - Year"

Name of the employee	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
Signature																																

Signature
Executive Officer

Appendix 4
(Reference to Chapter 8- Stores)

Form PS-1

[Vide Rule no 105, 162]

..... Name of the Municipality

Material Requisition-cum-Issue Note

..... Stores
Book No.....

Issue No.....
Date.....

Following material issued to (name of contractor/department) vide their request number..... Dated.....

Sl. No.	Particulars (Product details and specifications)	Quantity Issued	Inspected by	Remarks
1	2	3	4	5

Materials Issued by
Records
.....
Stores Clerk

Person receiving the
materials
.....
Signature

Entered in Store
Entry No.....
.....
Stores-in-charge

FORM PS-2

[Vide Rule no 166]

Stock Account of Furniture and other Office Stores Office of
Name of article – Chairs

Date	No. and date of contingent voucher, invoice, etc.	Nature of transaction	Receipts	Issues	Balance	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1st April 20		(Sample entries) Opening balance	....	....	46	
15 th June 20...	Voucher No. 10, dated 15 th June 20..	Purchased	4	....	50	
25 th June 20...	Indent No. 27 dated 15 th August 20..	Transferred to the office of .....	....	6	44	
1st October 20...	Office order No 36, dated 1st October 20..	Broken *Chairs condemned as unserviceable	....	3	41	

*Destroyed as they were not worth repairing.

Form No PS-3

[Vide Rule 173(2)]

Name of the Municipality

Record of items destroyed/ disposed

Folio Number:-

Sl. No.	Name of Item	Stores Register Folio No.	Qty	Rate	Amount	Date of destroying/ disposing	Method of destroying/ disposing	Reasons for destroying/ disposing	Remarks	Initials of the Stores Incharge	Initials of the EO/ Any other officer
1	2	3	4	5	6	7	8	9	10	11	12

Appendix 5
(Reference to Chapter 9- Advances)

Form ADV-1
[Vide Rule 198(3)]

Application form for an advance for the purchase of Vehicle

1. Name of Applicant
2. Applicant's designation
3. District and Station.....
4. Basic Pay.....
5. Anticipated price of Vehicle.....
6. Amount of advance required.....
7. Date of superannuation or retirement or date of expiry of contract in case of a contract officer
8. Number of instalments *in* which the advance is desired to be repaid
9. Whether advance for similar purpose was obtained previously and if so—
 - (i) date of drawl of the advance
 - (ii) the amount of advance and/or interest thereon still outstanding, if any
10. Whether the intention is to purchase—
 - (j) a new or an old Vehicle
 - (k) if the intention is to purchase Vehicle from a person having official dealings with the Government servant, whether previous sanction of the competent authority has been obtained
11. Whether the officer is on leave or is about to proceed on leave—
 - (j) The date of commencement of leave
 - (k) The date of expiry of leave
12. Are any negotiations or preliminary enquiries being made so that delivery may be taken of the Vehicle within one month from the date of drawl of the advance?
13. (a) Certified that the information given above is complete and true
(b) Certified that I have not taken delivery of the Vehicle on account of which I apply for the advance, that I shall complete negotiations for the purchase of pay finally and take possession of the same before the expiry of one month from the date of drawl of the advance

Date

Applicant's Signature

Form No ADV-2
[Vide Rule 198(2)]

Form of Mortgage Bond for Motor Vehicle

THIS INDENTURE made this day oftwo thousand and.....
between..... (hereinafter called "the Borrower", which expression shall include his heirs, administrators, executors and legal representatives) of the one part and the Council of ULB (hereinafter called "the Council", which expression shall include his successors and assigns) of the other part. WHEREAS the Borrower has applied for and has been granted an advance of Rupees to purchase a Motor Vehicle on the terms of Rules **xx** to **xx** of the Jharkhand Municipal Finance Rules (hereinafter referred to as "the said Rules" which expression shall include any amendment thereof or addition thereto for the time being in force) AND WHEREAS one of the conditions upon which the said advance has been / was granted to the Borrower is / was that, the Borrower will / would hypothecate the said Motor Vehicle to the Council as Security for the amount lent to the Borrower AND WHEREAS the Borrower has purchased with or partly with the amount so advanced as aforesaid the Motor Vehicle particulars whereof are set out in the Schedule hereunder written.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and for the considerations aforesaid the Borrower doth hereby covenant to pay to the Council the sum of Rs..... aforesaid or the balance thereof remaining unpaid at the date of these presents by equal payments of each on the first day of every month and will pay interest on the sum for the time being remaining due and owing calculated according to the said Rules and the Borrower doth agree that such payments may be recovered by monthly deductions from his salary in the manner provided

by the said Rules or where, in the event of his proceeding on deputation out of India for a period exceeding twelve months or of his being transferred to a post outside India, the competent authority has allowed repayment of the amount of advance remaining unpaid and/or interest as aforesaid on the happening of such an event, in rupees in India, the Borrower doth hereby agree to pay to the President such dues by remittance through Bank draft drawn by the 15th of every month in favour of the Accounts Officer in whose books the accounts of the aforesaid advance are kept, and in further pursuance of the said agreement the Borrower doth hereby assign and transfer unto the President the Motor Vehicle the particulars whereof are set out in the Schedule hereunto written by way of security for the said advance and the interest thereon as required by the said Rules.

And the Borrower doth hereby agree and declare that he has paid in full the purchase price of the said Motor Vehicle and/or the entire customs duty payable and that the same is his absolute property and that he has not pledged and so long as any money remain payable to the Council in respect of the said advance will not sell, pledge or part with the property in or possession of the said Motor Vehicle, PROVIDED ALWAYS and it is hereby agreed and declared that if any of the said instalments of principal or interest shall not be paid or recovered in manner aforesaid within ten days after the same are due or if the Borrower shall die or at any time cease to be in Government service or if the Borrower shall sell or pledge or part with the property in or possession of the said Motor Vehicle or become insolvent or make any composition or arrangement with his creditors or if any person shall take proceedings in execution of any decree or judgment against the Borrower the whole of the said principal sum which shall then be remaining due and unpaid together with interest thereon calculated as aforesaid shall forthwith become payable AND IT IS HEREBY AGREED and declared that the Council may on the happening of any of the events hereinbefore mentioned seize and take possession of the said Motor Vehicle and either remain in possession thereof without removing the same or else may remove and sell the said Motor Vehicle either by public auction or private contract and may out of the sale moneys retain the balance of the said advance then remaining unpaid and any interest due thereon calculated as aforesaid and all costs, charges, expenses and payments properly incurred or made in maintaining, defending or realizing his rights hereunder and shall pay over the surplus, if any to the Borrower, his executors, administrators or personal representatives. PROVIDED FURTHER that the aforesaid power of taking possession or selling of said Motor Vehicle shall not prejudice the right of the Council, to sue the Borrower or his personal representatives for the said balance remaining due and interest or in the case of the Motor Vehicle being sold the amount by which the net sale proceeds fall short of the amount owing AND THE Borrower hereby further agrees that so long as any moneys are remaining due and owing to the Council he will not permit or suffer the said Motor Vehicle to be destroyed or injured or to deteriorate in a greater degree than it would deteriorate by reasonable wear and tear thereof AND further that in the event of any damage or accident happening to the said Motor Vehicle, the Borrower will forthwith have the same repaired and made good.

THE SCHEDULE

Description of Motor Vehicle.

Maker's name.

Description.

No. of Cylinders.

Engine Number.

Chassis No.

Cost Price.

IN WITNESS WHEREOF the Mortgagor / Borrower has hereunto set his hand and Shri.....in the Office of..... for and on behalf of the Council of ULB has hereunto set his hand.

'Signed by the said in the presence of

1	.....	.....
2	.....	.....
	(Signature of Witnesses)	(Signature and designation of the Borrower)

Signed by (Name and designation)

for **and on** behalf of the Council of ULB **in** the presence of

1	.....	.....
2	.....	.....
	{Signature of Witnesses)	(Signature and designation of the Officer)

Form No ADV-3

[Vide Rule 197(3)]

Form of Mortgage Bond for Motor Vehicle - further advance

THIS DEED OF FURTHER CHARGE is made this day ofBETWEEN son of..... (hereinafter called "the Borrower", which expression shall, unless excluded by or repugnant to the subject or context, include their successors and assigns) of the one part and the Council of ULB (hereinafter called "the Council", which expression shall unless excluded by or repugnant to the subject or context include his successors and assigns) of the other part.

WHEREAS by Deed of Mortgage, dated the day of the Borrower hypothecated to the Council the Motor Vehicle described in the Schedule thereto to secure the Motor Vehicle purchase advance of Rs..... with interest at the rate and on conditions mentioned in the said Deed of Mortgage (hereinafter referred to as the "Principal Deed").

AND WHEREAS out of the said sum of Rs.....advanced to the Borrower by the Council a sum of Rs..... towards principal and interest as per the terms of the Principal Deed still remain due and payable to the Council.

AND WHEREAS the Borrower being in need of a further advance of Rs..... on the terms of Rules xx of the Jharkhand Municipal Finance Rules, (hereinafter referred to as "the said rules") towards payment of on the said vehicle.

AND WHEREAS the Borrower has approached the Council for an advance of further sum of Rs..... a n d the Government has agreed to lend the same on the same Security and on terms hereinafter expressed.

NOW THIS DEED WITNESSETH :—

In pursuance of the said agreement and in consideration of the further sum of Rs..... (in words as well as in figures) advanced to the Borrower (receipt of which the Borrower hereby acknowledges) the Borrower hereby covenants with the Council to repay to the Government the sum of Rs.....or the balance thereof remaining unpaid at the date of these presents with interest thereon by instalment in the manner herein.

The Borrower shall repay the said sum due to Council by equal payments of Rs.....each on the first day of every month and will pay interest on the sum for the time being remaining due and owing calculated according to the said rules so long as the principal moneys hereby secured or any part thereof due on this security remain unpaid and the Borrower doth agree that such payment may be recovered by monthly deduction from his salary in the manner provided by the said rules or where, in the event of his proceeding on deputation out of India for a period exceeding twelve months or of his being transferred to a post outside India, the competent authority has allowed repayment of the amount of advance remaining unpaid and / or interest as aforesaid on the happening of such an event in rupees in India, the Borrower doth hereby agree to pay to Council such dues by remittance through Bank draft drawn by the 15th of every month in favour of the Accounts Officer in whose books the accounts of the aforesaid advance are kept.

It is hereby agreed and declared that if any of the said instalments of the principal or interest shall not be paid or recovered in the manner aforesaid with ten days after the same are due or if the Borrower dies or at any time ceases to be in Government service or if the Borrower shall sell or pledge or part with the property in or of the said Motor Vehicle or become insolvent or make any composition or arrangement with his creditors or if any person shall take proceedings in execution of any decree or judgment against the Borrower, the whole of the principal sums and interest thereon calculated under the said rules which shall then be remaining due and unpaid under these presents and the Principal Deed shall forthwith become payable.

In pursuance of the said agreement and the consideration aforesaid, the Borrower doth hereby declare that the Motor Vehicle described in the Schedule to the Principal Deed and which is also described in the Schedule hereunder shall be security for and charged with payment to the Council as well of the said sum of Rs.....and interest thereon secure under the said Principal Deed and the said sum of Rs..... and interest thereon according to the covenant in that behalf hereinbefore contained and that the same shall not be Redeemed or redeemable until payment of the moneys secured under this Deed and the Principal Deed.

AND IT IS HEREBY AGREED that all powers, provisions and covenants contained and implied in the aforesaid Principal Deed in relation to the money secured thereby shall operate and take effect in like manner for securing payment of the principal and interest and to the security as fully as if the same had been herein set out and specifically made applicable thereto and as if the said sum had formed part of advance secured by the Principal Deed.

SCHEDULE

Description of Motor Vehicle.

Maker's name.

Description.
No. of Cylinders.
Engine No.
Chassis No.
Cost Price.

IN WITNESS WHEREOF the Mortgagor / Borrower has hereunto set his hand and Shri..... the Office of ..
.....for and on behalf of the Council has hereunto set his hand.

Signed by the

in the presence of

1	.....	.....
2	.....	.....
	(Signature of Witnesses)	(Signature and designation of the Borrower)

Signed by (Name and designation)

for and on behalf of the Council of ULB in the presence of

1	.....	.....
2	.....	.....
	(Signature of Witnesses)	(Signature and designation of the Officer)

Form No ADV-4

[Vide Rule 201(1)]

Form of Mortgage Bond for Motor Vehicle purchased with sale proceeds of an old one before the repayment of the entire advance of money with interest thereon sanctioned by Council earlier for the purchase of the latter vehicle

THIS INDENTURE is made this day of..... BETWEEN Shrison of (hereinafter called "the Borrower" which expression shall unless excluded by or repugnant to the subject or context include his heirs, administrators, executors and legal representatives) of the ONE PART and the Council of ULB (hereinafter called "the President" which expression shall unless excluded by or repugnant to the subject or context include his successors in office and assigns) of the other part.

WHEREAS by a Deed of Mortgage, dated the day of the Borrower mortgaged to the Council, the Motor Vehicle described in the Schedule thereto (hereinafter referred to as 'the old Motor Vehicle') to secure the Motor Vehicle purchase advance of Rs..... (in words as well as in figures) with interest at the rate and on conditions mentioned in the said Deed of Mortgage (hereinafter referred to as the 'Principal Deed').

AND WHEREAS out of the said sum of Rsadvanced to the Borrower by the Council, the Borrower has made part repayments and a sum of Rs..... (in words as well as in figures) towards principal *plus* interest thereon as per the terms of the Principal Deed still remain due and payable by the Borrower to the President.

AND WHEREAS the Borrower being in need of a new Motor Vehicle (hereinafter referred to as the new Motor Vehicle) applied to the Council for permission to sell his old Motor Vehicle and purchase a new one AND WHEREAS the Borrower has been permitted to sell the old Motor Vehicle and utilize the sale proceeds Of the old Motor Vehicle and in terms of Rule xx of the Jharkhand Municipal Finance Rules (hereinafter referred to as "the said rules" which expression shall include any amendment thereof or addition thereto for the time being in force) towards the purchase of the new Motor Vehicle on condition that the new Motor Vehicle shall be mortgaged to the Council by way of security for the repayment of the sums thus due and owing from the Borrower to Council.

AND WHEREAS the sum of Rs.....is now due and owing from the Borrower for principal AND WHEREAS the Borrower is liable in addition to pay interest as per the terms of the Principal Deed.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and for the consideration aforesaid the Borrower doth hereby covenant to pay to the Council the sum of Rs.....aforesaid by equal monthly instalments of Rs..... each on the first day of every month and will pay interest on the sum of Rs.....

originally advanced to him hereinafter referred to as the principal according to the terms of the Principal Deed and the Borrower doth agree that such payments may be recovered by monthly deductions from his salary in the manner provided by the said Rules and in further pursuance of the said agreement the Borrower doth hereby assign and transfer unto the Council the Motor Vehicle the particulars whereof are set out in the Schedule hereunder written by way of security for the said advance and the interest thereon as required by the said Rules.

And the Borrower doth hereby agree and declare that he has paid in full the purchase price of the said Motor Vehicle and that the same is his absolute property and that he has not pledged and so long as any money remain payable to the Council in respect of the principal will not sell pledge or part with the property in or possession of the said Motor Vehicle. PROVIDED ALWAYS and it is hereby agreed and declared that if any of the said instalments of Principal or interest shall not be paid or recovered in manner aforesaid within ten days after the same are due or if the Borrower shall die or at any time cease to be in Government service or if the Borrower shall sell or pledge or part with the property in or possession of the said Motor Vehicle or become insolvent or make any composition or arrangement with his creditors or if any person shall take proceedings in execution of any decree or judgment against the Borrower the balance of the principal which shall then be remaining due and unpaid together with interest on principal calculated as aforesaid shall forthwith become payable AND IT IS HEREBY AGREED and declared that the Council may on the happening of any of the events hereinbefore mentioned seize and take possession of the said Motor Vehicle and either remain in possession thereof without removing the same or else may remove and sell the said Motor Vehicle either by public auction or private contract and may out of the sale moneys retain the balance of the principal then remaining unpaid and any interest still due, the principal calculated as aforesaid and all costs, charges, expenses and payments properly incurred or made in maintaining, defending or realizing his rights hereunder and shall pay over the surplus, if any, to the Borrower his executors, administrators or personal representatives PROVIDED FURTHER that the aforesaid power of taking possession or selling of the said Motor Vehicle shall not prejudice the right of the Council, to sue the Borrower or his personal representatives for the said balance remaining due and interest or in the case of the Motor Vehicle being sold the amount by which the net sale proceeds fall short of the amount owing AND the Borrower hereby further agrees that so long as any moneys are remaining due and owing to the Council, he will not permit or suffer the said Motor Vehicle to be destroyed or injured or to deteriorate in a greater degree than it would deteriorate by reasonable wear and tear thereof AND further that in the event of any damage or accident happening to the said Motor Vehicle, the Borrower will forthwith have the same repaired and made good.

THE SCHEDULE

Description of Motor Vehicle.

Maker's name.

Description.

No. of Cylinders.

Engine Number.

Chassis No.

Cost Price.

IN WITNESS WHEREOF the Mortgagor / Borrower has hereunto set his hand and Shri.....in the Office or and on behalf of the Council has hereunto set his hand.

Signed by the said in the presence of

.....
(Signature of Witnesses) (Signature and designation of the Borrower)

Signed by.....

(Name and designation)

1
2
(Signature of Witnesses) (Signature and designation of the Officer)