

No. Dirfin-procurementsystem/2020
Government of India
Department of Water Resources, River Development & Ganga
Rejuvenation
Central Water Commission
(Finance Wing)

26th April, 2023

OFFICE MEMORANDUM

Subject: Seeking feedback/ comments on draft Finance Compendium for CWC

In continuation to this office' previous email dated 14.03.2023, 20.03.2023 and 21.03.2023 and RMCD letter dated 22.03.2023 along with their email dated 22.03.2022 read with subsequent reminder email dated 27.03.2023 and 28.03.2023, all the offices/ officers of the CWC are further requested to provide feedback/ comments (if any) on the enclosed draft Finance Compendium for CWC by 11.05.2023 preferably in the attached Feedback Form.

2. In case no feedback/ comments is received within the stipulated timeframe, it will be presumed that the relevant offices/ officers have no object to the Compendium provisions.

3. The feedback/ comments may be sent to the undersigned at email id: dirfin-cwc@gov.in by 11.05.2023 preferably in the attached Feedback Form. A copy of this OM is also available on the Website of the Central Water Commission (CWC) under circular section.



(Pradeep Kumar Shukla)
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To

1. All the Offices/ Officers of Central Water Commission
2. PPS to Chairman, CWC
3. PS to Member (RM), PS to Member (WP&P) and PS to Member (D&R)
4. Director (RMCD) with a request to follow-up as directed by Chairman, CWC

Copy Enclosed:

Draft Finance Compendium for CWC and its Index
Feedback/ Comments Form

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Finance Compendium for CWC Officers/ Officials (Updated Upto March, 2023)

Preliminary

1. Basic Reference Documents

- (1) Delegation of Financial Powers (DFPRs), 1978 and Order's issued thereunder by the concerned Ministry/ Department
- (2) General Financial Rules (GFRs), 2017
- (3) Government Accounting Rules, 1990
- (4) Central Government Account (Receipts and Payments) Rules, 2022
- (5) Annual Budget Circular
- (6) Manual's for Procurement of Goods
- (7) Manuals for Procurement of Works
- (8) Manuals for Procurement of Consultancy & Other Services
- (9) Updated Circular's/ Orders/ Office Memorandum's Issued by the Ministry of Finance under <https://doe.gov.in/procurement-policy-divisions>
- (10) Model Tender Document's for Procurement of Goods, Consultancy (draft) and Non-Consultancy Services issued by the Ministry of Finance

2. Hierarchy Level of the Rules/ Procedure's

Hierarchy Level	Procurement Guidelines
I- Statutory Framework	The Constitution of India
	Indian Contract Act, 1872; Sale of Goods Act, 1930 and Mercantile Laws
	Laws relevant to Public Procurement (Right to Information Act, 2005; The Micro, Small and Medium Enterprises Development Act, 2006; Prevention of Corruption Act, 1988)
II- Rules and Regulations	General Financial Rules, 2017
	Delegation of Financial Power Rules
	Any other financial, vigilance, security, safety, counter-trade and other regulatory aspects; orders and guidelines of the Government on the subject of Public Procurement
III- Ministry of Finance's Manuals	Ministry of Finance's Manual of Policies and Procedures for the Procurement of Good/ Works and Consultancy Services (including non-consultancy services)
IV- Procuring Entities' Codes/ Manuals and Standard Bidding Documents	More Comprehensive and detailed Codes and Manuals for Public Procurement for various categories issued by 'Procuring Entities' for their own use
	Standard Bidding Documents for Procurement of Goods/ Works/ Consultancy Services etc.
Note: In case of Externally Funded Expenditure (World Bank/ IDA/ etc.), the Hierarchy Level II, III and IV above shall be subject to the conditionality's/procurement guidelines/etc. attached with such relevant Loan Agreement.	

Chapter-1: Budgeting

1.1 Stages of budgeting:

- (i) Budget Estimate
- (ii) Revised Estimate
- (iii) Supplementary Demands for Grants
- (iv) Re-appropriation

1.2 Classification of Expenditure Budget: In Expenditure Budget, the Central government expenditure is classified into six broad categories as below: -

1.2.1 Centre's Expenditure-

- (i) Establishment Expenditure of the Centre
- (ii) Central Sector Schemes
- (iii) Other Central Expenditure, including those on CPSEs and Autonomous Bodies

1.2.2 Centrally Sponsored Schemes and other Transfers-

- (iv) Centrally Sponsored Schemes
- (v) Finance Commission Transfers
- (vi) Other transfers to States.

1.3 Instructions related to rationalization of schemes and economy in expenditure:

1.3.1 Any changes to scheme design from the approved rationalized structure should only be made with the approval of Department of Expenditure (concerned PFC Division) to prevent proliferation of Schemes.

1.3.2 The Statement of Budget Estimates included in the Expenditure Budget, should normally show distinctly, schemes/sub-schemes for which the provision in RE or next BE is `10 crore or more.

1.3.3 While framing the Estimates, due care may be taken to ensure that surrender of funds does not occur. Parliamentary Committees have repeatedly expressed concern over incidence of large savings in Grants. The Public Accounts Committee also requires that savings in a Grant amounting to `100 crore and above have to be explained to the Committee.

1.3.4 Ministries/ Departments should realistically assess their resource requirements to avoid surrenders. In this regard, attention of the Ministries/ Departments is drawn to the provisions contained in Rule 230(7), 232(v) & (vi), 238, 239 of GFR 2017 and various instructions issued for strict adherence.

1.3.5 No provision should normally be made in the Budget without completion of pre-Budget scrutiny of a project/scheme. However, where provision has been made without the necessary scrutiny, such scrutiny should be completed and appropriate approvals obtained therefor, before the commencement of the financial year or latest by the time the Budget is passed by the Parliament.

1.3.6 A module namely, Estimated Committed Liabilities (ECL) in UBIS has been developed. All Ministries/Departments are required to fill year-wise outlays for existing Centrally Sponsored Schemes/Central Sector Schemes/Projects, etc. as approved by the competent financial authorities for scrutiny/ confirmation by DoE.

1.3.7 Budget allocation would be made to only those schemes which are entered in ECL module, approved by DoE. Therefore, Ministries/ Departments should take due care to enter all the running schemes in ECL module and get them approved by DoE before the commencement of pre-budget meetings.

1.4 Instructions related to budgeting for Externally Aided Projects:

1.4.1 Provisions for externally aided projects may be made under identifiable heads, segregated from other items of expenditure as in the form under the Budget Circular.

1.4.2 Provisions under externally aided projects are shown in the “Statement showing projectwise provisions for expenditure on externally-aided projects” in the ‘Detailed Demands for Grants’ of the concerned Ministry/Department (as in the form under Budget Circular).

1.4.3 In order that the eligible expenditures are promptly lodged in the form of claims with the relevant donors through the Office of Controller of Aid Accounts & Audit for seeking disbursement of the committed external assistance, Financial Advisers should hold periodical reviews in this regard.

1.5 Instructions related to allocation for North East:

1.5.1 All the Ministries/Departments (except those specifically exempted by Ministry of Development of North Eastern Region (DoNER) are required to spend 10% of the Gross Budget Support (GBS) from their allocation under Central Sector Schemes and Centrally Sponsored Schemes for the benefit of North Eastern Region & Sikkim. A List of Ministries/Departments which are exempted from 10% allocation is given vide O. M. No.11012/1/2017-O/o EA-Part (2) dated 18.08.2022.

1.5.2 Instructions issued by Ministry of Finance vide OM NO.2(1)-B(S)-2017 dated 05.05.2017 of Department of Economic Affairs (Budget Division) and OM No. 72(08)/PF II/2017 dated 05.05.2017 of Department of Expenditure [Public Finance (Central-I) Division] may be adhered to.

1.5.3 Budget provisions towards projects/schemes for development of North Eastern Region and Sikkim may be provided under respective schemes/projects below the Major Head ‘2552- North Eastern Region’ for Revenue expenditure and the Major Head ‘4552-Capital Outlay on North Eastern Region’/Major Head ‘6552-Loans for North Eastern Region’ for Capital expenditure for eventual re-appropriation to appropriate functional heads of expenditure.

1.5.4 The Controller General of Accounts (CGA) has created a utility in PFMS to capture accurate and timely data under non-functional heads MH 2552 and MH 4552. The Standard Operating Procedure for using the new functionality has been issued by Ministry of DoNER, in consultation with CGA, vide D.O. No. E and P-111298/2017-O/o EA dated 10.08.2020 to all Non Exempt Ministries/ Departments.

1.6 Instructions related to allocation for SC/ST sub-component:

1.6.1 NITI Aayog, vide O.M. No.M-11011/8/2017-SJE dated 20.11.2017 read with O.M. No. M11011/15/2018-SJE dated 14.01.2019 have issued comprehensive guidelines for allocation of funds for the welfare of Scheduled Castes and Scheduled

Tribes. However, these guidelines are under review in NITI Aayog and fresh guidelines are expected to issue in due course. The obligated Ministries/ Departments shall invariably keep the required percentage of allocation under SCSP and TASP, as stipulated in the NITI's guidelines *ibid* and even make endeavor to keep higher percentage of allocation, wherever possible.

1.6.2 The total allocation for Centrally Sponsored and Central Sector schemes of the obligated Ministries shall be taken for calculation of percentage of earmarking of funds under SCSP and TASP. Ministries/Departments may ensure that the allocation under SCSP/TASP shall not be less than Budget Estimates.

1.6.3 As decided in the meeting held on 16.11.2018 in NITI Aayog, the requests for exemption from earmarking or incurring expenditure for SCSP & TASP by the obligated Ministries/Departments, if any, shall be considered by the Nodal Ministries i.e. Ministry of Social Justice & Empowerment for SCSP and Ministry of Tribal Affairs for TASP with the approval of their Ministers.

1.6.4 At the time of Pre-Budget Meetings, a comprehensive review of progress of expenditure under SCSP (Minor Head 789) and TASP (Minor Head 796) of the obligated Ministries/Departments will be undertaken. The Ministries/ Departments will be required to feed the relevant data in UBIS for review and consideration in Pre-Budget Meeting.

1.7 “Gender Budgeting” in Expenditure Profile:

1.7.1 Gender Budgeting is a process of ensuring provision of adequate resources to women and girl child across all sectors of development during budgeting. Accordingly, along with the budget submissions, all Ministries/Departments are required to prepare and submit a Gender Budget Statement in the prescribed format issued under Budget Circular.

1.7.2 This Gender Budget Statement is to be prepared in two Parts- Part A: reflecting schemes that are 100% targeted towards women and girls; Part B: reflecting Pro-women and girl schemes in which 30% to 99% allocations are towards women and girls.

1.7.3 Instructions contained in the Secretary, Ministry of WCD's DO No. GB-15/4/2018- Gender Budgeting dated 23rd August 2018 may be followed strictly.

1.8 Schemes for the Welfare of Children:

1.8.1 All Ministries/Departments shall scrutinize their schemes and identify programmes/schemes that aim at welfare of children, along with their budgeted provision, for inclusion in relevant of the Expenditure Profile in the enclosed proforma under the Budget Circular.

1.8.2 Financial Advisers should ensure that the data in this regard is entered electronically in the UBIS. A copy may also be sent to Budget Division for reconciliation along with SBE.

1.8.3 All Ministries/ Departments are directed to appoint a Nodal Officer for coordinating with the Nodal Officer in Ministry of Women and Child Development with

regard to compulsory allocations of the Gender and Child Budgeting and report them through relevant Statements of the Expenditure Profile under the Budget Circular.

1.9 Estimates of Receipts Classification: The Receipt Budget is classified into six broad categories as below: -

1.9.1 Revenue Receipts-

(i) Tax Revenue Receipts

(ii) Non-Tax Revenue Receipts

1.9.2 Estimates of Interest Receipts

1.9.3 Capital Receipts

1.9.4 Public Account Receipts

1.10 Rules and Powers for Re-appropriation (Rule 10 of the DFPRs 1978):

1.10.1 Funds shall not be Appropriated or Reappropriated to meet expenditure which has not been sanctioned by an authority competent to sanction as per the extant delegation of financial power rules/ orders.

1.10.2 Funds provided for "Charged" expenditure shall not be Appropriated or Reappropriated to meet "Voted" expenditure and funds provided for "Voted" expenditure shall not be Appropriated or Reappropriated to meet "Charged" expenditure.

1.10.3 No Reappropriation shall be made from one Grant or Appropriation for Charged expenditure to another Grant or Appropriation for Charged expenditure.

1.10.4 Funds shall not be Appropriated or Reappropriated to meet expenditure on new service or new instrument of service not contemplated in the Budget as approved by the Parliament. For deciding whether a case relates to New Service/ New Instrument of Service and for determining whether prior approval of the Parliament is required or it is to be reported to the Parliament, along with the next batch of supplementary demands, the extant limits prescribed by the Ministry of Finance may be followed.

1.10.5 Expenditure on works shall be shall be subject to the following further conditions, namely: -

(a) Funds shall not be Appropriated or Reappropriated to any work which has not conceived administrative approval and technical sanction as prescribed by the Central Government from time to time.

(b) The amount Appropriated to any work shall not, save with the previous consent of the Finance Ministry, exceed the amount approved or sanctioned for that work by a sum greater than the excess which may be authorized under (a) above; Provided that such a consent may not be necessary if savings are available elsewhere under appropriate Works Head to Reappropriate Works Head to Reappropriate funds to cover excess of expenditure over authorized limits up to 15 (fifteen) per cent.

(c) Save with the previous consent of the Finance Ministry, no Reappropriation shall be made from the primary unit "Major Works" to any other unit; Provided that where such a provision is made under Revenue Head in the budget, a Department of the Central Government shall be competent to Reappropriate funds between the allied primary units "Major Works", "Minor Works", "Maintenance", "Tools and Plants", included within the same Grant or Appropriation and no such Reappropriation shall,

however, be made from or to the "Suspense Head" relating to a public work.

(d) (i) Save with the specific approval of Parliament or an advance from the Contingency Fund of India, Appropriation or Reappropriation shall not be made to meet an expenditure for a new public work not provided for in the budget, which may cost Rupees Fifty Lakhs or more.

(ii) Save with the previous consent of the Finance Ministry, no Reappropriation shall be made for a new public work costing Rupees Ten Lakhs or above but less than Rupees Fifty Lakhs.

1.10.6 Without the previous consent of the Finance Ministry, no Reappropriation shall be made from the provision made for any specified new item of expenditure in a Grant or Appropriation for another purpose.

1.10.7 Funds shall not be Appropriated or Reappropriated from or to the primary unit of appropriation "Foreign Travel Expenses" over and above the funds provided for in the Budget as approved by Parliament.

1.10.8 With the Approval of Secretary, DoWR, RD&GR, the provision under the primary unit of appropriation "Domestic Travel Expenses" may be enhanced up to the extent of 10% of the existing provision, provided the funds can be found by Reappropriation made under the rules. In exceptional cases, however, if Reappropriations become unavoidable, approval of Secretary (Expenditure) may be obtained for augmentation by way of Reappropriation beyond 10% of the existing provision.

1.10.9 The Secretary, DoWR, RD&GR will have full powers for Reappropriation of funds from one Scheme head to another Scheme head in a Grant, except in cases involving foreign exchange; Provided that-

(i) commitments are not made beyond the allocations for the schemes during the Plan period; and

(ii) no Reappropriation from Capital to Revenue and vice versa is made.

1.10.10 The Ministries/ Departments, etc., shall not have powers to make Reappropriation in respect of following types of cases without the prior approval of the Finance Ministry: -

(i) Reappropriation of funds to augment the Secretariat expenditure;

(ii) Reappropriation of funds between direct expenditure in the Revenue Section to grants-in-aid to States/ Union Territories in the same Section and vice versa; and

(iii) Reappropriation of funds between Capital Outlay and loans or vice versa, in Capital Section.

1.10.11 Prior approval of Secretary (Expenditure) necessary for Reappropriation increasing the budget provision by 5 (Five) crores or more:

(i) Any Order for Reappropriation, issued during a financial year, which has the effect of increasing the budget provision under a sub-head by more than 25% of the Budget Estimate or Rs. 5 (Five) crore, whichever is more, shall be reported to the Parliament along with the last batch of Supplementary Demands of the Financial Year. However, if such an order is issued after last batch of the Supplementary Demands, prior approval of the Secretary, Department of Expenditure shall be obtained by the

Financial Adviser of the concerned Department.

(ii) All Reappropriations, irrespective of the fact that these are made on the basis of estimates approved by the Finance Ministry, having the effect of increasing the budget provision by Rs. 5 (Five) crore or more under a sub-head shall be made only with the prior approval of the Secretary (Expenditure). However, Ministries/ Departments shall not Re-appropriate funds from "Salaries" head to any other head.

(iii) Notwithstanding para (ii) above, the Secretary, DoWR, RD&GR shall have full powers for augmenting the provisions of the heads 'Salaries', 'Wages', 'Pensionary Charges', 'Medical Treatment' and 'Rent, Rates and Taxes for Land and Buildings' through Reappropriation and for Reappropriation for funds from the head 'Salaries' across the Schemes (sub-heads); Provided the approved ceiling of the Grant is not exceeded and re-appropriation does not involve transfer of funds from an Externally Aided Project (EAP) to a Non-EAP purpose and from Capital to Revenue, Voted to Charged and Plan to Non-plan sections of the Grant or vice versa.

1.10.12 All Financial Advisers are requested to ensure that the exercises relating to Reappropriation of saving within a Grant are completed by 15th of March every financial year, except in cases where the limitations of New Service/ New Instrument of Service rules are attracted. In cases involving New Service/ New Instrument of Service, Parliamentary approval by way of Supplementary Grants are to be obtained first, through the final batch of Supplementary Demands. Even in such cases, wherever necessary, the re-appropriations should be completed immediately after the Supplementary Grants are available and in any case before the close of the financial year. Seeking *ex post facto* sanctions for Reappropriations and resorting to Reappropriations of savings without a time-limit are not consistent with the proper exercise of control over flow of expenditure and need to be avoided.

1.10.13 Ministries/ Departments are required to exercise the powers delegated for Reappropriation of funds in consultation with their Financial Advisers, who shall ensure that the extant provisions of the Reappropriation are strictly adhered to.

1.10.14 All proposals for Reappropriation of funds for establishment related expenditure (say, salaries, office expenses, domestic travel expenses, etc.) which require prior approval of the Ministry of Finance may be referred to Department of Expenditure [to be dealt with on JS (Per)'s Side], while such proposals for all other heads may be referred to the Budget Division in Department of Economic Affairs. All the proposals for Reappropriation is required to be furnished in the prescribed proforma for Reappropriation duly signed by the competent authority.

Format for submitting Reappropriation Proposal
[As per OM NO. 2/1/E.II(A)/05 dt. 21.03.2005]

Ministry / Department

Grant No.

Financial Year:

(Rs. In Lakhs)

FROM						TO						
A. Plan/ Non Plan B. Voted/ Charged C. Rev./ Cap.	Six level accounting classification	BE/ Supple mentary Grant	Actual Exp. (includin g commit ments)	RE/ Anticipa ted Expendi ture	Amount to be re- appropriated	A. Plan/ Non Plan B. Voted/ Charged C. Rev./ Cap.	Six level accounting classification	BE/S upple ment ary Grant	Actual Exp. Incurre d	RE	Amount to be re- appropriat ed	Reason for excess expend iture
	Six level accounting classification						Six level accounting classification					
	Major Head (4 digit)						Major Head (4 digit)					
	Sub-Major Head (2 digit)						Sub-Major Head (2 digit)					
	Minor Head (3 digit)						Minor Head (3 digit)					
	Sub Head (2 digit)						Sub Head (2 digit)					
	Detailed Had (2 digit)						Detailed Had (2 digit)					
	Object Head						Object Head					
	TOTAL						TOTAL					

All re-appropriation proposals should have the approval of FA and Secretary of the Administrative Ministry.

Guidelines for submission of re-appropriation proposals circulated vide OM No. 2/1/E.II(A)/05 dt. 21-3-2005, may be seen at the under mentioned web address, before submission of re-appropriation proposals.

finmin.nic.in → Expenditure → Important Order → Delegation of Financial Powers

1.11 Revised Object Heads and its Definition under rule 8 of Delegation of Financial Power Rules (DFPR) 1978 is reproduced in table below:

S.No	Cod e	Object Head	Description/ Definitions
(1)	(2)	(3)	(4)
(A) Revenue Expenditure			
Object Class 1- Compensation to Employees			
1.	01	Salaries	It will include pay of the Government employees as defined under FR 9(21), honorarium to Government servant and stipend to stipend to interns. It will also include expenditure on emoluments and allowances of Heads of States and other high dignitaries including Sumptuary Allowance, salary payable to the staff of Department canteens and leave encashment on LTC.
2.	02	Wages	It will include wages of labourers and of staff at present paid out of contingencies.
3.	05	Rewards	It will include rewards under a scheme given to the Government employees in addition to their pay and allowances. It will also include payment of bonus and cash awards for Hindi Pratiyogita, etc.
4.	06	Medical Treatment	It will include amount paid towards medical re-imbursements/ treatment of the Government employees/ pensioners.
5.	07	Allowances	It will include as applicable the Dearness Allowance, House Rent Allowance, Transport Allowance, Foreign Allowance, Non Practicing Allowance, Deputation (Duty) Allowance, Personal Pay, Family Planning Allowance, Special Compensatory (Hill Areas) Allowance, Tribal Area Allowance, Hard Area Allowance, Reimbursement of Tuition Fee, Ration Allowance, Cost of Ration given in cash, Constituency Allowance, Uniform and Clothing (Remote Locality) Allowance, Bad Climate Allowance, Washing Allowance, Special (Duty) Allowance, Night Duty Allowance, Risk Allowance, Sunderban Allowance, Cash Handling Allowance, Caretaking Allowance, Split Duty Allowance and any other allowance in addition to above which is payable to the Government employees in addition to their pay.

6.	08	Leave Travel Concession	It will include air/rail/bus fare/fare of any other mode of transport entitled under LTC Rule.
7.	09	Training Expenses	It will include expenditure on cost of training such as fees paid, contingencies, materials, etc., for participating in training, workshops but exclude expenditure on domestic or foreign travel expenses.
Object Class II- Social Security of Employees			
8.	04	Pensionary Charges	It will include all pensionary benefits including payment of pensions and gratuity in all forms to the Government employees, members of Parliament, freedom fighters, etc. It will also include contributions to service funds and contributory provident funds and payment of leave encashment at the time of retirement or death, termination of service, etc. It will also include Government's contribution payable under National Pension System (NPS) for Government employees. This will, however, not include social security expenditure such as old age pension.
Object Class III- Goods and Services			
9.	11	Domestic Travel Expenses	It will include travel expenses on official tours and transfers of the Government employees within India. This will also include expenditure on TA/ DA to non-official members on account of travel in India. It will also include transfer TA payable to pensioners at the time of retirement.
10.	12	Foreign Travel Expenses	It will include expenses on official tours and transfers of the Government employees outside India. This will also include expenditure on TA/ DA to non-official members going to official tour abroad.
11.	13	Office Expenses	It will include all recurring and non-recurring contingent expenses incurred for the maintenance of office establishment such as, stationery, postage charges, courier charges, telephone charges, internet charges, cable connection charges, electricity charges, water charges, service agreements, security, expenditure relating to hiring of retired Government servants on short term contract basis, outsourced office attendants, Office Assistants/ Data Entry Operators (DEO), house-keeping, liveries/uniforms, hot and cold weather charges, pest control, refreshment, books

			and periodicals, hospitality expenses including entertainment of foreign delegates, gifts and souvenirs and conferences/seminars/workshops/meetings convened by office including all related expenses on study material/kits, refreshments, study tours, etc. It will also include purchase of office equipment, furniture and fixtures not exceeding the threshold limit of one lakh rupees or three years of useful life, either of the two, as decided by the Government from time to time. The office equipment and furniture and fixtures exceeding the threshold limit as decided by the Government from time to time should be classified as 'capital' expenditure under relevant Object Head 'Machinery and Equipment' and 'Furniture and Fixtures'. Purchase of Vehicles, however, irrespective of its usage (office or otherwise) should be classified as 'capital' expenditure under the relevant capital Object Head 'Motor Vehicles'.
12.	14	Rent, Rates and Taxes for Land and Buildings	It will include expenditure on rent for buildings (non-residential or residential or structures other than buildings), municipal rates and taxes and lease charges for rented land and buildings, the ownership of which is not transferable to Government. However, lease charges for land and buildings, the ownership of which is transferable to Government, will be classified as 'capital' expenditure under the relevant Object Heads 'Land' and 'Buildings and Structures'.
13.	15	Royalty	It will include expenses on royalties on patents, designs, trademarks, print, publishing, music, etc.
14.	16	Printing and Publication	It will include expenses on printing of valuables, printing of audit and accounts reports, forms, stationery, office codes, manuals and other documents, newspaper and magazines including e-books, e-magazines, digital printing, pen drive, CD, CD, etc., but exclude expenses on printing of publicity material which shall be classified under Advertising and Publicity.
15.	18	Rent for others	It will include expenses on rent for equipment and other various items like office equipment, transport, computer and

			ancillary equipment, communication equipment, air-conditioning, heating and refrigerating equipment, security equipment, broadcasting and recording equipment, construction equipment, agriculture equipment, horticulture equipment, medical equipment, furniture and fixtures. It will also include lease charges for equipment and other items, the ownership of which is not transferable to Government. However, lease charges for equipment and other items, the ownership of which is transferable to Government will be classified as 'capital' expenditure under the relevant Object Heads.
16.	19	Digital Equipment	It will include expenses to be classified as revenue expenditure on procurement or development of hardware and software where the cost of individual item does not exceed the threshold limit of one lakh rupees or three years of useful life, either of the two as decided by the Government from time to time. The threshold limit will, however, not apply to the consumables like toner and cartridge for printer which shall be classified under revenue expenditure.
17.	21	Materials and Supplies	It will include expenses on various kinds of supplies, materials and stores, etc., such as medical supplies, educational supplies, agricultural supplies, livestock supplies, cleaning materials, hospital drugs and medicines, veterinary drugs, chemicals and fertilizers, lab supplies, spare parts, clothing and tentage.
18.	22	Arms and Ammunition	It will include revenue expenditure on arms and ammunitions on police and other para-establishments.
19.	23	Cost of Ration	It will include expenditure on procurement of ration provided to police and central armed police forces.
20.	24	Fuels and Lubricants	It will include expenditure on petrol, oil, lubricants and other fuels like CNG, diesel, etc.
21.	26	Advertising and Publicity	It will include expenses including commission to agents for sale and printing of publicity material on advertising and publicity through various media such as print media, TV media or outdoor media or Internet or mobile network or other audio-visual publicity or fairs and exhibition.

22.	27	Minor Civil and Electric Works	It will include expenditure on repairs and maintenance of minor civil and electrical works of office buildings, residential buildings, other buildings and expenditure on running operation and maintenance (ROM) of diesel genset, etc., maintained by CPWD.
23.	28	Professional Services	It will include expenses on engagement of professionals, consultants, artists, banks, etc., for providing services to the Government which include legal services, consultancy fees, audit fees, teaching and training fees, payments to artists, remunerations to question setters or invigilators or guest speakers, payments to other departments for services rendered, payment or expenses to agencies for conducting departmental examination.
24.	29	Repair and Maintenance	It will include expenses on repair and maintenance (including all maintenance contract) of equipment such as machinery and equipment, office equipment, equipment for other functional use, digital equipment for office use, digital equipment for functional use, furniture and fixtures for office, furniture and fixtures for other functional use, vehicles (including motor vehicles and non-motor vehicles like bicycle, rickshaw, carts, trolleys and boat, etc., for office or functional use), infrastructural assets (It will include expenses on preventive, operating maintenance of Infrastructural assets other than minor civil and electrical works like lines, bridges, rolling stocks of railways, roads, highways, ports, ships, aircrafts, helicopters, radars, hovercrafts, airports or other infrastructures), tools and plants, arms and ammunitions, etc., but exclude expenditure on upgradation, midlife rehabilitation, retrofitting and/or reconditioning.
25.	39	Bank and Agency Charges	It will include bank service charges, agency charges, MDR charges, direct benefit transfer charges to banks and any other charges for convenience fee performing monetary transactions.
26.	40	Awards and Prizes	It will include expenses on awards and prizes given by the Government to the eminent persons and organisations.

Object Class IV- Aid and Assistance			
27.	31	Grants-in-aid-General	It will include Grants-in-aid released for payments other than salaries and creation of capital assets. It will also include expenditure on welfare activities.
28.	32	Contribution	It will include the contributions made to international or national organisations related to membership. This will include transfers made to autonomous bodies or PSUs or PSBs for corpus funds.
29.	33	Subsidies	It will include subsidies released under various schemes of the Government.
30.	34	Scholarships	It will include the amount of scholarship released to various institutions or organisations or beneficiaries or individuals.
31.	35	Grants for creation of Capital Assets	It will include Grants-in-aid released for payment of creation of capital assets. It will also include Viability Gap Funding (Expenditure on the projects run under Viability Gap Funding Scheme).
32.	36	Grants-in-aid-Salaries	It will include Grants-in-aid released for payment of salaries.
33.	37	Aid Material and Equipment	It will include value of aid material and equipment transferred to Ministries or Departments or other Governments or organisations. It will also include grants given in kind to grantee bodies.
Object Class V- Misc. Revenue Expenditure			
34.	41	Secret Service Expenditure	It will include expenses on secret services.
35.	44	Loss in Exchange	It will include the loss due to difference in the rate of exchange of foreign currency in Indian rupees. The loss due to difference in the rate of exchange at the time of receipts loans from foreign resources and repayment thereof shall also be debited under this Object Head.
36.	45	Interest Payments	It will include payment of interest on capital and discount on loans.
37.	49	Other Revenue expenditure	It will include payment out of discretionary grant, other discounts, fees and fines, custom duty compensation, commitment charges, notional value of gifts, reimbursement of newspaper purchased or supplied to officer's residence and purchase or reimbursement of briefcase or ladies purse to Government servants', etc. Any other expenditure which cannot be classified under any of these specified

			object heads will be debited to this head. It will also include expenditure in respect of schemes, sub-schemes or organisations not elsewhere classified.
(B) Capital Expenditure (Assets)			
Object Class VII- Non-Financial Assets (Fixed and Tangible Assets)			
38.	51	Motor Vehicles	It will include procurement of motor vehicles on road like buses, cars, trucks, motorcycles, irrespective of their usage.
39.	52	Machinery and Equipment	It will include procurement of machinery and equipment (other than motor vehicles and ICT equipment), electrical and electronic equipment, medical appliances, precision and optical instruments, watches and clocks, musical instruments and sports goods etc., cost of which exceeds one lakh rupees or three years of useful life, either of the two, need to be booked under this head.
40.	71	Information, Computer, Telecommunications (ICT) equipment	It will include procurement of information, computer, telecommunications (ICT) equipment such as computer hardware and telecommunication devices (computer/laptops, projectors, etc.) and computer software exceeding the threshold limit of one lakh rupees or three years of useful life, either of the two, electromagnetic spectrum which is used in the transmission of sound, data and television.
41.	72	Buildings and Structures	It will include office buildings, residential buildings, other buildings and structures like hospitals, laboratories, auditorium, light houses, shelters, etc., public monuments like statues, fountains established at public places, and land improvement.
42.	73	Infrastructural Assets	It will include procurement of infrastructural assets such as roads, bridges, tunnels, irrigation projects, power projects, sports infrastructure, water and sewage projects, railway assets, ships, ports, satellite launch vehicles, airports, aircrafts, motor boats, railways locomotives and rolling stock, other infrastructural projects (include cable lines, sewage systems, rain water harvesting, solar system, telecom towers, transmission line and electricity towers, etc.).
43.	74	Furniture and Fixtures	It will include expenditure on purchase of furniture and fixture exceeding threshold limit of one lakh rupees or three years of

			useful life, either of the two, for office use and functional use.
44.	75	Arms and Ammunitions (Capital)	It will include procurement of arms and ammunition of capital nature.
45.	76	Upgradation Procurement of Heritage Assets and 'Not Elsewhere Classified (N.E.C.)	It will include rehabilitation, overhaul, retrofitting of heritage asset recognized and recorded in the asset register at the nominal value of Rs.1/- and upgradation 'not elsewhere classified'. It will also include expenditure on procurement of items of fine art and of cultural and archaeological importance.
46.	77	Other Fixed Assets	It will include procurement of other fixed assets like library books and publications, trees, crops and plants, whose natural growth and regeneration is under the direct control, responsibility and management of institutional units, non-motor vehicles like bicycle, rickshaw, cart, trolleys, boat, etc.
47.	78	Land	It will include land consisting of the ground, land for office and residential building, including the soil covering and any associated surface waters (reservoirs, lakes, rivers and other inland waters over which ownership rights can be exercised).
48.	79	Non-produced assets other than land	It will include mineral and energy reserves located on or below the surface of earth including deposits under the sea like oil, natural gas, coal, metallic ores including ferrous, non-ferrous and precious metal ores), non-metallic mineral reserves (including stone quarries, clay and sand pits, chemical and fertilizer mineral deposits, and deposits of salt, quarts, gypsum, natural gem stones, asphalts, bitumen, and peat), water resources, plants that yield both once-only and repeat products over which ownership rights are enforced but for which natural growth or regeneration is not under the direct control, responsibility, and management of any institutional units such as virgin forests and fisheries that are commercially exploitable.
49.	80	Intangible Assets	It will include expenditure on copyright, patents, goodwill, intellectual property, etc.
Object Class VI- Financial Assets			
50.	54	Investment	It will include investments made by the Government on purchase of shares and equity, investment in securities, investment

			in fixed and term deposits, and other investment.
51.	55	Loans and Advances	It will include loans and advances given by the Government.
52.	56	Repayment of borrowings	It will include repayment of borrowings by the Government.
53.	57	Subscription	It will include subscriptions made by the Government of capital nature.
54.	60	Other Capital expenditure	It will include all other capital expenditure which cannot be classified under any of the above capital object head.

(C) Accounting Adjustments

Object Class VII- Accounting Adjustments

55.	43	Suspense	It will include the amount kept under suspense heads for want of complete details for adjustment under final head of account.
56.	61	Depreciation	It will include depreciation charged on the assets by commercial departments.
57.	62	Reserves	It will include the provisions of reserves.
58.	63	Inter Account Transfers	It will be used for transfer of amount from one head to another.
59.	64	Write Off of Losses	It will include write off of irrecoverable loans, trading losses.
60.	69	Deduct Receipts	It will include amounts paid from the receipt heads by adjusting as reduction in receipts.
61.	70	Deduct Recoveries	It will be operated to adjust the overpayments in reduction of expenditure.

Note: The expenditure on improvement/ up gradation of assets, which include rehabilitation, overhaul, retrofitting of assets and lease charges of land, buildings, equipment and other non-financial assets, the ownership of which is transferable to Government, will be booked under the object head Class- Capital expenditure (Assets) against relevant assets.

1.12 Broad Indicative expenditure activity under CWC for the purpose of budget/ account object head booking (based on Rule 8 of the DFPRs 1978) is tabulated as under:

S.No.	Expenditure activity	Budget/ Account object head
1	Salary expenses of work-charged staff	Salary
2	Medical expenses of work-charged staff	Medical Treatment
3	Allowance expenses of work-charged staff	Allowances
4	Leave Travel Concession (LTC) expenses of work-charged staff	Leave Travel Concession
5	Training Expenses of work-charged staff	Training Expenses
6	Domestic Travel Expenses of work-charged staff	Domestic Travel Expenses

7	Expenses towards pest control, refreshment, books and periodicals, hospitality expenses including entertainment of foreign delegates, gifts and souvenirs, conferences/ seminars/ workshops/ meetings convened by office including all related expenses on study material/kits, refreshments, study tours, etc.	Office Expenses
8	Expenses towards hiring of Data Entry Operator (DEO), hiring of Multi-Tasking Staff (MTS), Outsourcing of Housekeeping Services	Office Expenses
9	Expenses towards rent for office land and buildings, rent for HO site land and buildings	Rent, Rates and Taxes for Land and Buildings
10	Expenses on printing of valuables, printing of audit and accounts reports, forms, stationery, office codes, manuals and other documents, newspaper and magazines including e-books, e-magazines, digital printing, pen drive, CD, CD, etc., <u>but exclude expenses on printing of publicity material which shall be classified under Advertising and Publicity</u>	Printing and Publication
11	Expenses towards hiring of Vehicle including driver, fuels, etc. and hiring of boat (motor as well as non-motor boat) including driver, fuel, etc.	Rent for Others
12	Expenses towards the purchase of Computer, Computer Hardware, Computer Software, Laptops, Projectors, Printer, Scanner, Photocopier, computer hardware and telecommunication devices (computer/ laptops, projectors, etc.) and computer software <u>where the cost of individual item does not exceed the threshold limit of one lakh rupees or three years of useful life, either of the two</u> , and expenses towards consumables like toner and cartridge for printer	Digital Equipment
13	Expenses towards Water Quality Lab supplies including materials, stores, spare parts, chemicals, etc.	Materials and Supplies
14	Expenses on petrol, oil, lubricants and other fuels like CNG, diesel, etc.	Fuels and Lubricants
15	Expenses towards commission to agents for sale and printing of publicity material on advertising and publicity through various media such as print media, TV media or	Advertising and Publicity

	outdoor media or Internet or mobile network or other audio-visual publicity or fairs and exhibition	
16	Expenses on repair and maintenance of Civil and Electrical Works upto the value of Rs. 50 Lakh	Minor Civil and Electrical Works
17	Expenses towards legal services, consultancy fees, audit fees, teaching and training fees, payments to artists, remunerations to question setters or invigilators or guest speakers, payments to other departments for services rendered, payment or expenses to agencies for conducting departmental examination	Professional Services
18	Outsourcing of Support Services and Hiring of Supervisory Staff	Professional Services
19	Repair and Maintenance expenses of “functional” as well as “office” use Goods (but exclude expenditure on upgradation, midlife rehabilitation, retrofitting and/or reconditioning)	Repair and Maintenance
20	Expenses towards contributions made to international or national organisations related to membership	Contribution
21	Expenses towards discretionary grant, other discounts, fees and fines, commitment charges, re-imbursement of newspaper purchased or supplied to officer's residence and purchase or re-imbursement of briefcase or ladies purse to Government servants', etc.; <u>and any other expenses which cannot be classified under any of these specified object heads will be debited to this head</u>	Other Revenue expenditure
22	Expenses towards purchase of motor vehicles on road like buses, cars, trucks, motorcycles, irrespective of their usage	Motor Vehicles
23	Expenses towards purchase of machinery and equipment (other than motor vehicles and ICT equipment), electrical and electronic equipment, medical appliances, precision and optical instruments, watches and clocks, musical instruments and sports goods etc., <u>cost of which exceeds one lakh rupees or three years of useful life, either of the two</u>	Machinery and Equipment
24	Expenditure towards the purchase of Computer, Computer Hardware, Computer Software, Laptops, Projectors, Printer, Scanner, Photocopier, computer hardware	Information, Computer, Telecommunications (ICT) equipment

	and telecommunication devices (computer/ laptops, projectors, etc.) and computer software <u>exceeding the threshold limit of one lakh rupees or three years of useful life, either of the two</u> , and expenditure towards electromagnetic spectrum (WPC Charges for Telemetry, etc.) which is used in the transmission of sound, data and television	
25	Expenditure towards creation of new buildings and structures involving Civil and Electrical Works	Buildings and Structures
26	Expenditure towards purchase of motor boat, rain water harvesting, solar system, irrigation projects, water and sewage projects, etc.	Infrastructural Assets
27	Expenditure on purchase of furniture and fixture <u>exceeding threshold limit of one lakh rupees or three years of useful life, either of the two</u> , for office use and functional use.	Furniture and Fixtures
28	Expenditure towards purchase of library books and publications, trees, crops and plants, whose natural growth and regeneration is under the direct control, responsibility and management of institutional units, purchase of non-motor vehicles like bicycle, rickshaw, cart, trolleys, boat, etc.	Other Fixed Assets
29	Expenditure towards land consisting of the ground, land for office and residential building, including the soil covering and any associated surface waters (reservoirs, lakes, rivers and other inland waters over which ownership rights can be exercised)	Land
30	Expenditure towards loans and advances given by the Government	Loans and Advances
31	All other capital expenditure which cannot be classified under any of the capital object head	Other Capital expenditure
32	The amount kept under suspense heads for want of complete details for adjustment under final head of account	Suspense
33	Used for transfer of amount from one head to another	Inter Account Transfers
34	The amounts paid from the receipt heads by adjusting as reduction in receipts	Deduct Receipts
35	It will be operated to adjust the overpayments in reduction of expenditure	Deduct Recoveries

Chapter-2: Schedule of Financial Powers related Rules/ Orders

2.1 Schedule of Financial Powers for “Capital Goods/ Equipment [Machinery and Plant (M&P)]” and “Office Use Goods”

	Levels of Powers (Threshold Value in Rupees)					
	Level-1 (AEE/AE)	Level-2 (Dy. Dir/ EE)	Level-3 (Dir/SE)	Level-4 (CE)	Level-5 (Member)	Level-6 (Chairman)
Indents initiation (including Technical Specifications), Administrative Approval and Expenditure Sanction for procurement of “Capital Goods/ Equipment [Machinery and Plant (M&P)]”						
Technical Sanction (applicable in respect of the procurement of functional use goods only)	3 Lakh	45 Lakh	2 Crore	20 Crore	20 Crore	Full Powers
Administrative Approval and Expenditure Sanction	60,000	5 Lakh	10 Lakh	25 Lakh	2 Crore	20 Crore
Approval and Signing of PAC	3 Lakh	45 Lakh	2 Crore Lakh	20 Crore	20 Crore	Full Powers
Approval and Signing of Urgency Certificate for SLTE or for acceptance of Single offer received against LTE	-	-	-	-	-	2 Crore
Approval and Justification for STE without PAC	-	-	-	-	-	2 Crore
Approval for Floating of Tender of Various Types for procurement of “Capital Goods/ Equipment [Machinery and Plant (M&P)] including Selection of Mode of Procurement and Bidding System, Short List of Bidders for LTE/SLTE, Bid Documents Preparations, including parameters of SBD and variation there-from in AITB, SCC, Eligibility/ Pre-Qualification Criteria, Decisions of Bid Cost, EMD/PBG; Quantity, Slicing/ Packaging of requirements; non-standard payment terms, Advance Payment, Stage Payments, Proforma invoice payment, Exchange Rate Variations, Price Clauses, LC payments, etc.						

OTE/LTE/PAC tenders as per Norms	60,000	5 Lakh	10 Lakh	25 Lakh	2 Crore	20 Crore
STE without PAC Tender	-	Upto the limit of Permanent Imprest	Upto the limit of Permanent Imprest	Upto the limit of Permanent Imprest	Upto the limit of Permanent Imprest	2 Crore
Competent Authority (CA) for Evaluation and Acceptance of Tenders for procurement of “Capital Goods/ Equipment [Machinery and Plant (M&P)]						
Procurement without calling Quotation	25,000	25,000	25,000	25,000	25,000	25,000
Procurement Though a Purchase Committee	2.5 Lakh	2.5 Lakh	2.5 Lakh	2.5 Lakh	2.5 Lakh	2.5 Lakh
Direct Approval of Tenders Without Tender Committee	60,000	5 Lakh	10 Lakh	10 Lakh	10 Lakh	10 Lakh
To accept Single Tender where Administrative Approval of competent authority is available	-	-	6 Lakh	25 Lakh	50 Lakh	2 Crore
Tender Committee Composition (including Member Secretary thereof) for Various Slabs of Estimated Tender Value. Normally there should be standing Tender Committees. No Tender Committee may be required for a small value tender (normally upto 10 Lakh), however, the decision in regard may be taken on case to case basis with justification.						
Slab 1 (Upto 30 Lakh)	SE/Dir level headed Tender Committee subject to the following: i) One Finance member or its representative; ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.					
Slab 2 (Rs 30 Lakh to 2 Crore)	Chief Engineer level headed Tender Committee subject to the following: i) One Finance member or its representative; ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.					
Slab 3 (Rs 2 Crore to 20 Crore)	Member level headed Tender Committee subject to the following: i) One Finance member or its representative;					

	ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.					
Formulation and Placement of Contracts for procurement of “Capital Goods/ Equipment [Machinery and Plant (M&P)] (same as to the Tender Accepting Authority)						
Contract after following Tendering Process	2.5 Lakh	5 Lakh	10 Lakh	25 Lakh	2 Crore	20 Crore
Post Contract Powers for procurement of “Functional Use Goods”, including Bill Passing and Payments, handing over assets/ equipments/ material/ utilities to Contractor, Extensions with or without LD, or approvals of Variations, Contract Closure, Terminations, Arbitrator Appointment, Accepting and Sanctioning Court and Arbitration award (As a general rule, all such Post Contrcat powers in each Individual case vests with the Tender Accepting Authority except in case of arbitration stage)						
Bill Passing and Payments	2.5 Lakh	5 Lakh	10 Lakh	25 Lakh	2 Crore	20 Crore
Extension of time with or without LD	2.5 Lakh	5 Lakh	10 Lakh	25 Lakh	2 Crore	20 Crore
Approvals of quantity variations	30,000	1 Lakh	2.5 Lakh	10 Lakh	20 Lakh	50 Lakh
Allowing release of Time-barred claims	2.5 Lakh	5 Lakh	10 Lakh	25 Lakh	2 Crore	20 Crore
Contrcat Closure /Termination	2.5 Lakh	5 Lakh	10 Lakh	25 Lakh	2 Crore	20 Crore
Appointment of Arbitrator	-	-	-	-	-	-
Acceptance of Arbitration Award	-	-	-	15 Lakh	45 Lakh	1 Crore
Various Categories of “Office use Goods/ Supply” procurement related Financial Powers under Non-Scheme Expenditure (extant direction of the GFR 2017, DFPR 1978, Manual for Procurement of Goods issued by the Ministry of Finance, etc. is to be followed during procurement process)						
	Levels of Powers (Threshold Value in Rupees Lakh)					
	Level-1 [Executive Engineers under Field	Level-2 [Dir (Mon), Dir (SMD)	Level-3 [Field CEs, CE(NWA),	Level-4 (Chairman)		

	Offices/ CE(NWA)/CE(P&D)]	SE(HOC) and Dir (PCP)]	CE(P&D), CE (DSO) and CE(HRM)]	
Fixtures and furniture purchase and repairs	2 Lakh per annum	5 Lakh per annum [except Dir (SMD)]	Full Powers [except CE (DSO)]	Full Powers
Motor Vehicles maintenance, upkeep and repairs	2 Lakh per annum (Limited to 30,000/- in each case)	2 Lakh per annum (Limited to 50,000/- in each case) [except Dir (SMD)]	Full Powers [except CE (DSO)]	Full Powers
Repairs to and removal of machinery (where the expenditure is not a capital nature)	Full Powers	Full Powers	Full Powers	Full Powers
Local Purchase of petty stationery stores	-	-	25 Lakh per annum to CE (HRM) and 1 Lakh per annum to Other CE except CE (DSO)]	40 Lakh per annum
Local Purchase of rubber stamps and office seals	Full Powers	Full Powers [except Dir (SMD)]	Full Powers [except CE (DSO)]	Full Powers
Stores required for works	2 Lakh per annum	5 Lakh per annum to Dir (SMD) and	Full Powers [except CE (DSO)]	Full Powers

		Dir (PCP) and 3 Lakh per annum to Dir (Mon) and SE(HOC)		
Other stores, i.e. stores required for the working of an establishment, instructions, equipments and apparatus	2 Lakh per annum	5 Lakh per annum to Dir (SMD) and Dir (PCP) and 3 Lakh per annum to Dir (Mon) and SE(HOC)	Full Powers	Full Powers
Supply of uniforms, badges and other articles of clothing etc.	Full Powers	Full Powers [except Dir (SMD)]	Full Powers [except CE (DSO)]	Full Powers
All Office equipments including typewriters, electronic typewriters, dedicated word processors, intercom equipments, calculators, electronic stencil cutters, Dictaphones, tape recorders, photocopiers, copying machines, franking machines, addressographs, filling and indexing systems, etc. (excluding computers of all kinds)	2 Lakh per annum	5 Lakh per annum	Full Powers	Full Powers

Computers (including personal computers)	-	-	-	25 Lakh per annum subject to the condition that cost per computer does not exceed 75,000. This includes the power to purchase the colour photocopier.
Maintenance of Computer of all kinds (include the expenses incurred on Hire of Computers as well)	2 Lakh per annum	10 Lakh per annum to Dir (SMD) and 3 Lakh per annum to Dir (Mon) and SE(HOC)	Full Powers [except CE (HRM)]	Full Powers
Other recurring "Office use Goods/ Supply" procurement not covered in extant delegation of financial powers under Annexure to Schedule-V	-	-	5 Lakh per annum (may include any recurring expenses without limiting it to the "Goods/Supply" procurement which is not covered in extant delegation of financial powers under Annexure to Schedule-V) to the CE (HRM) only	5 Lakh per annum (may include any recurring expenses without limiting it to the "Goods/Supply" procurement which is not covered in extant delegation of financial powers under Annexure to Schedule-V)

Other non-recurring “Office use Goods/ Supply” procurement not covered in extant delegation of financial powers under Annexure to Schedule-V	-		-	4 Lakh in each case	4 Lakh in each case	
Disposal of Scrap for “Functional Use Goods” as well as “Office use Goods”						
Approval of Declaration of Materials as Scrap (excluding Motor Vehicles), with or without formality of Survey Committee (includes nomination of Survey Committee)	-	7,500	40,000	2 Lakh	5 Lakh	25 Lakh
Approval of Declaration of Condemnation of Motor Vehicle with Survey Committee (includes nomination of Survey Committee)	-	-	-	50,000	75,000	-
Decision on Mode of Disposal/ Auction for Declaration of Materials as Scrap (excluding Motor Vehicles), Preparation of Catalogues for Auction and Bid Documents for Tenders	-	7,500	40,000	2 Lakh	5 Lakh	25 Lakh
Decision on Mode of Disposal/ Auction for Declaration of Condemnation of Motor Vehicle, Preparation of Catalogues for Auction and Bid Documents for Tenders	-	-	-	50,000	75,000	-

Approval of Reserve Price Fixation towards Declaration of Materials as Scrap (excluding Motor Vehicles)	-	7,500	40,000	2 Lakh	5 Lakh	25 Lakh
Approval of Reserve Price Fixation towards Condemnation of Motor Vehicle	-	-	-	50,000	75,000	-
Acceptance of Tender Committee Recommendation/ Conduct of Auctions (including acceptance of bids) towards Declaration of Materials as Scrap (excluding Motor Vehicles)	-	7,500	40,000	2 Lakh	5 Lakh	25 Lakh
Acceptance of Tender Committee Recommendation/ Conduct of Auctions (including acceptance of bids) towards Condemnation of Motor Vehicle	-	-	-	50,000	75,000	-
Write off from returns of unserviceable items of which the part value is recovered and approval for final disposal	-	10,000	20,000	Full Powers	-	-
Write off from returns of unserviceable items of which the full value is recovered and approval for final disposal	-	-	-	Full Powers	-	-
Issue of final order of disposal of stores declared by the competent authority to be unserviceable	-	10,000	Full Powers	-	-	-

Losses due to depreciation of stocks	-	-	15,000	40,000	1 Lakh	
The power of Debarment to the Contractor/ Agency/ Entity/ Firm vests with Chairman, CWC only						

2.2. Schedule of Financial Powers for Procurement of Works (Civil and Electrical)

	Levels of Powers (Threshold Value in Rupees Lakh)					
	Level-1 (AEE/AE)	Level-2 (Dy. Dir/ EE)	Level-3 (Dir/SE)	Level-4 (CE)	Level-5 (Member)	Level-6 (Chairman)
Technical Sanction, Administrative Approval and Expenditure Sanction of Civil and Electrical Works under Approved Scheme/ Project for Original, Repair as well as Maintenance Work						
To accord Technical Sanctions to detailed estimates	3 Lakh	4.5 Lakh	2 Crore	20 Crore	-	-
To accord Administrative Approval and Expenditure Sanction	-	-	25 Lakh	1 Crore	2 Crore	20 Crore
Approval for Floating of Tender of Various Types including Selection of Mode of Procurement and Bidding System, Short List of Bidders for LTE/SLTE, Bid Documents Preparations, including parameters of SBD and variation there-from in AITB, SCC, Eligibility/ Pre-Qualification Criteria, Decisions of Bid Cost, EMD/PBG; Quantity, Slicing/ Packaging of requirements; non-standard payment terms, Advance Payment, Stage Payments, Proforma invoice payment, Exchange Rate Variations, Price Clauses, LC payments, etc. (Under Approved Scheme/ Project for Original, Repair as well as Maintenance Work)						

Open Tender Enquiry	60,000	4 Lakh	25 Lakh	1 Crore	2 Crore	20 Crore
Limited Tender Enquiry (Subject to GFR 2017)	60,000	4 Lakh	10 Lakh	25 Lakh	25 Lakh	2 Crore
Single Tender Enquiry or Selection by Nomination	-	-	-	-	-	2 Crore
Competent Authority (CA) for Evaluation and Acceptance of Tenders (Under Approved Scheme/ Project for Original, Repair as well as Maintenance Work)						
Procurement through Open Tender Enquiry where Administrative Approval of Competent Authority is available	3 Lakh	10 Lakh	25 Lakh	1 Crore	2 Crore	20 Crore
Procurement through Limited Tender Enquiry where Administrative Approval of Competent Authority is available	60,000	4 Lakh	10 Lakh	25 Lakh	25 Lakh	2 Crore
Procurement through Limited Tender Enquiry where Administrative Approval of Competent Authority is available	-	-	-	-	-	2 Crore
Acceptance of the Resultant Single Tender in case of Open Tender Enquiry and where	-	-	6 Lakh	25 Lakh	50 Lakh	2 Crore

Administrative Approval of Competent Authority is available						
Tender Committee Composition (including Member Secretary thereof) for Various Slabs of Estimated Tender Value. Normally there should be standing Tender Committees.						
Slab 1 (Upto 30 Lakh)	SE/Dir level headed Tender Committee subject to the following: i) One Finance member or its representative; ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.					
Slab 2 (Rs 30 Lakh to 2 Crore)	Chief Engineer level headed Tender Committee subject to the following: i) One Finance member or its representative; ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.					
Slab 3 (Rs 2 Crore to 20 Crore)	Member level headed Tender Committee subject to the following: i) One Finance member or its representative; ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.					
Formulation and Placement of Contracts under Approved Scheme/ Project for Original, Repair as well as Maintenance Work (same as to the Tender Accepting Authority)						
Contract after following Tendering Process	3 Lakh	10 Lakh	25 Lakh	1 Crore	2 Crore	20 Crore
Post Contract Powers (Under Approved Scheme/ Project for Original, Repair as well as Maintenance Work), including Bill Passing and Payments, handing over assets/ equipments/ material/ utilities to Contractor, Extensions with or without LD, or approvals of Variations, Contract Closure, Terminations, Arbitrator Appointment, Accepting and Sanctioning Court and Arbitration award (As a general rule, all such Post Contrcat powers in each Individual case vests with the Tender Accepting Authority except in case of arbitration stage)						

Bill Passing and Payments	3 Lakh	10 Lakh	25 Lakh	1 Crore	2 Crore	20 Crore
Extension of time with or without LD	3 Lakh	10 Lakh	25 Lakh	1 Crore	2 Crore	20 Crore
Approvals of quantity variations	30,000	1 Lakh	2.5 Lakh	10 Lakh	20 Lakh	50 Lakh
Allowing release of Time-barred claims	3 Lakh	10 Lakh	25 Lakh	1 Crore	2 Crore	20 Crore
Contract Closure /Termination	3 Lakh	10 Lakh	25 Lakh	1 Crore	2 Crore	20 Crore
Appointment of Arbitrator	-	-	-	-	-	-
Acceptance of Arbitration Award	-	-	-	15 Lakh	45 Lakh	1 Crore
Deposit Works in the nature of Civil and Electrical Works						
To undertake Deposit Works in the nature of Civil and Electrical Works	-	-	-	13.50 Crore	20 Crore	Full Powers
To engage Government Organisations viz. Geological Survey of India, Central Electricity Authority, Central Institute of Mining and Fuel Research, Indian Meteorological Department, Survey of India, CSMRS, CWPRS and NERIWALM on nomination basis for Deposit Works in the nature of Civil and Electrical Works	-	-	-	-	-	Full Powers
To engage other academic and research Institutes under State/ UT/ Union Government on nomination basis for Deposit Works in the nature of Civil and Electrical Works	-	-	-	-	-	5 Lakh

Civil and Electrical Works related Financial Powers under Non-Scheme Expenditure (extant direction of the GFR 2017, DFPR 1978, Manual for Procurement of Works issued by the Ministry of Finance, supplementary provisions of the CPWD Works Manuals, etc. is to be followed during procurement process)

	Levels of Powers (Threshold Value in Rupees Lakh)			
	Level-1 [Executive Engineers under Field Offices/ CE(NWA)/CE(P&D)]	Level-2 [Dir (Mon), SE(HOC) and Dir (PCP)]	Level-3 [Field CEs, CE(NWA), CE(P&D) and CE(HRM)]	Level-4 (Chairman)
Execution of Petty Works and Special Repairs to Government Owned Buildings, including sanitary fittings, water-supply and electric installations in such buildings and repairs to such installations	20,000 in each case	25,000 in each case	30,000 in each case	30,000 in each case
Ordinary Repairs to Government Buildings	1 Lakh per annum and subject to 20,000 in each case	2 Lakh per annum and subject to 25,000 in each case	Full Powers	Full Powers
Repairs and alterations to hired and requisitioned buildings		-	30,000 per annum for non-recurring and 6,000 per annum for recurring	30,000 per annum for non-recurring and 6,000 per annum for recurring
The power of Debarment to the Contractor/ Agency/ Entity/ Firm vests with Chairman, CWC only				

2.3 Schedule of Financial Powers for Procurement of Consultancy Services

	Levels of Powers (Threshold Value in Rupees Lakh)		
	Level-1 (CE)	Level-2 (Member)	Level-3 (Chairman)
Procurement Proposal Initiation, approvals and Signing: Including formulation of ToR/ Activity Schedules and Cost Estimates			
Initiation, Approval of Terms of ToR and Cost estimates for Consultancy Services	50 Lakh	1 Crore	1 Crore
Final Administrative, Budgetary Approval for Starting Procurement	50 Lakh	1 Crore	1 Crore
Approval for Floating of Tenders of Various Types			
Approval for System of Selection of consultants	50 Lakh	1 Crore	1 Crore
Approval for Selection of Consultant on Single Selection/ Nomination basis	50 Lakh	1 Crore	1 Crore
Preparation and Approval of Bidding Documents and floating of Tenders- EoI/ RFP for Consultancy Services	50 Lakh	1 Crore	1 Crore
Competent Authority (CA) for Evaluation and Acceptance of Tenders			
In case of Open/ Limited Tender Enquiry	50 Lakh	1 Crore	1 Crore
In case of Single Tender Enquiry/ Nomination basis procurement	50 Lakh	1 Crore	1 Crore
Tender Committee/ CEC Composition (including Member Secretary thereof) for Various Slabs of Estimated Tender Value- EoI/ RfP for Consultancy Services			
Slab 1 (Upto 30 Lakh)	SE/Dir level headed Tender Committee subject to the following: i) One Finance member or its representative;		

	ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.		
Slab 2 (Rs 30 Lakh to 1 Crore)	Chief Engineer level headed Tender Committee subject to the following: i) One Finance member or its representative; ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.		
Formulation and Placement of Contracts			
Contracts after following Tendering Process	50 Lakh	1 Crore	1 Crore
Post Contract Powers, including Bill Passing and Payments, handing over assets/ equipments/ material/ utilities to Contractor, Extension with or without LD, or approvals of Variations, Contract Closure, Terminations, Arbitrator appointment, Accepting and sanctioning Court and Arbitration Award			
Bill Passing and Payments	50 Lakh	1 Crore	1 Crore
Extension of time with or without LD	50 Lakh	1 Crore	1 Crore
Approvals of quantity variations	50 Lakh	1 Crore	1 Crore
Allowing release of Time-barred claims	50 Lakh	1 Crore	1 Crore
Contrcat Closure /Termination	50 Lakh	1 Crore	1 Crore
Appointment of Arbitrator	-	-	-
Acceptance of Arbitration Award	15 Lakh	45 Lakh	1 Crore
Undertaking of Consultancy Services for Preparation of DPR (Money receipt is to be deposited under CFI)			
To undertake Consultancy Services for Preparation of DPR	13.50 Crore	20 Crore	Full Powers
The power of Debarment to the Contractor/ Agency/ Entity/ Firm vests with Chairman, CWC only			

2.4 Schedule of Financial Powers for Outsourcing and Short-term Services

	Levels of Powers (Threshold Value in Rupees Lakh)		
	Level-1 (CE)	Level-2 (Member)	Level-3 (Chairman)
Procurement Proposal Initiation, approvals and Signing: Including formulation of Activity Schedules and Cost Estimates			
Initiation, Approval of Activity Schedules, Cost estimates, Administrative Approval and Budgetary Sanction for Outsourcing of Support Services, Supervisory Staff Services, Boat Services, etc. pertaining to the Operation and Management of HO Sites (Expenses to be booked under DWRIS budget)	-	-	20 Crore
Initiation, Approval of Activity Schedules, Cost estimates, Administrative Approval and Budgetary Sanction for Outsourcing of any Other Services such as Housekeeping Services, Gardening Services, Watch and Ward Services, Security Services, Electrical Services, Plumbing Services, Pest Control Services, etc. pertaining to the Management of Office (Expenses to be booked under Non-scheme budget)	-	-	First time with the approval of the Ministry and continuation with the approval of Chairman
Initiation, Approval of Activity Schedules, Cost estimates, Administrative Approval and Budgetary Sanction for Hiring of Data Entry Operators (DEOs) and Multi-Tasking Staff (MTS) on long term-basis (Expenses to be booked under Non-scheme budget)	First time with the approval of the Ministry and continuation with the approval of CE concerned	-	-
Initiation, Approval of Activity Schedules, Cost estimates, Administrative Approval and Budgetary Sanction Hiring of vehicle on long term-basis under Scheme (Expenses to be booked under Relevant Scheme budget)	5 Lakh per annum in each case	-	Full Powers
Approval for Floating of Tenders of Various Types			

Approval for Open Tender for Outsourcing of Support Services	-	-	20 Crore
Approval for Limited/ Single Tender for Outsourcing of Support Services	-	-	2 Crore
Approval for System of Selection/ Mode of Tender for Outsourcing of all Other Services	Same as the power of Administrative Approval	-	Same as the power of Administrative Approval
Competent Authority (CA) for Evaluation and Acceptance of Tenders			
Open Tender for Outsourcing of Support Services	-	-	20 Crore
Limited/ Single Tender for Outsourcing of Support Services	-	-	2 Crore
Tender for Outsourcing of all Other Services	Same as the power of Administrative Approval	-	Same as the power of Administrative Approval
Tender Committee/ CEC Composition (including Member Secretary thereof) as well as designated level of CA for Acceptance of TC/CEC Recommendations for Various Slabs of Estimated Tender Value- EoI/ RfP for Services			
Slab 1 (Upto 30 Lakh)	SE/Dir level headed Tender Committee subject to the following: i) One Finance member or its representative; ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.		
Slab 2 (Rs 30 Lakh to 2 Crore)	Chief Engineer level headed Tender Committee subject to the following: i) One Finance member or its representative; ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.		

Slab 3 (Rs 2 Crore to 20 Crore)	Member level headed Tender Committee subject to the following: i) One Finance member or its representative; ii) No member of the committee shall be reporting directly to other; and iii) Normally three members but can be four members in exceptional cases.		
Formulation and Placement of Contracts			
Contracts after following Tendering Process	Same as the power of Administrative Approval	-	Same as the power of Administrative Approval
Post Contract Powers, including Bill Passing and Payments, handing over assets/ equipments/ material/ utilities to Contractor, Extension with or without LD, or approvals of Variations, Contract Closure, Terminations, Arbitrator appointment, Accepting and sanctioning Court and Arbitration Award			
Bill Passing and Payments	Same as the power of Administrative Approval	-	Same as the power of Administrative Approval
Extension of time with or without LD	Same as the power of Administrative Approval	-	Same as the power of Administrative Approval
Approvals of quantity variations	Same as the power of Administrative Approval	-	Same as the power of Administrative Approval
Allowing release of Time-barred claims	Same as the power of Administrative Approval	-	Same as the power of Administrative Approval
Contrcat Closure /Termination	Same as the power of Administrative Approval	-	Same as the power of Administrative Approval

Appointment of Arbitrator	-	-	-
Acceptance of Arbitration Award	15 Lakh	45 Lakh	1 Crore
Other short-term procurement of Services (Expenses to be booked under Non-Scheme Budget and GFR 2017 read with other extant Government of India Procedure is to be followed while incurring such expenses)			
Short-term procurement of Services which is recurring in nature	1 Lakh per annum to the CE (HRM) only (may include any recurring expenses without limiting it to the services procurement which is not covered in extant delegation of financial powers under Annexure to Schedule-VI)	-	1 Lakh per annum (may include any recurring expenses without limiting it to the services procurement which is not covered in extant delegation of financial powers under Annexure to Schedule-VI)
Short-term procurement of Services which is non-recurring in nature	2 Lakh per annum to the CE (HRM) only (may include any recurring expenses without limiting it to the services procurement which is not covered in extant delegation of financial powers under Annexure to Schedule-VI)	-	2 Lakh per annum to the CE (HRM) only (may include any recurring expenses without limiting it to the services procurement which is not covered in extant delegation of financial powers under Annexure to Schedule-VI)
Conveyance Hire: For hiring private vehicles	10 Lakh per annum to CE (HRM) only	-	10 Lakh per annum

Hire of Office Furniture, Electric Fans, Heaters, Coolers, Clocks and Call Bells (In the line of Goods Procurement)	Full Powers to Field CEs, CE(NWA), CE(P&D) and CE(HRM)	Full Powers to Field EEs, SE(HOC), Dir (Mon) and Dir (PCP)	Full Powers
Printing and Binding	1 Lakh per annum to CE (HRM) only for emergent and unforeseen petty printing and binding jobs		Full Powers where the printing is executed through or with the approval of Director of Printing. In case of emergent and unforeseen petty printing and binding jobs executed locally/through private agencies, all Head of Departments will have powers upto 1 Lakh per annum.
Tents and Camp Furniture	-	-	Recurring- 25,000 per annum
	60,000 in each case to Field CEs, CE(NWA), CE(P&D) and CE(HRM)	-	Non-Recurring- 60,000 in each case
Hire of Computers of all kinds (include the expenses incurred on Maintenance of Computers as well)	Full Powers to Field CEs, CE(NWA), CE(P&D) and CE (DSO)	10 Lakh per annum to Dir (SMD) , 3 Lakh per annum to Dir (Mon)/ SE (HOC) and 2 Lakh	Full Powers

		per annum to Field EEs	
Undertaking Survey and Investigation (Money receipt is to be deposited under CFI)			
To undertake Survey and Investigation activity	13.50 Crore	20 Crore	Full Powers
The power of Debarment to the Contractor/ Agency/ Entity/ Firm vests with Chairman, CWC only			

2.5 Schedule of Other Contingent/ Miscellaneous Financial Powers (Expenses to be booked under Non-Scheme Budget and GFR 2017 read with other extant Government of India Procedure is to be followed while incurring such expenses)

	Levels of Powers (Threshold Value in Rupees Lakh)			
	Level-1 [Executive Engineers under Field Offices/ CE(NWA)/CE(P&D)]	Level-2 [Dir (Mon), SE(HOC), Dir (PCP) and Dir (SMD)]	Level-3 [Field CEs, CE(NWA), CE(P&D), CE(HRM) and CE (DSO)]	Level-4 (Chairman)
Conveyance Hire: Reimbursement to Employees	Full Powers	Full Powers	Full Powers to All CE/Director in CWC (HQ) in addition to Field CEs and CE (NWA)	Full Powers
Electric Charges, Gas Charges and Water Charges	Full Powers	Full Powers	Full Powers	Full Powers
Freight Charges	Full Powers	Full Powers	Full Powers	Full Powers
Demurrage and Wharf Charges	Full Powers	Full Powers	Full Powers	Full Powers

Fees to Barristers, Advocates, Pleaders, Arbitrators and Umpires	-	-	Full Powers [except CE (DSO)]	Full Powers
Other Legal Charges	-	-	15,000 in each case [except CE (DSO)]	Law Suits or Prosecution Cases: Full Powers in case of authorities vested with powers to sanction the institution of suit or prosecution; otherwise 15,000 in each case
			30,000 in each case [except CE (DSO)]	Arbitration Cases: Full powers in case of authorities vested with powers to refer cases to arbitration; otherwise 30,000
Reimbursement of Legal Expenses incurred by Government Servants in case arising out of their official duties	-	-	-	1 Lakh per annum
Municipal Rates and Taxes	Full Powers	Full Powers [except Dir (SMD)]	Full Powers [except CE (DSO)]	Full Powers
Postal and Telegraphs Charges: Charges for issue of Letters, Telegrams, etc.	Full Powers	Full Powers [except Dir (SMD) and Director (PCP)]	Full Powers [except CE (DSO)]	Full Powers
Official Publications	2 Lakh per annum	3 Lakh per annum	Full Powers [except CE (DSO)]	Full Powers
Non-official Publications	-	-	-	Full Powers

Rent of Ordinary Office Accommodation: Where the accommodation is entirely utilized for the Office	-	-	-	First time approval as well as any subsequent enhancement will be with the approval of the Ministry. The continuation without enhancement will be with the approval of Chairman, CWC subject to the monetary limit as per the class of cities as under: X- 1.25 Lakh Y- 0.75 Lakh Z- 0.55 Lakh
Staff paid from Contingency	Full Powers	Full Powers	Full Powers	Full Powers
Washing Allowance	Full Powers	Full Powers [except Dir (SMD)]	Full Powers [except CE (DSO)]	Full Powers
Telephone Charges	Full Powers	Full Powers [except Dir (SMD)]	Full Powers [except CE (DSO)]	Full Powers
Sponsoring/ Co-sponsoring of Conferences/ Symposium/ Seminars/ Workshops	-	-	-	1 Lakh per annum (Only to Scientific Organization and administrative approval of the Ministry would be required for any Sponsoring
Nomination of Staff for participation in Conference/ Seminars/ Workshops within the Country	-	-	-	5 Lakh per annum
Sponsoring of Staff for training within India	-	-	-	5 Lakh per annum subject to the following: (i) per participant expenditure should not be

					more than 5% of total delegation; and (ii) Registration Fee per Individual for a training Course shall not exceed 10,000.
Imparting Training programme to Officers/ Staff of Other Organizations, State Government	-	-	-	-	If Separate budget is earmarked and approved by the Ministry for this purpose, subject to the condition that expenditure on working lunch, refreshments, etc. will not exceed the powers delegated in this respect.
Light refreshment/ lunch for official meetings as per the rate prescribed and guidelines issued by the Department of Expenditure (not for hotel meetings/ conferences/ seminars/ workshops/ etc.)	Inter-Departmental Meetings/ Conferences	Light Refreshment upto Rs. 20 per head per meeting	Light Refreshment upto Rs. 30 per head per meeting to all the SEs/Director /Director level Officers of CWC	Light Refreshment upto Rs.100 to all the CEs and Members of CWC Working Lunch upto Rs.150 to all the CEs and Members of CWC	150 per head per meeting
	Other Meetings	Light Refreshment upto Rs. 20 per head per meeting	Light Refreshment upto Rs. 30 per head per meeting to all the SEs/Director	Light Refreshment upto Rs.50 to all the CEs and Members of CWC	

			/Director level Officers of CWC		
Proposal regarding laying of foundation stone and opening ceremonies of Government Buildings, etc.	-	-	-	-	With the approval of Ministry only
Miscellaneous recurring expenditure not covered under Annexure to Schedule-VI	-	-	-	1 Lakh per annum to CE (HRM) only	1 Lakh per annum
Miscellaneous non-recurring expenditure not covered under Annexure to Schedule-VI	-	-	-	2 Lakh per annum to CE (HRM) only	2 Lakh per annum

Chapter-3: Standard Operating Procedure for Procurement of Goods

3.1 Procurement of Goods includes “Office Use Goods” as well “Capital Goods/ Equipment [Machinery and Plant (M&P)]”. For the purpose of procurement of “Office Use Goods”, the Contingent delegation of financial power issued by the Ministry in 2019 read with the relevant CWC authorization order is to be used with the booking of expenses under Non-scheme budget. For the purpose of procurement of “Capital Goods/ Equipment [Machinery and Plant (M&P)]”, the delegation of financial power issued by the Ministry in February 2018 and May 2021 read with relevant Orders/ authorization Orders issued at the level of CWC is to be used with the booking of expenses under Scheme budget. The financial power towards the procurement of “Capital Goods/ Equipment [Machinery and Plant (M&P)]” is to be mandatorily used in consultation with relevant Integrated/ Associate Finance where the financial power towards the procurement of “Office Use Goods” may or may not be used in consultation with relevant Integrated/ Associate Finance; although it is desirable that consultation with Finance should be made for the procurement of “Office Use Goods” in order to avoid financial irregularities to be detected at later stages as well as to smoothen the procurement process.

3.2 Definitions/ Scope for Procurement of Goods: “Goods” includes all articles, material, commodity, livestock, furniture, fixtures, raw material, spheres, instruments, machinery, equipment, industrial plant, vehicles, aircrafts, ships, medicines, railway rolling stock, assemblies, sub – assemblies, accessories, group of machineries comprising an integrated production process or such other categories of goods or intangible products like software, technology transfer, licenses, patents or other intellectual properties purchased or otherwise required for the use of government **but excludes** books, publications, periodicals, etc., for a library. The term **goods also include** works and services which are incidental or consequential to the supply of such goods, such as, transportation, insurance, installation, commissioning, training and maintenance.

3.3 Justification/ Need for Procurement of Goods:

- (1) Expression/ description of need [Para 2.1.1 (i) of the Manual for Procurement of Goods]
- (2) Determining the method of satisfying need
- (3) Determining the quantity
- (4) Time-Schedule and place of product/work/service delivery
- (5) Formulation of Technical Specification (Para 2.2.1 of the Manual for Procurement of Goods)
- (6) Essential technical particulars (Para 2.2.2 of the Manual for Procurement of Goods)
- (7) Estimation of Costs as per para [Para 2.1.1(iii)(e) of the Manual for Procurement of Goods]:
 - (i) The estimated cost in the indent is a vital element in various procurement processes, approvals and establishing reasonableness of prices at the time of evaluation of the bids. Therefore, it should be worked out in a realistic and objective manner. The prevailing market price ascertained through a market survey or budgetary quotations from one or more prospective suppliers or published

catalogues/Maximum Retail Price (MRP) printed on the item is the main source for establishing the estimated cost of items for which there no historic data available. It may be noted that MRPs usually include significant margins for distributors, wholesalers and retailers.

(ii) For equipment/craft which are uniquely custom-built to buyer's specifications, the best way to get a fair assessment of costs is by obtaining budgetary quotes from potential parties. Ideally, there should be three quotes. However, there is need to have a time schedule for receipt of quotes to ensure some timeframe for this activity. Thus:

(a) An attempt should be made to obtain as many budgetary quotes as possible from reputed/potential firms and a time of 21 (twenty-one) days be indicated therefore. In the event of receipt of less than three budgetary quotes, two extensions of up to 10 (ten) days each may be considered; and

(b) In the event of non-availability of three quotes within the above extended period, the estimates should be prepared on the basis of the number of budgetary quote(s) received, which may even be one; and where more than one budgetary quote is received, the estimate should be framed on an average of the quotes which will reduce variations and fluctuations;

(iii) Other methods for establishing the estimated cost in the indent and tender evaluation are:

(a) Estimated rate in past indents of the same goods;

(b) Last purchase price of this or similar or nearly equivalent requirements;

(c) Costing analysis based on costs of various components/raw materials of the item;

(d) Rough assessment from the price of the assembly/machine of which the item is a part or vice versa;

(e) Through the internal or external expert costing agencies; and

(f) As a last resort, rough assessment from the opportunity cost of not using this item at all.

(iv) These methods are not mutually exclusive and can be supplemented with escalations to cater for inflation, price increases of raw materials, labour, energy, statutory changes, price indices, and so on, to make them usable in conditions prevailing currently. In case of foreign currencies, the rate should be reduced to a common denomination of Indian Rupees. Price indices can be obtained from the following websites. Some may require prior free registration and some paid subscription:

(a) For price indices of indigenous items: <http://www.eaindustry.nic.in/home.asp.in> (Ministry of Industry);

(b) For metals and other minerals: <http://www.mmronline.com/> or <http://www.metalprices.com/index.asp> or <http://www.asianmetal.com/>;

(c) For price trends of nonferrous details; London Metal Exchange - <https://www.lme.com/> gives price trends of nonferrous details, which often show volatile trends;

(d) Other useful sites: <http://www.tradeintelligence.com/> and <http://www.cmie.com/>. (Centre for Monitoring Indian Economy);

(e) For price trends of different countries: <http://www.imf.org/external/pubs/ft/weo/2015/01/> (International Monetary Fund) and

(f) For organisation/chambers of commerce such as the (Indian Electrical and Electronics Manufacturer's Association): www.ieema.org;

3.4 Obtaining Technical Sanction (T/S), Administrative Approval (AA), Budgetary Sanction as per the extant Delegation of Financial Power Rules/Orders

3.5 Procurement Planning (Para 2.4.1 and 2.4.2 of the Manual for Procurement of Goods)

3.6 Modes of Procurement

3.6.1 Open Tenders

- (i) Open Tender Enquiry (OTE) (Para 4.2.1, 4.2.2 and 4.2.3 of the Manual for Procurement of Goods in addition to rule 161 of GFR 2017)
- (ii) Global Tender Enquiry (GTE) (Para 4.3.1, 4.3.2, 4.3.3, 4.3.4, 4.3.5, 4.3.6 and 4.3.7 of the Manual for Procurement of Goods in addition to rule 161 of GFR 2017)

3.6.2 Procurement through Selected Suppliers

- (i) Limited Tender Enquiry – LTE (up to Rs. 25 Lakh); (Para 4.4.1, 4.4.2 and 4.4.3 of the Manual for Procurement of Goods in addition to rule 162 of GFR 2017)
- (ii) Special Limited Tender Enquiry (SLTE above Rs. 25 Lakh under special circumstances) (Para 4.5.1, 4.5.2 and 4.5.3 of the Manual for Procurement of Goods)

3.6.3 Nomination Basis Tenders

- (i) Proprietary Article Certificate (PAC) (Para 4.6.1, 4.6.2 and 4.6.3 of the Manual for Procurement of Goods in addition to rule 166 of GFR 2017)
- (ii) Single Tender Enquiry (STE) without PAC (Para 4.7.1, 4.7.2 and 4.7.3 of the Manual for Procurement of Goods in addition to rule 166 of GFR 2017)

3.6.4 Drawals against Rate Contract (RC)/Framework Contract (FC) (Para 4.8.1 and 4.8.2 of the Manual for Procurement of Goods)

3.6.5 Procurements without Calling Tenders

- (i) Direct Procurement without Quotation (Para 4.9.1, 4.9.2 and 4.9.3 of the Manual for Procurement of Goods in addition to rule 154 of GFR 2017)
- (ii) Direct Procurement by Purchase Committee (Para 4.10.1, 4.10.2 and 4.10.3 of the Manual for Procurement of Goods in addition to Rule 155 of GFR 2017)

3.6.6 Mandatory Procurement of Goods and Services for Goods or Services available on GeM (Rule 149 of GFR 2017)

3.6.7 Bidding Systems

(1) Single Stage Bidding System

- (i) Single Stage Single Envelop System (Para 4.13.1 of the Manual for Procurement of Goods)
- (ii) Single Stage Two Envelops System (Two Bid System) (Para 4.13.2 of the Manual for Procurement of Goods in addition to rule 163 of GFR 2017)
- (iii) Single Stage Multiple Envelops System with pre-qualification (Para 4.13.3 of the Manual for Procurement of Goods)
- (iv) Pre-qualification Bidding (PQB) (Para 4.13.4 and 4.13.5 of the Manual for Procurement of Goods)

(2) Two Stage Bidding – Expressing of Interest Tenders – Market Exploration (Para 4.14.1, 4.14.2, 4.14.3 and 4.14.4 of the Manual for Procurement of Goods in addition to Rule 164 of GFR 2017)

(3) Electronic Procurement (e-Procurement) (Para 4.15 of the Manual for Procurement of Goods in addition to Rule 160 of GFR 2017)

(4) Electronic Reverse Auction (RA) (Para 4.16 of the Manual for Procurement of Goods in addition to Rule 167 of GFR 2017)

(5) One Stop Government e-Marketplace (GeM) (Para 4.17 of the Manual for Procurement of Goods in addition to rule 149 of GFR 2017)

3.7 Preparing bid documents, publication, receipt and opening of bids

3.7.1 Preparation of Bid Documents (Para 5.1.1 of the Manual for Procurement of Goods in addition to Model Tender Document for Procurement of Goods)

3.7.2 Contents of Tender Documents: The Contents of tender documents includes following sections:

(1) Notice Inviting Tender (NIT) (Para 5.1.3 of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods)

(2) Instructions to Bidders (ITB) (Para 5.1.4 of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods)

(3) Appendix to Instructions to Bidders (AITB) (Para 5.1.4 of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods)

(4) Eligibility/ Evaluation/ Qualification Criteria [Para 5.1.4 (vii) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]

(5) Schedule of Requirements [Para 5.1.4 (x) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]

(6) Technical specifications (including drawing) and Quality assurance (Inspections and Tests) (Extant stipulations of the Model Tender Document for Procurement of Goods)

(7) Purchase Preference Policies:

(i) Class I Local Suppliers under Public Procurement (Preference to Make in India) Order 2017” (MII) of Department for Promotion of Industry and Internal Trade, (DPIIT-Public Procurement Section) as revised from time to time.

(ii) Bidders from Micro and / or Small Enterprises (MSEs) under Public Procurement Policy for the Micro and Small Enterprises (MSEs) Order, 2012 as amended from time to time.

(iii) Start-ups Bidders under Ministry of Finance, Department of Expenditure, Public Procurement Division OM No. F.20/212014-PPD dated 25.07.2016 and subsequent clarification; and / or

(iv) Any other category of Bidders, as per any Government Policies, announced from time to time, if so provided in the TIS/ITB/AITB

(8) General Conditions of the Contract (Extant stipulations of the Model Tender Document for Procurement of Goods)

- (9) Special Conditions of the Contract
- (10) Standard Bidding Forms / Formats (Bidding forms/ formats stipulated in the Model Tender Document for Procurement of Goods)
- (11) Clarification/Amendment of Tender Documents [Para 5.1.4 (ii) and 5.1.4 (iii) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]
- (12) Bid Validity [Para 5.1.4 (iv) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]
- (13) Sealing and Marking of Tenders [Para 5.1.4 (v) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]
- (14) Withdrawal, Substitution and Modification of Tenders [Para 5.1.4 (vi) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]
- (15) OEM/Authorised Dealer/Agent of Supplier [Para 5.1.4 (viii) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]
- (16) Conflict of Interest among Bidders/Agents [Para 5.1.4 (ix) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]
- (17) Quotation Received from Dealers/ Agents for items not Manufactured by them [Para 5.1.4 (xi) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]
- (18)) **Special Conditions in GTE Procurements** [Para 5.1.4 (xii) of the Manual for Procurement of Goods in addition to the extant stipulations of the Model Tender Document for Procurement of Goods]:
 - (i) Currency of Bidding
 - (ii) Agency Commission
 - (iii) Delivery Terms
 - (iv) Insurance

3.7.3 Mandatory e-Publishing of Tenders (Para 5.1.7 of the Manual for Procurement of Goods)

3.7.4 Receipt and Custody of Tenders (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement)

- (i) Cost and Availability of Tender Documents (Para 5.2.1 of the Manual for Procurement of Goods)
- (ii) Pre-bid Conference (Para 5.2.2 of the Manual for Procurement of Goods in addition to rule 173(x) of GFR 2017)
- (iii) Extension of Tender Opening Date (Para 5.2.3 of the Manual for Procurement of Goods)
- (iv) Sealing and Marking of Bids by Bidders (Para 5.2.4 of the Manual for Procurement of Goods)
- (v) Submission, Receipt and Custody of Tenders (Para 5.2.5 of the Manual for Procurement of Goods)
- (vi) Withdraw/ Amendments/ Modifications to Bids by Bidders (Para 5.2.6 of the Manual for Procurement of Goods)

3.7.5 Procedures to be followed during bid Opening (Para 5.3 of the Manual for Procurement of Goods)

3.8 Forms of Securities, Payment Terms and Price Variations

3.8.1 Forms of Security

(1) Bid Security (Rule 170 of GFR 2017 read with para 6.1.1 of the Manual for Procurement of Goods; Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement)

(i) To safe guard against a bidder's with drawing or altering its/ his bid during the bid validity period in the case of advertised (OTE and GTE tenders) or limited tender enquiry Bid Security [also known as Earnest Money Deposit (EMD)] is to be obtained from the bidders along with their bids except Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central Purchase Organisation or the concerned Ministry of Department or Startups as recognized by Department for Promotion of Industry and Internal Trade (DPIIT). The bidders should be asked to furnish bid security along with their bids.

(ii) Amount of bid security should be **TWO to FIVE percent** (normally **THREE percent**) of the estimated value of the goods to be procured. The amount of bid security, rounded off to the nearest thousands of Rupees, as determined by the Procuring Entity, is to be indicated in the bidding documents.

(iii) The bid security may be obtained in the form of Insurance Security Bonds, Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee (including **e-Bank Guarantee**) from any of the Commercial Banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects. In case the bid security is more than a threshold (Rupees Five Lakh) and in case of foreign bidders in GTE tenders, it may be in the form of a Bank Guarantee including e-Bank Guarantee (in equivalent Foreign Exchange Amount, in case of GTE) issued/ confirmed from any of the Scheduled Commercial bank in India in an acceptable form, and so on. However, for all such purposes, the **e-Bank Guarantee** may be preferred.

(iv) In exceptional cases, in place of bid security, Procuring Entity after seeking approval of the Secretary (WR, RD&GR) may consider asking Bidders to sign a Bid Security Declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the Contract, or to submit a Performance Security before the deadline defined in the Request for Bids/ Request for Proposals document, they will be suspended for the period of time specified in the Request for Bids/ Request for Proposals document from being eligible to submit Bids/ Proposals for contracts with the procuring entity.

(v) In appropriate cases, submission of the bid security may be waived with the approval of Secretary (WR, RD&GR), especially in the case of indigenisation/ development tenders, limited tenders and procurements directly from the Manufacturer or Authorised Agents.

(vi) The bid security is normally to remain valid for a period of 45 (Fourty Five) days beyond the final bid validity period. The bidder's bid security will be forfeited if the bidder withdraws or amends its/ his tender or impairs or derogates from the tender in any respect within the period of validity of the tender or if the successful bidder fails to furnish the required performance security within the specified period.

(vii) Bid Security of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity period and latest by the 30th day after the award of the contract. Bid Security of the successful bidder should be refunded within a week

of the date of receipt of Performance Security. However, in case of two packet or two stage bidding, Bid Security of the unsuccessful bidders during first stage i.e. technical evaluation/ etc. shall be returned within 30 days of declaration of result of the first stage.

(viii) The return of Bid Securities should be monitored by the senior officers and delays should be avoided. If feasible, the details of these securities may be listed in the e-Procurement Portal, so as to make the process transparent and visible.

(2) Performance Security (Rule 171 of GFR 2017 read with para 6.1.2 of the Manual for Procurement of Goods; Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement)

(i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. The Performance Security should be for an amount of **THREE to TEN percent (normally FIVE percent)** of the value of the Contract. The submission of Performance Security is not necessary for a contract value **upto Rs. 1 (One) Lakh**.

(ii) The Performance Security may be furnished in the form of Insurance Surety Bonds, Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial Bank, Bank Guarantee (including e-Bank Guarantee) from a Commercial Bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects. In case of GTE tenders, the Performance Security should be in the same currency as the contract and must conform to "Uniform Rules for Demand Guarantees (URDG 758)- an International Convention regulating International Securities.

(iii) The Performance Security is to be furnished by a specified date (generally **FOURTEEN** Days after notification of the award) and it should remain valid for a period of **SIXTY** Days beyond the date of completion of all contractual obligations of the Supplier, including Warranty Obligations.

(iv) The Performance Security will be forfeited and credited to the Procuring Entity's account in the event of a breach of contract by the contractor. It should be refunded to the contractor without interest, after he duly performs and completes the contract in all respects but not later than **SIXTY** Days of completion of all such obligations including the warranty under the contract.

(v) The return of Performance Securities should be monitored by the senior officers and delays should be avoided. If feasible, the details of these securities may be listed in the e-Procurement Portal, so as to make the process transparent and visible.

(3) Warranty Bank Guarantee

(i) In case of Works and Capital equipment, there is usually a defect liability/warranty clause against defects arising from design, material, workmanship or any omission on part of the vendor/ contractor during a specified period of months from the date of commissioning or from the date of dispatch in case of goods – whichever is earlier.

(ii) In such cases, the Performance Guarantee is to be valid upto **SIXTY** Days beyond the warranty period. It is normally permissible in such a situation to allow the Performance Guarantee to be valid upto **SIXTY** Days beyond delivery/ commissioning period and the contractor may be allowed to submit a fresh **Warranty Bank Guarantee** of **TEN** percent of the value of the goods in the currency of the contract valid upto **SIXTY** Days beyond the Warranty period.

(iii) In such cases, the performance guarantee is to be returned only after satisfactory delivery/ commissioning and receipt of such a warranty bank guarantee. In procurement of other than Capital Equipment Goods (and in case of low value Capital

Goods – say upto Rupees One Lakh), Warranty Clause is not called for.

(4) Verification of Bank Guarantees (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement)

(i) Bank Guarantees (BGs) submitted by the tenderers/suppliers as Bid Security/ Performance Security need to be immediately verified from the issuing Bank before acceptance. The Engineer-in-Charge/ Nodal Officer concerning relevant procurement shall be responsible for verification of the BGs. There may not be any need to get the Bank Guarantee vetted from legal/ finance authority if it is in the specified format.

(ii) Guidelines for verification of BGs submitted by the bidders/ contractors against EMD/ performance security/advance payments and for various other purposes are as follows:

(a) BG shall be as per the prescribed formats.

(b) The BG contains the name, designation and code number of the Bank officer(s) signing the guarantee(s).

(c) The address and other details (including telephone no.) of the controlling officer of the bank are obtained from the branch of the bank issuing the BG (this should be included in all BGs);

(d) The confirmation from the issuing branch of the bank is obtained in writing through registered post/speed post/courier/email. The bank should be advised to confirm the issuance of the BGs specifically quoting the letter of Procurement Entity on the printed official letterhead of the bank indicating address and other details (including telephone nos.) of the bank and the name, designation and code number of the officer(s) confirming the issuance of the BG;

(e) Pending receipt of confirmation as above, confirmation can also be obtained with the help of responsible officer at the field office, which is close to the issuing branch of the bank, who should personally obtain the confirmation from issuing branch of the bank and forward the confirmation report to the concerned procurement entity.

(iii) Bank guarantees, either received in physical form or electronic form, should be verified for its genuineness following prescribed method for the same and all the Offices/ Officers under CWC should do due diligence on genuineness of the Bank Guarantees before acceptance of the same.

(5) Safe Custody and Monitoring of Bid Security, Performance Security and Other Instruments (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement)

(i) The Engineer-in-Charge/ Nodal Officer under CWC concerning relevant procurement shall be responsible for safe custody and monitoring of Bid Security and Performance Security.

(ii) The Engineer-in-Charge/ Nodal Officer under CWC concerning relevant procurement shall be responsible for taking all necessary actions on time for extension or encashment or refund of Bid Security and Performance Security, as the case may be.

(iii) Monitoring should also include a monthly review of all bank guarantees and other instruments expiring in next three months, along with a review of the progress of the corresponding contracts the level of Director concerning relevant procurement.

(iv) Extension of bank guarantees and other instruments, where warranted, should be sought immediately from the competent authority and implemented within their validity period.

(v) Bank Guarantee should never be handed over to the supplier for propose of extension of validity.

(vi) Such a system of monitoring of securities and other instruments may be considered to be computerised with automatic alerts about lapse of validity etc.

3.8.2 Payment Clause (Para 6.2 of the Manual for Procurement of Goods): Release of payment and settlement of the final bill should be processed through the Associated/ integrated Finance as per the terms and conditions of the contract.

(1) Terms of Payments of Domestic Goods:

(i) Where the terms of delivery are for Dispatching Station, the payment terms, depending on the value and nature of the goods, mode of transportation, and so on, may be **SIXTY to NINETY percent** on proof of dispatch and other related documents and balance on receipt at site and acceptance by the consignee.

(ii) Where the terms of delivery is for destination/delivery at site, the usual payment term is **HUNDRED percent** on receipt and acceptance of goods by the consignee and on production of all required documents by the supplier.

(iii) Where goods to be supplied also need installation and commissioning by the supplier, the payment terms are generally:

(a) For a contract with terms of delivery as for dispatching station- **SIXTY percent** on proof of dispatch along with other specified documents, 30 (thirty) per cent on receipt of the goods at site by the consignee and balance 10 (ten) per cent on successful installation and commissioning and acceptance by the consignee; and

(b) For a contract with terms of delivery as for destination/delivery at site- **NINETY percent** on receipt and acceptance of goods by the consignee at destination and on production of all required documents by the supplier and balance 10 (ten) per cent on successful installation and commissioning and acceptance by the consignee.

Note: Generally, (especially for goods requiring installation and commissioning at site by the supplier), the desirable terms of delivery are for destination/delivery at site, so that the supplier remains responsible for safe arrival of the ordered goods at the site. Therefore, unless otherwise decided ex-works or for dispatching station terms should be avoided.

(2) Modes of Payment for Domestic Goods: Payments to domestic suppliers are usually made by cheque/demand draft drawn on a Government treasury or branch of RBI or any Scheduled Commercial Bank authorised by RBI for transacting Government business. Such payment can also be made to the supplier's bank, if the bills are endorsed in favour of the bank with a pre receipt embossed on the bills with the words, "received payment" and both the endorsement and pre-receipt are authenticated by the supplier. In addition, an irrevocable power of attorney is to be granted by the supplier in favour of the bank. In such of those cases where there has been global tendering, in order to have uniform payment clauses, if domestic suppliers, especially against high value contracts for sophisticated equipment/machinery, desire payment through LC, depending on the merits of the case, this may be agreed to. However, procuring Entities should switch over to more transparent electronic payment systems like Electronic Clearance System (ECS), Real-time gross settlement systems (RTGS) National Electronic Funds Transfer (NEFT) or Electronic Payment Gateways.

(3) Documents for Payment for Domestic Goods

- (i) Supplier's Invoice indicating, inter alia description and specification of the goods, quantity, unit price, total value;
- (ii) Packing list;
- (iii) Insurance certificate;
- (iv) Railway receipt/consignment note;
- (v) Manufacturer's guarantee certificate and in-house inspection certificate;
- (vi) Inspection certificate issued by purchaser's inspector; and
- (vii) Any other document(s) as and if required in terms of the contract.

(4) Terms of Payment for Imported Goods

Usual payment terms, unless otherwise directed by CA, are indicated below:

- (i) Cases where installation, erection and commissioning (if applicable) are not the responsibility of the supplier- **HUNDRED percent** net FOB/FAS/CFR/CIF/CIP price is to be paid against invoice, shipping documents, inspection certificate (where applicable), manufacturers' test certificate, and so on;
- (ii) Cases where installation, erection and commissioning are the responsibility of the supplier- **EIGHTY to NINETY percent** net FOB/FAS/CFR/CIF/CIP price will be paid against the invoice, inspection certificate (where applicable), shipping documents, and so on, and balance within 21-30 (twenty-one to thirty) days of successful installation and commissioning at the consignee's premises and acceptance by the consignee; and
- (iii) Payment of agency commission, if payable, against FOB/FAS/CFR/CIF/CIP contract- the entire **HUNDRED percent** agency commission is generally paid (in non-convertible Indian Rupees on the basis of BC selling rate of exchange) after all other payments have been made to the supplier in terms of the contract.

(5) Modes of Payment for Imported Goods

- (i) It should be ensured that the imports into India are in conformity with the export-import policy in force including FEMA; FEMA (Current Account Transactions) Rules, 2000 framed by Procuring Entity; and directions issued by RBI under FEMA from time to time.
- (ii) For imported goods, payment usually happens through the LC opened by the State Bank of India or any other scheduled/authorised bank as decided by the procuring entity. The amount of LC should be equal to the total payable amount, and be released as per the clauses mentioned above. Provisions of Uniform Customs and Practices for Documentary Credits should be adhered to while opening the LC for import into India. If the LC is not opened, payment can also be made to the seller through a direct bank transfer for which the buyer has to ensure that payment is released only after the receipt of prescribed documents.

(6) Documents for Payment for Imported Goods: The documents, which are needed from the supplier for release of payment, are to be Clearly specified in the contract. The paying authority is also to verify the documents received from the supplier with corresponding stipulations made in the contract before releasing the payment. Documents, which the supplier is to furnish while claiming payment, are specified in the Letter of Credit, but usually are:

- (i) Supplier's original invoice giving full details of the goods including quantity, value, and so on;
- (ii) Packing list;

- (iii) Certificate of country of origin of the goods to be given by the seller or a recognised chamber of commerce or another agency designated by the local Government for this purpose;
- (iv) Certificate of pre-dispatch inspection by the purchaser's representative;
- (v) Manufacturer's test certificate and guarantee;
- (vi) Certificate of insurance;
- (vii) Bill of lading/airway bill/rail receipt or any other dispatch document, issued by a Government agency (like the Department of Posts) or an agency duly authorised by the concerned ministry/Department, indicating:
 - (a) Name of the vessel/carrier;
 - (b) Bill of lading/airway bill;
 - (c) Port of loading;
 - (d) Date of shipment;
 - (e) Port of discharge and expected date of arrival of goods; and
- (viii) Any other document(s) as and if required in terms of the contract.

(7) Air Freight Charges: Goods that are required to be airlifted are to be dispatched on a 'charge forward basis'. All air freight charges, which are shown on the relevant consignment note as chargeable to the consignee, are to be paid to the Airline in Rupees. Some organizations need to import sophisticated instruments, tools and kindred goods. These are usually small in size and very delicate/fragile in nature. Such goods, invariably, need to be airlifted. But, quite naturally, form a small part of the Air Cargo carried by an Aircraft. For such imports, procuring entities may engage Air Freight Consolidators who consolidate the small Air Cargos of different customers, to be airlifted from one Airport to another. Hiring of services of Air Freight Consolidators should be done in a transparent manner, following standard principles of Public Procurement.

(8) Letter of Credit (LC): Two banks are involved in payment to the supplier by LC: - the purchaser's bank and supplier's bank. The purchaser is to forward the request to its bank in the prescribed format as formulated by the Bank, along with all relevant details including an authenticated copy of the contract. Based on this, the purchaser's bank opens the LC on behalf of the purchaser for transacting payment to the supplier through the supplier's bank. Care should be taken to ensure that the payment terms and documents to be produced for receiving payments through LC are identical with those shown in the contract. Generally, the irrevocable LC is opened so that the supplier is fully assured of his payment on fulfilling his obligations in terms of the contract. In case the delivery date of the contract is extended to take care of delay in supply, for which the supplier is responsible, the tenure of the LC is also to be extended, but the expense incurred for such an extension (of LC) is to be borne by the supplier. Provisions of Uniform Customs and Practices for Documentary Credits (UCP 600) should be adhered to the while opening the LC for import into India.

3.8.3 Advance Payment

(1) Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in the following types of cases:

- (i) Advance payment demanded by firms holding maintenance contracts for servicing of air-conditioners, computers, other costly equipment, etc.;

(ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts; and so on;

(iii) Such advance payments should not exceed the following limits except in case of procurement of arms and ammunitions from ordinance factories:

- Thirty per cent of the contract value to private firms.
- Forty per cent of the contract value to a state or central Government agency or PSU.
- In case of the maintenance contract, the amount should not exceed the amount payable for six months under the contract.

(iv) In exceptional cases, the Administrative Department may relax the ceilings mentioned above with prior concurrence of the Associated/ integrated Finance. While making any advance payment as above, adequate safeguards in the form of a bank guarantee, and so on, should be obtained from the firm. However, the bank guarantee need not be insisted upon in case of procurement of arms and ammunitions from ordinance factories. Further, such advance payments should be generally, interest bearing, suitable percentages for which are to be decided on a case to case basis.

(2) Documents for Advance Payments: Documents, needed from the supplier for release of payment, are to be clearly specified in the contract. The paying authority should also verify the documents received from the supplier with corresponding stipulations made in the contract before releasing the payment.

(3) Insurance: In every case where advance payment or payment against dispatch documents is to be made or LC is to be opened, the condition of insurance should invariably be incorporated in the terms and conditions. Wherever necessary, the goods supplied under the contract, shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the contract. If considered necessary, insurance may cover "all risks" including war risks and strike clauses. The amount to be covered under insurance should be sufficient to take care of the overall expenditure to be incurred by the procuring entity for receiving the goods at the destination. Where delivery of imported goods is required by the purchaser on CIF/CIP basis, the supplier shall arrange and pay for marine/air insurance, making the purchaser the beneficiary. Where delivery is on FOB/FAS basis, marine/air insurance shall be the responsibility of the purchase.

3.8.4 Firm Price vis-à-vis Variable Price (Para 6.6 of the Manual for Procurement of Goods)

3.8.5 Exchange Rate Variation (Para 6.7.1 and 6.7.2 of the Manual for Procurement of Goods)

3.8.6 Taxes, Duties and Levies (Para 6.8.1, 6.8.2, 6.8.3 and 6.8.4 of the Manual for Procurement of Goods)

3.8.7 Incoterms Terms of Delivery (Para 6.9 of the Manual for Procurement of Goods)

3.8.8 e-Payment (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement): e-Banking and e-

payments are now used by various banks by adopting Electronic Clearing System (ECS) and Electronic Fund Transfer (NEFT/ RTGS) procedure. Payments to suppliers may be made through such mechanism where such facilities are available. As per RBI guidelines, ECS mandate in RBI's format may be obtained at the time of registration of suppliers and in the bid document. The Format is available with all Banks.

3.8.9 Deduction of Income Tax, Service Tax, and so on, at Source from Payments to Suppliers (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement): This will be done as per the existing law in force during the currency of the contract.

3.8.10 Recovery of Public Money from Supplier's Bill (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement): Sometimes, requests are received from a different Ministry/Department for withholding Some payment of a supplier out of the payment due to it against a contract. Such requests are to be examined by the concerned Offices/ Officers of CWC (which has received the request) on the merits of the case for further action. It will, however, be the responsibility of the Ministry/Department asking for withholding of payment to defend the Government against any legal procedure arising out of such withholding as also for payment of any interest thereof.

3.8.11 Refund from Supplier (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement): Sometimes, the supplier, after claiming and receiving reimbursements for Sales Tax, Excise Duty, Custom Duty, GST and so on, from the purchaser, applies to the concerned authorities for refunds, on genuine grounds, of certain portions of such duties and taxes paid by it and receives the allowable refunds. Such refunds contain the purchaser's share also (out of the payments already made by the purchaser to that supplier). The tender enquiry document and the contract are to contain suitable provisions for obtaining such refunds from the supplier.

3.8.12 Payment against Time Barred Claims (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement): Ordinarily, all claims against the Government are time barred after a period of three Years calculated from the date when the payment falls due unless the payment claim has been under correspondence. However, the limitation is saved if there is an admission of liability to pay, and fresh period of limitation starts from the time such admission is made. The drill to be followed while dealing with time barred claims will be decided by the competent authority as per the delegation of financial power in consultation with Integrated/ Associated Finance. The Integrated/ Associated Finance is to ensure that no payment against such time barred claim is made till a decision has been taken in this regard by the Competent Authority as per the delegation of financial power.

3.9 Evaluation of Bids and Award of Contract

3.9.1 Tender Evaluation with/without Tender Committee (Para 7.1.1 of the Manual for Procurement of Goods)

3.9.2 Tender Committee (TC) (Para 7.1.1 of the Manual for Procurement of Goods):

- (i) For all cases having financial implications of more than Rs. 5 (Rupees Five) Lakh, a Tender Committee (TC), comprising of normally three members including Financial Adviser or his representative and a representative of the user, shall be constituted, in order to carry out the consultant selection procedure.
- (ii) The TC should not be very large as it may slow down the evaluation process. However, suitable domain/technical experts may be included in the committee to render assistance in evaluation of the bids.
- (iii) The representative of the user will work as a convenor of the TC. He shall distribute a copy of the Tender Document to the TC members and request them to familiarize themselves with the characteristics and requirements of the assignment, the selection procedure, and the evaluation criteria/ sub-criteria. The convenor of the TC should also call meeting of the TC members to review any questions they may have on the evaluation principles, procedures, objectives, etc.
- (iv) No member of TC should be reporting directly to any other member of the TC.
- (v) The TC shall be responsible for all aspects and stages of the consultant selection, that is, evaluation of EoI, shortlisting of consultants, deciding TORs, issuance of RfP, evaluation of technical and financial proposals, negotiations and final selection of the consultant. There no need to constitute any other committee for technical evaluation, preliminary evaluation, etc.
- (vi) Information relating to evaluation of tenders and the Tender TC's deliberations should be confidential and not be shared with persons not officially connected with the process.

3.9.3 Preparation and Vetting of Comparative Statement (Para 7.2 of the Manual for Procurement of Goods)

3.9.4 Preliminary Examination (Para 7.3 of the Manual for Procurement of Goods; Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement)

(1) Unresponsive Tenders: Tenders that do not meet the basic requirements specified in the bid documents are to be treated as unresponsive and ignored. All tenders received will first be scrutinised by the TC to see whether the tenders meet the basic requirements as incorporated in the Bid document and to identify unresponsive tenders, if any. Some important points on the basis of which a tender may be declared as unresponsive and be ignored during the initial scrutiny are:

- (i) The tender is not in the prescribed format or is unsigned or not signed as per the stipulations in the bid document;
 - (ii) The required EMD has not been provided or exemption from EMD is claimed without acceptable proof of exemption;
 - (iii) The bidder is not eligible to participate in the bid as per laid down eligibility criteria (example: the tender enquiry condition says that the bidder has to be a registered MSE unit but the tenderer is a, say, a large scale unit);
 - (iv) The tenderer has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer;
 - (v) The bid departs from the essential requirements specified in the bidding document (for example, the tenderer has not agreed to give the required performance security);
- or

(vi) Against a schedule in the list of requirements in the tender enquiry, the tenderer has not quoted for the entire requirement as specified in that schedule (example: in a schedule, it has been stipulated that the tenderer will supply the equipment, install and commission it and also train the purchaser's operators for operating the equipment. The tenderer has, however, quoted only for supply of the equipment).

(2) Non-conformities between Figures and Words: Sometimes, non-conformities/errors are also observed in responsive tenders between the quoted prices in figures and in words. This situation normally does not arise in case of eProcurement. This should be taken care of in the manner indicated below:

(i) If, in the price structure quoted for the required goods, there is discrepancy between the unit price and total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly;

(ii) If there is an error in a total corresponding to the addition or subtraction of sub-totals, the sub-totals shall prevail and the total shall be corrected; and

(iii) If there is a discrepancy between words and figures, the amount in words shall prevail. (iv) Such a discrepancy in an offer should be conveyed to the tenderer asking him to respond by a target date and if the tenderer does not agree to Procuring Entity's observation, the tender is liable to be rejected.

(3) Discrepancies between Original and Additional/ Scanned Copies of a Tender: Discrepancies can also be observed in responsive tenders between the original copy and other copies of the same tender set. In such a case, the text, and so on, of the original copy will prevail. Here also, this issue is to be taken up with the tenderer in the same manner as above and subsequent actions taken accordingly. In e-Procurement there could be discrepancies between the uploaded scanned copies and the Originals submitted by the bidder. However normally no submission of original documents in physical format other than Cost of Bid Documents (if any), Bid Security and statutory certificates (if any) should be asked for in e-Procurement.

(4) Minor Infirmary/ Irregularity/ Non-conformity: During the preliminary examination, some minor infirmity and/or irregularity and/or nonconformity may also be found in some tenders. Such minor issues could be a missing pages/ attachment or illegibility in a submitted document; non-submission of requisite number of copies of a document. There have been also cases where the bidder submitted the amendment Bank Guarantee, but omitted to submit the main portion of Bid Document. The court ruled that this is a minor irregularity. Such minor issues may be waived provided they do not constitute any material deviation and financial impact and, also, do not prejudice or affect the ranking order of the tenderers. Wherever necessary, observations on such 'minor' issues (as mentioned above) may be conveyed to the tenderer by registered letter/speed post, and so on, asking him to respond by a specified date also mentioning therein that, if the tenderer does not conform Procuring Entity's view or respond by that specified date, his tender will be liable to be rejected. Depending on the outcome, such tenders are to be ignored or considered further.

(5) Clarification of Bids/ Shortfall Documents: During evaluation and comparison of bids, the purchaser may, at his discretion, ask the bidder for clarifications on the bid. The request for clarification shall be given in writing by registered/speed post, asking the tenderer to respond by a specified date, and also mentioning therein that, if the tenderer does not comply or respond by the date, his tender will be liable to be

rejected. Depending on the outcome, such tenders are to be ignored or considered further. No change in prices or substance of the bid shall be sought, offered or permitted. No post-bid clarification at the initiative of the bidder shall be entertained. The shortfall information/documents should be sought only in case of historical documents which pre-existed at the time of the tender opening and which have not undergone change since then. These should be called only on basis of the recommendations of the TC. (Example: if the Permanent Account Number, registration with sales tax/ VAT has been asked to be submitted and the tenderer has not provided them, these documents may be asked for with a target date as above). So far as the submission of documents is concerned with regard to qualification criteria, after submission of the tender, only related shortfall documents should be asked for and considered. For example, if the bidder has submitted a supply order without its completion/performance certificate, the certificate can be asked for and considered. However, no new supply order should be asked for so as to qualify the bidder.

3.9.5 Evaluation of Responsive Bids and Decision on Award of Contract (Para 7.4 of the Manual for Procurement of Goods; Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement)

(1) Evaluation of Techno-commercial Bid (Para 7.4.1 of the Manual for Procurement of Goods): The Court has consistently taken a view that procuring entity is entitled to consider and allow minor deviations, which do not amount to material deviations. A material deviation, reservation, or omission which should not be waived are those that:

- (i) Affects, in any substantial way, the scope, quality or performance of the goods and related services specified in the contract;
- (ii) Limits, in any substantial way, inconsistent with the tendering documents, the procuring entity's rights or the tenderer's obligations under the contract; or
- (iii) If rectified, would unfairly affect the competitive position of other tenderers quoting substantially responsive tenders.

(2) Right of Bidder to question rejection at Techno-commercial Stage (Para 7.4.1 of the Manual for Procurement of Goods): A tenderer shall have the right to be heard in case he feels that a proper procurement process is not being followed and/or his Techno-commercial bid has been rejected wrongly. The tenderer is to be permitted to send his representation in writing. On receipt of representation it may be decided whether to withhold opening of the financial bids and bidder may be expeditiously replied.

(3) Evaluation of Financial Bids and Ranking of Tenders in general (Para 7.4.1 of the Manual for Procurement of Goods)

3.9.6 Deliberations by the Tender Committee for Award of Contract (Para 7.5 of the Manual for Procurement of Goods)

(1) Timely Processing of Tenders [Para 7.5.1 of the Manual for Procurement of Goods read with Rule 174 (i) of the GFR 2017]

Indicative Time Schedule

S.No.	Mode of Procurement	Maximum time for decision on award of tender/ rejection of all proposals (from the date of opening of the first stage bid/ proposal)	
		Indigenous	Imported
1.	Open Tender (e-tendering)	45 days	60 days
2.	Procurement through Registered Vendors/ (Special) Limited Tenders	30 days	45 days
3.	Proprietary basis/ nomination basis	21 days	30 days

(2) Extension of Tender Validity Period [Para 7.5.2 of the Manual for Procurement of Goods read with Rule 174 (iii) of the GFR 2017]: The entire process of scrutiny and evaluation of tenders, preparation of ranking statement and notification of award must be done expeditiously and within the original tender validity period. The validity period should not be unreasonably long as keeping the tender unconditionally valid for acceptance for a longer period entails the risk of getting higher prices from the tenderers. If, however, due to some exceptional and unforeseen reasons, the purchase Organisation is unable to decide on the placement of the contract within the original validity period, it may preferably request, before expiry of the original validity period, all the responsive tenderers to extend their tenders up to a specified period. While asking for such extension, the tenderers are also to be asked to extend their offers as it is, without any changes therein. They may also be told to extend the validity of the EMD for the corresponding additional period (which is to be specified in the request). A tenderer may not agree to such a request and this will not be tantamount to forfeiture of its EMD. But the tenderers, who agree to extend the validity, are to do so without changing any terms, conditions, and so on, of their original tenders.

(3) Variation of Quantities at the Time of Award: At the time of awarding the contract, the quantity to be procured must be re-judged based on the current data, since the ground situation may have very well changed. The tendered quantity can be increased or decreased by 25 (twenty-five) per cent for ordering, if so warranted. This may be mentioned in the tender documents. Any larger variation may throw up issues about transparency.

(4) Option clause: In case of long running, yearly procurements, to take care of any change in the requirement during the currency of the contract, a plus/minus option clause [normally 25 (twenty-five) per cent] is incorporated in the tender document, reserving purchaser's right to increase or decrease the quantity of the required goods up to that limit without any change in the terms and conditions and prices quoted by the tenderers. Higher the option limit more is the uncertainty for the tenderers in formulating their prices and more is the chance of loading on the prices quoted to take care of such uncertainties.

(5) Splitting of Contracts/ Parallel Contracts (Para 7.5.5 of the Manual for Procurement of Goods)

(6) Reasonableness of Prices: In every recommendation of the TC for award of contract, it must be declared that the rates recommended are reasonable. For more details on judging reasonableness of prices, the para 2.1.1 (iii)(e) of the Manual for

Procurement of Goods regarding the basis for estimation of the cost may be seen. Where there is no estimated cost, a comparison with Last Purchase Price (LPP- the price paid in the latest successful contract) is the basis for judging reasonableness of rates. The points stipulated under Para 7.5.6 of the Manual for Procurement of Goods may be kept in mind before LPP is relied upon as a basis for justifying rate reasonableness.

(7) Consideration of Abnormally Low Bids:

(i) An Abnormally Low Bid is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price. Procuring Entity may in such cases seek written clarifications from the Bidder, including detailed price analyses of its Bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, procuring entity determines that the Bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the Bid/Proposal. However, it would not be advisable to fix a normative percentage below the estimated cost, which would be automatically be considered as an abnormally low bid. Due care should be taken while formulating the specifications at the time of preparation of bid document so as to have a safeguard against the submission of abnormally low bid from the bidder.

(ii) In the case of predatory pricing as well, procuring entities may refer to the above consideration of Abnormally Low Bids to assist themselves in finalization of tenders.

(iii) No provisions should be kept in the Bid Documents regarding the Additional Security Deposit/ Bank Guarantee (BG) in case of Abnormally Low Bids. Wherever, there are compelling circumstances to ask for Additional Security Deposit/ Bank Guarantee (BG) in case of ALBs, the same should be taken only with the approval of the next higher authority competent to finalise the particular tender, or the Secretary of the Ministry/ Department, whichever is lower.

(8) Cartel Formation/ Pool Rates (Para 7.5.8 of the Manual for Procurement of Goods)

(9) Negotiations [Para 7.5.9 of the Manual for Procurement of Goods read with Rule 173 (xiv) of the GFR 2017]: Normally, there should be no negotiation. Negotiations should be a rare exception rather than the rule and may be resorted to only in exceptional circumstances. If it is decided to hold negotiations for reduction of prices, they should be held only with the lowest acceptable bidder (L1), who is technologically responsive for the supply of a bulk quantity and on whom the contract would have been placed but for the decision to negotiate. In no case, including where a cartel/pool rates are suspected, should negotiations be extended to those who had either not tendered originally or whose tender was rejected because of unresponsiveness of bid, unsatisfactory credentials, inadequacy of capacity or unworkable rates. The circumstances where negotiations may be considered could be:

(i) Where the procurement is done on nomination basis;

(ii) Procurement is from single or limited sources;

(iii) Procurements where there is suspicion of cartel formation which should be recorded; and

(iv) Where the requirements are urgent and the delay in re-tendering for the entire

requirement due to the unreasonableness of the quoted rates would jeopardise essential operations, maintenance and safety, negotiations with L1 bidder(s) may be done for bare minimum quantum of requirements. The balance bulk requirement should, however, be procured through a re-tender, following the normal tendering process.

(10) Consideration of Lack of Competition in OTE/ GTE/LTE [Para 7.5.10 of the Manual for Procurement of Goods read with Rule 173(xix) and Rule 173(xxi) of the GFR 2017]:

(i) Sometimes, against advertised/ limited tender cases, the procuring entity may not receive a sufficient number of bids and/ or after analysing the bids, ends up with only one responsive bid – a situation referred to as ‘Single Offer’. As per Rule 21 of DFPRs 1978, such situation of ‘Single Offer’ is to be treated as Single Tender. The contract may be placed on the ‘Single Offer’ bidder provided the quoted price is reasonable. However, restricted powers of Single tender mode of procurement would apply.

(ii) Before retendering, the procuring entity is first to check whether, while floating/ issuing the enquiry, all necessary requirements and formalities such as standard conditions, industry friendly specification, wide publicity, sufficient time for bidding, and so on, were fulfilled. If not, a fresh enquiry is to be issued after rectifying the deficiencies.

(iii) It has become a practice among some procuring entities to routinely assume that open tenders which result in single bids are not acceptable and to go for retender as a safe course of action. This is not correct. Re-bidding has costs: firstly, the actual costs of retendering; secondly the delay in execution of the work with consequent delay in the attainment of the purpose for which the procurement is being done; and thirdly the possibility that the re-bid may result in a higher bid. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the process may be considered valid provided following conditions are satisfied:

(a) The procurement was satisfactorily advertised and sufficient time was given for submission of bids;

(b) The qualification criteria were not unduly restrictive; and

(c) Prices are reasonable in comparison to market values.

(iv) In case of price not being reasonable, negotiations (being L1) or retender may be considered as justifiable. Unsolicited offers against LTEs should be ignored, however Ministries/ Departments should evolve a system by which interested firms can enlist and bid in next round of tendering.

(11) Cancellation of Procurement Process/ Rejection of All Bids/ Re-tender [Para 7.5.11 of the Manual for Procurement of Goods read with Rule 173(xix) of the GFR 2017]:

(12) Handling Dissent among Tender Committee (Para 7.5.12 of the Manual for Procurement of Goods; Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement):

(i) Tender Committee duties are to be discharged personally by the nominated officers. They may take help of their subordinate officers by way of reports/ evaluations, but they would still be answerable for such decisions. TC members cannot co-opt or nominate others to attend deliberations on their behalf. TC deliberations are best held

across the table and not through circulation of notes.

(ii) All members of the TC should resolve their differences through personal discussions instead of making to and fro references in writing. In cases where it is not possible to come to a consensus and differences persist amongst TC members, the reasons for dissent of a member should be recorded in a balanced manner along with the majority's views on the dissent note. The final recommendations should be that of the majority view. However, such situations should be rare. The Competent Authority (CA) can overrule such dissent notes after recording reasons for doing so clearly. His decision would be final.

(iii) In cases where the CA does not agree with the majority or unanimous recommendations of the TC, he should record his views and, if possible, firstly send it back to TC to reconsider along the lines of the tender accepting authority's views. However, if the TC, after considering the views of the CA, sticks to its own earlier recommendations, the CA can finally decide as deemed fit, duly recording detailed reasons. He will be responsible for such decisions. However, such situations should be rare.

(13) Independence, Impartiality, Confidentiality and 'No Conflict of Interest' at all Stages of Evaluation of Bids (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement): All technical, commercial and finance officials who have contributed to the techno-commercial or financial evaluation of bids, even though they may not be part of the TC should deal with the procurement in an independent, impartial manner and should have no conflict of interest with any of the bidder involved in the procurement. They should also maintain confidentiality of the information processed during the evaluation process and not allow it to reach any unauthorised person. They should sign a declaration at the end of their reports/notings stating that, "I declare that I have no conflict of interest with any of the bidder in this tender". TC members may make such a declaration at the end of their reports.

(14) Tender Committee Recommendations/ Report (Para 7.5.14 of the Manual for Procurement of Goods)

(15) System of Management Reporting as per Standard Format

3.9.7 Award of Contract (Para 7.6 of the Manual for Procurement of Goods)

(1) Letter of Acceptance (LoA) to Successful Bidder (Para 7.6.1 of the Manual for Procurement of Goods)

(2) Publication of Tender Results and Return of EMD of Unsuccessful Bidders [Para 7.6.2 of the Manual for Procurement of Goods read with Rule 173(xviii) of the GFR 2017; Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement]:

(i) Upon the successful bidder furnishing the signed agreement and performance security, each unsuccessful bidder will be promptly notified and their bid security be returned without interest within 30 (thirty) days of notice of award of contract.

(ii) The successful supplier's bid security shall be adjusted against the SD or returned as per the terms of the tender documents.

(3) Bidder's right to question rejection at this stage (Para 7.6.3 of the Manual for Procurement of Goods; Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement):

- (i) A tenderer shall have the right to be heard in case he feels that a proper procurement process is not being followed and/or his tender has been rejected wrongly. The tenderer is to be permitted to send his representation in writing.
- (ii) Bidding documents should explicitly mention the name, designation and contact details of officers nominated to receive representations in this regard. But, such representation has to be sent within 10(ten) days from the date of LoA.
- (iii) The procuring entity should ensure a decision within 15 (fifteen) days of the receipt of the representation.
- (iv) Only a directly affected bidder can represent in this regard.

(4) Performance Security (Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement): The supplier receiving the LoA is required to furnish the required performance security, if it is part of tender conditions, in the prescribed form by the specified date; failing this necessary action including forfeiture of EMD will be taken against the supplier.

(5) Acknowledgement of Contract by Successful Bidder and Execution (Para 7.6.5 of the Manual for Procurement of Goods; Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement):

- (i) After the successful bidder is notified that his bid has been accepted, he will be sent an agreement for signature and return, incorporating all agreements between the parties. The supplier should acknowledge and unconditionally accept, sign, date and return the agreement within 14 (fourteen) days from the date of issue of the contract in case of OTE and 28 (twenty-eight) days in case of GTE.
- (ii) Such acknowledgements may not be required in low value contracts, below Rupees two and a half Lakh or when the bidders offer has been accepted in entirety, without any modifications.
- (iii) While acknowledging the contract, the supplier may raise issues and/or ask for modifications against some entries in the contract; such aspects shall be immediately be looked into for necessary action and, thereafter, the supplier's unconditional acceptance of the contract obtained.
- (iv) If both parties (Procuring Entity and the supplier) simultaneously sign the contract across the table, further acknowledgement from the supplier is not required.
- (v) It should also be made known to the successful tenderer that in case he does not furnish the required performance security or does not accept the contract within the stipulated target dates, such non-compliance will constitute sufficient ground for forfeiture of its EMD and processing the case for further action against it (the successful tenderer).

(6) Framing of Contract (Para 7.6.6 of the Manual for Procurement of Goods)

(7) Procurement Records (Para 7.6.7 of the Manual for Procurement of Goods)

3.10 Rate Contract and Other Procurements with Special Features

3.10.1 Rate Contracts (Para 8.1 of the Manual for Procurement of Goods)

i) **Definition:** A Rate Contract (commonly known as RC) is an agreement between the Purchaser and the Supplier for supply of specified goods (and allied services, if any) at specified price and terms & conditions (as incorporated in the agreement) during the period covered by the Rate Contract. The Rate Contract is in the nature of a standing offer from the Supplier firm. The firm and/or the purchaser are entitled to withdraw/ cancel the Rate Contract by serving an appropriate notice on each other giving **FIFTEEN Days**' time. However, once a supply order is placed on the Supplier for supply of a definite quantity in terms of the rate contract during the validity period of the rate contract, that supply order becomes valid and binding contract.

ii) Merits of Rate Contract

iii) Period of Rate Contract

iv) Special Conditions applicable for Rate Contract

v) Parallel Rate Contracts

vi) Conclusion of Rate Contracts including Parallel Rate Contracts

vii) Cartel Formation/ Pool Rates/ Bid Rigging/ Collusive Bidding/ etc.

viii) Fall Clause (Price Safety Mechanism)

ix) Performance Security

x) Renewal of Rate Contracts

3.10.2 Handling Procurement in Urgencies/ Emergencies and Disaster Management (Para 8.2 of the Manual for Procurement of Goods)

3.10.3 Buy Back Offer (Para 8.3 of the Manual for Procurement of Goods)

3.10.4 Capital Goods/ Equipment [Machinery and Plant (M&P)] (Para 8.4 of the Manual for Procurement of Goods)

3.10.5 Turnkey Contract (Para 8.5 of the Manual for Procurement of Goods)

3.10.6 Annual Maintenance Contract (AMC) (Rule 169 of GFR 2017 read with para 8.6 of the Manual for Procurement of Goods)

3.11 Post Award Contract Management

3.11.1 Contract Management (Para 9.1 of the Manual for Procurement of Goods)

i) The Purpose of Contract Management

ii) Costs of Delay in Contract Management Decisions

3.11.2 Amendment to the Contract (Para 9.2 of the Manual for Procurement of Goods)

3.11.3 Operation of Option Clause (Para 9.3 of the Manual for Procurement of Goods)

3.11.4 Safeguards for Handing Over of Procuring Entity's Material/ Equipment to Contractor (Para 9.4 of the Manual for Procurement of Goods)

3.11.5 Payment to the Contractor (including delay in Payment) and Handling of Securities (Para 9.5 of the Manual for Procurement of Goods read with Para 12 of the

General Instructions on Procurement and Management; **Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement**):

- (i) Delay in eligible payments to contractors leads to compromise on the quality of performance in assignments and disputes. Hence, ad-hoc payments of not less than 75% of eligible due stage payment, shall be made within 10 working days of the submission of the bill. This period of 10 days is for completion of all processes including prima facie scrutiny and certification by the officer-in-charge (as declared by procuring entities). The remaining payment is also to be made after final checking and approval of the bill within 28 working days of submission of bill by the contractor. In case the payment has not been released within 10 working days as prescribed above, it shall be made as soon as possible, and after payment a written explanation for delay shall be submitted to the next higher authority to the authority approving the award of tender within three working days.
- (ii) A provision may be put in place in the tender document/ contract for payment of interest in case of delayed payment of bills by more than 30 working days after submission of bill by the contractor. Where interest is to be paid, the rate of interest should be the rate of interest on General Provident Fund.
- (iii) In case of unwarranted discretionary delays in payments, including failure to authorize / make *ad hoc* payments, responsibility shall be fixed on the concerned officers. The tender approving authority should have a system to monitor delays in payments and to identify such unwarranted delays.
- (iv) The final bill should also be paid to the contractor within three months after completion of work.

3.11.6 Payment Procedure in GeM [Para 4.17.7 of the Manual for Procurement of Goods; applicable to the Procurement of Consultancy and Other (Non-Consultancy) Services made through GeM as well]: The payments on GeM are primarily categorized under two heads i.e. through PFMS or GeM Pool Account. The Payments through PFMS includes, *inter-alia*, the following process:

- (i) On issue of Sanction order and placing the Contract for goods, the full amount required from the relevant Budget Head should be blocked in the PFMS. In cases of Services, amount should be blocked for one payment cycle as defined in the contract. Before releasing payment for any cycle, the funds required for the next payment cycle should be blocked so as to ensure availability of payable funds for the next payment cycle. Blocked fund will be treated as accrued expenditure by PFMS for the financial year in question and it will not be withdrawn for any other purpose other than the one for which the amount is Blocked. In order to alleviate the operational issues as well as to ensure optimum utilization of available funds, the following additions are made:
 - (a) The provision of fund blocking equivalent to full contract value is applicable only for contracts with delivery periods of up to 20 days. For contracts with longer delivery periods, fund blocking of appropriate amounts shall be initiated at a date 20 days prior to expected delivery date or on the date of invoice generation by the Seller in GeM whichever is earlier. In case of non-availability of required funds at that point of time, both buyer and seller shall be alerted, and the Buyer, the HoD, the DDO/ PAO and finally up to AS&FA of concerned Ministry/ Department shall be alerted by email and SMS by GeM. On failure in making available the required funds in the appropriate head of account within 10 days, seller has right to decline supply and to seek contract cancellation without any administrative action against the seller. Also, in such a case, any delay in delivery by the seller will also become exempt from the provision of

Liquidated Damages.

(b) Functionality to un-block the blocked funds in exceptional cases/ emergency cases with some validations: Head of Department (HoD) of the organization on GeM can unblock certain % of blocked funds of a contract (may be upto 100%) with the approval of associated finance of the Ministry/ Department or the CPSE in exceptional cases/ emergency cases after giving a clear undertaking that he will ensure timely availability of funds and unblocking will not lead to delay payments to sellers. However, such unblocking will not allowed if the seller has already raised an invoice (before 1st March of Financial Year).

(c) Funds for the relevant financial year should be blocked only if the delivery period is such that the delivery is scheduled before the 1st of March of that financial year. If the delivery is scheduled in March of that financial year or scheduled in the next financial year then fund blocking is optional for buyer in current financial year and mandatory only in the next financial year in the 1st week of April.

(ii) For all contracts placed through GeM, the payment through PFMS to all Sellers/ Service Providers must be released online only against electronic bill generated on GeM. No offline payment should be made in such cases to avoid double payment. Only in exceptional cases such as non-availability of the GeM platform or long shutdown of internet services at Buyer location or similar force majeure conditions, such off-line payments can be resorted to subject to the condition that immediately after resolution of the problem, necessary entries would be made on-line in GeM portal to obviate the possibility of double payment.

3.11.7 Procedure for seeking approval of the competent authority for Payment Release [Applicable to the Procurement of Consultancy Services, Other(Non-Consultancy) Services as well as to the Works Procurement]: For all payments including the running bill payment, stage payment, and final payment, the approval of tender accepting authority should be sought before release of payments. However, in case of availability of specific head of delegation of financial powers regarding the release of payments as different from the tender accepting authority, then the same may be followed. Besides, the tender accepting authority may also authorize, in consultation with associated/ integrated finance, to any below level officers for processing of the bill. Nevertheless, release of all such payments and settlement of the final bill should be processed through the Associated/ integrated Finance as per the terms and conditions of the contract as per para 6.2(iii)(c) of the Manual for Procurement of Goods.

3.11.8 GST Payment Mechanism [Circular No.65/39/2018-DOR dated 14.09.2018 read with Circular No.67/41/2018-DOR dated 28.09.2018 and rules on 'Reverse Charge Mechanism' issued by the Department of Revenue, Ministry of Finance; **Applicable to the Procurement of Consultancy Services, Other (Non-Consultancy) Services as well as to the Works Procurement**]:

(1) Section 51 of the CGST Act 2017 provides for deduction of tax by the Government Agencies (Deductor) or any other person to be notified in this regard, from the payment made or credited to the supplier (Deductee) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds Rs. 2,50,000/- (Rupees Two Lakh and Fifty Thousand). The amount deducted as tax under this section shall be paid to the Government by deductor within ten days after the end of the month in which such deduction is made alongwith a return in FORM GSTR-7 giving

the details of deductions and deductees. Further, the deductor has to issue a certificate to the deductee mentioning therein the contract value, rate of deduction, amount deducted etc.

(2) As per the Act, every deductor shall deduct the tax amount from the payment made to the supplier of goods or services or both and deposit the tax amount so deducted with the Government account through NEFT to RBI or a cheque to be deposited in one of the authorized banks, using challan on the common portal. In addition, the deductors are entrusted the responsibility of filing return in FORM GSTR-7 on the common portal for every month in which deduction has been made based on which the benefit of deduction shall be made available to the deductee. All the DDOs in the Government, who are performing the role as deductor have to register with the common portal and get the GST Identification Number (GSTIN).

(3) For payment process of Tax Deduction at Source under GST two options can be followed, which are as under: -

(i) Option I: Individual Bill-wise Deduction and its Deposit by the DDO- In this option, the DDO will have to deduct as well as deposit the GST TDS for each bill individually by generating a CPIN (Challan) and mentioning it in the Bill itself. Following process shall be followed by the DDO in this regard:

(a) The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain the (a) Total amount, (b) net amount payable to the Contractor/Supplier/Vendor and (c) the 2% TDS amount of GST.

(b) The DDO shall login into the GSTN Portal (using his GSTIN) and generate the CPIN (Challan). In the CPIN he shall have to fill in the desired amount of payment against one/many Major Head(s) (CGST/SGST/UTGST/IGST) and the relevant component (e.g. Tax) under each of the Major Head.

(c) While generating the CPIN, the DDO will have to select mode of payment as either (a) NEFT/RTGS or (b) OTC. In the OTC mode, the DDO will have to select the Bank where the payment will be deposited through OTC mode.

(d) The DDO shall prepare the bill on PFMS (in case of Central Civil Ministries of GoI), similar payment portals of other Ministries/Departments of GoI or of State Governments for submission to the respective payment authorities.

(e) In the Bill, (a) the net amount payable to the Contractor; and (b) 2% as TDS will be specified.

(f) In case of NEFT/RTGS mode, the DDO will have to mention the CPIN Number (as beneficiary's account number), RBI (as beneficiary) and the IFSC Code of RBI with the request to payment authority to make payment in favour of RBI with these credentials.

(g) In case of the OTC mode, the DDO will have to request the payment authority to issue 'A' Category Government Cheque in favour of one of the 25 authorized Banks. The Cheque may then be deposited along with the CPIN with any of branch of the authorized Bank so selected by the DDO.

(h) Upon successful payment, a CIN will be generated by the RBI/Authorized Bank and will be shared electronically with the GSTN Portal. This will get credited in the electronic Cash Ledger of the concerned DDO in the GSTN Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GSTN portal using his Login credentials.

(j) The DDO should maintain a Register as per proforma given in Annexure 'A' to keep record of all TDS deductions made by him during the month. This Record will be helpful

at the time of filing Monthly Return (FORM GSTR-7) by the DDO. The DDO may also make use of the offline utility available on the GSTN Portal for this purpose.

(k) The DDO shall generate TDS Certificate through the GST Portal in FORM GSTR-7A after filing of Monthly Return.

(ii) Option II: Bunching of deductions and its deposit by the DDO- Option-I may not be suitable for DDOs who make large number of payments in a month as it would require them to make large number of challans during the month. Such DDOs may exercise this option wherein the DDO will have to deduct the TDS from each bill, for keeping it under the Suspense Head. However, deposit of this bunched amount from the Suspense Head can be made on a weekly, monthly or any other periodic basis. Following process shall be followed by the DDO in this regard:

(a) The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain the (a) Total amount, (b) net amount payable to the Contractor/Supplier/Vendor and (c) the 2% TDS amount of GST.

(b) The DDO shall prepare the bill on PFMS (in case of Central Civil Ministries of GoI), similar payment portals of other Ministries/Departments of GoI or of State Governments for submission to the respective payment authorities.

(c) In the Bill, it will be specified (a) the net amount payable to the Contractor; and (b) 2% as TDS.

(d) To enable the DDOs to account for the TDS bunched together (in terms of Option II), following sub-head related to the GST-TDS below the Head 8658.00.101-PAO Suspense has been opened:

S.No.	Major Head	Sub Head Description	Major Head Serial Code (8-digit reduced accounting code)	SCCD Code
1.	8658-00-101	08-GST TDS	86580344	367

(e) The DDO will require to maintain the Record of the TDS so being booked under the Suspense Head so that at the time of preparing the CPIN for making payment on weekly/monthly or any other periodic basis, the total amount could be easily worked out.

(f) At any periodic interval, when DDO needs to deposit the TDS amount, he will prepare the CPIN on the GSTN Portal for the amount (already booked under the Suspense Head).

(g) While generating the CPIN, the DDO will have to select mode of payment as either (a) NEFT/RTGS or (b) OTC. In the OTC mode, the DDO will have to select the Bank where the payment will be deposited through OTC mode.

(h) The DDO shall prepare the bill for the bunched TDS amount for payment through the concerned payment authority. In the Bill, the DDO will give reference of all the earlier paid bills from which 2% TDS was deducted and kept in the suspense head. The DDO may also attach a certified copy of the record maintained by him in this regard.

(j) The payment authority will pass the bill by clearing the Suspense Head operated against that particular DDO after exercising necessary checks.

(k) In case of NEFT/RTGS mode, the DDO will have to mention the CPIN Number (as beneficiary's account number), RBI (as beneficiary) and the IFSC Code of RBI with the request to payment authority to make payment in favour of RBI with these credentials.

(m) In case of the OTC mode, the DDO will have to request the payment authority to issue 'A' Category Government Cheque in favour of one of the 25 authorized Banks. The Cheque may then be deposited along with the CPIN with any of branch of the authorized Bank so selected by the DDO.

(n) Upon successful payment, a CIN will be generated by the RBI/Authorized Bank and will be shared electronically with the GSTN Portal. This will get credited in the electronic Cash Ledger of the concerned DDO in the GSTN Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GSTN portal using his Login credentials.

(p) The DDO shall file the Return in FORM GSTR-7 by 10th of the following month.

(q) The DDO shall generate TDS Certificate through the GSTN Portal in FORM GSTR-7A.

(r) The DDO should maintain a Register as per proforma given below to keep record of all TDS deductions made by him during the month. This Record will be helpful at the time of filing Monthly Return (FORM GSTR-7) by the DDO. The DDO may also make use of the offline utility available on the GSTN Portal for this purpose.

Proforma for record to be maintained by the DDO for filing of GSTR7

S.No.	GSTIN of the Deductee	Trade Name	Amount paid to the Deductee on which tax is deducted	Integrated Tax	Central Tax	State/UT Tax	Total

(4) Accordingly, it is mandatory on the part of Government Agencies (Deductor) to deduct and deposit the TDS on GST in a manner and time-frame stipulated under the extant rules/provisions in order to avoid the issue of "late deposition" or "non-deposition" of the GST amount by the agency. Further, as the extant decision of the DoWR, RD&GR, the balance GST amount is to be settled and released on actual basis after checking the availability of following documents:

(i) Copy of the GSTR-1;

(ii) Copy of GSTR-3B; and

(iii) CA certificate (in case of private entity)/ Account or Finance Officer certificate (in case of Government entity), indicating detail of invoices against which the payment under GSTR-3B has been made.

(5) Generally, the supplier of goods or services is liable to pay GST. However, in specified cases like imports and other notified supplies, the liability may be cast on the recipient under the reverse charge mechanism. Reverse Charge means the liability to pay tax is on the recipient of supply of goods or services instead of the supplier of such goods or services in respect of notified categories of supply. The relevant details of the supplies of goods and services under reverse charge mechanism is as under:

Description of Supply of Goods/ Services	Supplier of Goods/ Services	Recipient of Goods/ Services
--	-----------------------------	------------------------------

<u>Used vehicles, seized and confiscated goods, old and used goods, waste and scrap</u>	Central Government, State Government, Union territory or a local authority	Any registered person
<u>Any service supplied by any person who is located in a non-taxable territory to any person other than non-taxable online recipient.</u>	Any person located in a non- taxable territory	Any person located in the taxable territory other than non-taxable online recipient.
GTA Services	Goods Transport Agency (GTA) who has not paid integrated tax at the rate of 12%	Any factory, society, cooperative society, registered person, body corporate, partnership firm, casual taxable person; located in the taxable territory
<u>Legal Services by advocate</u>	An individual advocate including a senior advocate or firm of advocates	Any business entity located in the taxable territory
<u>Services supplied by an arbitral tribunal to a business entity</u>	An arbitral tribunal	Any business entity located in the taxable territory
<u>Services provided by way of sponsorship to any body corporate or partnership firm</u>	Any person	Any body corporate or partnership firm located in the taxable territory
Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding, - (1) renting of immovable property, and (2) services specified below- (i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Central Government, State Government or Union territory or local authority; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) transport of goods or passengers.	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory

Services supplied by a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India	A person located in non-taxable territory	Importer, as defined in clause (26) of section 2 of the Customs Act, 1962(52 of 1962), located in the taxable territory
Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works to a publisher, music company, producer or the like	Author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in the taxable territory

3.11.9 Monitoring of Supplier Performance (Para 9.6 of the Manual for Procurement of Goods): As soon as the order is issued, entry shall be made in the progress of supply order register recording therein the name of the supplier, items, rate, quantity, amount, delivery schedule, and so on. Monitoring should ensure that suppliers adhere to contract terms, performance expectations are achieved (such as timely deliveries, quality of goods supplied, and adherence to proper procedure for submitting invoices, and so on) and any problems are identified and resolved in a timely manner. Without a sound monitoring process, there can be no assurance that the buyer has received what was contracted. A sound system for monitoring the performance of the suppliers in a contract would also be useful in selecting a good supplier in future procurement of the same or similar materials. Purchase order-wise data will be maintained in this register regarding execution by and performance of the supplier. The register shall form the basis for the Management Information System report on unexecuted purchase orders beyond scheduled deliveries, reports on performance of suppliers, and so on.

3.11.10 Delays in Performance of Contract and Issuance of Contract Variations (Para 9.7 of the Manual for Procurement of Goods read with Clause 9 of the GCC of the Model Tender Document for Procurement of Goods)

- (i) Delivery Period
- (ii) Terms of Delivery
- (iii) Severable and Entire Delivery Contracts
- (iv) Extension of Delivery
- (v) Delay in Supplies for which Supplier is not Responsible
- (vi) Performance Notice
- (vii) Force Majeure
- (viii) Denial Clause
- (ix) Liquidated Damages
- (x) Quantum of Liquidated Damages

- (xi) Waiver of Liquidated Damages
- (xii) Handling Deliveries after the Expiry of Delivery Period

3.11.11 Inordinate delays: Inexcusable delays of more than one-fourth (25 percent) of the total completion period shall be treated as inordinate delays. Such inordinate delays shall be noted as poor performance and be held against the contractor in future tenders. A show-cause notice shall be issued to the contractor before declaring it a poor performance. Such delays may be considered as a breach of the contract at the option of the Procuring Entity.

3.11.12 Breach of Contract, Remedies and Termination (Para 9.8 of the Manual for Procurement of Goods; Applicable to the Procurement of Consultancy Services, Non-Consultancy Services as well as to the Works Procurement)

(1) Breach of Contract and Remedial action: In case the contractor is unable to honour important stipulations of the contract, or gives notice of his intention of not honouring or his inability to honour such a stipulation, a breach is said to have occurred. Mostly, such breaches occur in relation to the performance of the contract in terms of inability to complete the assignment within stipulated time. It could also be due to breach of ethical standards or any other stipulation that affects Procuring Entity seriously. As soon as a breach of contract is noticed, a show cause notice should be issued to the contractor, giving two weeks' notice, reserving the right to implement contractual remedies. If there is an unsatisfactory resolution, remedial action may be taken immediately.

(2) Termination of Contract: The Competent Authority may terminate a contract in following cases-

- (i) Cancellation Contract for Default
- (ii) Termination of Contract for Insolvency
- (iii) Termination of Contract for Convenience

(3) If termination takes place because of a fundamental breach/ insolvency on the part of the contractor, the Officer-in-Charge/ Engineer-in-Charge shall issue a certificate for the value of assignment completed, deducting from the amounts in respect of: (i) advance payments; (ii) any recoveries; (iii) taxes as due; and (iv) percentage to apply to the assignment not completed as indicated in the contract data. If the total amount due to the Procuring Entity exceeds that due to the contractor, the difference will be a debt payable to the Procuring Entity.

3.11.13 Dispute Resolution (Para 9.9 of the Manual for Procurement of Goods)

- (1) Arbitration Clause
- (2) Foreign Arbitration
- (3) Arbitration Awards

3.11.14 Closure of Contract (Para 9.10 of the Manual for Procurement of Goods)

- (i) Material Reconciliation
- (ii) Reconciliation with the User Office/ User Organization
- (iii) Payment Reconciliation

3.11.15 Management Report's in specified format to deal with delay in taking timely decisions as stipulated under Para 11.11 of the General Instructions on Procurement and Management

3.11.16 Goods Receiving (Para 9.11 of the Manual for Procurement of Goods)

- (i) Transportation of Goods
- (ii) Distribution of Dispatch Documents for Clearance/ Receipt of Goods
- (iii) Receipt of Consignment:
- (iv) Preliminary Inspection on Receipt
- (v) Detailed Inspection on Receipt

3.11.17 Quality Assurance and Inspection (Para 9.12 of the Manual for Procurement of Goods)

- (i) Inspections- Measuring Quality Standards
- (ii) Types of Inspection:
 - (a) Pre-dispatch Inspection
 - (b) Inspection of Goods on Receipt at Consignee/ User's Site
 - (c) Manufacturer's Quality Self-Certification
 - (d) Inspection on Installation and Commissioning
- (iii) Types of Inspection Agencies:
 - (a) Internal Inspection Authorities
 - (b) External Inspecting Authorities
 - (c) Joint Inspection on Complaint
- (iv) Issue of Inspection Report
- (v) Material put up for Inspection towards the End of Delivery
- (vi) Franking Clause on Acceptance and Rejection
- (vii) Approval of Acceptable Deviations

3.11.18 Storage and Issue of Inspected Goods (Para 9.13 of the Manual for Procurement of Goods)

3.11.19 Accounting and Payment of Received Materials (Para 9.14 of the Manual for Procurement of Goods)

- (i) Goods Receipt and Inspection Report
- (ii) Passing of Supplier's Bills

3.12 Disposal of Scrap Goods

3.12.1 Scrap for Disposal (Para 10.1 of the Manual for Procurement of Goods)

3.12.2 Classification and Categorisation (Para 10.2 of the Manual for Procurement of Goods)

3.12.3 Survey of Materials for Classifying as Scrap for Disposal (Para 10.3 of the Manual for Procurement of Goods)

3.12.4 Modes of Disposal (Para 10.4 of the Manual for Procurement of Goods): e-Auction through GeM is to be expedited first for disposal.

3.12.5 Preparation for Disposal and Determining Reserve Price (Para 10.5 of the Manual for Procurement of Goods)

3.12.6 Conditions of Disposal Applicable to all Modes of Disposal (Para 10.6 of the Manual for Procurement of Goods)

- (i) 'As-Is-Where-Is' basis
- (ii) Inspection by Bidders
- (iii) Right to Reject all Bids
- (iv) Excise Duty and Taxes

3.12.7 Disposal through Tender (Para 10.7 of the Manual for Procurement of Goods)

3.12.8 Disposal through Auction (Para 10.8 of the Manual for Procurement of Goods)

3.12.9 Disposal at Scrap Value or by Other Modes (Para 10.9 of the Manual for Procurement of Goods)

3.12.10 Delivery of Sold Material (Para 10.10 of the Manual for Procurement of Goods)

- (i) Free Delivery Time and Ground Rent
- (ii) All Risks to the Buyer
- (iii) Terms of Delivery
- (iv) Default by Seller
- (v) Default by Buyer
- (vi) Witnessing Delivery
- (vii) Deliveries of Scrap
- (viii) Variation in Available Quantity
- (ix) Conclusion of Delivery

3.12.11 Procedure for Adjustment of Sale Proceeds in the Books of Accounts (Para 10.11 of the Manual for Procurement of Goods)

3.13 Procurement of Goods under World Bank Funded Projects: In case of World Bank funded expenditure/ procurement, the broad Standard Operating Procedure's (SOPs) provided for purely domestic budgetary expenditure/ procurement may be followed subject to prevailing of World Bank guidelines/ procedure in case of any explicit inconsistency between purely domestic budgetary expenditure/ procurement condition(s) and World Bank funded expenditure/ procurement condition(s).

Annexure's Concerning Procurement of Goods

Annexure-I

Purchase Requisition (Indent) for Goods (Non-stock)

Name of Indenting

Office _____

(Send in duplicate and separate requisition to be furnished for each Trade Group)

(Refer Para 4.4.2 and 5.1.1 of the Manual for Procurement of Goods)

No.:				Date:						
Department:				Office						
Category of Stores/ Trade Group:				In case of equipment spares- details of equipment/ assembly where fitted:						
Goods are required by Date:				Consignee and place of delivery						
Details of items										
S.N o.	Descripti on/ Specifica tion/ Drawing/ Sample	Uni t	Past Consumpt ion			Availab le Stock, if any	Total Quanti ty Indent ed	Estimate d/ Past Purchas e Rate	Last Purcha se Refere nce	Total Estima ted Cost
			Y r- 3	Y r- 2	Y r- 1					
a	B	c	d	e	f	g	h	i	j	k
Estimate Name/ number:										
Allocation No.:						Code No.:				
Is proprietary certificate attached: Yes, refenece/ No										
<p>It is certified that all:</p> <ol style="list-style-type: none"> 1. Description, technical specification and quantity are in conformity with the guidelines in this regard in the Procurement Manual for Goods. 2. Technical and financial approvals at appropriate levels as per DFPR have been obtained. 3. Funds are provisioned for in the budget. 4. The quantity indented does not exceed any sales, consumption or usage limits of requirements, if any, laid down by competent authority. 										
Signature (Office Superintendent)						Signature (Indenting Officer)				

Annexure-II**Goods Purchase Requisition (PR) Register for Indenters**

_____ (Name of Indenting Office)

(Refer Chapter 2 of Para 2.1.2 of the Manual for Procurement of Goods)

(To be prepared and maintained by the intending divisions)

Name of Procuring Entity to whom PRs sent _____

S.No.	Description	Quantity	PR No. and Date	Date of Submission	Ascertained from Procuring Entity					Date of Receipt of Material	Remarks
					Tender No. and Opening Date	Contract Ref. and Date	Quantity	Name of Supplier	Delivery Date		
1	2	3	4	5	6	7	8	9	10	11	12
Signature (Office Superintendent)						Signature (Indenting Officer)					

Annexure-III**Goods Purchase Requisition (PR) Register for Procuring Entity**

Name of the Procuring Entity: _____

(Refer Chapter 2 Para 2.1.2 of the Manual for Procurement of Goods)

(To be prepared and maintained by the Procuring Entity)

Date/ S.No.	Tender File No.	PR No. and Date	Description	Quantity	Date of Receipt of PR	Indenter	Tender Type/ Date of Floating	Date of Tender Opening	Contract No. and Date	Supplier	Quantity	Delivery Date	S.No. of Contract Progress Register	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Signature (Office Superintendent)							Signature (Procuring Officer)							

Note:

- 1) The register will be reviewed and signed by Head of Office every month.
- 2) A summary will be prepared and submitted to HOD every quarterly.

Limited Tender Form for Procurement of Goods

(Refer Para 4.4.3 and 5.5.1 of the Manual for Procurement of Goods)

Name of the Procuring Entity _____

Firm's Reference				Date					
Firm Registration No. (if any)				PAN (attach photocopy)					
TIN/VAT/CST No.		LIMITED TENDER FORM		Address :					
Phone									
Fax									
Email									
M/s:		Enquiry No. and Date							
		Date of Tender Opening							
		The tender would be opened at three pm on the date of tender opening above, at the address mentioned above.							
Please submit on or before 3:00 pm on the date of tender opening, your quotation for the following goods, in accordance with the terms and conditions printed overleaf, in a sealed cover, marked on top with – Enquiry No; Date of Tender Opening.									
Yours Sincerely Procuring Officer									
Tender Schedule : All Rates in Figures and in Words in Rupees									
Sr. No:	Description and Specification	Qty.	Unit	Delivery Terms	Rate per Unit	Taxes & Duties	Packing/ forwarding	Total Rate per Unit	Total Value
Delivery Schedule :									
Enclosed Specifications/ Drawings/ Special Conditions of Contract :									
Item/ Tender Specific Conditions of this Tender :									
I/ we engage to supply the material(s) to your office and comply the following:									
1. Tender schedule and technical specification indicated.									

2. Item/tender specific conditions for this tender. 3. Terms and conditions printed overleaf. 4. General conditions of contract signed by me at the time of supplier registration (for registered suppliers). 5. I/we confirm that set off for the ED, VAT, etc. Paid on the inputs have been taken into consideration in the above quoted price and further agree to pass on such additional duties as sets offs as may become available in future under VAT, etc. 6. This offer is valid for 90 (ninety) days from the date of opening of the tender. 7. That we have not been debarred by any Government/Undertaking. 8. That the rates quoted are not higher than the rates quoted for same item to any Government/Undertaking. 9. That the bid submitted by us is properly sealed and prepared so as to prevent any subsequent alteration and replacement.			
Signature & Seal		Name of Authorised Signatory:	
Place & Date :			
Address :		Tel. No. / Fax No./ Mobile No. Email ID :	

TERMS AND CONDITIONS OF LIMITED TENDER

- i) The quotation must be in the form furnished by procuring entity and should be free from corrections/erasures. In case there is any unavoidable correction it should be properly attested. If not the quotation will not be considered. Quotation written in pencil will not be considered.
- ii) Quotation will be opened on due date at 3.00 pm at the indicated venue in presence of the tenderers or their representatives who may wish to be present.
- iii) The Government of India reserves the right to accept the offer by individual items and reject any or all tenders without assigning any reason thereof and does not bind itself to accept lowest quotations.
- iv) Participation in this tender is by invitation only and is limited to the selected procuring entity's registered suppliers. Unsolicited offers are liable to be ignored. However, suppliers who desire to participate in such tenders in future may bring it to the notice of procuring entity and apply for registration as per procedure. Note: to get registered as an approved supplier with the procuring entity, please download supplier approval form from _____ and submit.
- v) Manufacturer's name and country of origin of materials offered must be clearly specified. Please quote whether your organisation is large scale industry or small scale industry. If you have NSIC/ MSE/ MSI Certificate, please attach it to the quotation. Mention your registration details.

- vi) Complete details and ISI specification if any must accompany the quotation. Make/ brand of the item shall be stated wherever applicable. If you have got any counter offer as suitable to the material required by us, the same may be shown separately.
- vii) Samples must be submitted where specified along with the quotations. Samples must be carefully packed, sealed and labelled clearly with enquiry number, subject and sender's name for easy identification. Rejected samples will be returned at your cost if insisted.
- viii) All drawings, sketches and samples, if any, sent along with this enquiry must be returned along with quotations duly signed.
- ix) All supplies are subject to inspection and approval before acceptance. Manufacturer/supplier warranty certificates and manufacturer/ Government approved lab test certificate shall be furnished along with the supply, wherever applicable.
- x) The Government of India reserves the right to modify the quantity specified in this enquiry.
- xi) The prices quoted should be firm till the supplies are completed. Please quote the rates in words and figures. Rates quoted should be free delivery at destination including all charges otherwise the quotation is likely to be rejected. Prices quoted for free delivery at destination will be given preference. If there is no indication regarding the FOR, in the quotation, then it will be considered as FOR destinations. Price quoted should be net and valid for a minimum period of three months from the date of opening of the quotation.
- xii)
- xiii) Payment of sales tax is primarily the responsibility of the seller and will not be paid unless the percentage value is clearly mentioned in the quotations. If no indication regarding CST/ST is recorded in the quotation, the CST/ST will be considered as included.
- xiv) Delivery period required for supplying the material should be invariably specified in the quotation.
- xv) In case your quotation is accepted and order is placed on you, the supply against the order should be made within the period stipulated in the order. The Government of India reserves the right to recover any loss sustained due to delayed delivery by way of penalty. Failure to supply the material within the stipulated period shall entitle Procuring Entity for the imposition of penalty without assigning any reasons @ 1/2% (half percent) of the total value of the item covered in order as penalty per day subject to a maximum of 5% (five percent) unless extension is obtained in writing from the office on valid ground before expiry of delivery period.
- xvi) If the deliveries are not maintained and due to that account Procuring Entity is forced to buy the material at your risk and cost from elsewhere, the loss or damage that may be sustained there by will be recovered from the defaulting supplier.
- xvii) Dispute clause: Any dispute relating to the enquiry shall be subject to the jurisdiction of the court at [indicate Place] only.
- xviii) Our normal payment terms are 100% (hundred percent) within 30 (thirty) days on receipt and acceptance of material at our site in good condition.

Annexure-V

Proprietary Article Certificate

(Valid for the Current Financial Year)

(Refer Para 4.6.1 of the Manual for Procurement of Goods)

File Number and Date Reference		
1	Description of article	
2	Forecast of quantity/ annual requirement	
3	Approximate estimated value for above quantity	
4	Maker's name and address	
5	Name(s) of authorized dealers/ stockiest	
6	I approve the above purchase on PAC basis and certify that: -- Note- Tick to retain only one out of (b), (c-1) or (c-2) whichever is applicable and cross out others. Please do confirm (a) by ticking it – without which PAC certificate will be invalid.	
6(a)	This is the only firm who is manufacturing/stocking this item. AND	<input type="checkbox"/>
6(b)	A similar article is not manufactured/sold by any other firm, which could be used in lieu OR	<input type="checkbox"/>
6(c-1)	No other make/brand will be suitable for following tangible reasons (like OEM/ warranty spares): OR	<input type="checkbox"/>
6(c)	No other make/brand will be suitable for following intangible reasons (if PAC was also given in the last procurement cycle, please also bring out efforts made since then to locate more sources): OR	<input type="checkbox"/>
7	Reference of concurrence of finance wing to the proposal :	

History of PAC purchase of this item for past three years may be given below			
Name of Supplier			
Order/ Tender Reference & Date	Quantity Ordered	Basic Rate on Order (Rs.)	Adverse Performance Reported if Any

Signature of Approving Authority.....

Date.....Designation of Officer.....

Annexure-VI

Purchase without Quotation Format for Procurement of Goods

(Refer Para 4.9.2 of the Manual for Procurement of Goods)

Ref No: _____

Place: _____

Date: _____

“I, _____, am personally satisfied that the goods (described below) purchased are of the requisite quality and specification and have been purchased from a reliable supplier/ contractor at a reasonable price.”

Item:	
Quantity:	
Indenter:	
Unit Rate:	
Taxes/ Duties:	
Other Charges:	
Total Unit Price:	
Total Price:	
Purchased from M/s:	
Vide Bill No.:	
Justification:	
Cheque may be drawn in favour of:	
Name:	
Designation:	
Signature:	

Annexure-VII

Purchase Committee Certificate Format for Procurement of Goods

(Refer Para 4.10.2 and 4.11.2 of the Manual for Procurement of Goods)

Ref No: _____

Place: _____

Date: _____

“Certified that we the undersigned, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier/contractor recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/Department concerned.” The details of recommended purchase are:

Item:						
Quantity:						
Indenter:						
Details of Prices Ascertained:						
Bidder	Unit Rate:	Taxes/ Duties:	Other Charges:	Total Unit Price:	Total Price:	Recommendations and Comments
Selected Quotation						
Bidder						
Unit Rate, Taxes/ Duties/ Other Charges						
Total Unit Rate						
Total Value of Purchase						
Cheque may be drawn in favour of						
Signature :		Signature :		Signature :		
Name 1 :		Name 2 :		Name 3 :		
Designation :		Designation :		Designation :		

Sample Prequalification Criteria for Procurement of Goods

(Refer Para 4.15.2 of the Manual for Procurement of Goods)

Criteria 1 - Experience and Past Performance:

- i) The bidder (*manufacturer or principal of authorised representative – hereinafter referred simply as 'The Bidder'*) should have regularly for at least the last three years, ending 31st March (or any other year ending followed in relevant country) of the previous financial year (*hereinafter called 'The relevant Date'*), manufactured and supplied (/erected/ commissioned) Name of Requirement, with the same or higher specifications having/with – parameters (*hereinafter called 'The Product'*), and
- ii) The bidder' should have manufactured and supplied (/ erected/ commissioned) at least numbers (*herein after referred as 'The Qualifying Quantity'*) of 'The Product' in at least one of the last five years ending on 'The relevant Date', and
- iii) Out of which at least one numbers of offered version/ model of 'The product' should be in successful operation for at least two years on the date of bid opening.

Criteria 2 - Capability- Equipment & manufacturing Facilities:

'The bidder' must have an annual capacity to manufacture and supply (/ erected/commissioned) at least 'The Qualifying Quantity'.

Note: In case of multiple products in a tender, this criterion shall be applicable product wise. For example, in case of Printing Paper of different specifications/ sizes, it shall be applicable to quantity of paper manufactured and supplied specification/ size wise.

Criteria 3 - Financial Standing – under all conditions

- a) The average annual financial turnover of 'The bidder' during the last three years, ending on 'The relevant Date', should be at Rs. _____ millions (or equivalent in foreign currency at exchange rate prevalent on 'The Relevant Date') as per the annual report (audited balance sheet and profit & loss account) of the relevant period, duly authenticated by a Chartered Accountant/ Cost Accountant in India or equivalent in relevant countries.
- b) (Deleted)
The net worth of the Bidder firm (manufacturer or principal of authorised representative) should not be negative on 'The Relevant Date' and also ii)

should have not eroded by more than 30%(thirty percent) in the last three years, ending on 'The Relevant Date'

Note: In case of Indian Bidders/ companies (manufacturer or principal of authorised representative) who have been restructured by Banks in India, under the statutory guidelines, they would be deemed to have qualified the Financial standing criteria considering the institutional financial backing available to them.

Applicability in Special Cases:

a) Applicability to 'Make in India': Bidders (manufacturer or principal of authorised representative) who have a valid/ approved ongoing 'Make in India' agreement/ program and who while meeting all other criteria above, except for any or more of sub-criteria in Experience and Past Performance above, would also be considered to be qualified provided:

- 1) their foreign 'Make-in-India' associates meet all the criteria above without exemption, and
- 2) the Bidder submits appropriate documentary proof for a valid/ approved ongoing 'Make in India' agreement/ program.
- 3) the bidder (manufacturer or principal of authorised representative) furnishes along with the bid a legally enforceable undertaking jointly executed by himself and such foreign Manufacturer for satisfactory manufacture, Supply (and erection, commissioning if applicable) and performance of 'The Product' offered including all warranty obligations as per the general and special conditions of contract.

b) Authorized Representatives: Bids of bidders quoting as authorised representative of a principal manufacturer would also be considered to be qualified, provided:

- 1) their principal manufacturer meets all the criteria above without exemption, and
- 2) the principal manufacturer furnishes a legally enforceable tender-specific authorisation in the prescribed form assuring full guarantee and warranty obligations as per the general and special conditions of contract; and
- 3) the bidder himself should have been associated, as authorised representative of the same or other Principal Manufacturer for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' for past three years ending on 'The Relevant Date'.

c) For Existing Successful Past Suppliers: In case the bidder (manufacturer or principal of authorised representative) who is a successful past supplier of 'The Product' in at least one of the recent past three procurements, who do not meet any or more of requirements above, would also be considered to be qualified in view of their proven credentials, for the maximum quantity supplied by him in such recent past.

d) Joint Ventures and Holding Companies: Credentials of the partners of Joint ventures cannot (repeat cannot) be clubbed for the purpose of compliance of PQC in

supply of Goods/Equipment, and each partner must comply with all the PQC criteria independently. However, for the purpose of qualifying the Financial Standing Criteria, the Financial Standing credentials of a Holding Company can be clubbed with only one of the fully owned subsidiary bidding company, with appropriate legal documents proving such ownership.

NOTE FOR BIDDERS:

- a) **Doctrine of Substantial Compliance'**: The Pre-Qualification Bidding (PQB) and Pre-Qualification Criteria (PQC) are for shortlisting of sources who are competent to perform this contract to ensure best value for money from expenditure of Public Money. This process is neither intended to bestow any entitlement upon nor to create any rights or privileges for the Bidders, by way of overly hair-splitting or viciously legalistic interpretations of these criteria, disregarding the very rationale of the PQB and PQC. Keeping this caveat in view, interpretation by Procuring Entity would be based on common usage of terminologies and phrases in public procurement in accordance with the 'Doctrine of Substantial Compliance' and would be final.
- b) Along with all the necessary documents/ certificates required as per the tender conditions, the bidder should furnish a brief write-up, backed with adequate data, explaining his available capacity (both technical and financial), for manufacture and supply of the required goods/equipment, within the specified time of completion, after meeting all their current commitments.
- c) Supporting documents submitted by the bidder must be certified as follows:
 - i) All copy of supply/work order; respective completion certificate and contact details of clients; documents issued by the relevant Industries Department/ National Small Industries Corporation (NSIC)/ manufacturing licence; annual report, etc., in support of experience, past performance and capacity/capability should be authenticated by the by the person authorised to sign the tender on behalf of the bidder. Original Documents must be submitted for inspection, if so demanded.
 - ii) All financial standing data should be certified by certified accountants, for example, Chartered Accountants/ Cost Accountants or equivalent in relevant countries; and Indian bidder or Indian counterparts of foreign bidders should furnish their Permanent Account Number.

NOTE FOR PURCHASER

Portions in italics are for your decision/ guidance; these are not to be printed in the bid documents. Portion within [] brackets are to be filled without brackets. Footnotes are for internal guidance and should not be part of the bid documents.

Annexure-IX

Bid Opening Attendance Sheet cum Report for Procurement of Goods (Refer Para 5.3 of the Manual for Procurement of Goods) <i>[Name of Procuring Entity]</i> Attendance Record						
Sr. No.	Bidder's Name	Bidder's Address	Bidder's Authorisation and Date	Represented by	Contact No.	Signature of Representative

Bid Opening Report							
Tender No			Title			Date of Opening	
Offer No.	Bidder's Name	Bidder's Ref and Date	Submission of Requisite EMD (Y/N)	Submission of other Mandatory Documents (Y/N)	Rate Quoted and Taxes / Duties	Signature of Representative	
--/--							
--/--							
--/--							

Total no. of regular tenders taken out from the tender box to be opened as mentioned above.....

(in figures and in words)

Signature, Date and Time Name and Designation of Tender Opening Officer	Signature, Signature, Date and Time Name and Designation of Tender Opening Officer
--	---

Received total regular tenders..... (In figures/words) as above

Signature, Date and Time Name and Designation of Procuring Entity Officer	Signature, Signature, Date and Time Name and Designation of Procuring Entity Officer
--	---

Annexure-X

Tender Committee Minutes Format for Procurement of Goods

(For Techno-Commercial/Financial Bids)

(Refer Para 7.4.3 and 7.5.12 of the Manual for Procurement of Goods)

Organisation: _____					
Minutes of Tender Committee Meeting (Techno-commercial/Financial Bids)					
Section I : Top Sheet					
File No :				Date :	
Description				Estimated Cost :	
Tender Published In				Date Of Publication	
Bid Validity				Bid Opening Date	
Past Procurements					
Sr. No.	Supplier	Order Reference & Date	Quantity	Basic Rate (Rs.)	Remarks
Members of the Tender Committee					
Sr. No.	Name	Designation	Sr. No.	Name	Designation
1			2		
3			4		
Section II : Salient Feature of the Tender					
Review background of indent; technical and financial approvals; estimated cost; budgetary provisions; urgency of requirement; special technical requirements and other connected procurements which are part of same package/project					
Review mode of bidding; bidding document contents; bid publication; level of competition obtained; issues if any noticed during bid-opening (bids not opened due to lack/ unsatisfactory EMD, etc.) and any other procurement of this requirement in process (at various stages)					
Review special conditions, restriction if any, on participation of bidders; purchase preferences, requirements prescribed in bid documents (EMD, document submission, etc.)					
Section III : Preliminary Evaluation					
Review handling of any complaints received					
Review/confirmation of quantity and period of delivery required					
Discuss preliminary evaluation for determining substantially responsive bids and for minor corrections and clarifications					
Section IV: Evaluation of Responsive Bids					
Bid-wise deliberation should be recorded					
In case of evaluation of Financial Bids					

- i) Start with review of techno-commercial evaluation
- ii) Insert a summary table of evaluated price in the order of L1, L2, etc.
- iii) Deliberations should be in the sequence of L1, L2, etc.

Section V: Summary of Recommendations

Bid-wise recommendation should be recorded

In case of evaluation of financial bids,

- a) Give a summary of recommended bids, award value, bid expiry date and special conditions, if any.
- b) Also mention that the rates recommended are considered reasonable (and basis for such determination).
- c) Total value of the recommendations for determining level of acceptance authority.
- d) Mention that none of the TC members have any conflict of interest with the parties recommended for award.
- e) Request acceptance of recommendations by competent authority and that it's within his powers of acceptance as per SoPP/ DFPR

Signature Name and Designation of the Members

1		2	
	Date :		Date :
	(Name & Designation)		(Name & Designation)
3		4	
	Date :		Date :
	(Name & Designation)		(Name & Designation)

Remarks by the Accepting Authority:

Signature: _____ Date: _____

Name & Designation of Accepting Authority _____

Annexure-XI

Invitation of Negotiations for Procurement of Goods

(Refer Para 7.5.7 of the Manual for Procurement of Goods)
(On letterhead of the procuring entity)

No: _____

Dt: _____

To M/s _____
Registered A/D

Sub: **Tender No ----- opened on -----for the
supply of -----**

Dear Sir,

The rates quoted in your tender are considered high. You are therefore, requested to come for negotiations of rates, on..... (date) at..... (time) at..... (venue).

You should, however, come for negotiations only in case you are prepared to furnish before such date the declaration appended herewith.

A copy of the form in which you may submit your revised offer after negotiations is enclosed.

Yours faithfully,

(Authorised Officer)

Enclosure:

- i) Form of Declaration
- ii) Form of Revised Offer

Form of Declaration of Negotiations for Procurement of Goods

(Refer Para 7.5.7 of the Manual for Procurement of Goods)
(To be signed and submitted before start of negotiations)
(On company letterhead)

No: _____

Dt: _____

To _____

Sub: **Tender No** ----- **Opened on** -----**for the supply**
of -----

Ref: Your invitation for negotiations No: dated:

Dear Sir,

I _____ duly authorised on behalf of M/s.
_____ do declare that in the event of failure of the contemplated
negotiations relating to Tender No. _____ opened on
_____ my original tender shall remain open for acceptance on
its original terms and conditions.

Yours faithfully,

Place: _____

Date: _____

Signatures of bidder, or officer authorised
to sign the bid documents on behalf of the bidder

Annexure-XII

Format of Revised Offer in Negotiations for Procurement of Goods

(Refer Para 5.5.7 of the Manual for Procurement of Goods)

(On company letterhead)

From.....

Full address.....

To

Sir,

**Sub: Tender No ----- opened on -----for the supply
of -----**

Ref: Your invitation for negotiations no: dated:

1. On further discussions with your representatives onin
response to your letter no dated.....

We are not prepared to reduce the rates already quoted in the original
tender, which will remain valid up to.....

Or

1. I / we reduce my/our rates as shown in the enclosed schedule of items.

2. I / we am/are aware that the provisions of the original bidding
document remain valid and binding on me.

3. I/we undertake to execute the contract as per following Schedule.....

4. I/we agree to abide by this tender on the revised rate quoted by me/us,
it is open for acceptance for a period of 120/180 (one hundred twenty to one
hundred eighty) days from this date, i. e., up to and in
default of my/our doing so, I/we will

forfeit the earnest money deposited with the original tender/ attached
herewith. Eligibility as valid tenderers shall be deemed to be the consideration
for the said forfeiture.

Yours faithfully,

Signatures of bidder or
officer authorised to sign the bid
documents on behalf of the bidder

Annexure-XIII

Letter (Notification) of Award (LoA) of Contract for Procurement of Goods

(Refer Para 7.6.1 Manual for Procurement of Goods)

Name of the procuring

entity_____

Confidential

Contract No: [Insert date]

Contract Title:

To,

M/s. [Insert name & address]

Sub: Award of contract for contract no: [insert contract number] and contract title:

[insert contract title]

REF. Your offer no. [insert offer number] against our tender no. [insert tender no]
opened on [insert date of opening of tender]

Dear Sir/ Madam

I am directed to inform you that after evaluating the bid documents submitted by you on ----[enter date] -----[Enter Name of procuring Entity] is pleased to inform you that you have been selected as the successful bidder for the supply of [enter description]. The total purchase price shall be [enter amount] as indicated in your financial bid submitted on [enter date], in accordance with the procedures intimated in the relevant bid documents.

You/your authorised representative(s) are requested to be personally present at [insert address] for the signing of the contract by [enter date].

In this respect, we also request you to submit the performance security of [insert amount of Rupees in words] by [insert date]. Security deposit being 10% (ten percent) of the total cost = Rs._____.

Please apply for refund of EMD deposited over and above the SD of if any.

You are requested to execute necessary agreement within seven days from the date of issue of this letter in the enclosed agreement form. Special adhesive stamp of Rs.10 (Rupees Ten) and revenue stamp of Rupee one shall be affixed on the enclosed agreement form. Treasury receipts of EMD and SD shall be deposited in office within the stipulated time limit as above.

This notification concludes the legally binding contract between you and the Government of India, till issue of a formal contract.

Yours truly,
[Authorised Officer]

Enclosure: Agreement Form along with the schedule of delivery

Annexure-XIV**Progress of Supply Order Register for Procurement of Goods**

(Refer Para 9.6 Manual for Procurement of Goods)

Sr. No.	Supply Order No. and Date	Brief Description of Material	Name of the Supplier & Registration No.	Quantity & Due Date of Delivery		Quantity & Actual Date of Delivery		Whether Delay was Attributable to the Supplier or Procuring Entity?	Whether Penalty is Imposed or not?	Status of Security Deposit	Remarks
				Qty.	Date	Qty.	Date				
1	2	3	4	5	6	7	8	9	10	11	12

Office Superintendent**Procuring Officer**

Note:

1. The register will be reviewed and signed by Head of Office every month.
2. A summary will be prepared and submitted to HOD every quarterly.

Annexure-XV

Proposal for Extension of Delivery Period for Procurement of Goods

(Refer Para 9.7.4 Manual for Procurement of Goods)

Department		Office	
Description		Contract value	
Contract No:		Date :	
Variations applicable	PVC/ERV/Statutory Variations	Type of contractor	Govt. Dept./PSU/MSE
Contractor & Regn. No.:		Quantity on order	
Quantity already supplied		Quantity remaining	
Details of earlier extensions granted		Is it a contract :	Development/Indigenisation
Reference and date of request for extension		Reasons cited for extension	
Original/ extended delivery period/ date		Proposed extension of period/ dated	
Signature of Procuring Officer		Date	

Remarks of Indenter:

Regarding the proposed extension of delivery period/date, the following remarks are given regarding loss and inconvenience due to delay:

Loss: (strike out options not applicable): No loss would be incurred/ loss is incurred but cannot be quantified/ loss to the extent of Rs. ----- would be incurred

Inconvenience: (strike out what is not applicable): No inconvenience would be incurred/inconvenience would be incurred

Proposed extension in delivery is recommended with above remarks.

Signature of Indenting Officer and Date

Proposal by Procuring Entity

It is certified that:

a) That a higher rate in the original tender was not accepted against other lower quotations in consideration of the earlier delivery;

b) That there is no falling trend in prices for this item as evidenced from the fact that in the intervening period neither orders have been placed at rates lower than this

contract nor any tender has been opened where such rates have been received even though tender is not yet decided.

It is proposed to grant extension of delivery period/date up to _____, (strike out options not applicable) with recovery of liquidated damages/ with recovery of token liquidated damages/ without any liquidated damages and with/without denial clause, in view of justifications recorded below: -----

In view of value of the contract and proposal regarding liquidated damages, this would require approval of ----- (competent authority). This would/ would not require financial concurrence.

Signature of Procuring Officer and Date

Head of Office recommendations/approval
Signature of Superintending Engineer/date

**Format for Extension of Delivery Period/Performance Notice for
Procurement of Goods**

(Refer Para 9.7.4, 9.7.6 and 9.7.8 Manual for Procurement)

Name of the Procuring
Entity_____

Registered A/D or

Extension of Delivery Period/Performance Notice

To M/s (name and address of form)

Sub: Contract No ----- **dated** -----**for the supply of** -----
--

Ref: Your letter no. ----- **dated:** -----

Dear Sir,

1. You have failed to deliver {the (fill in qty.) of Stores/ the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In your letter under reply you have asked for [further] extension of time for delivery. In view of the circumstances stated in your said letter, the time for delivery is extended from (fill in date) to (fill in date)
2. Please note that notwithstanding the grant of this extension in terms of Clause (fill in clause number) of the subject contract an amount equivalent to.....% (.....per cent) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/the last unconditionally re-fixed delivery date (as & if applicable), viz., (fill in date) will be recovered from you as liquidated damages. You may now tender the Stores for inspection [balance of the Stores] in terms of this letter. Stores if any already tendered by you for inspection but not inspected will be now inspected accordingly.
3. You are also required to extend the validity period of the performance guarantee for the subject contract from (fill in present validity date) to (fill in required extended date) within 15 (fifteen) days of issue of this amendment letter.
4. The above extension of delivery date will also be subject to the following Denial Clause.

- 1) That no increases in price on account of any statutory increase in or fresh Imposition of customs duty, excise duty, Sales Tax, CST, VAT or on account of any other taxes/duty, including custom duty), leviable in respect of the Stores specified in the said contract which takes place after (insert the original delivery date) shall be admissible on such of the said Stores, as are delivered after the said date; and.
 - 2) That notwithstanding any stipulation in the contract for increase in price on any other ground including foreign exchange rate variation, no such increase which takes place after (insert the original delivery date) shall be admissible on such of the said Stores as are delivered after the said date.
 - 3) But nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of customs duty, excise duty, Sales Tax, VAT/CST or on account of any other Tax or duty or on any other ground as stipulated in the price variation clause or foreign exchange rate variation which takes place after the expiry of the above mentioned date namely (insert the original delivery date)
5. All other terms and conditions of the contract remain unaltered. This is without any prejudice to purchasers' rights under the terms and conditions of the subject contract.
 6. Please intimate your unconditional acceptance of this amendment letter within 10 (ten) days of the issue of this letter failing which the contract will be cancelled at your risk and expense without any further reference to you.

Yours faithfully,
(Authorised Officer)

Duly authorised, for and on behalf of The President of India

Note: Select one option within { } brackets; delete portion within [] brackets, if not applicable; fill in () brackets. Brackets and this note are not to be typed.

Substitute following first para instead of first para in format above, for issuing a performance notice.

1. You have failed to deliver {the (fill in qty.) of Stores/ the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In spite of the fact that the time of delivery of the goods stipulated in the contract is deemed to be of the essence of the contract, it appears that (fill in the outstanding quantity) are still outstanding even though the date of delivery has expired. Although not bound to do so, the time for delivery is extended from (fill in date) to (fill in date) and you are requested to note that in the event of your failure to deliver the goods within the delivery period as hereby extended, the contract shall be cancelled for the outstanding goods at your risk and cost.

Annexure-XVII

**Model Format for Correspondence with Supplier after Expiry of
Delivery Date for Procurement of Goods**

(Ref Para 9.8 Manual for Procurement of Goods)

Registered Acknowledgement Due

To
M/s _____

Sub: Contract No..... dated..... for supply
of.....

Dear Sirs,

The date of delivery of the subject contract expired on _____. As supplies against the same have not yet been completed, there is a breach of the contract on your part. As information is required regarding past supplies against this contract, you are requested to send the particulars regarding the quantity supplied so far and, also, the quantity inspected so far, but not yet dispatched and the quantity ready but so far not tendered for inspection before the expiry of the date of delivery. The above information is required for the purpose of verification of our records and is not intended to keep the contract alive and does not waive the breach. This is without prejudice to the rights and remedies available to the purchaser in terms of the contract and law applicable in this behalf.

Yours faithfully,

(-----)
for.....

Annexure-XVIII

No Claim Certificate for Procurement of Goods

(Refer Para 9.5 and 9.10 Manual for Procurement of Goods)

(On company letterhead)

To,
(Contract Executing Officer)
Procuring Entity_____

**Sub: Contract Agreement no. _____ dated _____ for the
supply of _____**

We have received the sum of Rs. (Rupees _____ only)
in full and final settlement of all the payments due to us for the supply of
_____ under the abovementioned contract agreement, between us and
Government of India. We here by unconditionally and without any reservation
whatsoever, certify that with this payment, we shall have no claim whatsoever, of any
description, on any account, against Procuring Entity, against aforesaid contract
agreement executed by us. We further declare unequivocally, that with this payment,
we have received all the amounts payable to us, and have no dispute of any
description whatsoever, regarding the amounts worked out as payable to us and
received by us, and that we shall continue to be bound by the terms and conditions of
the contract agreement, as regards performance of the contract.

Yours faithfully,
Signatures of contractor or officer authorised to sign the contract documents on
behalf of the contractor
(company stamp)

Date: _____

Place: _____

Annexure-XIX

Goods Receipt and Inspection Report

(Refer Para 9.14.1 Manual for Procurement of Goods)

Purchase Order No.		RR/GC No. & Date		Procuring Entity	
Name of Supplier M/s		Date of Clearance from Transporter		GOODS RECEIPT AND INSPECTION REPORT	
Indenter		Date of Inspection and Acceptance/ Rejection		ACCEPTANCE/ REJECTION	Part/ Full Quantity
Materials procured for Project/ Scheme		Earlier GRIR No. for Part Supply		GRIR No.	
Allocation		Code No.		Date	

Nos.	Description of Materials	Code No.	Invoice No.	Qty. as per S.O.	Qty. Recd.	Qty. Inspected		Rate Unit	Amount	Taxes/ Duties	Packing/ Forwarding	Total Amount
						Accepted	Rejected	Rs.	Rs.			Rs.

Copy to	Reason for not accepting the material	
A/c Officer		
Indenting Officer	Inspected by me	Received above material of correct quantity and Quality
Procuring Officer	Sign	Sign
Book-Keeping	Inspecting Officer	Indenting / Receiving Officer
Inspecting Officer		(Not below the Rank of Supervisor)

In case of rejected quantity: replacement required/not required_____. Rejected materials of local firms will normally be delivered at the designated consignee. Firms are required to arrange collection within 14 (fourteen) days from the date of rejection failing which Procuring Entity's responsibility will cease and after that time they will remain at supplier's entire risk and if not removed before a further period of seven days, Procuring Entity shall have the right to dispose of such stores as deemed fit at the supplier's risk and account without further reference to them and to recover thereafter from the supplier's as ground rent or demurrage at the rate of Rs.....per day for consignments occupying less than 0.2 (point two) cubic meters, or 50 (fifty) kilograms in weight and up to Rs..... per day for articles bulkier or heavier than above. Rejected materials of firm from outstation if not removed within 21 (twenty-one) days of the rejection will be dispatched to them by goods train freight to pay at public tariff rate. A/c Officer may please recover any advance payment or freight charges paid for such rejected quantity.

Annexure-XX**Pay Order Form for Procurement of Goods**

(Refer Para 9.14.2 Manual for Procurement of Goods)

Name of Procuring

Entity_____

Indenter

Sub-office

Allocation

Name of work

Estimate No., etc.

Name of the Supplier

P.O No. & Date, etc.

Whether full payment or part
payment

Ref. to GRIR No. Page No., etc.

No. of enclosures (Sub- voucher etc.)

Ref. to Materials at Site A/c

Consumable Register Page/Item No.

Sr. No.	Particulars	Ref. to Item No. of PO	Qty.	Unit	Rate	Amount

Certificate:-

1. Certified that the materials have been received on _____ in accordance with the specifications of the PO and good condition.

2. Certified that the terms and conditions prescribed in the PO have been duly observed by the supplier and payment can be made in full (other certificates where necessary may be given on reverse)

Passed for Rs. _____

Office Superintendent (_____) Accounts Officer (_____) Head of
Office (_____)

Passed for Payment of Rs.

_____ Rupees _____

Pay Rs. _____

Rupees _____

Auditor (_____) D A / Supdt, (_____) AAO(_____)

Bill paid/cheque issued No. _____ Date _____

Pay Order No. _____

Cashier (_____)

Survey Committee's Report

(Refer Para 10.3.2 Manual for Procurement of Goods)

Name of the Organisation _____

SURVEY COMMITTEES REPORT

Report Reference No :											Date :		
Sr. No.	Code No.	Description of Stores	Quantity		Book Value			Total	Total	User Dept.	Reason of Survey	Recommendation of Survey Committee	Remarks by the Competent Authority
			No.	Wt.	Rate	Unit	Amount	Est Scrap Value	Est Loss				
1	2	3	4	5	6	7	8	9	10	11	12	13	14
(Signature)					(Signature)					(Signature)			
Committee Member Designation					Committee Member Designation					Committee Member Designation			
Date and Place :													
Signature Competent Authority													

Annexure-XXII

Sale Account for Goods Disposed

(Refer Para 10.10.9 Manual for Procurement of Goods)

Name of the Organisation _____

Lot No .	Particular of Stores	Quantity / Weight	Name and Full Address of Purchaser	Highest Bid Accepted (Name of bidder & bid value)	Amount and Date Earnest Money/ Security Deposit Realised	Amount & Date on which the complete amount is realized and credited with cashier and reference thereof	The Actual Date of Handing over of the Article with Quantities with reference of issue notes and gate pass	Signature s of the Purchaser	e-Auction Service Provider's Commission and Acknowledgement for its Payment	Book Value	Profit / Loss w.r.t. Book Value
(Signature)					(Signature)				(Signature)		
Auction Disposal Officer					Accounts Representative				Security Staff		

Annexure-XXIII

Register of Fixed Assets

[Rule 211(ii)(a) of the GFR 2017]

(For the purpose of Government Accounting, Fixed Asset is an Asset as distinguished from Consumables and Fixed Asset may include Tangible Assets, Intangible Assets, Capital-Work-in-Progress and Intangible Assets under Development)

Name and Description of the Fixed Assets_____

Date	Particulars of Asset	Particulars of Supplier		Cost of the Asset	Location of the Asset	Remarks
		Name and address	Bill No. and date			

NOTE: The items of similar nature but having significant distinctive features (e.g. study table, office table, computer table, etc.) should be accounted for separately in stock.

Annexure-XXIV

Stock Register of Consumables such as Stationery, Chemicals, Spare Parts, etc.

[Rule 211(ii)(b) of the GFR 2017)

(Consumable is a small, everyday item that is bought, 'used up', and replaced)

Name of Article _____

Unite of Accounts _____

Date	Particulars	Suppliers Invoice No. and Date	Receipt	Issue Voucher No.	Issue	Balance	Unit Price

NOTE: User's indent in original shall be treated as issue voucher. Issue voucher number shall be in consecutive order, financial year wise and it should be noted on each indent.

Register of Assets of Historical/ Artistic Value

[Rule 211(ii)(d) of the GFR 2017]

Name of the Asset _____

Date of acquisition	Source of acquisition	Cost price, if any	Particulars which make it an asset of historic/ artistic value	Particulars of the custodian of the asset	Location of the asset	Remarks

NOTE 1: The custodian shall take appropriate measures for preservation of the assets.

NOTE 2: The present value of the asset should be ascertained by obtaining appropriate valuation from an expert agency and the same is indicated in Column 3, every five years.

TEMPLATES FOR MANAGEMENT REPORTS (MIS) AND KEY PERFORMANCE INDICATORS (KPIs)

Delays by more than one month in floating of tenders against indents received

S.No.	Item/ Work Code and Description	Quantity, Value Required/ Indented	Date Received in Procuring Entity	Date of Floating Tenders	Remarks

1. Delays by more than one month in finalising tenders over ideal time (Chapter 7, Para 1.2)

S. No.	Tender Number & Opening date	Item/Work Code and Description	Quantity & Value	Date Indent Received in Procuring Entity	Delay as per Ideal Time	Likely Date of Contract/ Remarks

2. Cases of tenders discharged or proposed for re-tendering

S. No.	Tender No. & Opening Date	Item/Work Code and Description	Quantity & Value	Reasons of Discharge/ Retendering	Level of Approval	Is it a case of Repeat Retendering	Actions Taken to Avoid Repetition

3. Delays by over one month in signing contracts after finalisation of tender

S. No.	Tender Number & Opening Date	Item/Work Code and Description	Quantity & Value	Date of Finalisation Decision	(Likely) Date of Contract Signing	Remarks

4. Delays by over three months in Performance of Contract

Po No. & Date	Item/Work Code and Description	Contractor Name/ Code	Original Delivery/ Performance Period/ Date	Delay in Weeks	Indicative Delivery/ Performance Date	Proposed Action/ Remarks

5. Delays in Payment by Over three months from due date

Po No. & Date	Item/Work Code and Description	Vendor Name/ Code	Date of Performance/ Delivery	Due date of payment as per Contract	Date of Signing Payment order Voucher	Likely Date of Payment	Proposed Action/ Remarks

6. Top 10 Contractors during the current year

S. No.	Vendor Name/Code	Item/ Work Code/ Description	Number of Value of Orders			Remarks
			Outstanding as on April 1,	Further Ordered Since Then	Value of Supplies since April 1,....	

7. KPIs during last month/quarter/financial year

Work Load & Throughput	Number/ Value/ Ratio
Number and Value of Indent pending contract placement	
Number and value of indents received during the month	
Number and value of tenders floated during the month	
Number and value of tenders finalized during the month	
Number and value of contracts signed during the month	
Number and value of payments made for deliveries/ performance during the month	
Efficiency of procurement process	
Productivity-number and value wise tenders finalized/on hand per head of staff	
Average time taken for award decision for OTE, GTE, LTE, PAC/OEM/STE categories of procurement	
Proportions of tenders on PAC, STE basis with reference to the total number/value of tenders	
Proportions of tenders on limited/ selective bidding with reference to the total number/ value of tenders	
Proportion of tenders through e-procurement with reference to the total number/ value of tenders	

Chapter-4: Standard Operating Procedure for Procurement of Consultancy Services

4.1 Definitions/ Scope for Procurement of Consultancy Services:

4.1.1 “Consulting Service” means any subject matter of procurement (which as distinguished from ‘Non-Consultancy Services’ involves primarily non-physical project-specific, intellectual and procedural processes where outcomes/ deliverables would vary from one consultant to another), other than goods or works, except those incidental or consequential to the service, and includes professional, intellectual, training and advisory services or any other service classified or declared as such by a procuring entity but does not include direct engagement of a retired Government servant. These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultants, Advisory and Project related Consulting Services which include feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development etc.

4.1.2 The procurement of IT Projects should normally be carried out as Procurement of Consultancy Services, as the outcomes/ deliverables vary from one service provider to another. The IT Projects may include:

- i) Bespoke software development;
- ii) cloud based services; and
- iii) Composite IT system integration services involving design, development, deployment, commissioning of IT system including supply of hardware, development of software, bandwidth and operation/ maintenance of the system for a definite period after go-live etc.

4.1.3 “Consultancy Services” means a one-off (that is, not repetitive and not routine) services, involving project specific intellectual and procedural process using established technologies and methodologies but the outcomes- which are primarily of non-physical nature- may not be standardised and would vary from one consultant to another. **“Consultancy Services” covers** range of services that are of an advisory or professional nature and are provided by consultants. These services typically involve providing expert or strategic advice e.g., management consultants, policy consultants or communications consultants, advisory and project related consultancy services and include, for example: feasibility studies, project management, engineering services, architectural services, finance, accounting and taxation services, training and development. **It may also include** small works or supply of goods or non-consultancy services which are incidental or consequential to such services but **does not include** direct engagement of a retired Government servant.

4.2 Justification/ Need for Procurement of Consultancy Services (Para 1.10.1 of the Manual for Procurement of Consultancy & Other Services in addition to rule 178 and 180 of GFR 2017)

4.3 Principles for Public Procurement of Consultancy Services (Para 1.6 and 1.10.1 of the Manual for Procurement of Consultancy & Other Services in addition to rule 179 and 182 of GFR 2017)

4.4 Applicability of the Law of Agency to the Procurement of Consultancy Services (Para 1.12 of the Manual for Procurement of Consultancy & Other Services)

4.5 Procurement Proposal (Concept Paper) for Consultancy Services (Para 1.15 of the Manual for Procurement of Consultancy & Other Services in addition to rule 181 of the GFR 2017)

4.6 Types of Consultants (Para 2.1 of the Manual for Procurement of Consultancy & Other Services in addition to rule 177 of the GFR 2017)

4.6.1 Consortium of Consultants

4.6.2 Consultancy Firms

4.6.3 Individual Consultants

4.6.4 Specialized Agencies and Institutions

4.6.5 Non-Governmental Organizations (NGO)

4.6.6 Retired Government Servant

4.7 Types of Contracts (Para 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6 of the Manual for Procurement of Consultancy & Other Services)

4.7.1 Lump sum (Firm Fixed Price) Contract

4.7.2 Time based (Retainer-ship) Contracts

4.7.3 Percentage (Success Fee) Contract

4.7.4 Retainer-ship cum Success Fee based Contract

4.7.5 Indefinite Delivery Contract

4.8 Systems of Selection of Consultancy Service Providers (Para 3.7, 3.8, 3.9, 3.10 and 3.11 of the Manual for Procurement of Consultancy & Other Services)

4.8.1 Price based System- Least Cost Selection (LCS)

4.8.2 Quality and Cost Based Selection (QCBS)

4.8.3 Direct Selection: Single Source Selection (SSS)

4.8.4 Fixed Budget based Selection

4.9 Preparation of Terms of Reference (ToR) (Para 4.1 of the Manual for Procurement of Consultancy & Other Services)

4.10 Estimating Costs, Seeking Administrative Approval and Expenditure Sanction (Para 4.2 of the Manual for Procurement of Consultancy & Other Services):

4.10.1 Preparation of a well-thought-through cost estimate is essential if realistic budgetary resources are to be earmarked. Cost estimates may be prepared based on the following facts:

(1) Categories: Costs shall be divided into two broad categories: (a) fee or remuneration (according to the type of contract used); and (b) reimbursable costs. Depending on the nature of the assignment, cost estimates may be prepared either in local currency or with a combination of local plus foreign currencies. Cost estimate should provide for forecast of inflation during the period of assignment.

(2) Estimated Resources: The cost estimate shall be based on the Procuring Entity's assessment of the resources needed to carry out the assignment:

- (a) Staff time;
- (b) logistical support (City, National and International Travels/ Trips and durations);
- (c) physical inputs (for example, vehicles, laboratory equipment); and
- (d) Miscellaneous (Support services, contingencies and Profit element, taxes and duties).

(3) Rates: Costs are normally estimated using unit rates (staff remuneration rates, reimbursable expenses) and quantities (exceptionally some items may be estimated on the lump-sum basis or percentage basis – Contingencies and support services). Rates of payment should be identified (including applicable taxes if any) in local and foreign currency for Staff Time, Logistics Costs and Costs of various physical inputs/ support services.

(4) Staff Costs: The estimate of staff cost is based on an estimate of the personnel time (staff-months or staff-hours) required for carrying out the assignment taking into account the time required by each expert, his or her billing rate, and the related direct cost component. In general, staff remuneration rates include basic salary, social charges, overheads, fees or profit and allowances. It is useful to prepare a bar chart indicating the duration of each main activity (work schedule) and time to be spent by different members of the consultancy team (staffing schedule) distinguishing tasks to be carried out by foreign and local consultants. Due consideration should be given to the expected breakdown of a consultant's time in the home office and client's countries and away from home office allowance.

(5) Logistic Costs: Number of trips required should be estimated as required to carry out various activities. Travel costs may be included for city travel, National and International travel and stay.

(6) Physical Inputs Costs: Assessment of such costs would depend on the technical requirements of equipment.

(7) Miscellaneous costs: Support services may be taken as a percentage of staff costs. Contingencies and Profit elements are usually taken as a percentage of the total cost of the Consultancy. To this would be added the taxes and duties likely to be incurred by the consultants.

4.10.2 Although assignments vary in size, length and nature, it is possible to make a cost estimate by breaking down the assignment's activities into the following cost categories:

- (i) Professional and support staff;
- (ii) Travel, Hotel, and transport;
- (iii) Mobilisation and demobilisation;
- (iv) Office rent, Furniture/ Equipment, supplies, Utilities, IT equipment and communication;
- (v) Assignment related surveys, training programmes;
- (vi) Translation, report printing;
- (vii) Contingencies: miscellaneous, insurance, shipping; and
- (viii) Indirect local taxes and duties in connection with carrying out the services.

4.10.3 A mismatch between the cost estimate and the ToR is likely to mislead consultants on the desired scope, depth, and details of service required, and this could lead to serious problems during contract negotiations or during implementation of the assignment.

4.10.4 The cost estimate may be prepared in consideration of Terms of Reference, market rate of the experts required, such past rates, such other relevant rates available elsewhere, etc. However, an attempt may be made to obtain as many budgetary quotes as possible from reputed/potential firms and a time of 21 (twenty-one) days be indicated therefore. In the event of receipt of less than three budgetary quotes, two extensions of up to 10 (ten) days each may be considered. In the event of non-availability of three quotes within the above extended period, the estimates should be prepared on the basis of the number of budgetary quote(s) received, which may even be one; and where more than one budgetary quote is received, the estimate should be framed on an average of the quotes which will reduce variations and fluctuations.

4.10.5 Other methods for establishing the estimated cost and tender evaluation are:

- (i) Estimated rate in past procurement of the same services with inflation adjusted indexation;
- (ii) Last purchase price of this or similar or nearly equivalent requirements with inflation adjusted indexation;
- (iii) Costing analysis based on costs of various components of the procurement;
- (iv) Rough assessment of the market price of the services;
- (v) Through the internal or external expert costing agencies; and
- (vi) As a last resort, rough assessment from the opportunity cost of not availing this service at all.

4.10.6 These methods are not mutually exclusive and can be supplemented with escalations to cater for inflation, price increases of raw materials, labour, energy, statutory changes, price indices, and so on, to make them usable in conditions prevailing currently.

4.11 Finalizing and Approval of the ToR and Developing a Procurement Plan (Para 4.3 and 4.4 of the Manual for Procurement of Consultancy & Other Services)

4.12 Expression of Interest and Short List of Consultants (Para 5.1 and 5.2 of the Manual for Procurement of Consultancy & Other Services)

4.13 Selection Process of Consultants (Para 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.11 and 6.12 of the Manual for Procurement of Consultancy & Other Services)

4.13.1 Preparation and Issuance of the Request for Proposals (RfP) (Para 6.2 of the Manual for Procurement of Consultancy & Other Services)

- (1) Letter of Invitation (LoI)
- (2) Instructions to Consultants (ITC)
- (3) Standard Formats for Technical and Financial Proposals
- (4) Important Provisions of RfP/ Contracts:
 - (i) Currency
 - (ii) Price Adjustment
 - (iii) Payment Provisions
 - (iv) Bid Security

- (v) Performance Security
- (vi) Proposed form of Contract
- (vii) Conflict of Interest
- (viii) Professional Liability
- (ix) Staff Substitution of Key Professional
- (x) Applicable Law and Settlement of Disputes
- (xi) Training or Transfer of Knowledge
- (xii) Tender Documents

4.13.2 Pre-proposal meeting (Para 6.3 of the Manual for Procurement of Consultancy & Other Services)

4.13.3 Receipt of Proposals (Para 6.4 of the Manual for Procurement of Consultancy & Other Services)

4.13.4 Consultancy Evaluation Committee (CEC) (Para 6.5 of the Manual for Procurement of Consultancy & Other Services):

- (i) For all cases having financial implications of more than Rs. 10 (Rupees Ten) lakh, a Consultancy Evaluation Committee (CEC), comprising of normally three members including Financial Adviser or his representative and a representative of the user, shall be constituted, in order to carry out the consultant selection procedure.
- (ii) The CEC should not be very large as it may slow down the evaluation process. However, suitable domain/technical experts may be included in the committee to render assistance in evaluation of the bids.
- (iii) The representative of the user will work as a convenor of the CEC. He shall distribute a copy of the Tender Document to the TC members and request them to familiarize themselves with the characteristics and requirements of the assignment, the selection procedure, and the evaluation criteria/ sub-criteria. The convenor of the CEC should also call meeting of the CEC members to review any questions they may have on the evaluation principles, procedures, objectives, etc.
- (iv) No member of CEC should be reporting directly to any other member of the CEC.
- (v) The CEC shall be responsible for all aspects and stages of the consultant selection, that is, evaluation of EoI, shortlisting of consultants, deciding TORs, issuance of RfP, evaluation of technical and financial proposals, negotiations and final selection of the consultant. There no need to constitute any other committee for technical evaluation, preliminary evaluation, etc.
- (vi) Even in case of selection of a consultant by direct negotiations having financial implications more than Rs. 10 (Rupees Ten) lakh, the CEC shall negotiate with the consultant on technical and financial aspects.
- (vii) Information relating to evaluation of tenders and the CEC's deliberations should be confidential and not be shared with persons not officially connected with the process.

4.13.5 Timely Processing of Tenders:

Indicative Time Schedule

S.No.	Mode of Procurement	Maximum time for decision on award of tender/ rejection of all proposals (from the date of opening of the first stage bid/ proposal)

1.	Open Tender (e-tendering)	60 days
2.	Limited Tenders	45 days
3.	Proprietary basis/ nomination basis	30 days

4.13.6 First Stage of Evaluation: Consideration of Responsiveness (Para 6.6 of the Manual for Procurement of Consultancy & Other Services)

4.13.7 Evaluation of the Quality- Technical Proposals (Para 6.7 of the Manual for Procurement of Consultancy & Other Services)

4.13.8 Evaluation of Cost (Para 6.8 of the Manual for Procurement of Consultancy & Other Services):

(i) For a time-based contract, any arithmetical errors shall be corrected and prices shall be adjusted if they fail to reflect all inputs that are included in the respective technical proposals. For a lump-sum contract, the consultant is deemed to have included all prices in its/his financial proposal so neither arithmetical correction nor any other price adjustment shall be made. For QCBS, the proposal with the lowest offered total price shall be given a financial score of 100 % (one hundred per cent) and other financial proposals given scores that are inversely proportional to their prices. This methodology shall be specified in the RfP document.

(ii) For the purpose of comparing proposals, the costs shall be converted to Indian Rupees as stated in the RfP. The CEC shall make this conversion by using the BC selling exchange rates for those currencies as per the exchange rate quoted by an official source, for example, the State Bank of India. The RfP shall specify the source of the exchange rate to be used and date of the exchange rate to be taken for comparison of costs. This date shall be the date of opening of technical bids.

(iii) For the purpose of evaluation, the total cost shall include all taxes and duties for which the Procuring Entity makes payments to the consultant and other reimbursable expenses, such as travel, translation, report printing, or secretarial expenses as indicated in the RfP document.

(iv) When using QCBS, the scores of quality and cost scores shall be weighted appropriately and added to determine the most advantageous proposal.

(v) An Abnormally Low Bid is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price. Procuring Entity may in such cases seek written clarifications from the Bidder, including detailed price analyses of its Bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, procuring entity determines that the Bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the Bid/Proposal. However, it would not be advisable to fix a normative percentage below the estimated cost, which would be automatically be considered as an abnormally low bid. Due care should be taken while formulating the specifications at the time of preparation of bid document so as to have a safeguard against the submission of abnormally low bid from the bidder.

4.13.9 Selection of the winning Consultant (Para 6.9 of the Manual for Procurement of Consultancy & Other Services)

- (1) LCS Selection
- (2) QCBS Selection

(3) Single Source Selection (SSS)

4.13.10 Negotiations and Award of Contract (Para 6.10 of the Manual for Procurement of Consultancy & Other Services):

(1) In the Consultancy Services contract, the accepted ToR and methodology etc. are laid down in form of 'Description of Service'. Therefore, before the contract is finally awarded, discussions may be necessary with the selected bidder to freeze these aspects, especially when, it is discouraged during evaluation of technical proposals to seek clarifications on these matters. However, such technical discussions do not amount to negotiations in the sense, the word is used in Procurement of Goods and Works. However, in Procurement of Consultancy, this discussion is termed as Negotiations, since these discussions may have some financial ramifications at least for the bidder. Negotiations are not an essential part of the selection process. In many cases, however, it is felt necessary to conduct negotiations with the selected consultant for discussions of the ToR, methodology, staffing, government ministry/department's inputs, and special conditions of the contract. These discussions shall not substantially alter (or dilute) the original ToR or terms of the offer, lest the quality of the final product, its cost, and the initial evaluation be vitiated. The final ToR and the agreed methodology shall be incorporated in "Description of Services," which shall form part of the contract.

(2) Financial negotiations shall only be carried out if, due to negotiations, there is any change in the scope of work which has a financial bearing on the final prices or if the costs/cost elements quoted are not found to be reasonable. In such negotiations, the selected firm may also be asked to justify and demonstrate that the prices proposed in the contract are not out of line with the rates being charged by the consultant for other similar assignments. However, in no case such financial negotiation should result in an increase in the financial cost as originally quoted by the consultant and on which basis the consultant has been called for the negotiations. If the negotiations with the selected consultant fail, the Procuring Entity shall cancel the bidding procedure and re-invite the bids.

(3) The name of the successful bidder along with details of costs, and so on, shall be posted on the departmental website after award of work to the successful bidder has been made and communicated to him in writing.

4.13.11 Rejection of All Proposals, and Re-invitation (Para 6.11 of the Manual for Procurement of Consultancy & Other Services)

4.13.12 Confidentiality (Para 6.12 of the Manual for Procurement of Consultancy & Other Services)

4.13.12 System of Management Reporting as per Standard Format

4.14 Special Types of Engagements

4.14.1 Single Source Selection (SSS) (Para 7.1 of the Manual for Procurement of Consultancy & Other Services)

4.14.2 Selection of Individual Consultants (Para 7.2 of the Manual for Procurement of Consultancy & Other Services)

4.14.3 Selection of Specialized Agencies/ Institutions (Para 7.3 of the Manual for Procurement of Consultancy & Other Services)

4.14.4 Selection of Non-Governmental Organizations (NGO) (Para 7.4 of the Manual for Procurement of Consultancy & Other Services)

4.14.5 Hiring of Procurement Agents (Para 7.5 of the Manual for Procurement of Consultancy & Other Services)

4.14.6 Hiring of Inspection Agents (Para 7.6 of the Manual for Procurement of Consultancy & Other Services)

4.14.7 Hiring of Financial Advisors (Para 7.7 of the Manual for Procurement of Consultancy & Other Services)

4.14.8 Hiring of Auditors (Para 7.8 of the Manual for Procurement of Consultancy & Other Services)

4.14.9 Public Competition for Design of Symbol/ Logos (Para 7.9 of the Manual for Procurement of Consultancy & Other Services)

4.15 Monitoring of Consultancy Services Contract

4.15.1 Monitoring of the Contract (Para 8.1 of the Manual for Procurement of Consultancy & Other Services in addition to rule 195 of GFR 2017)

4.15.2 Contract Monitoring Committee (CMC) (Para 8.2 of the Manual for Procurement of Consultancy & Other Services):

(i) The Procuring Entity shall constitute a CMC comprising at least three members at the appropriate level, including the user's representative, after the selection procedure is over for monitoring the progress of the assignment.

(ii) If considered appropriate, the Procuring Entity may select all or any of the members of CEC as members of CMC.

(iii) The Procuring Entity may also include individual experts from the government/private sector/ educational/research institute or individual consultant/ service providers in the CMC. The cost of such members, if any, shall be borne by the Procuring Entity.

(iv) The CMC shall be responsible for monitoring the progress of the assignment, to oversee that the assignment is carried out as per the contract, to assess the quality of the deliverables, to accept/reject any part of assignment, to levy appropriate liquidated damages or penalty if the assignment is not carried out as per the contract and if the quality of services is found inferior and for any such deficiency related to the completion of the assignment.

(v) For the assignments which are very complex and/or are of highly technical nature, the Procuring Entity may decide to appoint another qualified consultant/ service provider to assist the CMC in carrying out its functions.

(vi) Monitoring the progress of Assignment entails following activities:

(a) Issuing the notice to proceed;

(b) Review of the inception phase;

(c) Deciding on possible modifications to scope of work and issuing contract variations;

(d) Monitoring progress of assignment, monitoring that key experts are actually employed; reports and their review including review of draft final report and the final report to ensure that assignment (whether time-based or lump-sum) is completed in accordance with the contract;

(e) Billing, payment and monitoring the expenditure vis-à-vis progress;

(f) Resolving problems faced by consultant's and dealing with disputes and arbitration;

(g) Terminating services prior to the end of the contract;

(h) Release of final payment and guarantees (if any) and closing the contract; and

(k) Post contract evaluation.

4.15.3 Issuing Notice to Proceed- Consultant Mobilisation (Para 8.3 of the Manual for Procurement of Consultancy & Other Services)

4.15.4 Review of Inception Phase of the Consultancy Services Contract (Para 8.4 of the Manual for Procurement of Consultancy & Other Services)

4.15.5 Reporting of Progress (Para 8.5 of the Manual for Procurement of Consultancy & Other Services)

4.15.6 Monitoring a Time-based Contract (Para 8.6 of the Manual for Procurement of Consultancy & Other Services): As indicated earlier, the performance of a time-based contract may depend on the progress in other contracts (for example, the progress of a construction supervision contract depends on the progress of a construction contract). In such situations, the mobilisation and demobilisation of resources/ key experts and time employed by them should be mobilised and monitored carefully as it is possible that the contract period and the total amount under the contract are spent fully and construction work being supervised is not even half complete. These situations could lead to claims and disputes.

4.15.7 Monitoring a Lump-sum Contract (Para 8.7 of the Manual for Procurement of Consultancy & Other Services): As Lump-sum contract is based on output and deliverables, it is important that the quality of draft reports is checked carefully before release of stage payment as subsequent dispute after completion of the task could lead to disputes. In this form of contract, if there are extra additional services, there should be timely amendment to the contract to reflect these increases and to regulate payment. In general, in a lump-sum contract, the increase should not be more than 10-15 (ten to fifteen) per cent.

4.15.8 Unsatisfactory Performance (Para 8.8 of the Manual for Procurement of Consultancy & Other Services): Poor performance may involve one or more particular staff from the consultant/ service provider's team, or the whole team or non-participation by the main qualifying JV member. Based on the provisions of the contract, the Procuring Entity will advise the consultant/ service provider to take the necessary measures to address the situation. Poor performance should not be tolerated; therefore, the consultant/ service provider should act quickly to comply with a reasonable request to improve the performance of the team or to replace any particular staff member who is not performing adequately. If the consultant/ service provider fails to take adequate corrective actions, the Procuring Entity may take up the issue with the top management of the consultant/ service provider and issue notice to rectify the situation and finally consider terminating the contract.

4.15.9 Delays (including Inordinate Delays): Consultancy and other services may be delayed for a variety of reasons. The consultant/ service provider should notify the Procuring Entity and explain the causes of such delays. If corrective action requires extra work and the delay cannot be attributed to the consultant/ service provider, the extra work should be reimbursed in accordance with the contract. Delays due to the Contractor of more than one-fourth (25 percent) of the total completion period shall be treated as inordinate delays. Such inordinate delays shall be noted as poor

performance and be held against the contractor in future tenders. A Show Cause Notice (SCN) shall be issued to the contractor before declaring it a poor performance. Such delays may be considered as a breach of the contract at the option of the Procuring Entity.

4.15.10 Issuing Contract Variations (Para 8.9 and 8.10 of the Manual for Procurement of Consultancy & Other Services):

(1) The formal method of making and documenting a change in the Consultancy and other services contract is through a contract variation. Contract variations are issued when there are agreed-upon changes in the scope of work, personnel inputs, costs, timing of the submission of reports, or out-of-pocket expenditures. There are few Consultancy and other services contracts of any type that do not require a contract variation at one time or another. Normally, these relate to changes that have a cost implication, but when there is a significant change in the timing of an activity or a particular output, these should also be recorded through a contract variation. Normally, the request for contract variation is prepared by the consultant/ service provider or Consultancy/ service provider firm and submitted to the Procuring Entity. If the variation entails an increase in the contract amount by more than 10% (ten percent), CA's (Competent Authority) prior approval is required. Post contract variation carried out in the form of an amendment shall be published by the purchaser on the same e-procurement portals/Websites that were used for publication of the original tender enquiry.

(2) To take care of any change in the requirement during the contract period of IT Projects as well, there could be situations wherein change in the scope of work becomes necessary. These situations should be dealt with objectivity and fairness and should not be considered to unduly push the vendor to undertake work or take risks which was not explicitly communicated in the tender document. At the same time the vendor should not consider this as an opportunity to unduly charge the Procuring Entity due to lack of available options. Generally, the value of the change request should not be more than plus/minus 15 (Fifteen) per cent. The RfP document should contain detailed mechanism through which such change requests would be carried out. A 'Change Control Board' may be constituted by the Procuring Entity including experts from academics and industry to consider and approve the proposed change requests. The decisions of this board (both technical as well as financial) should be considered as final.

4.15.11 Substitution of Named Key Personnel (Para 8.11 of the Manual for Procurement of Consultancy & Other Services):

(1) One common type of variation involves a substitution of key personnel identified by name in the contract. Sometimes a change of personnel is unavoidable because of resignation, illness, accident, inadequate performance, or personality conflict. The contract must specifically make provision for terms and conditions under which the staff can be replaced, about the remuneration to be paid etc. When personnel are to be replaced, certain factors need to be considered:

- (i) Any replacement should be as well qualified or better qualified than the person being replaced;
- (ii) The remuneration should not be more than that was agreed upon for the person being replaced;
- (iii) The consultant/ service provider should bear all costs arising out of or incidental to the replacement (such as airfares for the substitute expert).

(2) Substitution of key personnel during execution of consultancy contract:

(i) Quality in consultancy contracts is largely dependent upon deployment and performance of key personnel, during execution of the contract.

(ii) The following conditions should be incorporated in tender documents for procurement of consultancy services:

(a) Substitution of key personnel can be allowed in compelling or unavoidable situations only and the substitute shall be of equivalent or higher credentials. Such substitution may ordinarily be limited to not more than 30% of total key personal, subject to equally, or better, qualified and experienced personnel being provided to the satisfaction of the procuring entity.

(b) Replacement of first 10% of key personnel will be subject to reduction of remuneration. The remuneration is to be reduced, say, by 5% of the remuneration which would have been paid to the original personal, from the date of the replacement till completion of contract.

(c) In case of the next 10% replacement, the reduction in remuneration may be equal to (say) 10% (ten percent) and for the third 10% replacement such reduction may be equal to (say) 15% (fifteen percentage). In case such percentages are not relevant, or for some other practical considerations, for a particular contract, the procuring entity may formulate a suitable mechanism following the above logic, which should be specified in the tender documents.

(iii) Public authorities may make use of IT enabled systems at the designated place of deployment to ensure presence of key personnel as for the schedule of deployment.

4.15.12 Billing and Payments (Para 8.12 of the Manual for Procurement of Consultancy & Other Services):

(1) Payment is made to the consultant/ service provider based on a schedule agreed on in contract, often based on certain milestones or outputs. The consultant/ service provider submits an invoice to the Procuring Entity detailing the expenditures for personnel and out-of-pocket items. The Procuring Entity then reviews the documentation and forwards it to Paying Authority for ultimate payment. In normal practice, if any item needs further scrutiny before the Procuring Entity can approve payment, payment of undisputed items will be made. But payment of any disputed items will be withheld until the circumstances are clarified.

(2) The terms and conditions of such payments are set out in the contract wherein the amount of advance payment is specified, as are the timing of the payment and the amount of advance payment security to be provided by the Consultancy firm. The advance payment is set off by the Procuring Entity in equal instalments against monthly billing statements until it has been fully set off. Once an advance has been provided, requests for any additional advance are not considered until the consultant/ service provider liquidates the previous advance. The advance payment security is then released. In some contracts there may be provision for mobilization fee to be paid.

(3) **Delay in Payments:**

(i) Delay in eligible payments to contractors leads to compromise on the quality of performance in assignments and disputes. Hence, ad-hoc payments of not less than 75% of eligible due stage payment, shall be made within 10 working days of the submission of the bill. This period of 10 days is for completion of all processes including prima facie scrutiny and certification by the officer-in-charge (as declared by procuring entities). The remaining payment is also to be made after final checking and approval of the bill within 28 working days of submission of bill by the contractor. In

case the payment has not been released within 10 working days as prescribed above, it shall be made as soon as possible, and after payment a written explanation for delay shall be submitted to the next higher authority to the authority approving the award of tender within three working days.

(ii) A provision may be put in place in the tender document/ contract for payment of interest in case of delayed payment of bills by more than 30 working days after submission of bill by the contractor. Where interest is to be paid, the rate of interest should be the rate of interest on General Provident Fund.

(iii) In case of unwarranted discretionary delays in payments, including failure to authorize / make *ad hoc* payments, responsibility shall be fixed on the concerned officers. The tender approving authority should have a system to monitor delays in payments and to identify such unwarranted delays.

(iv) The final bill should also be paid to the contractor within three months after completion of work.

4.15.13 GST Payment Mechanism (Same as in the Case of Procurement of Goods)

4.15.14 Responsibility for Payment of Wages [Section 21 of the Contract Labour (Regulation and Abolition) Act, 1970; Applicable to the Procurement of Non-Consultancy Services as well as to the Procurement of Works]:

i) A contractor shall be responsible for payment of wages to each worker employed by him as contract labour and such wages shall be paid before the expiry of such period as may be prescribed.

ii) Every principal employer shall nominate a representative duly authorised by him to be present at the time of disbursement of wages by the contractor and it shall be the duty of such representative to certify the amounts paid as wages in such manner as may be prescribed.

iii) It shall be the duty of the contractor to ensure the disbursement of wages in the presence of the authorised representative of the principal employer.

iv) In case the contractor fails to make payment of wages within the prescribed period or makes short payment, then the principal employer shall be liable to make payment of wages in full or the unpaid balance due, as the case may be, to the contract labour employed by the contractor and recover the amount so paid from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor.

4.15.15 Disputes and Conflicts (Para 8.13 of the Manual for Procurement of Consultancy & Other Services)

4.15.16 Force Majeure (Para 8.14 of the Manual for Procurement of Consultancy & Other Services)

4.15.17 Terminating Services Prior to End of Contract (Para 8.15 of the Manual for Procurement of Consultancy & Other Services)

(i) Termination due to external factors

(ii) Termination for convenience

(iii) Termination due to breach of contract (same as in the case of Goods Procurement)

4.15.18 Concluding the Assignment (Para 8.16 of the Manual for Procurement of Consultancy & Other Services)

4.15.19 Management Report's in specified format to deal with delay in taking timely decisions as stipulated under Para 11.11 of the General Instructions on Procurement and Management

4.16 Procurement of Consultancy Services under World Bank Funded Projects:

In case of World Bank funded expenditure/ procurement, the broad Standard Operating Procedure's (SOPs) provided for purely domestic budgetary expenditure/ procurement may be followed subject to prevailing of World Bank guidelines/ procedure in case of any explicit inconsistency between purely domestic budgetary expenditure/ procurement condition(s) and World Bank funded expenditure/ procurement condition(s).

Annexure's Concerning Procurement of Consultancy Services

Annexure I

Format for seeking the Approval of the Competent Authority for Inviting Global Tender Enquiry for Procurements Less than Rs. 200 Crores

(Refer Para 5.1.4 of the Manual for Procurement of Consultancy & Other Services)

(i) Every page should be attested by Administrative Ministry

(ii) Proposals are to be simultaneously sent to the following:

a) Cabinet Secretariat, email: ca4-cabsec@gov.in Department of Promotion of Industry & Internal Trade (DPIIT) email: manmeet.nanda@ias.nic.in & rajesh.gupta66@gov.in

b) Department of Expenditure, email: kanwal.irss@gov.in and sudesh.kumar85@gov.in

Table: 1

S.No.	Particulars	Remarks
1	Name of the Ministry	
2	Name of the Department	
3	Name of the sub-ordinate office (if applicable)	
4	Detailed Description of the Item	
5	Use of the Item	
6	Life time of the item proposed (in years)	
7	Whether item is procured regularly? [If so, details of procurement of the said item over the past three years (three completed financial years or last three tenders and the current financial year) inclusive of supply details as per format given under table-2.	
8	Quantity required to be procured with justification for the quantity (States/UT/Region wise projection)	
9	Estimated procurement price along with basic of such estimation (International Price comparison chart)	
10	Justification to be submitted as under	
	a. Detailed justification for Global Tender and essentially of import (item wise)	
	b. Who are the (possible) vendors of the item under procurement, in the global (including India) market?	
	c. Whether the Department has tried and floated the tender to identify the domestic suppliers in the past financial year (If not, the reason thereof)	
	d. Capacity of all domestic local suppliers as per the domestic tender floated, if any	

11	What are technical alternatives available within country and whether they can be used (substituted) for the proposed item under GTE?	
12	Whether the Department had in the past attempted at development of local suppliers/ phased indigenization/ promotion of alternative technology having sufficient local suppliers. (If so, details thereof)	
13	Consequences of non-procurement of the item through GTE.	
14	Whether BIS standards are available for the items proposed under procurement. If not, the efforts made to operationalize such standards.	
15	Whether the department had published procurement plan for next 5 years, for the item under discussion?	

The above proposal is submitted, with the approval of the Secretary of the Administrative Department/ Ministry, for the consideration of the Competent Authority, as mandated by D/o Expenditure order dated 15th May, 2020 regarding Amendment in GFRs-2017, regarding Global Tender Enquiry.

Also, it is informed that the above proposal had been sent to Cabinet Secretariat (via Email ID: ca4-cabsec@gov.in) D/o Expenditure (via Email ID: GTEnquiry-200@gov.in) and to DPIIT, for their consideration.

Stamp and Signature of the
Authorized officer of the proposing Department

Name: _____
Designation: _____
Contact Number: _____
Email ID: _____

Table: 2

Details of procurement of the said item over the past three years (Three completed financial years and the current financial year) inclusive of supply details								
Year of contract	Item	Contract No. & date	Supplier	Quantity of supply with unit	Rate per unit	Completion date of contract	Country of Origin of goods	Local content in %

Annexure II

Format of Procurement Proposal

(Refer Para 1.15 and 9.8 of the Manual for Procurement of Consultancy & Other Services)

Procurement Proposal (Concept Paper) for Procurement of Consultancy Services

No.	Date
Category of Assignment	Consultancy Services/ other services
Name of Officer/ Office proposing the Assignment	
Brief Description of Consultancy Proposed :	
Proposed Period of Engagement:	
Place and Nodal Officer for execution	
Total Estimated Cost :	
Estimate Name / number :	
Allocation No	Allocation Code No

Purpose/ Objective Statement of Consultancy Services:

- i) Description of service:
- ii) Background of the Organisation and the Project:
- iii) Purpose/ Objectives of the Assignment: (Highlight how the proposed procurement of services would fit in with short-term and strategic goals of Procuring Entity)

Service Outcome Statement:

- i) Outcomes expected from the Procurement of Services:
 - a) Broad List of Activities/ Steps involved in achieving objectives:
 - b) Expected Time-frame of assignment/ Duration of Engagement:
 - c) Rough estimate of cost of Procurement of services: (including related costs to be incurred by the organization)

Justification for the procurement of Consultancy Services:

- i) Capabilities required for carrying out the assignments:
 - a) Rough assessment of available in-house capabilities as compared to required capabilities:
 - b) The eligibility and pre-qualification criteria to be met by the Consultants:
 - c) Precedence's and similar assignments carried out earlier in our organisation/similar organisation:
 - d) Justification: Based on assessment of required and in-house capabilities;

In case of Consultancy Services:

It is certified that, the hiring of consultants is justified for following reasons (Tick points applicable). Please also add a narrative justification:

- i) Inadequacy of Capability or Capacity of required expertise in-house; or
- ii) There is internal capacity/ capability to do the job but there is consideration of economy, Speed and efficiency in relation to additional requirement/ commitment/ usage of;
 - a) Staff/ Management/ Organization;
 - b) Technological and Material Resources;
 - c) Money, and
 - d) Time/ Speed of execution;
- iii) Also tick one or more of following:
 - a) The need to have qualified consultant for providing a specialized high quality service; or/ and
 - b) Need for impartial advice from a consultant (acting independently from any affiliation, economic or otherwise) to avoid conflicts of interest;
 - c) The need for Transfer of Knowledge/ Training/ Capacity and capability building as a by-product of such engagement
 - d) Need to acquire information about/ Identifying and implementing new methods and systems
 - e) Need for planning and implementing organizational change

In principle approval

In principle approval may kindly be accorded, for further processing. Final administrative and budgetary approvals would be taken after development of Terms of Reference and detailed estimates.

Proposing Officer

Signatures/ Name/ Designation/ Department

Comments and Instructions:

Approving Officer

Signatures/ Name/ Designation/ Department

Terms of Reference (TOR) Format

(Refer Para 4.1 of the Manual for Procurement of Consultancy & Other Services)

1. Description of Assignment
2. Procuring Entity's Organisation Background
3. Assignment Background
4. Statement of Purpose/ Objectives
5. Statement of Assignments Outcomes
6. Detailed Scope of Work and Time-lines
 - a. Tasks, Activities, dependencies, bar chart and Gantt Chart, Milestones
 - b. Place of Assignment and Touring Requirements if any
 - c. Length and Duration of assignments
7. Team Composition and Qualification Requirements for the Key Experts (and any other requirements which will be used for evaluating the key experts under the Bid data sheet)
8. Capacity Building, Training and Transfer of Knowledge, if any
9. Deliverables, Reporting Requirements and Time Schedule for Deliverables [If no reports are to be submitted, state here "Not applicable."]
 - a. Format, frequency, and contents of reports; dates of submission
 - b. Number of copies, and requirements for electronic submission (or on computer media)
 - c. Persons (indicate names, titles, submission address) to receive them;
10. Background material, Data, reports, records of previous surveys, and so on, to be provided to the consultant (Mention a caveat about reliability of material provided and need for the consultant to verify and crosscheck vital aspects)
11. Facilities such as local conveyance, office space, office machines, secretarial assistance, utilities, local services, etc., which would be provided to the consultant by the Procuring Entity (Specifically mention, what facility/ utilities would not be provided and also, charges if any for facilities offered)
12. Institutional and organisational arrangement:
 - a. Counterpart Project Manager and Team
 - b. Consultancy Management Committee
 - c. Chain of Command for reporting
13. Procedure for review of the work of consultant after award of contract

Annexure IV**Bid Opening Attendance Sheet Cum Report**

(Refer Para 6.4, 6.8 and 9.17 of the Manual for Procurement of Consultancy & Other Services)

[Name of Procuring Entity]

Type of Opening	Eol/Technical/ Financial	No.		Date and Time of Opening		
Title of Tender						
Attendance Record						
S. No.	Bidder's Name	Bidder's Address	Bidder's Authorisation and Date	Represented by	Contact No.	Signature of Representative

Bid Opening Report							
Offer No.	Bidder's Name	Bidder's Name and Date	Submission of Requisite EMD (Y/N)	Submission of other Mandatory Documents (Y/N)	No of Cuttings/ Over writings	Rate Quoted and Taxes/ Duties (Financial Bid)	Other Special Features Announced

Total no. of regular tenders taken out from the tender box to be opened as mentioned above..... (In figures and in words)

Signature, Date and Time Name and Designation of Tender Opening Officer	Signature, Signature, Date and Time Name and Designation of Tender Opening Officer
---	--

Received total regular tenders..... (In figures/words) as above

Signature, Date and Time Name and Designation of Procuring Entity Officer	Signature, Signature, Date and Time Name and Designation of Procuring Entity Officer
---	--

Annexure V

Consultancy Evaluation Committee (CEC) Minutes Format for Consultancy Services

(For Eol/Techno-Commercial/Financial Bids)

(Refer Para 5.1, 5.2 and 6.7 of the Manual for Procurement of Consultancy &
Other Services)

Organisation: _____ Minutes of Tender Committee Meeting (Eol/Techno-commercial/Financial Bids)					
Stage of Evaluation : Eol/Technical/ Financial					
Section I: Top Sheet					
File No:		Date:			
Procuring Entity/ Client		Method of Selection	LCS/ QCBS/ SSS		
Type of Contract	Lump-sum/ Time Based/ Percentage/ Retainer cum Success Fee/ Indefinite Delivery				
Name of Assignment		Estimated Cost:			
Tender Stage Published In		Date of Publication			
Bid Validity and Extensions taken		Bid Opening Date			
Past Precedents/ Procurements					
S. No.	Service Provider	Order Reference & Date	Description of Service	Cost Details	Remarks
Members of the Tender Committee					
Sr. No.	Name	Designation	Sr. No.	Name	Designation
1			2		
3			4		
Section II: Background of the Assignment					

Include a brief description, context, scope, and objectives of the services. Mention technical and financial approvals; estimated cost; budgetary provisions; urgency of requirement; special technical requirements and other connected procurements which are part of same package/project.

Review special conditions, restriction if any, on participation of bidders; purchase preferences, requirements prescribed in bid documents (EMD, document submission, etc.)

Describe briefly the selection process that has been completed before this stage: mode of bidding; bidding document contents; bid publication; Pre-proposal Conferences, 145 Amendment/ Clarifications sought and given, withdrawals of firms before proposal submissions, level of competition obtained; issues if any noticed during bid-opening (bids not opened due to lack/ unsatisfactory EMD, etc.), the establishment of the shortlist, EoI, and. Describe major events that may have affected the timing (delays, complaints from consultants, reference of RfP document (attach with the Evaluation Report or make it available for review/approving authority), extension of proposal submission date, and so on)

Names/Nationality of firms/associations (mark domestic firms and firms that had expressed interest) of Firms who participated and Shortlisted Bidders prior to this stage-

EoI/ Technical Evaluation:

i) Participated/ Expressed Interest:

ii) Shortlisted in EoI/ Technical Evaluation prior to this

Section III: Preliminary Evaluation of Responsiveness (Refer to Annexure 6A of the Manual for Procurement of Consultancy & Other Services)

Review handling of any complaints received

Discuss preliminary evaluation for determining substantially responsive bids and for minor corrections and clarifications

Section IV: Evaluation of Responsive Bids- Technical Evaluation

i) Describe briefly the meetings and actions taken by the evaluation committee: formation of a technical evaluation team, outside assistance, evaluation guidelines, justification of sub-criteria and associated weightings as indicated in the standard RfP and compliance of evaluation with RfP.

ii) Summary of Evaluation Criteria and Weights assigned

iii) Grading and Rating Scheme in the Bid documents or decided before the Evaluation

- iv) Present results of the technical evaluation: scores and the award recommendation (based on Rating System agreed among evaluators prior to receipt of proposals).
- v) Highlight strengths and weaknesses of each proposal (most important part of the report).
 - a) Strengths: Experience in very similar projects in the country; quality of the methodology, proving a clear understanding of the scope of the assignment; strengths of the local partner; and experience of proposed staff in similar assignments.
 - b) Weaknesses: Of a particular component of the proposal; of a lack of experience in the country; of a low level of participation by the local partner; of a lack of practical experience (experience in studies rather than in implementation); of staff experience compared to the firm's experience; of a key staffer (e.g., the team leader); of a lack of responsiveness; and of disqualifications (conflict of interest).
- vi) Comment on individual evaluators' scores (discrepancies). Items requiring further negotiations.

Technical Evaluation Report should also contain (Formats given in Annexure 6B to 6F of the Manual for Procurement of Consultancy & Other Services)

- a) Technical Evaluation Summary (simplified in case of LCS or EoI, otherwise detailed, if so chosen in RfP)
- b) Evaluation of Consultancy Firm's Experience (In case of Detailed Technical Evaluation specified)
- c) Evaluation of Methodology & Work Schedule (In case of Detailed Technical Evaluation specified)
- d) Evaluation of the Key Professionals (In case of Detailed Technical Evaluation specified)

Section V: Evaluation of Technically Successful Bids: Financial Evaluation

- i) Start with review of techno-commercial evaluation and shortlisted Firms and approval and directions by CA
- ii) Describe briefly the meetings and actions taken by the evaluation committee: formation of a financial evaluation team, outside assistance, evaluation guidelines, justification of associated weightings as indicated in the standard RfP and compliance of evaluation with RfP.
- iii) Insert a summary table of evaluated financial scores/ combined weighted scores
- iv) Deliberations should be in the sequence of financial/ combined scores etc. Indicate: any issues faced during the evaluation, such as difficulty in obtaining the exchange rates to convert the prices into the common currency used for evaluation purposes; adjustments made to the prices of the proposal(s) (mainly to ensure consistency with the technical proposal) and determination of the evaluated price (does not apply to Quality-based (Quality-based), Selection- based on Qualifications (Qualifications), and Single-source Selection (Single-Source); arithmetical correction in case of Time-based Contract, tax-related problems; award recommendation; and any other important information.
- v) Attach Minutes of Public Opening of Financial Proposals

Section VI: Summary of Recommendations

Bid-wise recommendation should be recorded

In case of evaluation of financial bids,

- i) Give a summary of recommended bids, award value, bid expiry date and special conditions, if any.
- ii) Also mention that the rates recommended are considered reasonable (and basis for such determination).
- iii) Total value of the recommendations for determining level of acceptance authority.
- iv) Mention that none of the TC members have any conflict of interest with the parties recommended for award.
- v) Request acceptance of recommendations by competent authority and that it's within his powers of acceptance as per DFPR

Signature Name and Designation of the Members

1		2	
	Date :		Date :
	(Name & Designation)		(Name & Designation)
3		4	
	Date :		Date :
	(Name & Designation)		(Name & Designation)

Remarks by the Accepting Authority:

Signature: _____ Date: _____

Name & Designation of Accepting Authority_____

Annexure VI

Format for Evaluation of Responsiveness

Name of the consultancy firm:

S. No.	Item	Required response
1	Has the consultant paid the RfP document fees?	Yes
2	Has the consultant submitted the requisite bid processing fee and bid security?	Yes
3	Have all the pages required to be signed by the authorized representative of the consultant been signed?	Yes
4	Has the power of attorney been submitted in the name of authorized representative?	Yes
5	In the case of JV/consortium, whether the MoU has been submitted?	Yes
6	Has the consultant submitted all the required forms of the technical proposal?	Yes
7	Technical proposal does not contain any financial information?	Yes
8	Is financial proposal submitted separately in a sealed cover?	Yes

Annexure VII

Format for Simplified Evaluation of Quality (LCS/EOI)

(If so specified in Bid Documents)

S. No.	Item	Required response
1	Does the consultancy firm have the required experience?	Yes
2	Does the proposed methodology of work fulfil the objectives of the assignment/ job till the last detail of the ToR?	Yes
3	Do the methodology, work plan and staffing schedule provide coverage of the entire scope of work as described in ToR?	Yes
4	Does the team leader fulfil the minimum educational qualification and experience criteria?	Yes
5	Has the consultant provided for all the professionals for requisite expertise?	Yes
6	Does the key professional (indicate the position) fulfil the minimum educational qualification and experience criteria? [Evaluate for all the proposed key personnel]	Yes
7	Does the staffing schedule including the key professionals proposed, the responsibility assigned to them and the support staff together is adequate for performing the entire scope of work indicated in the ToR?	Yes

Note: If the answer is yes, in all the cases, the consultancy firm is considered technically qualified for the assignment.

Annexure VIII

Format for Detailed Technical Evaluation- Summary Sheet

(To be compiled from Annexures 6D; 6E; and 6F of the Manual for Procurement of Consultancy & Other Services)

S.No .	Name of the consultant	Firm's Experience Marks Awarded	Methodology & Work schedule Marks Awarded	Qualifications of Key Professionals Marks Awarded	Total Marks. Awarded	Ranking of Technical Marks
		Max. Marks=	Max. Marks=	Max. Marks=	Max. Marks=	

Annexure IX

Evaluation of Consultancy Firm's Experience

(Averaged from individual worksheets of CEC members)

S. No.	Name of the Consultancy	Firm Number of Projects of similar nature	Marks Awarded
			Max. Marks =

Annexure X

Evaluation of Methodology and Work Schedule

(Averaged from individual worksheets of CEC members)

S. No	Name of the Consultancy	Firm's Understanding of ToR-Marks Awarded	Work Plan & Methodology – Marks Awarded	Organization and Staffing for the proposed assignment – Marks Awarded	Total – Marks Awarded
		Max. Marks =	Max. Marks =	Max. Marks =	Max. Marks =

Annexure XI

Evaluation of the Key Professionals

(Averaged from individual worksheets of CEC members)

Name of the Consultancy Firm:								
S. No.	Name of the Key Professionals	Educational Qualification	Marks Awarded	No. of Projects of similar nature	Marks Awarded	Experience of the region (No. of Projects in the region)	Marks Awarded	Total Marks (4+6+8)
			Max. Marks=		Max. Marks=		Max. Marks=	Max. Marks=
1	2	3	4	5	6	7	8	9
Grand Total for the Consultant:								
Name of the Consultancy Firm:								
Grand Total for the Consultant:								
Name of the Consultancy Firm:								
Grand Total for the Consultant:								
Name of the Consultancy Firm:								
Grand Total for the Consultant:								

Annexure XII

Templates for Management Reports (MIS) and Key Performance Indicators (KPIs)

1. Delays by more than one month in floating of tenders against the approval received

S.No.	Item/ Work Code and Description	Quantity, Value Required/ Indented	Date Received in Procuring Entity	Date of Floating Tenders	Remarks

2. Delays by more than one month in finalizing tenders over ideal time

S.No.	Tender Number & Opening date	Item/Work Code and Description	Quantity & Value	Date Indent Received in Procuring Entity	Delay as per Ideal Time	Likely Date of Contract/ Remarks

3. Cases of tenders discharged or proposed for re-tendering

S.No.	Tender No. & Opening Date	Item/Work Code and Description	Quantity & Value	Reasons of Discharge/ Retendering	Level of Approval	Is it a case of Repeat Retendering	Actions Taken to Avoid Repetition

4. Delays by over one month in signing contracts after finalisation of tender

S.No.	Tender Number & Opening Date	Item/Work Code and Description	Quantity & Value	Date of Finalisation of Decision	(Likely) Date of Contract Signing	Remarks

5. Delays by over three months in Performance of Contract

Po No. & Date	Item/Work Code and Description	Contractor Name/ Code	Original Delivery/ Performance Period/ Date	Delay in Weeks	Indicative Delivery/ Performance Date	Proposed Action/ Remarks

6. Cases of inordinate delays in Performance of Contract

Po No. & Date	Item/Work Code and Description	Contractor Name/ Code	Original Delivery/ Performance Period/ Date	Delay in Weeks	Indicative Delivery/ Performance Date	Proposed Action/ Remarks

7. Delays in payment/ ad hoc payment by more than 30 working days after submission of the bill by the Contractor

Po No. & Date	Item/Work Code and Description	Vendor Name/ Code	Date of Performance/ Delivery	Due date of payment as per Contract	Date of Signing Payment order Voucher	Likely Date of Payment	Proposed Action/ Remarks

8. Delays in payment by over three months from due date

Po No. & Date	Item/Work Code and Description	Vendor Name/ Code	Date of Performance/ Delivery	Due date of payment as per Contract	Date of Signing Payment order Voucher	Likely Date of Payment	Proposed Action/ Remarks

9. Top 10 Contractors during the current year

S. No.	Vendor Name/Code	Item/ Work Code/ Description	Number of Value of Contracts			Remarks
			Outstanding as on April 1,	Further Ordered Since Then	Value of Contract made since April 1,....	

10. KPIs during last month/quarter/financial year

Work Load & Throughput	Number/ Value/ Ratio
Number and Value of pending contract placement	
Number and value of approvals received during the month	
Number and value of tenders floated during the month	
Number and value of tenders finalized during the month	
Number and value of contracts signed during the month	
Number and value of payments made for deliveries/ performance during the month	
Efficiency of procurement process	
Productivity-number and value wise tenders finalized/on hand per head of staff	
Average time taken for award decision for OTE, GTE, LTE, STE categories of procurement	
Proportions of tenders on STE basis with reference to the total number/value of tenders	
Proportions of tenders on QCBS bidding with reference to the total number/ value of tenders	
Proportion of tenders through GeM with reference to the total number/ value of tenders	

Chapter-5: Standard Operating Procedure for Procurement of Other (Non-consultancy) Services

5.1 Definitions/ Scope for Procurement/ Outsourcing of Other (Non-consultancy) Services:

5.1.1 “Non-Consulting Service” means any subject matter of procurement (which as distinguished from ‘Consultancy Services’), **involve** physical, measurable deliverables/ outcomes, where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service, and **includes** maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service, janitor, office errand services, drilling, aerial photography, satellite imagery, mapping etc.

5.1.2 “Other Services (including the term ‘Non-consultancy services’ in certain contexts) are defined by exclusion as services that cannot be classified as Consultancy Services. **“Other Services” involve** routine repetitive physical or procedural non-intellectual outcomes for which quantum and performance standards can be tangibly identified and consistently applied and are bid and contracted on such basis. **“Other Services” may include** small works, supply of goods or consultancy service, which are incidental or consequential to such services. **“Other Services” may include** transport services, logistics, clearing and forwarding, courier services, upkeep and maintenance of office/ buildings/ estates (other than Civil and Electrical Works etc.), drilling, aerial photography, satellite imagery, mapping and similar operations etc.

5.1.3 “Outsourcing of Services” means deployment of outside agencies on a sustained long-term (for one year or more) for performance of other services which were traditionally being done in-house by the employees of Ministries/ Departments (e.g. Security Services, Horticulture Services, Janitor/ Cooking/ Catering/ Management Services for Hostels and Guest Houses, Cleaning/ Housekeeping Services, Errand/ Messenger Services, and so forth). **Besides outsourcing, Other Services also include** procurement of short-term standalone services.

5.1.4 If the other services involve construction, fabrication, repair, maintenance, overhaul, renovation, decoration, installation, erection, excavation, dredging, and so on, of Civil Assets, then it should be handled on the lines of procurement of Works.

5.1.5 In case of fabrication, repair, maintenance, overhaul, renovation, renovation, decoration, installation, erection and so on, of Mechanical, Electrical or ICT Assets e.g. Annual Maintenance Contracts or Installation/ Commissioning of Machinery and Plant and so on, it may be handled on the lines of Procurement of Goods.

5.1.6 Any circumstances not covered in the “Chapter 9: Procurement (Outsourcing) of Other (Non-consultancy) services” of the Manual for Procurement of Consultancy & Other Services (Updated June, 2022) issued by the Ministry of Finance, the Procuring Entity may refer to the Manual Policies and Procedures for Procurement of Goods.

5.1.7 It is possible that, depending on the nature and complexity of the assignment, a task could be dealt with either as a consultancy or non-consultancy service. In essence, if the intellectual and advisory part of services dominates (and the physical part is incidental), the selection needs to be dealt with in Consultancy mode. For example, if the task is looking at the condition of a dam (for dam safety) by physically inspecting a dam through underwater observation, this task is collection of data using technologies and photography, but the actual analysis is an intellectual and advisory task and is the crux of the assignment. Therefore, the entire task needs to be dealt with as selection of a consultant.

5.2 Justification for Procurement/ Outsourcing of Other (Non-consultancy) Services (Para 1.10 and 9.3 of the Manual for Procurement of Consultancy & Other Services): In the interest of economy, efficiency and effective delivery of public services, the Ministry/ Department may procure/ outsource auxiliary and support services. The need for Procurement of Other Services may be justified in consideration of-

- (i) economy, efficiency and effective delivery of public services relating to additional requirement/ commitment/ usage of:
 - (a) Staff/ Management/ Organization;
 - (b) Technological and Material Resources;
 - (c) Money; and
 - (d) Time/ Speed of execution.
- (ii) an administrative policy decided by the Ministry/ Department to outsource specific (class of) services.

5.3 Principles for Public Procurement of Other (Non-consultancy) Services (Para 1.6 and 1.10.1 of the Manual for Procurement of Consultancy & Other Services)

5.4 Applicability of the Law of Agency to the Procurement of Other (Non-consultancy) Services (Para 1.12 of the Manual for Procurement of Consultancy & Other Services)

5.5 Procurement Proposal for Other Services (Para 1.15 of the Manual for Procurement of Consultancy & Other Services)

5.6 Types of Service Providers (Para 2.1 of the Manual for Procurement of Consultancy & Other Services)

5.6.1 Consortium of Service Providers

5.6.2 Service Providing Firms

5.6.3 Individual Service Providers

5.6.4 Specialized Agencies and Institutions

5.6.5 Non-Governmental Organizations (NGO)

5.7 Types of Contracts (Para 9.5 read with para 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6 of the Manual for Procurement of Consultancy & Other Services):

5.7.1 Lump sum (Firm Fixed Price) Contract

5.7.2 Time based (Retainer-ship) Contracts

5.7.3 Unit (Item/ Service) Rate Contract (as in the case of Goods and Works- say Taxi Service on Km basis)

5.7.4 Mix of the above three

5.7.5 Indefinite Delivery Contract based on Time or Unit (Item/ Service)- For occasionally but continually needed Services

5.8 Systems of Selection of Other Service Providers

5.8.1 Price based System- Least Cost Selection (LCS) (Para 9.6 read with Para 3.8 of the Manual for Procurement of Consultancy & Other Services)

5.8.2 Quality and Cost Based Selection (QCBS) (Para 3.9 of the Manual for Procurement of Consultancy & Other Services read with Para 15.2 of the General Instructions on Procurement and Project Management)

5.8.3 Direct Selection: Single Source Selection (SSS) (Para 9.10 read with Para 3.10 of the Manual for Procurement of Consultancy & Other Services)

5.9 Procurement Proposal (Concept Paper) for Other (Non-Consultancy) Services (Para 9.8 read with Para 1.15 of the Manual for Procurement of Consultancy & Other Services)

5.10 Preparation of Activity Schedule for Other (Non-Consultancy) Services

5.10.1 The Objective of the Activity Schedule are:

- (i) to provide sufficient information on the quantities of services to be performed to enable bids to be performed efficiently and accurately; and
- (ii) when a contract has been entered into, to provide a priced activity schedule for use in the periodic valuation of services executed.

5.10.2 The Activity Schedule should contain the following sections:

(i) Description of Services: A brief description of service required is important information that would help the bidders understand the service requirement. It should cover background about the procuring entity's organisation and about the project/ service. The purpose and service outcome statement should be included in the description of services to help the service providers understand the requirement.

(ii) Itemized Activity Schedule: In order to attain objectives of the activity schedule, services should be itemized in the activity schedule in sufficient detail to distinguish between the different classes of services, or between the services of the same nature carried out in different locations or in other circumstances which may give rise to different considerations of cost. Consistent with these requirements, the layout and content of the activity schedule should be as simple and brief as possible. All information relevant for the bidder to quote a price may be included e.g. the frequency and quantum and time-frame/ duration of completion of activities to be performed. In activity schedule containing scores of items, evaluation can be simplified if the system used in works contracts is borrowed, if feasible, where schedule of rates (SoR) for each activity is specified in the bid documents by the procuring entity and only percentage i.e. plus/minus above the SoR (separately for different schedules or combined) is asked to be quoted by the bidders.

(iii) Labour/ Personnel Activity Schedule: If labour/ personnel are used in the activity, these may be quantified specifying place, shifts and frequency of utilization in the Activity Schedule. In case any key professionals of project manager is required, their qualification and experience required may also be mentioned. Any relievers and leave reserves for deploying the personnel should be included in the rate for such personnel and would not be separately payable.

(iv) Material Schedule: In case any materials/consumables/tools of trade are to be consumed/ deployed, a separate materials schedule should be included indicating the specification and quantity of such materials/consumables/tools to be consumed/ deployed per unit activity/day/location/per manpower deployed. Price of all these materials/tools/etc. is to be shown as a separate lump-sum cost in the financial bid by the bidder.

(v) Essential Equipment Schedule: Any essential equipment and machinery (trucks, cranes, washing machines, vessels/ crafts, plant and machinery, etc.) that the service provider must have and should deploy as a qualifying requirement must be mentioned along with specification, capacity, age of equipment, etc. It should be ensured that operators for such equipment must be mentioned as key personnel.

(vi) Performance Standard's, Specifications and Drawings: The performance standards, specification or drawings if necessary should be specified for each activity, materials, tools and machines to be used in the activity. Any reporting requirement, periodic meetings or other submissions must be part of the activity schedule.

(vii) Statutory and Contractual Obligations to be complied with by the Contractor: Service Provider mostly works within the premises of procuring entity, along with staff of procuring entity. Many services are subject to various statutory provision relating to labour, taxation, workmen safety, child and women labour, private security agencies, environmental protection, mining, forest clearance, employment reservation, etc. The bidder must have GST Number, ESI and EPF Registration Certificate, Registration Declaration of Ownership under Indian Registration Act 1908, Labour License and PAN of Income Tax Department. Moreover, the procuring entity himself may have its own regulation about safety, security, confidentiality, etc. All such statutory and contractual obligations must be listed, so that price implications and compliance is taken care of by the bidder. In case of security services contracts, the bidder must have the valid license to run the business of Private Security Agency in the State issued by the appropriate authority for operating Security Services.

(viii) Facilities and Utilities to be provided by the Procuring Entity to Service Provider at Site: It should be mentioned, if any facilities/utility (operation manuals, emergency medical, room, furniture, electricity connection, water connection, etc.) would be made available to the successful bidder to carry out the service. In case it is proposed to charge the electricity/ water supplied to the service provider, the same may be mentioned, including the rate of charges. This aspect has a great bearing on cost that will be quoted by the bidders. This can have implications in vitiating the selection process either way- a facility to be provided may not get declared or a declared facility may not be provided ultimately. So great care and reality check is necessary, while preparing this Statement. Specially mentioned facilities and utilities which will not be provided, or the facilities which would be provided on chargeable basis. It should be clearly mentioned that the service provider will not be allowed to use any of procuring entity's facility/ area which are not listed in this section.

(ix) Institutional Arrangement and Procedure for Review of Work after Award of Contract: Institutional arrangements like the Placement in a Department, Name of the Project Manager and Chain of Command for reporting may be specified. Process of review of service outcomes and deployment of personnel and resources should be clearly brought out.

5.11 Estimating Costs, Seeking Administrative Approval and Expenditure Sanction [Para 2.1.1(iii)(e) of the Manual for Procurement of Goods and Para 4.2 of the Manual for Procurement of Consultancy & Other Services]:

5.11.1 The cost estimate may be prepared in consideration of Activity Schedule, rates of the Minimum Wages, such past rates, such other relevant rates available elsewhere, etc. In case of outsourcing of support services or other non-manpower hiring services, an attempt may be made to obtain as many budgetary quotes as possible from reputed/potential firms and a time of 21 (twenty-one) days be indicated therefore. In the event of receipt of less than three budgetary quotes, two extensions of up to 10 (ten) days each may be considered. In the event of non-availability of three quotes within the above extended period, the estimates should be prepared on the basis of the number of budgetary quote(s) received, which may even be one; and where more than one budgetary quote is received, the estimate should be framed on an average of the quotes which will reduce variations and fluctuations.

5.11.2 Other methods for establishing the estimated cost and tender evaluation are:

- (i) Estimated rate in past procurement of the same services with inflation adjusted indexation;
- (ii) Last purchase price of this or similar or nearly equivalent requirements with inflation adjusted indexation;
- (iii) Costing analysis based on costs of various components of the procurement;
- (iv) Rough assessment of the market price of the service;
- (v) Through the internal or external expert costing agencies; and
- (vi) As a last resort, rough assessment from the opportunity cost of not availing this service at all.

5.11.3 These methods are not mutually exclusive and can be supplemented with escalations to cater for inflation, price increases of raw materials, labour, energy, statutory changes, price indices, and so on, to make them usable in conditions prevailing currently.

5.12 Preparation of Request for Proposals Model Tender Document for Procurement of Non-Consultancy Services read with Chapter 9 of the Manual for Procurement of Consultancy & Other Services): It includes the essential information/ sections as follows-

- (1) A letter of invitation (LoI)
- (2) Instructions to Bidders (ITB) and data sheet (which contains assignment specific information)
- (3) Qualification/ Eligibility Criteria for Service Providers
- (4) Activity Schedule and Other Requirements
- (5) General Conditions of Contract (GCC)
- (6) Special Conditions of Contract (SCC)
- (7) Formats:
 - (i) *Service Providers Bid Cover Letter*
 - (ii) *Qualification Information*
 - (iii) *Standard Formats for the Technical Proposal*
 - (iv) *Standard Format for the Financial Proposal*
 - (v) *Letter of Acceptance*
- (8) Bid Security and Performance Security (Same as in the Case of Procurement of Goods)
- (9) Contract Form
- (10) Securities Format:
 - (i) *Bid Security (Bank Guarantee)*
 - (ii) *Bank Guarantee for Advance Payment*
 - (iii) *Performance Security (Bank Guarantee)*

5.13 Important Provisions of ITB (Model Tender Document for Procurement of Non-Consultancy Services read with Chapter 9 of the Manual for Procurement of Consultancy & Other Services)

- (1) Eligibility Criteria
- (2) Qualification Criteria
 - (i) Financial Capability
 - (ii) Past Experience
 - (iii) Equipment and Managerial Capability
- (3) Qualification documents to be submitted
- (4) Site Visit
- (5) Restrictions regarding personnel deployed
- (6) Workman Safety and Insurance
- (7) Liquidated Damages for delay in performance
- (8) Penalty for non-performance
- (9) Filling up the Financial Bid by the bidders
- (10) Price Adjustment

5.14 Standard Formats for Technical and Financial Proposals (Model Tender Document for Procurement of Non-Consultancy Services read with Chapter 9 of the Manual for Procurement of Consultancy & Other Services)

- (1) The standard formats for technical proposal includes:
 - (i) Service Provider's Bid Cover Letter (including eligibility, following Code of Integrity in Public Procurement- CIPP)
 - (ii) Power of Attorney
 - (iii) Qualification information with enclosures
 - (iv) Write-up on Bidder's Organisation, Confirmation of Compliance with (or deviations from) Description of Services, Activity Schedule, Essential Equipment Schedule, Manpower/ Team requirement, Statutory and Contractual requirements, Respective Obligations of Procuring Entity and Service Provider, Contract for GCC and SCC, etc.
 - (v) Enclosures: Cost of Bid/ Bid Processing Fee/ Bid Security
- 2) The standard formats for financial proposal includes:
 - (i) Financial Bid Format
 - (ii) Summary Price Schedule
 - (iii) Priced Activity Schedule
 - (iv) Priced Material Schedule
 - (v) Priced Miscellaneous Schedule (including Administrative Costs, Essential Equipments, Operating Manpower)
 - (vi) Breakdown of Contract Prices

5.15 Service Level Agreement (SLA) (Para 9.18 of the Manual for Procurement of Consultancy & Other Services): The SLA has two sets of elements-

- (i) Service elements
- (ii) Management elements

5.16 One Stop Government e-Marketplace (GeM) (Para 9.7 of the Manual for Procurement of Consultancy & Other Services in addition to Rule 149 of GFR 2017)

5.17 Period of Contract: A very short period of contract would require spending needless administrative time in repeating the exercise at short intervals while a very

lengthy contract period may affect service quality. Therefore, in normal course, the period of initial contract may be fixed normally for two years.

5.18 Extension of Contract: The clause of extension of contract beyond the period of two years may be for a further period of one-year subject to the service provider providing satisfactory service. Thereafter, fresh bidding for new tender for the said service may be undertaken. In all cases where the Service Provider has been levied a cumulative penalty of 5 (five) percent of the total contract value, extension beyond the initial period of two years may not be considered.

5.19 Past Experience: Bid documents may provide for a qualification criteria considering past experience. Normally, past experience in supply of service at a particular station or to Central Government Ministries/ Departments is considered too restrictive. However, in case such restriction is considered essential, the same may be provided for in the bid documents, duly recording reasons for such decisions on the file.

5.20 Housekeeping Services:

(1) In case of Housekeeping/ Cleaning Services, GeM platform provides for options based on:

- i) Floor Area Wise Cleaning; and
- ii) Manpower.

(2) Usually, the Floor Area Wise Cleaning option is more cost effective. Accordingly, before a tender is floated, an exercise may be undertaken to determine the option which is considered beneficial for the Government, duly recording reasons for such decision on file.

5.21 Individual Hiring of Manpower: Individual hiring of manpower through direct contracts should be avoided to ensure no future legal problems as these employees may demand regularization afterwards. Even there should be no direct communication with any Individual employed through the contracting firm. Even I-Card should be issued indicating the person to be representative of the contracting firm and accordingly the name of the contracting firm is to be mentioned specifically on such I-Card.

5.22 Selection Process of Service Providers (Normally similar to the case of Domestic Goods Procurement)

5.22.1 Preparation and Issuance of the Bid Documents (Normally similar to the case of Domestic Goods Procurement)

5.22.2 Pre-proposal meeting (Normally similar to the case of Domestic Goods Procurement)

5.22.3 Receipt of Bids (Normally similar to the case of Domestic Goods Procurement)

5.22.4 Evaluation and Award of Contract (Normally similar to the case of Domestic Goods Procurement)

(1) Timely Processing of Tenders:

Indicative Time Schedule

S.No.	Mode of Procurement	Maximum time for decision on award of tender/ rejection of all proposals (from the date of opening of the first stage bid/ proposal)
1.	Open Tender (e-tendering)	60 days
2.	Limited Tenders	45 days
3.	Proprietary basis/ nomination basis	30 days

(2) Tender Committee:

(i) For all cases pertaining to the outsourcing of Other (Non-Consultancy) Services, a Tender Committee (TC), comprising of normally three members including Financial Advisor or his representative and a representative of the user, shall be constituted in order to carry out the selection and evaluation process.

(ii) The representative of the user will work as a convenor of the TC. He shall distribute a copy of the Tender Document to the TC members and request them to familiarize themselves with the characteristics and requirements of the assignment, the selection procedure, and the evaluation criteria/ sub-criteria. The convenor of the TC should also call meeting of the TC members to review any questions they may have on the evaluation principles, procedures, objectives, etc.

(iii) No member of TC shall be reporting directly to any other member of the TC.

(iv) The TC shall be responsible for all aspects and stages tendering including finalization of the Activity and other Schedule, issuance of tender, evaluation of technical and financial proposals, negotiations and final selection of the bidder for award of the contract/ tender.

(v) Information relating to evaluation of tenders and the TC's deliberations should be confidential and not be shared with persons not officially connected with the process.

(3) Evaluation of the Technical Bids (Normally similar to the case of Domestic Goods Procurement)

(4) Evaluation of Financial Bid:

(i) Minimum Wages: The quoted rate shall not be less than the minimum wages fixed/notified by the State Government (where the service is performed) and shall include all statutory obligations. Further, bids without any element of cost over and above such minimum wage (or below it) shall be treated as 'Nil' price quotation and would be liable to rejection. However, with respect to the Support Services bid, the daily 8 (eight) hourly rate of minimum wages may not be completely applicable considering the fact that the same is in the nature of outsourcing of assignment/ work Contract rather than manpower hiring Contract. Nevertheless, the responsibility for all kinds of dues payable in respect of all personnel provided under the Support Services Contract as well lies with the Contractor only and the Procuring Entity shall not be liable for any dues for availing the Services of any Personnel.

(ii) Instances of Multiple L1s:

(a) In number of cases, usually multiple bidders emerge as L1. There may be following two options to choose the vendor to be engaged in case of multiple L1s, first, System determined Vendor Selection; and second, Selection of vendor by the Purchaser. Multiple factors may weigh upon the decision of selecting the successful contractor.

(b) GeM system based selection could be more transparent, however, it takes away the discretion with purchaser to select a particular contractor, without any financial repercussion, on the basis of past experience in a particular department. On the other hand, there may be instances where a procuring entity may be more comfortable with system based L1 selection method.

(c) Hence, the decision on the method of selection of successful contractor in case of multiple L1 may be left with the procuring entity. However, the method of selection of successful contractor in case of multiple L1 should be decided prior of tender.

(iii) Reasonability of Rates: (Normally similar to the case of Domestic Works Procurement)

(iv) Abnormally Low Bids: An Abnormally Low Bid is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price. Procuring Entity may in such cases seek written clarifications from the Bidder, including detailed price analyses of its Bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, procuring entity determines that the Bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the Bid/Proposal. However, it would not be advisable to fix a normative percentage below the estimated cost, which would be automatically be considered as an abnormally low bid. Due care should be taken while formulating the specifications at the time of preparation of bid document so as to have a safeguard against the submission of abnormally low bid from the bidder.

(5) Selection of the winning Service Provider (Para 6.9 of the Manual for Procurement of Consultancy & Other Services)

(i) LCS Selection

(ii) QCBS Selection

(iii) Single Source Selection (SSS)

(6) Award of Contract (Normally similar to the case of Domestic Works Procurement)

(7) Rejection of All Proposals, and Re-invitation (Normally similar to the case of Domestic Goods Procurement)

(8) Rejection of Single Bid [Rule 173(xx) and 173(xxi) and Para 11.8 of the General Instructions on Procurement and Management]

(i) It has become a practice among some procuring entities to routinely assume that open tenders which result in single bids are not acceptable and to go for re-tender as a 'safe' course of action. This is not correct. Re-bidding has costs: firstly, the actual costs of re-tendering; secondly, the delay in execution of the work with consequent delay in the attainment of the purpose for which the procurement is being done; and thirdly, the possibility that the re-bid may result in a higher bid.

(ii) Lack of competition shall not be determined solely on the basis of the number of Bidders. Even when only one Bid is submitted, the process should be considered valid provided following conditions are satisfied:

(a) the procurement was satisfactorily advertised and sufficient time was given for submission of bids;

(b) the qualification criteria were not unduly restrictive; and

(c) prices are reasonable in comparison to market values.

(9) System of Management Reporting as per Standard Format

(10) Confidentiality (Para 6.12 of the Manual for Procurement of Consultancy & Other Services)

5.23 Special Types of Engagements

5.23.1 Single Source Selection (SSS) (Para 7.1 of the Manual for Procurement of Consultancy & Other Services)

5.23.2 Selection of Individual Service Providers (Para 7.2 of the Manual for Procurement of Consultancy & Other Services)

5.23.3 Quality-cum-cost based Selection of Service Provider (Para 9.17.6 of the Manual for Procurement of Consultancy & Other Services)

3.24 Monitoring of Other (Non-consultancy) Services Contract

3.24.1 Monitoring of the Contract: An Officer-in-Charge or Engineer-in-Charge may be declared and designated as the Contract Monitoring Officer to deal with the contractor on contractual performance and related issues. The Contract Monitoring Officer should be made accountable for any lapses or violations to the terms and conditions of the Contract including Service Level Agreement (SLA) and payment obligations. The Contract Monitoring Officer shall also be liable for timely submission of the contractual matter before the competent authority for approval as when required.

3.24.2 Issuing Notice to Proceed- Service Provider's Mobilization (Para 8.3 of the Manual for Procurement of Consultancy & Other Services)

3.24.3 Monitoring a Time-based Contract (Para 8.6 of the Manual for Procurement of Consultancy & Other Services)

3.24.4 Monitoring a Lump-sum Contract (Para 8.7 of the Manual for Procurement of Consultancy & Other Services)

3.24.5 Delivery of Services, Delays and Issuance of Contract Variations (Para 8.8, 8.9 and 8.10 of the Manual for Procurement of Consultancy & Other Services read with Clause 13 of the GCC of the Model Tender Document for Procurement of Non-Consultancy Services):

- (i) Extension due to modification
- (ii) Extension for delay not due to the Contractor
- (iii) Extension of time for delay due to the Contractor
- (iv) Liquidated Damages
- (v) Denial Clause
- (vi) *Force Majeure*

3.24.6 Inordinate delays: Delays due to the Contractor of more than one-fourth (25 percent) of the total completion period shall be treated as inordinate delays. Such inordinate delays shall be noted as poor performance and be held against the contractor in future tenders. A Show Cause Notice (SCN) shall be issued to the contractor before declaring it a poor performance. Such delays may be considered as a breach of the contract at the option of the Procuring Entity.

3.24.7 Billing and Payments (Para 8.12 of the Manual for Procurement of Consultancy & Other Services read with Clause 11 of the GCC of the Model Tender Document for Procurement of Non-Consultancy Services): Compliance to the Para 12 of the General Instructions on Procurement and Management as culled out below: -

- (i) Delay in eligible payments to contractors leads to compromise on the quality of performance in assignments and disputes. Hence, ad-hoc payments of not less than 75% of eligible monthly account bill or running account bill due stage payment, shall be made within 10 working days of the submission of the bill. This period of 10 days is for completion of all processes including prima facie scrutiny and certification by the officer-in-charge (as declared by procuring entities). The remaining payment is also to be made after final checking and approval of the bill within 28 working days of submission of bill by the contractor. In case the payment has not been released within 10 working days as prescribed above, it shall be made as soon as possible, and after payment a written explanation for delay shall be submitted to the next higher authority to the authority approving the award of tender within three working days.
- (ii) A provision may be put in place in the tender document/ contract for payment of interest in case of delayed payment of bills by more than 30 working days after

submission of bill by the contractor. Where interest is to be paid, the rate of interest should be the rate of interest on General Provident Fund.

(iii) In case of unwarranted discretionary delays in payments, including failure to authorize / make *ad hoc* payments, responsibility shall be fixed on the concerned officers. The tender approving authority should have a system to monitor delays in payments and to identify such unwarranted delays.

(iv) The final bill should also be paid to the contractor within three months after completion of work.

3.24.8 GST Payment Mechanism (Same as in the Case of Procurement of Goods)

3.24.9 Responsibility for Payment of Wages [Same as in the case of Procurement of Consultancy Services Procurement and Works Procurement]

3.24.10 Disputes and Conflicts (Para 8.13 of the Manual for Procurement of Consultancy & Other Services read with Clause 13 of the GCC of the Model Tender Document for Procurement of Non-Consultancy Services; Para 16 and Para 17 of the General Instructions on Procurement and Management; and the extant Vivad se Vishwas Scheme/ Policy towards contractual matters of the Government of India)

3.24.11 Defaults, Breaches, Termination and Closure of the Contract (Para 8.14, 8.15 and 8.16 of the Manual for Procurement of Consultancy & Other Services read with para 12 of the GCC of the Model Tender Document for Procurement of Non-Consultancy Services)

3.25 Procurement of Other (Non-consultancy) Services under World Bank Funded Projects: In case of World Bank funded expenditure/ procurement, the broad Standard Operating Procedure's (SOPs) provided for purely domestic budgetary expenditure/ procurement may be followed subject to prevailing of World Bank guidelines/ procedure in case of any explicit inconsistency between purely domestic budgetary expenditure/ procurement condition(s) and World Bank funded expenditure/ procurement condition(s).

Annexure's Concerning Procurement of Other (Non-consultancy) Services

Annexure I

Format of Procurement Proposal

(Refer Para 1.15 and 9.8 of the Manual for Procurement of Consultancy & Other Services)

Procurement Proposal (Concept Paper) for Procurement of Consultancy Services

No.	Date
Category of Assignment	Consultancy Services/ other services
Name of Officer/ Office proposing the Assignment	
Brief Description of Other (Non-Consultancy) Services Proposed :	
Proposed Period of Engagement:	
Place and Nodal Officer for execution	
Total Estimated Cost :	
Estimate Name / number :	
Allocation No	Allocation Code No

Purpose/ Objective Statement of Other (Non-Consultancy) Services:

- i) Description of service:
- ii) Background of the Organisation and the Project:
- iii) Purpose/ Objectives of the Assignment: (Highlight how the proposed procurement of services would fit in with short-term and strategic goals of Procuring Entity)

Service Outcome Statement:

- i) Outcomes expected from the Procurement of Services:
 - a) Broad List of Activities/ Steps involved in achieving objectives:
 - b) Expected Time-frame of assignment/ Duration of Engagement:
 - c) Rough estimate of cost of Procurement of services: (including related costs to be incurred by the organization)

Justification for the procurement of Other (Non-Consultancy) Services:

- i) Capabilities required for carrying out the assignments:
 - a) Rough assessment of available in-house capabilities as compared to required capabilities:
 - b) The eligibility and pre-qualification criteria to be met by the Consultants:
 - c) Precedence's and similar assignments carried out earlier in our organisation/similar

organisation:

d) Justification: Based on assessment of required and in-house capabilities;

In case of Other (Non-consultancy) Services

It is certified that, the procurement (outsourcing) of these services is justified for following reasons (Tick one main point below). Please also add a narrative justification:

i) An administrative policy decided by the Ministry/ Department to outsource specific (class of) services; or

ii) Economy, Speed and efficiency and more effective delivery of public services relating to additional requirement/ commitment/ usage of (tick one or more below):

a) Staff/ Management/ Organization;

b) Technological and Material Resources;

c) Money, and

d) Time/ Speed of execution.

In principle approval

In principle approval may kindly be accorded, for further processing. Final administrative and budgetary approvals would be taken after development of Terms of Reference and detailed estimates.

Proposing Officer

Signatures/ Name/ Designation/ Department

Comments and Instructions:

Approving Officer

Signatures/ Name/ Designation/ Department

Annexure II

Bid Opening Attendance Sheet Cum Report

(Refer Para 6.4, 6.8 and 9.17 of the Manual for Procurement of Consultancy & Other Services)

[Name of Procuring Entity]

Type of Opening	Eol/Technical/ Financial	No.		Date and Time of Opening		
Title of Tender						
Attendance Record						
S. No.	Bidder's Name	Bidder's Address	Bidder's Authorisation and Date	Represented by	Contact No.	Signature of Representative

Bid Opening Report							
Offer No.	Bidder's Name	Bidder's Name and Date	Submission of Requisite EMD (Y/N)	Submission of other Mandatory Documents (Y/N)	No of Cuttings/ Over writings	Rate Quoted and Taxes/ Duties (Financial Bid)	Other Special Features Announced

Total no. of regular tenders taken out from the tender box to be opened as mentioned above..... (In figures and in words)

Signature, Date and Time Name and Designation of Tender Opening Officer	Signature, Signature, Date and Time Name and Designation of Tender Opening Officer
---	--

Received total regular tenders..... (In figures/words) as above

Signature, Date and Time Name and Designation of Procuring Entity Officer	Signature, Signature, Date and Time Name and Designation of Procuring Entity Officer
---	--

Activity and Other Schedule for Other (Non-Consultancy) Services

(Refer Para 9.9.1 of the Manual for Procurement of Consultancy & Other Services)

- i) Description of Assignment
- ii) Procuring Entity's Organisation and Assignment Background
- iii) Statement of Purpose/ Objectives
- iv) Statement of Assignments Outcomes
- v) Itemized Activity Schedule and Time-lines
 - a) Tasks, Activities, dependencies, categorised into classes, location and features affecting prices.
 - b) Frequency of Activities, Quantum, Length and Duration of Activities
 - c) Performance standards for such activities
- vi) Labour/ Personnel Deployment Schedule:
 - a) Type of Personnel, Number of each type, Place, Shifts, Frequency of deployment
 - b) Project Managers, Supervisors, their qualifications/ experience, numbers
 - c) Leave reserve and reliving staff needed are not included in the numbers of personnel, these must be included in the rate of each personnel
- vii) Material Schedule, if any: Materials, Consumables, Tools of Trade, to be consumed/ deployed, tabulate, quantum, specifications, per unit of activity/ Manpower/ day/ location etc.
- viii) Essential Equipment Schedule: Deployment of essential machinery (equipment, Trucks, Cranes, Washing Machines, vessels/ crafts, plant & machinery)- mention quantity/ activity, specifications, capacity, age. Possession/ access to such machinery may also be included in the qualification requirements.
- ix) Outcomes, deliverables, reports and Time Schedule for Deliverables
- x) Statutory and contractual obligations to be complied with by the contractor: Various statutory provisions relating to labour, taxation, Workmen Safety, Child and Women Labour, Private Security Agencies, Environmental Protection, Mining, Forest clearance, Employment reservations and Procuring Entity's own regulation about safety, security, confidentiality etc. must be listed, so that price implications and compliance is taken care of by the bidder.
- xi) Facilities and Utilities to be provided by the Procuring Entity to service provider at Site: It should be mentioned, if any facility/ utility (Operation Manuals, Emergency Medical, Room, Furniture, Electricity connection, Water connection) etc. would be made available to the successful bidder to carry out the service. In case it is proposed to charge the Electricity/Water supplied to the service provider, the same may be mentioned, including the rate of charges. Specially mention facilities and utilities which will not be provided, or the facilities which would be provided on chargeable basis.
- xii) Institutional and organisational arrangement
 - a) Counterpart Project Manager and Team
 - b) Chain of Command for reporting
- xiii) Procedure for review of the work of consultant after award of contract.

Annexure IV

Certificate for Procurement of Other (Non-Consultancy) Services without Quotation

(Refer Para 9.11 of the Manual for Procurement of Consultancy & Other Services)

Reference No.: _____

Place: _____ Date: _____

“I, _____, am personally satisfied that the other services executed as described below are of the requisite scope and performance standards and have been got executed from a reliable service provider at a reasonable price.”

Description of Service:	
Justification:	
Place and Nodal Officer for availing the Services	
Contract Basis	Lump-sum/ Unit (Item) Rate/ Time-based
Scope/ Quantum/ Performance Standards	
Rate :	
Taxes/Duties :	
Other Charges :	
Total Contract Price :	
Service provider	M/s
Vide Bill No. :	
Cheque may be drawn in favour of	
Name of Procuring Officer :	
Designation :	
Signature:	

Annexure V

Purchase Committee Certificate for Procurement of Other (Non-Consultancy) Services

(Refer Para 9.11 of the Manual for Procurement of Consultancy & Other Services)

Reference No.: _____

Place: _____ Date: _____

Description of Service:						
Justification :						
Place and Nodal Officer for availing the Services						
Contract Basis		Lump-Sum/ Unit (Item)/ Time-based				
Scope/ Quantum/ Performance Standards						
Details of Prices Ascertained						
Service provider	Rate :	Taxes/Duties:	Other Charges:	Total Unit Price:	Total Price:	Recommendations & Comments
Selected service provider						
Unit Rate, Taxes/Duties/ Other Charges						
Total Unit Rate						
Total Value of Purchase						
Cheque may be drawn in favour of						
Signature :		Signature :		Signature :		
Name 1 :		Name 2:		Name 3:		
Designation :		Designation :		Designation :		

“Certified that we the undersigned, members of the purchase committee are jointly and Individually satisfied that the above described Services are executed at a reasonable price and are of the requisite scope and performance standards and have been got executed from a reliable service provider, and it is not debarred by Department of Commerce or Ministry/Department concerned.” The details of recommended purchase are:

Annexure VI

Tender Committee Minutes Format for Other (Non-Consultancy) Services

(Refer Para 9.17 of the Manual for Procurement of Consultancy & Other Services)

Organisation: _____ Minutes of Tender Committee Meeting (Techno-commercial/Financial Bids)					
Procuring Entity/ Client:			Stage of Evaluation: Technical/ Financial Bids		
Section I: Top Sheet					
File No:				Date :	
Name of Assignment					
Type of Contract	Lump-sum/ Time Based/ Indefinite Delivery/ Unit (Item) Rate		Estimated Cost:		
Tender Published In			Date of Publication		
Bid Validity and Extensions taken			Bid Opening Date		
Past Precedents/ Procurements					
S. No.	Supplier	Order Reference & Date	Quantity	Basic Rate (Rs.)	Remarks
Members of the Tender Committee					
S.No.	Name	Designation	S.No.	Name	Designation
1			2		
3			4		
Section II: Background of the Assignment					
Include a brief description, context, scope, and objectives of the services. Mention technical and financial approvals; estimated cost; budgetary provisions; urgency of requirement; special technical requirements and other connected procurements which are part of same package/project.					
Review special conditions, restriction if any, on participation of bidders; purchase preferences, requirements prescribed in bid documents (EMD, document submission, etc.)					

Describe briefly the selection process that has been completed before this stage: mode of bidding; bidding document contents; bid publication; Pre-proposal Conferences, 145 Amendment/ Clarifications sought and given, withdrawals of firms before proposal submissions, level of competition obtained; issues if any noticed during bid-opening (bids not opened due to lack/ unsatisfactory EMD, etc.), the establishment of the shortlist, EoI, and. Describe major events that may have affected the timing (delays, complaints from consultants, reference of RfP document (attach with the Evaluation Report or make it available for review/approving authority), extension of proposal submission date, and so on)
Names/nationality of firms/associations (mark domestic firms and firms that had expressed interest) of Firms who participated and Shortlisted Bidders prior to this Stage- EoI/ Technical Evaluation: a) Participated/ Expressed Interest: b) Shortlisted in EoI/ Technical Evaluation prior to this
Section III: Preliminary Evaluation of Responsiveness
Review handling of any complaints received
Discuss preliminary evaluation for determining substantially responsive bids and for minor corrections and clarifications
Section IV: Evaluation of Responsive Bids: Technical Evaluation
i) <u>Describe briefly the meetings and actions taken by the evaluation committee:</u> formation of a technical evaluation team, outside assistance, evaluation guidelines, justification of sub-criteria and associated weightings as indicated in the standard RfP and compliance of evaluation with RfP. ii) Present results of the technical evaluation iii) <u>Highlight strengths and weaknesses of each proposal:</u> a) <u>Strengths:</u> Experience in very similar projects in the country; proving a clear understanding of the scope of the assignment; b) <u>Weaknesses:</u> Of a particular component of the proposal; of a lack of experience in the region or type of service; of a lack of responsiveness;
Section V: Evaluation of Technically Successful Bids: Financial Evaluation
a) Start with review of techno-commercial evaluation and shortlisted Firms and approval and directions by CA b) <u>Describe briefly the meetings and actions taken by the evaluation committee:</u> formation of a financial evaluation team, outside assistance, evaluation guidelines, justification of associated weightings as indicated in the standard RfP and compliance of evaluation with RfP. c) Insert a summary table of evaluated bid prices from L-1 to highest d) Attach Minutes of Public Opening of Financial Proposals
Section VI : Summary of Recommendations

Bid-wise recommendation should be recorded

In case of evaluation of financial bids,

- i) Give a summary of recommended bids, award value, bid expiry date and special conditions, if any.
- ii) Also mention that the rates recommended are considered reasonable (and basis for such determination).
- iii) Total value of the recommendations for determining level of acceptance authority.
- iv) Mention that none of the TC members have any conflict of interest with the parties recommended for award.
- v) Request acceptance of recommendations by competent authority and that it's within his powers of acceptance as per DFPR.

Signature Name and Designation of the Members

1		2	
	Date:		Date:
	(Name & Designation)		(Name & Designation)
3		4	
	Date:		Date:
	(Name & Designation)		(Name & Designation)

Remarks by the Accepting Authority:

Signature:_____ Date:_____

Name & Designation of Accepting Authority_____

Annexure VII

Templates for Management Reports (MIS) and Key Performance Indicators (KPIs)

1. Delays by more than one month in floating of tenders against the approval received

S.No.	Item/ Work Code and Description	Quantity, Value Required/ Indented	Date Received in Procuring Entity	Date of Floating Tenders	Remarks

2. Delays by more than one month in finalizing tenders over ideal time

S. No.	Tender Number & Opening date	Item/Work Code and Description	Quantity & Value	Date Indent Received in Procuring Entity	Delay as per Ideal Time	Likely Date of Contract/ Remarks

3. Cases of tenders discharged or proposed for re-tendering

S. No.	Tender No. & Opening Date	Item/Work Code and Description	Quantity & Value	Reasons of Discharge/ Retendering	Level of Approval	Is it a case of Repeat Retendering	Actions Taken to Avoid Repetition

4. Delays by over one month in signing contracts after finalisation of tender

S. No.	Tender Number & Opening Date	Item/Work Code and Description	Quantity & Value	Date of Finalisation of Decision	(Likely) Date of Contract Signing	Remarks

5. Delays by over three months in Performance of Contract

Po No. & Date	Item/Work Code and Description	Contractor Name/ Code	Original Delivery/ Performance Period/ Date	Delay in Weeks	Indicative Delivery/ Performance Date	Proposed Action/ Remarks

6. Cases of inordinate delays in Performance of Contract

Po No. & Date	Item/Work Code and Description	Contractor Name/ Code	Original Delivery/ Performance Period/ Date	Delay in Weeks	Indicative Delivery/ Performance Date	Proposed Action/ Remarks

7. Delays in payment/ ad hoc payment by more than 30 working days after submission of the bill by the Contractor

Po No. & Date	Item/Work Code and Description	Vendor Name/ Code	Date of Performance/ Delivery	Due date of payment as per Contract	Date of Signing Payment order Voucher	Likely Date of Payment	Proposed Action/ Remarks

8. Delays in payment by over three months from due date

Po No. & Date	Item/Work Code and Description	Vendor Name/ Code	Date of Performance/ Delivery	Due date of payment as per Contract	Date of Signing Payment order Voucher	Likely Date of Payment	Proposed Action/ Remarks

9. Top 10 Contractors during the current year

S. No.	Vendor Name/Code	Item/ Work Code/ Description	Number of Value of Contracts			Remarks
			Outstanding as on April 1,	Further Ordered Since Then	Value of Contract made since April 1,....	

10. KPIs during last month/quarter/financial year

Work Load & Throughput	Number/ Value/ Ratio
Number and Value of pending contract placement	
Number and value of approvals received during the month	
Number and value of tenders floated during the month	
Number and value of tenders finalized during the month	
Number and value of contracts signed during the month	
Number and value of payments made for performance during the month	
Efficiency of procurement process	
Productivity-number and value wise tenders finalized/on hand per head of staff	
Average time taken for award decision for OTE, LTE, and STE categories of procurement	
Proportions of tenders on STE basis with reference to the total number/value of tenders	
Proportions of tenders on QCBS bidding with reference to the total number/ value of tenders	
Proportion of tenders through GeM with reference to the total number/ value of tenders	

Chapter-6: Standard Operating Procedure for Procurement of Works

6.1 Definitions/ Scope for Procurement Works:

6.1.1 Works refer to any activity, sufficient in itself to fulfil an economic or technical function, involving construction, fabrication, repair, overhaul, renovation, decoration, installation, erection, excavation, dredging, and so on, which make use of a combination of one or more of engineering design, architectural design, material and technology, labour, machinery and equipment. Supply of some materials or certain services may be incidental or consequential to and part of such works. The “works” includes:

(i) Civil works for the purposes of Roads, Railway, Airports, Shipping Ports, Bridges, Buildings, Irrigation Systems, Water Supply, Sewerage Facilities, Dams, Tunnels and Earth Works, and so on.

(ii) Mechanical and Electrical Works involving fabrication, installation, erection, repair and maintenance of a mechanical or electrical nature relating to machinery and plants.

6.1.2 Original Works means all new constructions, site preparation, additions and alterations to existing works, special repairs to newly purchased or previously abandoned buildings or structures, including re-modelling or replacement.

6.1.3 Minor Works mean works which add capital value to existing assets but do not create new assets.

6.1.4 Repair Works means works undertaken to maintain building and fixtures.

6.1.5 Works will also include services or goods incidental or consequential to the original or repair works.

6.2 Flowchart of Process of Procurement of Works:

Preparation of perspective plan for procurement of works		
Preparation of Preliminary Project Report (PPR) or Rough Cost Estimate		
Acceptance of Necessity and issue of In-principle Approval		
Preparation of Detailed Project Report (DPR) and Preliminary Estimates		
Issue of Administrative Approval (A/A) and Expenditure Sanction (E/S)	Detailed Designs, Detailed Estimates & Technical Sanction	
	Appropriation of Funds	
Preparation of Tender document		
Open Tender beyond Rs.5 Lakh	Limited Tender upto Rs.5 Lakh or cases covered as per Para 3.5.5	Single Tender Cases
Open Tender/ Limited Tender	Single Stage System where feasible to work out schedule of quantity and formulate detailed specifications	
	Two Stage System where not feasible to work out detailed specifications	
	Pre-qualification Bidding (PQB)	
Two Stage System where not feasible to work out detailed specifications	First stage: Solicit proposal relating to technical quality and other characteristics of construction	
	Second Stage: Bids are invited from these bidders who fulfil prescribed technical/ financial criteria	
Evaluation of Responsive Bids and Determination of L1		
Contract monitoring and Contract Closure		

6.3 Applicability of the Law of Agency to the Procurement of Works (Para 1.9 of the Manual for Procurement of Works)

6.4 Basic Principles of Undertaking Works (Para 1.10 of the Manual for Procurement of Works)

6.5 Justification for Procurement of Works (Para 1.10 of the Manual for Procurement of Works):

6.5.1 Preparation of Preliminary Project Report (PPR) or Rough Cost Estimate

6.5.2 Acceptance of necessity and issue of in-Principle Approval

6.5.3 Preparation of Detailed Project Report (DPR) or Preliminary Estimate (PE)

6.5.4 For repair works up to Rs. 30 (thirty) lakh, Expenditure Sanction may be given on the basis of Preliminary Project Report itself

6.6 Administrative Approval (A/A) and Expenditure Sanction (E/S) (Para 2.5 of the Manual for Procurement of Works)

6.7 Detailed Designs, Detailed Estimates and Technical Sanction (Para 2.6 of the Manual for Procurement of Works): Except where the work is to be undertaken in the EPC (Turnkey) mode, on receipt of sanction of the project, based on DPR or PE and assurance of funds, the procuring entity in consultation with the Works Committee (as mentioned in para 3.1.4 (iv) below) shall prepare and accord Technical Sanction to detailed and coordinated design of all the Architectural, Civil, Electrical, Mechanical, Horticulture and any other services included in the scope of the sanction and of the Detailed Cost Estimates containing the detailed specifications and quantities of various items prepared on the basis of the schedule of rates maintained by CPWD or other Public Works Organizations - so as to ensure that proposals are structurally sound and that the estimates are accurately calculated based on adequate data. In case the work is to be executed through a Public Works Organization or Public Sector Undertaking, preparation of detailed design/ estimates and technical sanction shall be done/ accorded by that organization. Architectural and structural drawings: Architectural and structural drawings (fit for construction) are among the core requirements for projects. Finalization of these drawings at the earliest, preferably at the time of preparation of the cost estimate itself, can help to determine quantities of various items of the work. Adverse consequences of not preparing these drawings before invitation of tenders may manifest in the form of delay in execution of the work and deviations in quantities of the items of work. Hence, approved architectural and structural drawings should be available before invitation of tenders. Fit for construction (sometimes called Good for construction) drawings means the architectural and structural drawings approved by the project executing authority as well as by the authority governing the extant rules/ laws, including byelaws, such as local authorities.

6.8 Reference Documents used in preparation of estimates (Para 2.8 of the Manual for Procurement of Works):

6.8.1 For preparation of estimates and during execution of work following reference documents are used by PWOs:

(i) Plinth Area Rates which provide a quick but fairly accurate method of estimation of cost of buildings (e.g. CPWD DPAR – Delhi Plinth Area Rates).

(ii) Schedule of Rates for each kind of work commonly executed to facilitate the preparation of estimates, as also to serve as a guide in settling rates in connection with contract agreements, maintained up-to-date (e.g. CPWD DSR - Delhi Schedule of Rates). Endeavour may be made to enlarge the base of the 'Schedule of Rates' published by various organizations to bring a maximum number of items under its ambit. For non-scheduled items, rates may be finalized by a committee constituted by the organization concerned/ consultants as the case may be.

(iii) Analysis of Rates by taking market rates of labour, materials, cartage etc. and their quantities for each kind of work commonly executed (e.g. CPWD Analysis of Rates).

(iv) Specifications describing inputs, processes, tests and mode of measurement for each kind of work commonly executed (e.g. CPWD Specifications).

6.8.2 These may be separate for different regions as well as various types of works- Building, Electrical and Mechanical.

6.9 Agency for Procurement (Para 3.1 of the Manual for Procurement of Works read with Rule 133 of GFR 2017):

6.9.1 Directly by the Ministry/ Department: [Rule 133(1) of GFR 2017] A Ministry or Department at its discretion may directly execute repair works estimated to cost upto Rupees thirty lakh after following due procedure 'laid down for Execution of Works' (Rule 139, 159 and 160 of GFR 2017).

6.9.2 Public Works Organisations: [Rule 133(2) of GFR 2017] A Ministry or Department may, at its discretion, assign repair works estimated to cost above Rupees thirty lakh and original works of any value to any Public Works Organisation (PWO) such as Central Public Works Department (CPWD), State Public Works Department, other Central Government organisations authorised to carry out civil or electrical works such as Military Engineering Service (MES), Border Roads Organisation (BRO), etc. or Ministry/ Department's construction wings of Ministries of Railways, Defence, Environment & Forests, Information & Broadcasting and Departments of Posts, and Space etc.

6.9.3 Public Works PSU/ Organisations: [Rule 133(3)(i) and 133(3)(ii) of GFR 2017] As an alternative, a Ministry or Department may assign repair works estimated to cost above Rupees thirty lakh and original works of any value to:

(i) any Public Sector Undertaking set up by the Central or State Government to carry out civil or electrical works or

(ii) to any other Central/ State Government organisation/ PSU which may be notified by the Ministry of Urban Development (MoUD) for such purpose after evaluating their financial strength and technical competence.

6.9.4 Procedure for Assigning Work to PWO or PSU/ Organisations:

(1) For the assignment of work under Rule 133(3)(i) and 133(3)(ii) of GFR 2017 to PSUs, the Ministry/ Department shall ensure competition among all such eligible PSUs/ organisations. This competition shall be essentially on the lump sum service charges to be claimed for execution of work. The award of work to a PSU should be taken as Project Management Consultancy (PMC) and the concerned PSU shall be treated as consultancy firm. Relevant methods (QCBS, LCS, etc.) for procurement of consultancy will be applicable. For better understanding of selection methodology of consultant(s), Rule 192 to Rule 194 of GFR 2017 and Manual for Procurement of Consultancy and Other Services, 2017 may be referred.

(2) In exceptional cases, for assignment of work on nomination basis under Rule 133(3)(i) and 133(3)(ii) of GFR 2017 to PSU, the conditions contained in para 3.5.7 of

the Manual for Procurement of Works would apply. The work under these circumstances shall also be assigned only on the basis of lump sum basis.

(3) For original works and repair works entrusted under Rule 133(2), Rule 133(3)(i) and 133(3)(ii) of GFR 2017, the Administrative Approval (A/A) and Expenditure Sanction (E/S) shall be accorded and funds allotted by the concerned authority in accordance with the Para 1.12 (ii) Manual for Procurement of Works. The Public Works Organisation or the Public Sector Undertaking or any organisation allotted work shall then execute the work entrusted to it in accordance with the rules and procedures prescribed in that organisation.

(4) A Memorandum of Understanding (MoU) may be drawn with the Public Works Organisation or the Public Sector Undertaking for proper execution of work. The MoU should spell out the obligations on the part of Public Works Organization or PSU regarding execution of works as per proper specifications and for maintaining proper quality and speed of execution of works. Different stages at which funds shall be released to the Public Works Organization should also be clearly spelt out. Such MoU would normally be for a specific standalone work, but could also be for a Project consisting of a collection of related works. In case of MoU with Public work Organisations (PWOs), it could also be as a long-term framework MoU.

(5) For execution of any work, under Rule 133(2), Rule 133(3)(i) and 133(3)(ii) of GFR 2017, the Ministry/ Department shall constitute a "Works Committee", whether on *ad hoc* or standing basis; comprising of representatives of administrative wing and Finance wing and an officer possessing technical skills and experience of framing estimates and execution of works. If need be, members may be co-opted from User Department; CPWD/ Public Works Organization/ PSUs or any technically sound Government agency such as a relevant NIT/ IIT or a relevant National Research Institute etc. The Works Committee shall ensure observance of due process in the planning and execution of works, check the reasonability of the estimates and other technical details and monitor the execution of the works.

6.10 Types of Contracts (Para 3.2 of the Manual for Procurement of Works)

6.10.1 Lump sum (Fixed Price) Contract (Para 3.2.1 of the Manual for Procurement of Works)

6.10.2 Item Rate (Unit Rate) Contract (Para 3.2.2 of the Manual for Procurement of Works)

6.10.3 Percentage Rate Contract (Para 3.2.3 of the Manual for Procurement of Works)

6.10.4 Piece Work Contract (Para 3.2.4 of the Manual for Procurement of Works)

6.10.5 Engineering, Procurement and Construction (EPC) Contract (Para 3.2.5 of the Manual for Procurement of Works)

6.10.6 Public Private Partnership (Para 3.2.6 of the Manual for Procurement of Works)

6.11 Bidding Systems (Para 3.3 of the Manual for Procurement of Works)

6.11.1 Single Stage Bidding System (Para 3.3.1 of the Manual for Procurement of Works)

6.11.2 Single Stage Single Bid/ Single Envelope System (1S1E) (Para 3.3.2 of the Manual for Procurement of Works)

6.11.3 Single Stage Two Envelope System (1S2E) (Para 3.3.3 of the Manual for Procurement of Works)

6.11.4 Single Stage Multiple Envelope System, with post-qualification (1S3E) (Para 3.3.4 of the Manual for Procurement of Works)

6.11.5 Two Stage Bidding with Expression of Interest (Eoi) (Para 3.3.5 of the Manual for Procurement of Works)

6.11.6 Pre-Qualification Bidding (PQB) (Para 3.3.6 and 3.3.7 of the Manual for Procurement of Works)

6.12 Electronic Procurement (e-Procurement) (Para 3.4 of the Manual for Procurement of Works)

6.13 Modes of Tendering (Para 3.5 of the Manual for Procurement of Works)

6.13.1 Open Tender Enquiry (OTE) (Para 3.5.1 and 3.5.2 of the Manual for Procurement of Works)

6.13.2 Global Tender Enquiry (GTE) (Para 3.5.3, 3.5.4, 3.5.5, 3.5.6, 3.5.7 and 3.6.8 of the Manual for Procurement of Works)

6.13.3 Limited Tender Enquiry (LTE) [Para 3.5.9 and 3.5.10 of the Manual for Procurement of Works read with Rule 139(v) of GFR 2017]- Upto Rs. 5 (Five) Lakh

6.13.4 Single Tender Enquiry or Selection by Nomination (Para 3.5.11 and 3.5.12 of the Manual for Procurement of Works read with Rule 194 of GFR 2017): The selection by direct negotiation/ nomination is called a single tender. This mode may be shortest but since it may provide lesser VfM as compared to LTE/ OTE and may also strain the transparency principle, it should be resorted to only under following conditions:

(i) There is an urgent need for the work and engaging in competitive tendering process would, therefore, be impractical, provided that the circumstances giving rise to the urgency were neither foreseeable by procuring entity nor the result of dilatory conduct on its part.

(ii) Works that represent a natural continuation of previous work carried out by the firm when considering the limited size of the additional work in relation to the original procurement and the reasonableness of the price it will be cost effective to resort to single source procurement. However, the incremental work should not be more than 25 (twenty-five) percent of the original contract value;

(iii) In case of an emergency situation, situations arising after natural disasters, situations where timely completion of the work is of utmost importance subject to the reason for such decision being recorded and approval of the competent authority obtained.

(iv) Situations where execution of the work may involve use of proprietary techniques or only one contractor has requisite expertise.

(v) The procurement entity engages in procurement involving national defence or national security and determines that single source procurement is the most appropriate method of procurement.

(vi) Under some special circumstances, it may become necessary to select a particular Agency where adequate justification is available for such single-source selection in the context of the overall interest of the Ministry or Department.

6.13.5 Award of Work through Quotations (Para 3.5.13 of the Manual for Procurement of Works read with Rule 194 of GFR 2017):

(i) Use of quotations up to Rupees Five Lakh in each instance shall be adopted for procurement of readily available goods that are not specially produced to the particular specifications and for which there is an established market.

(ii) Procurement entity shall not divide its procurement into separate contracts to bring the amount less than the amount set forth for such purpose.

(iii) Procurement entity shall request quotations from as many contractors as practicable but positively from at least three contractors. Each contractor from whom a quotation is requested, shall be informed whether any elements and other than the charges for the goods themselves, such as, transportation and insurance charges, duties and taxes are to be included in the price.

(iv) Each contractor or contractor is permitted to give only one price quotation and is not permitted to change its quotation.

(v) Award of work through quotations shall be resorted only in emergent cases and suitable reasons shall be recorded.

6.13.6 Award of Work in Stalled Contracts (Para 3.5.14 of the Manual for Procurement of Works):

(i) It is noted that in cases, where a contractor abandons or stops the work mid-way, either due to insolvency or a dispute or other reason, engagement of the new contractor takes considerable time and in the meanwhile public money is locked up in assets which cannot be utilized, apart from inconvenience and loss of amenities to the general public due to such half completed works.

(ii) Notwithstanding anything in the GFR or the Manual, procuring entities should devise methods (including limited/ single tenders) to deal with part completed contracts, wherever the work is abandoned by the contractor mid-way. However, for issuance of limited/single tenders in such cases, at least 20% of work should have been billed by the contractor who has abandoned the work. Procurement approval of such limited/single tender should be at the next higher level, or such level as may be prescribed.

6.13.7 Back to Back tie-up by Public Sector Undertakings (PSUs) (Para 3.5.15 of the Manual for Procurement of Works): Construction PSUs while awarding the work will take following points into consideration:

(i) PSUs (when bag the contract from the client Department) as a contractor, has to execute the work by functioning like a contractor instead of sub-letting the 100% work on back to back basis.

(ii) Open tenders to be invited for selection of sub-contractors/pre-tender associate(s) as far as possible.

(iii) In case, it is not possible to invite open tenders, selection should be carried out by inviting limited tenders from the panel approved in the following manner. Panel of contractors are to be prepared for different categories monetary limits, regions, in a transparent manner clearly publishing the eligibility criteria etc. The above panel is to be updated every year.

(iv) Tenders to be opened confidentially by a high level committee to maintain the secrecy of rates, if required. Tender opening register should be maintained in this regard duly signed by the officers opening the tender and kept confidentially. This should be available for perusal when required by audit/ vigilance.

(v) The terms and conditions of the contract of the client especially those pertaining to subletting of works should be strictly adhered to by the PSUs.

(vi) Adequate staff to be deployed by the PSUs to ensure quality in construction etc.

(vii) The record of enlistment/updation of contractor and tender opening register shall be produced to the CTEO as well as audit officials when demanded for scrutiny.

6.14 Preparing Bid Documents, Publication, Receipt and Opening of Bids

(1) Bid Documents (Para 4.1 of the Manual for Procurement of Works)

(2) Preparation of Bid Documents by Procuring Entity (Para 4.2 of the Manual for Procurement of Works)

- (i) Notice Inviting Tenders (NIT)
- (ii) Section I: Instructions to Bidders (ITB) and Appendix to ITB (AITB)
- (iii) Section II: General Conditions of Contract (GCC)
- (iv) Section III: Special Conditions of Contract (SCC)
- (v) Section IV: Technical Specifications
- (vi) Section V: Forms of Bid
- (vii) Section VI: Bill of Quantities
- (viii) Section VII: Standard Formats- Bid Security, Performance Security, Advance Payment Security, Form of Agreement
- (ix) Section VIII: Schedules for Supplementary Information
- (x) Section IX: Sample Forms for updating Qualification Information, and so on
- (xi) Section X: Drawings
- (xii) Section XI: Documents to be furnished by the Bidder
- (3) Publication of Bid Documents (Para 4.3 of the Manual for Procurement of Works)
- (4) Issue/ Availability and Cost of Tender Documents (Para 4.4 of the Manual for Procurement of Works)
- (5) Eligibility and Qualifications of Bidders (Para 4.5 of the Manual for Procurement of Works)
- (6) Clarification of Tender Documents (Para 4.6 of the Manual for Procurement of Works)
- (7) Amendment of Tender Documents (Para 4.7 of the Manual for Procurement of Works)
- (8) Pre-bid Conference (Para 4.8 of the Manual for Procurement of Works)
- (9) Submission of Bids by Bidders (Para 4.9 of the Manual for Procurement of Works)
- (10) Receipt and Opening of Bids (Para 4.10 of the Manual for Procurement of Works)
- (11) Bid Security/ Earnest Money Deposit (EMD) (Para 4.11 of the Manual for Procurement of Works)
- (12) Performance Security/ Guarantee (Para 4.12 of the Manual for Procurement of Works)
- (13) Security Deposit/ Retention Money (Para 4.13 of the Manual for Procurement of Works)
- (14) Sources and Verification of Bank Guarantees (Para 4.14 of the Manual for Procurement of Works)
- (15) Safe Custody and Monitoring of Securities (Para 4.15 of the Manual for Procurement of Works)
- (16) Goods and Services Tax (GST) (Para 4.16 of the Manual for Procurement of Works)

6.15 Evaluation of Bids and Award of Work

6.15.1 Evaluation of Bids (Para 5.1 of the Manual for Procurement of Works)

6.15.2 Tender Committee (Para 5.1 of the Manual for Procurement of Works):

- (i) For all cases having financial implications of more than Rs. 5 (Rupees Five) Lakh, a Tender Committee (TC), comprising of normally three members including Financial Adviser or his representative and a representative of the user, shall be constituted, in order to carry out the consultant selection procedure.
- (ii) The TC should not be very large as it may slow down the evaluation process. However, suitable domain/technical experts may be included in the committee to render assistance in evaluation of the bids.

(iii) The representative of the user will work as a convenor of the TC. He shall distribute a copy of the Tender Document to the TC members and request them to familiarize themselves with the characteristics and requirements of the assignment, the selection procedure, and the evaluation criteria/ sub-criteria. The convenor of the TC should also call meeting of the TC members to review any questions they may have on the evaluation principles, procedures, objectives, etc.

(iv) No member of TC shall be reporting directly to any other member of the TC.

(v) The TC shall be responsible for all aspects and stages tendering including finalization of the Scope of Work, detailed estimate, finalization of the Feasibility Study Report / Preliminary Project Report (PPR), finalization of the Detailed Project Report (DPR), issuance of tender, evaluation of technical and financial proposals, negotiations and final selection of the bidder for award of the contract/ tender. There is no need to constitute any other committee for technical evaluation, preliminary evaluation, etc.

(vi) Information relating to evaluation of tenders and the Tender TC's deliberations should be confidential and not be shared with persons not officially connected with the process.

6.15.3 Preparation of Comparative Statement and Briefing Note (Para 5.3 of the Manual for Procurement of Works)

6.15.4 Preliminary Examination (Para 5.4 of the Manual for Procurement of Works)

(i) Confidentiality of Process

(ii) Unresponsive Tenders

(iii) Discrepancies between Original and Additional/ Scanned Copies of a Tender

(iv) Minor Infirmary/ Irregularity/ Non-conformity

(v) Clarification of Bids/ Shortfall Documents

6.15.5 Evaluation of Responsive Bids (Para 5.5 of the Manual for Procurement of Works):

(i) Evaluation of Techno-commercial Bid-

(a) Evaluation of Eligibility/ Qualification Criteria

(b) Evaluation of Technical Suitability

(c) Evaluation of Commercial Conditions

(d) Considering Minor Deviations

(e) Declaration of Technically Compliant Bidders

(f) Right of Bidder to question rejection at Techno-Commercial Stage

(ii) Evaluation of Financial Bids and Ranking of Tenders-

(a) Unresponsive Tenders

(b) Non-conformities between Figures and Words

(c) Correction of Bids

(d) Financial Evaluation

6.15.6 Deliberations by the Tender Committee (Para 5.6 of the Manual for Procurement of Works):

(1) Timely Processing of Tenders

Indicative Time Schedule

S.No.	Mode of Procurement	Maximum time for decision on award of tender/ rejection of all proposals (from the date of opening of the first stage bid/ proposal)
1.	Open Tender (e-tendering)	60 days
2.	Limited Tenders/ Quotation	45 days

3.	Proprietary basis/ Nomination basis	30 days
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(2) Extension of Tender Validity Period

(3) Reasonableness of Prices: There can be no Upper or Lower limit in terms of Amount/ Percentage of the Estimated Amount towards deciding the reasonableness, however, any L1 rate quoted above or below 10% of the Estimated Amount should be examined/ deliberated thoroughly before recommending for their acceptance. In every recommendation of the TC for award of contract, it must be declared that the rates recommended are reasonable. The comparison maybe made with the similar contracts awarded elsewhere. The Last Purchase Price (LPP) maybe updated taking into consideration inflation during the interim period and geographical conditions etc.

(4) Consideration of Abnormally Low Bids:

(i) An Abnormally Low Bid is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price. Procuring Entity may in such cases seek written clarifications from the Bidder, including detailed price analyses of its Bid price in relation to scope, schedule, resource mobilization, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, procuring entity determines that the Bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the Bid/ Proposal. However, it would not be advisable to fix a normative percentage below the estimated cost, which would automatically be considered as an abnormally low bid.

(ii) As a safeguard, it should be closely monitored that final payments in such cases do not abnormally increases due to extra items. Further, there is no abnormal increase in quantities of the item for which contractors have initially quoted very high rates.

(5) Cartel Formation/ Pool Rates

(6) Negotiations:

(i) Normally, there should be no negotiation. Negotiations should be a rare exception rather than the rule and may be resorted to only in exceptional circumstances. If it is decided to hold negotiations for reduction of prices, they should be held only with the lowest acceptable bidder (L1), who is techno-commercially responsive for the supply of a bulk quantity and on whom the contract would have been placed but for the decision to negotiate. In no case, including where a cartel/ pool rates are suspected, should negotiations be extended to those who had either not tendered originally or whose tender was rejected because of unresponsiveness of bid, unsatisfactory credentials, inadequacy of capacity or unworkable rates. The circumstances where negotiations may be considered could be:

(a) Where the procurement is done on nomination basis;

(b) Procurement is from single or limited sources;

(c) Procurements where there is suspicion of cartel formation which should be recorded; and

(d) Where the requirements are urgent and the delay in re-tendering for the entire requirement due to the unreasonableness of the quoted rates would jeopardise essential operations, maintenance and safety, negotiations with L1 bidder(s) may be done for bare minimum quantum of requirements. The balance bulk requirement should, however, be procured through a re-tender, following the normal tendering process.

(ii) The decision whether to invite fresh tenders or to negotiate and with whom, should be made by the tender accepting authority based on the recommendations of the TC.

Convincing reasons must be recorded by the authority recommending negotiations. The CA should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated.

(iii) Normally all counter offers are considered negotiations by other means and the principles of negotiations should apply to such counter offers. For example, a counter offer to L1, in order to arrive at an acceptable rate, shall amount to a negotiation. However, any counter offer to L2, L3, and so on (at the rates accepted by L1) in case of splitting of quantities shall not be deemed to be a negotiation.

(iv) After the CA or TC has decided to call a specific bidder for negotiation, the following procedure should be adopted:

(a) Negotiations must be carried out by the CA or TC only;

(b) It must be understood that, if the period of validity of the original offer expires before the close of negotiations, the original offer will not be available for acceptance. The period of validity of the original offer must, therefore, be extended, wherever necessary, before negotiations;

(c) The tenderer to be called in for negotiations should be addressed as per the specified format of letter, so that the rates originally quoted by him shall remain open for acceptance in the event of failure of the contemplated negotiation;

(d) A negotiations meeting should be started only after obtaining a signed declaration from the negotiating contractor as per the format; and

(e) Revised bids should be obtained in writing from the selected tenderers at the end of the negotiations in the specified format of letter. The revised bids so obtained should be read out to the tenderers or their representatives present, immediately after completing the negotiations. If necessary, the negotiating party may be given some time to submit its revised offer. In case, however, the selected bidder prefers to send a revised bid instead of being present at the negotiation, the offer should be taken into account. In case a bidder does not submit the revised bid, its original bid shall be considered.

(7) Consideration of Lack of Competition:

(i) Sometimes, against advertised/ limited tender cases, the procuring entity may not receive a sufficient number of bids and/ or after analysing the bids, ends up with only one responsive bid – a situation referred to as ‘Single Offer’. As per Rule 21 of DFPRs 1978, such situation of ‘Single Offer’ is to be treated as Single Tender. The contract may be placed on the ‘Single Offer’ bidder provided the quoted price is reasonable. However, restricted powers of Single tender mode of procurement would apply.

(ii) Before retendering, the procuring entity is first to check whether, while floating/ issuing the enquiry, all necessary requirements and formalities such as standard conditions, industry friendly specification, wide publicity, sufficient time for bidding, and so on, were fulfilled. If not, a fresh enquiry is to be issued after rectifying the deficiencies.

(iii) It has become a practice among some procuring entities to routinely assume that open tenders which result in single bids are not acceptable and to go for retender as a safe course of action. This is not correct. Re-bidding has costs: firstly, the actual costs of retendering; secondly the delay in execution of the work with consequent delay in the attainment of the purpose for which the procurement is being done; and thirdly the possibility that the re-bid may result in a higher bid. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the process may be considered valid provided following conditions are satisfied:

- (a) The procurement was satisfactorily advertised and sufficient time was given for submission of bids;
- (b) The qualification criteria were not unduly restrictive; and
- (c) Prices are reasonable in comparison to market values.
- (iv) In case of price not being reasonable, negotiations (being L1) or retender may be considered as justifiable. Unsolicited offers against LTEs should be ignored, however Ministries/ Departments should evolve a system by which interested firms can enlist and bid in next round of tendering.

(8) Rejection of All Bids/ Re-tender:

(i) The Procuring Entity may cancel the process of procurement or rejecting all bids at any time before intimating acceptance of successful bid under circumstances mentioned below. In case where responsive bids are available, the aim should be to finalise the tender by taking mitigating measures even in the conditions described below. If it is decided to rebid the tender, the justification should balance the perceived risks in finalisation of tender (marginally higher rates) against the certainty of resultant delays, cost escalations, loss of transparency in re-invited tender. After such decision, all participating bidders would be informed and bids if not opened would not be opened and in case of manual tenders be returned unopened:

- (a) If the quantity and quality of requirements have changed substantially or there is an un-rectifiable infirmity in the bidding process;*
- (b) when none of the tenders is substantially responsive to the requirements of the Procurement Documents;*
- (c) none of the technical Proposals meets the minimum technical qualifying score;*
- (d) If effective competition is lacking. However, lack of competition shall not be determined solely on the basis of the number of Bidders.*
- (e) the Bids'/ Proposals' prices are substantially higher than the updated cost estimate or available budget;*
- (f) In case, the bidder, whose bid has been found to be the lowest evaluated bid withdraws or whose bid has been accepted, fails to sign the procurement contract as may be required or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, the Procuring Entity shall re-tender the case.*

(ii) Approval for re-tendering should be accorded by the CA after recording the reasons/ proper justification in writing. The Procuring Entity should review the qualification criteria, and technical and commercial terms of the tender before re-tendering and also consider wider publicity to attract an adequate number of responses. The decision of the procuring entity to cancel the procurement and reasons for such a decision shall be immediately communicated to all bidders that participated in the procurement process. Before retendering, the procuring entity is first to analyse the reasons leading to retender and check whether, while floating/ issuing the enquiry, all necessary requirements and formalities such as standard conditions, industry friendly qualification criteria, and technical and commercial terms, wide publicity, sufficient time for bidding, and so on, were fulfilled. If not, a fresh enquiry is to be issued after rectifying the deficiencies.

(9) Handling Dissent among Tender Committee (Same as in the case of Procurement of Goods)

(10) Independence, Impartiality, Confidentiality and 'No Conflict of Interest' at all Stages of Evaluation of Bids (Same as in the case of Procurement of Goods)

(11) Tender Committee Recommendations/ Report: The TC has to make formal recommendations in the specified format for the award of the contract to the bidder

whose bid has been determined to be substantially responsive and the lowest evaluated bid, provided further that the bidder is determined to be qualified to perform the contract satisfactorily and his credentials have been verified. It is a good practice that TC should spell out salient terms and conditions of the offer(s) recommended for acceptance. It should also be ensured by the TC that any deviation/ variation quoted by the contractor in his bid are not left un-deliberated and ruled upon in the TC; otherwise there may be delay in acceptance of the contract by the contractor. These recommendations are submitted for approval to the tender accepting authority. Since a nominee of Financial Adviser of the Department is usually a member of the Tender Committee, there is no need for the CA to consult the FA of the Department before accepting the TC recommendations. In any purchase decision, the responsibility of the CA is not discharged merely by selecting the cheapest offer or accepting TC recommendations but ensuring whether:

- (i) Offers have been invited in accordance with this manual and after following fair and reasonable procedures in prevailing circumstances;
- (ii) He is satisfied that the selected offer will adequately meet the requirement for which it is being procured;
- (iii) The price of the offer is reasonable and consistent with the quality required; and
- (iv) The accepted offer is the most appropriate taking all relevant factors into account in keeping with the standards of financial propriety.

After the acceptance of these recommendations by the tender accepting authority, the Letter (Notification) of Award (LOA) can be issued.

6.15.7 System of Management Reporting as per Standard Format

6.16 Award of Work (Para 5.7 of the Manual for Procurement of Works)

6.16.1 LOA of Successful Bidder

6.16.2 Publication of Tender Results and Return of EMD of Unsuccessful Bidders

6.16.3 Bidder's right to question rejection

6.16.4 Performance Security

6.16.5 Acknowledgement of Contract by Successful Bidder and Execution

6.16.6 Framing of Contract

6.16.7 Procurement Records

6.17 Execution and Monitoring of Works and Quality Assurance

6.17.1 Execution and Monitoring of Work (Para 6.1 of the Manual for Procurement of Works)

- (i) Project Management Team
- (ii) Monitoring System
- (iii) Fulfilling the Conditions Precedent to Land Acquisition and Other Clearances and Permits
- (iv) Commencement of Work
- (v) Approval of Quarries and Borrow Areas and Materials
- (vi) Sub-contracting
- (vii) Safety at Work Site
- (viii) Progress Reporting and Review- Management Information System Reports (MIS Reports)

6.17.2 Quality Assurance- Quality Assurance Cell (Para 6.2 of the Manual for Procurement of Works)

6.17.3 Design Approvals in case of EPC Contracts (Para 6.3 of the Manual for Procurement of Works)

6.17.4 Time Monitoring (Para 6.4 of the Manual for Procurement of Works)

- (i) Time at Large
- (ii) Force Majeure
- (iii) Delays in Execution (Para 6.4.3 of the Manual for Procurement of Works):
 - (a) Excusable Delay (Force Majeure i.e. Acts of Gods, Abnormal Weather, Flood, and so on)
 - (b) Inexcusable Delay (Puts full burden of responsibility for delay on the Contractor)
 - (c) Compensable Delay (Puts full burden of responsibility for delay on the Procuring Entity)
 - (d) Concurrent Delay (Two or more events responsible for delay overlapping each other which may either be attributable to the Procuring Entity or to the Contractor or to the None)
- (iv) Liquidated Damages and Incentive/ Bonus (Para 6.4.4 of the Manual for Procurement of Works)
- (v) Extension of Time (Para 6.4.5 of the Manual for Procurement of Works)

6.17.5 Financial Monitoring (Para 6.5 of the Manual for Procurement of Works)

(1) Variations/ Extra/ Substituted Items (All such variations must be within the limit of 10% of the finally approved budgeted/ tendered amount as per Rule 141 of GFR 2017)

- (i) Meaning of Variations [Para 6.5.1(i) of the Manual for Procurement of Works]
- (ii) Keeping track of Variations/ Extra/ Substituted Items [Para 6.5.1(ii) of the Manual for Procurement of Works]
- (iii) Valuation of Variations [Para 6.5.1(iii) of the Manual for Procurement of Works]

(2) Measurement and Payment (Para 6.5.2 of the Manual for Procurement of Works):

- (i) Measurement Books (MB)/ Level Field Books/ Electronic Management Books (e-MBs)
- (ii) Interim Payments
- (iii) Fulfilling the Critical Requirement of Cash Flow
- (iv) Final Bill Payment
- (v) Delay in Payment to the Contractors [Para 6.5.2(v) of the Manual for Procurement of Works]:
 - (a) Delay in eligible payments to contractors leads to compromise on the quality of performance in assignments and disputes. Hence, ad-hoc payments of not less than 75% of eligible monthly account bill or running account bill due stage payment, shall be made within 10 working days of the submission of the bill. This period of 10 days is for completion of all processes including prima facie scrutiny and certification by the officer-in-charge (as declared by procuring entities). The remaining payment is also to be made after final checking and approval of the bill within 28 working days of submission of bill by the contractor. In case the payment has not been released within 10 working days as prescribed above, it shall be made as soon as possible, and after payment a written explanation for delay shall be submitted to the next higher authority to the authority approving the award of tender within three working days.
 - (b) A provision may be put in place in the tender document/ contract for payment of interest in case of delayed payment of bills by more than 30 working days after submission of bill by the contractor. Where interest is to be paid, the rate of interest should be the rate of interest on General Provident Fund.
 - (c) In case of unwarranted discretionary delays in payments, including failure to authorize / make *ad hoc* payments, responsibility shall be fixed on the concerned officers. The tender approving authority should have a system to monitor delays in payments and to identify such unwarranted delays.

(d) The final bill should also be paid to the contractor within three months after completion of work.

(3) Mobilisation Advance (Para 6.5.3 of the Manual for Procurement of Works):

(i) If considered justified in certain specialized and capital intensive works, Contract may provide for an interest-bearing mobilisation advance to be paid to the contractor exclusively for the costs of mobilisation at **10 (TEN) percent** of the contract price on the provision by the contractor of an **Unconditional Bank Guarantees (BGs)**. Such BGs shall remain effective until the advance payment has been fully repaid, but the amount thereof shall be progressively reduced by the amount repaid by the contractor, as indicated in the interim payment certificates.

(ii) The aforesaid advance of 10 (ten) per cent **may be paid in two instalments, each of FIVE percent**. The first one may be paid on commencement of the work and provision by the contractor of the unconditional BG in respect of the advance. The second instalment may be paid on certification by the engineer of the contractor's having achieved a financial progress of 10 (ten) per cent of the contract price, as also provision of a BG by the contractor for this part of the advance. Mobilisation expenditure mentioned herein shall not include the margin money and bank commission, and so on, paid by the contractor for procurement of BGs against performance security and mobilisation advance.

(iii) Provision of mobilization advance should essentially be need-based. The decision for grant of the mobilisation advance, whether interest free or interest bearing, should be taken by only those authority having delegated with the **specific Financial Power for grant of mobilization advance**.

(iv) Although **interest free mobilization advance is to be discouraged/ avoided**, but, if the competent authority delegated with the specific Financial for grant of mobilization advance feels it necessity in specific cases then it should be clearly stipulated in the tender document and its recovery should be time based not linked with progress of work. This would ensure that even if the contractor is not executing the work or executing it at a slow pace, recovery of advance could commence and scope for misuse of such advance could be reduced.

(v) **Part 'Bank Guarantees' (BGs)** against the mobilization advance should be taken in as many numbers as the proposed recovery instalments and should be equivalent to the amount of each instalment. This would ensure that at any point of time even if the contractor's money on account of work done is not available with the organization, recovery of such advance could be ensured by encashing the BG for the work supposed to be completed within a particular period of time.

(vi) There should be a clear stipulation of interest to be charged on delayed recoveries either due to the late submission of bill by the contractor or any other reason besides the reason giving rise to the encashment of BG, as stated above.

(vii) The amount of mobilization advance, interest to be charged, if any; its recovery schedule and any other relevant detail should be explicitly stipulated in the tendered document upfront.

(viii) Relevant format for BG should be provided in the tender document, which should be enforced strictly and authenticity of such BGs should also be invariably verified from the issuing bank, confidentially and independently by the organization.

(ix) **In case of 'Machinery and Equipment advance', insurance and hypothecation to the employer should be ensured.**

(x) **Utilization Certificate (UC)** from the contractor for the mobilisation advance should be obtained. Preferably, mobilisation advance should be given in instalments

and subsequent instalments should be released after getting satisfactory utilization certificate from the contractor for the earlier instalment.

(4) Plant, Machinery and Shuttering Material Advance (Para 6.5.4 of the Manual for Procurement of Works):

(i) Another interest-bearing advance of five per cent of the contract price, depending on the merits of the case, may be paid against the new key construction equipment purchased for the work and brought to the site, if so provided in the Bid Documents and so requested by the contractor. The advance should normally not be more than 50 (fifty) percent of the depreciated cost of such plants and machinery should be hypothecated to the Govt., before the payment of advance is released. This advance shall be subject to the following conditions:

(a) the contractor shall produce satisfactory proof of payment;

(b) such equipment is considered necessary by the engineer for the works;

(c) the equipment has been verified to have been brought to site;

(d) the contractor gives an undertaking on stamp paper that the equipment will work only on that job and will not be removed from the site without obtaining written approval from the engineer; and

(e) the contractor furnishes a BG to cover the advance. No advance shall be admissible on equipment purchased under a hire purchase scheme/ financing arrangement or on hired equipment.

(ii) The rate of interest shall be stipulated in the bid documents (say 10 (ten) per cent per annum) or as may be notified by the Procuring Agency from time to time.

(iii) The repayment of advances shall be done through proportionate percentage deductions from running bill (periodic/ interim payment). The time of commencement of repayment, rate of deductions from interim payments, and time by which the advance should be fully repaid will be as specified in the contract.

(iv) All advances shall be used by the contractor exclusively for mobilisation expenditure, including the acquisition of construction-related plant and equipment. Should the contractor misappropriate any portion of the advance, it shall become due and payable immediately, and no further advance will be made to the contractor thereafter. In such cases, the contractor shall also be liable for appropriate action under the contract.

(5) Secured Advance against Material brought to Site (Para 6.5.5 of the Manual for Procurement of Works):

(i) Secured advance on the security of materials (which are not combustible, fragile or perishable in nature) brought to the site but not yet incorporated in the works will be made up to 75 (seventy-five) per cent of invoice value, or the 75 (seventy-five) per cent of the corresponding value of the materials determined on the basis of BOQ rates, whichever is less, subject to the condition that their quantities are not excessive and shall be used within a period of 90 (ninety) days and subject to other stipulations in the contract. The contractor will be required to sign an indenture bond, hypothecating the goods to the procuring entity, and also be responsible for their safe custody. Before the advance is released, the procuring entity may inspect the site to ensure that the Contractor has safeguarded the materials against pilferage and deterioration. It may be ensured that the contractor has not taken any loan/ limit from banks against hypothecation of the materials against which the secured advance is claimed. An undertaking in this regard may also be taken from the contractor.

(ii) Generally, as per the provisions of the contracts, the contractors are required to submit proof of cost of materials and the delivery of material at site while claiming such advances. The stock register should be maintained from the commencement of the

contract and, unless otherwise prescribed in the contracts, the stock, so considered for advance, should generally be only paid stock (and not brought on credit). Where the materials are supplied from a captive source of the contractor, the reasonableness of the valuation of such materials may be ensured.

(iii) The advance will be repaid from each succeeding running bill (periodic/ interim payment) to the extent materials for which advance has been previously paid have been incorporated into the works. In all cases, the repayment of the advance will be affected after expiry of a period of 120 days since payment of advance, whether the material is consumed in the work or not.

(6) Price Variation (Para 6.5.6 of the Manual for Procurement of Works)

6.17.6 GST Payment Mechanism (Same as in the Case of Procurement of Goods)

6.17.7 Responsibility for Payment of Wages [Section 21 of the Contract Labour (Regulation and Abolition) Act, 1970]:

(i) A contractor shall be responsible for payment of wages to each worker employed by him as contract labour and such wages shall be paid before the expiry of such period as may be prescribed.

(ii) Every principal employer shall nominate a representative duly authorised by him to be present at the time of disbursement of wages by the contractor and it shall be the duty of such representative to certify the amounts paid as wages in such manner as may be prescribed.

(iii) It shall be the duty of the contractor to ensure the disbursement of wages in the presence of the authorised representative of the principal employer.

(iv) In case the contractor fails to make payment of wages within the prescribed period or makes short payment, then the principal employer shall be liable to make payment of wages in full or the unpaid balance due, as the case may be, to the contract labour employed by the contractor and recover the amount so paid from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor.

6.17.8 Commissioning and Documentation (Para 6.6 of the Manual for Procurement of Works)

6.17.9 Closure of Contract (Para 6.7 of the Manual for Procurement of Works)

(i) Completion of Contract

(ii) Material and Works Reconciliation

(iii) Reconciliation with the User

(iv) Payment Reconciliation

6.17.10 Dispute Resolution Mechanism (Para 6.8 of the Manual for Procurement of Works)

6.17.11 Conciliation (Para 6.9 of the Manual for Procurement of Works)

6.17.12 Arbitration (Para 6.10 of the Manual for Procurement of Works)

6.17.13 Breach of Contract, Remedies and Termination (Para 6.11 of the Manual for Procurement of Works)

(i) Breach of Contract (Para 6.11.1 of the Manual for Procurement of Works)

(ii) Cancellation of Contract for Default (Para 6.11.2 of the Manual for Procurement of Works)

(iii) Termination of Contract for Insolvency (Para 6.11.3 of the Manual for Procurement of Works)

(iv) Termination of Contract for Procuring Entity's Failure or Convenience (Para 6.11.4 of the Manual for Procurement of Works)

6.17.14 Preparation of Revised Project Report (Para 6.12 of the Manual for Procurement of Works)

6.18 Registration/ Enlistment of Contractors and Governance Issues

6.18.1 Contractor Relationship Management (Para 7.1 of the Manual for Procurement of Works)

6.18.2 Code of Integrity for Public Procurement (Para 7.2 of the Manual for Procurement of Works)

6.18.3 Integrity Pact (Para 7.3 of the Manual for Procurement of Works)

6.18.4 Development of New Sources and Registration/ Enlistment of Contractors (Para 7.4 of the Manual for Procurement of Works)

(1) Registration- Simply registering the Contractor, without any verification (Para 7.4.2 of the Manual for Procurement of Works)

(2) Enlistment- Including the name of the Contractor in the list after verification of credentials (Para 7.4.3 of the Manual for Procurement of Works):

(i) Categories of Enlistment (Para 7.4.6 of the Manual for Procurement of Works)

(ii) Class of Enlistment with Tendering Limits (Para 7.4.7 of the Manual for Procurement of Works)

(iii) Procedure for Enlistment (Para 7.4.8 of the Manual for Procurement of Works)

6.18.5 Debarment (Para 7.5 of the Manual for Procurement of Works)

6.18.6 Project Management (Para 7.6 of the Manual for Procurement of Works)

6.19 Additional Resources relating to Procurement of Works

(1) Manuals for Procurement of Goods and for Procurement of Consultancy and other services issued by Department of Expenditure, Ministry of Finance, GFR 2017 and relevant resources available with Department of Economic Affairs, Ministry of Finance (PPP Cell, Infrastructure Division: <https://www.pppinindia.gov.in/>)

(2) CPWD Publications: http://cpwd.gov.in/Documents/cpwd_publication.aspx

(i) Manuals

(ii) CPWD Works Manual 2022

(iii) CPWD Maintenance Manual 2012

(iv) General Conditions of Contract (GCC)

(v) GCC 2014- PDF

(vi) Plinth Area Rates

(vii) Supplement for Specialized E&M Works 2014 - View in PDF

(viii) Plinth Area Rates 2012 - View in PDF

(ix) Analysis of Rates for Delhi

(x) 2016 -Civil Vol-I, Vol-II

(ii) 2016 -E & M

(xi) Schedules of Rates (Civil)

(xii) Delhi Schedule of Rates 2016 - Vol-I, Vol-II

(xiii) DSR 2016-(E&M) in PDF

(xiv) Specifications (Civil)

(xv) Specifications Volumes I

(xvi) Specifications Volumes II

(3) Other Publications

(4) Various Local Approvals and Clearances Required For Large Scale Project in Metro Cities

(5) CVC - Circulars on Tenders: http://cvc.nic.in/proc_works.htm

(6) CVC – CTE Reports: http://www.cvc.nic.in/cte_menu.htm

(7) Central Public Procurement Portal (CPPP): <https://eprocure.gov.in/cPPP/>

6.20 Procurement of Works under World Bank Funded Projects: In case of World Bank funded expenditure/ procurement, the broad Standard Operating Procedure's (SOPs) provided for purely domestic budgetary expenditure/ procurement may be followed subject to prevailing of World Bank guidelines/ procedure in case of any explicit inconsistency between purely domestic budgetary expenditure/ procurement condition(s) and World Bank funded expenditure/ procurement condition(s).

Annexure's Concerning Procurement of Works

Annexure I

Bid Opening Attendance Sheet Cum Report

[Refer Para 4.10 (iv) of the Manual for Procurement of Works]

[Name of Procuring Entity]

Bid (Techno-commercial/ Financial) Opening Attendance Sheet cum Report

Attendance Record						
Sr. No.	Bidder's Name	Bidder's Address	Bidder's Authorisation and Date	Represented by	Contact No.	Signature of Representative

Bid Opening Report							
Tender No			Title			Date of Opening	
Offer No.	Bidder's Name	Bidder's Ref and Date	Submission of Requisite EMD (Y/N)	Submission of other Mandatory Documents (Y/N)	Rate Quoted and Taxes/Duties	Signature of Representative	
--/--							
--/--							
--/--							

Total no. of regular tenders taken out from the tender box to be opened as mentioned above.....

(in figures and in words)

Signature, Date and Time	Signature, Signature, Date and Time
Name and Designation of Tender Opening Officer	Name and Designation of Tender Opening Officer

Received total regular tenders..... (In figures/words) as above

Signature, Date and Time	Signature, Signature, Date and Time
Name and Designation of Procuring Entity Officer	Name and Designation of Procuring Entity Officer

Annexure II

Tender Committee Minutes Format

(For Techno-Commercial/Financial Bids)

(Refer Para 5.5.1 (v) and 5.6.11 of the Manual for Procurement of Works)

Organisation: _____					
Minutes of Tender Committee Meeting (Techno-commercial/Financial Bids)					
Section I : Top Sheet					
File No :				Date :	
Description				Estimated Cost :	
Tender Published In				Date Of Publication	
Bid Validity				Bid Opening Date	
Past Procurements					
Sr. No.	Supplier	Order Reference & Date	Quantity	Basic Rate (Rs.)	Remarks
Members of the Tender Committee					
Sr. No.	Name	Designation	Sr. No.	Name	Designation
1			2		
3			4		
Section II : Salient Feature of the Tender					
Review background of indent; technical and financial approvals; estimated cost; budgetary provisions; urgency of requirement; special technical requirements and other connected procurements which are part of same package/project					
Review mode of bidding; bidding document contents; bid publication; level of competition obtained; issues if any noticed during bid-opening (bids not opened due to lack/ unsatisfactory EMD, etc.) and any other procurement of this requirement in process (at various stages)					
Review special conditions, restriction if any, on participation of bidders; purchase preferences, requirements prescribed in bid documents (EMD, document submission, etc.)					
Section III : Preliminary Evaluation					
Review handling of any complaints received					
Review/confirmation of quantity and period of delivery required					
Discuss preliminary evaluation for determining substantially responsive bids and for minor corrections and clarifications					
Section IV: Evaluation of Responsive Bids					
Bid-wise deliberation should be recorded					
In case of evaluation of Financial Bids					

i) Start with review of techno-commercial evaluation ii) Insert a summary table of evaluated price in the order of L1, L2, etc. iii) Deliberations should be in the sequence of L1, L2, etc.			
Section V: Summary of Recommendations			
Bid-wise recommendation should be recorded In case of evaluation of financial bids, a) Give a summary of recommended bids, award value, bid expiry date and special conditions, if any. b) Also mention that the rates recommended are considered reasonable (and basis for such determination). c) Total value of the recommendations for determining level of acceptance authority. d) Mention that none of the TC members have any conflict of interest with the parties recommended for award. e) Request acceptance of recommendations by competent authority and that it's within his powers of acceptance as per SoPP/ DFPR			
Signature Name and Designation of the Members			
1		2	
	Date :		Date :
	(Name & Designation)		(Name & Designation)
3		4	
	Date :		Date :
	(Name & Designation)		(Name & Designation)
Remarks by the Accepting Authority:			

Signature:_____ Date:_____			
Name & Designation of Accepting Authority _____			

Annexure III

Invitation and Declaration for Negotiations

[Refer Para 5.6.6 (iv) (c) of the Manual for Procurement of Works]

Invitation for Negotiations

(On letterhead of the procuring entity)

No: _____

Dt: _____

To M/s _____
Registered A/D

Sub: **Tender No ----- opened on -----for the
supply of -----**

Dear Sir,

The rates quoted in your tender are considered high. You are therefore, requested to come for negotiations of rates, on..... (date) at..... (time) at..... (venue).

You should, however, come for negotiations only in case you are prepared to furnish before such date the declaration appended herewith.

A copy of the form in which you may submit your revised offer after negotiations is enclosed.

Yours faithfully,

(Authorised Officer)

Enclosure:

- i) Form of Declaration
- ii) Form of Revised Offer

Form of Declaration

(To be signed and submitted before start of negotiations)
(On company letterhead)

No: _____

Dt: _____

To _____

Sub: **Tender No** ----- **Opened on** -----**for the supply**
of -----

Ref: Your invitation for negotiations No: dated:

Dear Sir,

I _____ duly authorised on behalf of M/s.
_____ do declare that in the event of failure of the contemplated
negotiations relating to Tender No. _____ opened on
_____ my original tender shall remain open for acceptance on
its original terms and conditions.

Yours faithfully,

Place: _____

Date: _____

Signatures of bidder, or officer authorised to sign the bid documents on behalf
of the bidder

Format of Revised Offer in Negotiations

[Refer Para 5.6.6 (iv) (d) of the Manual for Procurement of Works]

Revised Offer in Negotiation

(On company letterhead)

From.....

Full address.....

To

Sir,

Sub: Tender No ----- opened on -----for the supply of

Ref: Your invitation for negotiations no: dated:

1. On further discussions with your representatives onin
response to your letter no dated.....

We are not prepared to reduce the rates already quoted in the original
tender, which will remain valid up to.....

Or

1. I / we reduce my/our rates as shown in the enclosed schedule of items.

2. I / we am/are aware that the provisions of the original bidding
document remain valid and binding on me.

3. I/we undertake to execute the contract as per following Schedule.....

4. I/we agree to abide by this tender on the revised rate quoted by me/us,
it is open for acceptance for a period of 120/180 (one hundred twenty to one
hundred eighty) days from this date, i. e., up to and in
default of my/our doing so, I/we will forfeit the earnest money deposited with
the original tender/ attached herewith. Eligibility as valid tenderers shall be
deemed to be the consideration for the said forfeiture.

Yours faithfully,

Signatures of bidder or officer authorised to sign the bid
documents on behalf of the bidder

Annexure V

Letter (Notification) of Award (LoA) of Contract

(Refer Para 5.7.1 of the Manual for Procurement of Works)

Name of the procuring

entity_____

Confidential

Contract No: [Insert date]

Contract Title:

To,

M/s. [Insert name & address]

Sub: Award of contract for contract no: [insert contract number] and contract title:
[insert contract title]

REF. Your offer no. [insert offer number] against our tender no. [insert tender no]
opened on [insert date of opening of tender]

Dear Sir/ Madam

I am directed to inform you that after evaluating the bid documents submitted by you on ----[enter date] -----[Enter Name of procuring Entity] is pleased to inform you that you have been selected as the successful bidder for the supply of [enter description]. The total purchase price shall be [enter amount] as indicated in your financial bid submitted on [enter date], in accordance with the procedures intimated in the relevant bid documents.

You/your authorised representative(s) are requested to be personally present at [insert address] for the signing of the contract by [enter date].

In this respect, we also request you to submit the performance security of [insert amount of Rupees in words] by [insert date]. Security deposit being 10% (ten percent) of the total cost = Rs._____.

Please apply for refund of EMD deposited over and above the SD of if any.

You are requested to execute necessary agreement within seven days from the date of issue of this letter in the enclosed agreement form. Special adhesive stamp of Rs.10 (Rupees Ten) and revenue stamp of Rupee one shall be affixed on the enclosed agreement form. Treasury receipts of EMD and SD shall be deposited in office within the stipulated time limit as above.

This notification concludes the legally binding contract between you and the Government of India, till issue of a formal contract.

Yours truly,
[Authorised Officer]

Enclosure: Agreement Form along with the schedule of delivery

Annexure VI

No Claim Certificate

(Refer Para 6.6.1 of the Manual for Procurement of Works)

(On company letterhead)

To,
(Contract Executing Officer)
Procuring Entity_____

NO CLAIM CERTIFICATE

**Sub: Contract Agreement no. _____ dated _____ for the supply
of _____**

We have received the sum of Rs. (Rupees _____ only) in full and final settlement of all the payments due to us for the supply of _____ under the abovementioned contract agreement, between us and Government of India. We here by unconditionally and without any reservation whatsoever, certify that with this payment, we shall have no claim whatsoever, of any description, on any account, against Procuring Entity, against aforesaid contract agreement executed by us. We further declare unequivocally, that with this payment, we have received all the amounts payable to us, and have no dispute of any description whatsoever, regarding the amounts worked out as payable to us and received by us, and that we shall continue to be bound by the terms and conditions of the contract agreement, as regards performance of the contract.

Yours faithfully,
Signatures of contractor or officer authorised to sign the contract documents on
behalf of the contractor
(company stamp)

Date: _____

Place: _____

A Sample Memorandum of Understanding (MOU)

(Refer Para 3.1.4 (iv) of the Manual for Procurement of Works; The sample is for illustrative purpose only and procuring entity may change the format suiting to their requirement. If felt necessary, procuring entity may also get the MOU document vetted from the Ministry of Law/ or procuring entity's legal cell)

MEMORANDUM OF UNDERSTANDING

between
[Name of Procuring Entity]
and
[Name of Project Management Consultant PWO/ PSU]
for
Construction of [Name of Work(s)] at [Name of Location(s) of Work]

This, Memorandum of Understanding (hereinafter called "MoU") signed between [Name of Procuring Entity] (hereinafter called "Procuring Entity") represented by its Chief Engineer of one part,

And

[Name of Project Management Consultant PWO/ PSU] (hereinafter called "Project Management Consultant") represented by its Chief Engineer on other part.

'Procuring Entity' and 'Project Management Consultant' are also referred to individually as 'Party' and collectively as 'Parties' wherever the context so requires

Whereas 'Project Management Consultant' have agreed to undertake the work of Construction of abovementioned Work(s) at above mentioned location(s) for 'Procuring Entity' as a 'Deposit Work' on Project Management Consultant (PMC) basis.

Now, therefore it is agreed between the Parties that:

A) Assigning of Work by 'Procuring Entity' to 'Project Management Consultant'.

1. {In case of MoU of collection of works or of framework nature 'Procuring Entity' will assign a work to the 'Project Management Consultant' through a letter after due approval of the competent authority. A work specific MoU would be signed along with approval of Preliminary Estimates.}. 'Procuring Entity' will provide all relevant available documents related to Land, Site Details, functional and space requirements (or Various Facilities, Special Requirements/ Features and Broad Specifications for specialised Equipments and Plants), Layout Plans etc. for facilitating Project Execution by 'Project Management Consultant' along with A & E Consultants

2. 'Project Management Consultant' shall appoint, if any, competent Architectural and Engineering (A & E) Consultant commensurate with size and nature of the work after following due process.

(B) Approval of Preliminary Project Report (PPR) & Detailed Project Report (DPR)/ Preliminary Estimate (PE)

3. Preliminary Project Report (PPR) shall be prepared by 'Project Management Consultant' based on functional & space requirements as intimated by 'Procuring Entity' and submitted to 'Procuring Entity' for its approval. {It would be a joint endeavour on part of both 'Procuring Entity' and 'Project Management Consultant' in consultation with consultants & experts to develop Standard Plans & Specifications for Works & Services including Furniture, Equipments, Plants etc. pertaining to various categories of Works etc.}

4. Based on approved PPR, 'Project Management Consultant' shall prepare Detailed Project Report (DPR)/ Preliminary Estimate (PE) consistent with their norms & standards, containing Milestones and commensurate activities to be accomplished against each Milestone & Baseline Programme in the form of CPM Network depicting clearly Dates of Start and Completion of the work {along with Work specific draft MoU} and submit it to 'Procuring Entity' along with all relevant input information, documents and Drawings etc. for approval of 'Procuring Entity', within 8 (eight) weeks of receipt of approval for PPR. 'Project Management Consultant' shall use C.P.W.D. Analysis of Rates for Delhi (DSR) for framing the DPR/ PE. Non - DSR Items shall be incorporated in the Detailed Estimates only when these are not either readily available in DSR. Detailed reasons and justifications for including Non-DSR Items shall have to be furnished by 'Project Management Consultant'. 'Procuring Entity' shall accord approval to DPR/ PE {and Work Specific Draft MOU} containing Milestones and commensurate activities to be accomplished against each Milestone & Baseline Programme in the form of CPM Network and issue Administrative Approval (A/A) & Expenditure Sanction (E/S) in about 8 (eight) weeks of its submission by 'Project Management Consultant'.

5. On receipt of the A/A and E/S, the 'Project Management Consultant' shall prepare and accord Technical Sanction (TS) to detailed and coordinated design of all the Architectural, Civil, Electrical, Mechanical, Horticulture and any other services included in the scope of the sanction and of the Detailed Cost Estimates containing the detailed specifications and quantities of various items prepared on the basis of the schedule of rates maintained by CPWD or other Public Works Organizations.

(C) Release of Funds, Payment of Bills

6. 'Project Management Consultant' has agreed to charge [insert the Fee agreed] for carrying out the assigned Deposit Work.

7. 'Procuring Entity' shall release Initial Deposit of 10% of the approved preliminary estimate amount to 'Project Management Consultant' within 2 (two) weeks of issuing A/A & E/S {and signing work specific MoU along with Milestones & Baseline Programme between Chief Engineers of 'Procuring Entity' & 'Project Management Consultant', whichever is later}.

7.1 'Procuring Entity' shall release additional deposit up to 10 (ten) % of approved estimate amount to 'Project Management Consultant' within 2 (two) weeks of award of first major construction contract on the basis of specific request made by 'Project Management Consultant' in this regard along with proper reasons and justifications acceptable to 'Procuring Entity' for additional requirement of fund over and above already released initial deposit of 10 (ten) % of approved preliminary estimate amount in terms of Clause – 7 above.

8. After the Initial and Additional Deposit as per clause 7 and 7.1 above and subsequent release of Fund shall be in the form of recoupment of the expenditure made by 'Project Management Consultant' on the work as per monthly expenditure statements which shall be submitted in Monthly Expenditure Statement (MES) in a form similar to CPWD Form – 65 (Account of Deposit works). While submitting MES, and placing demand for release of fund in the form of recoupment of the monthly expenditure already incurred on the work, 'Project Management consultant' will also submit a comprehensive report on progress of physical completion of various activities and Milestones vis-à-vis earlier planned activities/ Milestones for the overall completion of the specific work mutually decided between 'Procuring Entity' & 'Project Management Consultant' {and included as part of work specific MOU} for enabling 'Procuring Entity' to keep effective check on utilization of fund as well as physical progress of the work.

9. The fund subsequent to Initial Deposits shall be released by 'Procuring Entity' to 'Project Management Consultant' within 4 (four) weeks of submission of request by 'Project Management Consultant' along with all documents as described in Clause -8 above. As per the monitoring of physical and financial progress indicators, 'Procuring Entity' will take necessary steps for recoupment of the monthly expenditure incurred on the basis of the Fund Utilization Certificate.

10. If any fund requirement is specifically made by 'Project Management Consultant' after the work has been assigned to 'Project Management Consultant' for undertaking pre-construction activities related to the Project Execution etc., the same shall be released by 'Procuring Entity' within 2 (two) weeks of such specific demand provided the amount is within ceiling limit of Rs 25 (twenty-five) lakh. The amount so released to 'Project Management Consultant' shall be adjusted from, Initial Deposit amount.

11. 'Project Management Consultant' shall intimate 'Procuring Entity' about any excess expenditure likely to be incurred over and above the approved Projected Cost and also about possibility of time overruns, as soon as it comes to the knowledge along with reasons and justifications thereof for necessary approvals from 'Procuring Entity' before continuing/ incurring the extra/ additional expenditure.

12. The 'Project Management Consultant' shall be responsible for certifying and making payment of Bills of the Contractors/ Agencies engaged by them and make available Final Statement of Accounts in Standard Format to 'Procuring Entity' & also provide copies of Final Bills for all Contract Packages and other expenditure incurred related to Project Construction after the Completion of the Work. In addition, should 'Procuring Entity' ask for any other details from 'Project Management Consultant' regarding Utilization of Fund at any stage, Detailed Estimates, Technical Sanctions,

Award of Works, Running Bills etc., the same shall be provided by 'Project Management Consultant' readily.

13. The 'Procuring Entity' shall settle compensation/ levies, if so required to be paid based on recommendation by 'Project Management Consultant' related to the Project works, under Workmen's Compensation Act or any other Act or Law of the Central or the State Government.

(D) Execution of Work

14. The 'Project Management Consultant' shall obtain necessary Statutory Approvals/ Permission/ Clearances/ Certificates from the concerned Local Bodies & Statutory Authorities like District Authorities, Municipal Corporation, Panchayati Raj Institutions, Town Planning Board, Electricity Board/ Fire Department, State/ Central Pollution Control Boards, State/ Central Environmental Authorities, Forest and Wild-life authorities etc. (for e.g. removal of trees, re-locating utilities; conversion of railway level crossings, laying of railway sidings needed by the work; rehabilitation and resettlement of persons affected by the work; traffic control; mining of earth and stone; interfering protected monuments; blasting permission, environmental/ forest/ wild-life clearances; and shifting of religious shrines etc.) to start the work have been obtained. The 'Procuring Entity' shall be responsible for providing all assistance to 'Project Management Consultant' in this process.

15. Works shall not be awarded by 'Project Management Consultant' to contractors till all statutory approvals/ certificates/ permissions required for taking up the work, are in place.

16. 'Procuring Entity' shall make the work site available free from encumbrances to 'Project Management Consultant'. 'Procuring Entity' shall also ensure Availability of auxiliary services - like roads, power, water, solid & liquid waste disposal system, street lighting and other civic services. 'Project Management Consultant' shall provide necessary support in this process.

17. 'Project Management Consultant' shall permit 'Procuring Entity' to inspect or monitor the works, either itself or through Third party as and when it desires for assessing actual progress and quality of construction and any other aspects.

18. 'Procuring Entity' shall provide security clearance and ensure free access for 'Project Management Consultant' staff/ Employees and their workers working at Work site in case these are required. 'Project Management Consultant' shall provide necessary support in this process.

19. 'Project Management Consultant' shall ensure adequate availability of men & material by their contractors.

20. 'Project Management Consultant' shall ensure that it's Contractor(s) implement required Health, Safety & Environmental (HSE) practices at the Construction Sites and they also comply with all statutory obligations related to workmen deployed at the Construction Site. 'Project Management Consultant' will act as Principal Employer in respect of all Statutory Obligations related to workmen deployed at the site in execution of the work.

21. 'Procuring Entity' shall permit and facilitate to the 'Project Management consultant' all utilities required for construction e.g. drawal of Ground Water, obtaining electricity connection, putting up Labour Camps/ Huts inside the available space for facilitating construction by contractors engaged by 'Project Management Consultant'. 'Project Management Consultant' shall provide necessary support in obtaining permission, if any, of Local Bodies in this regard. The cost in this regard borne by 'Procuring Entity', if any, should not be duplicated as reimbursement by the 'Project Management Consultant'.

22. As soon as the work is allocated, 'Project Management Consultant' shall prepare and submit to 'Procuring Entity' an Integrated Programme Chart for the execution of work showing clearly all activities from the start of work to completion with details of manpower and other input information required for the fulfilment of the timelines given therein. 'Project Management Consultant' will intimate 'Procuring Entity', Project Team, both on - site and off-site, starting from Chief Engineer to Junior Engineer associated with execution of the work. The Programme Chart should inter-alia include descriptive note explaining sequence of the various activities, CPM Network Milestones etc. This will form Base Line Programme and the subsequent progress of the work shall be reviewed with reference to this during periodic Progress Review Meeting preferably monthly. Any increase in time period from the Base Line Value shall be construed as Time Overrun.

23. 'Project Management Consultant' shall be responsible for providing Physical Progress Reports to 'Procuring Entity' in the form of CPM (Critical Path Method) Network on monthly basis for reviewing of the progress of the work vis - a vis Base Line Programme and taking all necessary remedial actions, after taking into account 'Procuring Entity's observations made in respect of quality and progress of the work during the monthly/periodic Project Review Meetings. To ensure timely completion of work as per mutually agreed time-schedule/ milestones and within agreed Cost.

24. 'Project Management Consultant' shall also be responsible for providing to 'Procuring Entity' Financial Progress Reports of the project and up to date Expenditure incurred on the work on monthly basis along with Certificate of Utilization of Fund against Fund earlier released to 'Project Management Consultant' by 'Procuring Entity'.

25. 'Project Management Consultant' shall be responsible for total Project Management including day-to-day supervision of works, maintenance of all project records and executing the works as per prescribed guidelines, their own Works Manual, Codes, Books of Specifications etc. and also in accordance with relevant and extant provisions of General Financial Rules (GFR), 2017.

(E) Project Management, Cost and Time Control

26. 'Project Management Consultant' shall implement a system of 'Project Team Concept' with dedicated group of Engineers under single and unified command for implementation of projects from concept to completion and call composite tenders to reduce the number of packages for better management. 'Project Management

Consultant' shall be obliged to adopt all the above said measures to successful completion of the works within Approved Cost and agreed Time period.

27. 'Project Management Consultant' shall be responsible for managing the Project from concept to commissioning effectively and efficiently to ensure desired/ proportionate pace of progress and completion of work is achieved progressively vis-à-vis approved Plans & Specifications and in Terms and Conditions of the MOUs and mutually agreed milestones and timelines and approved cost, taking with due diligence all required pro- active remedial measures including provision of stringent and elaborate enforceable Clauses to this effect and also making time as the essence of contract in the Bid and Contract Documents. 'Project Management Consultant' shall provide for clauses in the contract and established procedure to recover liquidated damages from their contractors/ agencies. The liquidated damages recovered from the contractors for delay, if any, shall be credited to 'Procuring Entity' in the project accounts.

28. The approved Initial Project Cost & Timeline should not exceed during execution of the Project except for reasons like increase in cost index during construction period, revised specifications or extra work over approved estimate carried out at the request of 'Procuring Entity' etc. In case of either increase in earlier approved cost or timeline, detailed reasons and justifications, based on verifiable facts and figures, shall have to be provided by 'Project Management Consultant' along with comprehensive proposals for revision in earlier approved Project Cost & Timeline, which shall be intensively examined by 'Procuring Entity' in consultation with 'Project Management Consultant' before approval is accorded to their proposals. No additional expenditure over and above the earlier approved Project Cost shall be incurred by 'Project Management Consultant' without prior approval of 'Procuring Entity'. Upward Revisions in either Cost or Timeline should be an exception rather than a rule and for achieving this objective, all required efforts shall be made by 'Project Management Consultant'.

29. At any time, it appears to 'Procuring Entity' that the actual progress of the work does not conform to the approved programme referred above and intimated to 'Project Management Consultant' by 'Procuring Entity', detailed reasons and justifications for such delays shall have to be provided by 'Project Management Consultant', which shall be examined by 'Procuring Entity' to re-Schedule the Programme, if any. Progress Review Meetings preferably monthly shall be held between 'Project Management Consultant' and 'Procuring Entity' for reviewing the progress of works based on Baseline Programme/ Milestones etc. and also for resolving co-ordination issues, if any including fixing priority of some works, facilities and services for their early completion and handing over to 'Procuring Entity' for putting item to use for intended purpose. A&E Consultants may also participate. 'Project Management Consultant' will also designate a nodal officer in respect of specific work for coordinating with 'Procuring Entity' and A & E Consultant. Such designated nodal officer shall be suitably empowered and authorized to take decisions in work related issues so that delays are minimized for achieving timely completion of work.

(F) Disputes, Enquiries and Queries

30. 'Project Management Consultant' shall be responsible for observing due diligence and adopting all possible measures at various stages of work execution so as to avoid Arbitration/ Litigation and other hindrances and the work is completed within optimum cost and time in a hassle-free environment.

31. 'Project Management Consultant' shall be responsible for defending all Arbitration and Court Cases arising out of execution till the work ends, examining the Arbitration Award/Decree of Court or Law/ liability by appropriate authority in 'Project Management Consultant' and forwarding the same along with a comprehensive report on the circumstance leading to the Arbitration/ Court Cases and the reasons and justification as to why an appeal against such awards/ decree was not considered necessary, briefing out inter-alia details of the award and clear-cut recommendations. The decision of the competent authority in 'Project Management Consultant' to accept the award or challenge the same in a Court of Law will be binding on the 'Procuring Entity'.

32. 'Procuring Entity' shall settle and pay the final claims which may be decreed by a Court of Law, Tribunal or by award of an Arbitration in relation to the deposit work, based on recommendations of 'Project Management Consultant'.

33. 'Project Management Consultant' shall be responsible for redressing and complying with the observations of CTE/ CVC, Auditors, Statutory Authorities, Local Bodies, Municipal Corporation etc. pertaining to the work under intimation to 'Procuring Entity'. Providing all work-related information promptly to 'Procuring Entity' for replying to Parliament Questions, queries from various Constitutional & Statutory Authorities.

(G) Completion and Handing-over of Completed Work and Facilities

34. 'Project Management Consultant' shall obtain work Completion/ Occupancy Certificates & Clearances for completed Work and Facilities before handing over the same to 'Procuring Entity' for putting them to functional use. 'Procuring Entity' shall provide all assistance in this process.

35. 'Project Management Consultant' shall hand over to 'Procuring Entity' or its Authorized Representative Completed Work including all Services and Facilities constructed in accordance with the Approved Plans, Specifications fulfilling all techno-functional requirements agreed with 'Procuring Entity' along with Inventory, As-built Drawings, Maintenance Manual/ Standard Operating Procedure (SOP) for Equipments and Plants, all clearances /Certificates from Statutory Authorities, Local Bodies etc.

36. On completion of the work, a Project Completion Report (PCR) shall be submitted by 'Project Management Consultant' duly bringing out the Final Project Completion Cost, Total Time period taken to complete the work and also completed Project Components as against the approved Cost, Time and Project Components. The PCR shall be submitted along with Final Project Accounts including return of unspent balance amount to 'Procuring Entity' within one month of settlement of final bills of the contractors/ other agencies deployed on the work by 'Project Management Consultant'.

(H) Termination of MoU

37. If 'Procuring Entity' decides to terminate this MOU or decides to drop/ abandon the work after substantial preliminary work has been done by 'Project Management Consultant' on the work, both 'Project Management Consultant' and 'Procuring Entity' shall mutually decide the loss incurred by 'Project Management Consultant' for payment by the latter to the former. In case of abandonment of project/ work by 'Procuring Entity' during construction stage, 'Procuring Entity' shall pay to 'Project Management Consultant', after determining the value of the works, goods and contractor's documents and any other sums due to them for work executed in accordance with the MOU, to help liquidate only such liabilities as were squarely needed towards construction/ consultant agencies engaged on the work, in a fair and reasonable manner.

(F) Miscellaneous

38. Disputes between 'Procuring Entity' and 'Project Management Consultants':

As dispute resolution mechanism for implementation of the provisions of this MoU, at the first instance the issues involved shall be brought before Chief Engineer of 'Procuring Entity' and concerned Chief Engineer of 'Project Management Consultant' for their resolution. In case, however, disputes/ differences between the parties do not get resolved, the matter shall be escalated to higher level in 'Procuring Entity', and 'Project Management Consultant', who shall be above the level of CE in the respective organizations. They shall submit a comprehensive report and recommendation to 'Procuring Entity' and 'Project Management Consultant' for facilitating final decision in the matter.

39. Individual and joint responsibilities of the Parties shall be as per clauses mentioned above.

40. No amendment in Terms & Conditions of the MoU shall be valid and effective unless it is in writing and duly signed by authorised representatives of 'Procuring Entity' and 'Project Management Consultant'. Each party shall give due consideration to any proposal for amendment/ modification made by other party with proper justifications thereof.

41. Provisions, if any, made in respect of deposit works in 'Project Management Consultant's Works Manual or Codes shall stand modified to the extent of the stipulations made in this MoU for execution of 'Procuring Entity' works by 'Project Management Consultant'.

Signatures and Witnesses

Date: _____ Place: _____

Annexure VIII

Templates for Management Reports (MIS) and Key Performance Indicators (KPIs)

1. Delays by more than one month in floating of tenders against the approval received

S.No.	Item/ Work Code and Description	Quantity, Value Required/ Indented	Date Received in Procuring Entity	Date of Floating Tenders	Remarks

2. Delays by more than one month in finalizing tenders over ideal time

S. No.	Tender Number & Opening date	Item/Work Code and Description	Quantity & Value	Date Indent Received in Procuring Entity	Delay as per Ideal Time	Likely Date of Contract/ Remarks

3. Cases of tenders discharged or proposed for re-tendering

S. No.	Tender No. & Opening Date	Item/Work Code and Description	Quantity & Value	Reasons of Discharge/ Retendering	Level of Approval	Is it a case of Repeat Retendering	Actions Taken to Avoid Repetition

4. Delays by over one month in signing contracts after finalisation of tender

S. No.	Tender Number & Opening Date	Item/Work Code and Description	Quantity & Value	Date of Finalisation of Decision	(Likely) Date of Contract Signing	Remarks

5. Delays by over three months in Performance of Contract

Po No. & Date	Item/Work Code and Description	Contractor Name/ Code	Original Delivery/ Performance Period/ Date	Delay in Weeks	Indicative Delivery/ Performance Date	Proposed Action/ Remarks

6. Cases of inordinate delays in Performance of Contract

Po No. & Date	Item/Work Code and Description	Contractor Name/ Code	Original Delivery/ Performance Period/ Date	Delay in Weeks	Indicative Delivery/ Performance Date	Proposed Action/ Remarks

7. Delays in payment/ ad hoc payment by more than 30 working days after submission of the bill by the Contractor

Po No. & Date	Item/Work Code and Description	Vendor Name/ Code	Date of Performance/ Delivery	Due date of payment as per Contract	Date of Signing Payment order Voucher	Likely Date of Payment	Proposed Action/ Remarks

8. Delays in payment by over three months from due date

Po No. & Date	Item/Work Code and Description	Vendor Name/ Code	Date of Performance/ Delivery	Due date of payment as per Contract	Date of Signing order Payment Voucher	Likely Date of Payment	Proposed Action/ Remarks

9. Top 10 Contractors during the current year

S. No.	Vendor Name/Code	Item/ Work Code/ Description	Number of Value of Contracts				Remarks
			Outstanding as on April 1,	Further Ordered Then	Since	Value of Contract made since April 1,....	

10. KPIs during last month/quarter/financial year

Work Load & Throughput	Number/ Value/ Ratio
Number and Value of pending contract placement	
Number and value of approvals received during the month	
Number and value of tenders floated during the month	
Number and value of tenders finalized during the month	
Number and value of contracts signed during the month	
Number and value of payments made for performance during the month	
Efficiency of procurement process	
Productivity-number and value wise tenders finalized/on hand per head of staff	
Average time taken for award decision for OTE, LTE, and STE categories of procurement	
Proportions of tenders on STE basis with reference to the total number/value of tenders	
Proportions of tenders on QCBS bidding with reference to the total number/ value of tenders	
Proportion of tenders through GeM with reference to the total number/ value of tenders	

Chapter-7: Miscellaneous

7.1 Guidelines for use of Prepaid Debit Card (PDC) for Permanent Imprest and Contingent Advance in Ministries/Departments of Central Government (Office Memorandum e-File No. R/20001/2/2020-GBA-CGA/548-658 dated 14.07.2021 issued by Controller General of Accounts, Department of Expenditure, Ministry of Finance): Prepaid Debit Card (PDC) can be used for incurring petty expenditure currently done through cash withdrawn for imprest and in lieu of Cash payment currently being paid for incurring expenditure through Contingency Advance. PDC issued by accredited bank of Ministry/Department can be charged as per requirement for meeting day to day contingent and emergent expenditure. The official defined under Rule 322 and 323 of the GFR 2017 can use this PDC at any Portal/Shop/POS for making digital payment by following the procedures laid down in Rule 31 and 99 of the Receipt and Payments Rules, 1983 (as amended from time to time). All transactions being made through Cash for petty expenditure can now be made digitally through PDC. The procedure for its introduction, usage, security and accounting is as follows:

(1) Introduction and Usage of PDC for permanent Advance and Contingent Advance:

- (i) PDC, preferably a chip based RuPay card, as required by any office may be got issued from Accredited Bank of the Ministry/Department after obtaining permission from the Head of Department of Accounting Organisation.
- (ii) The PDC will have to be obtained in the name of the Official to whom PDC (Imprest). The PDC (Imprest) will be surrendered on account of transfer/retirement of the card holder.
- (iii) The PDC (Imprest) will have a predefined limit which has to be sanctioned by the Head of the Department for the Permanent Imprest under Rule 322 of GFR 2017.
- (iv) The balance to be loaded in the PDC (Imprest) should be limited to the Imprest amount sanctioned to the official.
- (v) The PDC can be used at the Point of Sale (POS) terminals/ online payment gateways in general and cash payments through withdrawals from ATM for payment to vendors who do not have facility for accepting payments through digital means. Withdrawal of cash may be restricted to the issuing bank's ATM only as withdrawing cash from other banks' ATM may attract service charges.
- (vi) For Contingent Advance a separate PDC may be issued in the name of DDO for purchase of goods or services or any other special purpose needed for the day to day functions of the Government subject to the provisions of Rule 323(1) of GFR, 2017. These types of PDC's may be called PDC (Others).
- (vii) With the introduction of PDC (Others) for Contingent Advance. Issue of Category 'B' cheques in the name of DDO for payment of Contingent Advance in cash to Officials must be discontinued.
- (viii) The PDC for contingent advance can be kept alive maximum till 31st March or last working day of the financial year. On this day, balance in the PDC for contingent advance must be made Zero by depositing remaining amount back to government account following existing procedure or through Non Tax Receipt Portal (www.bharatkosh.gov.in). Deposit of unutilised amount through NTRP requires a DDO to map 15 digit heads of the functional heads through PAO concerned in the case of advances for departmental purposes. Similarly, deposit of amount towards closing of Imprest account or reducing of Imprest amount also requires mapping of Major Head 8672.

(ix) In case of PDCs for Contingent advance, as per rule 323 (2) of GFR 2017, the adjustment bill along with balance if any, shall be submitted by the government servant within fifteen days of the drawal of advance, failing which the advance or balance shall be recovered from his next salary(ies).

(x) Regarding KYC documents. PAN of the applicant may be insisted upon by card issuing bank only for identification purpose and not for linking the same with Account for further linking with Income Tax Department. The production of Official ID issued by the Department/Office may also be considered for the purpose of KYC, subject to security instructions of the respective Ministries/Departments.

(2) Security of the PDC:

(i) All safeguards, Do's and Don'ts for the card holder, as advised by the issuing bank may be strictly followed for operation and safekeeping of the PDC.

(ii) The PDC should be treated as cash. Hence, the same safeguard as applicable for cash should be followed. It should be kept in cash chest or as appropriate while leaving the office for the day.

(iii) In case of loss of PDC, the PDC holder may report immediately to the bank. All he/she needs to do is call up concerned Bank's Phone Banking centre and quote the PDC reference number mentioned on the card mailer. The card will be deactivated immediately by the bank to prevent misuse.

(iv) To claim unutilised balances (lost/stolen/expired card). The original Card Holder needs to visit the branch and fill out a form for a new card or for a refund of the remaining balance.

(v) In case of misuse of lost PDC, FIR with Police needs to be lodged and pursued by the holder of PDC.

(vi) In case the PDC is lost or damaged the PDC holder will be held responsible and unutilized portion of the amount should be refunded by him immediately and request for condoning loss of government money will not be entertained under any circumstance.

(vii) The PDC kit containing PIN number should not be opened by officials other than the card holder.

(viii) On receipt of the PDC, the card holder has to satisfy himself that the cover containing the PIN is not opened/tampered with.

(ix) If there are multiple prepaid cards, then PIN for each of them should be different.

(3) Accounting and Reporting:

(i) As mentioned in Rule 31 and 99 of the Central Government Accounts (Receipt and Payment) Rules, 1983, the official to whom the PDC has been issued should render accounts with bills/invoices for recoupment of balance on the card whenever the balance is near to zero rupees. It will be mandatory for the card holder to recoup the balance on the card by 31st March.

(ii) The claim for recoupment of imprest shall strictly be as per the codal provisions. Receipts of payment made through PDC for purchase etc. are to be provided as proof of payment supported by vouchers as per codal provision.

(iii) Cash Book maintained by the Imprest Holder/Cashier should specify Hard Cash and money held in prepaid card separately.

(iv) All Accounting entries on account of recoupment and expenditure from the PDC should be recorded in the Cash Book maintained for Petty Expenses in the office.

(v) Registers in the proforma specified below shall be maintained by DDO for issue/surrender and time to time recoupment of PDC respectively. DDO shall take acknowledgement of the official in the register while issuing/ surrendering the card. The Registers mentioned in Annexure I and Annexure II (noted below) are mandatory

and will be available to the PAO of the Ministry/ Department to check at the end of every quarter.

Annexure I

Register for Issue and return/surrender of PDC for Permanent Advance and Contingent Advance

Sl. No.	Nature of Advance (Permanent/Contingent)	Name of the Official to whom card is issued	Sl. No. of the Card	Date on which issued	Balance on the card	Signature of the official receiving the card	Date on which card is returned/surrendered with reason	Balance at the time of return/surrender	Signature of official returning/surrendering the card	Signature of DDO		Signature of Head of Office
										At the time of issue of card	At the time of return/surrender of card	

Annexure II

Register for recoupment of funds in PDC for Permanent Advance

Sl. No	Date	Sl.No. of the Card (first 4 digits followed by last 4 digits)	Limit on the PDC	Balance on the Card (in Rupees before recoupment)	Total amount of Bills rendered by card holder for recoupment	Amount recouped (in Rupees)	Balance on the Card (in Rupees) after recoupment	Signature of the Cashier	Signature of the Official holding the card	Signature of DDO

(vi) Register for handing over and taking over of the Cashier's charge should have all necessary particulars of Imprest Card balances.

(4) Responsibility and Duties of Head of Office/Division:

(i) The Head of Office/Division will be responsible for ensuring that the expenditure incurred out of this PDC is in conformity with the General Financial Rules 2017 and Delegation of Financial Power Rules 1978 (as amended) from time to time and also other instructions issued by Ministry of Finance and Controller General of Accounts, D/ Expenditure including amendment of these rules.

(ii) Head of Office to ensure that all the checks and balances as defined in Civil Accounts Manual para 10.12 for maintenance of Permanent Cash Imprest Account (being enforces in the present system) are enforced.

(iii) HoO shall ensure that once PDCs are issued all future recoupment of imprest will be made by top up of the PDC only.

(iv) The PDC should be surrendered by the card holder due to retirement, transfer etc. to the Head of Office along with the full account of the money spent out of it. HOO will record the reason for the same in the control register and the card will be submitted to bank for cancellation after ensuring the settlement of imprest account in all respect by HOO.

(v) The card surrendered should not be reissued and should be surrendered to issuing bank and balance if any transferred to government account. In case of retirement/transfer of imprest holder fresh card will be issued to the new incumbent in lieu of surrendered card on the basis of written request.

(vi) The PFMS Reports to be developed will help the HoO to control the Limits set for the Ministry as a whole and for each Authority in the Card and the expenditure incurred and the total number of cards issued and total amounts against all the cards originally issued and the amount spent at any point of time and the recoupment requirements, etc.

(5) Responsibilities of the Pay and Accounts Office and DDO:

(i) The DDO will be responsible for maintaining the detailed accounts of the PDCs. The checks and balances (being enforced in the present system) should be enforces and all the provisions relating to maintenance of accounts records of the imprest are strictly adhered to hitherto fore.

(ii) The DDO's who are using PFMS for processing of their payments and accounting may enter the data using the vendor type Imprest Recoupment and Contingency Advance in the relevant Section of the PFMS.

(iii) As and when the balance of PDC is exhausted, the same will be recouped from the Pay and Accounts Officer/CDDO with a claim supported by the Statement of Expenditure from Officer to whom the card has been issued, along with bills/invoices for individual items of expenditure incurred.

(iv) The bill for recoupment of Imprest will be cleared and payment made electronically (where the DDO is on PFMS) by the Pay and Accounts Office/CDDO to the Debit Card account in the Bank after following usual checks for such payments etc. The Payment of bank for topping up the card can also be made by issuing cheque where the DDO is not on boarded in PFMS.

(v) The PAO/CDDO has to ensure that payment advice in respect of PDC is sent to the bank well within working hours and PDC is topped up on the same day by the bank.

(vi) PAO/CDDO may ensure that no charges will be levied by the accredited bank for issued and top up of PDC to Central Government Ministries/ Departments and also for top ups of these PDCs.

(vii) PAO/DDO must ensure that no new account is opened for the purpose of issuing and topping up of the PDC.

(viii) PAO/CDDO may ensure that e-payment procedure being followed in PFMS is adopted for topping up of the PDC, where the e-payment instructions are issued to the bank with the equivalent amount through PFMS Portal.

(ix) PAO, Internal Audit of the respective Ministry may also check the operation of the Prepaid card system as a standard para in their reports.

(x) DDO shall maintain the bank statement concerned to PDC as on 31st March generated in the month of April in support of the balance appearing in the cash book for the purpose of audit. DDO shall generate such statements frequently to verify the balance appearing in the cash book.

(6) Responsibility of the Card Holder:

(i) The Card Holder will be liable for PDC's security, its safe keeping and the secrecy of PIN.

(ii) The Card and its PIN (in physical form) should not be kept at the same place (Almirah or Safe) when not in use.

(iii) The Personal Identification Number (PIN) associated with PDC should be kept confidential and kept secret by the Officer who is responsible for transacting through the card on behalf of the Head of Office/Division.

(iv) At the time of applying for PDC necessary KYC documents of the Officer (Identity and Address Proof) in whose name the Card will be issued have to be furnished to the card issuing bank as per the Bank's requirement.

(v) A Mobile Number associated with Head of Office/ Head of the Department/Division/DDO may be furnished to the Card issuing Bank at the time of applying for the card.

(vi) This mobile number may only be used to receive OTP relating to transaction done through PDC,

(vii) Once the card is issued, it is not transferable. Hence it is not possible to issue multiple cards in the name of a single person for security and transparency reasons.

(viii) Card issuing bank's instructions on security and operation of the card may be adhered to by the PDC holder.

(ix) Card holder is required to share the Account Statement of the prepaid debit card with the office at the time of submission of recoupment bill as a supporting document.

7.2 Inter-Departmental/ Inter-Governmental/ Intra-Departmental Payments and Adjustment (Rule 39-51 (Chapter 4) of the Government Accounting Rules, 1990 read with rule 108-129 of the GFR 2017): The broad criteria for recovery of charges for services rendered or articles supplied by Government Departments are as under: -

7.2.1 Adjustment between Governments: In the case of transactions between two Governments, adjustment shall always be made if required by or under the provisions of the Constitution; and otherwise, in such manner and to such extent as may be mutually agreed upon by the Governments concerned.

7.2.2 In all cases of claims for an amount not exceeding Rs. 1000 in each case, for transactions on account of supplies made or services rendered by one Government to another, no monetary claims will be resorted to. Provided that, in respect of the claims relating to commercial departments/undertakings of a Government which are required to work to a financial result, the monetary settlement should be made irrespective of the amount for services rendered or supplies made to or by them.

7.2.3 For transaction above the limit of Rs. 1000 and where the supplies/services are to be paid for irrespective of any monetary limit, the settlement will be made through cheques/ Bank drafts by the supplied Government. The procedure to be followed for making the monetary settlements between a State Government and Central Government Department (including Defence, Railways, Postal and Telecommunications Departments Besides Civil) will be as indicated below: -

(i) The Department of the Central Government which received supplies/services will present a bill alongwith the accepted invoice to its own Accounts Officer concerned who will make the payment by cheques/bank drafts drawn in favour of the officer concerned of the supplying Government in settlement of its claims.

(ii) In the reverse case of supplies/services rendered by a Central Government Department, the cheques/Bank drafts received by it from the supplied Government will be presented by it to its Accounts Officer for encashment and credit to the proper head of Account. In case the departmental officer is himself in account with a branch of the bank, the cheque/draft will be remitted by him to the bank with challan showing particulars of the Head of account for credit to Government account.

7.2.4 Adjustments with Foreign Governments, outside bodies, etc.: Unless exempted by Government by general or special orders, services shall not be rendered without being paid for to any foreign Government or non-government body or institution or to a separate fund constituted as such. Any relief in respect of payment for services rendered or supplies made to any outside body or fund should ordinarily be given through a grant-in-aid rather than by remission of dues.

7.2.5 Inter-departmental adjustments: For purposes of inter-departmental payments, the departments of a Government shall be divided into service departments and commercial departments according to the following principles.

(i) **Service Departments:** These are constituted for the discharge of those functions which either: -

(a) are inseparable from, and form part of the idea of Government such as the departments of Administration of Justice, Defence, Jails, Medical, Police, Public Health, Education, Forest, etc.; or

(b) are necessary to, and form part of the general conduct of the business of Government such as the departments of Survey of India, Printing and Stationery, Public Works (Building and Roads Branch), Central Purchase Organisations, etc.

(ii) **Commercial Departments or Undertakings:** These are constituted mainly for purposes of rendering services or providing supplies, of certain special kinds, on payment for the services rendered or for the articles supplied. They perform functions

which are not necessarily Government functions. They are required to work to a financial result determined through account maintained on commercial principles.

(iii) Government shall specify whether a particular department or particular activities of a department shall be regarded as commercial department or undertaking.

(iv) Save as expressly provided by any general or special orders, a service department shall not make charges against another department for services or supplies which fall within the class of duties for which the former Department is constituted. The following exceptions to this rule have been authorised-

(a) The Forest Department shall charge any other department for vegetable, animal or Mineral products extracted from a forest area.

(b) Payment must ordinarily be made for convict labour as in the case of that supplied to the Public Works and other departments of Government but no charge shall be made for Convict labour in the case of works undertaken by the Public Works Department which are treated as Jail Works.

(c) The cost of additional Police Guards supplied to an Irrigation or other project while Under construction shall be debited to the project concerned.

(d) The Film Division of the Government of India shall charge any other department for the cost of production of films and other services on such terms as may be settled in each case.

(e) The Central Industrial Security Force functioning under the Ministry of Home Affairs shall charge any other department for the cost of force provided, on such terms as may be settled in each case.

(f) When the Central Public Works Department executes works on behalf of other departments of the Government of India, the cost of which is debitable to the grant (Capital Portion) of those departments, it shall recover the establishment and tools and plant charges leviable on such works on a percentage basis, unless there are special orders of the Government to the contrary.

(g) When the Central Electricity Authority or the Central Water Commission including any office or division under its control executes works on behalf of other departments of the Government of India as an occasional arrangement, the cost of which is met from sources other than the expenditure heads (Revenue Account) of those departments it shall recover the establishment and tools and plant charges leviable on such works on percentage basis, unless there are special orders of the Government to the contrary.

7.2.6 A commercial department or undertaking shall ordinarily charge and be charged for any supplies and services made or rendered to, or by, other departments of Government. This rule may be applied to particular units or particular activities of any department even though the department as a whole may not be a commercial department. Such a unit or activity shall ordinarily charge for its services or its supplies, to, and may likewise be charged by, either the department of which it forms a part or any other departments.

7.2.7 Save as otherwise provided in these rules, services rendered by a service department falling under sub-rule A (a) of rule 42 in the normal discharge of its functions shall not be regarded as service rendered for the purpose of this rule.

7.2.8 The supply of residential accommodation by one department to the employees of another shall not for the purposes of the rules in this Chapter, be held to constitute a service rendered. In all such cases the rent charges for residential accommodation will be the rent recoverable under the rules for the time being in force from the persons actually using such accommodation.

7.2.9 The Central Water Commission and the Central Electricity Authority shall charge commercial departments in respect of advice tendered or services rendered except in the following cases: -

(i) Where the advice tendered is based on the data already collected by the Commission or the Authority as part of its normal functions.

(ii) Where the amount of recovery does not exceed Rs. 100/- provided that the work involved is not of a recurring nature.

7.2.10 Where one department makes payment or renders service as an agent of another department of the same Government the principal department shall, subject to such monetary limit as may be fixed by Government in this behalf, be debited with the expenditure incurred on its behalf by the agent department.

7.2.11 The cost of land acquired by a Civil Department on behalf of the Public Works Department shall be debitable in the accounts of the latter as part of the cost of the works for which the land is taken up; but when land is taken up for two or more service departments conjointly, cost shall be wholly debitable to the department for which the major portion of expenditure was incurred unless there are special orders to the contrary.

7.2.12 When a special officer is employed for the acquisition of land of any department, the expenditure on pay, allowances etc. of the Special Officer and the establishment and any expenditure on contingencies is debitable to that department as part of the cost of land. When the land is taken by a Civil Officer, not specially employed for the work, only special charges incurred in connection with the acquisition of the land on establishment, contingencies etc. shall be borne by the department for which the land is acquired.

7.2.13 Notwithstanding the provisions of rule 43, the Defence Services shall, in respect of inter-departmental transaction charge and be charged for services rendered and supplies made to, or by, other Departments, unless in a particular case, or class of cases, Government may decide otherwise.

7.2.14 The Defence Service shall not be required to pay rent for buildings of the Central Civil Departments other than Commercial Departments and Undertakings, occupied by the Defence Services for non-residential purposes, nor shall rent be charged for buildings of the Defence Services occupied for non-residential purposes by the Civil Departments of the Central Government other than commercial Departments or undertakings falling under sub-rule 'B' of rule 42.

7.2.15 The Defence Services also shall not be required to pay for the use of the Government civil aerodromes and, or other incidental services rendered by the Civil Aviation Department to Indian Air Force Planes, nor shall the Civil Aviation Department be charged, as a reciprocal arrangement, for the use of the aerodromes of the Indian Air Force by the Civil Aircrafts.

7.2.16 A branch of a service department performing duties supplementary to the main function of the department and intended to render particular services on payment shall levy charges in respect of the work for which it has been constituted. Examples: Jail Manufacture, Printing, Publishing Department, Mint (Miscellaneous Services other than coinage).

7.2.17 A branch of a department constituted for the subsidiary service of that department, but employed to render similar service to another department, shall charge that other department e.g. workshops of a department, Dockyards.

7.2.18 A regularly organised store branch of a department shall ordinarily charge any other department for supplies made; but petty and casual supplies of stores may, if the supplying department consents, be made without payment.

7.2.19 Notwithstanding anything contained in the rules in this Chapter, a Government may permit inter-departmental adjustment in any case where such an adjustment is considered necessary in the interest of economy or of departmental control of expenditure.

7.2.20 Any supplies/services received from the PSU's or any supplies/services given to the PSU's shall be dealt on the basis of commercial principles.

7.2.21 Any supplies/services received from the autonomous organizations under Department or any supplies/services given to the autonomous organizations under Department shall be dealt on the basis of commercial principles.

7.2.22 No commercial transaction shall be made for any supplies/services received from the other attached/subordinate Organizations/ Offices under Department of Water Resources or any supplies/services given to the other attached/subordinate Organizations/ Offices under Department of Water Resources.

7.3 Guidelines on Debarment of firms from Bidding

(1) The guidelines are classified under following two types: -

(i) In cases where debarment is proposed to be limited to a single Ministry, the appropriate Orders can be issued by that Ministry itself, thereby banning all its business dealing with the debarred firm.

ii) Where it is proposed to extend the debarment beyond the jurisdiction of the particular Ministry i.e. covering to all central Ministries/ Departments, the requisite Orders shall be issued by Department of Expenditure (DoE), Ministry of Finance (MoF).

Definitions:

(a) Firm: The term 'firm' or 'bidder' has the same meaning for the purpose of these Guidelines, which includes an individual or person, a company, a cooperative society, a Hindu undivided family and an association or body of persons, whether incorporated or not, engaged in trade or business.

(b) Allied firm: All concerns which come within the sphere of effective influence of the debarred firms shall be treated as allied firms. In determining this, the following factors may be taken into consideration:

1. Whether the management is common;
2. Majority interest in the management is held by the partners or directors of banned/ suspended firm;
3. Substantial or majority shares are owned by the banned/ suspended firm and by virtue of this it has a controlling voice.
4. Directly or indirectly controls, or is controlled by or is under common control with another bidder.
5. All successor firms will also be considered as allied firms.

The terms "banning of firm", 'suspension', 'Black-Listing' etc. convey the same meaning as of "Debarment".

(2) Debarment by a Single Ministry/ Department Orders for Debarment of a firm(s) shall be passed by a Ministry/ Department/organizations, keeping in view of the following:

(i) A bidder or any of its successors may be debarred from participating in any procurement process for a period not exceeding two years.

(ii) Firms will be debarred if it is determined that the bidder has breached the code of integrity as per Rule 175 of GFRs 2017. (Refer to para 3.2 of the Manual for Procurement of Goods for further reading on Code of Integrity).

(iii) A bidder can also be debarred for any actions or omissions by the bidder other than violation of code of integrity, which in the opinion of the Ministry/Department, warrants debarment, for the reasons like supply of sub-standard material, non-supply of material, abandonment of works, sub-standard quality of works, failure to abide "Bid Securing Declaration" etc.

(iv) It shall not be circulated to other Ministries/ Departments. It will only be applicable to all the attached/ subordinate offices, Autonomous bodies, Central Public Sector Undertakings (CPSUs) etc. of the Ministry/ Department issuing the debarment Order.

(v) The concerned Ministry/ Department before issuing the debarment order against a firm must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm).

(vi) Secretary of Ministry/Department may nominate an officer at the rank of Joint Secretary/Additional Secretary as competent authority to debar the firms.

(vii) Ministry/ Department that issued the order of debarment can also issue an Order

for revocation of debarment before the period of debarment is over, if there is adequate justification for the same. Ordinarily, the revocation of the Order before expiry of debarred period should be done with the approval of Secretary concerned of Ministry/Department.

(viii) The Ministry/Department will maintain list of debarred firms, which will also be displayed on its website.

(ix) Debarment is an executive function and should not be allocated to Vigilance Department.

(3) It is possible that the firm may be debarred concurrently by more than one Ministry/ Department. Ministries/ Departments at their option may also delegate powers to debar bidders to their CPSUs, Attached Offices/ Autonomous Bodies etc. In such cases, broad principles for debarment in para 2 as above are to be kept in mind. Debarment by such bodies like CPSUs etc. shall be applicable only for the procurements made by such bodies. Similarly, Government e-Marketplace (GeM) can also debar bidders up to two years on its portal. In case of debarments done by CPSUs, revocation of the debarment orders before expiry of debarred period should be done only with the approval of Chief Executive Officer of concerned CPSUs etc.

(4) Debarment across All Ministries/ Departments

(i) Where a Ministry/ Department is of the view that business dealings with a particular firm should be banned across all the Ministries/ Departments by debarring the firm from taking part in any bidding procedure floated by the Central Government Ministries/ Departments, the Ministry/ Department concerned, should after obtaining the approval of the Secretary concerned, forward to DoE a self-contained note setting out all the facts of the case and the justification for the proposed debarment, along with all the relevant papers and documents. DoE will issue the necessary orders after satisfying itself that proposed debarment across all the Ministries/ Departments is in accordance with Rule 151 of GFRs, 2017. This scrutiny is intended to ensure uniformity of treatment in all cases.

(ii) The firm will remain in suspension mode (i.e. debarred) during the interim period till the final decision taken by DoE, only in the Ministry/ Department forwarding such proposal.

(iii) Ministry/ Department before forwarding the proposal to DoE must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm). If DoE realizes that sufficient opportunity has not been given to the firm to represent against the debarment, such debarment requests received from Ministries/ Departments shall be rejected.

(iv) DoE can also give additional opportunity, at their option, to firm to represent against proposed debarment. DoE can also take suo-moto action to debar the firms in certain circumstances.

(v) No contract of any kind whatsoever shall be placed on the debarred firm, including its allied firms by any Ministries/ Departments/ Attached/Subordinate offices of the Government of India including autonomous body, CPSUs etc. after the issue of a debarment order.

(vi) DoE will maintain list of such debarred firms, which will be displayed on Central Public Procurement Portal.

(5) Revocation of Orders

(i) An order for debarment passed shall be deemed to have been automatically

revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation.

(ii) A debarment order may be revoked before the expiry of the Order, by the competent authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.

(6) Other Provisions (common to both types of debarment)

(i) No contract of any kind whatsoever shall be placed to debarred firm including its allied firms after the issue of a debarment order by the Ministry/ Department. Bids from only such firms shall be considered for placement of contract, which are neither debarred on the date of opening of tender (first bid, normally called as technical bid, in case of two packet/two stage bidding) nor debarred on the date of contract. Even in the cases of risk purchase, no contract should be placed on such debarred firms.

(ii) If case, any debar firms has submitted the bid, the same will be ignored. In case such firm is lowest (L-1), next lowest firm shall be considered as L-1. Bid security submitted by such debarred firms shall be returned to them.

(iii) Contracts concluded before the issue of the debarment order shall, not be affected by the debarment Orders.

(iv) The Debarment shall be automatically extended to all its allied firms. In case of joint venture/ consortium is debarred all partners will also stand debarred for the period specified in Debarment Order. The names of partners should be clearly specified in the "Debarment Order".

(v) Debarment in any manner does not impact any other contractual or other legal rights of the procuring entities.

(vi) The period of debarment shall start from the date of issue of debarment order.

(vii) The Order of debarment will indicate the reason(s) in brief that lead to debarment of the firm.

(viii) Ordinarily, the period of debarment should not be less than six months.

(ix) In case of shortage of suppliers in a particular group, such debarments may also hurt the interest of procuring entities. In such cases, endeavour should be to pragmatically analyze the circumstances, try to reform the supplier and may get a written commitment from the supplier that its performance will improve.

(x) All Ministries/ Departments must align their existing Debarment Guidelines in conformity with these Guidelines. Further, bidding documents must also be suitably amended, if required.

7.4 Constitution of Standing Committee on Government e-Marketplace (SCoGeM) for guiding, coordinating and review of procurement of GeM (Office Memorandum File No.35012/3/2017-IFD Section dated 15.11.2017 issued by the DoWR, RD&GR, Ministry of Jal Shakti): The contents of the OM is as reproduced below:

(1) In compliance to directions of Finance Secretary, Secretary (WR, RD & GR) hereby constitutes a Standing Committee on Government e-Marketplace (SCoGeM) for guiding, coordinating and review of procurement of GeM.

(2) The composition of the Committee is as under:

- (a) Financial Advisor- Chairperson
- (b) Joint Secretary (Admn)- Member
- (c) CA/CCA of the Ministry- Member
- (d) Dir/ DS (GA)- Member Secretary
- (e) Director level officer of the Following organization- Member
 - (i) CWC;
 - (ii) CGWB;
 - (iii) WAPCOS;
 - (iv) NPCC; and
- (v) Representative of any other agencies of the Ministry as decided by the committee.

(3) The terms of reference for the SCoGeM shall be as follows:

- (a) Identification of products required which are currently not on GeM for listing in GeM.
- (b) Review procurements through GeM, including payments and report to GeM SPV wherever action is required.
- (c) Monitor and ensure timely payments to suppliers by procuring agencies from the Ministry.
- (d) Organize training programs for staff regularly and periodic interaction sessions with GeM officials to ensure efficient procurements on GeM.
- (e) Monitor use of GeM by all agencies and offices attached to the Ministry/ Department and ensure cost efficient procurement.

7.5 Air Travel Instructions

- (1) Updated instructions may be seen on the Department of Expenditure, Ministry of Finance website: <https://doe.gov.in/Air-Travel-Instruction>
- (2) Mandatory purchase of ticket from any of the three authorized travel agents viz.:
 - (i) M/s Balmer Lawrie & Company Limited (BLCL);
 - (ii) M/s Ashok Travels & Tours (ATT); and
 - (iii) M/s Indian Railways Catering and Tourism Corporation Ltd. (IRCTC).
- (3) No agency charges/ convenience fees shall be paid to these booking agencies.
- (4) Tickets for single tour (including both sides) should be done through one selected agents only.
- (5) A journey between two places is held to have been performed by the shortest of two or more practicable routes or by the cheapest of such routes as may be equally short.
- (6) It is mandatory to choose Best Available Fare (cheapest fare) on the entitled class, preferably for Non-stop flight in a given slot, as under, at the time of booking:
 - (i) On the day of travel in the desired 3 (three) hours slot of following time band- 00.00 to 03.00, 03.00 to 06.00, 06.00 to 09.00, 09.00 to 12.00, 12.00 to 15.00, 15.00 to 18.00, 18.00 to 21.00, 21.00 to 24.00
 - (ii) With the provision of optimizing within a 10% price band, for convenience and comfort.
- (7) As far as possible and plausible, the employees should book the flight ticket at least 21 days prior to the intended date of travel to avail the most competitive fares and minimize burden on exchequer. In this context, the bookings may be made even if the approval of tour programme is still under process.
- (8) Any booking made within less than 72 hours of intended travel on Tour, will require the submission of self-declared justification by the employee which may be approved by the Controlling Officer and the same should be submitted with the TA/DA bill claim.
- (9) As far as possible and plausible, the employees should avoid unnecessary cancellations.
- (10) The cancellation made less than 24 hours before intended travel, will require the submission of self-declared justification by the employee which may be approved by the Controlling Officer.
- (11) To ensure timely payment of Air Ticket to the travel agents and to confirm the performance of journey, the employee has to submit a certificate/ undertaking in prescribed proforma specified below within 72 hours of completion of journey whereas the TA bill will be submitted separately as the existing rules:

SELF-DECLARATION CERTIFICATE FOR COMPLETION OF JOURNEY

1. I (Name of the employee _____) hereby declare and certify that:
2. I have actually performed the onward journey from _____ to _____ on _____ (date) and return journey from _____ to _____ on _____ (date) for the purpose of Tour/ Training.

OR

3. I/We have actually performed the onward journey from _____ to _____ on _____ (date) and return journey from _____ to _____ on _____ (date) for the purpose of Transfer/LTC/Retirement. The particulars of the self and family members who have performed journey either with the Government servant or separately are as under: -

S. No.	Name	Age	Relationship with Govt. Servant

4. In case the above declaration given by me is not found true at any stage, I shall be liable to disciplinary action under Central Civil Services (Classification, Control and Appeal) Rules, 1965, as amended from time to time.

(Signature)

Name of the Government Servant_____

Designation_____

Name of the Ministry/Department/Organization_____

To

Admn. / Establishment

Ministry/ Department/ Organization

(12) In case, a Government servant is unable to submit the Boarding Pass alongwith TA Bill, he/she can submit a self-declaration certificate as per the proforma specified below. The proforma needs to be countersigned by the Controlling Officer in case of officials below the Under Secretary level (i.e. from Pay level 10 and below).

SELF-DECLARATION CERTIFICATE IN LIEU OF BOARDING PASS

I (Name of the employee_____ S/o or D/o _____) hereby declare and certify that:

1. I have misplaced my Boarding Pass and do not have a digital/physical copy.

2. I have actually performed the onward journey on Tour from _____ to _____ on _____ (date) using the air ticket purchased by my office/ by of Airlines Company/ Authorised Agency) to visit _____ (address of the office visited).

3. I have actually performed the return journey on Tour from _____ to _____ on _____ (date) using the air ticket vide PNR No. _____ dated _____ issued by _____ (Name of Airlines Company/ Authorised Agency) to visit _____ (address of the office visited).

4. I further declare that I have neither claimed nor I will claim part or full of this claim for this journey from any other source/office.

5. In case the above declaration given by me is not found true at any stage, I shall be liable to disciplinary action under Central Civil Services (Classification, Control and Appeal) Rules, 1965, as amended from time to time and to refund the sum along with penal interest thereon to the Government.

(Signature)

Name of the Government Servant_____

Designation_____

Name of the Ministry/Department/Organization_____

To

Admn. / Establishment

Ministry/ Department/ Organization

(13) The above instructions are applicable for booking of Air Tickets on Government account in respect of tour and LTC. However, as per the DoPT OM F.No.31011/12/2022-Estt.A-IV dated 29.08.2022, the employees are to retain the print-out of the concerned webpage of the ATAs having flight and fare details for the purpose of the settlement of the LTC claims.

(14) All other conditions of the Office Memorandum No. 19024/03/2021-E.IV dated 16.06.2022 issued by the Department of Expenditure, Ministry of Finance and Office Memorandum F.No.31011/12/2022-Estt.A-IV dated 29.08.2022 issued by the Department of Personnel & Training (DoPT) may be complied with.

7.6 Staff Car and Transport Allowance Rules

(1) Updated instructions may be seen on the Department of Expenditure, Ministry of Finance website: <https://doe.gov.in/Staff-Car-Rule>

(2) The following categories of officers are entitled for availing the facility of staff cars/ pick and drop facility:

(i) Officers to the rank of Joint Secretary to Government of India and above subject to the condition that the admissible Transport Allowance, which is at present admissible @ Rs.15,750 plus DA thereon in terms of Ministry of Finance Office Memorandum No. 21/5/2017-E.II.B dated 07.07.2017, shall not be admissible.

(ii) Heads of Departments, drawing pay in the Senior Administrative Grade and above subject to the condition that the admissible Transport Allowance, which is at present admissible @ Rs.15,750 plus DA thereon in terms of Ministry of Finance Office Memorandum No. 21/5/2017-E.II.B dated 07.07.2017, shall not be admissible.

(iii) Pick and drop facility to DS/ Director level officers working under Central Staffing Scheme as per Department of Personnel and Training Office Memorandum No. 34/1/2022-EO(MM-II) dated 22.02.2023 subject to the condition that such officers shall not be eligible for transport allowance as admissible under Ministry of Finance Office Memorandum No. 21/5/2017-E.II.B dated 07.07.2017.

(3) The use of staff cars is to be made for bona-fide official purpose and the duty journey shall have preference over non-duty journey.

(4) The staff car will be under the administrative control of an officer not below the rank of an Under Secretary who will act as a Controlling Officer in respect of the car. The Controlling Officer will be responsible for deduction of Transport Allowance of the Officer Concerned in lieu of allowing for the use of Staff Car facility/ Pick and Drop facility.

(5) The Controlling Officer will be responsible for the proper use, care and maintenance of the car and for regulating its journey generally in accordance with the extant rules.

(6) The Controlling Officer shall maintain a Log book, a record of repairs and replacement indicating the cost and the dates on which carried out and of spare parts in the proforma prescribed (Annexure-I), a register showing cost of petrol etc. consumed and all incidental receipts and expenditure with inventory of the equipment.

(7) Careful and prudential use of staff cars so as to ensure economy in fuel and lubricant consumption shall be given due priority and all efforts be made to observe economy in expenditure thereon.

(8) The ceiling if fuel consumption for each staff car is fixed at 250 Litres per month. Payment for over the stipulated amount shall be made only with the approval of Secretary, DoWR, RD&GR in concurrence of JS&FA, DoWR, RD&GR.

(9) Parking of the Government Cars in the residence of officers or drivers should be avoided keeping in mind the consumption of dead mileage.

(10) Entries in Logbooks should be made mandatorily along with the following particulars:

(i) The mileage at the start and at the completion of their trip (after verifying the milometer).

(ii) Particulars to indicate that the journeys were an official business.

(11) The Chief Engineer (HRM) at CWC HQ and Regional Chief Engineer's at CWC Field Set-ups shall scrutinize the Logbook once a month to ensure that there is no misuse and that Officers who used the staff cars have made necessary entries. A certificate to this effect shall be recorded in the Logbook by the officer so authorized.

(12) The Logbook in respect of each staff car shall be closed at the end of the month

and a summary (as per the proforma specified below) prepared in the Logbook showing details of duty and non-duty journeys performed during the month. The Logbooks shall be preserved for 3 years or one year after completion of audit, whichever is later as per the period stipulated in the Record Retention Schedule issued by the Department of Administrative Reforms and Public Grievances (DARPG).

SUMMARY OF LOG BOOK

For the month of _____

S.No.	No. of staff car	Miles/ Km covered		Total	Time spend on Non-Duty journeys		Reading of Milometer/ Kilometre		Remarks
		Duty	Non-Duty		Within normal duty hours	Outside normal duty hours or on Sundays and closed holidays	On 1 st day	On last day	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

(13) Government Car may be Serviced/ Repaired at the Authorized Service Stations along with the maintenance of records of repair as per the proforma as specified below:

PROFORMA FOR MAINTENANCE OF RECORD OF REPAIRS OF STAFF CARS

1. Name of the Ministry/ Department/ Organization/ Office:
2. Model of the Car/ Chassis No.:
3. Engine No.:
4. Date of Purchase:
5. Cost of the Car:
6. Registration No.:

S.No.	Date of Repairs	Name of dealer from whom the car has been repaired	Nature of repairs carried out	Bill No. and Date	Expenditure Incurred	Progressive Expenditure	Remarks, if any	Signature of the Controlling Officer
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)

(14) Staff Cars hired/ owned by Government of India should prominently display stickers in the front and at the rear indicating that they are Staff Cars of specified Ministry or Department.

(15) The compensation to the victims of road accidents may be paid involving motor vehicles including Staff Cars owned by the Central Government in accordance with the provisions contained in the Motor Vehicles Act, 1988 (as amended in 2019).

Payment of compensation in such cases would, however, not preclude the Government from taking disciplinary action, including recovery of loss incurred by the Government, against the driver of the Government vehicle, if considered necessary. Nor will such payment exempt the drivers from any criminal liability resulting from the accident.

(16) All other conditions of the Office Memorandum No. 18(23)/E.Coord-2021 dated 01.09.2022 issued by the Department of Expenditure, Ministry of Finance may be complied with.

7.7 Guidelines to be followed for holding of Conferences/ Workshops/ Seminars etc. (Domestic & International) [Office Memorandum No. 19(36)/E.Coord/2018 dated 30.05.2018]

(1) Ministry of Finance, Department of Expenditure has been issuing guidelines for holding of Conferences/ Workshops/ Seminars etc. (Domestic & International) from time to time with objective that Ministries/Departments undertake such events keeping in mind the absolute necessity of it and adhering to utmost economy. The extant guidelines have been reviewed and stand revised.

(2) It has been decided that henceforth only proposals involving expenditure above Rs.40 lakhs for Internationals as well as domestic Conferences/ Seminars/ Workshops etc. will need to be referred to the Department of Expenditure.

(3) International conferences/ workshops/ seminars/ meetings etc.:

(i) All proposals involving expenditure of Rs. 40 Lakh or less for holding conferences/ workshops/ seminars/ meetings etc. involving participation of foreign delegates may be decided by the Ministry/ Department in consultation with their Financial Adviser.

(ii) The approval of the Minister in Charge, political clearance from Ministry of External Affairs and clearance of Ministry of Home Affairs from security angle (wherever required) shall be obtained.

(iii) All Proposals involving expenditure above Rs. 40 (forty) lakh for incurring expenditure on holding conferences/ workshops/ seminars/ meetings etc. with international participation should be referred to the Department of Expenditure (DoE) with the approval of the Minister in Charge, political clearance from Ministry of External Affairs and clearance of Ministry of Home Affairs from Security angle (wherever required) for obtaining approval of the Cabinet Secretary through Secretary (Expenditure).

(iv) Commitment for bearing travel/ accommodation cost on participants from foreign countries should be kept to the barest minimum. Ministries/ Departments shall exercise utmost economy and austerity in this regard.

(v) "In-principle" approval of the Minister-in-charge should be taken sufficiently in advance before the event.

(vi) Priority will be given to those conferences that arise out of international agreements/ obligations. Other conferences etc. should be planned only if there is residual provision in the Budget.

(vii) All preparations for holding the conference and other formalities should be completed sufficiently in advance to avoid any last minute hitch and embarrassment.

(viii) All administrative arrangements including issuance of invitations should be done after receiving Cabinet Secretary's approval or as per the powers delegated under this OM.

(4) Domestic conferences/ workshops/ seminars/ meetings etc.: Proposals involving Rs. 40(Forty) lakh or less may be decided by the Ministry/ Department in consultation with their Financial Adviser. Proposals involving expenditure above Rs. 40 (Forty) lakh for incurring expenditure on holding conferences/ workshops/ seminars/ meetings etc. with participation limited to Indian delegates only may be referred to Department of Expenditure for approval of Secretary (Expenditure). Approval of Secretary of the Ministry/ Department may be obtained prior to the file being referred to Department of Expenditure.

(5) Autonomous Bodies:

(i) Conferences held by Autonomous Bodies generally generate revenue from sponsorships and registrations and most of the time either they do not require government support or require in small portions. Administrative Ministries are

competent to grant approval for holding the conferences (whether domestic or international) where no funds are required from Government.

(ii) However, if Government funds are required and the financial assistance required is more than Rs. 40 Lakhs for International as well as Domestic conference/ workshops/ seminars/ meetings etc. such cases shall be referred to Department of Expenditure.

(6) General Instructions: While referring the cases of Conferences etc., whether domestic or international, to Department of Expenditure, following may be strictly adhered to:

(i) Holding of Exhibitions/ fairs/ seminars/ conferences/ workshops etc. abroad should be discouraged except for promotion of trade and business and for projection of 'Brand India'. For this purpose, depending on the nature of event, if more than one Ministry/ Department of involved, a Nodal Ministry/ Department should be identified to take the lead for coordinating and organizing the event.

(ii) All proposals referred to Department of Expenditure on the subject should be sent at least one month in advance of commencement of the event and only through the Financial Adviser concerned. While referring the proposals to the Department of Expenditure, it may be ensured that necessary clearances viz. from Ministry of External Affairs, Ministry of Home Affairs etc. and approval of competent authority in the Ministry/ Department have been obtained and placed in the file. In the absence of these, the proposals will be returned without processing in the Department of Expenditure.

(iii) Sufficient provision in the relevant Budget should be insured before such proposals are processed in the Ministry/ Department and before referring proposals to Department of Expenditure. The Proposal should clearly indicate the budget provision. Stipulated timeline for submission of proposals may be adhered to strictly. It may be noted that henceforth, delayed proposals will not be processed unless accompanied by a Delay Report containing reasons for delay, duly approved by the Administrative Secretary.

(iv) Holding of conferences/ workshops/ seminars/ meetings etc. in Five Star Hotels is banned except in case of bilateral/ multilateral official engagement held at the level of Minister-in-charge or Administrative Secretary with foreign Government or international bodies of which India is a Member. Any deviation in this regard should be referred to the Department of Expenditure with adequate justification.

(7) Notwithstanding the enhancement in the prescribed expenditure ceiling, all Ministries/ Departments shall ensure utmost economy in public expenditure.

7.8 Revision of fee payable to various categories of Central Government Counsel

7.8.1 In partial modification to various OM's issued from time to time, the Department of Legal Affairs, Ministry of Law & Justice through its Office Memorandum No. 26(1)/2014/Judl. dated 01.10.2015 has conveyed the approval of Competent Authority for the revision of the fee structure applicable to Government counsels of all the categories with immediate effect as per the details given below:

(1) The Fee structure applicable to Group 'A' 'B' and 'C' panel Counsel in Supreme Court:

Sl.No.	Item of Work	Revised fee Group 'A' Panel Counsel	Revised fee Group 'B' & 'C' Panel Counsel
1.	All Regular Appeals and defended Writ petitions (for final hearing)	13,500/- per case per day	9,000/- per case per day
2.	All defended Admission matters (SLP/TP and writ petitions & other misc. matters for admission)	9000 per case per day	4,500/- per case per day
3.	Settling of pleadings	5,250/- per case	-----
4.	Appearance in Miscellaneous Applications	4,500/- per case	-----
5.	Conference	900/- per conference	-----
6.	Out of Head quarter	13,500/- daily fee for the days of his absence from HQ	9,000/- daily fee for the days of this absence from HQ
7.	Conveyance charges for performing local journey while outside Headquarter	1,500/-	1,500/-
8.	Clerkage	NIL	NIL
9.	Drafting SLP/ Counter Affidavit/ Rejoinder etc.	---	3,000/- per case
10.	Drawing Written Submission	----	3,000/- per case
11.	Drafting or Appearance in Miscellaneous Applications (including mentioning of the case/ Caveat/ Clearance/ Obtaining the number and taking date for hearing)	----	3,000/- per case

All other terms and conditions applicable to Group 'A', 'B' and 'C' Panel Counsel in Supreme Court in the pre-revised OM No. 21(04)/1999-Judl. dated 24.09.1999 read with OM No. 21(05)/2011-Judl. dated 01.10.2011 shall continue to remain applicable unless specifically revoked/ revised.

(2) The Fee structure applicable to Assistant Solicitors General of various High Courts, Central Government Standings Counsel of Delhi High Court (CGSC), Senior Central Government Standing Counsel (Sr. CGSC) of various Benches of CAT and Senior Panel Counsels in various High Courts/ CAT Benches (excluding the High Courts of Bombay and Calcutta) as per the following rates:

Sl. No.	Item of Work	Revised fee
1.	Retainer Fee of: - Assistant Solicitor General of various High Courts, Central Government Standing Counsel of Delhi High (CGSC) and, Senior Central Government Standing Counsel (Sr. CGSC) of various Benches of CAT.	9000/- per month.
2.	Suits, Writ Petitioners and Appeals, Including oral Applications for Leave to Appeal to Supreme Court in Writ Petitions.	9000/- per case per day of effective hearing in case of non-effective hearing 1500/- per day subject to a maximum of 5 hearing
3.	Application for Leave to Appeal to Supreme Court in Writ Petitions.	3000/- per case
4.	Setting pleadings	3000/- per case
5.	Miscellaneous Application	3000/- per case
6.	Conference	900/- per conference subject to: - For setting pleading-one conference. In respect of hearing of writ matters, suits, appeals and Supreme courts leave applications etc.- Three conference (Maximum)
7.	Miscellaneous and out of pocket expenses	As per actual to the satisfaction of the administrative Ministry/ Department.

All other terms and condition applicable to Senior Panel Counsels in various High Courts/ CAT Benches (excluding the High Courts of Bombay and Calcutta in to this Department's, OM No. 24(2)/99-Judl. OM No. 26(1)/99-Judl. dated 31.01.2008 and OM No. 26(1)/2011-Judl., dated 01.10.2011, shall continue to remain applicable unless specifically revoked/revised.

(3) Revision of the fee structure applicable to the Panel Counsel of High Courts as well as of CAT Benches of Bombay and Kolkata:

Sl.No.	Item of Work	Special Counsel	Senior Counsel Group-I	Senior Counsel Group-II	Jr. Counsel Advocate On record
1.	Suits, Appeals, Writ/Revision Petitions including Special Civil Application in the High Court.	9000	6000	3750	1800
	Per conference/ Consultation	900	750	600	450
2.	Application including interim Motions, Notices, Appeals, Leave Application, Arbitration, Company Matters, Criminal Revision	3000	3000	2250	1350

	and other Land Acquisition References (per day per effective hearing) Per conference / consultation	900	750	600	450
3.	Drafting or Setting Pleadings, and Affidavits (per pleadings) Per conference/ Consultation	3000 900	1800 750	1500 600	1050 450
4.	Appearance before Arbitration and Tribunals, etc. and Courts other than High Courts (Per day per effective hearing) Per conference/Consultation	7500 900	6000 750	3750 600	2250 450
5.	Chamber Application, including Adjournment Application per day inclusive of consultation	NIL	1500	900	600
6.	Written opinions and written advice including advice on evidence (inclusive of consultation)	3750	2250	1350	1050

All other terms and conditions applicable to the Counsels of High Courts as well as of the CAT Benches of Bombay and Kolkata in the pre-revised OM No. 23(2)/2001-Judl & OM No. 22(02)/2001 dated 14th July, 2001 read with 23(2)2011-Judl. dated 1st October, 2011 shall continue to remain applicable unless specifically revoked/revised.

Note: There will be no ceiling on the number of conference/ consultation in the case of Special Counsel, however in the case of other categories of Counsels, the number of conferences per cases will be limited to four (relaxable to six at the discretion of the Incharge (Litigation) of Branch Secretariat, Mumbai/ Kolkata.

(4) The Fee structure applicable for Panel Counsel, Delhi High Court and Central Govt. Counsel/ Pleader of various High Courts (including Panel Counsel of various CAT, Benches) excluding the High Courts of Bombay and Calcutta, as per the following rates:

Sl.No.	Item of Work	Revised fee
1.	Civil or Criminal Writ Petitions under Article 226 & 227 of the Constitution, Contempt Petitions, Criminal/Civil Revision, Reference to the High Court under Sales Tax Act and Banking Company Petitions,	2250/- per effective hearing 450/- per non-effective hearing (subject to maximum of five hearings in a case)
2.	Original Suits, Civil Appeal from Decrees in	Ad. Valorem/regulation

	Suits and proceedings including second appeal and land acquisition appeal except LPA from Petitions under Article 226 & 227 of the Constitution (including drafting fee)	fee (subject to maximum of 45,000/- in a case)
3.	Company Petitions	To be regulated by the rule contained in Appendix (iii) of the company (Court) Rules, 1959
4.	Drafting of pleadings counter affidavits/ returns/ answer to writ Petitions/ Grounds of Appeal and application for leave to appeal to the Supreme Court	1,350/- per pleading
5.	Drafting of Civil Misc. applications to petitions under the Indian Succession Act, Contempt of Court proceedings and other proceedings of an original nature	1,125/- per petition
6.	Civil Misc. petitions, forma paupers, transfer petitions and other civil misc. petitions of routine nature	450/- per petition
7.	Consultation/ conference fee	450/- per conference (subject to maximum of 4 conferences in a case)
8.	Appearance before the High Court in application under Section 34 & 37 of the Arbitration and Conciliation Act, 1996 Appearance before Arbitrator/ Umpires etc.	2,250/- per effective hearing 450/- per non-effective hearing (subject to a maximum of 5 hearing in a case). 450/- per non-effective hearing (subject to a maximum of 5 hearing in a case)

All other terms and conditions, applicable to above mentioned Counsels in to this Department's, in OM No. 24(2)/99-Judl, OM No. 26(1)/99-Judl, OM No. 25(3)/99-Judl and OM No. 26(2)/99-Judl, all dated 24.09.99 read with OM No. 26(1)/2005-Judl dated 31.01.2008 and shall continue to remain applicable unless specifically revoked/ revised.

(5) The Fee Structure applicable to Standing Govt. Counsel and Additional Standing Govt. Counsel in the District and Subordinate Courts:

Sl.No.	Item of Work	Revised fee
1.	Retainer fee for Standing Govt. Counsel	6000 per month
2.	Fee for effective hearing	1800 per day
3.	Fee for non-effective hearing	600 per day (not more than 5 such hearings in a case)
4.	Fee for drafting written statement, Grounds of	1500 per pleading

	Appeal etc.	
5.	Fee for drafting other pleadings of misc. nature	600 per pleading
6.	Fee per Conference	900 (subject to maximum of 5 such conference in a case / group of identical cases)
7.	Daily fee for out of Headquarters	2700 per day
8.	Conveyance charges for local journey outside Headquarters	900 (lump sum)
9.	Expenses for stay in hotels	1800 per day
10.	Clerkage	@ 10% of total fee excluding miscellaneous and out of pocket expenses (max 5250 in a case)
11.	Fee for identical Cases	Full fee in the 1 st case and 750 in per suit for connected cases (max 3 cases)
12.	Miscellaneous and out of pocket expenses	As per actual to the satisfaction of the administrative department.

All other terms and conditions, applicable to above mentioned Counsels in to this Department's, in OM No. 27(11)/1999-Judl dated 24.09.1999 read with OM No. 27(25)/2011-Judl dated 01.09.2011 shall continue to remain applicable unless specifically revoked/ revised.

(6) The Fee structure applicable to Senior / Junior Arbitration Panel Counsel:

Sl.No.	Details of work	Proposed Revised fee
1.	Fee for effective hearing Senior Counsel Junior Counsel	2,250/- per appearance 1,500/- per appearance
2.	Fee for non-effective hearing Senior Counsel Junior Counsel	450/- per appearance 300/- per appearance (max for such hearings)
3.	For drafting pleadings Senior Counsel Junior Counsel	1,500/- per pleading 750/- per pleading
4.	Conference fee	

	Senior Counsel	450/- per conference
	Junior Counsel	300/- per conference (max three such conferences in a case)
5.	Daily fee out of Headquarters	
	Senior Counsel	3,000/- per day
	Junior Counsel	2,250/- per day

All other terms and conditions applicable to OM No. 30(3)/99-Judl dated 24.09.99 read with OM No. 26(1)/2005-Judl dated 31.01.2008, shall continue to remain applicable unless specifically revoked/ revised.

7.8.2 As per the Law Officers (Conditions of Service) Amendment Rules, 2015, for the performance of the duties mentioned in Rule 5, a Law Officer shall be paid the Retainer fee and allowances as stipulated below:

(1) A retainer, except during the period of his leave-

(i) In the case of the Attorney General, of Rs. Seventy-Five Thousand per month;

(ii) In the case of the Solicitor General, of Rs. Sixty Thousand per month; and

(iii) In the case of Additional Solicitor General, of Rs. Forty-five Thousand per month.

(2) A fee for appearance and other work on behalf of the Government of India in case before the Supreme Court, various High Courts, Commission of Inquiry or Tribunals and the like on the following scales, namely-

Sl.No.	Nomenclature of the item of work	Rate of fees payable for appearance and other work in cases before the Supreme Court, High Courts (including Delhi High Court) and any Court (other than the Supreme Court or High Court) or a Tribunal or a Commission of Inquiry or an Arbitrator
1	2	3
(i)	Suits, writ petitions, appeals and references under article 143	Rs. 24,000/- per case per day
(ii)	Special leave petitions and other applications	Rs. 15,000/- per case per day
(iii)	Settling pleadings (including affidavits)	Rs. 7,500/- per pleading
(iv)	Settling Statement of Case	Rs. 9,000/- per case
(v)	For giving opinions in statements of cases sent by the Ministry of Law	Rs. 15,000/- per case
(vi)	For written submission before the Supreme Court, High Court and Commissions of Inquiry or Tribunals and the like	Rs. 15,000/- per case
(vii)	Appearance in Courts outside Delhi	Rs. 60,000/- per day per case

Explanation: If two or more cases involving substantially identical questions are heard

together with common arguments, Law Officer shall be entitled to only one fee as for a single case.

(3) The Attorney General shall be paid sumptuary allowance of Rupees Four Thousand per month, except during the period of his leave.

(4) Where a Law Officer is required to perform journeys outside the Headquarters in the course of his duties, he shall be paid or reimbursed the actual expenses incurred on travelling and on boarding and lodging.

(5) If a Law Officer is called upon to perform any duty other than those referred to in Rule 5, such as, acting as Arbitrator or giving opinion after hearing both the sides, one being the Government of India, he shall be paid such fee as may be determined by the Government.

7.9 Creation/ Continuation/ Conversion/ Revival of Posts

(1) Updated instructions may be seen on the Department of Expenditure, Ministry of Finance website: <https://doe.gov.in/Creation-Continuation-Conversion-Revival-of-Posts>

(2) Office Memorandum No. 7(1)/E.Coord-I/2017 dated 12.04.2017 issued by the Department of Expenditure, Ministry of Finance may be complied with.

(3) According to the Transaction of Business Rules 1961, creation of new company, autonomous body, institution/ university or special purpose vehicle, along with creation of posts at the level of Joint Secretary & above, needs to be put for approval before the Cabinet. This is necessary to ensure that parastatal bodies do not multiply, and establishment liabilities of the Government, whether direct or contingent, do not increase at the cost of other desirable expenditure. For appraisal of such proposals, a Committee on Establishment Expenditure (CEE) has been constituted under Department of Expenditure, Ministry of Finance's Office Memorandum No. 1(5)/2016-E.II(A) dated 15.09.2016.

(4) All proposals for additions to establishment shall be submitted to sanctioning authority in accordance with the instructions contained in Rule 11 of the Delegation of Financial Powers Rules, 1978 read with Office Memorandum No. 7(1)/E.Coord-I/2017 dated 12.04.2017 issued by the Department of Expenditure, Ministry of Finance.

(5) The creation of new posts or a revision in an existing establishment will be with the explicit of approval of Ministry of Finance and all such proposals should, *inter-alia*, contain the following:

- (i) the present cost of the establishment in existence;
- (ii) cost implications of the change proposed giving details of pay and allowance of post(s) proposed;
- (iii) expenditure in respect of claim to pension or gratuity or other retirement benefits that may arise in consequence of the proposals; and
- (iv) details on how the expenditure is proposed to be met including proposed re-appropriations.

(6) The continuation of an existing post beyond the specified duration will be with explicit of approval of Ministry of Finance, based on functional justification.

(7) All proposals for increase in emoluments for an existing post(s) shall be referred to the Ministry of Finance for approval.

(8) The instructions issued vide OM No. 7(1)/E.Coord-I/2017 dated 12.04.2017 by the Department of Expenditure, Ministry of Finance shall apply to creation/continuation/revival of posts in all Ministries/ Departments, their Attached offices, Subordinate offices, statutory bodies, however, the it may not be applicable to CPSEs and Autonomous Bodies.

(9) Proposal for creation/revival/continuation/supernumerary posts should be routed through IFD of concerned Ministry/ Department.

(10) Creation of Posts:

(i) All powers with respect to creation of posts delegated under DFPRs stands withdrawn and only Finance Minister (for below JS level posts) and cabinet (for JS and above level posts) would be the competent Authority for creation of posts.

(ii) For creation of posts at JS and above levels, only 'Cabinet' and no other 'Standing Committee' is competent, except in respect of requirements relating to national security.

(iii) Approval of this Department is not required for creation of Statutory posts. Only those posts may be considered as Statutory, whose name and level/ pay scale have been specifically provided in an Act of Parliament (only post mentioned in Statute, not

support staff).

(iv) Proposals for creation of posts may be referred to Department of Expenditure through respective IFD with the approval of Secretary and Minister in-charge of the concerned administrative Ministry.

(v) The proposals for creation of posts may be submitted on file, along with the prescribed checklist issued by this Department as specified below. Separate checklist may be prepared for each category of post. Proposals received without proper checklist would not be considered and returned.

Checklist for Creation of Posts

S.No.	Particulars	
Details of Post		
1	Name/ Designation of the post	
2	Pay Scale of the post	
3	Nature of Post (Scientific/ Technical/ Admin/ Faculty/ Other)	
4	Duties and responsibilities of the post	
5	Functional justification for creation	
5	Does this post exists with same scale of pay and grade pay	
7	How work is being managed in the absence of the post	
8	Mode of recruitment of post (enclose copy of RRs)	DR/ Deputation/ Promotion
9	Essential and minimum qualification of the post	
10	No. of existing posts in the grade of the post	(a) Sanctioned (b) Vacant (with date)
11	Immediate lower (feeder) post in the hierarchy	(a) Sanctioned (b) Vacant (with date)
12	Immediate higher (promotional) post in the hierarchy	(a) Sanctioned (b) Vacant (with date)
13	Workload of the post (Extract of SIU study, if any)	
14	Possibility of outsourcing/ contract/ redeployment	
15	Financial implication (both recurring and non-recurring)	
16	Matching Savings (Specific posts with pay scales) (FA may certify that posts are live and not surrendered earlier or recommended by SIU for abolition)	
17	Whether any Norms exist for the proposed posts. A copy of the Norms may be provided.	
Organization Details		
1	Name of the organization	
2	Status of Organization (Ministry/ Department/ Autonomous/ Attached/ Subordinate)	
3	Detailed sanctioned strength (category wise) with pay scale and vacancy position (with date of vacancy)	
4	Whether the organization has been studied by SIU/ IWSU. If so, details	

5	Any other relevant information	
Certificate: It is certified that all such posts under the administrative control of this Ministry/ Department which are vacant for more than 5 years, have been abolished.		
Concurrence of Financial Advisor		Concurrence of Secretary

(vi) Specific exemptions for creation of posts granted to any Ministry/ Department by this Department will however continue.

(11) The level of approval for creation of posts under Ministries/ Departments, Attached offices, Subordinate offices, Statutory bodies etc. is summarized in the following tables:

S. No.	Level of Post	Competent Authority
1	JS and above	Cabinet
2	Below JS level	Finance Minister

(12) **Supernumerary Posts:** The following principles should be observed while creating supernumerary posts:

(i) The supernumerary posts are created for the purpose of accommodating the lien of a Government servant who, though entitled to hold a lien against the regular post, cannot be so accommodated because of non-availability of such a post.

(ii) The supernumerary post is a shadow post, i.e. no duties are attached to such a post. The supernumerary post is created for a definite and fixed period. Since, a supernumerary post is created for accommodating an officer till he is absorbed in a regular post, it should not be created for an indefinite period.

(iii) The supernumerary post is personal to the officer for whom it is created and no other officer can be appointed against such a post. It stands abolished as soon as the officer for whom it was created vacates it on account of retirement or is accommodated in another regular post. In other words, no officiating arrangements can be made against such a post.

(iv) Administrative authorities should maintain a record of the supernumerary posts, the particulars of the individuals who hold liens against them and the progressive abolition of such posts as and when the holder of the posts retire or are absorbed in regular permanent posts, for the purpose of verification of service for pension.

(13) **Deemed Abolition & Revival of posts:**

(i) All posts, except newly created posts, kept in abeyance or remaining vacant for a period of more than 2 years in any Ministry/ Department/ Attached office / Subordinate office/ Statutory body, would be considered as 'deemed abolished' unless an exemption has been given at the time of sanctioning the post.

(ii) A post falling into the category of 'deemed abolished' cannot be filled up prior to obtaining its 'revival' from Department of Expenditure.

(iii) Statutory posts, the name and level/ pay scale of which is specifically provided for in an Act of Parliament, are exempted from falling in the category of 'deemed abolished' on remaining vacant for a period of more than 2 years. Only the posts mentioned in Statute may be considered Statutory, not their support staff.

(iv) Newly created posts (posts which have been sanctioned recently by Department of Expenditure/ Cabinet), which do not have RRs would fall under the category of 'deemed abolished' after a period of 3 years from the date of creation unless it is clarified that this relaxation would not be applicable to those newly created posts which have existing RRs.

(v) Revival of posts would be considered in rare and unavoidable circumstances only.

(vi) Proposals for revival of posts may be referred to this Department on file, along with the prescribed checklist issued by Department of Expenditure as specified below, may be prepared for each post. Proposals received without proper checklist would not be considered.

Checklist for Revival of Posts

S.No.	Particulars	
1	Name of the organization	
2	Name of the post	
3	Pay Scale of the post	
4	Date of Vacancy	
5	Mode of recruitment of post (enclose copy of RRs)	DR/ Deputation/ Promotion
6	No. of posts in the grade of post proposed to be revived	(a) Sanctioned (b) Vacant (with date)
7	Duties and responsibilities of the post	
8	Functional justification for revival of the post	
9	Efforts made to fill up the post, since date of vacancy (in chronological order with relevant documents)	
10	How the work is being managed in the absence of the post and why this arrangement cannot continue	
11	Possibility of outsourcing/ contract	
12	Financial implication of the revival of the post (both recurring and non-recurring)	
13	Matching Savings (Specific posts with pay scales) (FA may certify that posts are live and not surrendered earlier or recommended by SIU for abolition)	
14	No. of Posts in immediate lower (feeder) grade	
15	No. of Posts in immediate higher (promotional) grade	
16	Detailed sanctioned strength and vacancy position of the organization (grade-wise)	
17	Whether the post has been offered as matching saving for creation/ revival of any other post	
18	Whether the post has been recommended for abolition by SIU/ IWSU/ ERC	
19	Any other relevant information	

Certificate: It is certified that all such posts under the administrative control of this Ministry/ Department which are vacant for more than 5 years, have been abolished.

Concurrence of JS/ Director (Admin)

Concurrence of Financial Advisor

(14) The conditions for deemed abolition are provided in the following table:

S. No.	Type of Post	Post Live for
1	Existing Post (held in abeyance/ vacant for more than 2 year)	Post is deemed abolished
2	Newly created Post – RRs Exist	2 Year
3	Newly created Post – RRs do not	3 Years

	<i>Exist</i>	
4	<i>Existing Post vacant for 5 years</i>	<i>Post may be abolished Immediately</i>
5	<i>Statutory Posts</i>	<i>Do not fall under deemed abolition</i>

(15) **Continuation of Posts:** Continuation of posts would be considered subject to continuation of the scheme/ project for which the posts were initially sanctioned. For above JS level posts, Department of Expenditure would examine and put up the proposal for approval of Secretary (Expenditure), Secretary (DoPT) and Cabinet Secretary. In the case of continuation of Secretary level post, approval of Prime Minister may be obtained by the concerned Ministry/ Department after the approval Cabinet Secretary. The competent authority for continuation of posts is as follows:

S. No.	Level of Post	Competent Authority
1	JS and below level	DoE
2	Above JS level	CoS [Secretary (DoE), Secretary (DoPT) and Cabinet Secretary]
3	Secretary level	CoS as above. Thereafter, Ministry to obtain approval of PM

(16) **Transfer of Posts:** A post sectioned for a specific purpose in an organization may not be diverted for another purpose at the same or different station. Cases of transfer/ diversion/ adjustment of posts would amount to creation of new post with simultaneous abolition of existing and prior approval of Department of Expenditure is required for the same.

(17) Cadre Review of the Central Group 'A' Services:

(i) Office Memorandum No. I-11011/16/2022-CRD dated 30.09.2022 issued by the Department of Personnel and Training (DoPT) may be complied with.

(ii) DoPT is the nodal agency for Cadre Review of the Central Group 'A' Services.

(iii) Every cadre should be reviewed once every five years. The review should be first carried out by the Cadre Controlling Authority (CCA), preferably in consultation with the representative of the service/ cadre in question. However, if it is convinced after such a review that no change in the cadre structure is required, then the decision should be conveyed to the DoPT with the approval of Minister in charge.

(iv) Normally, addition to a cadre by way of increasing the number of posts at different levels should be considered only in the course of five-year cadre review. Mid review changes should be avoided as far as possible. Regular cadre reviews carried out at five years' intervals must envisage such eventualities while making advance projections for the five-year period of additional manpower requirements. Accordingly, the need for creating posts, encadrement and upgradation of posts not envisaged by the Cadre Review Committee (CRC) as constituted under the Chairmanship of Cabinet Secretary before the next cadre review is due, can be expected to be rare. In the event, however, of such eventuality, it may be ensured that the additional posts so created conform to the cadre structure most recently approved by the CRC. The adhoc measures of creation, encadrement, upgradation of posts is not supported if the cadre review is due, however, in case of unavoidable circumstances, if such a proposal is moved, this should be taken up with the Cadre Review Division of the DoPT first before referring to the DoE alongwith the justification and reasons for not waiting for cadre review for consideration of such proposal.

7.10 Payment of TA/DA and Sitting Fee in respect of Non-officials of Committees/ Panels/Boards etc.

(1) Department of Expenditure, Ministry of Finance website: <https://doe.gov.in/orders-circulars>

(2) Retired Govt. officials nominated as Non-official in the Committee/ Boards/ Panels etc.: TA/DA entitlement of these Non-officials will be same as per their entitlement at the time of retirement as per revised rates mentioned in the Department of Expenditure, Ministry of Finance Office Memorandum No. 19030/01/2017-E.IV dated 13.07.2017.

(3) Persons from various fields nominated as Non-official in Committees/Boards/Panels etc.: TA/DA entitlement of these Non-official will be same as admissible to officers in Pay level-11 (Pre-revised Grade Pay of Rs. 6600/-) in the Pay Matrix. TA/DA Entitlements will be as under:

- (i) Travel entitlement within the country – Economy Class by Air or AC-II by train.
- (ii) Reimbursement for hotel accommodation/guest house of up to Rs. 2250/- per day.
- (iii) Reimbursement of non-AC taxi charges of up to Rs. 338/- per day for travel within the city.

(iv) Reimbursement of food bills not exceeding Rs. 900/- per day.

(4) Eminent personalities nominated as Non-official in the Committee/ Boards/ Panels: TA/DA entitlement of these Non-officials will be same as admissible to officers in Pay level 14 (pre-revised Grade pay Rs. 10,000/-) in the Pay Matrix. TA/DA Entitlements will be as under:

(i) Regarding travel entitlement of these Non-officials, Secretary in the Administrative Ministry, in consultation with the FA, may allow eminent personalities who are Non-officials in the Committees/Boards/Panels etc., to travel in Executive class in the Domestic airlines within the country subject to the following conditions-

(a) Where a Non-official is or was entitled to travel by air by Executive class under the rules of the organization to which he belongs or might have belonged before retirement.

(b) Where the Administrative Ministry is satisfied that the travel by Executive class by air is the customary mode of travel by the Non-official concerned in respect of journeys unconnected with the performances of Govt. duty.

(ii) Reimbursement for hotel accommodation/guest house of up to Rs. 7500/- per day.

(iii) Reimbursement of AC taxi charges as per actual for travel within the city.

(iv) Reimbursement of food bills not exceeding Rs. 1200/- per day.

(5) In respect of Non-officials who are local, Mileage Allowance at the following rate will be admissible:

(i) For retired Government officers-TA/DA as per their entitlement at the time of retirement as per revised rates mentioned in the Department of Expenditure, Ministry of Finance Office Memorandum No. 19030/01/2017-E.IV dated 13.07.2017.

(ii) Other Non-officials nominated from various fields- Reimbursement of non-AC taxi charges up to Rs. 338/- per day for travel within the city.

(iii) For eminent personalities nominates as Non-officials- Reimbursement of AC taxi charges as per actual for travel within the city.

(6) The TA/DA entitlements mentioned in Para I above will be subject to the following conditions: -

(i) These TA/DA entitlements will be applicable in case of Non-officials coming from outside. Local Non-officials will not be entitled for TA/DA.

(ii) Local Non-officials will be entitled for Mileage Allowance only.

(iii) Cases seeking deviation from the above entitlements may be referred to M/o

Finance giving full justification for seeking deviation.

(7) For the purpose of grant of Sitting Fee only, such persons are to be considered as Non-officials who are not employed in any institution/organisation/body funded by the Central Government.

(8) Rates of Sitting Fee: On the basis of categorisation of Committees Viz. High Level committee, Technical or Expert Committee and Other Committees, the Ministries/Departments shall ensure that the maximum rates of Sitting Fee to be paid to Non-Official Chairman/Members will not be more than the following:

(i) High Level Committee: Not more than Rs. 10,000/- per day of Sitting;

(ii) Technical or Expert Committee: Not more than Rs. 6000/- per day of Sitting; and

(iii) Other Committees: Not more than Rs. 4000/- per day of Sitting.

(9) For arriving at the rates of the Sitting Fee to Non-Official Chairman and Members of the Committees/Boards/Panels, the Ministries/Department shall observe the following conditions:

(i) While considering the amount of Sitting Fee, the Ministries/ Departments have to keep in view facts such as nature and scope of the Committee, importance of the subject assigned to the Committee, category of the Committee (i.e. High level Committee, Technical or Expert Committee or other Committee), level/ status of Chairperson/ Members, duration of the Committee, frequency of meetings, Terms of Reference of the Committee etc.

(ii) In no case, the ceiling should exceed 10 meetings in a month in respect of all categories of Committee Viz. High Level, Technical or Expert Committees and Other Committee. *It is presumed that such committees are constituted for a limited duration specified in the order.*

(iii) It is clarified that the Govt. employees nominated to such Committees/ Boards/ Panels etc. will not be entitled to Sitting Fee.

(10) All other conditions of the Office Memorandum F.No. 19047/1/2016-E.IV dated 14.09.2017 and Office Memorandum No. 19047/10/2016-E-IV dated 12.04.2017 issued by the Department of Expenditure, Ministry of Finance may be complied with.

7.11 Foreign Deputation/ Delegations/ Tours

(1) Department of Expenditure, Ministry of Finance website: <https://doe.gov.in/Foreign-Deputation-Delegations-Tours>

(2) Office Memorandum No.4(4)/E.Coord/2015 dated 05.01.2016 with extant modifications may be complied with.

(3) To optimize the outcome from foreign tours of officers, each Ministry/Department shall prepare a Quarterly Rolling Plan (QRP) of proposed programmes/ visits for the next 3 months. Such a QRP will be uploaded on the FVMS and will be reviewed every month with one additional month being added to it. Only the essential foreign visits which cannot be avoided may be included.

(4) The level of officers and the strength of the delegation be worked out keeping in view factors such as expertise and manpower available with our Missions abroad, leveraging modern technology of tele-conferencing or video conferencing, etc. so as to keep the delegation size to the bare minimum. In respect of objectives that can be achieved through exchange of letters, tele/video conferencing or representation from our Mission abroad, no foreign visit need be undertaken.

(5) Duration of the visit shall also be kept to the absolute minimum. The administrative Secretary shall ensure in every case, that officers of appropriate functional level dealing with the subject are sponsored/ deputed instead of those at higher levels.

(6) Foreign visits shall not exceed 05 working days. Any delegation for foreign travel (irrespective of the level of officer), exceeding 05 working days or 05 members, shall be placed before the Screening Committee of Secretaries (SCoS) for approval.

(7) No officer shall undertake more than 04 official visits abroad in a year. For visits exceeding 04 by Secretary/equivalent, proposal shall be submitted for approval of the Prime Minister through SCoS. For visits exceeding 04 by officers below Secretary level, proposal shall be submitted to SCoS for approval. Ministries/Departments shall make efforts to ensure that at least two to three officers at appropriate levels are trained and made adept on concerned subjects so as to avoid repetitive visits of the same officers.

(8) Participation of official in international fairs/exhibitions/workshops and conferences shall be discouraged. If considered essential, only the officer directly dealing with the subject shall be deputed. In such international events, if required to do so, a coordinated presence and projection of 'Brand India' should be attempted instead of individual Departments/ Ministries setting up individual stalls. For this purpose, depending on the nature of the exhibition, a nodal Department should be identified to take the lead in consultation with the Ministry of External Affairs.

(9) In an outgoing Indian delegation, there need not be any Ministry of External Affairs' official from India. Instead, services of the Indian Mission situated in the destination country could be utilised. Also, the practice of mobilisation of personnel by the host Mission from other Missions situated in other countries should not be resorted to. For any exceptional requirements, prior approval of the Cabinet Secretary should be obtained.

(10) Secretaries to Government shall travel abroad only when their presence is required and no one else can be deputed instead.

(11) Secretaries shall not undertake any foreign visits during the Parliament Session unless it is absolutely unavoidable.

(12) The Minister and the Secretary shall not, normally, be away from the headquarters at the same time. If, however, both are required to be deputed abroad, the necessity for deputing the Secretary at the same time as the Minister may be brought out clearly for consideration of Prime Minister through SCoS.

- (13) Proposals relating to foreign visits/ deputation abroad of officers of the rank of Secretary and Additional Secretary shall continue to be sent to SCoS except visit to SAARC countries (including Myanmar).
- (14) The proposals for the visit to SAARC countries (including Myanmar) will be decided by the Ministries concerned in consultation with their Financial Advisors (FAs). However, proposals of foreign tour of Secretary accompanying the Minister to SAARC countries will require to be submitted to the SCoS for approval.
- (15) In respect of foreign visits of officers, all cases which require approval of the SCoS shall be submitted to Department of Expenditure after obtaining the approval of competent authority viz. Minister-in-Charge with the concurrence of FA.
- (16) Composite delegation led by Secretary/ Additional Secretary comprising officers of the level of Joint Secretary and below including non-officials (visiting at Government cost), is to be submitted for SCoS approval. The proposal shall not be split and details of the entire delegation shall be sent to the SCoS.
- (17) Visits of officers of Public Sector Undertakings (PSUs)/ Autonomous Bodies (ABs) are exempted from SCoS procedure unless they form part of a composite delegation from the administrative Ministry.
- (18) Expenditure on the foreign visit of officers of Ministries/ Departments shall be borne by Government only, even if the visit of the officer(s) is in his capacity as ex-officio member of PSUs/Abs or otherwise, and in connection with affairs of PSUs/ABs. Any proposal for relaxation in this regard shall be referred to Secretary (Expenditure).
- (19) Visit of non-official at Government cost will require approval of PM. Their visits are to be routed through SCoS only if they form a part of a composite delegation. In other cases, the PM is to be approached (through PMO) by the administrative Ministry directly.
- (20) There shall be no objection in accepting international air travel costs and hospitality from an international body of which India is a member or the visit abroad is covered under bilateral/multilateral agreement or under a regular exchange programme. The terms and conditions on deputation shall not be supplemented with the terms and conditions on deputation offered by the Government of India viz. the mode and class of travel. Payment of cash allowance and other allowances including local travel and stay in hotel would be as per the terms offered by the foreign Government/ sponsors.
- (21) Invitations received directly by the officers by virtue of expertise in a particular field and where no particular Government of India business is to be transacted will be treated as personal visits. Such visits in respect of Additional Secretary and above level officers require SCoS approval. The officer would have to take leave for the period of such visits and such visits are not to be undertaken at government costs.
- (22) Proposals shall be submitted along with deputation proforma containing all relevant details (including political clearance from MEA and FCRA clearance from MHA, if required). Only those proposals are to be referred to SCoS where funds are available to bear the expenditure on the foreign visit.
- (23) Proposals, complete in all respects, seeking approval of SCoS shall be submitted to Department of Expenditure 15 days prior to departure date of delegation.
- (24) Deputation abroad of officers of the level above Director upto Joint Secretary will be decided by Ministries/ Departments, under delegated powers, in consultation with their FA and with the approval of the Minister-in-charge. Foreign visits of officers upto the level of Director and equivalent will be decided by the administrative Secretaries in consultation with the concerned FA.
- (25) Deputations of officers upto the level of Joint Secretaries in Ministries/

Departments and officials from PSUs/ Autonomous Bodies, etc. shall also be regulated in accordance with the spirit of these guidelines.

(26) The leader of the delegation shall upload the tour report in the requisite format on FVMS and also submit the same to the Minister containing, inter-alia, the major achievements from the tour and post-visit outcomes. A copy of the report shall also be marked to Department of Expenditure and Ministry of External Affairs.

(27) In case of official visit/ tour abroad (including training and excluding Study Leave) where the period of deputation is less than eight (08) days, the Government Official may be granted ex-India leave for a maximum period of four (04) days. In respect of official visit/tour abroad including training for more than eight days, the limit of 50% ex-India leave will continue. During ex-India leave, the closed holidays "Saturday and Sunday" etc. may be allowed to be pre-fixed/suffixed as the case may be, subject to the condition that no extra financial implications like payment of hotel charges/ per-diem allowance etc. are involved.

(28) Approval of SCoS is not required in case of foreign visits of upto Joint Secretary level officers as part of foreign training component, Mid-Career Training Programme (MCTP) or any other training, irrespective of number of members and days.

(29) The provision of seeking approval of Cabinet Secretary for condoning delay in submission of proposals sent less than 15 days before the date of departure of delegation has been done away with.

(30) Calculation of number of foreign visits in respect of any officer will be with reference to calendar year.

(31) As far as possible, proposals of foreign visits requiring SCoS approval are received 15 days prior to departure date of the delegation but not later than 5 days before date of departure of the delegation. Proposals not adhering to the time frame are liable to be rejected.

7.12 Incentive for acquiring fresh higher qualifications: The Department of Personnel & Training, Ministry of Personnel, Public Grievances & Pensions vide its Office Memorandum No. 1/5/2017-Estt (Pay-I) dated 15.03.2019 has issued the revised guidelines on the issue of Incentive for acquiring fresh higher qualifications. Accordingly, the President is pleased to decide, inter-alia, the following:

(1) That in supersession of all the existing orders/OMs/instructions/guidelines on the subject of granting incentive for acquiring fresh higher qualifications, the following one-time lump-sum rates as incentive for acquiring fresh higher qualification by a Government employee shall be permissible for courses in fields that are directly relevant to the employee's job:

Sl.No.	Qualification	Amount (Rs.)
1.	Ph.D. or equivalent	30,000
2.	PD Degree/ Diploma of duration more than one year, or equivalent	25,000
3.	PG Degree/ Diploma of duration one year or less, or equivalent	20,000
4.	Degree/ Diploma of duration more than three years, or equivalent	15,000
5.	Degree/ Diploma of duration three years or less, or equivalent	10,000

(2) Professional courses directly relevant to the functional requirement of the Organization/Ministry/Department but not covered by any one of the categories mentioned in para 5 above, shall be notified specifically under Sl. No. 4 or S of para 5 above, by the concerned Ministry/Department in consultation with their respective IFD.

(3) Ministries/Departments are free to choose courses on their own. However, the grant of incentive in respect of above qualifications will be subject to the fulfillment of the criteria laid down in para 8 below. The grant of incentive for the qualifications listed above shall be considered by the administrative authorities in consultation with their IFD and necessary orders shall be issued after ensuring that the criteria laid down in para 8 below are fulfilled.

(4) Criteria/guidelines for granting incentive for acquiring fresh higher qualifications, in the 7th CPC Scenario, are as under:

(i) The incentive will not be available for the qualifications which are laid down as essential or desirable qualifications in the recruitment rules for the post.

(ii) No incentive shall be allowed for acquiring higher qualification purely on academic or literary subjects. The acquisition of the qualification should be directly related to the functions of the post held by him/her, or to the functions to be performed in the next higher post. There should be direct nexus between the functions of the post and the qualification acquired and that it should contribute to the efficiency of the government servant.

(iii) The quantum of incentive will be uniform for all posts, irrespective of their classification or grade or the department.

(iv) The incentive shall not be admissible where the government servant is sponsored by the government or he/she avails study leave for acquiring the qualification.

(v) The incentive would be given only for higher qualification acquired after induction into service.

(vi) No incentive would be admissible if an appointment is made in relaxation of the educational qualification. No incentive would be admissible if employee acquires the requisite qualification for such appointment at a later date.

(vii) The qualifications meriting grant of incentive should be recognized by University

Grants Commission, respective regulatory bodies like AICTE, Medical Council of India, etc. set up by Central/State Government or recognized by the Government.

(viii) The incentive shall be limited to maximum two times in an employee's career, with a minimum gap of two years between successive grants.

(ix) The Government servant should prefer the claim within six months from the date of acquisition of the higher qualification.

(5) The incentive as per this OM will be admissible for above qualifications acquired on or after 01.07.2017.

(6) Government Servants, who have acquired the fresh higher qualification on or after 01.07.2017 till the date of issuance of this OM, may also claim these incentives within six months from the date of issuance of this OM.

7.13 Policy on Adoption of Open Source Software for Government of India: The Department of Electronics & Information Technology, Ministry of Communication & Information Technology has issued the following Policy on Adoption of Open Source Software for Government of India [F.No. 1(3)/2014-EG II]:

Preamble

Government of India (GoI) is implementing the Digital India programme as an umbrella programme to prepare India for a knowledge based transformation into a digitally empowered society and a knowledge economy. Under the overarching vision of Digital India, GoI aims to make Government services digitally accessible to citizens in their localities and to ensure efficiency, transparency and reliability of such services at affordable costs. To meet this objective, there is a need to set up a commensurate hardware and software infrastructure, which may require significant resources.

Organizations worldwide have adopted innovative alternative solutions in order to optimise costs by exploring avenues of “Open Source Software”. GoI has also been promoting the use of open source technologies in the e-Governance domain within the country in order to leverage economic and strategic benefits.

Further, the National Policy on Information Technology, 2012 has mentioned, as one of its objectives, to “Adopt open standards and promote open source and open technologies”.

In view of the above, there is a need to formulate a policy for the Government Organizations to adopt Open Source Software. The “Policy on Adoption of Open Source Software for Government of India” (hereinafter referred to as “Policy”) will encourage the formal adoption and use of Open Source Software (OSS) in Government Organizations.

(1) Objectives

- To provide a policy framework for rapid and effective adoption of OSS
- To ensure strategic control in e-Governance applications and systems from a long-term perspective.
- To reduce the Total Cost of Ownership (TCO) of projects.

(2) Definitions

(i) Domain: A sub-category under an Information Technology field is a Domain; specific purpose within a “Domain” is known as “Area”. For example, “Document type for Web publishing content” is one Area under the “Presentation” domain.

(ii) e-Governance: A procedural approach in which the Government and the citizens, businesses, and other stakeholders are able to transact all or part of activities using Information and Communication Technology tools.

(iii) Government Organization: For the purpose of this policy, Government organisation refers to all Ministries/ Departments/ offices/ statutory bodies/ autonomous bodies, both at the Central and State levels. Government organizations offering commercial services are not included.

(iv) Legacy System: An old method, technology, computer system, or application program that continues to be used, typically because it still functions for the users' needs, even though newer technology or more efficient methods of performing a task are now available.

(v) New version of Legacy System: The legacy system which has undergone a major version change due to re-engineering like functional changes, architectural changes, technology changes, change in storage mechanism, design implementation changes etc.

(vi) Open Source Software: OSS is commonly known as Free and Open Source

Software (FOSS). Here the “Free” refers to “Freedom to use” and not “Free of Charge”. Here “Open Source” refers to the “availability of Source code for the community / adopter / end-user to study and modify the software and to redistribute copies of either the original or modified software (without having to pay royalties to previous developers).

(vii) Proprietary Software/ Closed Source Software: CSS/proprietary software typically prohibits the access to / modification of the source code. It restricts the copy, modification, distribution and reuse of the software. The restrictions may be applicable to the whole or part of the software so that the control is with the concerned company. Revenue, profit and IPR drive the development and marketing of the products and solutions.

(viii) Royalty: A stream of payments for use of a certain type of asset/technology, most typically an Intellectual Property Right (IPR).

(ix) Systems: A group of interacting, interrelated, or interdependent elements forming a complex whole. Information System is a combination of people, hardware, software, communication devices, network and data resources that processes (can be storing, retrieving, transforming information) data and information for a specific purpose. Refer Glossary.

(3) Policy Statement

Government of India shall endeavour to adopt Open Source Software in all e-Governance systems implemented by various Government organizations, as a preferred option in comparison to Closed Source Software (CSS). The Open Source Software shall have the following characteristics:

3.1 The source code shall be available for the community/adopter/ end-user to study and modify the software and to redistribute copies of either the original or modified software.

3.2 Source code shall be free from any royalty.

(4) Nature of Compliance

Mandatory

(5) Applicability

The policy shall be applicable to all Government Organisations under the Central Governments and those State Governments that choose to adopt this policy for the following categories of e-Governance systems:

- All new e-Governance applications and systems being considered for implementation.
- New versions of the legacy and existing systems.

(6) How to comply

All Government Organizations, while implementing e-Governance applications and systems must include a specific requirement in Request for Proposal (RFP) for all suppliers to consider OSS along with CSS while responding. Suppliers shall provide justification for exclusion of OSS in their response, as the case may be. Government Organizations shall ensure compliance with this requirement and decide by comparing both OSS and CSS options with respect to capability, strategic control, scalability, security, life-time costs and support requirements.

(7) Exception

Gol shall endeavour to adopt Open Source Software in all e-Governance applications and systems implemented by Government Organizations. However, in certain specialised domains where OSS solutions meeting essential functional requirements may not be available or in case of urgent / strategic need to deploy CSS based solutions or lack of expertise (skill set) in identified technologies, the concerned

Government Organization may consider exceptions, with sufficient justification.

(8) Implementation Mechanism

(i) GoI shall publish a policy framework for rapid and effective adoption of OSS covering the prioritization of the application areas and illustrative list of OSS & OSS Stacks etc., required for various functional areas.

(ii) All future Requests for Proposals (RFPs) of e-Governance projects shall include a mandatory clause for considering Open Source Software (OSS) as a preferred option in comparison to Closed Source Software (CSS). Suppliers shall provide justification for exclusion of OSS in their response.

(iii) Government Organizations shall ensure compliance with this requirement and decide by comparing both OSS and CSS options with respect to capability, strategic control, scalability, security, life-time costs and support requirements.

(iv) GoI shall establish suitable support mechanism for the available OSS that includes Institutional Mechanism, Partnership with Industry, Academia and OSS Community.

(v) GoI shall actively collaborate with OSS communities in India as well as at the International level and contribute wherever appropriate.

(9) Review of the Policy

GoI shall have the right to review the Policy as and when required.

(10) Point of Contact

All queries or comments related to the “Policy on Adoption of Open Source Software for Government of India” shall be directed to JS (e-Governance), DeitY (jsegov@deity.gov.in).

7.14 Model Technical specifications of Desktop PCs, Laptop PCs and Tablet PCs: The Ministry of Electronics and Information Technology through its order No. W-43/4/2020-IPHW dated 17.04.2021 read with its subsequent order No. W-43/4/2020-IPHW-MeitY dated 27.08.2021 has issued the Model Technical specifications of Desktop PCs, Laptop PCs and Tablet PCs as noted below:

(1) Ministry of Electronics and Information Technology (MeitY) has notified mechanism for calculating local content for Desktop PCs and Laptop PCs vide Notification No. W-43/4/2019-IPHW-MeitY dated 07.09.2020, in furtherance of the Public Procurement (Preference to Make in India) Order 2017.

(2) MeitY, in consultation with the Industry stakeholders has framed model technical specifications of Desktop PCs, Laptop PCs and Tablet PCs for procurement to be made by Ministries / Departments and their agencies / PSUs. The procuring entities may incorporate the specifications of Desktop PCs, Laptop PCs and Tablet PCs as per their requirement in the tender document from the model technical specifications given below:

(3) Model Technical Specifications:

(i) **Desktop PCs:**

Parameters	Model Specifications		
	<i>Entry Level</i>	<i>Mid Level</i>	<i>High End</i>
<i>Processor</i>	Core i3 10100/AMD R3 3200G	Core i5 10400/AMD R5 3400G	Core i7 10700/AMD R7 3700
<i>RAM</i>	4GB	8GB	(16GB)/ (8GBx2)
<i>ROM Size</i>	500 GB HDD	500 GB HDD	1 TB HDD, 256 GB(SDD)
<i>Chipset</i>	Commercial chip sets		
<i>DVD</i>	DVD RW		
<i>Display size (Monitor)</i>	21.5" WTFT		
<i>Display Type</i>	LCD/ LED		
<i>Keyboard</i>	Wired/ Wireless		
<i>Mouse</i>	Wired/ Wireless		
<i>Cabinet</i>	MT		
<i>SMPS</i>	180-250W		
<i>Speaker</i>	1 speaker port		
<i>Ports</i>	Minimum 6 USB, VGA/HDMI, LAN		
<i>OS</i>	Windows/ Linux		
<i>Certification</i>	BIS, BEE, EPR, RoHS or any other relevant Indian Certificates		

(ii) **Laptop PCs:**

Parameters	Model Specifications		
	<i>Entry Level</i>	<i>Mid Level</i>	<i>High End</i>
<i>Processor</i>	Pentium Gold 6405U/ AMD Athlon 3050U	Core i3 1005G1/ AMD Ryzen 3 3250U	Core i5 1035G1/ AMD Ryzen 5 3500U
<i>RAM</i>	Minimum 4GB DDR4, with 2 DIMM slots with upto 32GB	Minimum 4GB DDR4, with 2 DIMM slots with upto 32GB	Minimum 8GB DDR4, with 2 DIMM slots with upto 32GB

	<i>memory expandability</i>	<i>memory expandability</i>	<i>memory expandability</i>
<i>ROM Size</i>	<i>1 TB HDD</i>	<i>1 TB HDD</i>	<i>1 TB HDD+256 GB SSD 500 GB HDD/ 512 GB SSD</i>
<i>Battery</i>	<i>Lithium ion Battery Capacity (WattHour)- Minimum 36 Battery Backup Time (Hours)- 8</i>		
<i>Chipsets</i>	<i>SoC</i>		
<i>Display size</i>	<i>14"</i>		
<i>Display Type</i>	<i>LCD/ LED</i>		
<i>Resolution</i>	<i>1366x768 HD display</i>		
<i>Bluetooth</i>	<i>Enabled 5.0 or higher</i>		
<i>Wireless Device</i>	<i>Wireless 802.11 ac+ BT 5.0 or higher</i>		
<i>Interfaces</i>	<i>RJ-45, Min. 2 USB3.0 Type A& 1 USB 3.0 Type C, Audio combo port, DC Adapter Jack, HDMI port</i>		
<i>Audio</i>	<i>Build-in stereo speakers with high definition audio support. Built-in Microphone.</i>		
<i>Security</i>	<i>Bios Password/ FTPM 2.0 etc.</i>		
<i>Hardware interface</i>	<i>USB and HDMI</i>		
<i>Ethernet controllers</i>	<i>Gigabit Ethernet</i>		
<i>Keyboard & touch pad device</i>	<i>Keyboard with touch pad</i>		
<i>Mouse</i>	<i>Optional</i>		
<i>Camera for video conferencing</i>	<i>HD 720p Webcam</i>		
<i>Certification</i>	<i>BIS, BEE, EPR, RoHS or any other relevant Indian Certificates</i>		

(iii) Tablet PCs:

Parameters	Specifications
<i>Processor</i>	<i>Quad-Core with frequency of 1.8 GHz or more</i>
<i>RAM</i>	<i>2 GB or higher</i>
<i>ROM</i>	<i>32 GB or higher</i>
<i>Rear Camera</i>	<i>5 MP or higher</i>
<i>Front Camera</i>	<i>2 MP or higher</i>
<i>Battery (mAh)</i>	<i>5000 mAh or more</i>
<i>Display (Size/ Type/ Resolution)</i>	<i>8.0" or more TFT (capacitive, multi-touch) 600 x 1024 (or higher)</i>
<i>Bluetooth Version</i>	<i>4.0 or higher</i>
<i>Wi-Fi</i>	<i>802.11 a/b/g/n or higher</i>
<i>Network Support (Data & voice)</i>	<i>4G/LTE 3G/2G/VoLTE</i>
<i>SIM card slot</i>	<i>1 Micro SIM</i>
<i>Voice Calling Support</i>	<i>Yes</i>
<i>Micro USB 2.0 Slot</i>	<i>Yes</i>

<i>Audio In/Out</i>	<i>3.5 mm Headphone Jack</i>
<i>GPS</i>	<i>Yes</i>
<i>Operating System</i>	<i>Android 10.0 or equivalent</i>
<i>Certifications</i>	<i>BIS, EPR and RoHS and any other relevant Indian Certificates</i>

(4) Local content shall be calculated as per the MeitY Notification No. W-43/4/2019-IPHW-MeitY dated 07.09.2020, as amended from time to time.

(5) The aforesaid model specifications shall be revised on a yearly basis, or earlier as deemed necessary, after due consultation with Industry / Industry Associations.

7.15 Instructions relating to laptops/Desktops for eligible officers

7.15.1 The Department of Expenditure, Ministry of Finance vide its Office Memorandum F.No. 08(34)/2017-E.II(A) dated 20.02.2018 read with its clarification Office Memorandum No. 03(13)/2018-E.II(A) dated 22.10.2018 has issued the following revised guidelines/instructions for the purchase of laptops/notebooks and similar devices for eligible officers:

(1) In supersession to this Ministry's Office Memorandum bearing No. 08(64)/2017-E.II(A) dated 27th September 2016, regarding purchase of Note Book/Lap-Top computers by Ministries/ Departments & delegation of powers thereof, it has been decided that laptop; tablet; notepad; ultra-book; notebook, net-book or devices of similar categories may be issued to officers of the rank of Deputy Secretary and above for discharge of official work. These powers shall continue to be exercised in consultation with the Financial Adviser by the Secretary of the Ministry/ Department or any other authority who are specifically delegated these powers by this Ministry from time to time, duly taking into consideration the functional requirements and budgetary provisions.

(2) This would, however, be subject to the following conditions:

(i) **Cost of device:** The Cost of device including Standard software* shall not exceed Rs. 80,000/- (exclusive of taxes).

Standard Software: Any software (Operating System, Antivirus software or MS-Office etc.) that is essential for the running of device towards discharge of official functions/duties.

(ii) **Purchase Procedures:** As prescribed under GFRS/CVC guidelines may be followed.

(iii) **Safety, Security & Maintenance of Device:** The officer, who is given the device, shall be personally responsible for its safety and security as well as security of data/information, though the device shall continue to remain Government property. The officer concerned will be at liberty to get the device insured at his personal cost.

(iv) **Retention/Replacement of device:**

(a) No new device may be sanctioned to an officer, who has already been allotted a device, in a Ministry /Department, up to five years. Any further issue of laptop in case of loss/damage beyond repairs within the prescribed period, should be considered only after the cost is recovered from the officer based on the book value after deducting the depreciation.

(b) For the purpose of calculation of the book value, a depreciation of 25% per year, on straight line method, be adopted.

(c) Post the completion of five years of usage, the officer shall retain the issued device.

(v) **Conditions at the time of transfer, Superannuation etc.:**

(a) In case where, at the time of purchase of device if the residual service of the officer is less than 5 years or in case the officer is transferred/deputed to State Govt. but with residual service of less than 5 years or the officer leaves the Government Service within 5 years of purchase of such device, the officer concerned will have the option of retaining the device by paying the amount after deducting the depreciation.

(b) Upon transfer/deputation of the officer to other Ministry/ Department/ Attached/ Sub-ordinate offices of the Government of India or to the State Government in case of Officers of the All India Services, the officer will have the option of retaining the existing device and in case of such retention, this fact should be specifically mentioned in the Last Pay Certificate (LPC).

(3) **Instructions for Ministries/Departments:**

(i) For the officials who are currently holding laptops, notebooks or similar devices in

accordance with the provisions of O.M. dated 27.09.2016, the terms & conditions for retention/disposal of the device shall continue to be governed under the existing instructions of the said O.M.

(ii) The applicability of the provisions of this order to the officers of Armed Forces, Para-Military Forces, officers of MoD & other similar establishments would be subject to restrictions imposed by the concerned departments/organizations duly taking into consideration the security of information. In all such cases the security of the information shall be the responsibility of the concerned department.

Format for Laptop Requisition

[For Deputy Secretary/ Equivalent and above level Officer only]

It is to mention that the undersigned is posted in _____ directorate/wing/office of Central Water Commission as per following details:

Name	
Designation	
Employee Code/ Employee No. (as mentioned in pay slip)	
Office Address	
Phone (Office)	
Mobile No.	
E-Mail [@gov.in or @nic.in]	
Type of gadget	Laptop/ tablet/ notepad/ ultra-book/ notebook/ netbook or devices of similar category.

2. Kindly arrange to issue a Laptop (or type of gadget as specified above) to undersigned for discharge of official work, in terms of Office Memorandum Office Memorandum F.No. 08(34)/2017-E.II(A) dated 20.02.2018 issued by Department of Expenditure, Ministry of Finance, as per following:

(a) It is certified that, at present, no laptop of "Government of India" is in possession of undersigned.

OR

(b) The lap-top issued to me by the office of the _____ (Name of the office of last posting of Officer) was surrendered by me on _____ at the time of handing over of charge of the post of _____ and the receipt provided by that office is enclosed herewith.

OR

(c) The laptop having Model No. _____ and Serial No. _____ of _____ make, which was issued to me by the department, has already completed five years of usage and I want to retain the same.

OR

(Note: Strike out the clauses which are not applicable)

Recommendation of Head of Directorate/Wing/Office

Signature of Officer

7.15.2 Instruction for purchase of laptops/ note books and similar devices to officers of the rank of Under Secretary/ Section Officers and equivalent rank:

The Department of Expenditure, Ministry of Finance vide its Office Memorandum No. 3(6)/2020-EII (A) dated 27.03.2020 has issued the following instructions for purchase of laptops/ note books and similar devices to officers of the rank of Under Secretary/

Section Officers and equivalent rank:

(1) In partial modification of OM's bearing No. 08(64)/2017-Eii (A) dated 20.02.2018 and 22.10.2018 on the above subject, it has been decided that laptop, note pad and similar devices may also be issued, on the grounds of functional necessity, to officers of the rank of Under Secretary/ Section Officers and equivalent rank subject to the condition that this shall be restricted to 25% of the sanctioned strength of these posts.

(2) These Powers shall be exercised by Secretaries of the Ministries/ Department and any other authorities who have been specifically delegated these powers by this Ministry from time to time, in consultation with FA of the Department. Other terms and conditions as detailed in this Ministry's OM dated 20.02.2018 prescribes a maximum limit of Rs. 80,000/- [excluding taxes] towards cost of the device including standard software, cost of the device may be kept to the minimum within the prescribed limit duly taking into consideration minimum technical requirements.

(3) Requests have been received for issuance of laptop/ note book or similar devices to Consultants engaged by Ministries/ Departments. In this connection it is stated that Secretaries of the Ministries/ Departments may take a decision in this regard purely on the basis of functional necessity, in consultation with FA, on case to case basis separately. The terms and conditions as given in this Ministry's OM dated 20.02.2018 relating to retention, return and re-issue will, however, not apply in this case. Ministries/ Departments may accordingly decide the duration of issue, upkeep and return of these devices separately.

(4) It is also stated that expenditure may be incurred for these purposed within the existing budget provisions and no additional budget allocation will be made on this ground.

7.15.3 Provision of computer at the residence of officers of the level of Joint Secretary or equivalent and above The Department of Expenditure, Ministry of Finance vide its Office Memorandum No. 7(4)E.Coord/2011 dated 10.01.2012 read with its subsequent amendment Office Memorandum No. 3(12)/2021-EII(A dated 05.10.2021 has issued the following instructions for making the provision of computer at the residence of officers of the level of Joint Secretary or equivalent and above:

(1) The undersigned is directed to refer to this Department's OM Nos. 7(4)/E.Coord./99 dated 1st August, 2000, dated 4th March, 2002 and 29th July, 2004 on the above subject. Keeping in view the advancement and rapid. obsolescence in the configuration of desktop computers, it has been decided, in consultation with D/o Information Technology, that subject to the minimum configuration as in the Annexure to this OM, Ministries/Departments may decide on the configuration (hardware and software) of desktop computers to be provided to officers of the level of Joint Secretary and above themselves. The overall cost ceiling will however remain unchanged at Rs. 1,00,000/- (Rs. One lakh only) per piece (hardware and software included).

(2) Payment for broadband connectivity will be regulated as per this Department's OM No. 7(140/C&V/2006 dated 14th November, 2006 regarding reimbursement of telephone charges.

(3) On handing over the charge of the post; the officer may be given the option to retain the computer on payment of book value. For the purpose of calculation of book value a depreciation of 15% per year may be adopted. Thus, an officer who has had a term of five years will be required to pay 25% of original cost of the computer at the time of handing over charge at the end of the term deducting depreciation of 75% (15%x5).

(4) The Computer and its peripherals will remain Government Property. The Officer will personally be responsible for the safety and security of the computer. In case of loss, the loss will be recovered from the officer based on the book value of the computer after allowing for depreciation of 15% per annum as stated at para 4 above. The officer concerned will be at liberty to have the computer insured at his personal cost.

7.15.4 The Department of Expenditure, Ministry of Finance vide its Office Memorandum F.No. 12(04)/2022-E.II(A) dated 13.06.2022 has clarified that an official can also purchase an iPad by availing Computer Advance subject to other conditions as mentioned in its OM No. 12(1)/E.II(A)/2016 dated 07.10.2016.

7.16 Provision of telephone facilities and reimbursement to officers of Government of India: The Department of Expenditure has from time to time issued instructions on provision of telephone facilities, monetary ceilings on reimbursement to the officers of the Government of India. Given the increasing dependence on telecommunication technology including mobile telephones for carrying out official work, the existing instructions have been comprehensively reviewed, revised and the following instructions have been issued vide Office Memorandum F.No. 24(3)/E.Coord/2018 dated 26.03.2018 (read with its Corrigendum dated 21.01.2019) for compliance by all Ministry/Departments, in supersession of all earlier instructions issued by this Department on the subject:

(1) Official Telephones:

- (i) All officers of the level of Deputy Secretary equivalent and above are entitled for office telephone with STD facility. For officers of the level below Deputy Secretary, Ministry/Departments may decide in consultation with the Financial Advisers on providing STD facility depending on their functional requirements.
- (ii) ISD facility is allowed on official telephones in respect of Administrative Secretaries only.
- (iii) All other cases for providing ISD facility on official telephone for officers of the level below Secretary to the Government of India may be decided by the Administrative Secretary in consultation with the concerned Financial Adviser.
- (iv) Administrative Secretary/ Head of Departments may in consultation with the concerned Financial Adviser provide officers below the level of Deputy Secretary official telephones with STD facility on functional basis. This facility should not be given in a routine manner but extreme caution and austerity should be exercised.
- (v) Financial Advisors shall submit a half-yearly report to D/o Expenditure on the number of ISD facility concurred/approved during a financial year.

(2) Residential telephones:

- (i) All officers of the level of Deputy Secretary equivalent and above are entitled for one official residential landline telephone with STD facility.
- (ii) Residential telephone can be allowed to officials below the rank of Deputy Secretary equivalent on functional basis subject to the condition that this facility shall be restricted to 25% of the sanctioned strength of Group 'A' officers in a Ministry /Department. This limit will equally apply to Attached and Subordinate offices.
- (iii) ISD facility shall not be allowed on residential telephones.
- (iv) Personal staff of Ministers [Private Secretary, Additional Private Secretary and 1st PA of Ministry] and Administrative Secretary [Principal Staff Officer (PSO)/ Senior Principal Private Secretary/ Principal Private Secretary/Private Secretary], Section Officer (Parliament) and Parliament Assistant are entitled to the facility of one residential landline telephone.

(3) Mobile Phone Handsets: Officers of the level of Secretary and equivalent will be entitled to reimbursement for one mobile handset costing not more than Rs. 25,000/- (Rupees Twenty-Five thousand only) once during the whole tenure. Global roaming facility shall not be allowed on the mobile connection.

(4) Reimbursement of telephone call charges:

- (i) Reimbursement of telephone call charges of residential telephone/ mobile phone/broadband/mobile data/data card shall be as per entitlement given below:

<i>Sl. No</i>	<i>Level / Designation</i>	<i>Limit on Reimbursement</i>
---------------	----------------------------	-------------------------------

1	Secretary to the Government of India and equivalent level	Rs. 4200/- per month + taxes as applicable
2	Additional Secretary to the Government of India and equivalent level	Rs. 3000/- per month + taxes as applicable
3	Joint Secretary to the Government of India and equivalent level	Rs. 2700/- per month + taxes as applicable
4	Director/ Deputy Secretary to the Government of India and equivalent level	Rs. 2250/- per month + taxes as applicable
5	Below the rank of Deputy Secretary and equivalent to the Government of India (restricted to 25% of the sanctioned strength of Group 'A' officers in a Ministry/Department/Attached/Subordinate office)	Rs. 1200/- per month + taxes as applicable

(ii) No SIM/data-card will be provided by office.

(iii) There will be no separate ceiling for the landline/ mobile/ broadband/ mobile data/ data card. The amount reimbursable will cover landline and / or mobile /broadband/mobile data/data card connection and shall be limited to the ceiling prescribed or as per actuals whichever is lower. Call charges over and above the ceiling prescribed along with taxes thereon shall be paid by the officers

(iv) The amount shall be reimbursed on submission of bills/receipt by the concerned officer. Officers are at liberty to choose the service provider and the tariff package for residential landline/mobile phones.

(v) In case where husband and wife are sharing the same residential landline telephone and both are entitled for reimbursement, only one of them will be allowed reimbursement against the residential landline telephone. The claim for mobile phone charges shall be treated separately for each of the officer subject to the entitled ceiling.

(vi) Reimbursement for mobile will be restricted to the officer in whose name the mobile connection is registered.

(vii) The entitlement of an officer drawing pay in a scale intervening between that of Director and Joint Secretary would be at par with that of Deputy Secretary/Director.

(viii) Excess expenditure upto 30% of the ceiling amount (applicable to the officer) can be reimbursed to officers of Joint Secretary equivalent and above and also to Private Secretary/ Officers on Special Duty to the Ministers subject to their submitting a certificate, duly justifying that excess expenditure incurred was for official purpose and unavoidable. This reimbursement would require the concurrence of the Financial Adviser concerned and sanction of the Administrative Secretary/ Secretary Equivalent of the Department/ Organization. In so far as Secretary/ Secretary equivalent officer are concerned, they shall be competent to exercise the aforesaid powers in their own cases. The power to sanction this expenditure shall not be delegated.

(ix) Telephone reimbursement will not be admissible in cases of Leave (of any nature) and trainings which are for more than one calendar month(s).

(5) Mobile Facility during official visits abroad:

(i) Officials and delegations visiting abroad for the purpose of short official visits/meeting/conferences/workshops may be provided SIM card by our Mission / Embassy. In case SIM card is not provided by our Mission / Embassy, there will be a monetary ceiling of Rs.2000/- per day for officer above the level of Additional Secretary and equivalent and Rs.1000/- per day for other officers towards reimbursement of call charges.

(ii) No mobile phone facility shall be provided during training period whatsoever including training abroad.

7.17 Regulation of Remuneration in case of Contract Appointment of Retired Central Government Employees: The Department of Expenditure, Ministry of Finance vide its Office Memorandum F.No. 3-25/2020-E.IIIA dated 09.12.20200 has issued, *inter-alia*, the following instructions on regulation of Remuneration in case of Contract Appointment of Retired Central Government Employees:

(1) At the outset, such appointments shall not be made as a matter of practice and must be kept at a bare minimum. Such appointments may be made only in the justified exigencies of the official work where public interest is served by appointment of the retired employee. While making such appointments, adequate functional necessity with clear grounds must be placed before the appointing authority.

(2) Remuneration: A fixed monthly amount shall be admissible, arrived at by deducting the basic pension from the pay drawn at the time of retirement. The amount of remuneration so fixed shall remain unchanged for the term of the contract. There will be no annual increment/ percentage increase during the contract period.

(3) Example:

(i) An employee retired in the Pay Level 13 and the pay at the time of retirement was Rs. 1,55,900. Thus, the basic pension will be Rs. 77,950. If the employee is appointed on contract basis, including as Consultant, the remuneration shall be fixed at Rs.77,950/- (1,55,900-77,950).

(ii) The basic pension to be deducted from the last pay drawn shall be the pension as fixed at the time of retirement and as such, if the employee has availed of the commuted value of pension, the commuted portion of pension shall also be included in the portion of pension to be deducted. Thus, in the above example, if 40% of pension was commuted, the commuted portion shall be Rs.31,180/- (40% of 77,950) and the pension actually drawn shall be Rs.46,770. However, the amount of pension to be deducted from the last salary shall be Rs.77,950/-.

(iii) No increment and Dearness Allowance shall be allowed during the term of the contract.

(4) Allowances:

(i) House Rent Allowances: No HRA shall be admissible.

(ii) Transport Allowance: An appropriate and fixed amount as Transport Allowance for the purpose of commuting between the residence and the place of work shall be allowed not exceeding the rate applicable to the appointee at the time of retirement. The amount so fixed shall remain unchanged during the term of appointment. However, retired employees engages as consultants may be allowed TA/DA on official tour, if any, as per their entitlement at the time of retirement.

(iii) Leave of absence: Paid leave of absence may be allowed at the rate of 1.5 days for each completed month of service. Accumulation of leave beyond a calendar year may not be allowed.

(5) Term of Appointment:

(i) The term of appointment shall ordinarily be for an initial period not exceeding one year which is extendable by another one year. Beyond two years after the age of superannuation where adequate justification exists, the term may be extended based on a review of the task and the performance of the contract appointee, provided it shall not be extended beyond 5 years after superannuation.

(ii) The consultant shall sign an agreement of confidentiality with the Government of India containing a clause on Ethics and Integrity.

(6) Exemptions: The terms of appointment provided for in these orders shall not apply to cases and to the extent where the Appointments Committee of Cabinet has allowed special term OR where special provisions have been allowed with the approval of the

Department of Personnel & Training OR Department of Expenditure.

(7) These orders shall apply to appointments made in the Central Government and shall be effective from the date of issue of the orders, until further orders or until instructions are issued by DoPT regulating remuneration of retired Government employees on their engagement as consultants. The past cases shall not be reopened in the light of these orders until the normal term of those past cases. Any relaxation of the above will be required to be referred to Department of Expenditure.

(8) Retired Government Servant: Rule 177 of GFR 2017, says that the consulting services do not include direct engagement of retired Government servants. However, a retired Government servant can be hired as consultant through a competitive process. They should not be engaged against regular vacant post as consultant under this rule. Retired Government servants can be engaged only for the specific task and for specific duration as consultant. They should be assigned clear output related goals.

7.18 Reimbursement in respect of Newspapers purchased/ supplied to officers at their residence: The Department of Expenditure, Ministry of Finance vide its Office Memorandum No. 25(12)E.Coord-2018 dated 03.04.2018 has issued the following guidelines on reimbursement in respect of Newspapers purchased/ supplied to officers at their residence:

(1) Department of Expenditure, Ministry of Finance, vide order no. 1(24)/E.IIA/96 dated 13th September, 1996, has issued guidelines on the subject cited above. It has been felt that these guidelines are dated and need to be updated. It has therefore, been decided that in place of the existing practice of getting monthly reimbursement of newspaper on production of newspaper bills, reimbursement for newspaper may be made at the rates mentioned below based on the certification given by the entitled officer:

Sl.No.	Level of Officers	Reimbursement to be made per month (In Rs.)
1.	Secretary/ Secretary equivalent	As per actuals
2.	Additional Secretary/ Additional Secretary equivalent	1100
3.	Joint Secretary/ Joint Secretary equivalent	850
4.	Director/ Deputy Secretary/ Under Secretary/ Section Officer or equivalent	500

(2) A certificate as per the format specified below, to the effect that expenditure has been incurred on newspaper shall be provided by the officers on half yearly basis to the office for reimbursement.

Government of India
Ministry of
Department of
[Statement to be furnished on half-yearly basis by the Government Officer to
Administration]

Name of the Applicant: _____

Designation: _____

Department: _____

Pay Level & Basic Pay (Rs.): _____

I certify that I have spent Rs. _____ towards purchase of Newspaper(s) for the months of:

Jan–June, 20__

OR

July–December, 20__

[only one option is to be ticked]

I further declare that: i) the Newspaper (s) in respect of which reimbursement is claimed, is/are purchased by me. ii) The amount for which reimbursement is being claimed has actually been paid by me and has not/will not be claimed by any other source.

Date: _____

Signature: _____

Name: _____

7.19 Grant of Extra Work Allowance: The Department of Expenditure, Ministry of Finance vide its Office Memorandum No.12-3/2016-E.III(A) dated 20.07.2017 read with subsequent modification Office Memorandum No.12-3/2016-E.III(A) dated 04.02.2019 has issued the following instructions regarding the Grant of Extra Work Allowance:

(1) The undersigned is directed to say that the decisions of the Government on various allowances based on the recommendations of the 7th Central Pay Commission and in the light of the recommendations of the Committee under the Chairmanship of Finance Secretary have since been notified vide Resolution No. 11-1/2016-IC, dated 6th July, 2017.

(2) As mentioned in the Appendix-II of the said Resolution, dated 6th July, 2017, the existing allowances viz. Caretaking Allowance (Sl. No. 22 of Appendix-II), as at present governed under this Department's OM No. 7(21)/2008/E.IIIA dated 22.9.2008), Extra Duty Allowance (Sl. No. 57 of Appendix-II), Flag Station Allowance (Sl.No. 64 of Appendix-II), Flight Charge Certificate Allowance (Sl. No. 65 of Appendix-II), Library Allowance (Sl.No. 100 of Appendix-II), Rajbhasha Allowance (Sl.No. 136 of Appendix-II) and Special Appointment Allowance (Sl.No. 157 of Appendix-II) have been abolished as a separate allowance and the eligible employees are now to be governed by the newly proposed Extra Work Allowance.

(3) Accordingly, the above allowance shall stand abolished and the President is pleased to decide that the eligible employees shall now be covered under a new Extra Work Allowance which shall be governed as under:

(a) Extra Work Allowance will be paid at a uniform rate of 2% (two percent) of the basic pay per month.

(b) An employee shall receive this allowance for a maximum period of one year, and there should be minimum gap of one year before the same employee is deployed for similar duties again. However, wherever any employee has drawn Extra Work Allowance in terms of this Ministry's OM dated 20.07.2017 for a period of one year and if no suitable employees are available for performing caretaking function, then the same employee may continue to perform caretaking function and shall also be paid extra work allowance at the prescribed rate therein for a period till a suitable employee is located. This dispensation is applicable only in case of caretaking functions and not in respect of other functions for which separate allowances were admissible prior to 01.07.2017 as mentioned in para 2 of this Ministry's aforesaid OM dated 20.07.2017.

(c) This allowance shall not be combined i.e. if the same employee is performing two or more such duties and is eligible for 2% (two percent) allowance for each add-on, then the total Extra Work Allowance payable will remain capped at 2% (two percent) of basic pay.

(4) In respect of the existing Special Appointment, which stand abolished, apart from the existing eligible employees, Assistant Sub-Inspector (Radio Mechanic), Assistant Sub Inspector (Radio Operator) and Sub Inspector (Radio Mechanic) are also to be included in the eligible for Extra Work Allowance at the rate of 2% of Basic Pay per month with the conditions recommended by the 7th CPC.

7.20 Economy Instructions on Printing activities: The Department of Expenditure, Ministry of Finance vide its Office Memorandum No. 7(2)/E.Coord/2020 dated 02.09.2020 read with its subsequent modification OM No. 7(2)/E.Coord./2020 dated 13.12.2022 has issued the following Economy Instructions on Printing activities:

As the world is increasingly moving towards adopting digital force multipliers for productivity and given the fact that using technological innovations for planning, scheduling and forecasting is known to be economical, efficient and effective, the Government of India has decided that there will be no further activities towards printing of dairies, festival greeting cards and similar materials by all Ministries/ Departments/ Autonomous Bodies and other organs of the Government. All such activities including materials which were earlier printed in physical format shall be done digitally online. The printing of Coffee Table books is also banned and appropriate use of E-Books is encouraged. Therefore, all concerned are directed to make efforts to adopt innovative means to use digital or online method for the above activities.

7.21 Appraisal and Approval of Public Funded Schemes and Projects (except matters required to be placed before the Cabinet Committee on Security) [Refer to DOE OM No. 24(35)/PF-II/2012 dated 05.08.2018 read with DOE OM No. 01(03)/PFC-I/2022 dated 28.04.2022]

(1) Schemes are program based cost centres through which the Ministries and Departments spend their budgetary and extra-budgetary resources for delivery of public goods and services to the citizens. They are of two types:

(a) Central Sector Schemes are implemented by the Central Ministries/Departments through their designated implementation agencies and funds are routed through the functional heads relevant for the sector.

(b) Centrally Sponsored Schemes are implemented within the domain of National Development Agenda identified by the Committee of Chief Ministers constituted by NITJ Aayog. They can have both Central and State Components. While the former are fully funded by the Central Government and implemented through functional heads like the central sector schemes in para (a) above, the latter are routed through the inter-governmental transfer heads 3601/3602. The expenditure on State Components is shared between the Central and State Governments in accordance with the fund sharing pattern approved for the purpose.

(2) Projects are best understood by the common-sense usage of the term. They involve one-time expenditure resulting in creation of capital assets, which could yield financial or economic returns or both. Projects may either be approved on stand-alone basis or as individual projects within an approved scheme envelope. They may be executed through budgetary, extra-budgetary resources, or a combination of both.

(3) Rationalization: {It was found that over the years Ministries/Departments had started operating small and multiple schemes, which spread resources too thinly to realise any meaningful outcomes. In the run up to the Union Budget 2016-17, Schemes were rationalized in consultation with the implementing Ministries/Departments. As per para-113 of the Budget Speech 2016, the number of Central Sector Schemes was brought down to around 300 and the number of Centrally Sponsored Schemes to around 30. However, this exercise is not an end in itself. In reiteration of the standing instructions in this regard and to ensure efficient management of public expenditure at all times, it is directed that henceforth:

(i) No new Scheme or Sub-Scheme will be initiated without the prior “in-principle” approval of the Department of Expenditure. This will, however, not apply to the announcements made in the Budget Speech for any given year.

(ii) The Statement of Budget Estimates should be prepared in accordance with the approved scheme architecture and any deviation in this regard should be a priori agreed with the concerned division of the Department of Expenditure.

(iii) Administrative Ministries/Departments should continuously endeavour to merge, restructure or drop existing schemes and sub-schemes that have become redundant or ineffective with the passage of time. For this, the restriction of in-principle approval mentioned in para (i) above will not apply.

(iv) Department of Expenditure reserves the right to merge, restructure or drop any existing scheme or sub-scheme, in consultation with the Administrative Department concerned, to enhance efficiency and improve economies of scale in the execution of government programs.

(4) Formulation: The quality of Scheme or Project Formulation is the key bottleneck leading to poor execution at the implementation stage, including time and cost overruns, often resulting in a series of revised cost estimates. Additional time and effort spent at the scheme/ project formulation stage can not only save precious resources, but also enhance the overall impact, leading to a qualitative improvement in outcomes. For all new Schemes, a Concept Paper should be prepared while seeking in-principle approval, holding stakeholder consultations, conduct of pilot studies, etc. While submitting proposals for continuation of on-going schemes, a careful rationalization must be done through merger and dropping of redundant schemes. The feedback from the formulation stage should be used for improving the scheme design so that a Detailed Paper can be presented for appraisal at the EFC stage.

(5) Similarly, project preparation should commence with a Feasibility Report, which helps establish the project is techno-economically sound and resources are available to finance the project. It provides a firm basis for starting land acquisition, approval of pre-investment activities, etc. In-principle approval for initiating a project will be granted by the Financial Adviser concerned after examining project feasibility and availability of financial resources.

(6) Generic structure of a Detailed Paper for Schemes/Detailed Project Report for Projects (as noted below) may be followed. While designing new schemes/sub-schemes, the core principles to be kept in mind are economies of scale, separability outcomes and sharing of implementation machinery. Schemes which share outcomes and implementation machinery should not be posed as independent schemes, but within a unified umbrella program with carefully designed convergence frameworks.

Generic Structure of a Detailed Paper/ Detailed Project Report

(i) Context/Background: *This section should provide a brief description of the sector/sub-sector as well as the national strategy and policy framework. This section should also provide a general description of the scheme/ project being posed for appraisal.*

(ii) Problems to be addressed: *This section should elaborate the problem to be addressed through the project/ scheme at the local/regional/national level. Evidence regarding the nature and magnitude of the problems should be presented, supported by baseline data/ survey/ reports etc.*

(iii) Aims and Objectives: *This section should indicate the development objectives proposed to be achieved, ranked in order of importance. The outputs/deliverables expected for each development objective should be spelt out clearly.*

(iv) Strategy: *This section should present an analysis of alternative strategies available to achieve the development objectives. Reasons for selecting the proposed strategy should be brought out. Basis for prioritization of locations should be indicated (wherever relevant). Opportunities for leveraging government funds through public-private partnership or savings through outsourcing must be explored. This section should also provide a description of the ongoing initiatives, and the manner in which duplication can be avoided and synergy created with the proposed scheme/project.*

(v) Target Beneficiaries: *There should be clear identification of target beneficiaries. Stakeholder analysis should be undertaken, including consultation with stakeholders at the time of scheme/project formulation. Options regarding cost sharing and beneficiary participation should be explored and incorporated in the project. Impact of*

the project on weaker sections of society, positive or negative, should be assessed and remedial steps suggested in case of any adverse impact.

(vi) Legal Framework: This section should present the legal framework, if relevant, within which the scheme/project will be implemented, as well as the strengths and weaknesses of the legal framework in so far as it impacts on achievement of stated objectives.

(vii) Environmental Impact: Environmental Impact Assessment should be undertaken, wherever required, and measures identified to mitigate the adverse impact, if any. Issues relating to land acquisition, diversion of forest land, wildlife clearances, rehabilitation and resettlement should be addressed in this section.

(viii) Technology: This section should elaborate on the technology choices, if any; evaluation of the technology options, as well as the basis for choice of technology for the proposed project.

(ix) Management: Responsibilities of different agencies for project management or scheme implementation should be elaborated. The organization structure at various levels, human resource requirements, as well as monitoring arrangements should be clearly spelt out.

(x) Finance: This section should focus on the cost estimates, budget for the scheme/project, means of financing and phasing of expenditure. Options for cost sharing and cost recovery (user charges) should be explored. Infrastructure projects may be assessed on the basis of the cost and tenor of the debt. Issues relating to project sustainability, including stakeholder commitment, operation-maintenance of assets after project completion and other related issues should also be addressed in this section.

(xi) Time Frame: This section should indicate the proposed zero date for commencement and also provide a PERT/CPM chart, wherever relevant.

(xii) Cost Benefit Analysis: Financial and Economic cost-benefit analysis of the project should be undertaken wherever such returns are quantifiable. Such an analysis should generally be possible for infrastructure projects, but may not always be feasible for public goods and social sector projects. Even in the case of latter, the project should be taken up for appraisal before the PIB and some measurable outcomes/deliverable suitably defined.

(xiii) Risk Analysis: This section should focus on identification and assessment of implementation risks and how these are proposed to be mitigated. Risk analysis could include legal/ contractual risks, environmental risks, revenue risks, project management risks, regulatory risks, etc.

(xiv) Outcomes: Success criteria to assess whether the development objectives have been achieved should be spelt out in measurable terms. Base-line data should be available against which success of the project will be assessed at the end of the project (impact assessment). Similarly, it is essential that base-line surveys be undertaken in case of large, beneficiary-oriented schemes. Success criterion for scheme deliverables/outcomes should also be specified in measurable terms to assess achievement against proximate goals.

(xv) Evaluation: Evaluation arrangements for the scheme/project, whether concurrent, mid-term or post-project should be clearly spelt out. It may be noted that continuation of schemes from one period to another will not be permissible without a third-party evaluation.

Last but not the least, a self-contained **Executive Summary** should be placed at the

beginning of the document. In cases where only a Concept Paper or Feasibility Report is attached to the EFC/PIB proposal, it should cover the main points mentioned in the generic structure above.

(7) Appraisal: The Institutional framework for appraisal of Schemes and Projects is as specified in table below. Depending on the level of delegation, the Schemes will be appraised by the Expenditure Finance Committee (EFC) or the Standing Finance Committee (SFC), while Projects will be similarly appraised by the Public Investment Board (PIB) or the Delegated Investment Board (DIB).

<i>Institutional Arrangement for Appraisal of Schemes and Projects</i>	
<i>Expenditure Finance Committee (EFC)</i>	
<i>Expenditure Secretary</i>	<i>Chairperson</i>
<i>Secretary of the Administrative Ministry/Department</i>	<i>Member</i>
<i>Financial Advisor of the Administrative Ministry/Department</i>	<i>Member</i>
<i>Adviser, PAMD, NITI Aayog</i>	<i>Member</i>
<i>Representative of Budget Division</i>	<i>Member</i>
<i>Representatives of concerned Ministries/ Agencies</i>	<i>Member</i>
<i>Joint Secretary, Department of Expenditure</i>	<i>Member-Secretary</i>
<i>For appraisal of schemes of scientific nature, Scientific Adviser may be invited as Member.</i>	
<i>Standing Finance Committee (SFC)</i>	
<i>Secretary of the Administrative Ministry/Department</i>	<i>Chairperson</i>
<i>Joint Secretary in Charge of the Subject Division</i>	<i>Member</i>
<i>Representative of NITI Aayog</i>	<i>Member</i>
<i>Financial Advisor of the Administrative Ministry/Department</i>	<i>Member-Secretary</i>
<i>Representative of Department of Expenditure and any other Ministry/ Department that the Secretary/ Financial Advisor may suggest may be invited as per requirement.</i>	
<i>Public Investment Board (PIB)</i>	
<i>Expenditure Secretary</i>	<i>Chairperson</i>
<i>Secretary of the Administrative Ministry/Department</i>	<i>Member</i>
<i>Financial Advisor of the Administrative Ministry/Department</i>	<i>Member</i>
<i>Adviser, PAMD, NITI Aayog</i>	<i>Member</i>
<i>Representative of Budget Division</i>	<i>Member</i>
<i>Representatives of concerned Ministries/ Agencies</i>	<i>Member</i>
<i>Joint Secretary, Department of Expenditure</i>	<i>Member-Secretary</i>
<i>For appraisal of scientific projects, Scientific Adviser may be invited as Member.</i>	
<i>Delegated Investment Board (DIB)</i>	
<i>Secretary of the Administrative Ministry/Department</i>	<i>Chairperson</i>
<i>Joint Secretary in Charge of the Subject Division</i>	<i>Member</i>
<i>Representative of NITI Aayog</i>	<i>Member</i>
<i>Financial Advisor of the Administrative Ministry/</i>	<i>Member-Secretary</i>

<i>Department</i>	
<i>Representative of Department of Expenditure and any other Ministry/ Department that the Secretary/ Financial Advisor may suggest may be invited as per requirement.</i>	

(8) The scheme/project cycle would commence with the submission of a Concept Paper/ Feasibility Report by the Administrative Ministry / Department. The step-wise time-lines for appraisal as follows:

Time Frame for Appraisal and Approval of Schemes and Projects

(i)		<i>Decision on “in principle” approval, if required</i>	<i>2 weeks</i>
(ii)		<i>Preparation of a Detailed Paper/ Detailed Project Report by the Administrative Ministry/ Department and circulating the same along with draft EFC/ PIB Memo</i>	<i>The time will vary depending on the nature of scheme and project. This is an internal matter of the Administrative Ministry/ Department concerned.</i>
(iii)		<i>Appraisal Note and Comments to be offered on the DP/DPR and draft EFC/PIB memo by Department of Expenditure, NITI Aayog and concerned Ministries / Agencies.</i>	<i>4 Weeks</i>
(iv)		<i>Preparation of final EFC/PIB Memo based on comments received, and circulating the same for appraisal and approval</i>	<i>2 weeks</i>
(v)		<i>Fixing the date of EFC/PIB meeting after receiving the final EFC/PIB Memo</i>	<i>1 week</i>
(vi)		<i>Issue of minutes of EFC/PIB after the meeting has been held</i>	<i>1 week</i>
(vii)		<i>On-file approval of Administrative Minister and Finance Minister</i>	<i>2 weeks</i>
(viii)		<i>Submission for approval of the Cabinet/ Committee of the Cabinet (for proposals above Rs. 1,000 crore)</i>	<i>2 weeks</i>

Note: *Wherever the recommended time frame is not adhered to any stage, the concerned organization should work out an appropriate trigger mechanism to take the matter to the next higher level for timely decision making.*

(9) The formats for submitting Schemes Proposals are as under:

Format for EFC/SFC Memorandum for Appraisal of Schemes

1. Scheme Outline

1.1 Title of the Scheme.

1.2 Sponsoring Agency (Ministry/ Department/ Autonomous Body or Undertaking)

1.3 Total Cost of the proposed Scheme

1.4 Proposed duration of the Scheme

1.5 Nature of the Scheme: Central Sector Scheme/ Centrally Sponsored Scheme

1.6 For Central Sector Schemes, sub-schemes/ components, if any, may be mentioned. For centrally sponsored schemes, central and state components, if any, may be mentioned.

1.7 Whether a New or a Continuing Scheme? In case of a Continuing Scheme, whether the old scheme was evaluated and what were the main findings?

1.8 Whether in-principle approval is required? If yes, has it been obtained?

1.9 Whether a Concept Paper or a Detailed Paper has been prepared and stakeholders consulted? In case of new Centrally Sponsored Schemes, whether the State Governments have been consulted?

1.10 Which existing schemes/ sub-schemes are being dropped, merged or rationalized?

1.11 Is there an overlap with an existing scheme/sub-scheme? If so, how duplication of effort and wastage of resources are being avoided?

1.12 In case of an umbrella scheme (program) give the details of schemes and sub-schemes under it along with the proposed outlay component-wise.

Note: It may kindly be noted that the word scheme here is used in a generic sense. It includes programs, schemes and sub-schemes, which, depending on need, can be appraised and approved as stand-alone cost centres.

2. Outcomes and Deliverables

2.1 Stated aims and objectives of the Scheme

2.2 Indicate year-wise outputs/ deliverables in a tabular form.

Components	Year		Year 2 & so on		Total	
	Physical	Financial	Physical	Financial	Physical	Financial
1,2,3 & so on						

2.3 Indicate Outcomes of the Scheme in the form of measurable indicators which can be used to evaluate the proposal periodically. Baseline data or survey against which such outcomes should be benchmarked should also be mentioned.

2.4 Indicate other schemes/ sub-schemes being undertaken by Ministries/ Departments which have significant outcome overlap with the proposed scheme. What convergence framework have been evolved to consolidate outcomes and save public resources?

3. Target Beneficiaries

3.1 If the scheme is specific to any location, area and segment of population, please give the details and basis for selection.

3.2 Please bring out specific interventions directed in favour of social groups, namely SC, ST, differently abled, minorities and other vulnerable groups.

3.3 If the scheme has any gender balance aspects or components specifically directed at welfare of women, please bring them out clearly?

3.4 Please bring out special interventions, if any, in North East, Himalayan, LWE, Island territories and other backward areas.

3.5 In case of beneficiary oriented schemes, indicate the mechanism for identification of target beneficiaries and the linkage with Aadhaar/ UID numbers.

3.6 Wherever possible, the mode of delivery should involve the Panchayati Raj Institutions and Urban Local Bodies. Where this is intended, the preparedness and ability of the local bodies for executing the proposal may also be examined.

4. Cost Analysis

4.1 Cost estimates for the scheme duration: both year-wise, component-wise segregated into non-recurring and recurring expenses.

4.2 The basis of these cost estimates along with the reference dated for normative costing.

4.3 In case pre-investment activities or pilot studies are being carried out, how much has been spend on these?

4.4 In case the scheme involves payout of subsidy, the year wise and component wise expected outgo may be indicated.

4.5 In case the land is to be acquired, the details of cost of land and cost of rehabilitation/ resettlement, if any.

4.6 In case committed liabilities are created, who will or has agreed to bear the legacy burden? In case assets are created, arrangements for their maintenance and upkeep?

5. Scheme Financing

5.1 Indicated the sources of finance for the scheme: budgetary support, extra-budgetary sources, external aid, state share, etc.

5.2 If external sources are intended, the sponsoring agency may indicate, as also whether such funds have been tied up?

5.3 Indicated the component of the costs that will be shared by the State Governments, local bodies, user beneficiaries or private parties?

6. Approvals and Clearances

Requirement or mandatory approvals and clearances from various local, state and national bodies and their availability may be indicated in a tabular form (land acquisition, environment, forestry, wildlife etc.)

Sl.No.	Approvals/ Clearances	Agency concerned	Availability (Y/N)

7. Human Resources

7.1 Indicate the administrative structure for implementing the Scheme. Usually creation of new structures, entities etc. should be avoided

7.2 Manpower requirement, if any. In case posts, permanent or temporary, are intended to be created, a separate proposal may be sent on file to Pers. Division of Department of Expenditure (such proposals may be sent only after the main proposal is recommended by the appraisal body)

7.3 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be provided.

8. Monitoring and Evaluation

8.1 Please indicate the monitoring framework for the Scheme and the arrangements

for statutory and social audit (if any).

8.2 Please indicate the arrangement for third party/ independent evaluation? Please not that evaluation is necessary for extension of scheme from one period to another.

9. Comments of the Financial Advisor, NITI Aayog, Department of Expenditure and other Ministries/ Departments may be summarized in tabular form along with how they are being internalized and used to improve this proposal.

10. Approval Sought:

(-----)
Joint Secretary to the Government of India
Tel No. -----
Fax No. -----
E-mail -----

(10) CCEA in its meeting on 21.10.2021 approved the Development of PM GatiShakti National Master Plan (NMP) for providing multimodal connectivity infrastructure to various Economic Zones. The PM GatiShakti NMP is an integrated plan depicting the Economic Zones and the multimodal connectivity infrastructure with an objective to holistically integrate the interventions of various Ministries / Departments and address missing gaps to ensure seamless movement of people, goods & services.

(11) As per the CCEA approval, an Integrated Infrastructure Network Planning Group (NPG) will be constituted with representation from various connectivity infrastructure Ministries / Departments involving their heads of Network Planning Division for unified planning and integration of the proposals and assist the Empowered Group of Secretaries (EGoS) in respects of the ToRs.

(12) The ToRs of the Integrated Infrastructure Network Planning Group (NPG) include the following:

(i) The group will be responsible for sharing their specific Action Plans for 2020-21 to 2024-25 with each other for facilitating integration of networks, enhance optimization through modification/expansion/new network creation to avoid duplication of works for holistic development of any region as well as reducing logistics costs through micro-plan detailing.

(ii) This group shall after examining all the interventions proposed to be taken by various Ministries will delineate all projects where synchronization of efforts are required and propose any changes in the PM GatiShakti NMP for consideration and approval of the EGoS.

(iii) The Network Planning Group will also examine the following proposals which are not forming part of the Master Plan currently:

(a) Projects of infrastructure connectivity Ministries which are costing more than Rs. 500 crore included under multimodal infrastructure classification, where DPRs have either been completed or in advanced stage;

(b) All major new connectivity / network proposals of infrastructure connectivity Ministries involving cost of more than Rs 500 crore or those that are vital or critical from multimodal connectivity point of view to be so determined by the Logistics Division/NPG;

(c) Further, NPG may also recommend critical multimodal connectivity project

proposals which are even not recommended by any line Ministry to ensure proper integration and may also examine projects with reference to tourism development.

(13) In view of above, PIB/DIB project proposals may be sent in the revised format as per re-produced below for appraisal:

Revised Format for PIB/DIB Memorandum for Appraisal of Projects

1. Project Outline

1.1 Title of the Scheme.

1.2 Sponsoring Agency (Ministry/ Department/ Autonomous Body or Undertaking)

1.3 Proposed Cost of the Project

1.4 Proposed timelines for the Project

1.5 Whether Project will be implemented as part of a scheme or on stand-alone basis?

1.6 Whether financial resources required for the Project have been tied up? If yes, details?

1.7 Whether Feasibility report and/or Detailed Project Report has been prepared?

1.8 Whether the proposal is an Original Cost Estimate or a Revised Cost Estimate?

1.9 In case of Revised Cost Estimated, whether the meeting of Revised Cost Committee has been held and its recommendations suitable addressed?

1.10 Whether any land acquisition or pre-investment activity was under-taken or is contemplated for this Project? Whether the cost of such intervention has been included in the Project Proposal?

1.11 Whether the proposal is secured against natural / man-made disasters like floods, cyclones, earthquakes, tsunamis, etc. If the proposal involves creation /modification of structural and engineering assets or change in land use plans, disaster management concern should be assessed, and specifically commented upon.

1.12 (a) Whether the project has components of logistics or infrastructure connectivity?
(b) If yes, whether the project proposal has been examined by Network Planning Group (NPG) for convergence and integration at the conceptualisation or feasibility study stage.

(c) Recommendations of NPG along with action taken by the Ministry may be annexed as part of PIB/DIB note and confirmation that the project has been reflected on the PM GatiShakti platform.

2. Outcomes and Deliverables

2.1 Stated aims and objectives of the Scheme

2.2 Indicate year-wise outputs/deliverables for the project in a tabular form.

Activities	Year 1		Year 2 & So on		Total	
	<i>Physical</i>	<i>Financial</i>	<i>Physical</i>	<i>Financial</i>	<i>Physical</i>	<i>Financial</i>
1,2,3 & so on						

2.3 Indicate final Outcomes for the Project in the form of measurable indicators which can be used for impact assessment/evaluation after the project is complete. Baseline data or survey against which such outcomes would be benchmarked should also be mentioned.

3. Project Cost

3.1 Cost estimates for the project along with the scheduled duration (both year and

activity-wise). Also the basis for these cost estimates along with the reference dates for normative costing (it should preferably not be more than a year old)

3.2 In case land is to be acquired, the details of land cost, including cost of rehabilitation/ resettlement needs to be provided.

3.3 In case pre-investment activities are required, how much is proposed to be spent on these, with details activity-wise?

3.4 Whether price escalation during the project time cycle has been included in the cost estimated and at what rates?

3.5 Whether the Project involves any foreign exchange element, the provision made or likely impact of exchange rate risks?

3.6 In case of the Revised Cost Estimated, a variation analysis along with the Report of the Revised Cost Committee needs to be attached.

4. Project Finance

4.1 Indicate the sources of project finance: budgetary support, internal and extra budgetary sources, external aid, etc.

4.2 Indicate the cost components, if any, that will be shared by the state governments, local bodies, user beneficiaries or private parties?

4.3 In case of funding from internal and extra-budgetary resources, availability of internal resources may be supported by projections and their deployment on other projects?

4.4 Please indicate funding tie-ups for the loan components, if any, both domestic and foreign, along-with terms and conditions of loan based on consent/comfort letters.

4.5 If government support/loan is intended, it may be indicated whether such funds have been tied up?

4.6 Please provide the leveraging details, including debt-equity and interest coverage ratios, along with justification for the same.

4.7 Mention the legacy arrangements after the project is complete, in particular, arrangements for the maintenance and upkeep of assets that will be created?

5. Project Viability

5.1 For projects which have identifiable stream of financial returns, the financial internal rate of return may be calculated. The hurdle rate will be considered at 10 percent.

5.2 In case of projects with identifiable economic return, the economic rate of return may be calculated. In such cases project viability will be determined by taking both financial and economic returns together.

5.3 In case of proposal where both financial and economic returns are not readily quantifiable, the measurable benefits/ outcomes simply may be indicated.

Note: It may kindly be noted that all projects, irrespective of whether financial and/ or economic returns can be quantified or not, should be presented for PIB/DIB appraisal.

6. Approvals and Clearances

Requirement of mandatory approvals/ clearances of various local, state and national bodies and their availability may be indicated in a tabular form (land acquisition, environment, forestry, wildlife, etc.) In case land is required, it may be clearly mentioned whether the land is in the possession of the agency free from encumbrances or encroached or stuck in legal processes?

Sl.No.	Approval/ Clearances	Agency Concerned	Availability (Y/N)

7. Human Resources

7.1 Indicate the administrative structure for implementing the Project. Usually creation of new structures, entities, etc., should be avoided.

7.2 Manpower requirement, if any. In case posts (permanent or temporary) are intended to be created, a separate proposal may be sent on file to Pers. Division of Department of Expenditure. Such proposals may be sent only after the main proposal is recommended by the appraisal body.

7.3 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be provided.

8. Monitoring and Evaluation

8.1 Indicate the Project Management/ Implementing Agency(s). What agency charges are payable, if any?

8.2 Mode of implementation of individual works: Department/ Item-rate/ Turnkey / EPC/ Public-Private Partnership, etc.

8.3 Please indicate the timelines of the activities in PERT/ Bar Chart along with critical milestones.

8.4 Please indicate the monitoring framework, including MIS, and the arrangements for internal/ statutory audit.

8.5 Please indicate what arrangements have been made for impact assessment after the project is complete?

9. Comments

9.1 Comments of the Financial Advisor, NITI Aayog, Department of Expenditure and other Ministries/ Departments may be summarized in tabular form along with how they are being internalized and used to improve this proposal.

10. Approval Sought:

(-----)
Joint Secretary to the Government of India
Tel. No. -----
Fax No. -----
E-mail-----

(14) For Schemes, a Concept/Detailed Paper which outlines the overall scheme architecture and its main structural elements should be attached. Similarly, for Projects either the Feasibility or the Detailed Project Report should be attached along with Executive Summary. The word Scheme is used here in a generic sense. It includes programs (umbrella schemes), schemes and sub-schemes, which, depending on the need, may be appraised as stand-alone cost centres.

(15) New Bodies: No new Company, Autonomous Body, Institution/University or other Special Purpose Vehicle should be set up without the approval of the Cabinet/Committee of the Cabinet, irrespective of the outlay, or any delegation that may have been issued in the past. All such cases would be appraised by the Committee of Establishment Expenditure (CEE) chaired by the Expenditure Secretary as per the Department of Expenditure, Ministry of Finance's Office Memorandum No. 1(5)2016-E.II(A) dated 15.09.2016. If setting up of a New Body involves project work, combined CEE/EFC/PIB may be held. The Format for submission of Proposals for

consideration of CEE is as follows:

**Format for submission of Proposals for consideration of Committee on
Establishment Expenditure (CEE)**

1. Statement of the proposal

1.1 Title of the proposal and a brief description.

1.2 What are the objectives of the proposal?

1.3 The activities proposed to be taken up by the proposed organization, nature and the proposed duration of the activities.

1.4 Whether similar functions are also being undertaken by other organizations, be it in the central government or state governments or the private sector.

1.5 The need for creation of the new body and whether the stated policy objectives can be achieved by restructuring an existing body or expanding the scope of an attached/ subordinate office. The alternatives that have been considered before firming up the scope/methodology of the proposal including alternate modes of proposal delivery may be stated.

1.6 Whether proposed creation of the new body is part of a scheme or is a stand-alone proposal?

1.7 Whether the expenditure is a result of statutory requirement? If so, indicate the requirement.

1.8 Whether Feasibility Report and /or Detailed Project Report have been prepared?

1.9 Whether in-principle approval is required? If yes, has it been obtained?

1.10. Whether the stakeholders and nodal agencies have been consulted in formulating the proposal?

2. Financial Implications

2.1 Total expenditure involved along with scheduled duration (both year and activity-wise); recurring and non-recurring to be given separately and its broad details. Also the basis for these cost estimates along with the reference dates for normative costing (it should preferably not be more than a year old) is to be given.

2.2 Indicate the sources of project finance: budgetary support, internal and external budgetary sources, external aid, etc.

2.3 What will be the recurring expenditure for ten years, including establishment, other running and O&M expenditure, if any?

2.4 Whether the organization will generate revenue? The details of year-wise internal revenue generation targets for ten years and the basis thereof?

2.5 Whether the organization is envisaged to be self-sufficient to meet its financial requirements and the timeframe thereof? If no, the details and reason therefore.

2.6 To what extent the recurring expenditure can be borne from internal resources thereby minimizing the budgetary burden on the Government?

2.7 The closure date may be indicated beyond which further government support/ disbursal of funds will not be required.

2.8 Mention the legacy arrangement after the project is complete, in particular, arrangements for the maintenance and upkeep of assets that will be created.

2.9 Whether any pre-investment activity was undertaken or is contemplated for this Project? Whether the cost of such intervention has been included in the Project proposal? [No pre-investment activity related to creation of a New Body or Institution will be approved without the in-principle approval of the Department of Expenditure, unless there is a specific budget announcement to that effect].

- 2.10 In case land is to be acquired, the details of land cost, including cost of rehabilitation/ resettlement needs to be provided.
- 2.11 Whether price escalation during the project time cycle has been included in the cost estimates and at what rates?
- 2.12 Whether the Project involves any foreign exchange element, the provision made or likely impact of exchange rate risks?
- 2.13 Whether the ownership of land and buildings etc. acquired/ constructed with government funding may vest with Government of the proposed organization?

3. Project infrastructure

- 3.1 Whether the proposed infrastructure set up is in consonance with the requirement for accommodation of the manpower and physical assets to be created and as per norms. (The norms applied in the projection may be indicated).
- 3.2 It may be confirmed that various components/ facilities proposed in the proposal are minimum inescapable.
- 3.3 What alternatives (e.g. purchase/ construction/ lease etc.) have been considered for meeting the infrastructure requirement, justification for the option chosen and whether the same is most economically viable?
- 3.4 Total expenditure involved in creation of infrastructure, its broad details and year-wise phasing. Also the basis for these cost estimates along with the reference dates for normative costing.
- 3.5 In case the project involves any creation/ modification structural/ engineering assets including land reclamation or changes to existing land use plans then the costs involved in prevention and mitigation of disaster(s) (natural and man-made) would need to be included fully in the project cost. The design and engineering of the structure may take into consideration the extent Building Codes, BIS Codes, the National Disaster Management Authority guidelines, GRIHA guidelines. Other sources such as Indian Road Congress Manual, Ministry of Road Transport Highways and Shipping Manual, Railway Board Manual, Central Public Health Engineering Organization (Ministry of Urban Department) manual, Central Electricity Authority manual and Central Water Commission manual etc. may also be consulted where applicable.
- 3.6 Proposed timelines for completion of the infrastructure.
- 3.7 Indicate the per square feet construction cost of the infrastructure. The reasonableness of the costs may be confirmed duly indicating how the cost compares with similar projects in and around the region.
- 3.8 Manner in which the creation of infrastructure is proposed to be implemented and the agency through which it will be executed.
- 3.9 Indicated the Project Management/ Implementing Agency (s). What agency charges are payable, if any and the basis for selection of the agency? The reasonableness of the charge may be confirmed.

4. Human Resources: Following details may be provided-

- 4.1. Administrative structure for the proposed organisation
- 4.2. Total manpower requirement in different categories Scientific/Administrative/ Technical etc.)
- 4.3. Whether posts are proposed to filled in on temporary or permanent basis
- 4.4 Name and Designation of various posts
- 4.5 Pay scale of the posts
- 4.6 Grade/category of the posts

4.7 Functional justification (For each of the categories separately).

4.8 Financial implications for creation of the posts.

4.9 In case outsourcing of services or hiring of consultants or engagement on contractual basis is intended, details including total numbers and mode of selection may be provided.

4.10 Yearly estimated expenditure on manpower may be indicated (whether indicated in para 2 above).

5. Approvals and Clearances

5.1 Requirement of mandatory approvals/clearances of various local, state and national bodies and their availability may be indicated in a tabular form. In case land is required, it may be clearly mentioned whether the land in the possession of the Ministry/Department is free from encumbrances or from any legal issue?

Sl.No.	Approval/ Clearance	Agency concerned	Availability (Y/N)

6. Monitoring and Evaluation

6.1. Please indicate timelines of activities along with critical milestones.

6.2. Please indicate the monitoring framework, including MIS, and the arrangements for internal/ statutory audit.

6.3. The mechanism to be put in place for external or peer review of the proposed organization including the period for such review.

7. Comments

7.1 Comments of Financial Advisor of the Ministry/Department, NITI Aayog, Department of Expenditure and other Ministries/ Departments may be indicated in tabular form along with how they have been internalized and used to improve this proposal.

8. Supplementary information, if any.

9. Approval Sought:

(.....)

Joint Secretary to the Govt. of India

Note 1: An Executive Summary along with the Feasibility Report/ Detailed Project Report prepared for the project may be attached with the proposal.

Note 2: While submitting the proposal to Department of Expenditure, two extra copies of the Memorandum along with the soft copy thereof may be provided.

Note 3: Instructions contained in the Cabinet Secretary's D.O. letter No.1/50/2/2016-Cab dated 29.3.2016 regarding preparation and circulation of records of discussions/Minutes of the meetings may be adhered to. While submitting the draft minutes of the CEE meeting to Department of Expenditure, soft copy thereof may also be provided.

(16) Original Cost Estimates: The delegation of powers for appraisal and approval of Original Cost Estimates (OCE) is given in the table below:

Scheme/ Project Appraisal		Scheme/ Project Approval	
Cost (Rs. Cr.)	Appraisal by	Cost (Rs. Cr.)	Approval by
Up to 100	The Financial Adviser	Up to 100	Secretary of the Administrative Department
>100 & up to 500	SFC/DIB Chaired by Secretary of the Admn. Dept.	>100 & up to 500	Minister-in-charge of the Administrative Department
>500	EFC/PIB Chaired by the Expenditure Secretary, except departments/schemes/projects for which special dispensation has been notified by the Competent Authority	>500 & up to 1000	Minister-in-charge of the Admn. Dept. and Finance Minister, except where special powers have been delegated by the Finance Ministry
		>1000	Cabinet/ Committee of the Cabinet concerned with the subject

Note: 1. The financial limits above are with reference to the total size of the Scheme/Project being posed for appraisal and includes budgetary support, extra-budgetary resources, external aid, debt/equity/loans, state share, etc.

2. Financial Advisers may refer any financial matter and may also seek participation of the Department of Expenditure in the SFC/DIB meetings, if required. For proposals above Rs. 300 crores such a participation would be mandatory.

3. Delegated powers should be exercised only when the budgetary allocation or medium-term scheme outlay as approved by Department of Expenditure is available.

4. While exercising delegated powers, the Ministries/Departments should also ensure the proposals are subject to rigorous examination in project design and delivery, and careful attention should be paid to recurring liabilities and fund availability after adjustment of the committed liabilities.

5. For appraisal and approval of PPP projects separate orders issued by the Department of Economic Affairs will apply.

(17) Revised Cost Estimates:

(i) Any increase in costs due to statutory levies, exchange rate variation, price escalation within the approved time cycle and/or increase in costs up to 20 percent due to any other reason, are covered by the approval of the original cost estimates. Any increase in this regard would be approved by the Secretary of the Administrative Department concerned with the concurrence of the Financial Adviser.

(ii) Any increase in costs beyond 20 percent of the firmed-up cost estimates due to time overrun, change in scope, under-estimation, etc. (excluding increase in costs due to statutory levies, exchange rate variation and price escalation within the approved time cycle) should first be placed before a Revised Cost Committee chaired by the Financial Adviser (consisting of the Joint Secretary in-charge of the program division and representative of the Chief Adviser Cost as members) to identify the specific reasons behind such increase, identify lapses, if any, and suggest remedial measures for the same. The recommendations of the Revised Cost Committee should be placed

for fresh appraisal and approval before the competent authority as per the extant delegation of powers (It may be noted that a firmed-up cost estimate here means a cost estimate which has been through the full appraisal and approval procedure as per the extant delegation of powers).

(18) Authority Competent to approve time overrun in respect of Projects where there is no cost overrun: In this regard, the Department of Expenditure, Ministry of Finance Office Memorandum No. 24(35)/PF-II/2012 (Pt) dated 05.06.2017 provides/clarified the following:

(i) All cases of time overrun without cost overrun would be approved by the Secretary of the Administrative Department concerned with the concurrence of the Financial Advisor in accordance with para 9 of DoE O.M. dated 5th August, 2016.

(ii) However, the competent authority while approving such instances of projects undergoing time overrun without cost overrun, may consider the following:

(a) Time overrun beyond a period of time is not expected to happen without cost overrun due to normal inflation in the economy. Some of the reasons for time overrun without cost overrun could be:

- Overestimation of the cost at the time of Original Cost Estimates (OCE).
- Deletion of certain items approved at the OCE stage.
- Change in scope.

(b) In addition to time overrun, viability of the project may be reassessed. There could be change in market scenario in view of which the project may no longer be viable due to change in demand and supply, obsolescence in technology etc.

(c) Inordinate delay in project execution may lead to the manpower and technological resources being employed disproportionately at one place hampering the pace of other projects.

(d) Competent authority may also examine if the delay is attributable to fault on the part of any persons and fix responsibility as per extant rules and procedure.

(19) Pre-Investment Activities:

(i) Pre-Investment Activities include preparation of Feasibility Reports, Detailed Project Reports; Pilot Experiments/Studies for Schemes; Survey/Investigation required for large projects; payment for land acquisition in accordance with the orders of a competent authority under the law; construction of boundary wall, access roads, minor bridges/culverts, water-power lines, site offices, temporary accommodation, etc. at the projectsite; preparation of environment management plans, forestry and wildlife clearances; compensatory a forestation, payment for conversion of forest land to non-forest purposes, etc.

(ii) Pre-investment activities up to Rs. 100 crores (including budgetary and extra-budgetary resources) may be approved by the Secretary of the Administrative Department with the concurrence of the Financial Adviser concerned provided financial resources are available and in-principle approval has been obtained, wherever necessary. For pre-investment activities above Rs. 100 crores, the prescribed appraisal and approval procedure should be followed. When firmed-up cost estimates are put up for approval, the expenditure on pre-investment activities should be included in the final cost estimates for the competent authority to get a full picture of the total resources required for the scheme or the project to be implemented.

(20) Medium Term Outlay:

(i) It has been stated in para-110 of the Budget Speech 2016 that every scheme should have a sunset date and an outcome review. In the past, every scheme was revisited at the end of each plan period. After the twelfth five-year plan, the medium term framework for schemes and their sunset dates will become coterminous with the Finance Commission Cycles, the first such one being the remaining fourteenth finance commission (FFC) period ending March, 2020. This is necessary because fixation of medium term scheme outlay needs a clarity over flow of resources, which is likely to be available to both Central and State Governments over the Finance Commission periods.

(ii) Accordingly, it is directed that at the end of the twelfth plan period all Ministries/ Departments should undertake an outcome review and re-submit their schemes for appraisal and approval, unless the scheme has already been made coterminous with the FFC period. The Department of Expenditure will, on its part, communicate, in consultation with the Budget Division, the outlays for both Central Sector and Centrally Sponsored Schemes over the remaining FFC period. The same process will, mutatis mutandis, apply to the subsequent Finance Commission Cycles.

(21) Outcomes and Evaluation: Finance Secretary vide D.O. 66(01)/PF.11/2015 dated 18th May 2016 (Annex-V) has directed all Ministries/ Department to prepare an output-outcome framework for each Central Sector and Centrally Sponsored Scheme with the approval of CEO, NITI Aayog. Measurable outcomes, which deal with the quality aspect of schemes and programs, need to be defined over the relevant medium term framework, while physical and financial outputs need to be targeted on year-to-year basis in such a manner that it aggregates to achieve the measurable outcomes over the medium term. NITI Aayog, while approving the output-outcome framework, will kick-start a third party evaluation process for both Central Sector and Centrally Sponsored Schemes. Extension of Schemes from one Finance Commission Cycle to another would be contingent on the result of such an evaluation exercise. The Template for Evaluation of Central Sector Scheme is as follows:

**Template for Evaluation of Central Sector Scheme: [Scheme Name]
(Name of Department / Name of Ministry)**

1. EXECUTIVE SUMMARY

2. OVERVIEW OF THE SCHEME

2.1 Background of the scheme

- a) Brief write up on the scheme including Objectives, implementation Mechanism, Scheme architecture / design
- b) Name of Sub-schemes / components
- c) Year of commencement of scheme
- d) Present status with coverage of scheme (operational / non-operational)
- e) Sustainable Development Goals (SDG) Served
- f) National Development Plans (NDP) Served

2.2 Budgetary allocation and expenditure pattern of the scheme

Sub-scheme/ Component	[Year 1]			[Year 2]			[Year 3]			[Year 4]			[Year 5]		
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual

2.3 Summary of past evaluation since inception of scheme

Year of Evaluation	Agency hired for Evaluation	Recommendations made and accepted	Recommendations made but not accepted
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3. METHODOLOGY

3.1 Approach (Methodology adopted), Division of country into 6 Geographical Regions / Zones (North, South, East, West, North East and Central) as classified by NSSO.

3.2 Sample size and sample selection process, tools used: field study/questionnaire, primary and secondary data.

4. OBJECTIVE OF THE STUDY

4.1 Performance of the scheme based on the Output / Outcome indicators

4.2 Additional parameters

- a) Coverage of beneficiaries

State	District
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Urban		Rural		Urban		Rural	
Male	Female	Male	Female	Male	Female	Male	Female
SC/ST	SC/ST	SC/ST	SC/ST	SC/ST	SC/ST	SC/ST	SC/ST

b) Implementation mechanism

c) Training / Capacity building of administrators / facilitators

d) IEC activities

e) Asset / Service creation & its maintenance plan

f) Benefits (individual, community)

g) Convergence with scheme of own Ministry / Department or of other Ministry /Department.

4.3 Gaps in achievement of outcomes

4.4 Key Bottlenecks & Challenges

4.5 Input Use Efficiency

5. OBSERVATIONS AND RECOMMENDATIONS

5.1 Thematic Assessment

5.2 Externalities

6. CONCLUSION

6.1 Issues & challenges

6.2 Vision for the future

6.3 Recommendation for scheme with reasons

7. REFERENCES

8. APPENDICES

Explanatory Memorandum

2.1(a) Latest guidelines of the scheme may also be annexed.

2.1(b) Sub-schemes/ components which have separate budgetary allocations either through budget line or through Detailed Demand for Grants(DDG) may also be listed along with component-wise budget allocation.

2.1(d) Details of number of states/districts/villages where the scheme is functional may be included.

2.1 (e) & (f) May be linked with objective of the scheme.

2.2 If DDG makes allocations for certain items which are not shown as sub schemes/components, the same may be separately

indicated along with allocation in the table.

3.1 Complete list of states as classified by NSSO may be seen on its website.

4.1 Output / Outcome indicators as proposed/ prepared by NITI Aayog may be considered. In the absence of these, indicators as spelt out in SFC/EFC memorandum during appraisal of the scheme may be utilized. Outcome indicators (numbers or percentage) must be compared with base year value at all-time points (periodicity) as per monitoring mechanism framework, also defined in SFC/EFC Memorandums.

4.2 (a) Tabulated information up to Tehsil / Block Level and if possible, up to village level may be provided.

4.2 (b) Focus should be on clarity of instructions, availability of scheme or programme guidelines, clear definition of roles and responsibilities of functionaries and the number and nature of clarifications / additional instructions issued w.r.t. scheme guidelines.

4.2 (c) Details about training (PFMS /EAT Module, scheme's portal or any other) with number of interventions and levels at which these interventions were carried out may be included.

4.2 (d) Details about Stakeholders / Beneficiaries, details of campaigns, media, frequency, feedback etc. may be included.

4.2 (g) Details about apparatus-manpower office transport etc. may be included. If there is no convergence, NIL may be recorded.

4.3 These gaps could be attributed to absence of interventions/ non-performance of existing interventions.

4.4 Focus may be on Financial, Administrative, Project Management and any other Key Bottlenecks & Challenges.

4.5 Details of (a) requirement of funds as indicated in EFC / SFC in relation to actual allocation of funds including timelines of release (b) requirement and allotment of manpower in implementation of scheme / programme at various levels (PMU / Central /State) (c) involvement of private players, volunteers, non-governmental organizations and local community etc. in the scheme may be provided.

5.1 Thematic assessment should focus on Accountability, Transparency, Employment generation (direct / indirect), Climate change and sustainability, Role of TSP/ SCSP, Use of IT, Behavioral change in stakeholder/beneficiary, R&D, Role, functions, involvement / support of State Governments. Cross cutting themes can be assessed both through secondary data as well as primary. While conducting meta-analysis of existing reports, the evaluator should actively review the cross-cutting themes. The primary data for cross cutting themes will be elicited through specific questions and responses during the key informant interviews and beneficiary surveys. For example, use of IT in scheme implementation, fund flow, monitoring and evaluation can be assessed from interaction with concerned ministries/departments as well as states officials. Similarly, gender mainstreaming can be assessed by introducing specific questions on changes in knowledge, attitude and practices pertaining to gender equality, attributable to the CS intervention at hand, through household surveys.

5.2 Details of best practices, innovations or scheme / projects where best practices were replicated may be provided.

6.3 It is essential to highlight the importance of recommendations made for the scheme. The evaluation agency may provide recommendation for the scheme in any of the following categories (a) Continue in existing form (b) Continue with some Modifications (suggest modifications) (c) scale up the scheme (Financial/ Physical / both) (d) Scale down the scheme (Financial/ Physical/ both) (e) Close (f) Merge with another scheme as sub-scheme/component.

7.22 Revised procedure for flow of funds under Central Sector Schemes (Refer to Department of Expenditure, Ministry of Finance OM No. 1(18)/PFMS/FCD/2021 dated 09.03.2022)

7.22.1 Model-1: Implementation through Treasury Single Account (TSA): In case of Central Sector Schemes having annual outlay of more than Rs 500 crores and implemented without involvement of State agencies, it shall be mandatory to implement such schemes through the Treasury Single Account (TSA) ensure that the funds of these schemes are released “Just-In-Time” from the Consolidated Fund of India (CFI) to the beneficiaries/vendors. The Ministries/Departments may opt for Model-1 for other Central Sector Schemes too in consultation with RBI. For the schemes implemented through this model, the following procedure shall be followed by the Ministries/Departments:

(i) For each Central Sector Scheme, the concerned Ministry/ Department will designate an Autonomous Body/ Central Public Sector Enterprise as the Central Nodal Agency (CNA) to implement the scheme.

(ii) If there are other agencies involved in implementation of the scheme down the ladder, which get funds from the CNA, these Implementing Agencies (IAs) will be notified as Sub-Agencies (SAs) of the CNA.

(iii) Each CNA will open an account with the Reserve Bank of India (RBI) in e-Kuber. Even in cases where CNA is already registered in the TSA module and has a bank account in e-Kuber for some other grant, it will open separate account in e-Kuber for funds to be provided under each Central Sector Scheme.

(iv) The SAs of every CNA will also open scheme-wise bank accounts with RBI in e-Kuber in line with the requirements of para (iii) above.

(v) The relevant details of all the accounts of the CNA and SAs opened with RBI shall be mapped in the TSA module of PFMS as per the extant guidelines on TSA.

(vi) In respect of funds of Central Sector Schemes, the CNA and SAs shall not open/operate/ park funds in any other bank account except under the provisions made in these guidelines.

(vii) RBI will function as the primary banker to the Ministries/ Departments in this regard without involvement of an agency bank.

(viii) All these accounts in RBI will be “Assignment Accounts”. A limit up to which expenditure can be incurred by the CNA/ sub-agencies shall be assigned to these accounts from time to time by the Pay and Accounts Office (PAO) concerned through PFMS.

(ix) Assignment will be based on an expenditure sanction issued by the Programme Division (PD) and the bill preferred by the Drawing and Disbursing Officer (DDO). The e-format of the assignments and Sub-assignments shall have requisite details required for accounting and reconciliation of transactions. The e-Kuber bank account details of the CNA/SAs shall be incorporated in the sanction order.

(x) Consequent upon receipt of the sanction order for release of funds to the CNA alongwith bills from the Drawing and Disbursing Officer (DDO), the concerned Pay and Accounts Officers (PAOs) shall, through assignments, advise RBI, after exercising all necessary checks, to honour the payment instructions issued by the concerned CNA/SA up to the, “assigned limit” in the advice.

(xi) The PAO shall debit the concerned Head of Account for appropriation but not transfer the cash directly to the CNA. It shall be retained in an interim account in respect of the CNA listed under the parent Ministry/ Department in the public account.

(xii) The assignments shall be uploaded on the TSA module and received electronically by the CNAs as per the existing protocols of TSA module. The CNA may

issue e-Sub-assignments in PFMS against this assignment setting limits of expenditure for the SAs.

(xiii) CNAs & SAs shall adhere to all due process while incurring expenditure from the assignment limit sanctioned through PFMS. CNAs shall also ensure that sufficient limit is available in the relevant account before issue of assignment to SAs.

(xiv) The system will be digital and fully online on PFMS with no physical flow of assignments to RBI or expenditure by CNAs/SAs on assignment basis. The electronic file containing a unique sanction ID and necessary details of the sanction order will travel directly from PAO to RBI and concerned CNAs. RBI will maintain individual ledgers in respect of the accounts of the CNAs for watching the availability of assignment.

(xv) PFMS Division in CGA will design requisite reports to enable all Program Division (PDs), Pay & Accounts Officers (PAOs), and other stakeholders to view details of sanction orders, summary and budget balance of assignments/sub-assignments, and expenditure details.

(xvi) Ministries/ Departments administering the schemes concerned should strive to make realistic estimation of Budget under the Central Sector schemes and issue sanction orders according to actual requirements. The savings in the assignments should be anticipated well in advance particularly in the third quarter of Financial Year and Ministries/Departments shall ensure suitable savings/surrenders are informed to Budget Division during the pre-budget meetings.

(xvii) Control of limits shall be at the Standard Object Head level.

xviii) Unutilized assignments will lapse to the Government at the close of the Financial Year as per the extant norms of Budget execution and will not be available to the CNAs /SAs for expenditure in the next financial year. In PFMS too, all e- assignments/e-sub assignments shall cease to exist after the close of financial years and shall be flushed out from the system as per the current practice in TSA module.

(xix) In respect of some transactions like payment of TDS, Income Tax and GST, Opening of Letter of Credit in favour of foreign suppliers, scholarships to foreign students not having account in India, and payment of salaries of the month of March to be paid in 1st week of April, CNAs/SAs may utilize the services of their existing account at commercial banks. They may transfer funds “just in time” to the extent required for meeting such transactions. However, in no case the money transferred under this provision will be parked in a Commercial Bank beyond a period of two weeks.

(xx) Unutilized amount of past releases under the scheme available in the bank account of CNA & SAs shall be deposited in the Consolidated Fund of India.

7.22.2 Model-2: Implementation through scheduled commercial banks: In case of Central Sector Schemes having (a) annual outlay of less than Rs 500 crores or (b) the schemes are being implemented by agencies of the State Governments exclusively or in addition to the central agencies or (c) other schemes not covered in Model- I, the following procedure will be followed by the Ministries/ Departments:

(i) Every Ministry/ Department will designate a Central Nodal Agency (CNA) for implementing each Central Sector Scheme. The CNA will open a Central Nodal Account for each Central Sector Scheme in a scheduled commercial bank authorized to conduct Government business by the Ministry/ Department concerned.

(ii) Implementing Agencies (IAs) down the ladder will be designated as Sub-Agencies (SAs). The SAs will use the CNA's accounts with clearly defined drawing limits set for

that account. However, depending upon operational requirements, zero balance subsidiary accounts for each scheme may also be opened by the SAs.

(iii) All zero balance subsidiary accounts will have allocated drawing limits to be decided by the CNA concerned from time to time and will draw on real time basis from the Central Nodal Account of the scheme as and when payments are to be made to beneficiaries, vendors etc. The available drawing limit will get reduced by the extent of utilization.

(iv) For seamless management of funds, the main account and all zero balance subsidiary accounts should be maintained with the same bank. However, Ministry/ Department may choose different banks for opening Central Nodal Accounts of different Central Sector Schemes.

(v) Only banks having a robust IT system and adequate branch network should be chosen for opening Central Nodal Account and the zero balance accounts of SAs of each Central Sector Scheme. The bank chosen should have the facility to open the required number of subsidiary zero balance accounts and a robust MIS for handling accounting and reconciliation at each level. The bank should also provide necessary reports and a user-friendly dashboard to officers at various levels to monitor utilization of funds by SAs.

(vi) The bank's software system should be able to monitor the drawing limits of the SAs who should be able to draw funds on real time basis from the CNA's account as and when payments are to be made. The selected bank should ensure proper training and capacity building of branch managers and other staff for smooth operation of these accounts.

(vii) Ministries/ Departments will release the scheme funds for each Central Sector Scheme to the account of CNA concerned strictly on the basis of requirement, keeping in view the balance funds of the scheme available with the CNA as per PFMS or scheme-specific portals fully integrated with PFMS in consonance with Rule 232(v) and 230(vii) of the General Financial Rules, 2017.

(viii) The Ministries/ Departments and the CNAs shall ensure that the interest earned from the funds released is mandatorily remitted to the Consolidated Fund of India in terms of Rule 230(8) of GFR, 2017. The interest component shall be distinctly reflected in the MIS provided by the banks.

(ix) The Ministries/ Departments shall release the funds as far as possible in 'Just-In-Time' manner keeping the float in CNAs account to the minimum possible and shall in no case release more than 25% of the amount earmarked for the scheme in a financial year at a time. Additional funds (not more than 25% at a time) will be released only upon utilization of at least 75% of the funds released earlier and in compliance with the conditions of previous sanction.

(x) For administrative convenience and efficiency the Program Division may obtain approval of the competent authority and concurrence of the Financial Advisor for more than 25% at a time. But release of funds shall not exceed 25% in one instalment.

(xi) After opening of Central Nodal Account of the scheme and before opening zero balance subsidiary account of SAs or assigning them drawing rights from CNA's account, the SAs at all levels shall return all unspent amounts of the scheme lying in their accounts to the Central Nodal Account of the CNA.

(xii) It will be the responsibility of the Ministry/ Department concerned to ensure that the entire unspent amount of the scheme is returned by all the SAs to the Central Nodal Account of the CNA concerned before releasing funds to CNAs.

(xiii) Ministries/ Departments will ensure that releases under all Central Sector Schemes are made strictly as per the actual requirement on the ground, without resulting in any material float with the implementing agencies at any level.

(xiv) Ministry/ Department will register the CNAs and all SAs on PFMS and use the unique PFMS ID assigned to the CNA and SAs for making all payments to them. Bank accounts of the CNAs, SAs, vendors and other organizations receiving funds will also be mapped in PFMS.

(xv) Payments will be made from the zero balance subsidiary accounts up to the drawing limit assigned to such accounts from time to time. Transactions in each Subsidiary Account will be settled with the Central Nodal Account daily through the core banking solution (CBS) on the basis of payments made during the day.

(xvi) CNAs and SAs will mandatorily use the EAT module of PFMS or integrate their systems with the PFMS to ensure that information on PFMS is updated by each SA at least once every day.

(xvii) CNAs will keep all the funds received in the Central Nodal Account only and shall not transfer the funds to any other account or not divert the same to Fixed Deposits/ Flexi-Account/ Multi-Option Deposit Account/ Corporate Liquid Term Deposit (CLTD) account etc. The funds released to CNA shall not be parked in bank account of any other agency.

(xviii) Release of funds by the Ministries/ Departments towards the end of the financial year should be avoided to prevent accumulation of unspent balances with CNAs.

7.22.3 UTs without legislature work directly in PFMS and should be given Letter of Authorization (LoA). There is no need for them to open a Central Nodal Account. They will ensure that the funds are released on the basis of LoA to the vendors/ beneficiaries 'Just-In-Time'.

7.22.4 Secretaries are requested to, and Financial Advisors of Ministries/ Departments shall, undertake monthly review of strict implementation of these guidelines, opening of accounts in RBI, issue of authorization or release of funds to the CNA, utilization of funds by CNAs and IAs and outputs/ outcomes vis-a-vis the targets of each Central Sector Scheme.

7.22.5 Gradually, schemes in Model-2 are expected to move to Model-1 depending on readiness of RBI and Ministries for which necessary orders will be issued separately by the Department of Expenditure.

7.22.6 The following categories of Central Sector Schemes will be exempted from following these guidelines and may continue in existing mode:

(i) Central Sector Schemes being implemented by Ministries/ Departments in Direct Benefit Transfer (DBT) mode or reimbursement mode.

(ii) Central Sector Schemes involving payment of equity share or extension of loan by the Government to company.

(iii) Central Sector Schemes where 100% payments are made by the Ministry/Department directly to the vendors/beneficiaries against the bills/claims raised by the vendors/beneficiaries.

(iv) Central Sector Schemes where funds are transferred by the Ministry/Department directly to multiple Implementing Agencies (IAs) and amount transferred to any agency does not exceed Rs. 10 lakhs per annum.

- (v) Central Sector Schemes in which funds are transferred to the Indian Missions abroad for implementation of the scheme.
- (vi) Central Sector Schemes being implemented exclusively from a corpus/revolving fund approved by the Cabinet.
- (vii) Central Sector Schemes where expenditure is based on authorization and is incurred on real time basis with no float. However, in such cases Ministry/Department shall avoid the mode of transfer of funds through Civil Deposit and the option of Letter of Authorization should be adopted.

7.22.7 In cases where there is no Central Autonomous Body in a Ministry/Department or where the Ministry/Department wishes to implement the scheme directly through State Government agencies, such State Government agency will be designated as CNA. However, there shall not be more than one CNA per State. The funds in such cases will be released by the Ministry/Department to the CNA directly and not through state treasury.

7.22.8 Role and Responsibilities of CNA under modified fund flow guidelines for Central Sector Schemes:

(1) Model 1- Treasury Single Account (TSA) Model:

- (a) Open Account with RBI in e-Kuber for each scheme under which it grant
- (b) Mandatorily use TSA Module of PFMS
- (c) Map the RBI Account details in TSA Module of PFMS
- (d) Receive (electronically in TSA Module) the assignment done by the PAO
- (e) Approve the account and scheme mapping of sub-Agencies at Level 1
- (f) Issue e-Sub-assignments against the assignment setting limits of expenditure for the sub-Agencies
- (g) Ensure funds are not transferred/parked in any other account except as per the guidelines
- (h) Process payments by adhering to due process
- (i) If existing accounts with commercial banks is to be used for specified purposes in the guidelines (such as payment of TDS, IT and GST, opening of LoC for foreign suppliers etc.), funds shall be transferred just-in-time and, in no case, parked beyond two weeks.
- (j) All such unutilized funds (as above) shall be deposited back to the Consolidated Fund of India.

(2) Model 2- through Scheduled Commercial Banks (SCBs):

- (a) Open Account with a SCB authorized to do Government business, for each scheme under which it receives grant
- (b) Mandatorily use REAT Module of PFMS or integrate own IT system with PFMS for exchange of information (contact PFMS Rollout for details)
- (c) Approve the account and scheme mapping of sub-Agencies at Level 1
- (d) Approve the scheme mapping of all sub-Agencies using the CNA's Account
- (e) Allocate limits for Level 1 sub-Agencies and all other sub-Agencies using the Central Nodal Account
- (f) Ensure funds are not transferred/parked in any other account of any Agency
- (g) Submit UCs after utilization of the funds that were transferred in the Central Nodal Account
- (h) Ensure that interest earned from the funds released is remitted to the Consolidated Fund of India

(3) One-time activity: Ensure refund of unspent balance of lower level Agencies to the Central Nodal Account. This is needed after opening of the Central Nodal Account and other Zero Balance Subsidiary Accounts, and prior to assigning the drawing rights to sub-Agencies.

7.22.9 Process flow for implementation of revised procedure for flow of funds under Central Sector Schemes (Refer to CGA's OM No. 10(3)/TA-II/2022/TSA(CSS)/C No. 9527/111 dated 24.03.2022):

(1) The Process flow for Model-1 will be as under:

(i) This model envisages Just-in-time releases through RBI assignment accounts. Here, the accounting procedure and other related process which are currently been followed by the Autonomous Bodies (ABs/sub-ABs) brought under Treasury Single Account (TSA) system is to be followed. The extant guidelines for opening of Bank Accounts should be adhered to.

(ii) All Ministries/ Departments are requested to identify and notify the AB in their respective Ministries/ Departments which will function as the Central Nodal Agencies (CNAs) and their Sub Agencies (SAs) in terms of DoE OM dated 9th March 2022 under intimation to this office.

(iii) The detailed procedures in this regard will be same as existing TSA and is available at link: <https://cga.nic.in/Page/Treasury-Single-Account-TSA.aspx>

(iv) RBI will function as primary banker for that scheme of the Ministries/ Departments in this regard and also for related Central Nodal Agencies (CNAs) and their Sub Agencies (SAs).

(2) The Process flow for Model-2 will be as under:

(i) The accounting procedure to be followed under Model-2 is similar to existing cash based procedure of fund release except the services of a Scheduled Commercial Banks authorized to conduct Government business will be utilized for CNAs and SAs below them.

(ii) All Ministries/ Departments are requested to identify and designate, in terms of DoE OM dated 9th March, 2022, under intimation to this office, the CAN and SA for each scheme falling in this category that will utilize the funds.

(iii) The procedure laid out in DoE OM dated 9th March 2022 with regard to opening of CAN Accounts and subsidiary accounts may be followed.

(iv) The extant guidelines for opening of Bank Accounts should be adhered to.

(3) Further, since scheme wise assignment accounts for each Central Nodal Agency (CNA)/ Sub-Agencies (SAs) are required to be opened at RBI (Model-1) and accounts/ linked subsidiary accounts in Scheduled Commercial Banks authorized to conduct government business (Model-2), the O/o CGA (GBA section – email : sao-rbd@nic.in) of this office may be approached for any assistance/ clarification.

(4) Immediately, in order to plan the opening of accounts under Model-1 and Model-2, as also to plan the capacity building and training, all Ministries/ Departments are requested provide details of Budget Outlay, CNA, SAs, etc. in attached formats to this office. This is required to work out the suitable arrangements at RBI and other banks for acceptance of account opening forms across the country.

Model-1: Implementation through Treasury Single Account (TSA)-Accounts to be opened in RBI

S. No .	Name of the Scheme	Annual Outlay of the Scheme	Name of the AB to be designated as Central Nodal Agency (CAN)	Number as well as Name(s) of the Implementing Agencies under the CNA (List to be attached)	Remarks
1					
2					
3					

Model-2: Implementation through Scheduled Commercial Banks- Accounts to be opened in Commercial Banks

S. No .	Name of the Scheme	Annual Outlay of the Scheme	Name of the designated Central Nodal Agency (CAN)	Number as well as Name(s) of the Implementing Agencies under the CNA (List to be attached)	Remarks
1					
2					
3					

7.22.10 Step by Step Procedure for opening of Assignment Account: Please find enclosed herewith the Procedure for Opening of accounts under the TSA by the Autonomous Bodies (ABs)/ Sub Autonomous Body prescribed by New Delhi Regional Office, RBI. The following procedure is to be followed for opening of accounts in Regional Office, RBI:

(i) A Nodal Officer is to be nominated for operationalisation of the TSA in Abs/Sub Abs. The Nodal Officer would collect all the applications from the Main AB and Sub Abs and forward the same to the Pay and Accounts Officer of the concerned Ministry/ Department. It is mentioned that original documents are to be sent to the Nodal Officer by the AB/ Sub Abs.

(ii) The Principal Autonomous Body and all its Sub Abs will submit an account opening application for opening of Assignment Account signed by Head/ Incharge of the AB/Sub AB addressed to General Manager (**Concerned Regional Office**) *, RBI alongwith specimen signatures of the authorized signatories (format enclosed) and enclosing all the KYC/Officially Valid documents (OVD) such as for establishing the existence or identity of the person opening the account to the Nodal Officer.

(iii) OVD means the passport, the driving license, PAN Card, Voters ID issued by Election Commission of India, Aadhaar Card or any other document as notified by the Central Govt. Official ID card can also be treated as OVD.

(iv) It is also mentioned that accounts will be opened upto two levels only i.e. the account of the Main AB and Sub Abs under the Main AB, no account below the level of Sub AB will be opened.

(v) Nodal officer of the Autonomous Body will verify all the documents (Original documents) received from the AB/ Sub Abs and ensure that all the prescribed documents are enclosed by the Main AB/ Sub AB. The Nodal Officer will then sign and stamp all the documents and shall forward the original documents to the concerned PAO of the Ministry/ Department with a covering letter that all the documents are in order.

(vi) On receipt of all the documents from the Nodal Officer, the PAO of the concerned

*(Concerned Regional office means the Regional Office of the RBI in which the Assignment account is to be opened i.e. if the Assignment Account is opened in New Delhi Regional office then letter has to be addressed to New Delhi Regional Office)

(Application must be on the Letter Head of the AB/ Sub AB)

To
The General Manager
Concerned Regional Office
Reserve Bank of India.

Sir,
As per the direction of Ministry of Finance, Government of India Treasury Single Account (TSA) System has to be implemented in _____ (Name of the AB/ Sub AB) which is an Autonomous Body/ Sub AB incorporated in _____ (year). You are, therefore, requested to open an assignment account in New Delhi Regional Office, RBI for this organization.

Name of the AB/ Sub AB	Name of Head/ Incharge of the AB/ Sub AB and Email Id	Address of the AB/ Sub AB	Email Id of the AB/ Sub AB	Contact Number

4. There will be two authorized signatories who will operate this assignment account using their Digital Signatures through PFMS. The names of the authorized signatories are as under: -

<i>Name and Designation of the First Authorised Signatory</i>	<i>Name and Designation of the Second Authorised Signatory</i>

Yours faithfully,

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Forwarded to the Nodal Officer of the AB for necessary action.

**Specimen Signatures of the Authorised Signatories who will operate the
Assignment Accounts**

For First Authorised Signatory: -

<i>Name and Designation of the First Authorised Signatory</i>	<i>Mobile No. of the First Authorised Signatory</i>	<i>Email Id of the First Authority Signatory</i>	<i>Name of the KYC/ OVD document attached of the first authorized signatory</i>

<i>Specimen Signatures of the First Authorised Signatory</i>	<i>Attestation by the Head/ Incharge of AB/ Sub AB</i>
1.	
2.	
3.	

For Second Authorised Signatory:

<i>Name and Designation of the Second Authorised Signatory</i>	<i>Mobile No. of the Second Authorised Signatory</i>	<i>Email ID of the Second Authority Signatory</i>	<i>Name of the KYC/ OVD document attached of the Second authorized signatory</i>

<i>Specimen Signatures of the Second Authorised Signatory</i>	<i>Attestation by the Head/ Incharge of AB/ Sub AB</i>
1.	
2.	
3.	

E-mail IDs on which account statement are to be sent:

Signature and Stamp of Nodal Officer of the AB: -

Signature and Stamp of concerned PAO: -

7.23 Procedure for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released (Refer to Department of Expenditure, Ministry of Finance OM No. 1(13)PFMS/FCD/2020 dated 23.03.2021 with its extant amendments/modifications/clarifications)

7.23.1 The General Financial Rule-232(v) prescribes the release of funds to the State Governments and monitoring utilization of funds through PFMS. For better monitoring of availability and utilization of funds released to the States under the Centrally Sponsored Schemes (CSS) and to reduce float, the Department of Expenditure vide letter of even number dated 16.12.2020 had shared a draft modified procedure for release of funds under CSS with all the State governments and Ministries/Departments of the Government of India to seek their comments. The comments received from the State governments and Ministries/Departments of the Government of India were considered and the procedure has been suitably modified.

7.23.2 With a view to have more effective cash management and bring more efficiency in the public expenditure management, it has been decided that the following procedure will be followed by all the State Governments and Ministries/Departments of the Government of India regarding release and monitoring utilization of funds under CSS with effect from 1st July, 2021:

(1) Every State Government will designate a Single Nodal Agency (SNA) for Implementing each CSS. The SNA will open a Single Nodal Account for each CSS at the State level in a Scheduled Commercial Bank authorized to conduct government business by the State Government.

(2) In case of Umbrella schemes which have multiple sub-schemes, if needed, the State Governments may designate separate SNAs for sub-schemes of their Umbrella Scheme with separate Single Nodal Accounts.

(3) Implementing Agencies (LAs) down the ladder should use the SNA's account with clearly defined drawing limits set for that account. However, depending on operational requirements, zero-balance subsidiary accounts for each scheme may also be opened for the LAs either in the same branch of the selected bank or in different branches.

(4) All zero balance subsidiary accounts will have allocated drawing limits to be decided by the SNA concerned from time to time and will draw on real time basis from the Single Nodal Account of the scheme as and when payments are to be made to beneficiaries, vendors; etc. The available drawing limit will get reduced by the extent of utilization.

(5) For seamless management of funds, the main account and all zero balance subsidiary accounts should preferably be maintained with the same bank. However, State Government may choose different banks for opening Single Nodal Accounts of different CSS.

(6) Only banks having a robust IT Systems and extensive branch network should be chosen for opening the Single Nodal Account of each CSS. The bank chosen should have the facility to open the required number of subsidiary zero balance accounts and a robust MIS for handling accounting and reconciliation at each level. The bank should also provide a user friendly dashboard to officers at various levels to monitor utilization of funds by IAs.

(7) The bank's software system should be able to monitor the drawing limits of the IAs who should be able to draw funds on real time basis from the SNA's account as and when payments are to be made. The selected bank should ensure proper training and capacity building of branch managers and other staff for smooth operation of these accounts.

(8) The Ministries/Departments will release the central share for each CSS to the State Government's Account held in the Reserve Bank of India (RBI) for further release to the SNA's Account.

(9) Funds will be released to the States strictly on the basis of balance funds of the CSS (Central and State share) available in the State treasury and bank account of the SNA as per PFMS or scheme-specific portals fully integrated with PFMS in consonance with rule 232(V) of the General Financial Rules, 2017.

(10) The SNAs shall ensure that the interest earned from the funds released should be mandatorily remitted to the respective Consolidated Funds on pro-rata basis in terms of Rule 230(8) of GFR, 2017. Interest earned should be clearly and separately depicted in PFMS, scheme-specific portals integrated with PFMS and in MIS provided by the banks.

(11) Except in case of schemes/sub-schemes having no State share, States will maintain separate budget lines for Central and State Share under each CSS in their Detailed Demand for Grants (DDG), and make necessary provision of the State share in the State's budget. While releasing funds to SNA, State's Integrated Financial Management Information System (IFMIS) should provide these budget heads and the same should be captured in PFMS through treasury integration.

(12) In the beginning of a financial year, the Ministries/Departments will release not more than 25% of the amount earmarked for a State for a CSS for the financial year. Additional central share (not more than 25% at a time) will be released upon transfer of the stipulated State share to the Single Nodal Account and utilization of at least 75% of the funds released earlier (both Central and State share) and compliance of the conditions of previous sanction. However, this provision will not be applicable in case of schemes where a different quantum of release has been approved by the Cabinet.

(13) After opening of Single Nodal Account of the scheme and before opening zero balance subsidiary account of IAs or assigning them drawing rights from SNA's account, the IAs at all levels shall return all unspent amounts lying in their accounts to the Single Nodal Account of the SNA. It will be the responsibility of the State government concerned to ensure that the entire unspent amount is returned by all the IAs to the Single Nodal Account of the SNA concerned. For this, the State Governments will work out the modalities and the timelines and will work out Central and state share in the amount so available with IAs. SNAs will keep a record of unspent balance lying in the account of IAs and the amount refunded by IAs.

(14) Refund of balance amount by IAs and the amount available in the SNA's account should be taken into account by the Program Division of the Ministry/Department while releasing funds under the scheme. Concerned SNAs shall keep a record of the unspent amount lying in the account of IAs to be deposited in the Single Nodal Account while assigning drawing rights to IAs.

(15) Ministries/ Departments will ensure that releases under all CSS are made strictly as per the actual requirement on the ground, without resulting in any material float with the implementing agencies at any level.

(16) The State Government will transfer the Central share received in its account in the RBI to the concerned SNA's account within a period of 21 days of its receipt. The Central share shall not be diverted to the Personal Deposit (PD) account or any other account by the State Government. Corresponding State share should be released as early as possible and not later than 40 days of release of the Central share. The funds will be maintained by the SNA in the Single Nodal Account of each CSS. State Governments/SNAs/IAs shall not transfer scheme-related funds to any other bank account, except for actual payments under the Scheme.

(17) State Governments will register the SNAs and all IAs on PFMS and use the unique PFMS ID assigned to the SNA and IAs for all payments to them. Bank accounts of the SNAs, IAs, vendors and other organizations receiving funds will also be mapped in PFMS.

(18) Payments will be made from the zero balance subsidiary accounts up to the drawing limit assigned to such accounts from time to time. Transactions in each Subsidiary Account will be settled with the Single Nodal Account daily through the core banking solution (CBS) on the basis of payments made during the day.

(19) SNAs and IAs will mandatorily use the EAT module of PFMS or integrate their systems with the PFMS to ensure that information on PFMS is updated by each IA at least once every day.

(20) SNAs will keep all the funds received in the Single Nodal Account only and shall not divert the same to Fixed Deposits/Flexi-Account/Multi-Option Deposit Account/Corporate Liquid Term Deposit (CLTD) Account etc.

(21) The State IFMIS should be able to capture scheme component-wise expenditure along with PFMS Scheme Code and Unique Code of the Agencies incurring the expenditure. State Governments will ensure daily uploading/sharing of data by the State IFMIS/Treasury applications on PFMS. PFMS will act as a facilitator for payment, tracking and monitoring of fund flow.

(22) Release of funds by the Ministries/Departments to States towards the end of the financial year should be avoided to prevent accumulation of unspent balances with States. Ministries/Departments will arrange to complete the release well in time so that States have ample time to seek supplementary appropriations from their respective legislatures, if required, and account for all the releases in the same financial year.

(23) In case of CSS having no State share and where as per the scheme guidelines, funds are released by the Central Ministry/Department directly to the districts/blocks/Gram Panchayats / implementing agencies, the requirement of notifying a single Nodal Agency and opening of a Single Nodal Account at the State level may be waived by the Secretary of the Central Ministry/Department concerned in consultation with the Financial Adviser.

(24) UTs without legislature work directly in PFMS. Therefore, there is no need for them to open a Single Nodal Account. They will ensure that the funds are released to the vendors/beneficiaries just in time'. In case funds are to be released to any agency as per scheme guidelines, provision of Rule 230 (vii) of GRF 2017 will be strictly followed to avoid parking of funds, with agencies.

(25) Ministries/Departments shall undertake monthly review of the release of funds (both the Central and State Share) from the State treasury to the SNA, utilization of funds by SNAs and IAs and outputs/outcomes vis-a-vis the targets for each CSS.

(26) Single Nodal Agency (SNA) of each CSS in the State shall compute the total interest earned out of the funds received in its account (both from the Central Government and the State Government) in the preceding financial year in the 1st week of April each year. The interest earned will be apportioned by the SNA between the Central and the State Government as per the approved funding pattern of the CSS and shall be deposited in the respective Consolidated Funds.

(27) For Central Government, the amount shall be deposited in the Major Head 0049, Sub-major Head – 01, Minor Head (i.e. 0049-01-800) by the States and in the Major Head 0049, Sub-major Head-02, Minor Head 800 (i.e. 0049-02-800) by the UTs with Legislature.

(28) An undertaking shall be furnished to this effect to the Ministry concerned of the Central Government by the Secretary of the State Government in the below specified

format every year along with the proposal for release of the 1st installment of funds under the CSS:

Government of _____(State/UT)
Department of _____
No. _____ Dated: _____

UNDERTAKING

It is hereby certified that an amount of Rs. _____ was earned as interest from the funds received in the Single Nodal Account of the Centrally Sponsored Scheme _____ (name of scheme) during the financial year _____. The funds under this CSS are shared between the Centre and the State/UT in the ration ____: _____. Therefore, out of the interest earned during the financial year, an amount of Rs. _____ has been deposited in the Consolidated Fund of India vide No. _____ dated _____ and an amount of Rs. _____ has been deposited in the Consolidated Fund of the State / UT.

Name: _____
Designation: _____

(29) The Competent Authority has granted exemption to the Centrally Sponsored Schemes being implemented on reimbursement basis from the new procedure dated 23rd March, 2021. However, the exemption will not be applicable if the funds for such schemes under CSS are being released in advance. In such cases, the new procedure would continue to apply.

(30) It has been observed that some of the States have created multiple State Linked Schemes for a Centrally Sponsored Scheme. This practice should be discouraged and only one SLS with separate Central share and State share in the budget should be created for each CSS. Multiple SLS for a CSS should be allowed only in cases where a Central Ministry requests for separated SLS for different components of a CSS for close monitoring of component-wise utilization of funds. However, creating of SLS for different geographical segment within a State is not allowed.

(31) Taking into consideration of the issues raised by various State Governments regarding processing of handling salaries, remittance of statutory dues and other deductions of employees engaged in implementation of CSS such as Samagra Siksha, ICDS etc., it has been decided that the following procedure may be adopted regarding payment of salaries, remittance of statutory dues and other deductions of employees engaged in implementation of CSS:

(i) Entire GoI releases along with the State's share for CSS will be transferred to the Single Nodal Account (SN Account).

(ii) A separate budget line for the salary portion of such employees will be created in the State budget.

(iii) The expenditure towards salary of such officers will be initially borne by the State Govt. and booked under these heads. The record of deductions from their salary such as GPF, GIS, ITAX etc. will be maintained in HRMS/ IFMIS of the State.

(iv) After the disbursement of salaries, a claim for the gross amount will be raised with the SNA.

(v) SNA will book the expenditure under salary component and remits the amount claimed to the treasury.

(vi) The amount received from the SNA. Will be classified as reduction of expenditure (minus debit) setting off the expenditure initially booked against salary to ensure that the above expenditure will not entail any additional cash outgo for the State.

(refer to DoE's OM dated 16.03.2022)

(vii) After taking into consideration the issues raised by various Ministries/ Departments to facilitate payment and settlement of various deductions/ taxes while processing payments through PFMS. It has been decided that the following procedure may be adopted regarding payment of statutory deductions:

(i) A separate Bank account (to be called 'Holding Account') shall be opened by the Agencies for holding the tax/statutory deductions.

(ii) This Holding Account would be permitted to make payments outside of PFMS, through cheque or internet banking to effect the statutory payments with the challan details being captured simultaneously.

(iii) The Holding Account will serve the purpose of holding tax/ duties/ levies/ fees/ municipal charges etc. of State Government, municipalities etc. which the agencies need to process.

(iv) The Holding Account will have the following conditions:

(i) Account shall be opened preferably in the same bank as is the SNA/ ZBA Account.

(ii) Maximum time for which money can be held in this account shall be fourteen days, after which the money shall be credited back to the Agency Account.

7.23.3 The following Standard Operating Procedure (SOP) shall be applicable for tax/statutory deductions and payments on EAT Module of PFMS:

(1) Implementing Agencies shall open a separate bank account (Holding Account) preferably in the same bank where the main operational account (SNA/ZBA etc.) is held. This will be used for temporarily holding the taxes /statutory deductions etc.

(2) The Holding Account will be a non-interest bearing account, where the transferred funds can be held for a maximum period of 14 days. This account can be used only for transfer of funds from PFMS (and not from any other source), and for processing the payment of deductions.

(3) The Implementing Agency shall register the Holding Account details for the relevant scheme on PFMS for account validation.

(4) While processing payments to a vendor, Implementing Agency (IA) shall specify the following in the EAT module of PFMS:

(a) gross amount of payment

(b) relevant statutory/tax deductions

(5) Implementing Agency shall first approve the net payment to vendor (i.e. the gross amount less the deductions) either through the DSC mode or the ePA/PPA mode.

(6) After the vendor 's payment is successful (as approved at Pt. 5 above), the Implementing Agency shall

(a) in case of DSC payments, apply the DSC again for transferring the deductions to the Holding Account

(b) in case of ePA/PPA payments, approve a separate ePA/PPA to transfer the deductions to the Holding Account

(7) Implementing Agencies to use the Holding Account to make statutory payments outside PFMS through Internet Banking, or other mechanisms like cheque or challan payments. This will now be shown as 'Outstanding' in the 'Deduction Settlement' form on PFMS.

(8) The Implementing Agencies shall use the 'Deduction Settlement' feature in PFMS to enter the tax / deduction / other challan details for all vendor payments which are reported as success by bank. This will clear the 'Outstanding' status of settlements.

(9) Implementing Agencies need to make statutory deductions payment at the earliest, and not later than 14 days from the date of transfer of funds to Holding Account. After lapse of 14 days' period, the unutilized money shall be credited back to the Agency account.

7.23.4 As per DOE guidelines, installment of not more than 25% of the annual scheme outlay is to be released to the State Government only after 75% of the funds released earlier – including both Central and State share – are utilized. Therefore, before release of next installment of funds, you are requested to review the unutilized funds in the SNA accounts, Central share released but not transferred to SNA account, and the outstanding State share. For schemes for which the Cabinet has approved release of more than 25% in one installment, any installment of more than 25% should be released only with concurrence of DoE.

7.23.5 FAQs on the Procedure for Release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released:

Sl.No.	Question	Answer
1	What Type of account is for SNAs and IAs i.e. Saving Bank Account or Current Account?	As per Para no. 10 of the OM dated 23.03.2021, an interest bearing account i.e. Savings Bank Account is to be opened for SNAs. In case of IAs, zero-balance subsidiary accounts linked to SNA's account are to be opened with clearly defined drawing limits.
2	Whether all the transactions of SNA Account and the zero balance subsidiary accounts will be mapped first in PFMS?	The State wise, scheme wise bank accounts of SNAs will be mapped in PFMS for fetching/ sharing the information on transactions and balances available therein. As per Para no. 17 of the OM, for payments through PFMS, bank accounts of IAs, vendors and other organizations receiving funds have to be mapped on PFMS.
3	Do banks need to develop a new system for seamless management of funds, limits, MIS etc. for SNAs?	To enable smooth operation of zero balance subsidiary accounts of Implementing Agencies (IAs) and provide real time information on utilization of funds, banks need to develop suitable systems for managing just in time release of funds to down the line agencies, and report the information on balance/ interest available to States/Centre (PFMS). SNA's have the following options for the implementation of the guidelines: 1. Integrate their own system (existing or newly created) with PFMS for MIS only i.e. post completion of transactions on their systems.

		<p>2. Integrate their own system (existing or newly created) with PFMS for payment through PFMS.</p> <p>3. Directly use REAT module of PFMS.</p> <p>4. SNA and all child agencies work on the State Integrated Financial Management System (IFMIS) integrated with PFMS. However, in this model too, SNA can't be replaced by Treasury. The State must designate SNAs, open Single Nodal Account of SNAs and IAs in banks and map them in IFMIS. Transfer of funds to PD account by the State or keeping funds in the Consolidated Fund of the state shall not be permitted</p> <p>For options 1 & 2 above, banks shall have to provide assistance, if required by the State governments, for the development/ modification of the required systems.</p>
4	Whether the transactions will first take place in SNA's external systems or in PFMS?	<p>It depends on the system used by SNA as explained earlier in Ques No-3. SNA's have the following options for the implementation of the guidelines:</p> <p>1. Integrate their own system (existing or newly created) with PFMS for MIS only i.e. post completion of transactions on their systems.</p> <p>2. Integrate their own system (existing or newly created) with PFMS for payment through PFMS.</p> <p>3. Directly use REAT module of PFMS.</p> <p>4. SNA and all child agencies work on the State Integrated Financial Management System (IFMIS) integrated with PFMS. However, in this model too, SNA can't be replaced by Treasury. The State must designate SNAs, open Single Nodal Account of SNAs and IAs in banks and map them in IFMIS. Transfer of funds to PD account by the State or keeping funds in the Consolidated Fund of the state shall not be permitted</p> <p>For options 1, 2 and 4, transactions will originate from the external system. In option 3, all transactions will be on PFMS.</p>
5	What would be hierarchy of IAs? Whether it will be till Block Level or below?	To be decided by the State government/ SNA.

6	How the training to IAs will be imparted to use their zero-balance subsidiary account especially at lowest or Block level?	To be decided by Banks and SNAs. The State Directorates of PFMS shall play a supporting role in respective States.
7	How the existing account balance of IAs which are in different banks will be moved to the SNAs Bank?	This will be a one-time action for transfer of funds through electronic transfer or cheque or any other suitable instrument to be done as per the directions issued by State Government/ SNAs.
8	How the cash drawl will take place in case subsidiary account branch of the IAs is at a distant place?	Cash drawl can be done through cheque or a banking correspondent. As per Para 6 of OM only banks with extensive branch network is to be chosen to handle Single Nodal Account. As such, the chosen bank is expected to provide solution to this aspect.
9	Whether the accounts of IAs, can be opened in Banks other than that of the SNA?	No
10	To implement the new scheme from July 1, 2021 onwards, is it required to pull up all the current funds at IA account level to SNA account to make it zero-balance?	Yes
11	Some IA's are wanting to withdraw cash, write local payments etc. on the basis of their existing operating model, how should that be addressed?	In case the SNA opts for an external system, like Bank System or SNA's own system, the provision for withdrawing cash can be made in such external system. This can be done through cheques or banking correspondents. No issues are envisaged in these modes as the transaction will happen on the Single Nodal Account. The external system used by the SNA and IAs should have to provision for real time balance availability subject to allocated limits for such payments. The bank selected by SNA shall ensure that payments through checks and banking correspondents etc are ensured so that even functionaries in the remotest corner of the country do not face any problem in account operation. However, if the SNA is working directly in PFMS, where the provision of cheque payment is not there, the option of Print Payment Advice (PPA) in PFMS can be used.

11	Can the lower IAs use the subsidiary account for other schemes and other purpose?	No.
12	Some IAs also have receipts, such as taxes and fees. Can the Single Nodal Account be used for depositing such receipts?	No, except for receipts permitted by the Scheme Guidelines.
13	How the IAs limits will be re-assigned in case of refund of money in their zero balance subsidiary account?	The refund of money should go to the SNA. SNA will allocate the limit to respective IA as per fund availability and requirement.
14	How the banks will be communicated and what will be the procedure if there is a change in IAs limits?	Limits of each IA will be decided by SNA or an IA authorized to do so by SNA. For payments through PFMS, limits can be managed on PFMS. For integrated systems, SNA and banks have to decide the modalities.
15	Whether the drawing limits of all zero balance accounts of IAs will be captured in PFMS for reconciliation?	Yes
16	Would all zero balance subsidiary accounts will have allocated drawing limits to be decided by the SNA concerned from time to time?	Yes, depending on the action plan for implementation of the CSS concerned.
17	Will the drawing limit of IAs be reduced to the extent of utilization in PFMS also?	Yes
18	What will be expiry date of drawl of allocated limits for the IAs?	To be decided by SNA.
19	Setting drawing limit is the responsibility of SNA, whereas it is easy to set limits for districts, how would a single nodal agency set and keep updating limits for 79000 odd IAs which include schools etc.? Is there any provision for devolution of powers for setting limits?	It is understood that this will be ensured by banks on the basis of information/orders provided by SNA. Limit allocation will be done by SNA or an IA authorized by SNA. Such protocols are available in PFMS. Similar protocols should also be developed if an external system is used by SNA. In case of PFMS, Excel upload facility for limits will be available in PFMS. Pre-population of Agencies list will also be made available for excel upload.

20	What will be the structure of MIS to be provided by banks for different agencies including SNAs, PFMS, IAs etc.?	For SNA and IAs: To be decided by the SNA/ State Government. For PFMS: As per PFMS requirements.
21	Whether Cheque drawing facility will be provided to IAs against the zero balance accounts?	In case the SNA opts for an external system, like Bank System or SNA's own system, the provision for payments through cheques can be made in such external system, in cheque payments no issues are envisaged as the cheques will be drawn on the Single Nodal Account. The external system used by the SNA and IAs should have to provision for real time balance availability subject to allocated limits for the cheque payments. The bank selected by SNA shall ensure that payments through checks and banking correspondents etc are ensured so that even functionaries in the remotest corner of the country do not face any problem in account operation. However, if the SNA is working directly in PFMS, the provision of cheque payment is not there. But, the option of Print Payment Advice (PPA) in PFMS can be used.
22	Who will develop the dashboard?	Dashboard is to be developed by Bank (Para. no. 6 of OM.) as per the requirement of SNA. If SNA is using an external system, dashboard may be developed by the external system
23	How to handle the transactions, if banks are not located at the place of IAs?	The IA can operate the account through a banking correspondent or cheque or online banking in such cases. As per Para 6 of OM only banks with extensive branch network is to be chosen to handle Single Nodal Account.
24	Whether banks are required to maintain the record about the Central share and the state share separately?	Banks need not maintain separate details of State and Central share.
25	How the inter – bank integration and settlement of transactions will be made, if SNA account and Zero balance subsidiary accounts of IAs are in different banks?	The SNA & subsidiary accounts are required to be with the same bank.
26	Whether Bank's CBS / dedicated module will be required to integrate with PFMS also?	Banks are already integrated with PFMS. Necessary changes in exchange of information between banks and PFMS may be made to meet the requirements of the guidelines.

27	What will be the modalities in absence of IT infrastructure at the Block and lower levels, which may hinder the work for IAs?	Accounts can be operated through cheque or a banking correspondent. As per Para 6 of OM only banks with extensive branch network is to be chosen to handle Single Nodal Account. As such, the chosen bank is expected to provide solution to this aspect.
28	For implementation of revised CSS scheme, whether any changes in the payment process for agencies are being made in PFMS?	No. Existing payment modes to continue.
29	In case of vendor payments, the agencies deduct TDS (entry is made in PFMS) accordingly payment file is generated. In case of Debit from Higher Account model, how is the TDS entry going to get managed?	In case of PFMS, facility of deduction of TDS is available. However, facility for depositing the tax deducted is not available. Necessary reports are available in PFMS to know the amount of tax deducted for depositing the same with the authority concerned. If SNA prefers to use an external system, facility for tax deduction and deposit should be made available in such external system.
30	Whenever Implementing agencies originate a transaction at PFMS, whether real time limit availability is checked at PFMS end?	Yes, Only for payments routed through PFMS.
31	Whether details of all transactions of implementing agencies are captured at PFMS end?	Yes. Only for payments routed through from PFMS.
32	Whether all beneficiary/vendor data are maintained at PFMS end?	Yes. Only for payments routed through from PFMS
33	For MIS purpose, is following data maintained at PFMS end? a. Budget heads e.g. various components, b. Expenditure heads c. Sub scheme data, etc.	Yes
34	PFMS registration by IA's needs a Bank Account for registration (as of now), the OM of DoE mentions of zero balance account	For every scheme a separate single nodal account needs to be opened by SNA and zero balance accounts are to be opened, if required, by the implementing agencies down the ladder.

	of IA's being opened wherever applicable. In case sub IA account is required, how will the PFMS make the registrations?	
35	Whether the zero balance accounts be CBS based accounts or virtual a/c's?	To be decided between SNA/ Banks.
36	When the SOP will be made available to banks defining the actual need of MIS for all stakeholders and maintenance of accounts?	This is to be done by the respective SNA/ State Government.
37	What will be the criteria for selection of a Bank for a particular scheme?	The decision for selection of the banks for the SNA lies with the State Government. The OM in Para. 6 provides guidelines that only banks having robust IT systems, extensive branch network and capability to provide accounting/ reconciliation services etc. at each level would be considered for the State Nodal Accounts.
38	Whether the entire mechanism as per OM dt. 23/03/2021 can be delivered to states through PFMS itself?	SNAs and the Banks have a major role in implementing the guidelines. PFMS shall be supporting the MIS requirements of Program Divisions of Central Government Ministries and departments to ensure just in time releases. State has the option to use PFMS or integrate their own system with PFMS.
39	Whether more time beyond 1/7/2021 will be given to banks for implementation of new CSS Scheme?	No, except in accordance with the relaxations given on para 11 and 13 where implementation date has been extended to 30.09.2021.
40	Whether separate scheme specific guidelines for required changes/ updation will be issued by the respective Ministries/ Departments for implementation of the new CSS Scheme?	The new procedure for release and utilization of funds of CSS issued by the Department of Expenditure on 23 rd March, 2021 shall be strictly followed. Any change can be done only with the approval of the Department of Expenditure, Ministry of Finance.
41	For states where CSS are implemented through State treasury, how the new CSS guidelines model will be implemented?	Even where CSS are implemented through State Treasury, the provisions regarding notification of a Single Nodal Agency and flow of both central and State share to the Single Nodal Account in a scheduled commercial bank shall be strictly adhered to. Else, the State has to change the

		implementation model to make it strictly as per the new procedure for release of funds.
42	How the Interest accrual in SNA account on Central Govt, share will be remitted through PFMS or whether the interest accrued will be adjusted in the next disbursement?	Guidelines on calculation and deposit of interest in the respective Consolidated Funds have been issued separately wide letter/OM dated 30th June, 2021.
43	Please advise on modus operandi for Interest accrual in SNA of central govt, share? Banks may have a challenge in bifurcating central and state share in absence of a specially designed module on the same.	Guidelines on calculation and deposit of interest in the respective Consolidated Funds have been issued separately wide letter/OM dated 30th June, 2021
44	Some banks are ready with solutions for implementation of scheme. Will DoE/PFMS issue instructions to State/ Ministries/ Departments on engaging such banks on exploring SNA implementation?	To be decided by SNA/ State Govt.
45	Can there be an addendum to the OM dt. 23/03/2021 saying that zero balance bank accounts can be opened in different branches of different banks?	No
46	As far as fund operation through offline mode - If the cheques are not presented on the same day, fund will be returned back to the parent account and after 2-3 days when the cheque is presented, it will be dishonoured, as there is no fund in the zero balance account. How to deal with such cases?	In cheque payments no issues are envisaged as the cheques will be drawn on the Single Nodal Account. The external system used by the SNA and IAs should have to provision for real time balance availability subject to allocated limits for the cheque payments

47	In PMAY (U), one state has urban local bodies adding their component after the Central and State share in their account. How such schemes will be implemented in those states?	Scheme specific clarifications can be obtained through respective Ministries.
48	In the Smart city scheme, there are separate legal entity with no sub accounts and get money from Centre and State in their account through which payments are made. In SNA model in present form, would they also need to be creating a single nodal account at state, where all funds of each smart city will remain?	Scheme specific clarifications may be obtained through respective Ministries.
49	Most of the departments are having their own DBT portal, beneficiary data is huge. How to push the large data to PFMS?	Beneficiaries receiving payments through PFMS are pre registered and their accounts are validated prior to payment. However, automation of data exchange can be done and external systems (State portals) can be integrated with PFMS within the framework of OM.

7.23.6 SOP for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released [refer to CGA's OM No. C-13015(520-PtII)/MFCGA/PFMS/CSS(EAT)/2021-22 dated 30.07.2021):

(1) Flow of Funds: Ministries/ Departments of Government of India advise RBI to credit the State Government and UTs (with legislature) Accounts held in RBI (except Sikkim) debiting Government of India's account. On receipt of intimation from RBI, State Govts. shall transfer the funds along with State's own share into the bank account of SNA as per the time limit prescribed in Para 16 of the OM. The fund stays in the SNA account and does not percolate down to the agencies down below. SNAs, if necessary, are permitted to open Zero Balance Subsidiary Accounts (ABSA) for down the ladder agencies (IA). GFR 232(v) further prescribes that funds will be released to States strictly on the basis of balance funds of the CSS (both Central and State's share) available in the State treasury and bank account of the SNA as per PFMS or scheme specific portals fully integrated with PFMS.

(2) Preliminary Activities

(i) The existing set up of various users viz. SPMU Controller, SPCU, State Finance Department user, State Scheme Manager (SSM), Agency Approver level 2 shall

continue. These users will be responsible for approving SNAs, configuring/on boarding stage linked scheme (SLS) and created environment for IAs to use PFMS.

(ii) State Government/ UTs shall notify a SNA for implementing each SLS corresponding to CSS. If SLS is not available, same has to be created.

(iii) The SNA has to open a Bank Account (savings bank account) for each SLS corresponding to CSS. This is considering the fact that a single CSS should be implemented by more than one department in a state. Thus, there can be multiple SLS (similar for umbrella scheme).

(iv) The bank account for SNA and IAs should be opened in a scheduled commercial bank having a robust IT system.

(v) The existing bank accounts of IAs should be closed and the funds lying in these account must be transferred to SNA account before configuring the scheme on SNA mode.

(vi) The SSM while registering/ configuring an SNA for an SLS will flag the agency as SNA by selecting appropriate option available on PFMS. All existing bank accounts of IAs will be made 'not in use' by the system.

(vii) IAs can either operate upon SNA Account directly or ZBSA as per operational requirements. If the SNA opts for having ZBSA for the IAs, fresh ZBSAs should be opened. The new ZBSA should be in the same branch or different branches of the SNA's bank.

(viii) In the case of schemes implemented using PD Accounts or accounts of similar style, the balances need to be transferred to SNA account.

(ix) States to open separate budget lines for Centre's and State's share of funds, if it is already not there, and share the existing/ newly opened budget lines through PFMS-State treasury interface clearly indicating whether a particular head of accounts pertains to centre's share or otherwise. Once the exercise is over, states need to share the data afresh from the beginning of the financial year, after making necessary accounting entries.

(3) Mapping of Agencies:

(i) SSM need to approach, State Directorate of PFMS stationed in the State Headquarters, with all relevant details such as SLS codes, Bank Account numbers of SNA and ZBSAs, hierarchy of implementation of the SLS etc. for configuring the same in the PFMS portal.

(ii) The SNA and all IAs need to be registered on PFMS for the respective SLS. It will be the responsibility of the SSM to register and map the first level agency i.e. SNA in the hierarchy, for the Scheme (s) administered by him.

(iii) Further registration of IAs and mapping the IAs in the hierarchy can be carried out by the upper level agencies.

(4) Mapping of Schemes:

(i) GoI Funds and the corresponding State's share would be transferred to the SN account from the treasuries. State treasury system (IFMS of State) should have the information of SLS, unique code, bank accounts of SNA. These details will be shared by PFMS with State treasuries through web service or any other mode.

(ii) On release of funds to SNAs by the State treasury system, the payment and other details as per point 1 above should be shared with PFMS through the Treasury Integration route.

(iii) The Finance Department in State shall ensure that the SLS and corresponding heads of accounts (both Centre and State share) are mapped correctly in the PFMS-State Treasury interface. The details can be accessed from TRSY03 report.

(iv) Finance Department in the State shall ensure interchange of data with PFMS through Treasury interface module on daily basis. This will facilitate provision of accurate information to various MIS users of GoI and States to monitor the utilization of funds.

(5) Models for integration: Keeping in view that some States already have dedicated systems for schemes, states may choose one of the following methods (for each scheme) available in PFMS:

(i) **Model-1** Use of External System through REAT integration (MIS – only): External system provides for all operation- viz. setting of drawing limits, account validation of beneficiaries, etc. including payment and provides MIS to PFMS as per REAT integration document of PFMS-

(a) In this scenario, SNA External System is required to develop an end to end solution for SNAs and IAs with the facility to process account validation and payments. The SNA's IT system will be integrated with PFMS as an external system for REAT integration through SFTP mode to share MIS data.

(b) All the masters like Scheme codes, Scheme definition, Scheme hierarchy, Scheme components will be shared to SNS's IT System by PFMS through an API.

(c) The State Nodal Agency code and all its Program Implementing Agencies code, LGD master, payment purpose master, DBT mission code, PFMS bank/ branch master and other relevant master data will also be shared to SNA's IT system by PFMS through an API.

(d) SNA logs into the IT system and allocated limits to all child agencies based on budgetary requirements received from child agencies. The limits set on SNA's IT system are exchanged with PFMS through an API. These limits may change or be reallocated by SNA depending on the additional requirement of funds or underutilization of funds by implementing agencies. Any modifications in the limits are to be shared with PFMS through SFTP integration.

(e) SNA and IAs upload/ enter their beneficiary/ vendor details on SNA's IT system and validates beneficiaries/ vendor through the arrangements made in its own system. After the successful validation of vendor/ beneficiary account, the vendor/ beneficiary details may be shared with PFMS through SFTP mode for generation of vendor/ beneficiary code in PFMS which will be informed back to the SNA's IT system so that the IT system can sent the transaction details as MIS to PFMS having PFMS vendor code specified at credit level in MIS file. (Message Exchange format specified in REAT integration document).

(f) SNA and IAs into the IT system. The Payment order (FTO) is processed on the system and validated against limits for all Program Implementing Agencies making payments. The FTOs are then shared with the SNA's Bank through an IT integration with the Bank.

(g) The Bank make the payments through NACH (NPCI) and sends updated response status of all such payments to the SNA's system.

(h) The transaction data for all successful payments made is then required to be shared with PFMS as MIS data (Message Exchange format of MIS data is specified in REAT integration document) through SFTP integration.

(i) All MIS/ dashboard is made available on SNA's IT system (and On PFMS) viz. SNA's Bank Account Balance, limits vs Expenditure by PIAs, etc.

(ii) **Model-2** Use of external system through REAT integration (MIS+Payments): External system provides for all operations but payment is done in PFMS. The integration should be as per the integration protocols designed by PFMS. The process is elaborated as under:

(a) State Nodal Agency's (SNA) IT system will be integrated with PFMS as an external system through SFTP mode.

(b) All the masters like scheme codes, scheme definition, Scheme hierarchy, Scheme components will be shared to External SNA's IT system by PFMS through an API.

(c) The SNA code and all its Program Implementing Agencies code, LGD master, payment purpose master, DBT mission code, PFMS bank/ branch master and other relevant master data will also be shared to External SIS by PFMS through an API.

(d) SNA allocated limits to all child agencies based on budgetary requirements received from child agencies on their IT system (SIS). The limits set on SIS are exchanges with PFMS through SFTP based REAT integration. These limits may change or be reallocated by SNA depending on the additional requirement of funds or underutilization of funds by implementing agencies. Any modifications in the limits are to be shared with PFMS through SFTP as mentioned earlier.

(e) State Nodal Agency as well as child implementing agencies have to first validate their beneficiaries through Beneficiary validation service of PFMS. The beneficiary details will be uploaded on SNA's IT system by SNA and IAs which will then be pushed to PFMS in XML format through SFTP mode for validation or the SNA system may use centralized beneficiary validation service on the fly to validate banks details/ Aadhaar details while capturing the vendor/ beneficiary data in SNA's IT system. In case of SFTP mode, PFMS will pick up the beneficiary details from SNA's SFTP. Segregate the bank account details of beneficiaries, bank wise and push then to banks' SFTP for validation by banks. Aadhaar number details are pushed to NPCI for validation. On receiving the Account validation response from banks and Aadhaar number validation response from NPCI, PFMS generates beneficiary code for all those beneficiaries whose bank accounts and Aadhaar number are successfully validated. The beneficiary validation status is shared back to SNA's IT system through SFTP/ CBM service. The SNA's IT system are advised to generate payment for only validated beneficiaries for whom the beneficiary code is shared otherwise payment orders get rejected at PFMS end.

(f) Program Implementing Agencies also have to register their digital signatures on SNA's IT System and their DSC enrollment details have to be shared to PFMS by SNA's IT system in XML format through SFTP mode. This will enable PFMS to validate the digitally signed payment orders received from SIS.

(g) The Payment orders (FTO) are to be processed by Program Implementing Agencies on the SIS and validated against drawing limits for all PIAs making payments. Once an FTO is generated, the drawing limits of the concerned PIAs, the DBT mission code is to be mandatorily specified in the payment order to be sent to PFMS. The digitally signed FTOs are sent to PFMS SFTP. PFMS in turn would process the payment files by validating the signatures against the DSC enrollment details sent by SIS earlier and sent the FTOs to SFTP location of SNA's bank.

(h) The bank makes the payments through NACH (NPCI) and sends response files to PFMS. PFMS in turn would send the credit response to SNA's SFTP.

(i) SNA's SIS picks up response from SFTP and updates transaction status of all payments initiated.

(j) All MIS/ dashboard is made available on SIS (and on PFMS) viz. SNA's Bank Account Balance, limits vs Expenditure by PIAs.

(iii) **Model-3** Use of REAT Module (agencies using PFMS): Both SNA's and IAs will use REAT module of PFMS for transactions. Prior to any transactions (expenditure/ receipts) drawing limits have to be set by the upper level agency. Payments would be made by the SNA's/IAs directly debiting the SN Account. Where expenditure transactions of IAs using ZBSA are made, this will initially be debited against the ZBSA and the debit will be set off by debiting SN Account. In both cases, the expenditure will be incurred selecting the scheme component, as being done presently. Every expenditure transaction will be validated against the limit balance. A report for monitoring the limits would be available for the SNA and other agencies in the hierarchy. The process is elaborated as under:

(a) The State Nodal Agency logs into the PFMS portal and allocates limits to all child implementing agencies down the ladder based on budgetary requirements received from child agencies. These limits may be changed or reallocated by SNA depending on the additional requirement of funds or underutilization of funds by Implementing agencies.

(b) State Nodal Agency and the IAs have to upload their beneficiary/ vendor details either through data entry UI or excel upload for getting their bank account details and / or Aadhaar number validated for making payments. All those beneficiaries whose banks accounts and / or Aadhaar number are successfully validated will get beneficiary code and become eligible for receiving payment.

(c) The State Nodal Agency and IA have to configure their mode of payment (DSC, PPA/ ePA) before starting payment processing. All those agencies who have opted for DSC payments have to enroll their digital signatures on PFMS portal prior to processing payments. The DSC enrollment details are pushed to the SNA's bank for validating the digitally signed payment orders received by the bank later.

(d) For valid beneficiaries, the payment orders (FTOs) are generated/ processed on PFMS portal by SNA and IAs against their available limits only. As soon as an FTO is generated and approved/ digitally signed, the limit of the respective agency will be reduced by the debit amount in the FTO. The FTOs are sent to SNA's Bank SFTP location.

(e) The bank need not maintain any drawing limits set for implementing agencies to validate the payment instructions against available limits. All these will be managed by PFMS. No. payment orders will be generated in PFMS unless debit amount is within the available drawing limits of the agency. On receiving the payment instruction, bank has to simply check the availability of funds in the single nodal account. If the funds are not available, bank has to give debit failure with the reason "Insufficient Funds" in the DEBIT RESPONSE.

(f) All the DSC/ ePA payments generated by SNA and IAs are to be processed centrally by the bank where as all PPA payments generated by IAs will be processed by the local branched of their subsidiary accounts and those generated by SNA are to be processed by local branch of SNA account.

(g) Bank has to ensure that null values in ZBSA by sweeping the debit balances in the main account (Single Nodal Account)

(h) The Bank makes the payments through NACH (NPCI) and sends response filed to SFTP.

(i) PFMS picks up response from SFTP and updates transaction status of all payments initiated.

(j) All MIS/ dashboard is made available on PFMS viz. SNA's Bank Account Balance, limits vs Expenditure by PIAs etc.

(k) Some MIS reports are being finalized and generated. The currently available EAT/ PFMS-State Treasury Reports for MIS are as under:

EAT Reports

- EAT02: Scheme wise EAT aggregation- It show complete EAT data for releases Expenditure for EAT and DBT, Advances, transfer by the agencies, scheme wise and hierarchy wise
- EAT03: Component wise Summary- It shows the component wise expenditure and advance made by the agencies
- EAT05: CSS Scheme State Wise unspent balances- This report show complete EAT data for all the linked schemes for one CSS scheme
- EAT06: Agency EAT DBT usage summary
- EAT07: Agency Specific EAT unspent summary
- EAT09: Agency Fund Reversal/ Failure EAT Summary- It provides information about failed / expired PPAs and DSC
- EAT10: EAT parent agency account usage summary
- EAT11: Agency Fund deduction EAT report- It shows the deductions made by the agencies while booking vouchers

PFMS-State Treasury Interface Reports

- TRSY-01: Displays amount released by Gol to States, Budget earmarked by the State – Scheme wise, release/expenditure and funds released Gol to agencies located in the State
- TRSY-03: Displays the mapping of State expenditure heads against Gol Scheme releases
- TRSY-04: Displays the status of data exchange between treasury and PFMS

The Banks do not need to make any changes in the existing interface with PFMS and follow same protocol as is currently in place.

(iv) Model-4 Using State IFMIS: The SNA and all IAs work on Integrated Financial Management Information System (IFMIS) of the State integrated with PFMS. In this system SNA account cannot be operated from the Treasury. The State must designate SNAs, Open Single Nodal Account of SNAs in banks and map them in IFMIS. Transfer of funds to PD Account or any other account of similar style, by the State or keeping funds in the Consolidated Fund of the state shall not be permitted. In other words, the payments pertaining to the scheme is routed through the SNA account. State IFMIS will be integrated with PFMS as an external for REAT integration through SFTP mode to share validated vendor. Beneficiary data and transaction MIS data. Masters like Scheme codes, Scheme definition, Scheme hierarchy, Scheme components etc. will be shared to State IFMIS by PFMS through an API. All MIS/dashboard is made available on State IFMIS (and on PFMS) viz. SNA's bank account balance, limits vs expenditure by SNAs and IAs etc.

(6) New Reports: Apart from various existing Expenditure, Advance & Transfer (EAT) reports, the following reports will be made available to various stake holders such as SNAs, State Finance Department, Programmed Division in the Ministries/ Department of Gol etc.:

- (a) Release and expenditure: This report will give the details of GoI releases State-wise, release dated, clearance memo number and date, release of State Share and date, expenditure incurred and advances made by SNA. (will be available for State Finance Department, SSM, SNA, SPMU and Programmed Division in the Ministry)
- (b) Statement on drawing limits and expenditure: This report will give the details of allocation made by the parent agency to child agencies, level-wise and expenditure incurred by the agency and advances made by the agency. (will be available for SNAs/ IAs, SSM, SPMU).
- (c) Agencies using REAT/ DBT for SNA: This MIS report will give details of number of agencies registered as SNAs, number of child agencies registered and mapped, number of agencies using EAT / DBT etc. (will be available for State Finance Department, SSM, SPMU and Programme Division in the Ministry).
- (d) Statement of Interest accrued in the SNA account: Banks share the transaction-wise details of all agencies registered on PFMS, including interest credited by the banks against the balances lying in the account. This report will give the details of interest credited in the account of SNA to facilitate monitoring and subsequent remittance of the same to GoI account and State's account on pro-rata basis. (will be available for State Finance Department, SNA, SPMU and Programmed Division in the Ministry).

7.24 Revised instructions on bringing Autonomous Bodies (Abs) under the Treasury Single Account (TSA) System [DoE's OM No. 26(118)/EMC Cell/2016 dated 24.02.2022]: The following instructions are issued DoE's OM No. 26(118)/EMC Cell/2016 dated 24.02.2022 in supersession of the instructions issued vide OM dated 27th July, 2017 and all other instructions issued in the matter:

(i) These guidelines shall be applicable to Autonomous Bodies {ABs}/implementing Agencies (IAs) including Statutory Bodies and Central Public Sector Enterprises (CPSEs). In case of CPSEs, applicability will be limited to the grants and scheme funds received by them from the Government of India.

(ii) The Monthly Expenditure Plan (MEP) of Autonomous Bodies (ABs)/ implementing Agencies (IAs), as accepted by the Programme Division (PD) and Integrated Finance Division (IFD), the pace of implementation of the schemes in the ABs/IAs and the balance grant/fund available with the AB/IA for the said scheme shall form the basis of just-in-time releases to ABs/IAs. Consequent upon receipt of the sanction order for release of funds to the ABs/IAs along with the bill from the Drawing and Disbursing Officer (DDO), the concerned Pay & Accounts Officer (PAO) shall advise RBI, after exercising all necessary checks, to honour the payment instructions issued by the concerned AB/IA up to the "Assigned Limit" in the advice.

(iii) The PAO shall debit the concerned head of account for the appropriation but not transfer the cash directly to the ABs/IAs. It shall be retained in an interim account in respect of the AB/IA listed under the parent Ministry/Department in the Public Account. Balances remaining unutilized at the close of the year will lapse to the Government and hence written back in Government Account. Ministries administering the AB/IA concerned will have to explain the saving in the related Appropriation Accounts.

(iv) The total releases made in a year to ABs/IAs through TSA and its utilization may be reflected under the Major Head "8454 - Funds for ABs under TSA" in the Financial Statements of the Government Account. The amount not utilized in any year and written back to CFI may need to be indicated in the Accounts as a Footnote.

(v) Each Autonomous Body/implementing Agency including subsequent level of institutions shall open bank accounts with Reserve Bank of India in e-Kuber. Separate accounts shall be opened for receiving Grants in Aid/Funds from each Pay & Accounts Office of Government of India by each Autonomous Body/implementing Agency and subsequent level of Autonomous Bodies/institutions.

(vi) The relevant bank details of all accounts held by the AB/IA as well as of payees of Abs/IAs shall be registered on PFMS after due diligence by administrative Ministry/Department.

(vii) Autonomous Bodies/ Implementing Agencies including subsequent level of institutions shall not open/operate/park funds in any other account for any operation pertaining to funds received from Government of India.

(viii) All expenditure from the Grants-in-Aid/Funds received from Government of India by the Autonomous Body/implementing Agency will be made through these designated accounts only. This system will be digital and fully online on PFMS with no physical flow of assignments to RBI or expenditure by AB/IA of cash on assignment basis.

(ix) Notwithstanding the conditions at Para above, in respect of some transactions like payment of TDS, income Tax and GST, Opening of Letter of Credit in favour of foreign suppliers, scholarships to foreign students not having account in India and court attachment from salaries of employees etc., ABs/IAs may utilize the services of their existing account at commercial banks. They may transfer funds to the extent required for meeting such transactions for immediate utilization/remittance. No money

transferred under this provision can be parked in a Commercial Bank for more than seven days. However, such transfers will be subject to approval by the concerned Financial Advisor on case to case basis.

(x) In addition to the above provision, Abs/IAs may draw the cash/transfer the funds required for payment of salary for the month of March from the assignment amount of current financial year and keep the amount in a commercial bank for the purpose of releasing the salary for the month of March to the employees in the month of April.

(xi) The RBI will function as primary banker to the Ministries/Departments in this regard without involvement of an agency bank. These accounts will be assignment accounts. A limit up to which expenditure can be incurred by an AB/IA, shall be assigned to these accounts by the PAO concerned through PFMS based on the expenditure sanction issued by the PD and the bill preferred by the DDO. The e-Kuber bank account details of the AB/IA shall be incorporated in the sanction order. The limit shall be a dynamic limit. Sanction orders, a summary of all such assignments and the balance limit available can be viewed on PFMS by all stakeholders.

(xii) The electronic file containing a unique sanction ID and necessary details of the sanction order will seamlessly travel from PAO to RBI and concerned ABs/IAs. RBI will maintain individual ledgers in respect of each accounts of the AB/IA for watching the availability of assignments.

(xiii) ABs/IAs shall adhere to all due processes while incurring expenditure from the funds sanctioned through PFMS. ABs/IAs shall also ensure that sufficient limit is available in the relevant account before the issue of the instrument. Unutilized assignment will lapse to the Government at the close of the Financial year and will not be available to the ABs/IAs for expenditure in the next financial year.

(xiv) TSA system does not affect the procedures and processes of the ABs/IAs/CPSEs, but provides only a payment platform facilitating Just-in-Time releases by the Government.

7.25 Calculation of Non-Lapsable Central Pool of Resources (NLCPR) for North East & Sikkim [Refer to Dept. of Economic Affairs OM No. 2(4)-B(S)/2017]

(1) The existing system of calculation of NLCPR that was finalised in 1998-99 needs to be revisited in view of subsequent changes in expenditure allocation and to address the inadvertent discrepancies that have crept into the methodology for calculation of NLCPR:

- (a) Plan expenditure does not anymore exist as a separate category of expenditure;
- (b) Use of existing formula gives a disproportionate and misleading result as it compares revised estimates of total Plan allocation on a Ministry with the actual expenditure incurred on North East & Sikkim;
- (c) Cases where the actual expenditure on North East & Sikkim by the non-exempted Ministries is more than 10% of their Plan allocation are ignored in calculation; and
- (d) The existing calculation for NLCPR does not consider, as expenditure met out of NLCPR, the external assistance/ grants provided under Externally Aided Projects (EAPs) to NE & Himalayan States although for them EAP funds are provided with a 90% grant component, as opposed to provision on back-to-back basis in case of other states.

(2) Hence, there is a need to revise the methodology of calculation of notional accretion to NLCPR as under:

- (a) 10% of actual expenditure for Central Sector and Centrally sponsored schemes (net of EAPs and local/event specific schemes, if any) of a Ministry/ Department;
- (b) Actual expenditure, including grant component of EAPs, incurred for the projects/ Schemes, in NE & Sikkim;
- (c) Amount due for transfer to NLCPR = A-B

If B>A, the excess would be offset against accumulated accruals in NLCPR.

(3) Ministry of Development of North Eastern Region may accordingly take necessary action for calculating the notional accretion to the NLCPR, as per revised methodology given above, from the financial year 2014-15 onwards.

(4) The list of Ministries/ Departments, as finalised by Ministry of DONER, for exemption from 10% of allocation as Lumpsum provision for North Eastern Region is attached herewith (Annexure) for ready reference.

LIST OF DEPARTMENTS/ MINISTRIES EXEPTED FROM MAKING LUMP SUM PROVISION FOR THE NORTH EASTERN REGION	
1	<i>Atomic Energy</i>
2	<i>Company Affairs</i>
3	<i>Economic Affairs</i>
4	<i>Expenditure</i>
5	<i>External Affairs</i>
6	<i>Legal Affairs</i>
7	<i>Earth Science</i>
8	<i>Official Language</i>
9	<i>Personnel & Training</i>
10	<i>Petroleum & Natural Gas</i>
11	<i>Planning</i>

12	<i>Revenue</i>
13	<i>Social Justice & Empowerment*</i>
14	<i>Steel</i>
15	<i>Space</i>
16	<i>Science & Technology</i>
17	<i>Scientifics & Industrial Research</i>
<i>*Only 2% of the funds for Scheduled Caste Division (SCD) are allocated to the NE. The norm of 10% allocation is applied to the sectors other than SCD.</i>	

Feedback/ Comments Form

Feedback/ Comments on Draft Finance Compendium for CWC

Name of the Office/ Organization/ Directorate:		Reference No. and Date:	
Name and Designation of Contact Person:		Phone/ Email for clarifications:	

S.No.	Chapter No. and Clause No.	Existing Provision	Proposed Changes	Justification and reasons for the suggested change