

Rules regarding the Auction Sale of Government Properties

Public Works Department Code
APPENDIX 12
(See rule 297 of the Code, Volume I)

A. Rules regarding the sale of Government properties through the agency of an auctioneer

1. The Executive Engineer of the Division concerned will act for on behalf of the Governor regarding the sale of Government properties through the Agency of an auctioneer.
2. The Executive Engineer will settle the terms and conditions on which the Government properties are to be sold and the auctioneer will have to accept those terms and conditions in writing before his offer is accepted and he is authorised to hold the auction and sales shall be held subject to such terms and conditions.
3. The Executive Engineer shall not be bound to deal with or recognise the purchaser in such auction sale. The Executive Engineer shall only deal with and recognise the auctioneer in respect of such transactions.
4. (1) On the auction of moveable properties the auctioneer shall send to the Executive Engineer the full purchase money within two days of the auction. On receipt of the full purchase money the Executive Engineer shall issue permit order to the auctioneer who may then authorise the purchaser to remove the articles sold within such time as may be specified by the Executive Engineer in the permit order.
(2) On the auction of immovable properties such as buildings, etc. the auctioneer shall within 3 days send to the Executive Engineer the full purchase money together with security deposit of 10 per cent, on the purchase money. On receipt of the full purchase money and the security deposit the Executive Engineer shall issue permit order to the auctioneer who may then authorise the purchaser to dismantle and remove the buildings etc., sold.
5. The auctioneer shall be responsible for (a) complete demolition of the building or structure so sold including the foundation, (b) clearing and removal of the materials thereof, (c) refilling the foundation trenches and (d) dressing the site properly within such time as may be fixed by the Executive Engineer prior to the auction.
6. The auctioneer shall, prior to the expiry of the last date fixed by the Executive Engineer as aforesaid, report to the Executive Engineer that the conditions specified in paragraph 5 hereof have been duly complied with.
7. On receipt of the above report the Executive Engineer shall inspect the site and if he finds that the conditions as specified in paragraph 5 hereof have been fully complied with he shall issue a certificate to that effect to the auctioneer.
8. On receipt of the certificate aforesaid the auctioneer shall submit for payment his bill for

commission together with the advertisement-charges, etc., along with the certificate as mentioned in paragraph 7 hereof to the Executive Engineer who will then refund the security deposit (without any interest) and pay the auctioneer's bill upon the same being found to be correct.

9. In the event of non-compliance or non-fulfilment of the terms and conditions as mentioned in paragraph 5 hereof within the time fixed therefor the purchase money and the security deposit will stand forfeited to the Government and the building or structure or any part thereof standing or any material thereof lying on the site shall become the property of the Government and the Executive Engineer shall have the power to re-sell such building or materials and the auctioneer shall have no claim whatsoever on the proceeds of such re-sale.

10. The auctioneer shall hold the Executive Engineer saved indemnified and harmless against any claim for damages, etc., in the event of any dispute between the auctioneer and any other party with whom the auctioneer may have any transaction regarding the sale of the buildings or structures or demolition thereof.

B. Rules regarding the auction sale of Government properties by departmental officers

I. Authority

1. On receipt of orders of competent authority, the Executive Engineer concerned shall arrange for the sale of Government properties by public auction for and on behalf of the Governor. Under no circumstances shall any Government property be disposed of by private arrangement without prior approval in writing of the authority sanctioning its disposal.

II. Notice

2. Notice of the auction shall be issued under the signature of the Executive Engineer and actually published at least two weeks before the date of holding the auction, and shall be freely exhibited in public places so as to secure the widest possible publicity. In cases of properties the book value of which is Rs. 500 or more the Executive Engineer may at his discretion, arrange for advertisement in newspapers for three days, such advertisements also being published at least two weeks before the date of holding the auction.

3. The notice shall invariably include information on the following points in addition to the terms and conditions laid down in the rules under sub-head IV:-

(a) The place, date and time of the auction.

(b) Particulars of the properties to be sold, and the place where and the date and time when these can be inspected.

(c) General conditions governing the sale, viz.-

(i) the manner of payment of the purchase price by the purchaser;

(ii) the time allowed to the purchaser for removal of any moveable property sold;

(iii) the time allowed to the purchaser for the dismantling and removal of any immoveable property such as buildings, structures, etc. sold and for clearance and restoration of site:

(iv) the amount and the manner of payment of security deposit if any, by the purchaser for due fulfilment of the terms and conditions of sale; and

(v) the penalties for non-compliance of the terms and conditions.

4. If any alteration in the date, time or place of auction becomes absolutely necessary after the issue of the notice, the reasons thereof shall be recorded in writing and another date, time and place fixed promptly, and adequate publicity shall be given to these in the manner as specified in paragraphs 2 and 3 above.

III. Manner of conducting the auction

5. The auction shall be conducted by a responsible officer of the department without any commission. In case of properties the book value of which does not exceed Rs. 2,500 the sale may be conducted by the Subdivisional Officer. The Executive Engineer may supervise such auction at his discretion; but he should invariably conduct all sales of properties the book value of which exceeds Rs. 2,500.

6. In base of moveable properties, these shall be collected at the site of auction sufficiently before the time and date fixed for sale. The intending bidders should have facilities to inspect the properties, moveable or immovable, before bidding.

7. The officer conducting the sale shall maintain a bid sheet in cases where the sale is conducted by a Subdivisional Officer the bid sheet shall be submitted by him, at the conclusion of the sale, with his recommendation to the Executive Engineer for disposal, along with bid money received. If an Executive Engineer conducts the sale, he should record in the bid sheet, at the conclusion of the sale, his remarks, if any, and receive the bid money from the approved bidder.

8. The terms and conditions of the sale shall be read out by the officer conducting the auction before the commencement of the sale.

9. In the event of any dispute arising in respect of any bid or bids between two or more bidders, the lot shall be put up again for sale, and a definite result obtained.

10. The Executive Engineer may, subject to general rules, frames and publish any detailed terms and conditions in respect of the particular on sale.

IV. Terms and conditions of sale

11. It shall be deemed that all bidders have thoroughly read and understood the terms and conditions of sale before bidding. It will also be deemed that the bidders have inspected the properties prior to the auction and have satisfied themselves with the full particulars of the same. No objection or claim of any nature whatsoever shall be entertained at the conclusion of the auction.

12. An officer conducting the sale may for sufficient reasons, which he shall not be bound to disclose, refuse to accept the offer of the highest bidder and his decision to do so shall not be opened to question.

13. The auction may at any time after its commencement be concluded on the fall of the hammer and the highest bid recorded subject to acceptance thereof as mentioned in paragraph 14.

14. The acceptance of the bid money by the Subdivisional Officer or the Executive Engineer conducting the sale shall not be treated as the final acceptance of the bid and the highest bidder shall have no claim on the property till the bid is finally approved of and/or declared as being finally accepted by the Executive Engineer.

15. In case of a moveable property, the highest bidder will have to deposit full bid money immediately after the fall of the hammer with the officer conducting the sale. On receipt of the full purchase money either from a bidder direct or through the Subdivisional Officer, as the case may be, and on the bid being approved and accepted as mentioned in paragraph 14, the Executive Engineer shall issue permit to the purchaser authorising him to remove the articles sold within such time as may be specified by the Executive Engineer in the permit and the purchaser shall be bound to do so within such time or otherwise he will be liable for damages.

16. In case of immoveable property-

(a) The highest bidder will have to deposit half of the total bid money, together with security deposit of 10 per cent, of the amount bid for immediately after the fall of the hammer and the balance of the bid money within 3 days.

(b) On receipt of the full bid money and the security deposit, and on the approval and acceptance of the bid as mentioned in paragraph 14, the Executive Engineer shall issue permit authorising the purchaser to dismantle and remove the property sold, within a period to be fixed and clearly stated by the Executive Engineer in the permit.

(c) Within the specified period from the issue of the permit, the purchaser shall have to remove the property and clear the site properly, which shall include-

(i) complete demolition of the building or structures sold, including the foundation;

(ii) clearing all materials thereof;

(iii) refilling the foundation trenches with properly rammed earth etc., and

(iv) dressing the site to the satisfaction of the Executive Engineer the Subdivisional Officer.

17. (1) The purchaser shall, by the end of the time allowed in the permit promptly report to the Executive Engineer about his compliance with the conditions mentioned in paragraph 15 or 16 as the case may be. Directly at the end of the specified period or on receipt of a report from the purchaser whichever is earlier, the Executive Engineer or the Subdivisional Officer shall inspect the site and if he finds that the terms specified in paragraph 16(c) have been fully complied with, he shall issue a certificate to that effect, whereupon the security deposit without any interest shall be refunded.

(2) If the purchaser fails to comply with the terms and conditions mentioned in paragraph 16 hereof he shall be held liable for damages in addition to the forfeiture of the security.

18. Notwithstanding anything contained in the above rules, the Executive Engineer shall have power to extend the time for removal of the property and clearance of the site on the purchaser's application and on satisfactory reasons.

19. From the date of issue of the permit by the Executive Engineer for removing the property sold to

the purchaser to the last date allowed for the removal of the property by the purchaser, the property at the site will remain at the entire risk, account responsibility and expenses of the purchaser.

20. After the final acceptance of the bid by the Executive Engineer, the successful bidder shall have to sign a contract to the effect that he (the bidder) fully understands all the terms and conditions of the sale, and also that in case of his failure to fulfil any of these terms and conditions, the bid money and the security deposit, if any, shall be forfeited to Government and the property or building or any part thereof lying or standing at the site after the period allowed for clearing the site, shall become the property of Government and the Executive Engineer shall be entitled to re-sell the same by another public auction.

21. The purchaser shall assume all liability for, and keep the Executive Engineer saved, harmless and indemnified against all actions or suits, claims costs, damages, charges and expenses arising out of or in connection, with the fulfilment of the terms and conditions of the sale, whether such actions, suits or claims are brought by members of the public or workmen employed, provided, however, that he will not have to indemnify the Executive Engineer for any action that may be brought by a claimant who may question the legal right of Government to dispose of the property.

Procedure of sale of Government properties.

The Hand Book of DA/ DAOS in Chapter-XIV has dealt with auction of unserviceable materials by accepting the laid down procedure of sale of Government properties in the following ways :-

“(a) Through the agency of an auctioneer or

(b) By Departmental Officer.

Through Agency :

(a) Through Agency of an Auctioneer.

(1) Executive Engineer will act for and on behalf of Governor.

(2) The Auctioneer has to accept the terms and condition in writing before his offer is accepted.

(3) The auctioneer shall then be authorised to hold the auction and sales shall be held subject to the accepted terms and conditions.

(4) Executive Engineer shall not be bound to deal with or recognise the purchaser.

(5) The auctioneer shall deposit the full amount as follows :

(a) For moveable properties-within two days.

(b) For immovable properties-within three days.

Security deposit at 10% on purchase money is to be deposited in addition.

(6) The auctioneer may authorise a purchaser to remove the articles within such time as specified by the Executive Engineer.

(7) In case of immovable properties such as building etc., the auctioneer shall have to accept the

written conditions as follows :

(a) Complete demolition including foundation.

(b) Clearing & removal of materials.

(c) Refilling the foundation trenches and dress properly.

(8) In the event of non-compliance or non-fulfilment of contract within specified time, the purchase money and S.D. will stand forfeited to the Government and the Building or structures or any part thereof at site shall become the property of the Government.

By Departmental Officer :

(b) Auction by Departmental Officer.

(1) Authority: Subject to order, of competent authority against the Survey Report.

(a) Executive Engineer-Book value exceeding Rs. 2,500/-.

(b) S.D.O.-Book value upto Rs. 2,500/-.

(2) Notice: Notice shall be issued under the signature of Executive Engineer.

(a) Time gap-Two weeks with widest possible publicity. In case of book value of Rs. 500/- or more, advertisement in News papers for three days is to be arranged.

(b) Notice shall include the following :

(1) Place, Date and time of auction.

(2) Particulars of materials with location.

(3) Period and time for inspection.

(4) Manner of payment of auction money and S.D.

(5) Time allowed for dismantling and removal.

(6) Penalties for non-compliance of contract.

(7) No objection or claim of any nature whatsoever shall be entertained at the conclusion of the auction.

(8) The accepting authority may refuse to accept the offer of the highest bidder & his decision to do so shall not be open to question.

(9) The acceptance of the bid money shall not be treated as final till the bid is finally approved of and/or declared as being finally accepted by the Executive Engineer.

(10) The highest bidder will have to deposit the money as follows:

(a) Moveable property-Full bid money immediately with the fall of the hammer.

(b) Immovable property-Half of bid money with S.D. of 10% of bid amount immediately after the fall of hammer and balance within 3 days.

(c) Successful bidder shall execute a contract under terms & conditions as specified in the Notice.

(d) Executive Engineer shall issue permit to remove the articles within such time as specified in notice.

(11) The successful bidder shall assume all liability for and keep the Executive Engineer saved, harmless and indemnified against all actions or suits, claims, damages, charges, expenses arising out of or in connection with the fulfilment of terms and conditions of sale.

(12) Special terms and conditions may be provided as desired by Executive Engineer.”