

CHAPTER V

CONTRACTS.

Mode of executing contracts.

1.(1) Every contract entered into by the Commissioner on behalf of the Corporation shall be entered into in such manner and form as would bind the Commissioner if such contract were on his own behalf, and may in the like manner and form be varied or discharged:

Provided that—

(a) any such contract which would require to be under seal if it were entered into by the Commissioner shall be sealed with the common seal of the Corporation; and

(b) every contract for the execution of any work or the supply of any materials or goods which will involve an expenditure exceeding five hundred rupees or such higher amount as the Corporation, with the approval of the ¹[State] Government, may from time to time prescribe shall be in writing and shall be sealed with the common seal of the Corporation in the manner prescribed in sub-rule (2), unless the contract relates to work which has already been performed or the supply of materials or goods which have already been supplied to the satisfaction of the Commissioner and the Commissioner by order in writing dispenses with the execution of a written instrument.

(2) The common seal of the Corporation, which shall remain in the custody of the Municipal Secretary, shall be affixed in the presence of two members of the Standing Committee to every contract or other instrument required to be under seal and such contract or instrument shall be signed by the said two members of the Standing Committee in token that the same was sealed in their presence. The signatures of the said members shall be distinct from the signatures of any witnesses to the execution of any such contract or instrument.

Tenders to be invited for certain contracts.

2.(1) Except as is hereinafter otherwise provided, the Commissioner or any officer authorised by him in this behalf shall, at least seven days before entering into any contract for the execution of any work or the supply of any materials or goods which will involve an expenditure exceeding three thousand rupees or such higher amount as the Corporation may, with the approval of the ¹[State] Government, from time to time prescribe, give notice by advertisement in the local newspapers, inviting tenders for such contract.

(2) The Commissioner shall not be bound to accept any tender which may be made in pursuance of such notice, but may accept, subject to the provision of clause (c) of section 73, any of the tenders so made which appears to him, upon a view of all the circumstances, to be the most advantageous:

Provided that the Standing Committee may authorise the Commissioner, for reasons which shall be recorded in its proceedings, to enter into a contract without inviting tenders as herein provided or without accepting any tender which he may receive after having invited them.

Security when to be taken for performance of contract.

3. The Commissioner shall require sufficient security for the due performance of every contract into which he enters under rule 2 and may, in his discretion, require security for the due performance of any other contract into which he enters under this Act.

Application of Chapter to contracts relating to Transport Undertaking.

4. The provisions of this Chapter shall, so far as may be, apply to contracts relating to the Transport Undertaking:

Provided that the functions to be performed thereunder by the Standing Committee or the members thereof and the Commissioner shall be performed by the Transport Committee or the members thereof and the Transport Manager, as the case may be.

1. This word was substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.