INSTRUCTIONS FOR TENDERS FOR OUTSOURCING
OF SERVICES FOR MANNING AND OPERATION/MAINTENANCE AND OPERATION
INCLUDING OUTSOURCING OF MAINTENANCE OF MARRIED & OTHER THAN
MARRIED ACCOMMODATION

1. Reference this HQ letter No 66546/Manual/87/E8 dt 28 Sep 2018 and replies received from CEs Command/ADGs.

2. Numerous issues related to tenders for outsourcing of various types of services have been referred to this HQ from time to time. Opinions on those issues were solicited from environment and the same have been comprehensively studied and analysed. Accordingly the relevant instructions with respect to such tenders are issued in succeeding paragraphs.

3. Items of Work To Be Included Under Scope of Work

(a) Such tenders are primarily for outsourcing of services requiring employment of manpower/labour. The outsourcing may be for normal services like housekeeping, security services, office/staff work and the likes or for outsourcing of technical services like manning operation of DG sets, A/C plants, STP, W/S & E/M installations, lifts etc. In tenders of this type, there may also be requirement of providing routine consumables and routine repairs in addition to manpower.

(b) Tender for outsourcing of normal services like housekeeping, security services, office/staff work and the likes shall only have outsourcing service its scope of work. Such tenders shall include in the scope of work deployment of manpower for outsourcing services or shall include manpower and consumables, as decided by Accepting Officer.

(c) However tender for outsourcing of technical services like manning/operation of DG sets, A/C plants, STP, W/S & E/M installations, lifts etc shall include items of ordinary repairs and/or comprehensive maintenance also. Such items of ordinary repairs and comprehensive maintenance pertaining to the E/M installation/equipment shall be included in the scope of work provided such items are for repair of the installation/equipment etc covered in the outsourcing operation.

(d) In case of tenders containing only items of outsourcing, list of consumables and repairs to be included in scope of work, as applicable, shall be decided by Accepting Officer. These shall be included in the tender as part of scope of work of the relevant items of BOQ and quoted rate is to be inclusive of cost towards such elements. In case of tenders containing items of repair/comprehensive maintenance, list of items to be considered as routine repairs/comprehensive maintenance shall also be identified and decided in such manner. Accepting
Officer may order a Board of Officers comprising of officials of appropriate subject/sub-division and concerned engineer-in-charge for this purpose and finalize the inventory of consumables and items of repairs/comprehensive maintenance

(e) Various items and services are now available on GeM and detailed guidelines for procurement of such items/services through GeM have been issued from time to time by this HQ. It will be ensured that stores which can be procured through GeM after amendment to Table ‘B’ of RMES as circulated vide this HQ letter No A/97508/Rev RMES/Pol/E2W (PPC) dated 23 Apr 2020 shall be procured accordingly subject to meeting the quality, specification and delivery schedule required for the work. Such items shall be issued under Schedule ‘B’, wherever applicable, as ‘free for fixing’ or at recovery rates as per existing instructions under RMES and MES Manual on Contracts. Similarly outsourcing of services through GeM shall be procured provided the services to be outsourced are not falling in the area/site requiring security restrictions.

4. **Items To Be Specified in the BOQ**

(a) The items in BOQ for outsourcing of services shall be framed in such a manner as to require the bidder to quote basic rate, employer’s contribution towards Employees Provident Fund (EPF) liability, contribution towards Employee State Insurance Corporation (ESIC), contribution towards bonus, overhead and profit and labour welfare cess (LWC) separately, as applicable depending upon the manpower requirement. This will create onus on the contractor to ascertain the relevant rates and quote accordingly. The rates quoted shall be inclusive of all taxes, cess, levies as applicable including GST.

(b) At the time of bid evaluation, Accepting Officer shall ascertain the corresponding minimum wages, rates and contribution as mentioned above as per prevailing notifications and decide the reasonability of finance bid of all the bidders. Tender shall contain stipulation that any quoted rate against the items/sub-items mentioned in Para 4(a) above which corresponds to works out to lower than the corresponding prevailing minimum rates of wages/subscription/contribution towards EPF, ESIC, Bonus and LWC shall be treated as non-bona-fide and such bid shall not be considered for acceptance. The prevailing rate/wage/contribution shall be as applicable on the bid submission end date.

(c) In case the lowest bid is decided for acceptance after rejecting bid(s) declared non-bona-fide in this manner, prior approval of PCDA/CDA shall be obtained. In case only one eligible bid is found valid after rejection of non-bona-fide bids, Accepting Officer will assess the bid for its reasonability. In case such single resultant valid bid is considered for acceptance, the same can be accepted only after obtaining prior approval of next higher Engineer Authority in terms of Para 46(f) of DWP-2007 and requisite report shall be furnished to the concerned PCDA/CDA.

(d) The quoted rate against bonus is to be considered for payment on actual basis. Specific Note shall be included in the Notes to Schedule ‘A’ as well as Notes under respective item/sub-item of BOQ for ‘Contribution towards Bonus’ that the amount is payable only after submission of valid and authentic documents in support of having paid the requisite amount of bonus to the workmen, ie proof of payment. Similarly items/sub-items of ‘contribution towards EPF’ and ‘contribution towards ESIC’ shall also be payable after submission of valid & authentic documents in support of proof of payment.
(e) In case the scope of work in tender includes outsourcing services as well as items of ordinary repair and/or comprehensive maintenance, such items shall be included under separate part of BOQ/Schedule ‘A’ to be quoted by bidders, under ‘material and labour’.

5. **GST Liability** Such tenders may fall under the category of works contract or services contract depending on nature of items included in the BOQ. In case tender contains both types of items viz items of outsourcing of services and also items for ordinary repairs and/or comprehensive maintenance to be paid as ‘material & labour’ under separate parts of BOQ, GST may be at the higher of applicable rates corresponding to different types of items. However GST rate at which the contractor closes his GST liability afterwards on closure of his account will not be known to the department. Therefore, it is considered prudent to specify that the GST is included in the rates quoted against items of outsourcing as well as items of repairs/comprehensive maintenance to be paid separately under ‘material and labour’ parts. Necessary stipulation about inclusion of GST in the quoted rates shall be prominently included under Notes to Schedule ‘A’/BOQ. Any variation in tax (including variation in GST rate) shall be adjusted and reimbursed to/recovered from the contractor as mentioned hereinafter.

6. **Additional Documents To Be Uploaded Alongwith BOQ** Apart from the routine documents to be uploaded in the tender documents under Cover-1 as per instructions issued from time to time, the bidder shall be asked to upload documents as mentioned in Appendix under Cover-1 of the bid. Suitable provisions shall be made in the NIT to this effect.

7. **Stipulation Regarding Quoting Less Than Minimum Wage Plus Cess/Tax etc:**
The following conditions shall be given in the tender for the items of outsourcing:

(a) The rate quoted for items of outsourcing shall not be less than minimum wages as notified by Government of India/concerned State Government/Local Body, whichever is higher and also not less than applicable rates for contribution of employer towards EPF, contribution to ESIC, contribution of Bonus and LWC under respective headings/sub-items. In case the rates quoted are less than the prevailing rates/instructions under any heading(s), the bid will be treated as non-bonafide/invalid, shall be disqualified and such bids will not be considered for acceptance. In such case, the lowest bidder shall be determined from amongst the valid/bonafide bids only.

(b) Quotations with ‘Nil’ or ‘Zero’ consideration (overhead and profit) shall be considered non bonafide.

(c) Any variation in minimum wage, liability of EPF/ESIC/Bonus/LWC/GST shall be adjusted for reimbursement/recovery as under:

(i) Variation in minimum wage including other related statutory provisions shall be adjusted in terms of Condition 63 of GCC (IAFW-2249).

(ii) Variation in percentage/rate of GST and LWC shall be adjusted as per instructions in Annexure XVI of MES Manual on Contracts which deals with ‘Reimbursement/Refund on Variation in Taxes Directly Related to Contract Value’.
(iii) Rates shall be quoted only up to two digits after decimal. If any rate quoted/derived by the contractor works out to more than two digits after decimal, then the same shall be rounded off up to two digits after decimal. The rounding off shall be done in accordance with Rules for Rounding off of Numerical Values in accordance with IS : 02 of 1960 (Revised 2016) of BIS.

8. **Action To Be Taken in Case of Tie** In case of tie between two or more bonafide quotations, instructions as per Appendix shall apply.

9. **Performance Security/Performance Guarantees** The Performance Security for similar such tenders as per earlier instructions issued vide this HQ letter No A/37696/12-139/Pol/E2W (PPC) dated 28 May 2014 was 10% of the contract amount. The same shall now be 5% of contract amount as per recent instructions issued vide this HQ letter No 66546/Manual/924/E8 dated 18 Feb 2019 vide which corresponding amendments to GCC (IAFW-2249) were circulated.

10. **Relevant Category for Eligibility.** In Para 1.2 of the MES Manual on Contracts, the category d (v) viz ‘Maintenance and Operation of E/M Installation’ is mentioned. However there is no specific category for ‘Manning and Operation’ or ‘Maintenance and Operation of B/R Installation’. All such tenders of outsourcing of services for ‘Manning & Operation’ or ‘Maintenance and Operation’ of E/M or B/R nature are predominantly for outsourcing of services through manpower with/without involvement of routine consumables. Following instructions shall be followed on category of enlistment:-

    (a) For tender for outsourcing of normal (non-technical) services like housekeeping, security services, office staff and likes, no specific category of enlistment shall be applicable. Hence no specific category of work shall be mentioned in NIT for eligibility purpose.

    (b) For tender for only outsourcing of technical services like manning & operation of W/S installation, E/S Installations, STP, A/C plants, DG Sets, lifts etc not containing items for repair and/or comprehensive maintenance, category d (v) of enlistment, viz ‘Maintenance & Operation of E/M Installations’ shall be applicable. However in case items of repairs/comprehensive maintenance are also included in scope of work and estimated cost of such items is more than 30% of total estimated cost, category d (v) viz ‘Maintenance and Operation of E/M Installation’ and relevant category pertaining to the E/M Installation covered in the scope of work shall be the eligible categories and provisions in NIT shall be made accordingly.

    (c) For tender for outsourcing of services for maintenance of Married/OTM accommodation, category a(i) viz ‘building’ shall be applicable for eligibility.

    (d) In such tenders of high value (more than ₹ 50 crore), CVC guidelines for PQC shall be followed for qualifying the bidders as applicable for any other high value tenders as per instructions in vogue.

11. **Miscellaneous.**

    (a) Monthly wages shall be paid by the contractor to the workers/labour only online. Proof of statutory deductions in favour of workers/labour shall be submitted by the contractor to the GE. The contractor will be required to submit copy of valid labour licence from the Labour Commissioner within 15 days of commencement.
of the work. If the contractor fails to submit the same within this stipulated period, the contact shall be liable to be cancelled and the Performance Security of the firm shall be forfeited accordingly. Reference is also invited to this HQ letter No A/37696/Gen/Pol/E2W(PPC) dated 27 Jul 2017 as amended vide letter of evcn No dated 09 May 2018.

(b) Details about minimum number of manpower of various trades and required qualification alongwith experience against manpower of each type/trade shall be specifically mentioned in the tender documents.

12. The above instructions shall be followed with immediate effect.

(R P Singhal)
Jt DG (Contracts)
For E-in-C

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The conditions at Para 7 (a) above are being issued in compliance of Ministry of Finance, Department of Expenditure letter No 29 (1)/2014-PPD dated 28 Jan 2014 (copy enclosed for ready reference please). It is requested that the condition may please be vetted for permanent insertion. Meanwhile suitable instructions may be issued to all PCDAs/CDAs to expeditiously scrutinize & vet/approve the proposals of MES formations as initiated in terms of Para 4(c) of the letter.

Internal:
E2W (PPC), E4/(Utility), E2W (Army), E2 (Navy), E2 (Air), E2W(TC)
ACTION IN CASE OF TIE

1. In case of tie, ie two or more bidders quoting same contract sum/percentage, the bidder scoring more points on the parameters of financial soundness and work experience shall be awarded the tender.

2. The approximate value/estimated cost of work is ‘A’. Marking shall be awarded to all lowest bidders/bidders having tie on quoted rate/percentage as under.

3. Working Capital. In case Working Capital is
   
   (a) $\geq 0.6 \text{A}$ = 6 Points  
   (b) $< 0.6 \text{A but } \geq 0.5 \text{A}$ = 5 Points  
   (c) $< 0.5 \text{A but } \geq 0.4 \text{A}$ = 4 Points  
   (d) $< 0.4 \text{A but } \geq 0.3 \text{A}$ = 3 Points  
   (e) $< 0.3 \text{A but } \geq 0.2 \text{A}$ = 2 Points  
   (f) $< 0.2 \text{A but } \geq 0.1 \text{A}$ = 1 Points  
   (g) $< 0.1 \text{A}$ = 0 Points

4. Parameters of ‘average turnover of last three FYs’ and ‘total cost of similar nature of works executed in last three year’ is denoted as ‘B’ each. Approximate value/estimated cost of work is denoted as ‘A’ as mentioned in Para 2 above. Marking on these parameters and total marks will be worked out as under:-

<table>
<thead>
<tr>
<th>Sr</th>
<th>Amount / Figure of Parameters (B)</th>
<th>Marks Corresponding to Parameters</th>
<th>Total Marks</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Working Capital Average Turn Over Work Experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>$\geq 6 \text{A}$</td>
<td>As calculated above in Para 3</td>
<td>6</td>
</tr>
<tr>
<td>(b)</td>
<td>$&lt; 6 \text{A but } \geq 5 \text{A}$</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>(c)</td>
<td>$&lt; 5 \text{A but } \geq 4 \text{A}$</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>(d)</td>
<td>$&lt; 4 \text{A but } \geq 3 \text{A}$</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>(e)</td>
<td>$&lt; 3 \text{A but } \geq 2 \text{A}$</td>
<td>2</td>
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<td>(f)</td>
<td>$&lt; 2 \text{A but } \geq \text{A}$</td>
<td>1</td>
<td>2</td>
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<tr>
<td>(g)</td>
<td>$&lt; \text{A}$</td>
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5. Total marks calculated as above shall form the basis for deciding the effective bidder for award of tender in case of tie. Bidders scoring highest total marks on above parameters shall be awarded the contract. In case the total marks obtained by tied bidders are equal, the marking on each parameter shall be carried out proportionately in each slab (upto two decimal points) and total marks shall be reworked. For example, for turnover figure of 4.3A, mark shall be $4 + (0.3/1) \times (5-4) = 4.3$. Similarly for work experience figure of 5.2A, mark shall be $12 + (0.2/1) \times (15-12) = 12.6$

6. In view of above, following documents shall be mentioned to be part of bid documents to be uploaded in Cover-1.

   (a) Working capital certificate (not more than three months old) from a nationalized bank/scheduled bank on the format as prescribed for enlistment.

   (b) 

   (c) 

   (d) 

   (e) 

   (f) 

   (g) 

   (h) 

   (i) 

   (j) 

   (k) 

   (l) 

   (m) 

   (n) 

   (o) 

   (p) 

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   (s) 

   (t) 

   (u) 

   (v) 

   (w) 

   (x) 

   (y) 

   (z)
(b) Turn over certificate showing turn over for last three financial years ending prior to bid/publishing date. The certificate should be from Chartered Accountant and shall be duly supported with self-attested copies of relevant pages of audited balance sheets showing turn over.

(c) List of all works of similar nature completed in last three years ending in the month prior to date of bid publishing date. For similar nature of works, works of outsourcing for services requiring same/similar tradesmen shall be considered of similar nature. For example, works of outsourcing of all type of services related to water supply, water treatment plants & STPs shall be treated as similar nature of work. Similarly all types of outsourcing services related to transformer, DG sets, electrical sub-station, lifts etc shall be treated as similar nature of work.