

# Strengthening Local Procurement Processes in Pakistan

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# Summary

Since 2001, water supply and sanitation services in Pakistan were devolved to the newly created Tehsil Municipal Administrations (TMAs). The capacity of TMAs to deliver efficient and effective services remains a challenge under the new provisions. One important constraining factor lies is the lack of clarity and high degree of complexity of local procurement procedures. Various initiatives are underway to improve the legal and regulatory framework, and to impart skills at the required level of service delivery. The Local Government Ordinance (LGO) also encourages public participation in all areas of local government.

This paper presents the findings of a study of procurement processes in four Tehsil Municipal Administration (TMA) offices in the North Western Frontier Province (NWFP) of Pakistan. The study is based on interviews with key stakeholders and reviews of procurement cases to examine both de jura and de facto practices at the local level. Based on this study, this paper proposes simplified guidelines for local level procurement promote more active participation by civil society, through citizen's community boards, to enhance transparency and accountability.

# Introduction and Background

Local governments in Pakistan have had a chequered history with the first mention of such institutions in the form of the pre-Mughal institution of Lamabardar<sup>1</sup> – the village headman belonging to the most prominent family responsible for inter-action between the village and the rulers and for collecting taxes and in some areas the prevalence of a punchayat<sup>2</sup> system which was an alternate dispute resolution mechanism and consisted of a body of elected villagers who also looked after its well-being. During the Mughal period the punchayats disappeared. During the British Raj Boards of Conservancy were established and these were subsequently upgraded to Municipal Committees/Corporations. In the sixties the Basic Democracies established the tiers of local government from the village upwards with the grass-root Union Council, the middle tier of Tehsil<sup>3</sup> Council and the apex body – the District Council. In the towns the base was also the Union Council with the Municipal Committee as the apex body. Depending on the size of the population, however, these were progressively known as the Town Committee and the Municipal Corporation. In 1979 a fourth tier was added in the urban areas for mega-cities of Karachi and Lahore – the Metropolitan Corporations. This was replaced by the current structure in 2001 when the government decided to devolve a large part of the provincial functions to local governments. The rural structure remained undisturbed with three tiers, but the urban structure was changed to a Tehsil Municipal Council which supervises the functioning of the Tehsil Municipal Administration (TMA) and the City Districts Governments (CDG) with a host of technical and administrative offices in each of the Towns, housing the Town Municipal Administrations (TMA), within the boundaries of the CDG. Initially there were only four CDGs, one each at the provincial headquarters, but these have now been expanded to eight with the addition of four more in the Punjab.

With the imposition of devolution, there was

a need to develop systems and procedures. While a number of mechanisms in financial management and administrative matters have been designed and implemented, some are yet to be developed and harmonised across the tiers of government. These need to be designed to mesh with the capacities and capabilities of the various tiers and the mechanisms available for implementation. One such arena is procurement.

Realising the need to enhance capacities of local government institutions, it was agreed with the World Bank that a study to evaluate the sub national (limited to the level of the Tehsil/Town Municipal Administration) procurement systems and procedures in NWFP and recommend changes to ensure alignment with the international best practice should be undertaken. A Draft of this was submitted by consultants. During the process of review, the WB decided that the study should be revised such that the final report would respond to:

1. review the application of the current and revised draft provincial procurement rules to the local government system,
2. develop simple guidelines within the regulatory framework for the local government procurements as a readily implementable tool (prepare as an annex to the report),
3. develop simple contract documents for works procurements under community participation and competitive bidding,
4. suggest a check-list for monitoring of the procurement cycle,
5. recommend action plan to improve upon the procurement system within the institutional framework of the local governments, and
6. improve Section 6 Way Ahead which should have been the meat of the report. This section should have a set of guidelines for

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<sup>1</sup> village headman

<sup>2</sup> village organisation of elected elders

<sup>3</sup> a smaller administrative unit than the District. Each District is made up of several Tehsils

local government procurements explaining and elaborating the provincial procurement rules in this particular backdrop and a very simple standard contract form.

One overarching concern would be the World Bank and Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (OECD-DAC) requirements that national procurement systems should be harmonised and of a sufficiently high standard which can be used by the donors and multi-national organisations in preference to their own. The Terms of Reference for this study implicitly suggests that the report would address all tiers of local government and shall not be limited to only

one sector – as was the case with the draft report. Ensuring this would answer to the major concerns of transparency, efficiency, cost effectiveness and would essentially require that the government procurement systems confirm that these have graduated to a level of robustness in compliance with international standards and good practices. Efforts thus should be directed to improve the proposed systems at the local government level to a standard such that they meet the level of acceptability for not only channelling aid, but also to improve country procurement systems for procurement through its own generated funds.

Based on this, the current report attempts to address all these concerns and requirements.

## The Existing Situation

The responsibilities of the TMA with respect to municipal services are shown in Box 1. Some of the functions (f to i) can best be the sole responsibility of the TMA with the consultation of civil society at the planning stage. The other functions, given the caveats on the size of the projects, are largely of a size which can be handled by civil society organisations.

Some of the functions (a to e) where the active participation of the local community is advisable can be fulfilled in a number of ways: one, contracting out; two, public-private partnerships; three, civil society supervision; and four, civil society - development, implementation and operation. This last can be undertaken through two different avenues: firstly, through Citizen Community Boards which are established by the citizens without interference from the administration and willing to invest 20 percent of the costs in cash; and secondly, through Community Based Organisations which are established with pro-active administrative interference and which provide inputs in kind

and take over the responsibility of downstream maintenance and operations. In both cases, however, the community is actively involved in the project from planning to operations and post-facto maintenance.

The traditional methods of procurement, enshrined in the Purchase Manual and the West Pakistan Building & Roads Department Code<sup>4</sup> were set aside by the North West Frontier Province Procurement of Goods, Works, Services and Consulting Services Rules 2003. However, the staff of the local government has not been trained in using the new body of rules which are not accompanied by any guidelines or manuals (which are explicitly embedded in the traditional methods' documentation and practice). A dichotomy exists which leads to confusion and misunderstanding.

This is further compounded by donor assisted projects which are also the responsibility of the local governments to implement, and require their own set of systems to be used for procurement. These latter consist of the:



### Box 1 TMA Responsibilities

To provide, manage, operate, maintain and improve the municipal infrastructure and services, including:

- α) water supply and control and development of water sources, other than systems maintained by the Union and Village Councils;
- β) sewerage, sewage and sewage treatment and disposal;
- χ) storm water drainage;
- δ) sanitation and solid waste collection and sanitary disposal of solid, liquid, industrial and hospital wastes;
- ε) roads and streets, other than roads falling under the jurisdiction of, and maintained by, the District Government or Provincial Government and streets maintained by the Union Administration or Village Council;
- φ) traffic planning, engineering and management including traffic signaling systems, signs on roads, street markings, parking places, transport stations, stops, stands and terminals;
- γ) street lighting;
- η) fire fighting; parks, playgrounds, open spaces and arboriculture; and
- ι) slaughter houses.

1. Community Infrastructure Project - II financed by the World Bank (WB),
2. Rural Water Supply and Sanitation Program (RWSSP) by the UK Department For International Development (DFID), and
3. NWFP Urban Development Project (NUDP) by the Asian Development Bank (ADB).

In addition to the above the Government introduced a deviant method of procurement which runs contrary to all norms of procurement which respond to the issues of transparency, efficiency, competitiveness, accountability and all of the other paradigms. The case study found that:

This method is without a competitive bidding process and is followed in cases where the

total value of the project is less than PKR 500,000 (US\$ 6,250). NWFP Government has issued instructions for carrying out various departmental schemes valuing less than PKR 500,000 (US\$ 6,250) through a 'Project leader'. The 'Project leader' is a person appointed by Naib Nazim (deputy mayor of Tehsil), at his/her sole discretion. The Project leader may or may not be a member of local Citizen Community Board (CCBs). He/she identifies a project which is designed and developed by the office of Tehsil Officer (Infrastructure) who subsequently grants a technical sanction for the projects. A twenty five percent advance is paid to the project leader who is solely entrusted to carry out implementation of the project including procurement of goods (material) and services for works without competitive bidding or quotations. The project

<sup>4</sup> The former is applicable for the purchase of mostly all commodities (barring nine categories of goods) and those purchased through foreign aided projects or programmes, and the latter the construction of buildings and roads and the hiring of consultants for this purpose.

<sup>5</sup> The National Reconstruction Bureau has developed the rules applicable to CCB implementation and has also drafted a simple contract for this purpose. The Guidelines may be downloaded from [http://www.pcp.org.pk/pdf/guidelines\\_citizen\\_community\\_boards.pdf](http://www.pcp.org.pk/pdf/guidelines_citizen_community_boards.pdf)

leader completes the work and is paid the remaining balance of 75 percent.

The conclusion which emerges from the foregoing is that several sets of guidelines and contracting arrangements should be developed so that they may be used as appropriate for implementation which require institutions and organisations exogenous to the local government unit concerned. These, therefore, will respond to the following situations:

1. contracting out;
2. public-private partnerships;
3. civil society - development, implementation and operation:
  - α) Citizen Community Boards (CCB) which are established by the citizens without interference from the administration and willing to invest 20 percent of the costs in

cash5; and

- β) Community Based Organisations/Civil Society Organisations (CBO/CSO) which are established, one, with pro-active administrative interference (generally referred to as Project Committees) and provide a 20 percent contribution upfront in cash, and two, voluntarily by the members of the community themselves without administrative interference, and which provide inputs in kind. Both are expected to take over the responsibility of downstream maintenance and operations. The CCBs receive funding for a maximum of five years and the share of the local government declines over time. The CBOs/CSOs receive only a contribution for the capital expense of the project. Ideally, the CBO/CSO should be a legal entity with its own bank account.

## Existing Rules

Procurement today across the province and by all government entities from all tiers of government are governed by the North West Frontier Province Public Procurement of Goods, Works and Services Rules, 2004. However, the Government has prepared a draft for a new set of rules as a replacement which are awaiting approval by

the Chief Minister. A comparison of the major differentials is set out in Table 1.

While the latter are more explicit and have much greater clarity, they are, nevertheless, still complex for the local government units below the District Governments.

**Table 1 Comparison of Procurement Rules 2002 and 2009 (proposed)**

Topic	NWFP Rules 2002	NWFP Draft Rules 2009	Comments
Definitions	Some terms missing	37 terms defined	The latter is more in keeping with the spirit of UNCITRAL
Evaluated Bid	Focus on Lowest bid	“best evaluated bid” means the highest ranking bid in accordance with the evaluation criteria set forth in the bid solicitation documents. For procurement of works, the lowest responsive evaluated bid or the least cost bid will be the ‘best evaluated bid’.	The latter corresponds to international good practice



Topic	NWFP Rules 2002	NWFP Draft Rules 2009	Comments
Single source procurement from public sector organisation	Allowed	Allowed without competitive bidding	The latter vitiates the very spirit for which the rules have been made: transparency, fair and open competition, economy and efficiency, value for money, accountability, inexpensive and swift grievance handling. This is also against the Competition Commission Ordinance
Ethics	Addressed	Included	Conforms to international good practice
Supremacy	No reference given to other rules or international commitments	No preference given to international commitments	Vitiates the legal commitments of government
Advertising limits	Defined	For Procurement of Goods No advertisement for less than Rs 45,000 Mandatory advertising on either agency's or Authority's or both website for procurements between Rs 100,000 and Rs 2.5 million + Optional in nationally circulated newspapers one each in Urdu and English Mandatory advertising on either agency's or Authority's website or both and in nationally circulated newspapers: one in English and one in Urdu for procurements exceeding Rs 2.5 million	The latter recognises the differential in goods and works & services.  This is, therefore, more responsive to the nature of procurement
	Defined	For Procurement of Works and Non-Consulting Services Procurement for less than Rs 45,000 by single quote through direct sourcing Procurement from Rs. 45,000/- and Rs. 300,000/- shall be made through inviting minimum of three quotations by circulating request Procurement for over Rs 300,000 and Rs 2.5 million mandatory advertising on either agency's or Authority's or both website + Optional in nationally circulated newspapers one each in Urdu and English Mandatory advertising on either agency's or Authority's website or both and in nationally circulated newspapers: one in English and one in Urdu for procurements exceeding Rs 2.5 million	

Topic	NWFP Rules 2002	NWFP Draft Rules 2009	Comments
Enlistment and Pre-registration	Retained as conventionally practiced	Mandatory for procurement of goods worth Rs 5 million or more  Post qualification is mandatory for procurement of goods worth Rs 15 million or more from un-registered firms  Permitted for small works of up to Rs 2.5 million  Post qualification is mandatory for procurement of works costing Rs 2.5 million and Rs 45 million from un-registered firms  Mandatory pre-qualification for works exceeding Rs 45 million	As for the immediate above
Bid security	Stated	5 % for goods 2 % for works	
Performance guarantee	not adequately addressed	Between 10 to 15 percent, as stipulated in bidding documents	
Consulting Services	Not addressed	Explicitly stated	In line with international good practice
Grievance Redressal	Not addressed	As stated in Grievance Redressal Rules which have been drafted separately	In consonance with UNCITRAL

## Simplified Procurements of Works

On the assumption that the revised rules would be approved in the same time frame as the simplified procedures being developed through this study, the design of these simplified procedures would adhere to the spirit and framework of the revised rules.

Procurement can be undertaken through different sources of funding. These are: one, the annual development plans prepared by the TMA itself to be financed through its own resource pool; two, the district/provincial annual development plan to be implemented by the TMA and funded through the district/provincial resource pool; three, through special allocations such as the Khushal Pakistan Programme which is the current nomenclature for funds placed at the disposal of the MNAs/Senators by the federal government and the MPAs by provincial governments or those

included on the directives of the Prime Minister or the President and also by the Chief Minister or the Governor for which funds are made available through an earmarked allocation; and four, through donor funded projects or programmes.

For the last mode of implementation, there is a mandatory requirement that the rules of the funding agency are to be used. For projects delivered through CSOs, the World Bank has developed special procedures. For small projects worth US\$ 500,000 or less the World Bank has developed standard bidding documents. These may be downloaded from [http://siteresources.worldbank.org/INTSF/Resources/395669-1124228448379/1563169-1133371159393/Mbungu\\_ProcurementMan\\_CBOs.pdf](http://siteresources.worldbank.org/INTSF/Resources/395669-1124228448379/1563169-1133371159393/Mbungu_ProcurementMan_CBOs.pdf) for the former and for the latter from [http://siteresources.worldbank.org/INTSF/Resources/395669-1124228448379/1563169-1133371159393/Mbungu\\_ProcurementMan\\_CBOs.pdf](http://siteresources.worldbank.org/INTSF/Resources/395669-1124228448379/1563169-1133371159393/Mbungu_ProcurementMan_CBOs.pdf)

org/INTPROCUREMENT/Resources/sworkev5.pdf

The revised rules have suggested four thresholds for implementation. To reiterate, these are:

1. Procurement for less than Rs 45,000 by single quote through direct sourcing
2. Procurement from Rs. 45,000/- up to Rs. 300,000/- shall be made through inviting minimum of three quotations by circulating request
3. Procurement for over Rs 300,000 and Rs 2.5 million mandatory advertising on either agency's or Authority's or both website + Optional in nationally circulated newspapers one each in Urdu and English
4. Mandatory advertising on either agency's or Authority's website or both and in nationally circulated newspapers: one in English and one in Urdu for procurements exceeding Rs 2.5 million

CCBs and CBOs/CSOs are essentially identical in terms of their composition, community members banding together for improving the well-being of the neighbourhood community, and for what they propose to do, namely, provide or improve a facility for the neighbourhood committee. The only difference is that the latter may or may not have a legal entity. Therefore, to bring those CBOs/CSOs who are unregistered at par with the CCBs, the latter should be encouraged to register themselves under the NWFP Local Government Ordinance, 2001 as CCBs. Further, since the bulk of these projects are small in their capital requirements, the method of procurement best suited to them are the first two.

In the case of CBOs/CSOs, current practice, in line with international good practice, is for the community providing the labour for the project while all other inputs are provided for by the funding agency. This leaves only the materials and goods to be purchased and technical advice and supervision to be sought. The former

should result in goods being purchased across the counter as cash purchases by a designated member of the Management Committee, but only from the Management Committee approved supplier. The latter requires an exchange of letters setting out the details of services to be provided, the time frame and the amount, schedule and method of payment between the CBO/CSO and the technical or craftsman selected by the Management Committee. Approvals by the Management Committee should be by a decision of a majority + one.

However, since most CCBs/CBOs/CSOs do not have the capacity to adhere to the World Bank's guidelines, they should be allowed to use the more simplified procedure suggested herein. In the following paragraphs/sections of the report, the term CCB should also be assumed to include the terms CBOs and CSOs, context permitting.

### **First threshold, value not exceeding Rs 45,000**

The CCB should prepare a list of possible suppliers or contractors operating within a reasonable distance of the community and make an observation against each regarding their financial capacity, reliability, honesty and performance over the last two to three years. Ideally information on their staff strength would help in selecting on the basis of apparent capacity. The Management Committee of the CCB should then decide on inviting a quotation from the most suitable supplier or contractor. If the value quoted appears to be reasonable and is acceptable to the majority plus one members of the Managing Committee, the contract should be negotiated and awarded. If not, they should select the next best option. The detailed procedures are contained in Appendix I.

### **Second threshold, procurements worth more than Rs 45,000 but not more than Rs 300,000**

The procedure is similar to method one with the proviso that three quotations should be solicited.

The Management Committee must agree, by a majority + one decision, to the three who are to be invited. Sealed quotation should be solicited and opened publicly in front of the members of the Managing Committee, the suppliers or contractors selected and

### **Third threshold, procurement worth more than Rs 300,000 and up to Rs 2.5 million**

The responsibilities of the TMA are limited to developing, expanding and delivering municipal services which do not require sophisticated or complex engineering, the requirements of the provincial rules are stringent. The likelihood that contractors in the remoter Tehsil of NWFP will have unhindered access to the internet or that they would be subscribing to nationally circulated newspapers, particularly when there are over 25 news television channels which provide the latest news every minute of the day, is remote. Therefore, this condition should be removed in the context of procurements by District, Tehsil, Union Administrations and Village Committees at this threshold. This should be the same as for the immediately preceding threshold, or that the requirement for advertising should be the newspapers circulating within the District. A list of such newspapers should be obtained from the provincial Press Information Department.

The procedures suggested in the provincial rules are not outside the capacities of TMAs in the more developed districts of the province. With some capacity building (on-the-job training) by procurement specialists, the others should be able to take over after three to six months.

### **Fourth threshold, procurement worth more than Rs. 2.5 million**

It is unlikely that most TMAs in the province would breach this threshold as, one, they are largely

rural Tehsils where the requirements are for a wide spatial dispersal of development projects, and two, require a wide sectoral distribution across both infrastructure and municipal services. Compared to this the urban TMAs have a concentrated population and the dispersal across sectors is narrower as they are limited largely to municipal services only. Moreover, in both instances, the resources available in both instances are insufficient to meet needs.

The likelihood, therefore, is that this threshold would be the domain of procurement for District Council works.

Thus the total number of guidelines which need to be developed for procurement of works by the TMA are:

1. for the CBOs/CSOs
2. for the CCB jointly for threshold 1 and 2
3. for the TMAs for contracting out
4. for the TMAs for entering into Public Private Partnerships

A Draft of the Rules<sup>6</sup> for operations by the CCB themselves in the arena of project planning, development, procurement and implementation is given in Appendix I.

The draft guidelines for works can also be used for goods and services and has been developed within the framework of the proposed North West Frontier Province Public Procurement of Goods, Works and Services Rules, 2009. The first part of this is essentially to be used in the case of works worth up to Rs 300,000. A separate set has been prepared for the next threshold, that is, between a value more than Rs 300,000 and not exceeding Rs 2.5 million. These Guidelines are attached as Appendix II.

<sup>6</sup> These rules draw heavily on those which are in operation in Sindh.

# The Way Forward

It would be beneficial that simpler versions of rules and standard bidding and contract documents are adopted for use as local government and community contracting, within the overall domain of the provincial procurement rules. While the overarching regulatory framework of the provincial

rules is being updated by government of NWFP, the suggested drafts documents annexed with this report are developed in alignment with the provincial rules. In case of any major amendments in the provincial rules the annexures can be tweaked for realignment.

# Appendix I

## NWFP Citizen Community Boards Rules

### THE NWFP LOCAL GOVERNMENT (CITIZEN COMMUNITY BOARDS) RULES, 20XX

#### PART – I PRELIMINARY

#### 1. Short title and commencement:

- (1) These rules may be called the NWFP Local Government (Citizen Community Board) Rules, 20XX.
- (2) They shall come into force at once

#### 2. Definitions:-

- (1) In these rules, unless the subject or context otherwise requires:
  - (i) “Board” means a Citizen Community Board constituted under the Ordinance
  - (ii) “charter: means the constitution of the Board to be subscribed and signed by the founder members;
  - (iii) “form: means a form prescribed under these rules;
  - (iv) “founder member” constitutes the signatory to the charter;
  - (v) “member’ means a person whose name has been included in the register of the members;
  - (vi) “official” means in the case of the District Government the Executive District Officer (Community Development) in the case of Town or Taluka Municipal Administration the Town or Taluka Officer and in the case of a Union Administration, the Secretary Community Development;
  - (vii) “Ordinance” means the NWFP Local Government Ordinance, 2001;
  - (viii) “Project proposal: means the proposal which submitted by a Board to the concerned official for approval by the Council concerned;
  - (ix) “ register” means a register to be kept at the designated office of a Board wherein the name, addresses and particulars of members are recorded;
  - (x) “Registration Authority” means the District Officer (Registration), working under the Executive District Officer (Community Development) who is declared as such by a District Government;
  - (xi) “responsible person” means:-
    - (a) The Chairman of Board;
    - (b) the Secretary of a Board;
    - (c) any other member of a Board who is, in writing, declared as such by any of the persons mentioned above; and
  - (xii) “Schedule” means a schedule to these rules.
- (2) The words and expressions used herein but not defined in these rules shall have the same meaning as are assigned to them in the Ordinance.



## **PART – II**

### **REGISTRATION OF CITIZEN COMMUNITY BOARDS**

#### **3. Application for availability of name for a Board.-**

- (1) Persons desirous of being registered as a Board under these Rules shall make an application on a plain paper duly signed by at least two founder members along with photocopy of their Computerised National Identity Cards to the concerned Registration Authority requesting information as to whether the proposed name is available for registration.
- (2) Each Board registered under these Rules shall include the name of the Union Council at the end, within whose territorial jurisdiction its office is situated. The name of a Board shall be on the following format-

Name of Board with the Name of the Union Council in which the office is to be registered.
- (3) A Board shall not be registered by a name identical to or so nearly resembling that of a registered Board or other entity that it may deceive a man of ordinary prudence.
- (4) A confirmation of availability of name by the Registration Authority shall be provided on Board Form 1.
- (5) If for any reason the Registration Authority does not respond within fifteen days of the receipt of application, approval to use the name proposed by such Board shall be deemed to have been given.
- (6) The name of the proposed Board shall be reserved for a period of one month by the Registration Authority after which the Board shall have to apply again for ensuring the availability of the name.

#### **4. Change of Name of a registered Board.**

- (1) A registered Board intending to change its name, shall follow the same procedure as that for a new Board as provided in Rule 3.
- (2) Notwithstanding anything to the contrary, if the Registration Authority is of the opinion that the name, of a registered Board is deceptive, inappropriate or may exploit or offend religious susceptibilities of the people, the Registration Authority shall require such Board to change its name.

#### **5. Application for Registration of Board.-**

- (1) A group of persons not less than twenty five (25) non-elected persons may, by subscribing to the Charter register themselves with the registration authority as a Board in accordance with First Schedule.
- (2) Board shall be registered at the office stated in the Charter of the Board: Provided that such office shall be within the limits of the District concerned.
- (3) There shall be no limit on the number of Boards, which can be registered in a local area. A request for registration as a Board shall be accompanied by:

1. an application on a plain paper duly signed by its Chairman and Secretary;
  2. three (3) copies of the Charter which shall be duly subscribed and witnessed;
  3. a copy of the confirmation received from the Registration Authority that the proposed name for the Board is available or evidence that a copy of the application was deposited at least fifteen days prior to the date of application for registration; and
  4. a list of atleast twenty five founder members in the form hereto annexed as Board Form 2.
- (4) The Registration Authority on being satisfied, after such enquiry and after obtaining such further information, as it may consider necessary, shall issue a certificate of registration within fifteen days in the Board Form 3.
  - (5) The registration shall be valid within the District under the jurisdiction of the Registration Authority and shall not require renewal.
  - (6) The Registration Authority by an order recording reasons may refuse registration if it is satisfied that the objectives, functions or activities proposed to be carried out are opposed to public policy or contrary to the Rules.
  - (7) Before making an order under sub-rule (7) above, the Registration Authority shall give notice within 15 days of the application made for registration to the chairman or secretary of the Board to show cause, on or before a date specified therein which shall not be less than fifteen days, as to why the application for registration should not be rejected.
  - (8) Any person aggrieved by an order of the Registration Authority under sub-rule (7) above, may appeal in writing to the concerned district Coordination Officer within thirty (30) days of the date of such order.
  - (9) The District Coordination Officer, after providing an opportunity of being heard to the appellant, shall communicate his decision in writing to the Board within thirty days of the appeal.
  - (10) Any person after the rejection of the appeal by the District Coordination Officer may appeal to the concerned Zila Council within thirty days of such rejection by the District Coordination Officer or where no reply is received within thirty days of the expiry of the period of appeal.
  - (11) Such appeal shall be taken up by the Zila Council in the next meeting and the decision of the Zila Council shall be final

## **6. Documents to be filled with the Registration Authority:**

- (1) Once in every year, on or before the 31st August, each Board shall file with the Registration Authority, the following documents:
  - (i) List of its members with their National Identity Card Numbers;
  - (ii) Particulars of its Chairman, members of the Executive Committee and the Secretary;
  - (iii) Copies of the audited annual accounts of the previous year to be submitted by 31st December the close of the financial year in June; and

- (iv) List of development projects undertaken.
- (2) If and when deemed appropriate the registration Authority may request for copies of such documents as it may require

#### **7. Mode of submission of documents:**

- (1) Every application, form or documents submitted by a Board shall, in addition to complying with any other requirement of the Ordinance or these rules, be;
  - signed and certified by a responsible person of the Board;
  - accompanied by documents referred to in the application;
  - accompanied by one spare copy, duly signed, dated and verified; and accompanied by the original receipt of the treasury or bank or post office, as the case may be, as evidence of payment of the prescribed fee where applicable.
- (2) An application, document, statement, return or report shall be delivered either in person or through an agent, against receipt, to addresses or sent to such addressee by registered post.
- (3) Any person may inspect the record of a Board available with the Registration Authority upon a written request indicating the reason for inspection.

#### **8. Change in Charter:**

- (1) If a Board is desirous to make any change in its charter, it may by written notice, intimate the change to be made to the Registration Authority.
- (2) Such change in the Charter shall become effective upon confirmation by the Registration Authority in writing.
- (3) In case the Registration Authority does not confirm the change within thirty days of the date on which such intimation was received by the Registration Authority, such change shall be deemed to be effective to the extent that it does not contravene the provisions of the Ordinance or these rules.

#### **9. Payment of fee:**

- (1) There shall be paid fee specified in the Second Schedule in respect of the matters mentioned therein.
- (2) Government may, through a notification in the official Gazette, change the fee structure mentioned in the Second Schedule.

## **PART – III**

### **DISSOLUTION OF THE BOARD**

#### **10. Dissolution of the BOARD:**

- (1) A Board may be dissolved or deregistered by the Registration Authority with the approval of the Zila Council if:
  - (i) in the opinion of the Registration Authority, based on the report of an inquiry officer, the Board is unable to carry out its functions in accordance with the Ordinance or these rules; or
  - (ii) The Board, by a resolution passed by not less than seventy five percent of its members, resolves to be dissolved or deregistered.
- (2) The Board, through the Zila Nazim, shall put up the case of dissolution to the Council.
- (3) The Zila Council shall allow dissolution after examination of the Charter and accounts including liabilities and other documents of the Board.
- (4) An application for dissolution submitted by a Board to the Registration Authority under sub-rule (1) (ii) shall be deemed to have been accepted by the concerned Zila Council after a period of sixty days unless reasons for the delay are intimated to the Board in writing by the Registration Authority.
- (5) Upon dissolution, the Registration Authority shall appoint an administrator to deal with the matters relating to the dissolution of the Board but the assets of the Board shall continue to be used for community welfare by the concerned local government.

## **PART – IV**

### **DEVELOPMENT PROJECT PREPARATION APPROVAL AND IMPLEMENTATION**

#### **11. Development Project identification by the Boards:**

- (1) The Board project shall be identified within the policy guidelines and framework of the local government concerned to which the Board project shall be submitted for funding.
- (2) The funds are earmarked in the development budget at all levels of local governments and the Board may submit project proposals to any level of local government.
- (3) The Board shall identify proposals in accordance with the classification of project issued by the local government concerned and submit to the concerned local government in accordance with the time frame provided in the Third Schedule or as notified by such local government.
- (4) The projects shall be initiated at the grass-root level in every local area, and the residents thereof shall primarily be involved in determining the development needs for such local area.
- (5) Project concepts shall be discussed with the concerned sectoral office of the local government to which the project relates and the concerned Board official shall arrange the meetings of the Board with the sectoral offices.

- (6) The Board shall identify projects subject to the following:
- (i) needs of community;
  - (ii) capacity to implement the project;
  - (iii) cost-benefit analysis;
  - (iv) duration of the project;
  - (v) financial implications;
  - (vi) compatibility with availability of the resources; and
  - (vii) sustainability;
  - (viii) classification of schemes issued by the concerned local governments.

## **12. Preparation of Project proposals by the Board:**

- (1) The concerned local government sectoral office shall prepare the cost estimates, determining the viability and other issues relating to the project.
- (2) The Board shall prepare project proposal in form-4 and submit it to the concerned Board official according to the time frame in the Third Schedule or as notified by the concerned local government each year.
- (3) The Board may, in addition to twenty percent share mentioned in rule 13 (iii), make contribution towards the cost of a project "In Kind".

**Explanation:** The "In Kind" contribution shall be considered as additional contribution and included in the ranking and evaluation of the proposal.

- (4) Where two or more local governments of the same level are involved in a project, the concurrence of the concerned Nazims shall be included in the proposal.

## **13. Processing of the project by Local Government:**

The Board official shall confirm before submitting the project proposal to the concerned Development and Planning Officer that:

- (i) the Board concerned is duly registered under the Ordinance and these rules;
- (ii) the project proposal is in conformity with the classification issued by the local government concerned;
- (iii) the Board draft of the amount equal to the twenty percent share in a project is attached, which shall be returned to the concerned Board after the decision of the council concerned. The draft shall be in the name of the Board; and
- (iv) the project proposal is in conformity with the Board form-4.

## **14. Ranking of Project Proposals by Development and Planning Officer:**

- (1) The concerned Development and Planning Officer shall draw up a first statement specifying the projects proposed by the Board by classification including the total amount of a contribution for a particular classification of the project based on the policy framework specified in Fifth Schedule.
- (2) A second statement shall determine contribution amounts for a particular classification for the project as a ratio of the total contributions for all projects of the Board for that year and the statement shall be used to determine amount of allocations for a classification of projects from the budgets reserved for the purpose in the Fifth Schedule.

- (3) A third statement shall be drawn up which shall identify the number of projects included in a particular classification beginning with the projects containing the highest contribution by the Board in a classification, until all the projects in this classification, are selected or the funds allocated for the particular classification, in the amount determined under sub-rule (2) above are exhausted.
- (4) The determination of the market value of the “n Kind” contribution shall be made by the sectoral office of the local government concerned to which the project relates.

**Explanation:** The “In Kind” contribution shall be considered as additional contribution of the Board while making the ranking in the Third Statement.

- (4) The Development and Planning Officer shall submit the Projects to the Finance and Budget Officer for inclusion in the Annual Development Programme.

### **15. Approval of project proposals by the Council:**

- (1) The concerned Councils shall approve such Project Proposals in the manner and to the extent it deems fit.
- (2) The approval of the Councils in respect of the projects shall be communicated to the Board concerned, after approval of the budget.

### **16. Board bank accounts etc.:**

- (1) After approval of a project by the Councils, the Board shall:
  - (i) open an account for the project with the bank or post office within the limits of the local area in which the Board has its office; and
  - (ii) deposit its share of the cost of the project approved by the Council.
- (2) The Board shall open separate accounts for each project.
- (3) The accounts, opened and maintained by the Board, shall be operated jointly by the Chairman and Secretary of the Board.
- (4) A Board shall not incur debt.

### **17. Project implementation by Board:**

- (1) The Board, upon receipt of approved project budget estimates, shall submit the following documents to the concerned Board official:
  - (i) Certificate of a bank or post office showing that of twenty percent share of the Board is deposited;
  - (ii) copy of duly executed agreement with the local government concerned in form-5; and
  - (iii) reference for first installment in form-6.
- (2) The Board shall implement duly approved projects as specified in the project agreement by itself.



- (3) The Board shall implement the project within the allocated funds and within the allowed time frame.
- (4) Upon submission of the documents under sub-rule (1) above the Board official shall, in accordance with the disbursement schedule in the agreement referred to in sub-rule (1) transfer the first installment into the account specified by the Board.
- (5) Subsequent transfer of installments by the local government concerned shall be made in accordance with the schedule agreed to between the Board and the local government concerned.
- (6) The release of subsequent installment shall be subject to the approval of the concerned local government.
- (7) The installment shall be released to the Board as per agreed schedule within thirty days from the receipt of the reference made by the Board. In case of delay in the release of installment within 30 days the Board may approach the Council for release of the installment, which shall take up the matter in its next meeting.
- (8) The release of installments to Board shall have priority over other expenditures of the local government.
- (9) The respective accounts official shall not make any payment against the budget if:
  - (viii) twenty five percent of the development budget has not been reserved for the Board; and
  - (ix) the unspent balance from the previous reserved Board amount has not been added to the Board's allocation in the current year budget.
- (10) The respective Accounts Officer shall ensure that the reserved amount for the Board is safeguarded during the budget year and is spent solely for that purpose.

### **18. Project Monitoring and Evaluation:**

- (1) Projects of the Board shall be subject to monitoring and evaluation by the respective Monitoring Committee constituted by the local government concerned.
- (2) The Monitoring Committee shall prepare a monitoring and evaluation report of the Project and shall submit the same to the Council and the Nazim of the Council.
- (3) The Monitoring Committee shall not interfere in the day to day affairs of the Board.
- (4) The Board shall provide access, to all its record, to the Monitoring Committee.
- (5) Monitoring of the Board by a local government shall be non-intrusive.

### **19. Budget re-appropriation:**

- (1) The Board shall remain within the approved budget allocation.
- (2) The re-appropriation upto a maximum of twenty percent of the approved budget in any head may be done by the Board.

- (3) For the re-appropriation beyond twenty percent in a head, prior approval of the Board officials shall be required.
- (4) The request for re-appropriation shall be submitted in form-7.

## **20. Excess and Surrenders in the Budget:**

- (1) The authority to accept or reject any additional expenditure over and above the approved budget shall vest in the respective Councils.
- (2) The Council shall consider the recommendations of the concerned sectoral office of the local government in this respect and the availability of budgetary provisions.
- (3) Excess requirements of funds shall be granted by the respective council on such conditions as it may deem fit.
- (4) Surrenders shall be allowed upon the following conditions:
  - (i) the Board shall have completed the project as per the approved budget proposal and the agreement with the local government concerned; and
  - (ii) the funds so surrendered by the Board shall be deemed as the share or part of the share of such Board for the purposes of future project proposals submitted by the Board.
- (5) Request for excesses and surrenders shall be made in form-8.

## **21. Audit and Accounts:**

- (1) The Secretary of the Board under the general supervision and control of the Executive Committee shall maintain proper records of all transactions, assets and liabilities of the Board.
- (2) The Board shall follow the procurement and executing procedure approved by its General Body, on the principle of financial propriety and sound procurement practices.
- (3) The respective local government may require the Board to furnish such financial information, as it may deem necessary.
- (4) The accounts of the Board shall be audited as prescribed by the Auditor General of Pakistan, in case of project being carried out with the assistance of District Government, and by Local fund Audit Department, in case of projects being carried out with the assistance of Town, Taluka Municipal Administration and Union Administration.
- (5) The Board shall provide access to all its record to the auditor.

# Proposed The NWFP District Government & Tehsil / Town Municipal Administration (Budget) Rules

## FIRST SCHEDULE CHARTER OF [NAME] (CCB) [NAME OF UNION]

We, the several persons who have subscribed to this Charter are desirous of being registered as a Citizen Community CCB under the [NWFP] Local Government Ordinance, 2001 (Ordinance No. [ ] of 2001), and to this end, adopt, enact and covenant to be bound by this Charter, as follows-

### 1. Definitions

In these Articles, unless the context or the subject matter otherwise requires the meanings given to the words below shall be:

1. "Articles" means the articles of this Charter.
2. "CCB" means this [CCB].
3. "Chairman" means the chairman of the CCB.
4. "Executive Committee" means the executive committee of the CCB as formed under this charter. "Project Coordinator" means a member of the CCB appointed under Article 14 of this Charter.
5. "Secretary" means the secretary of the CCB.

Words imparting masculine gender shall include the feminine gender Name.-

The name of the CCB shall be "[NAME] Citizen Community CCB [NAME OF UNION]", hereinafter referred to as the "CCB".

### 2. Address

The registered address of the CCB shall be at [ADDRESS OF CCB].

### 3. Field, Sector Or Sub-Sector Of Operation

- Agriculture
- Community Development
- Education
- Health
- Information Technology
- Literacy
- Works and Services
- Other sector (please specify) Sub-sectors: [ ] (please specify)

#### **4. Objectives of the CCB.-The CCB has been established to undertake any or all of the following**

- (i) improvement of existing service delivery facilities;
- (ii) development and management of a new public facility;
- (iii) welfare of the handicapped, destitute, widows and families in extreme poverty;
- (iv) establishment of farming, marketing and consumers' cooperatives;
- (v) identification of development and municipal needs;
- (vi) mobilization of resources through community mobilization;
- (vii) formation of stakeholder associations for community involvement in the improvement and maintenance of facilities; and
- (VIII) reinforcing the capacity of Monitoring Committees at the behest of the concerned Council.

#### **6. Members and Classification**

- (1) The CCB may have the following categories of members-
  - (i) "Founder members": These constitute the members who are signatories to the Charter; and
  - (ii) "Members": These constitute individual registered members.
- (2) Each member shall have one vote, and may vote at any general body meeting personally or through a proxy. A proxy must be a member of the CCB.
- (3) The General Body may establish additional classes of members upon such terms and conditions as it may deem fit.
- (4) Application for resignation as a member shall be presented in writing to the Secretary on a plain paper.
- (5) All types of CCB members shall be volunteers. In case a member accepts any paid assignment on behalf of the CCB, the concerned member shall have to resign from the membership of the CCB. A period of six months must elapse upon the last payment received from the CCB before that member can become a member of the CCB again.

#### **7. Functions of the General Body.-**

The number of members of the General Body shall not be less than twenty five (25) The functions of the General Body shall be-

- i. to elect an Executive Committee (including the Chairman, Secretary and other office bearers) with such powers and responsibilities, and on such terms and conditions as the General Body may determine to carry out the affairs of the CCB;
- ii. to approve the plans and activities of the Executive Committee;
- iii. to approve the proposals submitted to local governments;
- iv. to ensure the implementation of its plans and activities through the Executive Committee;
- v. to approve the Rules and Regulations for the Executive Committee and the members of the CCB;
- vi. to review and approve the reports and statements submitted to it by the Executive Committee;
- vii. to approve amendments in the Charter of the CCB;
- viii. to approve the annual accounts of the CCB;

- ix. to set membership classes and fees; and
- x. to discuss any other matter relating to the CCB.

## **8. General Body Meetings**

- i. The first General Body meeting after the registration of the CCB shall be held within thirty (30) days of the date of registration of the CCB.
- ii. A General Body meeting shall be held atleast every three months.
- iii. The Executive Committee may convene a General Body meeting when required.
- iv. A General Body meeting shall be convened on the requisition, in writing, of a simple majority of the CCB's members. At least fifteen days notice (exclusive of the day on which the notice is served, but inclusive of the day for which notice is given), specifying the place and the day and the time of meeting, and the agenda, shall be given for all General Body meetings to all members, but the accidental omission to give notice to, or the non receipt of notice by, any member, shall not invalidate the proceedings at any General Body meeting.
- v. No business shall be transacted at any General Body meeting unless a quorum of members is present at the time when the meeting proceeds to business. A simple majority of the total members of the CCB shall constitute a quorum. In the absence of a quorum, the meeting shall be adjourned to the same time and venue seven (7) days later.
- vi. Except as otherwise provided by law, these Rules or this Charter, the act of a majority of the members present at any meeting shall be the act of the CCB in the General Body meeting provided that in case of a tie, the Chairman of the CCB (i.e. Executive Committee) shall have a second and casting vote.

## **9. Executive Committee**

- (1) The Executive Committee shall have, and exercise, all powers vested in it by law and this Charter.
- (2) Subject to law and this Charter, the management of the affairs of the CCB and property both movable and immovable of the CCB shall vest in the Executive Committee.

A CCB shall sue and be sued in the name of its Executive Committee. A judgment against the CCB shall only be enforced against the property of the CCB. The number of the members of the Executive Committee of the CCB, except in case of a casual vacancy occurring as per sub-Rule 10, shall not be less than seven (7).

- (3) The maximum limit on its membership may be fixed from time to time by the General Body; provided, however, that the total number of members of the Executive Committee shall not exceed fifteen (11).
- (4) The Executive Committee shall consist of the following-
  - (i) a Chairman;
  - (ii) a Secretary; and

(iii) and office bearers as decided by the General Body.

The members of the Executive Committee shall be elected from amongst the members of the CCB by the General Body.

Members of the Executive Committee shall hold office for a term of two years, and shall be eligible for the next following term. However, after completing two consecutive terms, the Chairman and Secretary shall vacate the office of the Executive Committee for at least one term before becoming eligible for re-election.

- (5) The General Body may, by a resolution passed by a simple majority, fill any casual vacancy arising in the Executive Committee howsoever caused. However, the term of the person so chosen shall be for the remaining life of the Executive Committee.
- (6) In case of casual vacancy in the Executive Committee, the Executive Committee shall act as if no vacancy had occurred and no act or proceedings of the Executive Committee shall be deemed to be invalid merely by reason of such vacancy, or a delay in the appointment of a new member; provided, however, that the total number of members of the Executive Committee shall not be less than seven (5).
- (7) The General Body may, by a resolution passed by a simple majority of its total members, remove any member of the Executive Committee from the office of the Executive Committee.

## **10. Functions of the Executive Committee**

The functions of the Executive Committee shall be-

- (i) to develop plans and activities for approval by the General Body;
- (ii) to prepare periodic reports and statements for the General Body;
- (iii) to identify and develop project proposals for funding from the local governments and other agencies;
- (iv) manage the day to day affairs of the CCB as per the resolutions passed by the General Body;
- (v) to appoint Project Coordinators with such powers and responsibilities and on such terms and conditions, as it may determine;
- (vi) constitute and appoint sub-committees for such purposes as it deems necessary; and
- (vii) any other function assigned to it by the General Body.

## **11. Working of the Executive Committee**

- i. The Chairman shall preside over all the meetings of the Executive Committee. If the Chairman is absent the members of the Executive Committee present may elect any other member to act as Chairman for that meeting.
- ii. The Secretary shall, subject to the general control and supervision of the Executive Committee, perform such functions as may be assigned to him by the Executive Committee, from time to time.



- iii. The Secretary shall, record or cause to be recorded in the books, all proceedings of the meetings of the Executive Committee and the General Body. The Secretary shall give all notices in accordance with law and this Charter, and shall be the custodian of the financial and accounting records of the CCB.
- iv. Subject to law and this Charter, the Executive Committee may meet for the disposal of business, adjourn and otherwise regulate its meetings, as it deems fit and lay down such proceedings as it considers necessary for its efficient working. The Executive Committee shall meet whenever convened by the Chairman or, by a simple majority of the members of the Executive Committee.
- v. A simple majority of the total members of the Executive Committee shall constitute a quorum for the transaction of any business of the Executive Committee. In the absence of a quorum, a meeting may be adjourned till such time as the quorum is complete; provided always that a meeting of the Executive Committee must take place atleast once every month.
- vi. Except as otherwise provided by law or this Charter, the act of a majority of the members of the Executive Committee present at any meeting (at which a quorum is present) shall be the act of the Executive Committee. In the case of a tie, the Chairman shall have a second and casting vote.

**12. Any member of the CCB shall have the right to attend the meetings of the Executive Committee but not vote unless the member is a member of the Executive Committee.****First Executive Committee**

- (1) The particulars of the first members of the Executive Committee are the following

Sr.#	Name and CNIC Number	Parentage	Residential Address	Present Occupation & Business Address	Membership of other Voluntary Organizations

The Chairman of the CCB is [NAME].

The Secretary of the CCB is [NAME].

**13. Sub-Committees**

- (1) The Executive Committee may constitute and appoint sub-committees for such purposes as it deems necessary and on such terms and conditions as it may, from time to time, determine.
- (2) The sub-committees so constituted shall meet as often as may be necessary and shall exercise all powers and functions as may be assigned to them by the Executive Committee.
- (3) The term of the members of sub-committees shall be such as may be decided by the Executive Committee.

#### **14. CCB Project Management.-**

(1) The Executive Committee shall appoint for each project a Project Coordinator, who shall be a member of the CCB. The Executive Committee shall have the powers to remove a Project Coordinator.

(2) The duties of the Project Coordinator shall include but not be limited to-

- i. supervising and administering the Project assigned to him by the Executive Committee;
- ii. reparing progress reports for submission to the Executive Committee, as and when required;
- iii. disbursing funds for the Project assigned to him according to the approved budget of the project;
- iv. constituting such working groups of members as may be necessary to assist him in his duties and functions; and
- v. performing any other duty, which the Executive Committee may, from time to time, assign.

#### **15. Notice**

Wherever notice of a meeting is required to be given by law or hereunder due notice shall be deemed to have been served when the Secretary sends a written communication by mail, telegram, facsimile or by hand under a receipt, addressed to the members of the Executive Committee or the members, as the case may be, at the address in the Register.

#### **16. Amendments in the Charter.-**

(1) Subject to the law, the Rules and this Charter, this Charter may be amended or repealed and new Articles may be adopted at the General Body meeting by a resolution passed by at least three fourths majority of the total members of the CCB personally present and voting.

(2) The amendments approved in a General Body shall not be effective unless approved by the Registration Authority.

#### **17. Internal Procedures**

(1) The CCB may make such internal procedures to provide for matters not specifically or sufficiently set out herein, provided, however, that such procedure shall not, directly or indirectly, contravene the provisions of the Ordinance, the Rules or this Charter.

(2) The CCB shall be at liberty to prescribe such fees or other charges, as it may deem fit, for the purposes of its membership and the conduct of its members and matters ancillary or conducive to the attainment of the objectives of the CCB.

**18. Miscellaneous [To be filled in the discretion of the CCB]**

WE, THE UNDERSIGNED, hereby verify and attest our submission to this Charter.

Sr.#	Name	Father's name	Nationality with any former nationality (if any)	Occupation And Business Address	Residential address	Membership of other Voluntary Organizations	Signature

Dated the    day of        20\_\_\_\_.

Witnesses to the above signatures

- 1. Name \_\_\_\_\_  
Father's Name \_\_\_\_\_  
Occupation \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC No. \_\_\_\_\_
- 2. Name \_\_\_\_\_  
Father's Name \_\_\_\_\_  
Occupation \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC No \_\_\_\_\_

## SECOND SCHEDULE SCHEDULE OF FEES

- |                       |                  |
|-----------------------|------------------|
| 1. Registration Fee   | Rs. 50/-         |
| 2. Copying Fee        | Rs. 2/- per page |
| 3. Changes in Charter | Rs. 50/-         |

## THIRD SCHEDULE CCB – Project submission and approval time frame

Module	Activity	Target date
1.	CCB identify and develop through out the period January to November every year	January to November
2.	Guidelines/Classification identifying the priority sectors for CCBs to be issued by each local government to the CCBs	October 15
3.	Project Proposals submitted to the CCB official. Copy provided to the Budget and development Committee	December 15
4.	Review of CCBs project proposals by the Budget and Development Committee	March 1
5.	Changes in the CCB Project Proposals recommended by the Budget and Development Committee and provided to the CCBs by the concerned CCB official	March 15
6.	Re submission of Project proposals by CCBs to Budget and Development Committee through the CCB official	April
7.	Approval of the Annual Budget by the respective Council	End of June
8.	Intimation of approval/non-approval of the project proposals to CCBs by the concerned CCB official	1st Week of July
9.	Implementation of approved project by the CCBs as per project agreement	As in agreement and approved project document

**FOURTH SCHEDULE**  
**CCB FORMS**  
**CCB Form - 1**  
**[NAME OF REGISTRATION AUTHORITY]**  
**CONFIRMATION OF NAME**

This is to confirm that the name proposed by you for the Citizen Community CCB, namely: is available

.

Date of issue: \_\_\_\_\_

(Sign & Stamp of Registration Authority)

**CCB Form – 2**  
**[NAME OF CCB]**  
**REGISTER OF MEMBERS**

**Part-A: List of Executive Committee**

Serial No.	Name of Member & Parentage	Residential Address	Education/ Professional Qualification	National I.D. Card No.	Present Occupation and Business address	Date of Appointment to Executive Committee	Membership of other voluntary organization

**Part-B: List of Founder members**

Serial No.	Name of Member & Parentage	Residential Address	National I.D. Card No.	Present Occupation and Business address	Membership of other voluntary organization

**Part-C: List of members**

Serial No.	Name of Member & Parentage	Residential Address	National I.D. Card No.	Present Occupation and Business address	Membership of other voluntary organization	Date of Subscription

**CCB Form - 3**  
**[ NAME OF REGISTRATION AUTHORITY ]**  
**CERTIFICATE OF REGISTRATION**

**Registration No.** \_\_\_\_\_

This is to certify that [Name of CCB] with its official address at [ADDRESS] has been registered as a CCB under [NWFP] Local Government Ordinance (Ordinance No. [ ] of 2001), 2001 and the [NWFP] Local Government Citizen Community Boards Rules, 2002.

This certificate is valid only for [NAME OF DISTRICT] District.

Date of issue: \_\_\_\_\_

\_\_\_\_\_  
[Signature & Stamp of Registration Authority]

**CCB FORM 4**  
**PROJECT PROPOSAL**

**I. Profile of CCB**

1. Name of CCB \_\_\_\_\_
2. Address with telephone No. of CCB \_\_\_\_\_
3. Registration No. \_\_\_\_\_
4. Date of Registration \_\_\_\_\_
5. District of Registration \_\_\_\_\_

**II. Implementation Arrangement for the Project**

Ownership of project (Government or CCB)

1. Management of Project (Government or CCB or Joint)
2. Capacity to implement the current proposal-
  - (i) Professionals
  - (ii) support staff
  - (iii) previous experience
  - (iv) other

**III. Proposed Project Profile**

1. Name of Project \_\_\_\_\_
2. Commencement Date of Project \_\_\_\_\_
3. Completion Date of Project \_\_\_\_\_
4. Location/Geographic Area Covered by the Project \_\_\_\_\_
5. Main Sector/Sub-sector \_\_\_\_\_
6. Main Objectives (What does the project aim to achieve?) \_\_\_\_\_

#### IV. Project Activities.-(Inputs/Outputs/ Work Plan)

Sr. No	Activity	Start Date	End Date	Targets	Units

Provide Details/Explanation of Work Plan on Separate sheet

#### V. Community Participation Component in the Project

- How was the community involved in need identification/preparation of project proposal?
- How do you propose to involve the community in project implementation?
- How will the community be involved after completion of this project?

#### VI. Project Management by CCB

How will you manage and monitor Inputs, Outputs, workplan, and Impact of the Project. \_\_\_\_\_

\_\_\_\_\_

Explain the record keeping and reporting system.

\_\_\_\_\_

\_\_\_\_\_

#### VII. Financial Summary of Project

Rupees

a.	Cash	Kind	Total

#### b. Anticipated sources of funding - CCBs own resources

Proposed grant from local government Total

#### c. Total Cost of Project

Development Costs/One Time Cost \_\_\_\_\_

Yearly recurrent cost after completion of project Salary \_\_\_\_\_

Non-salary \_\_\_\_\_

#### d. Sources of funding of recurring cost.-Boards own resources \_\_\_\_\_

Proposed grant from local government Project Revenues (Expected) \_\_\_\_\_

Total \_\_\_\_\_



### VIII. Proposed Costs / Budget of the Project.-ALL YEARS

Sr. #	Budget Head/Description	CCB's Own Contribution	Local Govt. Grant	Other Contribution	Total
1	DEVELOPMENT COSTS/ ONE TIME COSTS				
2	RECURRENTCOSTS				
2.1	Salaries				
2.2	Non Salary				
	TOTAL				

NOTE: SHOW ON A SEPARATE PAGE FOR EACH YEAR. SHOW DETAILS OF CALCULATIONS

### IX. Estimated Revenues of the Project

#### ALL YEARS

Sr. No.	Revenue Head/Description	Total
	TOTAL	

Note: Show the Detailed Calculations for Each Year Separately

### X Proposed Project Installment Schedule

Sr. No.	Date	Amount
	TOTAL	

Note Request For Installment Must Be Sent Atleast One Month In Advance And Must Be Accompanied With The Latest Progress Report.

## XI Proposed Progress Reporting Schedule

Sr. No.	Details of Report	Date of Submission

## XII Project Coordinator

Name of Project Coordinator \_\_\_\_\_

Contact Address \_\_\_\_\_

\_\_\_\_\_

## XIII Administrative Steps (For Official Use)

Sr. #	Activity	Date
1	Project proposal received by the CCB official.	
2	Project proposal submitted to the Budget and Development Committee.	
3	Comments received from Budget and Development Committee on the project proposal.	
4	Comments sent to the CCB.	
5	Project proposal resubmitted by the CCB to the CCB official.	
6	Project proposal resubmitted to the Budget and Development Committee.	
7	CCB informed of Council decision (after approval of Budget).	
8	Revised proposal submitted by CCB if changes requested by Council.	
9	Project started.	
10	Date and amount of installments paid.	
11	Progress reports submitted.	
12	Project completed.	

## **CCB Form - 5 AGREEMENT**

**This Agreement is made this [ ] day of [ ] at [ ]  
BY AND BETWEEN**

**[NAME OF LOCAL GOVERNMENT] (hereinafter referred to as the  
“local government”)  
AND  
[NAME OF CCB] (hereinafter referred to as the “CCB”)**

WHEREAS, the CCB proposed, and the local government approved, the [NAME OF PROJECT] (hereinafter referred to as the “Project”).

NOW, THEREFORE, the parties have mutually agreed to the following terms and conditions to carry out the Project in accordance with the provisions of the [NWFP] Local Government Ordinance, 2001 (Ordinance No [ ] of 2001)-

### **1. General**

The project duly approved by the local government shall constitute an integral part of this agreement.

The local government has sanctioned Rs. [ ] (hereinafter referred to as the “Grant”) for the purposes of execution and implementation of the Project.

The CCB hereby agrees and undertakes to execute and implement the Project as duly approved.

The Project shall be completed within a period of [ ], commencing from [ ].

The CCB shall submit to the local government, progress report(s) setting out the financial and physical status of the Project as per schedule given in the project proposal.

### **2 Liabilities**

- (i) Local government shall not be liable to any claim, debt, damage or demand arising out of execution or implementation of the Project.
- (ii) Local government shall not be liable for any compensation relating to death, disability or other hazards or personal injuries caused to members of the CCB or its sub-contractors or volunteers of the CCB or any other person or property as a result of the activities carried out in connection with the Project.
- (iii) Nothing contained in this Agreement shall be deemed a waiver, express or implied, or immunity from suit or legal process of any privilege, exemption or other immunity enjoyed by the local government.
- (iv) In the event the Project is not carried out in accordance with this Agreement or the provisions of the Ordinance, the local government may, in addition to any other remedy available under law, cancel this Agreement and terminate disbursement of the outstanding portion of the Grant. In such eventuality, the property or assets of the in respect of the Project shall pass to the local government, as provided in the Ordinance.

### 3 Confidentiality

Contents of this Agreement are not confidential. Either party may provide any person interested in knowing the status or affairs relating to the implementation of the Project such information.

### 4 Sustainability

The CCB shall initiate necessary steps for active and efficient community participation in Project design, execution, operation and monitoring.

IN WITNESS WHEREOF THE undersigned being duly authorized have signed this Agreement on the date first written above.

For and on behalf of the  
Local government

For and on behalf of the CCB

#### Witnesses

1. \_\_\_\_\_

2. \_\_\_\_\_

## CCB FORM 6 Request for Transfer of Installment

The CCB official  
Local government

#### Subject: REQUEST FOR TRANSFER OF INSTALLMENT

It is requested that the [Number of installment] installment of Rs. [Amount] for the CCB may kindly be released as per installment schedule contained in the duly approved Project document.

The latest progress report upto [date] of the Project is enclosed herewith for your kind perusal.

With regards,  
Yours faithfully,  
Secretary

Citizen Community CCB

Address \_\_\_\_\_

Countersigned \_\_\_\_\_ Chairman \_\_\_\_\_

Citizen Community CCB

## CCB Form -7

### Budget Re-appropriation CC B Project Profile Name of the CCB

Reg. No. and Date \_\_\_\_\_

Name of the Project \_\_\_\_\_

Date of Commencement \_\_\_\_\_

Date of Completion \_\_\_\_\_

### Budget Re- appropriation Requested

FROM				
Sr. #	Account Code /Description	Original Budget Amount Rs.	Expenditure to date	Amount to be re-appropriated

TO			
Account Code / Description	Original Budget Amount Rs.	Revised Amount	Reasons for Re-appropriation

Secretary

Citizen Community CCB

Address \_\_\_\_\_  
\_\_\_\_\_

Countersigned \_\_\_\_\_  
Chairman

Citizen Community CCB

Date

## CCB Form -8 Excesses and Surrenders

(Fiscal Year \_\_\_\_\_)

### CC B Project Profile

Name of the CCB \_\_\_\_\_

Reg. No. and Date \_\_\_\_\_

Name of the Project \_\_\_\_\_

Date of Commencement Date of Completion \_\_\_\_\_

Excess and Surrenders \_\_\_\_\_

Accounts Code	Description of Accounts Code	Approved Budget	Actual Expenditure	Excesses/ Surrenders
Total				

Secretary

Citizen Community CCB

Address \_\_\_\_\_  
\_\_\_\_\_

Countersigned \_\_\_\_\_  
Chairman

Citizen Community CCB

## FIFTH SCHEDULE RANKING OF CCB PROJECTS

1. The local government shall classify the schemes according to the priorities specified in the budget Call letter. The Classification Shall be developed on the following pattern –

Classification of the sectoral priorities and funding allocation by the Council

Priority	Sector	Sub-Sector	Type of Schemes
1	Education	Girls Schools	Up-gradation
2	Health	Child & Women	
3	Health	Basic & Rural Health	

### Ranking and Selection of Schemes

The proposals received by the cut-of date shall be ranked as follows-The CCB Official of the respective level of local government shall draw up a statement specifying the schemes by classification including the total amount of contributions for a particular classification of schemes.

### Statement 1 CCBs Contributions for Girls Schools Classification

CCB Project	CC Share % of Total CCB Project Ranking Basis	CCBs Share Rs.
CCB 1 Project	60	10000
CCB 2 Project	55	30000
CCB 3 Project	20	15000
CCB 4 Project	20	10000
Total for Classification Girls Schools		65000

A second statement shall determine contribution amounts for a particular classification of schemes as a ratio of the total contributions for all schemes registered with a particular local government for that year and the statement shall be used to determine amounts of allocations for a classification of schemes from the budget reserved for the purpose.



## Statement 2 CCBs Contribution by Classification

Classification of Scheme	CCBs Share in Classification	% Total Contribution By CCBs (Ratio)
Girls School	65000	54
Child & Women	35000	29
Basic & Rural Health	20000	17
Total For Classification	120000	100

### Budgetary allocation by classification of schemes

Total Budget for the year Rs. 1 Million

Classification of Scheme	CCBs Share in Classification (Ratio)	Total Allocation for the year
Girls School	54	540,000
Child & Women	29	290,000
Basic & Rural Health	17	170,000
Total for Classification	100	1,000,000

A third statement shall be drawn up, which shall identify the number of schemes registered in a particular classification, beginning with the scheme containing the highest contribution by the Citizen Community CCB in a classification until all the schemes in the classification are selected or the funds allocated for that particular classification in the amount determined in the second statement are exhausted.

## Statement 3 Funds Allocation by CCBs Proposals for Girls School Classification

### TOTAL FUNDS FOR SUB – SECTOR RS. 540000

CCB Project	CCB Share % of total CCB Project Ranking Basis	Total Project Rs.	Local Govt. Contribution Requested	Cumulative Local Govt. Funds Requested Rs.
CCB 1 Project	60	500000	200000	200000
CCB 2 Project	50	300000	150000	350000
CCB 3 Project	20	200000	160000	510000
CCB 4 Project	20	100000	80000	590000

The funding is available for the first three Projects.

# Appendix II

## Draft Guidelines for use by TMA for Small Contracts Value not over Rs 300,000

### Guidelines for Procurement of Works by TMA

#### 1. Introduction

These guidelines have been prepared to simplify the procedures in procurement within the framework of the North West Frontier Province Public Procurement of Goods, Works and Services Rules, 2009 by the Tehsil/Town Municipal Administrations (TMA).

#### 2. Applicability

They shall apply to all procurement of works and related goods and services purchased through the resource pool available to the TMA and shall include both de novo development or expansion or major repairs and maintenance of Municipal Services and Infrastructure.

#### 3. Purchases worth Rs. 300,000 or less

For each category of works the TMA shall maintain a register of approved suppliers or contractors which shall be drawn up on the basis of inviting applications or accepting unsolicited application throughout the year for registration separately as petty contractors and suppliers of works related goods and services. These should be located and operating within the District of which the TMA forms a part of. The advertisement should be placed on the website of the District, and published in a prominent newspaper circulating within the District and placed on the Notice Board of the TMA at least once every year. The content of the Advertisement shall be as follows:

#### **Invitation for Registration as Contractor, Suppliers of Goods and Services by [Enter Name of TMA]**

The [Name of TMA] undertakes works, purchases goods and uses several services related to Municipal Services and Infrastructure Development, Repair, Maintenance and Operations throughout the year.

In this context the TMA invites interested and experienced firms or individuals to register with the TMA.

A simple request on the Letter head of the firm or individual shall be addressed to the Tehsil/Town Officer (Infrastructure) of this TMA. The letter should contain the following information:

1. Name of Applicant and Full Postal Address of Place of Business in the District
2. CNIC number(s) of applicant, its partners/directors
3. Registered under which law (give registration number and date)
4. NTN Registration Certificate
5. Sales Tax Registration Certificate
6. Field of Operation
7. Business Turnover last year
8. Last Year's Income Tax Return (copy)

On receipt of the application the TMA shall include the applicant's name in the appropriate category, allot a registration number and issue a letter confirming registration, the category of registration and the registration number and state the date on which the renewal would be due for which an application would be required. The form of the letter shall be as follows:

**[Enter Date and the Name & Address of Applicant]**

This refers to your application for registration with this TMA.

This confirms that you have been registered as Contractor/Supplier of Goods/Supplier of Services **{delete as appropriate}** in the category **[enter name of category]**.

Your registration will require renewal on **[enter appropriate date]** for which you will be required to submit an application as before.

The registration shall be valid for three years and renewal shall be made on application only.

Whenever procurement is required to be done, the Town Officer concerned shall draw up a short-list of at least six registered firms and individuals from the appropriate category and submit these along with their registration details to the Tehsil/Town Municipal Officer (TMO) who shall select one (for procurement of up to Rs 45,000) and three (for procurements between Rs. 45,000 and not more than Rs. 300,000)

The selected firm(s) and/or individual(s) shall be requested to submit a quotation for undertaking the works or supplying the goods or services, as appropriate, according to the specifications or terms of reference which shall be attached to the letter of invitation. The letter of invitation shall be sent by courier or delivered by hand and a receipt obtained. The form of the letter shall be as follows:

**[Enter Date and Name & Address of Selected Firm(s) and/or Individual(s)]**

Procurement for \_\_\_\_\_ **[Enter Title of Project]**

You have been selected for submitting a bid for the cited project.

The specification/terms of reference for the work/goods/services are attached **[Delete as appropriate]**

Should you wish to seek clarification, you may contact the undersigned.

Your bid should be submitted in an envelope addressed to the undersigned which should be sealed and signed and which should reach the undersigned within 15 days of date hereof.

Signed by the Appropriate Officer

**[Enter Name, Designation and Contact Telephone Number]**

On receipt of a single bid the TO (Infrastructure) shall open the bid and call the bidder to negotiate and sign the contract within the next seven days, and in the case of goods to be supplied shall send an authorised representative to collect the goods against payment in cash for the value stated in the bid.

On receipt of three bids, the TO (Infrastructure) shall invite the bidders, open the bids in front of them and announce the bid value. He shall then examine the bids and discard any which stipulates

a conditionality or does not respond to the specifications or the terms of reference (as appropriate). From the remaining bid(s) the TO(infrastructure) shall announce the award of the contract to the lowest bidder. A record of the proceeding shall be prepared and shall be signed by all those who are present. The reasons for rejecting any bid shall be clearly stated in the record of proceedings.

He shall then negotiate and enter into a contract with the winning bidder within seven days of the award. The contract format is given in Attachment I.

Payment shall be made according to the schedule specified in the contract

#### **4. Procurement Worth more than Rs 300,000 and not more than Rs 2.5 Million**

This requires a higher level of sophistication in the procurement process. Firstly, projects in this category will largely be consultant or peer supervised, Secondly they will be complex in character and will require demonstrated ability to deliver on the contract. Thirdly, they will require some modicum of bridge finances to tide over lean periods when payment may be delayed through force of circumstances.

There are two ways in which the TMA procure goods, services and works within the boundaries of this level is through a public solicitation from bidders or through the facility of Public Private Partnership. The method of procurement shall be the same for both avenues.

## ATTACHMENT I - SIMPLIFIED CONTRACT

### AGREEMENT

**THIS AGREEMENT** is made this <enter day, month [in words] and year> between the <enter name of Tehsil/Town> Municipal Administration (hereinafter referred to as the TMA) on the FIRST PART and <enter name and address of the successful bidder> (hereinafter referred to as the Contractor) of the OTHER PART.

**WHEREAS** the TMA is desirous of having the following civil/electrical/mechanical works constructed / goods delivered / services rendered <delete as appropriate>:

<ENTER DETAILS AS APPROPRIATE>;

**AND WHEREAS** the Contractor is willing to undertake this task;

**AND WHEREAS** the parties hereto have agreed to enter into this Agreement on the Terms and Condition and for the value set forth hereinafter:

#### ARTICLE 1. SCOPE OF THE WORK

The Contractor shall furnish all the materials and perform the task shown on the drawings and/or described in the specifications entitled Exhibit A, as annexed hereto as it pertains to work to be performed on property located at: <enter details of location>/goods to be delivered/ services to be rendered <delete as appropriate>

#### ARTICLE 2. TIME OF COMPLETION

The task to be performed under this Contract shall be commenced on or before \_\_\_\_\_, 20\_\_\_\_, and shall be substantially completed on or before \_\_\_\_\_, 20\_\_\_\_. Time is of the essence.

#### ARTICLE 3. THE CONTRACT PRICE

The TMA shall pay the Contractor for the material and labour to be performed under the Contract the sum of Pak Rupees <enter value in numbers and in words>, subject to additions and deductions pursuant to authorised change orders.

#### ARTICLE 4. PROGRESS PAYMENTS

Payments of the Contract price shall be paid in the manner following:

<Enter schedule of payment specifying when and how much in each instance>

#### ARTICLE 5. GENERAL PROVISIONS

1. All task shall be completed in a workmanship like manner and in compliance with all applicable laws.
2. To the extent required by law all work shall be performed by individuals duly qualified to perform said work <delete for supply of goods>.
3. Contractor shall not engage engage subcontractors to perform work hereunder <delete for supply of goods>.

4. Contractor shall furnish TMA appropriate releases or waivers of lien for all work performed or materials provided at the time the next periodic payment shall be due.
5. All change orders shall be in writing and signed by both TMA and Contractor.
6. Contractor warrants it is adequately insured for injury to its employees and others incurring loss or injury as a result of the acts of Contractor or its employees <delete for supply of goods>.
7. Contractor shall at its own expense obtain all permits necessary for the work to be performed <delete for supply of goods>.
8. Contractor agrees to remove all debris and leave the premises in broom clean condition <delete for supply of goods>.
9. In the event TMA shall fail to pay any periodic or instalment payment due hereunder, Contractor may cease work without breach pending payment or resolution of any dispute.
10. All disputes hereunder shall be resolved by binding arbitration of two persons, one each to be nominated by the parties hereto.
11. Contractor shall not be liable for any delay due to circumstances beyond its control including strikes, casualty or general unavailability of materials.
12. Contractor warrants all work/goods/services for a period of \_\_\_\_\_ months following completion <delete as appropriate>.

**ARTICLE 6. OTHER TERMS**

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Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
TMA

\_\_\_\_\_  
Witness<enter name address and CNIC#>

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Witness<enter name address and CNIC#>

## Appendix III

# Draft Guidelines for use by TMAS in NWFP for Procurement Value Exceeding Rs 300,000

### **BUT NOT MORE THAN RS 2.5 MILLION**

#### **Maintenance of Record of Proceedings**

- (1) Procuring entities must maintain records and documents regarding their public procurement for a minimum period of five years, or for longer periods as required in special cases, from the date of discharging contractual obligations of any procurement proceeding, which for each proceeding shall contain:
  - (a) a brief description of the goods, works or physical services and intellectual/professional services to be procured and the justification for using a method other than open tendering, if applicable;
  - (b) a copy of the invitation to submit bids, proposals or quotations as well as the published advertisement, if any;
  - (c) the names and addresses of bidders that submitted bids, proposals or quotations, and the name and address of the bidder to whom the contract was awarded as well as the contract price;
  - (d) copy of any pre-qualification, bid or other solicitation documents;
  - (e) minutes of tender opening;
  - (f) all correspondence with bidders;
  - (g) the evaluation criteria stipulated and applied, and a report of the evaluation and comparison of bids, proposals or quotations received;
  - (h) record of approval of tender evaluation report and the contract document;
  - (i) information on any decision to suspend or cancel proceedings after having been initiated;
  - (j) documentation with respect to any appeal or complaint of the procurement proceedings in question;
  - (k) goods delivery/acceptance report and completion report for works and services; and all records of the payment process.
- (2) The record concerning any proceeding shall on request, and once the proceedings have resulted in a contract or have otherwise been terminated, be made available to any concerned person. However, except when ordered to do so by a competent court and subject to the conditions of such an order, a procuring entity shall not disclose information:
  - (a) if its disclosure would be contrary to law, would impede law enforcement, would not be in the public interest, would prejudice legitimate commercial interests of the parties or would inhibit fair competition and the reasons for this shall be placed in writing before the competent court and seek its approval for not-disclosing and if the reason shall be “in the public interest” then this shall be amplified in a speaking manner; or
  - (b) relating to the examination and evaluation of bids, proposals or quotations and the actual content of bids, proposals or quotations, other than a summary of the evaluation of bids, proposals and quotations received.



- (3) The Competent Authority shall issue a guidance note to procuring entities for the purpose of ensuring that information about contract awards is being disseminated to the general public in an appropriate manner. In the event that any particular type of reason is withheld from disclosure then the Competent Authority shall record this in writing and if the reason shall be “in the public interest” then this shall be amplified in a speaking manner. All orders of the Competent Authority shall be placed on the website of the District Council and of the Provincial Public Procurement Regulatory Authority.

### **Qualification of bidder**

- (1) In order to participate in public procurement, bidders must qualify by meeting the following criteria and such other criteria as a procuring entity considers appropriate under the circumstances that they:
- (a) possess the necessary professional and technical qualifications and competence, financial resources, equipment and other physical facilities, including after-sales service where appropriate, managerial capability, experience in the procurement object, reputation, and the personnel, to perform the contract;
  - (b) have the legal capacity to enter into the contract;
  - (c) are not insolvent, in receivership, bankrupt or being wound up, their business activities have not been suspended, and they are not the subject of legal proceedings for any of the foregoing; and
  - (d) have fulfilled their obligations to pay taxes and social security contributions under the relevant national regulations.
- (2) A procuring entity shall require bidders to provide such appropriate documentary evidence or other information as it may deem useful to satisfy itself that the bidders are qualified in accordance with the specified criteria in para (1) hereof.
- (3) A procuring entity shall evaluate the qualifications of bidders in accordance with the criteria and method set forth in para (1) hereof.
- (4) A procuring entity shall disqualify a bidder who submits a document containing false information for purposes of qualification. In addition, a procuring entity shall declare such a bidder ineligible, either indefinitely or for a stated period of time, from participation in procurement proceedings.
- (5) A procuring entity may disqualify a bidder if it finds at any time that the information submitted concerning the qualifications of the bidder was materially inaccurate or materially incomplete.
- (6) Procuring entities may maintain list(s) of enlisted/qualified potential bidders for procurement of goods, procurement of services and procurement of works whose qualifications shall be reassessed every three years in accordance with the provisions of para (1) hereof,
- (7) Such list(s) of enlisted/qualified potential bidders can only be used for the purposes of procurement using the restricted tendering method.
- (8) A procuring entity may allow joint venture consortiums or associations (JVCA) of two or more firms to participate in a tender under condition that all partners shall be jointly and severally liable for the execution of the contract. It shall not allow sub contracting.

## **Technical Specifications/Terms of Reference**

- (1) For the purpose of creating conditions of fair and open competition amongst all bidders, technical specifications and descriptions laying down the characteristics of the goods, works or services to be procured shall be prepared to give a correct and complete description of the object of procurement, and shall not be restrictive.
- (2) The technical specifications shall clearly describe a procuring entity's requirements with respect to quality, performance, safety and dimensions, symbols, terminology, packaging, marking and labelling or the processes and methods for production and requirements relating to conformity assessment tests.
- (3) Technical specifications prescribed by procuring entities shall, where appropriate, be:
  - (a) in terms of performance rather than design or descriptive characteristics; and
  - (b) based on international standards, where such exist, or otherwise recognised national standards or codes.
- (4) There shall be no requirement or reference in the technical specifications to a particular trademark or name, patent, design or type, specific country of origin, producer or service supplier, unless there is no sufficiently precise or intelligible way of describing the procurement requirements and provided that words such as "or equivalent" are included in the specifications.
- (5) Procuring entities may standardize specifications for common use goods repetitively purchased in consultation with manufacturers and publish them in the District's and the Provincial Public Procurement Regulatory Authority's website.

## **Advertising**

This shall be the same as provided for in the proposed North West Frontier Province Procurement of Goods, Works, Services and Consulting Services Rules 2009

## **Invitation for tender**

- (1) The invitation for tender shall contain, as a minimum:
  - (a) the name and address of a procuring entity;
  - (b) a brief description of the goods, works or services to be obtained, including desired time limit for delivery or completion;
  - (c) the means and conditions for obtaining the tender documents and the place from which they may be obtained;
  - (d) the place and deadline for the submission of bids;
  - (e) the place and time for opening of bids, along with an announcement that bidders' representatives are allowed to attend the opening of bids; and
  - (f) the amount of tender security.

- (2) The time allowed for bidders to prepare their bids shall not be less than 28 days for open tendering for goods, works and physical services and for restricted tendering 14 days for goods and 21 days for works and physical services, provided the tender documents are ready for sale by the date of the advertisement.

## **Procurement Methods**

This shall be the same as provided for in the proposed North West Frontier Province Procurement of Goods, Works, Services and Consulting Services Rules 2009

## **Tender documents**

The tender documents shall contain sufficient information to enable competition among the bidders to take place on the basis of complete, neutral and objective terms. In particular, tender documents must include:

- (a) instructions for the preparation and submission of bids;
- (b) information on the final date for receipt of bids, the date, hour and place of opening, as well as an announcement that bidders' representatives are allowed to attend the opening;
- (c) forms of tender and, where applicable, tender and performance securities and manufacturers' authorisation to be provided by the bidders;
- (d) the number of copies to be submitted with the original tender;
- (e) conditions of contract, general and special;
- (f) specification of requirements, including time limit for delivery or completion, as appropriate;
- (g) evidence to be provided by the bidder to demonstrate its qualifications for purposes of post-qualification verifications conducted by a procuring entity;
- (h) the period during which the tender must remain valid;
- (i) the criteria for evaluation of bids and award of the contract;
- (j) a requirement that a bidder must, in the form specified in the tender documents, pledge not to provide any inducement of any kind;
- (k) a reservation to the effect that a procuring entity may reject all bids at any time prior to the acceptance of a tender;
- (l) Aprocuring entity may include in the tender documents a condition that bids must be accompanied by security in the form of a bank draft, pay order or irrevocable bank guarantee. The amount of such security shall be sufficient to discourage irresponsible bids and shall be expressed as a fixed amount not exceeding 3 per cent of the estimated contract value. The tender security shall remain valid for 28 days beyond the tender validity period. The security shall be forfeit if the bidder withdraws before the award of the contract.
- (m) a provision for holding a pre-tender meeting with potential bidders, where deemed appropriate by a procuring entity, in order to provide clarifications on the stipulations of the tender documents; and
- (n) notification in the Tender Data Sheet as to whom the bidder shall address any complaint.

### **Provision of bid documents**

Tender documents shall be made available to bidders at the same time as the advertisement is issued in the press, and at a price not exceeding the cost of reproduction and delivery to bidders in the manner specified in the invitation for tender.

### **Submission, receipt and opening of bids**

The submission receipt and opening of bids shall be the same as provided for in the proposed North West Frontier Province Procurement of Goods, Works, Services and Consulting Services Rules 2009

### **Examination and Evaluation of Bids**

This shall be the same as provided for in the proposed North West Frontier Province Procurement of Goods, Works, Services and Consulting Services Rules 2009

### **Announcement of Result of Evaluation, Award of Contract**

This shall be the same as provided for in the proposed North West Frontier Province Procurement of Goods, Works, Services and Consulting Services Rules 2009

### **Contract Documents**

For Contracts worth more than Rs 300,000 and not more than Rs 2.5 million the draft given in Attachment I shall be used.

In all other instances the World Bank's Standard Contract for Small Works shall be used.

## **ATTACHMENT I**

### **DRAFT AGREEMENT FLR USE BY TMA FOR PROCUREMENTS WORTH MORE THAN RS 300,000**

#### **NOT MORE THAN RS 2.5 MILLION**

### **AGREEMENT**

**THIS AGREEMENT** is made at <enter the name of the Town, the Tehsil and the District where this agreement is being signed> this <enter day, month [in words] and year> between the <enter name of Tehsil/Town> Municipal Administration (hereinafter referred to as the TMA) on the FIRST PART and <enter name and address of the successful bidder> (hereinafter referred to as the Contractor) of the OTHER PART.

WHEREAS the TMA is desirous of having the following civil/electrical/mechanical works constructed / goods delivered / services rendered <delete as appropriate>:

<ENTER DETAILS AS APPROPRIATE>;

**AND WHEREAS** the Contractor is willing to undertake this task;

**AND WHEREAS** the parties hereto have agreed to enter into this Agreement on the Terms and Condition and for the value set forth hereinafter:

#### **ARTICLE 1.**

The Definitions contained in the North West Frontier Province Procurement of Goods, Works, Services and Consulting Services Rules 2009 shall apply.

#### **ARTICLE 2. SCOPE OF THE WORK**

The Contractor shall furnish all the materials and perform the task shown on the drawings and/or described in the work specifications, or the description and specifications, if any, of the goods requested for or description of services solicited ,delete as required> entitled Exhibit A, as annexed hereto as it pertains to work to be performed on property located at: <enter details of location> / goods to be delivered / services to be rendered <delete as appropriate>

#### **ARTICLE 3. TIME OF COMPLETION**

The task to be performed under this Contract shall be commenced on or before \_\_\_\_\_, 20\_\_\_\_, and shall be substantially completed on or before \_\_\_\_\_, 20\_\_\_\_. Time is of the essence.

#### **ARTICLE 4. THE CONTRACT PRICE**

The TMA shall pay the Contractor for the material and labour to be performed under the Contract the sum of Pak Rupees <enter value in numbers and in words>, subject to additions and deductions pursuant to authorised change orders.

## **ARTICLE 5. PROGRESS PAYMENTS**

- (1) Payments of the Contract price shall be paid in the manner following upon certification of satisfactory progress by the TO (Infrastructure)

<Enter schedule of payment specifying when and how much in each instance>

- (2) All payments shall be made to the nominated bank account of the Contractor.

## **ARTICLE 6. NEGOTIATION AND CONTRACT AWARD FOR PROPOSALS FOR SERVICES**

- (1) A procuring entity may negotiate with the successful consultant or service provider with respect to the proposal methodology, work plan and training inputs but shall not seek or permit changes in the rates quoted for staff remuneration proposed by the consultant or service provider.
- (2) The proposal evaluation committee shall submit the proposal evaluation report with its recommendations for award of contract, to the approving authority within not more than eight (8) weeks of receipt of bids so that the award of contract can be notified before expiry of the validity of proposals, without having to seek extension. The procuring entity shall notify the successful consultant or service provider that its proposal has been accepted.
- (3) The consultant or service provider shall not be required to submit any performance security but shall be required to provide indemnification to the Client in accordance with the relevant Clause in the North West Frontier Province Procurement of Goods, Works, Services and Consulting Services Rules 2009.
- (4) If the successful consultant or service provider fails to sign a contract, the procuring entity shall negotiate with the remaining responsive consultant or service providers, in order of their relative ranking, subject to the right of the procuring entity to reject all proposals
- (5) All contract awards shall be notified to the Provincial Regulatory Authority and to the District Council for publication on their website.

## **ARTICLE 6. GENERAL PROVISIONS**

- (1) All tasks shall be completed in a workmanship like manner and in compliance with all applicable laws.
- (2) To the extent required by law all work shall be performed by individuals duly qualified to perform said work <delete for supply of goods>.
- (3) Contractor shall not engage engage subcontractors to perform work hereunder <delete for supply of goods>.
- (4) Contractor shall furnish TMA appropriate releases or waivers of lien for all work performed or materials provided at the time the next periodic payment shall be due.
- (5) All change orders shall be in writing and signed by both TMA and Contractor.
- (6) Contractor warrants it is adequately insured for injury to its employees and others incurring loss or injury as a result of the acts of Contractor or its employees <delete for supply of goods>.

- (7) Contractor shall at its own expense obtain all permits necessary for the work to be performed <delete for supply of goods>.
- (8) Contractor agrees to remove all debris and leave the premises in broom clean condition <delete for supply of goods>.
- (9) In the event TMA shall fail to pay any periodic or instalment payment due hereunder, Contractor may cease work without breach pending payment or resolution of any dispute.
- (10) All disputes hereunder shall be resolved by binding arbitration of two persons, one each to be nominated by the parties hereto.
- (11) Contractor shall not be liable for any delay due to circumstances beyond its control including strikes, casualty or general unavailability of materials.
- (12) Contractor warrants all work/goods/services for a period of \_\_\_\_\_ months following completion <delete as appropriate>.

**ARTICLE 7. OTHER TERMS**

- (1) All correspondence shall take place in English
- (2) The Laws of Pakistan shall apply
- (3) In the event of a dispute, the matter shall be resolved through a binding arbitration by three persons, one each of whom shall be nominated by the parties hereto and the third to be nominated by the senior-most District and Sessions Judge in the District. Any remuneration to be paid to the third arbitrator shall be borne equally by the parties hereto.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
TMA

\_\_\_\_\_  
Witness <enter name address and CNIC #>

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Witness <enter name address and CNIC #>





The World Bank