

1. Name of the Subject

Enhancement of powers of Chairperson, NDMC to enter into contracts on behalf of the Council.

2. Name of the department : Finance Department

3. Brief History of the subject

At present, the powers of Chairperson, NDMC as enhanced by the Central Government and conveyed to NDMC vide letter dated 29.11.2002 in exercise of powers conferred by Clause (c) of Section 143 of NDMC Act, 1994 in the matter of entering into a contract are upto Rs 50 lakh. With the passage of time and requirement of Common Wealth Games 2010 and projects being taken under Jawahar Lal Nehru Urban Renewal Mission, Council vide its Resolution No. 09(D-6) of ordinary meeting dated 31.12.2008 decided to recommend the increase of the limit under section 143© of NDMC Act 1994 from Rs 50 lakh to Rs 200 lakh and to consider further increase upto Rs.400 lakh, as and when the need is felt. Accordingly, Ministry of Home Affairs was approached in terms of section 143 (c) of NDMC Act 1994 vide Letter No. D/Finance/09/295 dated 5.2.2009 to enhance the powers of Chairperson to enter into contract on behalf of the Council in terms of Council's Resolution dated 31.12.2008.

(ii) The Ministry of Home Affairs, GOI vide F.No. 14011/51/2007-Delhi II dated 25.5.2009 has informed that the Central Government has enhanced the financial powers of the Chairperson, NDMC in the matter of entering into a contract on behalf of Council to Rs 1 crore subject to the condition that he shall in the exercise of this enhanced power ensure that the relevant codal formalities are strictly adhered and mechanism of seeking advice of the Financial Unit of Council is put in place.

4. Detailed proposal on the subject

The decision of the Central Government to increase the limit from Rs 50 lakh to Rs 1 crore as stated in para 3 above may be noted to the Council for information.

Financial implication of the proposed subject

NIL



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processing

Not applicable

7. Comments of the Finance Department on the subject with Diary No. & Date

Not required, FD having initiated the proposal.

8. Comments of the department on comments of Finance Department

Not required.

9. Legal implications of the subject

NIL

10. Details of previous Council Resolutions, existing Law of Parliament and Assembly on the subject.

Council, vide its Resolution No. 09(D-6) of 31.12.08, recommended the increase of the limit under section 143 (c) of NDMC Act 1994 from Rs. 50 lakh to 200 lakh at present, which the Chairperson may enter into contract without previous approval of the Council and to inform all such cases to the Council under section 143 (d) of the Act and to consider further increase upto Rs.400 lakh, as and when the need is felt.

11. Comments of the Law Department on the subject

Not required.

12. Comments of the department on the comments of Law Department

NA

13. Certification by the department that all Central Vigilance Commission (CVC) guidelines have been followed while processing the case

Not required.

14. Recommendation

The decision of the Central Government for enhancing the limit from Rs. 50 lakh to Rs 1 crore, in the matter of entering into a contract on behalf of Council, subject to the condition that he shall in the exercise of this enhanced power ensure that the relevant codal formalities are strictly adhered to and mechanism of seeking

of Home Affairs, GOI vide F.No. 14011/51/2007-Delhi II dated 25.5.09 may be noted to the Council for information.

15. Draft Resolution

Contents of Para 14 above are noted for information.

COUNCIL'S DECISION

Information noted.

It was further resolved that proposals to seek A/A & E/S of the Chairman to the expenditure exceeding Rs.50 lakhs and upto Rs.1 Crore will be submitted on file in the same format in which agenda is submitted for Council's approval.



For Secretary
New Delhi Municipal Council
Palika Kendra, New Delhi