Government of Khyber Pakhtunkhwa
Local Government, Elections & Rural Development Department
LOCAL COUNCIL BOARD PESHAWAR

Dated Peshawar the 07th May, 2026

NOTIFICATION.

No. AOII/LCB/6-11/2026. The Chairman, Local Council Board, Khyber Pakhtunkhwa, is pleased to approve the following **Terms of Reference for the E-Auction of Revenue Contracts of all Local Councils** in Khyber Pakhtunkhwa for the Financial Year **2026–2027** (from 01.07.2026 to 30.06.2027).

2- All Local Councils are hereby directed to strictly adhere to the following TORs: -

TERMS OF REFERENCE/CONDITIONS FOR E-AUCTION OF REVENUE CONTRACTS (FY 2026–27):

1. The e-auction process for the e-auction of revenue contracts shall commence from **07th May, 2026** for the financial year 2026–27, across all Local Councils through the **E-Baldia/e-auction System**, after open advertisement published through the Information Department.
2. All Local Councils shall follow a **uniform e-auction schedule**. The auction process shall be conducted for **three (03) consecutive working days, from Monday to Wednesday,** between **09:00 AM and 04:00 PM**.
3. Only duly registered contractors with the Local Council Board, Peshawar, as per prescribed category shall be eligible to participate in the e-auction process.
4. The contractor shall upload their **eligible CDRs two(02) days prior to last date of the auction date** scheduled for auction, of the said contract.
5. Where a reasonable highest bid is received, reflecting a substantial increase i.e **Ten percent (10%)** over the last year revenue/bid, the highest bidder shall deposit **15% advance** and **5% security** within **three (03) days** into the account of the Local Council concerned.
6. In case no bid is received during the first attempt, a fresh advertisement shall be issued. The process shall continue until an increase as mentioned at s#5 above, over the previous year's approved bid/income is achieved.
7. The concerned Administrator/Chairman shall ensure **fair and transparent competition** among bidders.
8. Each contractor/firm intending to participate shall deposit **earnest money equivalent to 5%** of the previous year's total income in favor of the concerned Local Council prior to participation. Earnest money of unsuccessful bidders shall be released upon completion of the auction process within **07(seven) days**.
9. Upon conclusion of the e-auction, the successful bidder shall be considered the **provisional awardee.** The concerned Tehsil Municipal Administration (TMA)/CMPG shall complete all formalities, including execution of the agreement deed, within **seven (07) days** accordingly.
10. The successful bidder shall furnish **two guarantors** possessing immovable property equivalent to the contract amount, duly attested by a First-Class Magistrate.
11. Failure to deposit the advance amount or execute the agreement within the stipulated time shall result in **automatic cancellation of the bid** and **forfeiture of earnest money** in favor of the concerned Local Council. The contract may then be offered to the second-highest bidder at the rate of bid offered by the highest/successful bidder.

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12. For contracts involving annual collection of fees/taxes, the contractor shall deposit **50% of the contract amount in advance**, while the remaining 50% shall be paid in **three equal installments** within the financial year.

13. Monthly installments must be deposited on or before the **5th day of each month.** Delay shall result a **2% penalty up to the 10th day**, after which 03(three) consecutive notices shall be issued. Non-compliance may lead to cancellation of the contract by the **15th day** of the same month.

14. All applicable **Federal and Provincial taxes, duties, and levies** shall be borne by the contractor.

15. The approved **Schedule of Rates** shall be prominently displayed at all collection points to ensure public awareness and transparency in the public interest.

16. In case of violation of any term or condition, the Local Council shall issue 3(three) consecutive notices on weekly basis for rectification. Failure to comply may result in **cancellation of the contract**, forfeiture of deposits, and recommendation for **blacklisting**.

17. If excess fees/taxes are charged or the approved schedule is violated, the contractor/firm and responsible staff shall be liable to a penalty of up to **eleven(11) times** the amount overcharged.

18. A **Complaint/Suggestion Box** shall be installed at prominent locations (e.g., GBS, Cattle Fairs) by the concerned local councils/CMG, Peshawar, and a proper record of complaints shall be also maintained and addressed by concerned TMA/CMG, Peshawar accordingly.

19. No remission, relaxation, or reduction in the contract amount shall be allowed under any circumstances.

20. The contract shall **not be sublet, transferred, or assigned.** In case of withdrawal or failure to continue, the contract shall be cancelled at the contractor's **risk and cost @ not less than 10% of the contractual amount.**

21. In case of any dispute between the contractor and the Local Council regarding contract or any other matter, the respective **Regional Municipal Officer (RMO)** will do arbitration and whose decision will be **final and binding.**

22. Contracts shall be awarded for **one financial year (2026–2027)** with a minimum increase of **ten percent (10%)** over the previous year's income.

23. If contracts cannot be auctioned despite repeated advertisements, the concerned TMO/DG CMPG, shall submit a justified case to the respective RMO. A committee comprising of **RMO (Chairman), TMO/DG,CMG, TO(R), TO(F), and ATOR** shall determine the reserve bid on the basis of last three(03) year's income or bid amount of said source, which shall be advertised by the TMO/DG, CMG, after due process.

24. Any violation of these instructions by Local Council officials shall be treated as **misconduct and inefficiency,** and action shall be taken under the **LCS-PUGF Service (E&D) Rules, 1980.**

25. Participation in the e-auction process through the **E-Baldia/e-auction system** shall constitute **acceptance** of all above mentioned terms and conditions and abided by contractors.

26. Any attempt to **collude with bidders, manipulate bids, or influence officials** shall result in strict legal action, including **disqualification and blacklisting.**

Sd/....
CHAIRMAN,
LOCAL COUNCIL BOARD,
KHYBER PAKHTUNKHWA.

Contd.....

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Endst: Of even number & date.

Copy of the above is forwarded to the: -

1- Director, Local Fund Audit Khyber Pakhtunkhwa, Peshawar.
2- All Deputy Secretaries, LCB, Khyber Pakhtunkhwa.
3- Director General, Capital Metropolitan Corporation, Peshawar.
4- All Regional Municipal Officers in Khyber Pakhtunkhwa.
5- All Administrators/TMOs, TMAs in Khyber Pakhtunkhwa.
6- Accounts Officer, LCB, Khyber Pakhtunkhwa.
7- Resident Assistant Director (Audit), LCB Khyber Pakhtunkhwa.
8- Director, I.T, LGE&RDD, KP, Peshawar.
9- Computer Programmer, IT Cell, LCB, KP, Peshawar.
10- PS to Minister for LGE&RDD Khyber Pakhtunkhwa, Peshawar.
11- PS to Secretary, LG&RDD Khyber Pakhtunkhwa, Peshawar.
12- PS to Special Secretary(Dev.), LGE&RDD, KP, Peshawar.
13- PS to Addl.Secretary(Dev.), LG&RDD, KP, Peshawar.
14- PS to Secretary, Local Council Board Khyber Pakhtunkhwa.

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For information please.

SECRETARY,
LOCAL COUNCIL BOARD,
KHYBER PAKHTUNKHWA.

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