

F.NO.C. 30013/25/2015-Ad.IV-A  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

New Delhi dated 19<sup>th</sup> December, 2016

To

All Chief Commissioners/Directors General and Heads of Department  
under the Central Board of Excise and Customs.

Subject: Guidelines on forwarding proposals for outsourcing of services etc. to the Board for approval – reg.

Sir,/Madam,

I am directed to invite reference to Board's letters F.No. C-30013/255/2008-Ad.IV-A dated 27<sup>th</sup> July, 2011, 13<sup>th</sup> April, 2012, 13<sup>th</sup> May, 2013, 28<sup>th</sup> November, 2013, 20<sup>th</sup> May, 2016 and 12<sup>th</sup> September, 2016 (copies enclosed), whereby general guidelines were issued for processing cases of outsourcing of services, etc.

2. In pursuance of the said guidelines, proposals received from the field formations for approval of the Board are examined in consultation with the IFU. It has been observed that in many cases, the provisions in the General Financial Rules and the guidelines of CVC in the matter of tenders are not being complied with.

3. Specifically, it has been observed that in several cases where the value of the contract exceeds the delegated powers of HoDs, the contracts were awarded to the L-1 bidder without obtaining the concurrence of the Board/IFU, which is a financial irregularity. It is advised that for future contracts of outsourcing of services, such cases should not be awarded to L-1 agency before obtaining the financial approval from the Board/IFU.

4. It is also noticed that in several cases, the tenders finalized for the previous year were extended for the next year which is not as per GFR, 2005. In GFR, 2005, there is no specific provision for extension for providing these services. Hence, it is necessary that the tender enquiry is floated well in time and the case processed well in advance for obtaining the approval of the Board.

5. The above instructions are accordingly brought to the notice of all Heads of Department under CBEC with a request that the instructions should be adhered to, scrupulously.

6. This issues with the approval of Member(A), CBEC

Yours faithfully,

Encl. As above

  
(B. Ginkhan Mahg)

Under Secretary to the Govt. of India  
Tel: 2616 2694

Copy to:

1. Directorate General of Systems and Data Management for uploading on the Board's website.
2. Guard File.



R.No. C-30013/255/2008 -Ad. IV-A  
Government of India  
Ministry of Finance  
Department of Revenue  
(Central Board of Excise and Customs)

New Delhi, the 27<sup>th</sup> July, 2011

To,

All Chief Commissioners/Director General under CBEC,

**Subject : Guidelines for out sourcing of housekeeping services – regarding.**

Sir/Madam,

I am directed to say that instructions relating to outsourcing of housekeeping and services have been issued in past advising concerned field formations to submit proposal well in advance and with proper justification with the approval of their respective Chief Commissioner indicating, inter alia, whether GFR provisions have been followed vide: File No.D-15014/07/2004-Ad.IV-A dated 12<sup>th</sup> February, 2008.

2. However, it is noted with concern that in spite of instructions issued in past, a number of proposals for grant of ex-post facto approval of the Ministry for regularizing the expenditure incurred on outsourcing of housekeeping services without following the procedure and without obtaining the prior approval of the concerned Chief Commissioner are being received in the Ministry for approval. This has been viewed seriously by the Ministry including its Finance wing.

3. It has, therefore, been decided that henceforth :

(i) the contracts relating to outsourcing of housekeeping service should be finalized on the basis of open tendering, duly advertised in the Newspapers, copy of the NIT to be placed on the Notice Board of the Zonal Office and its units and also should be put on the website of the CBEC.

(ii) The tenderers may be asked to quote their rate only on per square foot per month basis and not based on the number of persons to be deployed or per persons basis.

(iii) It may be stipulated in the NIT that the deduction towards PF and ESI etc. be factored in rates being quoted on per square feet per month basis and the same would not be payable over and above the rates thus quoted. It may be brought out in the NIT that the contractor would be liable for ensuring compliance with the relevant rules and regulations as notified by the Government in this regard from time to time.

(iv) It may also clearly brought out in the NIT that cost of cleaning material should not be included in outsourcing proposal and it would be provided by the Commissionerate.

4. It is reiterated that henceforth such proposals should contain all relevant information, which is vital for taking decision. The proposal should be furnished duly bringing out:

- (i) Reasons for going for Outsourcing;
- (ii) Sanctioned and working strength in the grade of Farash/Sweeper.
- (iii) Why the existing sanctioned/working strength, including casual worker and daily wage workers or any other category of employee hired for housekeeping job is not considered adequate?
- (iv) Nomenclature of building in respect of which housekeeping is proposed to be outsourced -- HQ/Divisional office/range office/Guest House and total number of floors, rooms, toilets etc. in each building;
- (v) Area of building in sq ft. (to be given for each individual building) required to be cleaned; separately indicating open area and covered area and specific services to be provided the contractor for open area and covered area separately.
- (vi) Date of Advertisement of NIT in Newspapers;
- (vii) Names of Newspaper(s) and editions in which advertisement was carried;
- (viii) Whether Advt. was also put on Website/Notice Board?
- (ix) Comparative statement in respect of all the bidders;
- (x) Minutes of meeting of the Tender Evaluation Committee;
- (xi) Whether L-1 is recommended. If not reasons for not recommending L-1?
- (xii) Name, address and other relevant particulars of the bidder to whom the contract is proposed to be awarded;
- (xiii) The rate/amount and validity period of the existing contract. Whether the contract is being awarded to the same contractor already engaged?
- (xiv) Detailed justification for enhancement of the rates quoted over the rates in the existing contract, if any?
- (xv) Duration of proposed contract;

- (xvi) Whether adequate Funds are available under the Head "Office expenses" to cover the cost of contract?
- (xvii) Service Provider may be one or more for a Commissionerate. In case separate contracts are proposed to be entered for different locations due to geographical distance or any other reason, details for each of such contract may be furnished;
- (xviii) Rate quoted on per Square foot basis, duly indicating No. of persons proposed to be engaged by the contractor.
- (xix) The proposal for outsourcing should be submitted as per the prescribed proforma (attached) for outsourcing of housekeeping Services.
- (xx) Contract for outsourcing may be entered into for a period of one year. The period of contract may preferably be aligned with the period of the financial year.
- (xxi) The proposal should invariably be accompanied by an averment from the Head of the Office that the procedure prescribed in the GFRs and other instructions issued by the Board, Department of Revenue and Competent Authority i.e. CVC, DGS&D etc. have been duly complied with.
- (xxii) It may be categorically certified in the proposal that the delegated power of Rs.10,00,000/- has been exhausted by the respective Chief Commissioner and the proposed contract is beyond this delegated powers requiring approval of the Ministry.

5. The practice of seeking in principle approval may be discouraged. Only final proposal duly approved by the respective Chief Commissioner be sent to the Ministry for approval of the competent authority for award of contract for outsourcing services.

6. The contract may be awarded only after obtaining prior approval of competent authority and the practice of seeking ex-post-facto approval may not be resorted to. However, all previous proposals requiring ex-post facto approval may be furnished to the Ministry in the prescribed proforma and as per the above guidelines within October, 2011. It may be noted that no proposal for ex-post facto would be entertained by the Ministry received after 31.10.2011.

6.1 It may also be noted that separate proposal be sent for each year/contractor in respect of both the current proposal and proposals for ex-post facto approval. Further, no action will be taken by the Ministry, in case the proposal does not contain approval of the Chief Commissioner concerned.

7. All current proposal and proposals for ex-post facto may accordingly be re-worked out afresh and sent for consideration of the Ministry at the earliest. Till such time the proposals already received by the Ministry are being kept in abeyance.

8. Proposals for outsourcing of housekeeping job must be furnished for consideration/approval of the Ministry at least 8 weeks prior to expiry of the validity of the current contract so as to facilitate timely action for finalization thereof.

9. This issues with the approval of Chairman, CBEC.

Yours faithfully,

*B.K.M.*

(B.K. Mahanta)

Under Secretary to the Govt. of India

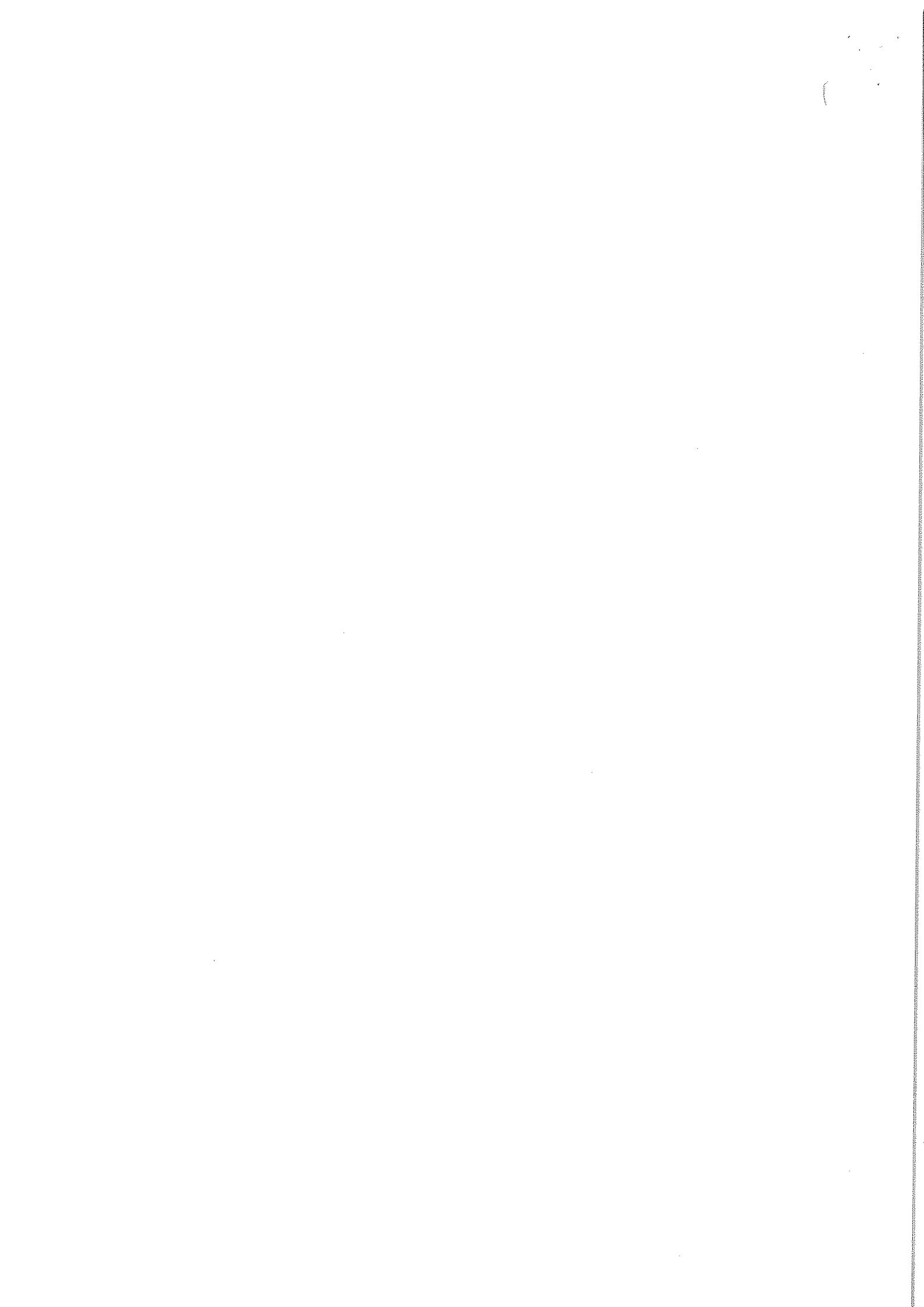
Tele fax: 26162673

**PROFORMA FOR OUTSOURCING OF HOUSEKEEPING SERVICES**

Name of Commissionerate:  
 Period of Contract(date/month/year):  
 Value of Contract:  
 Number of bids received:  
 Number of acceptable bidder:  
 Name of Service Provider (both existing and proposed):  
 Board Reference Number if any:

S.No.	Particulars of Information	Reply of the Commissionerates
	<b>Part-I</b>	
i.	Gist of Proposal	
ii.	Sanctioned and working strength in the grades of Farash/Sweeper	
iii.	Reasons for going for outsourcing	
iv.	Why the existing strength is considered inadequate.	
v.	And existing strength of casual workers/daily wager or any employee(s) hired for the purposes	
vi.	Shortfall in the grades of Farash/Sweeper	
vii.	Details of cleaning tasks to be performed.	
viii.	Whether adequate funds available under Office Expenses to cover the cost of contract.	
	<b>Part-II</b>	
ix.	Nomenclature of building in respect of which housekeeping is proposed- Hq./Divisional Office/Guest House and total number of floor, rooms, toilets etc. involved.	
x.	Duration of proposed contract and date from which it is proposed to be made effective.	
xi.	Area of building Sq. ft. (to be given for each individual building) required to be cleaned.(i) Open area (ii) Covered area	
xii.	The number of personnel required with respect to the building/area proposed to be covered and norms adopted for working out no. of personnel.	
xiii.	Whether different contracts are proposed to be entered, separate details may be furnished	
	<b>Part-III</b>	
xiv.	Date of Invitation to open tender (including tender notice on tender.gov.in & cbec.nic.in)	
xv.	Whether GFR 2005/2007 followed as per procedure laid down competent authority i.e. CVC, DGS&D).	
xvi.	Whether the process of tendering was initiated 45 days in advance of the requirement	
xvii.	Date of Advertisement in Newspaper.(copy attached)	
xviii.	Whether Advertisement also put on Website/Notice Board.	
xix.	Comparative statement in respect of all the respondents. (copy attached.	
xx.	Whether L-I is recommended. If not reasons for?	
xxi.	Whether the contract is being awarded the same contractor who is already engaged. If so, the existing rate of contract and reasons for enhancement in the charges quoted.	
xxii.	Total Expenditure of proposal	
xxiii.	How the Commissionerate managing the work before 2004?	
xxiv.	Recommendation of Tender Committee (copy attached).	
xxv.	Minutes of Tender Committee.	
xxvi.	Recommendation/approval of Cadre Controlling Authority i.e Chief Commissioner (photocopy of the relevant note is attached)	

NAC: please indicate page number/Annexure No. etc. in r/o enclosures





F.NO.C. 30013/255/2008-Ad.IV-A  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

New Delhi dated 13<sup>th</sup> May, 2013

To

All Chief Commissioners Directors General and Heads of Department  
under the Central Board of Excise and Customs.

Subject: Guidelines for outsourcing of housekeeping services - reg.

I am directed to invite reference to the Board's letters No. C.30013/255/2008-Ad.IV-A 27<sup>th</sup> July, 2011 and No. C.30013/255/2008-Ad.IV-A dated 13<sup>th</sup> April, 2012(copy enclosed), whereby general guidelines were issued for processing the cases of outsourcing of housekeeping services.

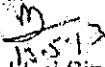
2. In pursuance to the guidelines in the said letters, proposals being received from the field formations for approval of the Board are examined in consultation with the IFU. It has been observed that in many cases, the provisions in the General Financial Rules and the guidelines of CVC in the matter of tendering action including negotiations with bidders are not being complied with fully.

3. On the aspect of exercise of delegated financial powers, the IFU have observed that the delegation of financial powers is for the contract as a whole and as such, part payments under a contract should not be made on the premise of delegation of powers, if the value of contract as a whole exceeds the limit of delegated powers.

4. The IFU have also drawn attention to deficiencies on the matter of determination of L1 bidder and have advised that the instructions of CVC on not conducting any negotiation with bidders other than L1 should be adhered to, scrupulously.

5. The above instructions are accordingly brought to the notice of all Heads of Departments under the Board with the request that the provisions in the General Financial Rules and the instructions of CVC on tendering process and negotiations with bidders may be adhered to strictly in all tendering actions including the contract for outsourcing of housekeeping/security services etc.

Yours faithfully,

  
(Nirbhaj Singh)

Under Secretary to the Govt. of India  
Tel: 2616 2673

By Speed Post

F.No.C.30013/255/2008-Ad.IV.A  
Government of India  
Ministry of Finance  
Department of Revenue  
(Central Board of Excise and Customs)

Hudco Vishala Building,  
Bhikaji Cama Place, R.K. Puram,  
New Delhi, the 13 April, 2012

To,  
All Chief Commissioners and Directors General  
under the Central Board of Excise and Customs.

Subject: Guidelines for outsourcing of housekeeping services – regarding.

Sir,

I am directed to invite reference to the Board's letter of even number dated 27<sup>th</sup> July, 2011 (copy enclosed) whereby general guidelines were issued for processing the cases of outsourcing of housekeeping services.

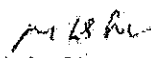
2. In pursuance to the guidelines in the said letter, proposals are being received from the field formations for approval of the Board to cases of expenditure exceeding the limits of powers delegated to Heads of Departments for outsourcing of housekeeping services. In such cases, the two bid procedure, as laid down under Rule 152 of the General Financial Rules, is being followed for tendering action.

3. It is, inter alia, laid down under the two bid procedure in the GFRs as aforesaid that the technical bids are to be opened at the first instance and evaluated by a competent committee or authority. At the second stage, financial bids of only the technically acceptable offers should be opened for further evaluation and ranking before awarding the contract.

4. In the cases being received from the field formations, however, it has been observed that the technical bids as also the financial bids are being opened in one and the same sitting and the financial bids of even those offers are being taken into account which are otherwise considered disqualified on technical considerations. Such a practice is not in conformity with the rule position in the GFRs. It is reiterated that in accordance with the procedure laid down in the GFRs, such of the bids as do not qualify on the prescribed technical parameters, would be eliminated at the first stage of technical evaluation of bids and only for the remaining technically qualifying offers, the corresponding financial bids would be considered in the second stage.

5. Accordingly, it is requested that the Heads of Departments may be advised to ensure strict compliance to the procedure laid down in the GFRs while undertaking tendering action.

Yours faithfully,

  
(M. L. Sharma)

Under Secretary to the Govt. of India

F.NO.C. 30013/255/2008-Ad.IV-A  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

New Delhi dated 28<sup>th</sup> November, 2013

To

All Chief Commissioners/Directors General and Heads of Departments  
under the Central Board of Excise and Customs.

Subject: Guidelines for outsourcing of housekeeping services – reg.

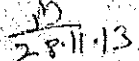
I am directed to invite reference to the Board's letters of even number dated 27<sup>th</sup> July, 2011, 13<sup>th</sup> April, 2012 & 13<sup>th</sup> May, 2013 (copies enclosed), whereby general guidelines were issued for processing the cases of outsourcing of services, for housekeeping /security functions etc.

2. In pursuance to the guidelines in the said letters, proposals being received from the field formations for approval of the Board are examined in consultation with the IFU. It has been observed that in many cases, the provisions in the General Financial Rules and the guidelines of CVC in the matter of tendering action, including negotiations with bidders are not being complied with, fully.
3. Specifically, it has been observed that in several cases, the two-bid procedure prescribed under Rule 152 of the GFRs is not being uniformly followed. As a result, instances have come to notice wherein bidders who emerged as L1 on the basis of financial bids, were rejected on technical grounds. It is reiterated that under the two – bid procedure, all the technical criteria considered essential have to be spelt out in the tender notice. The bids have to be submitted in two parts – Technical and Financial. The technical bids are to be considered first and financial bids are to be opened only for those bidders who emerge successful after consideration of technical bids. In the matter of final selection of bidders and negotiations, strict adherence to guidelines of CVC is to be ensured.
4. Further, tender documents are required to be formulated in a manner to avoid conveying any misleading impression that the contract is for hiring of contract labour. Such an action may be liable to lead to complexities in the form of (a) persons engaged as contract labour trying to set up claims for regular appointment and (b) adverse notice by Labour Ministry on grounds of violation of provisions of legislation on contract labour that prohibits engaging contract labour for regular functions assigned to permanent posts. The tender enquiries accordingly need to be formulated specifying the physical content of the function being outsourced. Any mention of number of persons to be hired on contract should be scrupulously avoided.

5. The IFU have also drawn attention to deficiencies in the matter of selection of service providers and have advised that the provisions in the GFRs, 2005 and instructions of CVC should be adhered to, scrupulously.

6. The above provisions are accordingly brought to the notice of all Heads of Departments under the Board with the request that the provisions in the General Financial Rules and the instructions of CVC on tendering process and selection of service providers may be adhered to strictly in all tendering actions including the contracts for outsourcing of housekeeping/security services etc. A confirmation on such compliance may invariably be incorporated in the proposals, submitted to the Board for financial concurrence to outsourcing of services

Yours faithfully,

  
28.11.13

(Nirbhai Singh)

Under Secretary to the Govt. of India

Tel: 2616 2673

F.NO.C. 30013/25/2015-Ad.IV-A  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

New Delhi dated 12<sup>th</sup> September, 2016

To

All Principal Chief Commissioners/Directors General and Heads of Department  
under the Central Board of Excise and Customs.

Subject: Guidelines for outsourcing of services – reg.

Sir/Madam,

I am directed to invite reference to Board's letter of even number dated 20<sup>th</sup> May, 2016 (copies enclosed), whereby guidelines were issued on finalization of tender on single tender basis. However, in a number of cases, it has been observed that the tenders are still being finalized on single tender basis. It is also noticed that in several cases the tenders finalized for the previous year were extended for the next year which is not as per GFR, 2005. In GFR, 2005, there is no specific provision for extension of providing these services. Hence it is necessary that tender enquiry is floated well in time and the case processed well in advance for obtaining the approval of the Board.

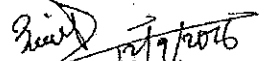
2. While approving the proposals of finalization of tender on single tender basis, Revenue Secretary has taken a serious view of the issue and directed that no single tender cases would be entertained, henceforth.

3. In view of the directions of Revenue Secretary, it is brought to the notice of all Heads of Department under CBEC that **proposal on finalization of tender on 'single tender' basis would not be entertained in any case, by the Board.** It may also be ensure that the relevant provisions in the General Financial Rules, 2005 and the instructions of CVC on tendering process and selection of service provider are strictly adhered to in all proposals, including the contract for outsourcing of services etc.

4. This issues with the approval of Chairman, CBEC.

Encl. As above

Yours faithfully,



(B. Ginkhan Mang)

Under Secretary to the Govt. of India  
Tel: 2616 2673

Copy to Directorate General of Systems and Data Management for uploading the communication on the CBEC's website.

F.NO.C. 30013/25/2015-Ad.IV-A  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

New Delhi dated 20<sup>th</sup> May, 2016

To.

All Chief Commissioners/Directors General and Heads of Department  
under the Central Board of Excise and Customs.

Subject: Guidelines for outsourcing of services – reg.

I am directed to invite reference to the Board's letters F.No. C-30013/255/2008-Ad.IV-A dated 27<sup>th</sup> July, 2011, 13<sup>th</sup> April, 2012, 13<sup>th</sup> May, 2013 & 28<sup>th</sup> November, 2013 (copies enclosed), whereby general guidelines were issued for processing cases of outsourcing of services, etc.

2. In pursuance of the guidelines in the said letters, proposals received from the field formations for approval of the Board are examined in consultation with the IFU. It has been observed that in many cases, the provisions in the General Financial Rules and the guidelines of CVC in the matter of tenders are not being complied with.


3. Specifically, it has been observed that in several cases, the tenders are finalized on single tender basis, which should be avoided. It is brought to your notice that, if consequent to invitation of tenders/bids, only one bid/tender is received or consequent to technical evaluation if only one bid/tender is found eligible, such bid/tender shall be termed as single tender. If in the first invitation/call, single bid is received, the tender/bid shall not be opened and bids shall be re-invited.

4. It is also noticed that in several cases the tenders finalized for the previous year were extended for the next year which is not as per GFR, 2005. In GFR, 2005, there is no specific provision for extension for providing these services. Hence it is necessary that tender enquiry is floated well in time and the case processed well in advance for obtaining the approval of the Board.

5. The above provisions are brought to the notice of all Heads of Department to ensure that the provisions in the General Financial Rules and the instructions of CVC on tendering process and selection of service providers are strictly adhered to in all proposals, including the contracts for outsourcing of services etc. A confirmation on such compliance should invariably be incorporated in the proposals, submitted to the Board for financial concurrence to outsourcing of services. Any deviation, should be brought to notice along with the reasons/justification before recommending proposals for approval of the Board.

Encl. As above

Yours faithfully,



(B. Ginkhan Mang)  
Under Secretary to the Govt. of India  
Tel: 2616 2673

✓ Copy to Directorate General of Systems and Data Management for uploading the communication on the CBEC's website.