



भारतीय खाद्य निगम  
Food Corporation of India

# CONTRACT MANUAL

( संविदा नियम-पुस्तक )

**Food for All Life for All**  
सबको अन्न सबको जीवन

# CONTRACT MANUAL



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Food Corporation of India





# FOREWORD

Food corporation of India's Storage and Contract manual was codified in the year 1995, since then FCI operations have grown manifold. Moreover, in the last few years, the Government of India has issued many new instructions in the domain of Public Procurement. Some of these important changes include introduction of Government e-Marketplace (GeM), preferential market access for Micro and Small Enterprises and revision in GFR etc. The Manual for Procurement of Consultancy and other Services has been updated by Ministry of Finance, Department of Expenditure in the year 2022. The relevant extracts of the said manual have also been reproduced here.

FCI has also undertaken reforms in contract management which include floating the tenders on GeM portal, simplification of documentation and eligibility criteria, introduction of mechanized handling etc.

Manuals issued by FCI are to be taken as generic guidelines, which have to be necessarily broad in nature. Storage & Contract division is advised to supplement this manual to suit ever changing needs by issuing supplementary directions/circulars. Standard Model Tender Forms (MTFs) and Delegation of Power (DOP) also need to be revised after a fixed interval to align with changing scenarios / Government instructions.

I would like to acknowledge the lead taken by Storage and Contract Division and Committee of officers for undertaking the long awaited review.

I hope that this Manual would be useful to field functionaries and will bring about greater transparency and predictability in contract management of FCI. This will also help in improving the ease of doing Business with FCI.

**Ashok K. K. Meena, IAS**  
Chairman cum Managing Director

1<sup>st</sup> July 2024



# PREFACE

FCI's Contract Management practices have undergone significant evolution since the issuance of the previous Manual in 1995. To adapt to these changes, FCI Headquarters has periodically issued various instructions to Field Offices regarding Contract Matters. This Manual consolidates those instructions, serving as a comprehensive guide for officers and staff to effectively perform their duties.

The revision of the Contract Manual was a monumental task, and I extend my gratitude to the Committee and Storage & Contract Division of FCI, Hqrs for their remarkable efforts in this accomplishment.

In its 423rd meeting on 28.05.2024, the Board of Directors approved the Revised Contract Manual. The Board also appreciated the efforts of FCI for its dedication to updating the Contract Manual.

The Revised Contract Manual is now accessible for internal use within FCI. I am confident that it will serve as an invaluable and comprehensive resource.

**(Dr. Ajit K. Sinha)**

Executive Director (Storage & Contract)

1<sup>st</sup> July 2024





# PREFACE

The previous Manual on Contract management was issued during the year 1995 since then several instructions have been issued by the Government of India and FCI, Hqrs on the contract matters. Every effort has been made to codify all the relevant instructions/ guidelines relating to Contracts, so that it could serve as a guide to the officers and staff at field level and enable them to discharge their functions efficiently.

The approach adopted while writing the manual is not only reformative but also encourages ease of doing business. The contractors are an important link in the supply chain management, so the manual envisages the contract management on mutual trust. Care has also been taken to empower and trust the authorities taking bona-fide decisions in good faith.

The manual also aims at maximizing participation in FCI tenders and discouraging rejections of bids on frivolous grounds. Thus, engagement of capable contractors at competitive rates is aimed to ensure seamless operations. While the Manual summarized the instructions on the subject, it is not meant to replace the Standing Instructions/ Model Tender Form issued by the Corporation on the subject. Salient features of the revised manual include floating of tenders through GeM portal, Foreclosure of Contract, Simplification of documentation, new debarment guidelines of GOI and submission of Bills through Bill Tracking Software (BTS) etc. I would also like to extend my deepest gratitude to the Committee members whose expertise has helped a lot in accomplishing this massive task of revision of Manual. The Manual is meant only for official use and is NOT an authority for entertaining any claims of any kind.

This manual has been approved by Board of Director in its 423rd meeting held on 28.05.2024.

**GIRISH KUMAR**  
GENERAL MANAGER (S&C)

1<sup>st</sup> July 2024

# DISCLAIMER

**While every care has been taken to ensure that the contents of this Manual are accurate and up-to-date nevertheless manual is to be taken as generic guidelines, which have to be necessarily broad in nature. However, the Model Tender Form as updated from time to time shall continue to be the Legal document for the purpose of interpretation and execution of contracts.**





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CHAPTER

1

# BASIC AIMS AND FUNDAMENTAL PRINCIPLES OF PUBLIC PROCUREMENT

(Source: Manual for Procurement of Consultancy and other Services 2022, Ministry of Finance, GoI, Department of Expenditure)

## 1.1 BASIC AIMS OF PROCUREMENT - THE FIVE R's OF PROCUREMENT

In every procurement, public or private, the basic aim is to achieve just the right balance between costs and requirements concerning the following five parameters called the Five R's of procurement. The entire process of procurement (from the time the need for an item, facility or services is identified till the need is satisfied) is designed to achieve such a right balance. The word 'right' is used in the sense of 'optimal balance'.

### i). RIGHT QUALITY

Procurement aims to buy just the right quality that will suit the needs — no more and no less— with clear specification of the Procuring Entity's requirements, proper understanding of functional value and cost, understanding of the bidder's quality system and quality awareness. The concept of the right balance of quality can be further refined to the concept of utility/value. For the Right Quality, Technical Specification (Terms of Reference (ToR) in case of Procurement of Services) should be the most vital ingredient. In public procurement, it is essential to give due consideration to Value for Money while benchmarking the specification.

### ii). Right Quantity

There are extra costs and systemic overheads involved with both procuring a requirement too frequently in small quantities or with buying large quantities. Hence, the right quantity is procured (in appropriate size of contract) which balances extra costs associated with larger and smaller quantities. In case of Procurement of Services, scope of Work determines the quantum of services.

### iii). Right Price

It is not correct to aim at the cheapest materials/ facilities/ Services available. The price should be just right for the quality, quantity and other factors involved (or should not be abnormally low for a facilities/works/ services which could lead to a situation of non- performance or failure of contract). The concept of



price can be refined further to take into account not only the initial price paid for the requirement but also other costs such as maintenance costs, operational costs and disposal costs

#### **iv). Right Time and Place**

If the material (or facility or services) is needed by an organization in three months' time, it will be costly to procure it too late or too early. Similarly, if the vendor delivers the materials/ facilities/ services in another city, extra time and money would be involved in logistics. An unrealistic time schedule for completion of a facility may lead to delays, claims and disputes.

#### **V). Right Source**

Similarly, the source of delivery of Goods, Works and Services of the requirement must have just right financial capacity and technical capability for our needs (demonstrated through satisfactory past performance of contracts of same or similar nature). Buying a few packets of printer paper directly from a large manufacturer may not be the right strategy. On the other hand, if our requirements are very large, buying such requirements through dealers or middlemen may also not be right.

## **1.2 REFINED CONCEPTS OF COST AND VALUE — VALUE FOR MONEY**

The concept of price or cost has been further refined into Total Cost of Ownership (TCO) or Life Cycle Cost (LCC) or Whole-of-Life (WOL) to take into account not only the initial acquisition cost but also cost of operation, maintenance and disposal during the lifetime of the external resource procured. Similarly, the concept of quality is linked to the need and is refined into the concept of utility/ value. These two, taken together, are used to develop the concept of Value for Money (VfM, also called Best Value for Money in certain contexts).

VfM means the effective, efficient, and economic use of resources, which may involve the evaluation of relevant costs and benefits, along with an assessment of risks, non-price attributes (e.g. in goods and/or services that contain recyclable content, are recyclable, minimize waste and greenhouse gas emissions, conserve energy and water and minimize habitat destruction and environmental degradation, are non-toxic etc.) and/or life cycle costs, as appropriate. Price alone may not necessarily represent VfM. In public procurement, VfM is achieved by attracting the widest competition by way of optimal description of need; development of value-engineered specifications/ Terms of Reference (ToR); appropriate packaging/ slicing of requirement; selection of an appropriate mode of procurement and bidding system. These advanced concepts are explained below.





### 1.2.1 THE CONCEPT OF VALUE

Value is a management and economics concept. It represents the extent of satiation of a hierarchy of needs of a person by a product bought for this purpose. This is subjective and difficult to quantify. This is because different persons (or the same persons under different circumstances) would have different hierarchy of needs and would perceive different extents of satiation or value from the same product. There are three sources of the value of a product. The first source of value is from the functional usage of the product (known as use value) and the second source comes from the social status associated with the ownership of the product (esteem value). This can be shown as the difference between a luxury branded gold-plated, diamond encrusted pen and a disposable non-descript functional pen, though both fulfil the broadly same function and have the same use value. The luxury branded pen, in addition to the use value, also has additional esteem value. The third source of value comes from the price that one can get by exchanging or scrapping the product at the end of the useful life of the product. This is called the disposal value. Normally, when people buy a car, they do consider the estimated disposal value of different choices of models. Value is the sum total of all the three values.

### 1.2.2 TOTAL COST OF OWNERSHIP

While the value of a product covers all components of value over the "Whole-Of-Life" (WOL), the costs incurred on the product should also take into consideration the total of various elements of costs incurred over WOL of the product. For this purpose, future costs are discounted to present value. For example, it would not be prudent to buy a cheap car, which has a very high cost of operating. This is called variously as WOL or "Life-Time-Cost" (LCC) or "Total Cost of Ownership" (TCO). The last is a preferred nomenclature in procurement and is defined as the total of all costs associated with a product, service, or capital equipment that are incurred over its expected life. Typically, these costs can be broken into four broad categories:

- a) **Procurement price.** The amount paid to the vendor/ contractor for the product, service, or capital equipment;
- b) **Acquisition costs.** All costs associated with bringing the product, service, or capital equipment into operation at the customer's location. Examples of acquisition costs are sourcing, administration, freight, taxes, and so on;
- c) **Usage costs.** In the case of a product, all costs associated with converting the procured part/material into the finished product and supporting it through its usable life. In the case of a service, all costs associated with



the performance of the service that is not included in the procurement price. In the case of capital equipment, all costs associated with operating the equipment through its life. Examples of usage costs are inventory, conversion, wastage, lost productivity, lost sales, warranty, installation, training, downtime, and so on; and

- d) **End-of-life costs.** All costs incurred when a product, service, or capital equipment reaches the end of its usable life, net of amounts received from the sale of the remaining product or the equipment (disposal value) as the case may be. Examples of end-of-life costs are obsolescence, disposal, clean-up, and project termination costs

### 1.2.3 Value for Money

Besides value of a product or service, the customer also has his own notion of "value" of a particular sum of money. This is different for different people or even for the same person in different circumstances. When the perceived value of a product matches the perceived value of the amount of money (cost of the product), the customer feels he got the full value for his money. This is called the VfM. In procurement, Total Cost of Ownership is taken to evaluate value for money. Given the limited resources available to the government, ensuring VfM in procurement is the key to ensuring the optimum utilization of scarce budgetary resources. It usually means buying the product or service with the lowest WOL costs that is 'fit for purpose' and just meets the specification. VfM also incorporates affordability; clearly, goods or services that are unaffordable cannot be bought. This should be addressed as soon as possible within the process, ideally at the need assessment stage before procurement commences. In order to address this issue, a change in the procurement approach, specification or business strategy may be required.

Where an alternative is chosen that does not have the lowest WOL costs, then the additional 'value added' benefit must be proportional and objectively justifiable. Assessment of bids should be conducted only in relation to a published set of evaluation criteria (which should be relevant to the subject of the contract), and any 'added value' that justifies a higher price must flow from these defined criteria. In public procurement VfM is often primarily established through the competitive process. A strong competition from a vibrant market will generally deliver a VfM outcome. However, where competition is limited, or even absent, other routes may have to be used to establish VfM. These can include benchmarking, construction of theoretical cost models or 'shadow' bids by the procurement agency. For major contracts, this can require considerable financial expertise and external support. A VfM assessment, based on the published conditions for participation and evaluation, may include consideration of some factors such as:





- i) Fitness for purpose;
- ii) Potential vendor/contractor's experience and performance history;
- iii) Flexibility (including innovation and adaptability over the lifecycle of the procurement);
- iv) Environmental sustainability (such as energy efficiency and environmental impact); and
- v) Total cost of ownership

But due to uncertainties in estimates of various components of TCO (and actual costs over the life-cycle) and intangibles of Value, some element of subjectivity may become unavoidable, and hence is not normally useable in routine Public Procurement cases. Therefore, preference is given to alternative means for ensuring VfM by way of optimal description of needs; development of value-engineered specifications/ Terms of Reference and appropriate packaging/ slicing of requirements and selection of appropriate mode/ bidding systems of procurement etc.

### 1.3 FUNDAMENTAL PRINCIPLES OF PUBLIC PROCUREMENT

General Financial Rules, 2017 lay down the Fundamental Principles of Public Procurement. These principles and other additional obligations of procuring authorities in public procurement can be organized into five fundamental principles of public procurement, which all procuring authorities must abide by and be accountable for:

#### I). TRANSPARENCY PRINCIPLE

All procuring authorities are responsible and accountable to ensure transparency, fairness, equality, competition and appeal rights. This involves simultaneous, symmetric and unrestricted dissemination of information to all likely bidders, sufficient for them to know and understand the availability of bidding opportunities and actual means, processes and time- limits prescribed for completion of registration of bidders, bidding, evaluation, grievance Redressal, award and management of contracts. It implies that such officers must ensure that there is consistency (absence of subjectivity), predictability (absence of arbitrariness), clarity, openness (absence of secretiveness), equal opportunities (absence of discrimination) in processes. In essence Transparency Principle also enjoins upon the Procuring Authorities to *do only that which it had professed to do as pre-declared in the relevant published documents and not to do anything that had not been so declared*. As part of this principle, all procuring entities should ensure that offers should be invited following a fair



and transparent procedure and also ensure publication of all relevant information on the Public Procurement Portal.

## II. PROFESSIONALISM PRINCIPLE

As per these synergic attributes, the procuring authorities have a responsibility and accountability to ensure professionalism, economy, efficiency, effectiveness and integrity in the procurement process. They must avoid wasteful, dilatory and improper practices violating the Code of integrity for Public Procurement (CIPP) mentioned in Chapter 3 of Manual for Procurement of Consultancy and other Services 2022, Ministry of Finance, Department of Expenditure manual. They should, at the same time, ensure that the methodology adopted for procurement should not only be reasonable and appropriate for the cost and complexity but should also effectively achieve the planned objective of the procurement. As part of this principle, the government may prescribe professional standards and specify suitable training and certification requirements for officials dealing with procurement matters. In reference to the above two principles - Transparency and Professionalism Principle, It may be useful to refer to the following provisions in the General Financial Rules, 2017:

### **"Rule 144 of GFR 2017:**

Fundamental principles of public buying. (for all procurements including procurement of works). — Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

**The procedure to be followed in making public procurement must conform to the following yardsticks: -**

- a) The description of the subject matter of procurement to the extent practicable should
  1. be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics;
  2. not indicate a requirement for a particular trade mark, trade name or brand.
- b) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out





should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure.

- c) Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad, the technical specifications may be framed based on requirements and standards of the host beneficiary Government, where such standards exist. Provided that a Procuring Entity may, for reasons to be recorded in writing, adopt any other technical specification.
- d) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs,
- e) offers should be invited following a fair, transparent and reasonable procedure
- f) the procuring authority should be satisfied that the selected offeradequately meets the requirement in all respects
- g) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required
- h) at each stage of procurement, the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision
- i) a complete schedule of procurement cycle from date of issuing the tender to date of issuing the contract should be published when the tender is issued.
- j) All Ministries/Departments shall prepare Annual Procurement Plan before the commencement of the year and the same should also be placed on their website"
- k) Notwithstanding anything contained in these Rules, Department of Expenditure may, by order in writing, impose restrictions, including prior registration and/or screening, on procurement from bidders from a country or countries, or a class of countries, on grounds of defence of India, or matters directly or indirectly related thereto including national security; no procurement shall be made in violation of such restrictions.



### **III). BROADER OBLIGATIONS PRINCIPLE**

Over and above transparency and professionalism, the procuring authorities have also the responsibility and accountability to conduct public procurement in a manner to facilitate achievement of the broader objectives of the government - to the extent these are specifically included in the 'Procurement Guidelines'.

- a) Preferential procurement from backward regions, weaker sections and MSEs, locally manufactured goods or services, to the extent specifically included in the 'Procurement Guidelines'; and
- b) Reservation of procurement of specified class of goods from or through certain nominated CPSEs or Government Organizations, to the extent specifically included in the 'Procurement Guidelines'.
- c) Support to broader social policy and programme objectives of the government (for example, economic growth, strengthening of local industry - make-in- India, Ease of Doing Business, job and employment creation, and so on, to the extent specifically included in the 'Procurement Guidelines');
- d) Facilitating administrative goals of other departments of government (for example, ensuring tax or environmental compliance by participants, Energy Conservation, accessibility for People with Disabilities etc. to the extent specifically included in the 'Procurement Guidelines').
- e) Procurement policies and procedures must comply with accessibility criteria which may be mandated by the Government from time to time. Keeping this in view, Department of Expenditure amended Rule 144 of GFR, 2017 and introduced a sub-point (xi) imposing restrictions under the rule.

### **iv). Extended Legal Responsibilities Principle**

Procuring authorities must fulfil additional legal obligations in public procurement, over and above mere conformity to the mercantile laws (which even private sector procurements have to comply with). The Constitution of India has certain provisions regarding fundamental rights and public procurement. Courts have, over a time, taking a broader view of Public Procurement as a function of 'State', interpreted these to extend the responsibility and accountability of public procurement Authorities. Courts in India thus exercise additional judicial review (beyond contractual issues) over public procurement in relation to the manner of decision making in respect of fundamental rights, fair play and legality. Similarly, procuring authorities have also the responsibility and accountability to comply with the laws relating to Governance Issues like Right to Information (RTI) Act and Prevention of





Corruption Act, and so on. Details of such extended legal obligations are given in Appendix 2 of Manual for Procurement of Consultancy and other Services 2022, Ministry of Finance, Department of Expenditure.

**v). PUBLIC ACCOUNTABILITY PRINCIPLE**

Procuring authorities are accountable for all the above principles to several statutory and official bodies in the Country — the Legislature and its Committees, Central Vigilance Commission, Comptroller and Auditor General of India, Central Bureau of Investigations and so on— in addition to administrative accountability. As a result, each individual public procurement transaction is liable to be scrutinized independently, in isolation, besides judging the overall outcomes of procurement process over a period of time. Procuring authorities thus have responsibility and accountability for compliance of rules and procedures in each individual procurement transaction besides the achievement of overall procurement outcomes. The procuring authority, at each stage of procurement, must therefore, place on record, in precise terms, the considerations which weighed with it while making the procurement decision from need assessment to fulfilment of need. Such records must be preserved, retained in easily retrievable form and made available to such oversight agencies. The Procuring Entity shall therefore, maintain and retain audit trails, records and documents generated or received during its procurement proceedings, in chronological order, the files will be stored in an identified place and retrievable for scrutiny whenever needed without wastage of time. The documents and record will include:

- a) documents pertaining to determination of need for procurement;
- b) description of the subject matter of the procurement;
- c) statement of the justification for choice of a procurement method other than open competitive bidding;
- d) documents relating to pre-qualification and registration of bidders, if applicable;
- e) particulars of issue, receipt, opening of the bids and the participating bidders at each stage;
- f) requests for clarifications and any reply thereof including the clarifications given during pre-bid conferences;
- g) bids evaluated, and documents relating to their evaluation;
- h) contracts and Contract Amendment; and
- i) complaint handling, correspondences with clients, consultants, banks.

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## CHAPTER

## 2

## GENERAL PRINCIPLES GOVERNING CONTRACTS IN FCI

- 2.1** Food Corporation of India (FCI) is a Public Sector Undertaking established under the Food Corporation Act, 1964 under Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution.
- 2.2** The mandate of FCI is to provide Minimum Support Price (MSP) to farmers, maintenance of buffer stock and stabilization of prices of foodgrains mainly wheat and rice.
- 2.3** The functions of FCI primarily consist of Procurement, Storage, Movement, Transportation and Distribution of foodgrains on behalf of the Central Government. FCI transports foodgrains from surplus states to the consuming states, thus necessitating supply chain maintained by movement through rail, road and water.
- 2.4** Among various operations carried out by FCI, the operation of Handling and Transportation of foodgrains is vital for ensuring adequate availability of foodgrains for NFSA and other welfare schemes of Government of India throughout the country. To carry out this gigantic task, a large number of Handling & Transport Contracts are placed all over India.
- 2.5** Primarily there are following types of contracts-
- (a) **Handling & Transportation Contract (H&TC)** These Contracts are for Handling and Transportation of foodgrains from godowns/storage points to railhead or vice versa and from one place to another place at the same center. Also, only Handling Contract (HC) or only Transport Contract (TC) are entered by regions as per their requirement. The same Model Tender Form (MTF) is used for appointment of Transport Contractor as nature of work is same except that the loading/unloading/stacking operations are carried out by FCI's own labour in case of only transport contracts.
  - (b) **Road Transport Contracts** These Contracts are entered for the movement of foodgrains from one station to another station within the same FCI district or inter district, within the same region or inter region, within the Zone and inter Zone wherein road movement is resorted as an alternative to rail





movement or to supplement the rail movement or there is no railway connectivity.

- (c) Multi Modal Transport Contract / Stevedoring Contract is used for port operations and riverine movement.
- (d) Mandi Transport / Mandi Labour contracts are used for Handling and Transportation of foodgrains in Mandi.

**2.6** Storage and Contract Division in Headquarters monitors the timely placement / execution of Handling & Transport Contracts / Road Transport Contracts for these operations in the depots. It also issues policy directives from time to time in this regard and formulates Model Tender Forms (MTFs) for the purpose. These contracts are distinct from Purchase Contracts or Engineering Contracts for construction of godowns.

## **2.7 Authority Competent to enter into the Contract**

No contract shall be entered into by any subordinate Authority of Corporation which has not been specifically authorized to do so under proper delegation. Under Section 37 of the Food Corporation Act, 1964, FCI may, by general or special order in writing, delegate to the Chairman or any other member of Board of Directors or Secretary or any other officer of the Corporation, subject to such conditions and limitations, if any, as may be specified in the Order, such of its powers and functions under the Act as it may deem necessary. Under this provision of the Act, the Board of Directors has delegated financial and cognate powers to various Authorities for execution of contracts.

**2.8** Various clauses of contracts authorized by Food Corporation of India, which may be executed by the different subordinate Authorities are specified in separate notifications and delegations issued by Food Corporation of India from time to time.

## **2.9 General rules relating to Service Contracts (Handling / Transport / Handling & Transport / Multi Modal Transport Contract)**

Following general principles should be observed by the subordinate Authorities empowered to enter in to the contracts or agreements involving expenditure in the Corporation:

- I. The terms of the contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.
- II. Subject to adequate prior scrutiny of terms, general or special, standard /



model form of contracts should be adopted wherever possible. The alternatives used in the standard form which are not applicable should be invariably scored out.

- III. In cases where standard forms of contracts are not used, Legal and Financial advice should be taken in drafting the contracts and before they are finally floated.
- IV. No relaxation of specifications agreed upon in a contract or relaxation of the terms of an agreement entered into by the Corporation should be made without proper examination of the Legal & Financial effects involved in such relaxation. The interest of the Corporation should be taken due care before agreeing to any relaxation of agreement or contract.
- V. Save in exceptional circumstances, no work of any kind should be commenced without prior execution of contract documents.
- VI. Provision must be made in contracts for safeguarding Corporation's property entrusted to a contractor and for recovery of hire charges, if any.
- VII. When a contract is likely to endure for a long period, or where the contract provides for a clear schedule for the fulfillment of the various stages of the contract, it should include a provision for unconditional power of revocation or cancellation at the discretion of the Corporation at any time on the expiry of reasonable notice to that effect.
- VIII. Foreclosure of Contract

All contracts should normally have a foreclosure clause. If due to the change of circumstances there is no likelihood of any work during remaining period of the Contract, it may not be prudent to continue with the contract and Competent Authority may decide for the foreclosure of the contract as per the procedure defined in the MTF.

- IX. All contracts should have a provision for recovery of liquidated damages for defaults on the part of the contractors, unless any special instructions are issued by the Competent Authority.
- X. The Terms of the contract once entered into should not be materially varied without the previous consent of the Authority competent to enter into the contract.





- XI. No payment to the contractors by way of compensation outside the strict terms of the contract or in excess of the contract rates may be authorized.
- XII. No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the prior consent of the Chairman/Managing Director of the Corporation.
- XIII. Where escalation in respect of labour overhead, freights etc. is provided for in a contract, the basis for the calculation of the same should be clearly indicated.
- XIV. Generally, contracts should be placed only through open Tenders. However, where open tenders are not invited the specific reasons for doing so should be recorded and approval of the Competent Authority be taken in writing, unless such action is taken in accordance with any instructions issued by the Corporation.
- XV. It should be specifically provided in every tender that the Corporation reserves the right to accept without assigning any reason any tender, and when there are two or more items in a tender, to accept the tender for any one or more items or any part or parts thereof. Corporation also reserves, the right to reject all the tenders without assigning any reason and does not bind itself to accept the lowest or any tender.
- XVI. All Tenders should be invited online under two bid system viz., Technical bid and Price bid through portal/website prescribed by FCI / Govt. of India. Tender document shall also be uploaded on FCI's website for reference.
- XVII. All tenders should be accompanied by prescribed Earnest Money Deposit (EMD) except for the entities specifically exempted from deposit of EMD from time to time.
- XVIII. If the information given by the Tenderer / Party in the Tender Document and its Annexures & Appendices is found to be false / incorrect / fabricated or has violated / breached any of the Terms & Conditions of the contract, at any stage, Food Corporation of India shall have the right to disqualify / summarily terminate the contract, forfeit EMD /SD / BG, make good any other losses caused to the Corporation and debar the party as per prevalent instructions, without prejudice to any other rights that the Corporation may have under the Contract and Law.
- XIX. Tender documents must be suitably aligned with the various policies of Govt. of India like MSME / Startup / Make in India and Debarment guidelines etc.



- XX. Criteria for qualification and disqualification / debarment / blacklisting of bidders shall be clearly defined in the Tender Document.
- XXI. List of documents to be uploaded by the bidders on the portal / website shall be clearly defined in the Tender document.
- XXII. If the bidder or any employee of the bidder or any person acting on behalf of the bidder, either directly or indirectly, is a relative of any of the officers of the Corporation, or alternatively, if any relative of an officer of the Corporation has financial interest / stake in the bidder's firm, the same shall be disclosed by the bidder at the time of filling of tender. The members of 'Contract Evaluation Committee' shall furnish an undertaking to 'Tender Inviting Authority' that none of them has any personal interest in the Companies / Agencies / Entities participating in the tender.
- XXIII. In case of any clear indication of Cartelization, the tender shall be rejected besides taking any other action defined in the tender document.

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CHAPTER

3

## INVITATION AND SCRUTINY OF TENDERS

### 3.1 Tender Notice

- (a) All tender notices should be worded as precisely as possible so as to bring out necessary details for the information of the intending tenders and to enable them to know clearly what is actually required.
- (b) Each Tender Enquiry should indicate the following particulars:
  - I. Office of issue
  - II. Tender Number / ID and Date
  - III. Last date and time for submission of tenders
  - IV. Date and time for opening of the tenders
  - V. Period for offers to remain open
  - VI. Brief description of the nature of Contract
  - VII. Place of Work
  - VIII. Estimated Value of the Contract
  - IX. Amount of EMD / SD / BG
- (c) In the case of advertised tenders, indicative Tender Notices should be released for publication in the newspaper also giving link of the portal/Website through which tender is being floated. The detailed Tender Notice should be available on the public portal.
- (d) Tender shall also be uploaded on FCI's website for reference purpose only.
- (e) Ordinarily period of not less than 21 days should be allowed to the firms to ensure that adequate time is given to respond to the tender enquiry. The Notice Inviting Tender should not have any clauses which are not compatible with the Model Tender Form.

Where the Tender Inviting Authority considers it necessary in the interest of the Corporation to allow shorter period for the bid submission, proper justification shall be recorded for the same duly setting out the reasons for deviation from the above-mentioned general rule. Need based deviation have been demarcated in the clause of 'Handling emergent situations, in Chapter 16.

- (f) Tender notices should also be exhibited on the office Notice Board.

### 3.2 Submission of tenders

Tenders should be uploaded / submitted online through the Portal / Website prescribed by FCI. The tender shall be submitted online in two parts viz. Technical bid and Price bid. Tender Document (except price bid) along with supporting documents duly signed have to be scanned and uploaded at the requisite places in the Portal / Website.

### 3.3 Limited tenders

- (a) Limited tender shall be resorted to meet an extremely emergent situation as per Delegation of Power only.
- (b) A list of reliable / experienced firms shall be maintained in each Regional Office for the purpose of Limited Tender enquiry which will include the names of parties of known reliability, State Government contractors whose work has been reported to be satisfactory, and such contractors who have worked for the Corporation in response to open tenders satisfactorily in the past. This list shall be updated from time to time.
- (c) The Competent Authority should place on record the nature of the urgency and compelling reasons for resorting to Limited Tender enquiry under intimation to next Higher Authority.

### 3.4 Amount of Earnest Money

- (a) Each tender must be accompanied by an Earnest Money @ 2% Estimated value of contract which must be submitted electronically through NEFT/RTGS/ other electronic means by the tenderers for which concerned FCI, Regional Office will provide its Bank Account no. & concerned Branch of the bank where the account is held. In case of NEFT/RTGS/other electronic means the tenderer has to indicate transaction no. (UTR No.) of such payments appropriately in the Bid.
- (b) The Tenderer shall be permitted to bid on the express condition that in case he resiles, or modifies his offer, or Terms & Conditions thereof, after submitting





his tender, for any reason whatsoever during the tender process, or any of the information furnished by him/her is found to be incorrect or false, the Earnest Money Deposited by him shall stand forfeited, without prejudice to any other rights and remedies of the Corporation under the Contract and Law, and the Tenderer will be liable for any loss suffered by the Corporation on account of its withdrawal / modification etc. besides forfeiture of EMD. He will also be debarred from participating in any other Tender Enquiry with FCI.

- (c) Micro & Small enterprises (MSEs) will be exempted from payment of Earnest Money Deposit (EMD) as per instructions of the government as revised time to time.
- (d) The Startups are exempted from the payment of Earnest Money Deposit (EMD) on submission of proof of their being registered with the agencies prescribed by Govt. of India.

### 3.5 Refund of Earnest Money Deposit (EMD)

- (a) Earnest Money may be returned to all the unsuccessful tenderer within a period of 15 days from the date of disqualification in the case of all tenderer whose Technical Bids are disqualified, and within a period of 30 days from the date of issue of the acceptance letter in the case of all other Tenderers except successful tenderer.
- (b) EMD of successful tenderer will be automatically converted into Security Deposit and the balance amount of SD shall be electronically transferred through NEFT/RTGS/Other electronic means in favour of the Food Corporation of India.
- (c) No interest shall be payable on Earnest Money, in any case.

### 3.6 Fixing the period for tenderers to keep their offers open

- (a) In every tender, a period is to be specified up to which the tenderer should be required to keep their offers open for acceptance.
- (b) The General Manager, Food Corporation of India may extend the bid validity as defined in the Tender document with mutual consent of FCI and Bidder.

### 3.7 Signing of tenders

- (a) The Authorized Signatory signing the tender shall use online portal prescribed by FCI for submission of tender documents and MTF. The Authorized Signatory signing the tender shall state in what capacity he/ she is, signing the tender, e.g. as sole proprietor of the firm, or as a Secretary / Manager / Director etc.,

of a Limited Company. In case of Partnership firm, the names of all partners should be disclosed and the tender shall be signed by all the partners or by their duly constituted attorney, having authority to bind all the partners in all matters pertaining to the contract. The original or an attested copy, of the registered partnership deed should be scanned and uploaded along with the tender. In case of limited company, the names of all the Directors shall be mentioned, and a copy of the Resolution passed by the Company authorizing the person signing the tender to do so on behalf of the company shall be scanned and uploaded along with a copy of the Memorandum and Articles of Association of the Company.

- (b) The Authorized signatory signing the tender, or any documents forming part of the tender, on behalf of another, or on behalf of a firm shall be responsible to produce a proper Power of Attorney duly executed in his favour, stating that he has authority to bind such other person, or the firm, as the case may be, in all matters, pertaining to the Contract. If the Authorized signatory so signing the tender fails to produce the said Power of Attorney his tender shall be summarily rejected without prejudice to any other right of the Corporation under the law. The hard copy of Power of Attorney will be submitted by the successful tenderer at the time of awarding of the contract.
- (c) The Power of Attorney should be signed by all the partners in the case of a partnership concern, by the proprietor in the case of proprietary concern, and by the person who by his signature can bind the company in the case of a limited company. The Power of Attorney duly signed should be scanned & uploaded.

### **3.8 Opening of tenders**

- (a) The Technical Bid will be opened online first, in the Office/Offices of the Food Corporation of India, at the fixed time and the date indicated in the NIT. The Tenderer will be at liberty to be present either in person or through an authorized representative at the time of opening of the Technical Bid with the Bid Acknowledgement Receipt or they can view the bid opening event online at their remote end.
- (b) Price Bids of only those tenderers shall be opened whose technical bids qualify, at a time and place of which notice will be given. The Tenderer technically qualified will be at liberty to be present either in person or through an authorized representative at the time of opening of the Price Bids with the Bid Acknowledgement Receipt or they can view the bid opening event online at their remote end.
- (b) If the date fixed for opening of tenders is subsequently declared a holiday,





the tenders will be opened on the next working day following the holiday but there will be no change in the time for opening.

### **3.9 Withdrawal/modification of offer before acceptance**

No opportunity shall be given to tenderer to alter, modify, substitute or with-draw any offer at any stage after submission of the tender unless the tender specifically provides for it.

### **3.10 Seeking Additional documents**

Tender Awarding Authority reserves the right to disqualify the bid as per Terms & Conditions and no request for alteration, modification, substitution or withdrawal shall be entertained by the Authority in respect of such bid. Provided, however, that the Authority may, in its absolute discretion, allow the bidder to rectify any infirmities or omission in form of the clarification only against the information submitted, if the same do not constitute a modification of the bid save to the extent of the aforesaid clarification.

For example- Clarification can be sought from the bidders for the documents which already exists and submitted in the bid like missing signatures on few pages, anomalies due to different spellings of name, surname, places, missing pages etc.

The bids should be disqualified on material grounds only. The rejection of bids on frivolous/ Hyper-technical grounds should be avoided.

### **3.11 Tabulation of tenders – preparation of Comparative Statement**

- (a) All tenders received in response to an enquiry should be tabulated and a comparative statement prepared. All necessary details concerning the offers, such as rates, the items and nature of services, together with any other information relevant to the position of the tender should be extracted and entered in a comparative statement.
- (b) Last contract rates must always be mentioned in the appropriate column of the comparative statement.
- (c) All comparative statements shall be examined by, and signed and dated by the officers responsible for preparing them in token of their having been checked before submission to the officers concerned.

### **3.12 Examination of Tenders**

- (a) The evaluation committee shall submit the evaluation report along with its recommendation regarding Technical qualification to the Contract division of concerned office.

- (b) A comparative statement of cost according to the tendered rates will also be prepared by Contract Division on the basis of the quantum of each item of service estimated with reference to the actual operations in the preceding year and the likely nature of the work during the period of the contract under consideration.
- (c) Thereafter, the Contract division will examine the report / recommendation of the Evaluation Committee. Then rate received will be examined and Contract division will submit its views / recommendation to the Authority competent to award the contract.
- (d) The Competent Authority will take a decision in consultation with Associate Finance in a reasonable time limit.
- (e) Non-positioning of contracts on time has operational implications so it is necessary to take timely decision on tenders.

### **3.13 Timely acceptance of tenders**

Either acceptance or proposals for acceptance should be made within reasonable time in any case before the last date of acceptance or extended date of acceptance indicated in the tender documents.

### **3.14 Scrapping of tenders received and issue of fresh enquiry**

Under ordinary circumstances, it is not permissible to scrap a tender and re-invite fresh Bids. The Competent Authority may, however, scrap tenders and re-invite quotations after recording on the file the reason for doing so when strong grounds exist for this course of action.

### **3.15 Negotiations**

Generally, no negotiations are permitted however, guidelines issued by the Vigilance / Storage & Contract Division, FCI, Hqrs on the matter from time to time shall be followed.

### **3.16 Period of validity of Service Contracts**

- (a) **Regular Contract-** All contracts will operate for a period as defined in concerned MTF. In order to avoid unnecessary work and also to enable a contractor to settle down to work, the Handling and Transport Contract / Road Transport Contract as a rule, operate for a fixed period of two years without any right of extension.
- (b) **Adhoc Contract-** To meet any emergency, Adhoc contract may be entered into for a period of six months, extendable for a period of three months at FCI





discretion, provided all out efforts to make regular arrangements become futile. The right of extension in an Adhoc contract can be exercised only once. Piecemeal extensions are not permitted.

Adhoc contracts would also be made on the model tender terms so that the standard terms and conditions are uniformly followed whether the contract is a Regular or Adhoc one.

### **3.17 Time frame for invitation of tenders**

The tenders for regular contracts should always be invited before six months of the expiry of the existing contract.

### **3.18 Open tenders**

As a rule, for all the contracts, Open / Public tenders should be invited including Adhoc Contracts.

### **3.19 Fixing rates for services not provided in the contract**

Where a contractor is required to perform services which are not provided in the contract, rates for such services should be fixed by the Competent Authority upon submission of a specific request from the contractor to this effect. The Competent Authority shall take a decision after consulting his Associate Finance officers.

The rates for such services should be fixed as far as possible before the work is actually allotted. The total of all such services should not in any event exceed 10% of the value of the contract concerned. Ex-post facto approval of the next Higher Authority should be obtained in all such cases.

### **3.20 Estimated Value of Contract**

Estimated Value of Contract should be assessed based on the fair estimate of possible quantum of work in the tender to be floated factoring in capacity and work done in the previous contract. The Estimated Value of Contract may be decided by the Tender Inviting Authority based on the local / case specific factors.

### **3.21 Financial Concurrence**

The contract shall be finalized by the Competent Authority as per the Delegation of Power (DoP) in consultation with Associate Finance officers.

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## CHAPTER

## 4

**ACCEPTANCE OF TENDERS****4.1. Intimation of Acceptance of tenders**

- (a) A contract is brought into existence upon communication of acceptance of offer (tender), which must be within the time prescribed.
- (b) The successful Tenderer will be communicated of the acceptance of his tender by a letter/ e-mail/web-portal etc.
- (c) Where the post/e-mail/web-portal is the medium of communication between the parties, the acceptance is complete as soon as the communication conveying the acceptance is posted/uploaded. Proper care should be taken to address the letter of acceptance correctly.
- (d) The acceptance should be free from any condition and should clearly indicate for and on behalf of the Competent Authority.

**4.2 Commencement of Contract**

- (a) Immediately after the acceptance of tender, the successful tenderer shall furnish the requisite Security Deposit and Performance Guarantee in the prescribed time period. On submission of the requisite Security Deposit in prescribed time period, the successful tenderer will be issued a formal work order.
- (b) The period of the contract will commence from the date of issuance of Acceptance of offer or such other date as mentioned in Acceptance of offer.

**4.3 Form and Amount of Security Deposit**

- (a) The Successful Tenderer shall furnish within fifteen working days of acceptance of his tender, a Security Deposit (including Security Deposit in the form of Bank Guarantee) as specified in the tender document for the due, proper and complete discharge of all their obligations under the Contract.
- (b) As per present provision in MTF, in case of failure of tenderer to deposit the Bank Guarantee as stipulated within 15 working days of acceptance of his tender, further extension of 15 working days can be given subject to levy of penalty @ 1% of the whole amount of the Security Deposit.





- (c) The General Manager shall have the right to forfeit the entire or part of the amount of Security Deposit furnished by the contractor or to appropriate the Security Deposit or any part, thereof in or towards the satisfaction of any sum due to be claimed for any damages, losses charges, expenses or costs that may be suffered or incurred by the Corporation. The decision of General Manager (Region) in respect of such losses, damages, charges, costs or expenses shall be final and binding on the contractor.

- (d) **(I) Furnishing of Security Deposit at the time of Joining of the Contract:**  
**Existing MTF Provision-** A sum equivalent to 5% of the value of the Contract submitted electronically through NEFT/RTGS/Other electronic means in favour of the General Manager, Food Corporation of India. The contractor at his option may deposit 50 (fifty) percent of this amount within fifteen working days of acceptance of his tender while the balance 50 (fifty) percent may be paid by the contractor by deductions at the rate of 10 (ten) per cent from the admitted bills. The Security Deposit shall not earn any interest.

**Note:** As per existing MTF provision, out of the Security Deposit of 5% the initial 2.5 % is taken upfront, the balance 2.5 % is paid by the contractor by deductions @ 10 (ten) percent from the admitted bills unto the completion of 5% of declared Security Deposit. However, if the actual value of contract increases/decreases the Security Deposit remains same as per the estimated contract value only.

**Changed/New Provision-** Now, as per the changed/new provision the balance 2.5 % of Security Deposit shall be deducted from the admitted bills of contractor in 5 (five) equal installments unto the completion of 5% declared Security Deposit. However, If the actual value of contract increases from the estimated value of the contract, the deduction of 2.5% from admitted bills of contractor shall be continued unto the closure of the contract. If there are less than 5 (five) admitted bills of the contractor, the recovery of SD shall be up to the admitted bills only. This will partly take care of increase/decrease in the Contract Value than the Estimate Contract Value.

- (II) Performance Guarantee/Bank Guarantee-** The other type of Security Deposit I.e. Performance Guarantee/Bank Guarantee shall remain static during the currency of the Contract and to be deposited as per the defined percentage of the Estimated Value of Contract within the prescribed time limit as per the MTF.



**Note:** In the HTC/RTC contracts, in addition to 5% Security Deposit explained above the Performance/Bank Guarantee of 10% (15% in case of RTC) is to be furnished in the beginning of the Contract. Further, the inexperienced bidders are required to furnish Additional Bank Guarantee of 10%. The Performance/Bank Guarantee i.e. 10% / 15% and Additional Bank Guarantee i.e. 10% based on Estimated Value of Contract shall remain static during the whole period of Contract.

- (e) In the event of the Tenderer failure, after the communication of acceptance of the tender by the Corporation, to furnish the requisite Security Deposit by the due date or requisite Security Deposit in the form of Bank Guarantee including extension period (applicable to submission of BG only), his Contract shall be summarily terminated besides forfeiture of the Earnest Money and the Corporation shall proceed for appointment of another contractor. Any losses or damages arising out of and incurred by the Corporation by such conduct of the contractor will be recovered from the contractor, without prejudice to any other rights and remedies of the Corporation under the Contract and Law. The contractor will also be debarred from participating in any future tenders of the Corporation for a period prescribed in the tender document. After the completion of prescribed period of debarment, the party may be allowed to participate in the future tenders of FCI provided all the recoveries/dues have been effected by the Corporation and there is no dispute pending with the contractor/party.
- (f) **Verification of Bank Guarantee-** Bank Guarantee shall be verified as per the procedure prescribed in the tender document. MTF must have explicit & clear-cut provisions regarding mode of issuance of BG and e-verification of BG. Latest instructions regarding messaging platform for Bank Guarantee shall be incorporated in the MTF from time to time. At present FCI is using Structured Financial Messaging System (SFMS) which is a secure messaging standard developed to serve as a platform for intra-bank and inter-bank applications. The bidder shall submit the copy of SFMS message as sent by the issuing bank branch along with the original Bank Guarantee. BG submitted without sufficient details as mentioned in MTF shall not be accepted.
- (g) In case contract is awarded to two or more bidders the successful bidder shall furnish the Security Deposit/Performance Bank Guarantee as applicable in proportion to the work awarded to them.
- (h) In no case, Bank Guarantee should be allowed to expire; either it has to be renewed in advance or encashed in case Security Deposit other than BG is not sufficient to meet the pending liabilities of respective contractor. However, Operating Division and Cash section under Finance Division has to follow





FCI/CVC/RBI/ Ministry of Finance instructions/guidelines issued from time to time as expiry of Bank guarantee is a serious irregularity. Monitoring of the validity of Bank Guarantee shall be the joint responsibility of the Operating Division and Cash section under Finance Division.

Note: Following circulars are relevant regarding acceptance, e- verification/ extension/renewal/encashment of SD/BG and its safe custody:

1. Circular No.05/FIN/2018 dated 18.05.2018
2. Circular No.03/FIN/2019 dated 10.06.2019
3. Circular No.05/FIN/2019 dated 19.08.2019

However, Field Offices have to follow the instructions issued from time to time in this regard.

#### 4.4 Reasonability of Tendered rates

Reasonability of Tendered rate should be examined in a transparent way after observing relevant GFR guidelines & FCI instructions issued from time to time with proper documentation/reference before acceptance/rejection of any tendered rate.

While examining the reasonability of offered rate, comparison of rate should be done in absolute terms of rate (Rs/MT) with nearby other existing FCI/CWC/SWC/ Other PSUs discovered tendered rate and prevailing Market Rates for similar services. Prevailing Market Rates be obtained just prior to the opening of the Technical bid.

A self-contained note along with proper analysis in a Speaking Order shall be made in both the cases i.e. acceptance of bid rate or non- acceptance/rejection of bid rate.

Non finalization of contracts also has a cost in shape of storage rent, vacant godowns, operating higher cost centers in addition to non- fulfillment of mandate of organization, so the tenders may not be kept pending for long on the above pretext. If the tenders have been correctly framed, adequately advertised, repeated attempts made for discovery of reasonable rates, the same may be finalized recording reasons for higher rates. Such decisions taken may be normally trusted unless there are overwhelming evidence suggesting otherwise.

#### 4.5 Audit of contracts

Awarded Contracts may be audited by the Appropriate Audit Authority within the prescribed time frame during periodic review.

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## CHAPTER

## 5

# SETTLEMENT OF CONTRACTOR'S BILLS

## 5.1 General

Manager (Depot) and other concerned depot officers should make themselves conversant with the rates, terms and conditions of the contract entered into with the Handling and Transport contractors/Road Transport Contractors. This will enable them to know the responsibilities and obligations of the contractors and their own duties.

## 5.2 Work slips

For every operation done in a depot, a work slip is to be issued to the contractor for each completed operation within 24 hours of the satisfactory performance of the work entrusted to him. When a work slip is handed over to the contractor, his acknowledgement should be obtained on the office copy thereof.

If the contractor or his authorized agent fails to collect the work slips as and when issued, they should be dispatched to him by registered post/e- mail at his registered address at the end of each week, i.e. on every Saturday.

Work slips should be issued for those operations which have been satisfactorily performed. For operations which have not been performed satisfactorily, the contractor should be called upon in writing to remove the defects, work slips may be issued with remarks regarding the defects to be remedied. Such cases should however, be promptly brought to the notice of the higher authorities.

The concerned contractor will be required to submit his copy of the work slip in support of the bill for the work done. The Manager (Depot) before certifying it for payment to the Divisional Manager has to ensure that the same has been prepared on the basis of the entries in the relevant Depot Records.

**5.3.** The Divisional Manager should organize occasional surprise checks at various operational points with a view to determine authenticity of work slips issued.

## 5.4 Bill Register

- (a) It is to be ensured that the progress of all bills received in the Depot Office is monitored carefully and there is no undue delay in their disposal.





- (b) It is to be ensured that details of all the bills are available in the software being used for the payment and monitoring of the bills and such details are obtained and examined to check any delay/discrepancies in the payment.
- (c) In order to monitor processing of the bills, particulars of payment to the party in the Divisional Office, there should be a system either manual/electronic as prescribed by FCI Hqrs from time to time.

## 5.5 Procedure for passing the bills

- (a) **Contractor's Bill:** Digitally signed bill needs to be submitted by uploading in the Bill Tracking Software (BTS) / Any other online system as decided by FCI. It should be scrutinized by the Manager (Depot) with reference to the original work slip issued therewith keeping a note of the same in the office copy of the work slip regarding the number and date of the bill in which payment has been claimed by the contractor. The bill should be forwarded to the Divisional Manager concerned within 3 days. In the Divisional Office, the Contract division will process the bill to work out the admissible payable amount to the contractor and submit the same to the Divisional Office Finance Division before its submission to the Divisional Manager for according sanction for payment. The Divisional office will also scrutinize the bill by referring duplicate copy of the work-slip received by them and, if any deductions or recoveries are to be made, it should be clearly indicated and Divisional Manager will pass the bill with concurrence their associate finance within 3 days, and make online payment to the party the next day under intimation to the Manager (Depot). Thus every bill must be paid within a week of its being preferred.
- (b) All statutory deductions, other deductions due to default/inaction of contractor (if any) & deduction of Security Deposit from the running bill, as per terms of MTF, needs to be done in a transparent manner under intimation to contractor with proper accounting in FAP.
- (c) **Following points should be kept in mind while passing the bills:**
  - (i) Bill should be accompanied by the original work slip indicating the operations performed by the contractor for which payment has been claimed in the bill. The work slips should be compared with the copies already sent to the Divisional Manager. The payment should be authorized strictly in accordance with the operations ordered to be performed. A cross check should be carried to test the accuracy of the work slip issued. Work slips should be cancelled by passing bills and appropriate remarks should be given on the office copy with the Depot Officer and the copies in the Divisional Office.
  - (ii) It should be seen that the sanction or acceptance of Tender exists, and that the rates charged for each operation are correct as per sanction.



- (iii) It should be verified that the calculations of each item of operation shown in the bill are correct. The amount claimed in excess should be disallowed.
- (iv) In case of bills of casual labour, it should be verified that the engagement of casual labour was done with the approval of appropriate authority and nature of work regarding engagement of casual labour should be examined/verified carefully by the respective provision of MTF so that the possibility of double payment can be avoided for those services which is already defined/ and enumerated under the services to be performed by the contractor for which remuneration/ piece rate has already been defined in SOR. It should be checked with reference to the monthly labour statement sent by the Manager (Depot).
- (v) In the case of 'waraferi trucks', it should be examined that the volume of work done justified the hiring of trucks.
- (vi) In the case of bills of weighment charges at the time of issue, it should be verified that the weighment charges to the prescribed extent were recovered from the purchasers where standardized bags were issue on 100% weighment.
- (vii) It should be seen that all recoveries from the contractors have been duly made.
- (viii) After the bill are examined in the manner aforesaid it should be sent to Divisional Office for processing/ payment after recording certificate as under:  

"Certified that the rates charged in the bill are reasonable, legitimate in accordance with the sanction contained in letter No. Manager (Depot)
- (IX) Classification should also be recorded in the bill, so that the amount could be booked correctly in the Corporation books of accounts.
- (X) Following Certificates should be recorded on the bills, by the Manager (Depot) who will be personally held responsible for correctness of the entry:
  - (a) Certified that the services for which the charges have been claimed in the bill have actually been performed and carried out satisfactorily under the terms of contract, and that the quantity handled is correct.
  - (b) Certified that the distance charged in the bill has been verified and found correct. (This certificate will be necessary in the case of contract where flat rate of transport is provided).
  - (c) Certified that the rates charged in the bill are reasonable and legitimate and are in accordance with the prescribed standard schedule of rates and that none of the items mentioned in the bill has been claimed before.





- (xi) The bill will then be examined at Divisional Office to see that all the documents required to accompany the bill are there along with all calculations. The bill should be passed by appropriate Competent Authority at Divisional Level with the prior concurrence of associate finance.
- (xii) As soon as the payment is made by the Divisional Office, that office will forward an intimation slip to the Manager (Depot) to enable him to keep a note in the bill register against the relevant item.

## 5.6 PAYMENT OF BILLS OF THE CONTRACTOR

- (a) Payment will be made by the concerned General Manager/Divisional Manager of the Food Corporation of India on submission of Digitally signed bill with supporting documents issued by the General Manager or an officer acting on his behalf as the case may be. Digitally signed bill needs to be submitted by uploading in the Bill Tracking Software (BTS)/ any other online system as decided by FCI.
- (b) The contractor should submit all the bills not later than 2 months from the date of expiry of the contract so that the refund of the Security Deposit may be speeded up. In order to facilitate disposal of bills, the contractor is advised to submit his bills weekly/fortnightly/monthly. For H&T/HC Contracts the contractor shall furnish copies of challans along with the certificate cum statement as proof of deposit of EPF failing which the bills of the contractor will not be released.
- (c) The corporation shall not be liable for payment of any interest on any bill outstanding for payment.
- (d) The contractor should provide, within 7(seven) days of the joining of work, the Bank Account details to which all payments due to him from the FCI can be transferred electronically through RTGS/NEFT.
- (e) The tenderer/bidder, registered under GST (if applicable) shall ensure that the invoice to be raised with FCI is compliant with the provisions of the GST Law and contains the requisite details in an accurate manner for claiming of tax credits by FCI.
- (f) FCI reserves the right to release payment of GST amount (if applicable) only post matching of the invoices in the GSTN System.
- (g) This shall further be ensured by the tenderer/bidder, registered under GST (if applicable), that the invoice raised by him during a month is appropriately reported in the GST Returns of the said month.



### 5.7 Bill relating to other miscellaneous items

These should, on receipt, be entered in the bill register and scrutinized with reference to the relevant sanction and other records. The prescribed certificates about the correctness etc., will be endorsed on the bill and the bill should be passed for payment and forwarded within 3 days to the Divisional Manager who will arrange for payment direct after check within 3 days' time, to the party direct.

### 5.8 Casual Labour Register

- a. At times, it may become necessary to get some miscellaneous and petty items of work done in the depots for which there is no specific provision in the handling contractor's agreement. In that case, it becomes necessary to engage casual labour which is to be supplied by the handling and transport contractor as per terms of the contract. The prior approval of the Divisional Manager should generally be obtained for the engagement of casual labour. A record of the casual labour employed should be kept in prescribed format. The bills will be dealt with in the same manner in which the other contractors bills are to be dealt with.
- b. While seeking approval for demand of Casual Labour from Divisional Manager and while issuing work slip to the Contractor for engagement of casual labour, nature of work should be clearly mentioned, as it is very important element to decide the admissibility of claim regarding the supply of casual labour as well as to verify the genuineness of Claim.
- c. The payment of casual labour wage shall not be less than the minimum statutory rates fixed by the Appropriate Authority for material period.

### 5.9 Contractor's ledger for Security Deposit

- a. The Security Deposit shall not earn any interest.
- b. A detailed contractor-wise ledger regarding bill-wise recovery of Security Deposit during currency of the Contract in prescribed format shall be maintained in FAP at Divisional Office.
- c. The Security Deposit amount should be transferred to concerned Regional office after completion of the contract to facilitate release of Security Deposit at Regional Office level.

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CHAPTER

6

## SETTLEMENT OF DISPUTES

- 6.1** The contract will be governed by the laws of India for the time being in force.
- 6.2** Whenever any claim or representation for extra charges is received from a contractor, the same should be examined with reference to the relevant provision of the contract in consultation with the Legal/Finance officers of the Region. Generally, all reasonable claims should be settled amicably without recourse to litigation.

### 6.3 Grievance Redressal Committee

- (a) In case of any dispute arising out of and touching upon the contract, the same will be first referred to the Dispute/Grievance Redressal Committee constituted and functioning at the Zonal Office of the Corporation, with a view to settle the disputes. The role of GRC shall cover the period from the date of award of contract. If any dispute remains thereafter, the same will be settled in the Court of Law having competent jurisdiction.

(b) **Constitution of Grievance Redressal Committee (GRC)**

GRC shall consist of following members at Zonal Office level:

1. Chief General Manager/General Manager (Contract)
2. General Manager (Finance & Accounts)
3. General Manager (Legal) / Dy. General Manager (Legal)

Based on the recommendation of the committee, concerned Executive Director (Zone) shall pass a speaking order.

- (c) Grievance Redressal Committee (GRC) shall consider the matters only related to the Contractors (i.e. the party to whom contract has been awarded). The role of GRC shall cover the disputes arising during the period of Contract.
- (d) After receipt of the dispute in Zonal Office, GRC shall meet and decide the case within a period of thirty (30) working days.



- 6.4 It is necessary that expeditious and timely action is taken by the Corporation in consultation with the Legal Officers for satisfaction of Corporation's claims against the contractors.

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CHAPTER

7

## REFUND OF SECURITY DEPOSIT

- 7.1 (a) Handling & Transport Contract-** Security Deposit will be refunded to the contractor upon satisfactory performance of the services and on completion of all the obligations by the contractor under the terms of the contract and on submission of "Compliance Certificate/Confirmation of deposit of EPF by way of affidavit duly executed by the Employer (i.e. Contractor/Bidder)/No Due Certificate" from the concerned authority designated under EPF and MP Act 1952 showing due and correct deposit in respect of the employees employed by or through him for the contract period and on obtaining a "No Demand Certificate" from the assigned authority of Food Corporation of India.

Security Deposit will be refunded to the contractor subject to deductions, if any from the Security as may be necessary for recovering the claims of Food Corporation of India against the contractor.

For any EPF violations which may be detected at any later stage, the contractor shall be liable and will be proceeded against as per law.

The bidder should be registered with EPFO as an independent employer, having separate code number as required for an employer under the provisions of EPF and MP Act 1952 and the EPF Scheme framed thereunder.

- (b) Road Transport Contract-** Security Deposit will be refunded to the contractor on due satisfactory performance of the services, and on completion of all obligations by the contractor under the terms of the contract, and on submission of a 'No demand certificate' subject to such deduction from the security as may be necessary for recovering the Corporation's claims against the Contractor.

- 7.2** Food Corporation of India will not be liable for payment of any interest on the Security Deposit.

- 7.3** The General Manager shall have the rights to forfeit the entire or part of the amount of security deposit furnished by the contractors or to appropriate the security

deposit or any part, thereof in or towards the satisfaction of any sum due to be claimed for any damages, losses charges, expenses or costs that may be suffered or incurred by the Corporation. The decision of General Manager (Region) in respect of such losses, damages, charges, costs or expenses shall be final and binding on the contractors.

**7.4** The Security Deposit is fixed as certain percentage of value of contract calculated at the time of floating of contract. So, it is important to estimate value of contract correctly. Actual work may increase or decrease based on fluctuation in operations. In case of increase of work, the principle given in Chapter 4 regarding deduction of Security Deposit from each admitted bill during currency of the Contract shall apply.

**7.5** In addition to the usual "No Demand" Certificate signed by the contractor, the following certificates will also be furnished by Divisional Manager:

- a) "That there was no breach by the contractor of any of the terms and conditions of the contract and no damage, loss and expenses were suffered by Corporation due to contractor's negligence or un-workman like performance."
- b) "The contractor has not been held responsible for any loss, wastage or damage to grains during loading/unloading, transport storage, etc., and no recovery is due from him on that account."
- c) "No demurrage was incurred due to delay or negligence on the part of the contractor in loading/unloading, and removal of Corporation goods within the free time allowed."
- d) "The contractor has not been held responsible for any loss or damage to articles of dead stock including gunnies and any other Corporation property."
- e) "All claims of the contractors have since been settled and none is pending."

**7.6** It is the duty of the contractor to apply for refund of Security Deposit on completion of the contract, along with 'No Demand Certificate'. However, in absence of such application from the contractor within a reasonable time, the officer dealing with the contract may solicit in writing through registered post/e-mail for submission of No demand certificate.





**7.7 Following points are relevant relating to submission of "No Demand Certificate" by the contractors for releasing the Security Deposit:**

- (a) If the Corporation has no claims against the contractor, a 'No Demand Certificate' from the contractor should be obtained before releasing the Security Deposit.
- (b) If the Corporation has claims against the contractor which are required to be adjusted against the Security Deposit of the contractor by following the usual procedure of issuing show cause notice etc., there is no question of asking the contractor for 'No Demand Certificate'.
- (c) If, after adjusting Corporation's claims against the contractor from his Security Deposit still some amount of Security Deposit is payable by FCI to the contractor, then the contractor should be asked to submit 'No Demand Certificate'.
- (d) If after adjusting Corporation's claims against the Security Deposit still some more amount is due from the contractor, then the question of obtaining 'No Demand Certificate' from him does not arise. A demand for the balance from the contractor should be made and on his failure to pay, the Corporation should initiate legal action.
- (e) If there is some litigation pending between the Corporation and the contractor, nothing prevents the Corporation from adjusting its dues against the Security Deposit by following usual procedure of issuing show cause notice etc. unless the contractor obtains a stay/injunction against the Corporation.

**7.8** Where the Divisional Manager cannot give one or more of the prescribed certificates required for refund of Security Deposit, he should communicate/record detailed reasons and also furnish complete relevant data for every case, so as to enable a decision regarding contractor's liability being taken. While doing so, he should furnish his reasons and recommendation in each case supported by facts and figures.

**7.9** On receipt of the 'No Demand Certificate' from the contractor and the five-point certificate from the Divisional Manager concerned, the General Manager (Region) will take steps to issue orders for refund of Security Deposit.

**7.10** Delayed/Non refund of Security Deposits after completion of contract is widely reported leading to complaints, court cases etc. and also adversely affecting image of FCI. Such practice of Delayed/ Non refund of Security Deposit also leads to increase in rates as this amount is loaded in the cost. Therefore, all Security Deposits

should be settled not later than six months of completion of the contract. Security deposit will not be withheld merely on the grounds of CAG Para, Internal Audit Para, Court Case, Complaints etc. All such issues should be settled within the timeline of six months from the completion of Contract. However, in case there are extraordinary circumstances warranting withholding of Security Deposit beyond six months after completion of Contract, a speaking order needs to be passed by the concerned GM Region citing reasons.

### **7.11 Refund of Security Deposit without "No Demand Certificate"**

Where, owing to not-settlement of their claims against the Corporation, contractors are unable to furnish "No Demand Certificates" on satisfactory performance of the contract, the Competent Authority may in consultation with Finance refund the Security Deposit after adjusting the claims, if any.

### **7.12 Lapsing of Security Deposit and procedure for refund of lapsed Security Deposit**

- (a) Security deposits which are not claimed within three accounting years from the date of the closure of the contract are treated as "Lapsed Deposits" and are credited as income to the Corporation.

(In this reference Accounts Division FCI, Hqrs Circular no 1208/Acctts dated 05.07.2017 is relevant)

- (b) The fact that particular deposit has been treated as "lapsed deposit" should be recorded in the Register of Security Deposits against the original entry of the receipt of the Security Deposits which should invariably be attested under the dated signatures of the Divisional Manager.
- (c) The mere fact that particular deposit has been lapsed does not preclude a valid claim being entertained. If a claim for refund of a lapsed deposit is received, the same should be thoroughly scrutinized and if, otherwise in order, repaid with the sanction of Competent Authority, The Competent Authority will, however, accord sanction to repayment/refund of lapsed security deposit on ascertaining through Accounts Division that money in question was really received and was carried to the credit of FCI as lapsed deposit, that the claimant's identity and title to the money are certified by the officer signing the application for refund.
- (d) On receipt of the sanction of the Competent Authority for refund of lapsed deposits, a suitable note of refund should be recorded under authentication of Divisional Manager against the original entry of its credit to Miscellaneous





Income in the register of Security Deposits so as to make the entertainment of a double or erroneous claim impossible. The fact of refund of payment order should be signed by the Divisional Manager in the register for Security Deposit.

- (e) In the event of there being an unfortunate event of death of a particular contractor, the heirs of the concerned contractor are entitled to claim refund on the basis of succession certificate issued by a competent court of law.
- (f) Concerned officers must, therefore, ensure that arrangements are made for the refund of all security deposit within the period stated above after the due completion of contract.

### 7.13 Forfeiture of Security Deposit

Security deposit taken for due performance of contracts can be forfeited in the following circumstances:

- (i) In the event of termination of the contract envisaged in Model Tender Form, where the contractor fails to observe any of the provisions, the General Manager (Region) shall have the right to forfeit the entire or part of the amount of Security Deposit lodged by the contractor or to appropriate the Security Deposit or any part thereof in or towards the satisfaction of any sum due to be claimed for any damages, losses, charges, expenses or costs that may be suffered or incurred by the Corporation.
- (ii) The decision of the General Manager (Region) in respect of such damages, losses, charges, costs or expenses shall be final and binding on the contractor. Before actually forfeiting the Security Deposit, a demand notice should be sent to the defaulting contractor for the losses suffered by the Corporation and in the meantime Security Deposit should be withheld to the extent of losses suffered by the Corporation. If the contractor agrees to the adjustment of the demand from the pending Security Deposit/bills or any other dues, the recoveries may be effected accordingly.
- (iii) Forfeiture of Security Deposit does not prejudice Corporation's right to get the work left undone by the contractor by any other contractor or departmentally on account of and at the risk of the defaulting contractor. In assessing the damages on account of making alternative arrangements for work, however, credit must be given for the Security Deposit forfeited as above. In other words:
  - (a) If the Security Deposit is already made by the contractor, it should not



be forfeited and only the difference, if any between the Security Deposit and the actual loss sustained on account of alternative arrangement for getting work done on account and at the risk of the defaulting contractor recovered from him.

- (b) If the Security Deposit is made by the contractor then the Security Deposit or the actual loss sustained on account of alternative arrangements for work, which ever greater, should be recovered from him.

### **7.14 Set Off**

Any sum of money due and payable to the contractor (including security deposit refundable to the contractor) under the contract may be appropriated by the Corporation and set-off against any claim of the Corporation for the payment of any sum of money arising out of, or under that contract or any other contract made by the contractor with the Corporation.

FCI reserves the right to claim from the tenderer/bidder any amount of tax, interest, penalty and litigation cost, if any, that may be incurred in future due to GST reporting/compliance mistake(s) on the part of the service provider.

### **7.15 Issue of Experience Certificate**

- (i) After completion of the contract or on specific request of the contractor through e-mail during the currency of contract, concerned FCI Divisional Office will issue the Experience Certificate in prescribed Proforma as given in Appendix/ Form to maintain a uniform and standard practice throughout FCI.
- (ii) Every 'Experience Certificate' has to bear unique e-office file number with digital signature, to avoid issue/use of vague/fake 'Experience Certificate' or possibility of any manipulation regarding issue of 'Experience Certificate'.
- (iii) A Duplicate copy of 'Experience Certificate' is to be maintained by the operating division of concerned office so that on specific reference/request of any FCI Office including outside investigating agency, the authentication of issued 'Experience Certificate' can be verified.
- (iv) In case of issue/use of any fake experience certificate, administrative action will be taken against the connived delinquent officers as per FCI regulations and action will be taken against the concerned contractor as per the provisions of MTF/CRPC, Verification of 'Experience Certificate' can be done at any moment of time even after closure of the contract.

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CHAPTER

8

## INDENTING OF CASUAL LABOUR

**8.1** For various operations in depots, the work is undertaken by the contractors on the basis of piece rates indicated in the Schedule of Services in the contract agreements.

However, for certain services like cleaning, sweeping, salvaging of foodgrains and other depot activities especially related to QC operations which are not covered as part of any major operation wherein schedule of rates are prescribed, casual labour may be indented from the contractor on the basis of daily wage rates provided in the contract. It is essential to evolve a proper system for programming of work and indenting of labour to obtain optimum utilization of the labour force engaged for the operation.

Payment of Casual labours shall be done only for those cases where they are engaged for services or auxiliary services to those services, which have not been specified and enumerated under the services to be performed by the contractor for which remuneration/ piece rate has already been defined in SOR, otherwise it may lead to double payment.

**8.2 Following points should be noted by the Depot Officers in this regard:**

- (i) The volume of work for which labour is to be indented should be properly assessed keeping in view the various operations.
- (ii) A daily programme should be chalked out indicating the quantum and the type of work to be undertaken on each day and the total number of labourers required to complete the work during the day be determined.
- (iii) A Labour Register should be maintained wherein the attendance of the labour indented for the day should be kept.
- (iv) At the start of each day, each labour should be assigned specific duties and entries in this regard should be made in the labour Attendance Register.
- (v) At the end of each day, a report on the actual performance of the work during the day by the labour should be prepared on the basis of which the balance work to be done should be estimated. An advance programme for the next



day should be drawn and the labour requirements for the work should be determined.

- (vi) It is clarified that Manager Depot can engage casual labour through Contractor as per applicable FCI instructions for any miscellaneous activities which are not covered in the Schedule of rates.

- 8.3** It is necessary that only minimum casual labour is indented for the operations required to be done during the day and that the labour engaged is given proper duties and optimum work is obtained.
- 8.4** Regional Office should prescribe a suitable return providing quantum of work turned out against the number of contract labour engaged in various types of jobs. The return should be submitted to the Divisional Office by the Manager Depot on Monthly basis. The Divisional Manager should review the position while passing the bills of the contractor. The quantum of work turned out against the number of casual labour engaged should be scrutinized.
- 8.5** It is clarified that no labour/messenger/peon/skilled-unskilled helper etc. can be engaged directly by the Manager Depot or any other functionary of the Corporation except through the designated contractor and as per guidelines issued from time to time.

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CHAPTER

9

## ROAD MOVEMENT OF STOCKS

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### 9.1 General

Road movement is an alternative way of moving the stocks as per economy/feasibility. Concerned Zonal Office should take decision for resorting to road movement as per economy/feasibility. Normally all movements upto 300 kms be examined for undertaking road movement in view of improved logistics infrastructure. Since bulk quantity movement by rail is faster, reliable so to ensure availability of stocks a decision can be taken to resort to rail movement even for shorter distance. To ensure the availability of stocks/speed of evacuation/ to deal with exigencies, decision can be taken by the Competent Authority to resort to any mode of transport as per prevailing ground situation.

The decision for road movement should be taken as under:

1. By General Manager (Region) for Intra-Region road movement.
2. By Executive Director (Zone) for Inter -Regional road movement.
3. By FCI Hqrs, Movement Division for Inter-Zonal road movement.

Tenders for Road movement shall be floated by the General Manager (Region) in all cases except Adhoc Contract invited under the DOP of the Divisional Manager.

**9.2** Movement Division in the Headquarters, coordinates rail and road movement and takes timely steps for authorizing inter-zonal road movement of stocks to supplement rail movement or where urgent movement of stocks is required for meeting emergent situations like famines, floods, etc. and wagon supply is inadequate for the required movement. Similar coordination/decision shall be undertaken by Zonal /Regional movement divisions for Inter/Intra regional movement respectively.

**9.3** Short distance movement from railhead to the depots and vice versa is normally covered in the Handling and Transport Contracts.



## **9.4 Selection of Transport Contractors**

Generally, in regard to selection of road transport operators following points should be borne in mind:

- a. The transport operator should undertake to complete the operations within the prescribed time limit
- b. The transport operator should be asked to furnish a Security Deposit of appropriate amount.
- c. Provision should be made for penalty clause for appropriate penalties in cases of failure of contract.
- d. Provision should be made for termination of agreement at short notice for unsatisfactory performance.
- e. The transport operator should specifically agree to accept all liability and obligations imposed under the Carriers Act.

## **9.5 Tender system**

- (a) Selection of transport contractors should be made through competitive e-tendering system.
- (b) Tenders should be floated at least six months prior to the expiry of existing contract to ensure timely positioning of the contract.
- (c) The extent of Delegation of Powers for award of contract for movement of foodgrains by road is indicated in the Delegation of Powers.

## **9.6 Recovery of Road Transit losses**

In accordance with the agreement entered into with the contractors for transport of foodgrains, the contractors are responsible for the safety of the goods while in transit in their trucks/lorries.

## **9.7 Fixation of Mid-point for determining claim**

In certain cases, the length of the railheads/berths at the ports and depots, especially in the CAP storage complexes runs over long dimensions where it becomes necessary that the central point is fixed from where the distance for the purpose of transport claim is to be measured.

The fixation of mid-point will however, depend upon the layout at each place and





should be decided before floating of the tender.

## 9.8 Statistical

- (a) The quantities dispatched by road and received by road should be monitored on daily basis through Daily Dispatch Report (DDR).
- (b) A register in regard to dispatches by road should be maintained in the prescribed form. It is necessary that same particulars in regard to receipt are furnished to the dispatching official by the official taking delivery at destination.

## 9.9 Advice of dispatch

An advice of dispatch should be sent to the consignee by e-mail. An advice of movements made should also be sent to the Divisional/Regional Manager within whose jurisdiction the originating and terminal stations fall.

## 9.10 Daily Dispatch Report (DDR)

DDR should be sent through e-mail on daily basis by the dispatching end to the recipient end and reconciliation between dispatching end to recipient end should be done on regular intervals keeping in view approximate time required to cover the distance from dispatching end to recipient end and in case any variation is noticed, no further stock should be handed over to RTC till reconciliation of stock. Also action as per MTF should be taken against defaulters.

Further, a time limit may be fixed by the Regions for reconciliation for delivery of stocks transported by road in consultation with Zonal Office as conditions may vary from Region to Region and after that limit, if any, truck or stock found missing, no further stock should be handed over to the defaulter RTC. Further, instructions regarding monitoring of stock dispatched through road movement issued through Circular No. F.1/5/87-Cont dated 19.03.1987 and various provisions of MTF should be followed meticulously.

- 9.11** It is necessary to ensure monitoring of dispatches and accounting of stocks moved by road and detailed instructions to be followed by the field official have been issued by the Corporation. It should be ensured that the stocks are moved only on clear dispatch instructions received in writing from the recipient region, detailed e-mail of the despatches should be sent by the despatching depots, daily despatch reports on prescribed proforma should be prepared for despatch to the appropriate authorities. A close watch should be kept by the despatching region on the movement of stocks and that they reach the destination within reasonable time. There should be prompt reporting of non-receipts of trucks, in case of delays, by the recipient regions. Thus a close liaison between the despatching recipient ends



including Divisional offices/Regional offices is necessary. Clear acknowledgments should also be obtained from the transport contractors of the trucks at the time of the loading of the stocks. Trucks should be loaded on clear authorization in writing from the transport contractors. Each truck should have such authorization letter.

### **9.12 Responsibility of Road Carriers**

The contractor shall give an undertaking agreeing to abide by the section 11 of the Carriage by Road Act, 2007 and shall undertake to compensate the loss as per the provisions of MTF. Further, Contractor shall also submit necessary documents of registration etc. to the corporation.

### **9.13 Liability of Contractor for losses suffered by Corporation**

- (a) The Contractor shall be liable for all costs, damages, registration fees, charges and expenses suffered or incurred by the Corporation due to the Contractor's negligence and un-workman like performance of any services under this Contract, or breach of any terms of the Contract, or failure to carry out the work under the Contract, and for all damages or losses occasioned to the Corporation, or in particular to any property or plant belonging to the Corporation, due to any act, whether negligent or otherwise, of the Contractor or his employees. The decision of the General Manager regarding such failure of the Contractor and their liability for the losses, etc. suffered by the Corporation, and the quantification of such losses, shall be final and binding on the Contractor.

Note/Explanation: The expression 'the expenses suffered or incurred' also includes demurrage, wharfage etc."

- (b) As per the present provision, in the event of failure of the Contractor to provide the number of trucks per day as indented by the Corporation, the contractor will be liable to pay the Corporation Liquidated Damages @ Rs.500/- (Rupees Five Hundred only) per truck per day for distances upto 150 KMs and Rs. 1000/- (Rupees One Thousand only) per truck per day for distances beyond 150 KMs. which the parties to the contract having agreed to as a reasonable estimate of the losses to the Corporation arising on account of such failure. This provision may be reviewed every two years to take care of change in scenario, if any.
- (c) The Contractor shall provide sufficient number of tarpaulins for each truck to cover the bags of foodgrains etc. and take reasonable precautions to avoid wetting/damage/loss to foodgrains during the transport. In the event of deficiency in service by contractor in not providing the tarpaulins for spreading





on the decks of trucks or for covering the truck after loading, As per present provision, Liquidated Damages @ Rs.200/- per truck will be imposed by the concerned General Manager/Divisional Manager without prejudice to any other right or remedies under the contract and law. This provision may be reviewed every two years to take care of change in scenario, if any.

- (d) Without prejudice to the rights of the Corporation under Sub-clause (a) of this Clause, in respect of any shortage, wastage, loss or damages to the goods in transit, the Contractor is liable to pay to the Corporation Liquidated Damages at twice the average acquisition cost, as applicable from time to time, for all food grain and commodities other than sugar, and thrice the average acquisition cost as applicable from time to time in respect of sugar, except when the General Manager (whose decision shall be final) decides that the difference between the weights taken at the dispatching and receiving ends is negligible and is due to discrepancies between the scales, gain or loss in moisture, or other causes beyond the Contractor's control. The parties to the Contract have agreed that the amount of Liquidated Damages specified above represents a genuine estimate of the loss likely to be caused to the Corporation by the shortage, wastage, loss or damage to the goods in transit. Such recovery of Liquidated Damages shall be effected without prejudice to the right of FCI to initiate civil/criminal proceedings against the defaulting Contractors wherever it is suspected that the shortage/losses occurred due to deliberate/willful omission, theft, misappropriation, irregularities etc. committed by the Contractors or their representatives/employees.

### 9.14 GPS for trucks/vehicles

- (i) Contractor shall mandatorily provide trucks/vehicles fitted with GPS device confirming to AIS-140 or as decided by FCI from time to time at his own cost.
- (ii) The contractor shall abide the instructions of FCI for connecting the GPS of the trucks supplied by him to any online system advised by FCI.

**9.15** All trucks/vehicles being used by contractors for movement of foodgrains should be registered on "VAHAN" ([www.vahan.parivahan.gov.in](http://www.vahan.parivahan.gov.in)) National Registered E-service, Ministry of Road Transport and Highways, Govt. of India.

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## CHAPTER

## 10

## COMPLIANCE OF STATUTORY ENACTMENTS CONCERNING ENGAGEMENT OF CONTRACT LABOUR

- 10.1** While engaging Contract Labour under the contract, corporation is required to comply with various Statutory Enactments. It shall be ensured that the Contractors also comply with all applicable Labour Laws, Rules & Regulations. The Model Tender Form shall incorporate clauses that bind the contractors to ensure compliance with the applicable Laws such as the Contract Labour (R&A) Act, 1970, Workmen's Compensation Act 1923, Employees Provident Fund and Misc. Provisions Act, 1952 and schemes thereunder, Minimum Wages Act, 1948 wherever applicable, and such other applicable Acts/Rules/Central / State Govt. Instructions as the case may be, as amended from time to time, in respect of the Contract Labour engaged by them under the contract.
- 10.2** It shall be ensured that the Contractors comply with the labour regulations, enactments and instructions issued by the Appropriate Govt. from time to time in regard to payment of wages to the workers, wage period, deduction from wages, recovery of unpaid wages and deductions unauthorizedly made, maintenance of wage book and wage slip, publication of the wages, mode of payment of wages and other terms of employment, inspection and submission of periodical returns, maintenance of registers and records and all other matters of like nature.
- 10.3** The contractors shall pay not less than minimum wages to the workers engaged by them on either time rate basis or piece rate basis on the work, as notified by the Appropriate Government from time to time during the currency of contract period. Where such wages have not been so notified by the Appropriate Government, the wages adopted /prescribed by the General Manager (Region) as minimum wage shall be made applicable. The contractors will also ensure payment of equal wages to women labour at par with men for similar nature of work. The contractor shall maintain the stipulated records and registers as per the Minimum Wages Act, 1948 & Central Rules made thereunder.
- 10.4** It shall be ensured that the contractors comply with the provisions of the Employees Provident Funds & Misc. Provisions Act, 1952 and the schemes framed thereunder and shall be liable for making contributions in respect of the labour employed by him. If, on account of the default of the contractor in making/





depositing such payments or for any other reason, the Corporation makes such contributions on behalf of the contractor, the FCI shall be entitled to set off against the amount due to the contractor, the contributions made by it on account of his default in making payments or otherwise in respect of the labour employed by the Contractor.

- 10.5** The Contractor shall maintain and submit all stipulated Records & Returns prescribed under the EPF Act 1952 and the Scheme framed thereunder to the Authority designated under the said Act and to the General Manager, Food Corporation of India or any officer acting on his behalf. If the Contractor fails to submit the prescribed Returns, Records and other documents to the designated authority under the EPF & MP act, 1952 and Scheme framed thereunder and also to General Manager, Food Corporation of India or an Officer acting on his behalf, FCI will be at liberty to withhold the pending bills, etc., and or any other payments due to the Contractor.
- 10.6** The Contractor shall, within 7 days of the close of every month, submit to the Corporation, a Statement showing the recoveries of Contribution in respect of Employees employed by or through him and shall have to furnish such information as the Corporation is required to furnish under the provisions of Employees Provident Fund Scheme 1952 to the Commissioner.
- 10.7** The Authority competent to float the tender and award the contract must ensure that:
- i) The Contractor is registered with EPFO as an independent employer, having separate code number as required for an employer under the provisions of EPF and MP Act 1952 and the EPF Scheme framed thereunder.
  - ii) The contractors discharge their duties/obligations under the said Act/ Schemes.
  - iii) Whenever a contractor is appointed the details of period of contract, employees/labourers employed by the contractor, along with details of their date of appointment etc. be obtained and may be furnished to concerned RPFC, as and when asked for or required to be submitted by way of regular returns etc.
  - iv) As per section 21 of Contract Labour (R&A) Act, 1970, the wages of contract labour should be got disbursed in the presence of authorized representative of principal employer and it is also the duty of the contractor to ensure the disbursement of wages in the presence of the authorized representative of the principal employer. The said section further provides that 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. The Contractor should make necessary deduction towards the employee's contribution from the wages of employees/labourers along with his own (the employer's) contribution and remit the same to RPFC within the stipulated time as required under the relevant Act. Such remittance to the RPFC should be accompanied by the schedule containing name of the employee, his / her individual Provident Fund Account No., if any, the date of his initial appointment, etc.,

- v) As the provisions of EPF are statutory and Corporation being the Principal employer, GM(Region), DGM(Region), DGM(PO) concerned may instruct Divisional Managers concerned to ensure compliance of the provisions of the EPF & MP Act / Scheme immediately, which have also been included in the tender documents and keep on reviewing the position on a monthly basis without fail.
- vi) The contractor's bill should be passed for payment only after observing the following procedure/certification:

### **10.8 Manager (Depot) concerned should record on each bill that:**

- i) The contractor is disbursing the wages and salaries of his employees in his presence as provided for in the tender/agreement
- ii) he has furnished the list of employees, their date of first employment, the period of actual work rendered by the labourers, indicating whether he or she has rendered the qualifying period, and if so the date from which deductions under the EPF & MP Act and other relevant statutes are due, whether the contractor has deducted the employee's contribution and also deposited the amount deducted together with his contribution in the relevant fund account and also giving a copy of the same to the Corporation.
- iii) he is satisfied that the contractor is not in default.





- 10.9** In the Divisional Office also a certificate should be recorded that the contractor has discharged his obligations under the EPF & MP Act / Scheme and furnished the details etc. and by making the payment, FCI will not be in any way be liable of being negligent in the discharge of its obligations under the Act.
- 10.10** Upon satisfactory performance of the services and on completion of all the obligations by the contractor under the terms of the contract and on submission of appropriate written communication from concerned authority designated under EPF and MP Act 1952 showing due and correct deposit in respect of the employees employed by or through him for the authority of Food Corporation of India, the Security Deposit will be refunded to the contractor subject to deductions, if any from the Security as may be necessary for recovering the claims of Food Corporation of India against the contractor. The Food Corporation of India will not be liable for payment of any interest on the Security Deposit. For any EPF violations which may be detected at any later stage, the contractor shall be liable and will be proceeded against as per law.
- 10.11** The Central Government is the appropriate Government under the Contract labour (Regulation & Abolition) Act, 1970. The FCI is required to be registered as "Principal Employer under the Contract Labour (Regulation & Abolition) Act, 1970 also ensuring that the contractors working in the Regions or those appointed afresh obtain licence from the concerned Labour Department under the Act. The following actions should be taken:
- FCI is registered as Principal Employer under the Act
  - all the existing HTCs and those appointed afresh at the various depots in the region obtain licence under the Act from the concerned Labour Department. The particulars of the licence obtained by the HTC will be intimated by him to the FCI.
  - while floating tender FCI should indicate minimum labour required for the intended work. The number of labour for which licence obtained should commensurate with the volume of work.
  - payments are made to the labour by the contractor in the presence of authorized FCI representative and the same is to be certified by FCI representative.
- 10.12** The contractor shall comply with the provisions as contained in the Contract Labour (Regulation & Abolition) Act 1970 and the Central Rules there under as amended from time to time. As Principal employer, it is necessary for the Corporation to ensure that the benefits intended under the Act reach the contract labour under its contracts.





- 10.13** The Contract Labour (Regulation & Abolition) Act, 1970 also extends certain welfare amenities to contract labour. It is the responsibility of the Corporation as principal employer to provide necessary facilities where the contractor fails.
- 10.14** It shall be the duty of the contractor to comply with the provisions as regards provision of canteen/rest room, latrine, Urinal, washing facilities, first aid facilities etc. as contained in the Contract Labour (Regulation & Abolition) Act 1970 and other applicable laws as amended from time to time.
- 10.15** Every tenderer whose tender is accepted by the Corporation shall immediately obtain license from the licensing authority through the FCI (principal employer) under the Contract Labour (R&A) Rules, 1971 before entering upon any work under the contract. The contractor shall also obtain temporary licenses whenever required under rule 32 of the relevant Rules in cases where he intends to employ more labour in number than that mentioned in the regular license for short durations not exceeding 15 days.
- 10.16** The contractors shall also make an application through the Principal Employer (FCI) for renewal of the regular license as per rules. The contractor shall also get the temporary license renewed whenever necessary through the Principal Employer.
- 10.17** It is essential that at the time of entering upon the work, the new contractor must possess a valid license. If he does not have a valid regular license, he should have one before joining the work, at least made an application to the appropriate authority through the principal employer. He should produce evidence to prove that he has applied for the license and obtain valid license within one month.
- 10.18** A regular license is generally issued for a period of one year while the contract is awarded for two years. Therefore, it is necessary that the Divisional Manager should keep a watch and the contractor should make an application to the appropriate authority for renewal of the license well before the expiry of the earlier license. He may be allowed to continue beyond the date of expiry of his license only if he has applied for the renewal through the principal employer, namely, FCI.
- 10.19** In the event where the contractor has been allowed to take up the work based on the proof of having applied for the license and if the licensing authority subsequently rejects the application for license then the contract should be terminated forthwith at the risk and cost of defaulting contractor.





- 10.20** Photocopies of the registration as principal employer and licensees, regular and temporary, if any, obtained by the contractor may be framed and displayed in all the depot offices.
- 10.21** If for any reason, the application for a license or renewal is finally rejected by the licensing/appellate authority, the contract shall be liable to be terminated at the risk and cost of the contractor and the decision of the General Manager in this behalf shall be final and binding on the contractor.
- 10.22** Every contractor shall also abide by all the provisions of the Contract Labour (R&A) Act, 1970 and the Rules framed there-under and ensure filing a return intimating commencement/completion of contract work within 15 days to the inspector in the prescribed Form under the Rules. The contractor shall maintain a Register of workmen Employed in the prescribed Form and he shall also display hours of work, nature of duty etc.
- 10.23** It shall be the duty of the Contractor to provide Employment Card to each worker within 3 days of employment as per Rules. Every contractor shall issue a Service Certificate in to the workman on termination of his services as per Rules. Every contractor shall submit Half yearly returns in duplicate to Licensing Officer within 30 days from the close of half year. Under the Rules the Contractor shall display the Notice required under Rule 81(1) and copy of notice to be sent to Inspector as per Rule 81(2). The contractor shall also maintain the stipulated records / registers such as Muster Roll, Register for deduction for damage, loss, Register of Fines, Register of Advances etc.
- 10.24** While some of the depots may already be provided with the facilities mentioned above but in others, facilities are required to be provided as either they are totally lacking or insufficient. Provision of some of the facilities mentioned above will require considerable expenditure and the contractors who are appointed for a period of two years may not be always be willing to spend money on these facilities. It may also be not possible to permit the contractors to undertake any construction in the FCI premises. Therefore, in order to ensure implementation of the aforesaid statutory obligations, it is desirable that the Corporation considers creating such infrastructure in the depots as part of the storage complex.
- 10.25** The facilities mentioned above are not very capital intensive and works in existing depots should be taken up on priority. It may not be necessary in all cases to go in for expensive structures and it is possible to provide the facilities with some kind of temporary or semi-permanent structures. Most of these amenities can be provided within the delegated powers of the General Manager (Region)/Executive Director (Zone).



**10.26** It is necessary that the obligations of the FCI under the Contract Labour (Regulation & Abolition) Act, 1970 and other legal enactments, are reviewed periodically by the Executive Director (Zone) with their Regional Heads in their monthly meetings. The Regional Heads should also undertake a similar review in their monthly meetings with their Divisional Managers. This is necessary to ensure that the legal enactments are complied with, otherwise it may invite prosecution by the appropriate authorities. In order to ensure that there is no lacuna in implementation of the various labour laws, the Corporation has issued the instructions from time to time.

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CHAPTER

11

## ISSUE OF IDENTITY CARDS TO CONTRACT LABOUR

- 11.1** It is necessary to maintain complete data regarding the labour force working in the depot of the Corporation. The labour is working under different systems, namely, department system, direct payment system, etc. apart from the Contract Labour employed by the handling and transport contractors.

### 11.2 Issue of Identity/Employment Cards

- (a) Identity cards should be issued to the labourers to regulate their entry in the depot premises:

**Contract Labour:** Temporary identity cards with photograph should be issued by the contractors which should be counter- signed by the Depot in charge. The cards should be valid for a limited period and renewed regularly as per need. Labour engaged by the contractors at goods-shed is only for work relating to loading/unloading of wagons and is of temporary nature as these labourers are not exclusively working for FCI operations. Therefore, identity cards should not be issued by FCI to such labourers engaged by the contractors at the good shed.

- (b) All cards should be valid for a limited period and renewed periodically as per need and should have a photograph. Entry of persons into the depot premises should be regulated strictly on identity cards and as per requirements in cases of contract labourers. The Depot Office should have a register in which photograph of each worker should be affixed. Each worker should be allotted one page where details of the worker and the dates on which the identity cards have been issued /renewed should be indicated and invariably authenticated by the Depot in charge. In case of contract labour, where the contractor desires to bring in some new and or additional workers, he should submit a list containing the details of the labour along with photograph affixed on it and issue temporary passes for the worker's entry into the depot. It is necessary that a Gate Entry Register for contract labour is maintained at the depot gate on date-wise basis and entries regulated strictly according to the needs.

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## CHAPTER

## 12

## MODEL TENDER FORM AND REVISION OF SCHEDULE OF RATES

- 12.1** Tenders for Handling and Transport contract are required to be invited on a model tender approved by the Board of Directors. This Model Tender form indicates, in detail, the item of work which are to be performed by the contractors for various operations in the depots and railheads for handling of stocks. These operations include receipt and dispatch of stocks at the railheads/ storage depot and stacking of foodgrains bags in the godowns. The tender terms after acceptance of the tender of the successful tenderer, becomes terms of the contract between the Corporation and the Contractor.
- 12.2** The Model Tender form is reviewed as often as necessary by the Storage and Contract Division in Headquarter and notifications/amendments for improvement, are circulated to the Zones/ Regions after approval of the Board/Chairman & Managing Director. The updated version of the MTF would be uploaded on FCI website by the Storage & Contract Division of FCI Hqrs. After every five years Model tender forms may be reviewed in entirety by a committee of officers and fresh MTF may be issued with the approval of Board of Directors.
- 12.3** The Model Tender form (HTC/HC) also include a Schedule of Rates (SoR) for various items of works. The Tenderers are free to quote at par or above/below the Schedule of Rates. It is, however essential that the Schedule of Rates is not outdated and should reflect the prevailing trend of market rates. It is, therefore, necessary to review the Schedule of Rates every two years or as directed by Hqrs to ensure that the Schedule of Rates is realistic.
- 12.4 Following guidelines should be kept in view for revision of Schedule of Rates in the Handling and Transport contracts:**
- The revision should be done on the basis of standard cost principle. For this purpose, extensive careful and in- depth studies should be undertaken to ascertain prevailing market rates and these be compared with the rates for similar work paid by the States Government/CWC/SWC/State Agencies/ Public enterprises of other established firm for evolving a realistic schedule of rates. The fair assessment of Schedule of Rates be done by Committee of





Officers.

- (ii) The Schedule of Rates when finally drawn should be below 10% to 15% to the comparative rate position that may be assessed.
- (iii) Exercise for revision should be done at the Regional level. A representative of Zonal Office shall be part of the committee undertaking the revision of SoR at Regional level. Hence there should be a uniform Schedule of Rates for all districts in a region.
- (iv) Schedule of Rates should be revised every two years. The work should be taken in hand well in advance and completed within three months before the expiry of two years.

**12.5** The General Manager (Region)/Deputy General Manager (Region) have been delegated full powers to fix the Schedule of Rates (SoR) keeping in view the above guidelines.

**12.6** The Storage and Contract Division in the Headquarters monitors timely revision of the Schedule of Rates by the regions. Also, General Manager (Region)s should keep the Headquarters and concerned Zonal Office apprised about the revision in the Schedule of Rates.

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## CHAPTER

## 13

REFORMS IN THE TENDERING  
PROCESS

Reforms in the Tendering process and modification/amendments in the FCI's Handling & Transport Contract/ Road Transport Contract Model Tender Forms (MTFs) for making them compliant with GeM portal, implementation of various guidelines of Govt. of India

A series of steps are being undertaken to bring reforms in the FCI. Introduction of modern technology is also envisaged in the day to day operations. Model Tender Forms (MTFs) of Handling & Transport Contract/ Road Transport Contract have been revised and duly approved by Board of Directors in the 416<sup>th</sup> Meeting held on 24.03.2023 and circulated to Field Offices on 11.04.2023 to bring about more transparency and ease of doing business.

**Salient revisions in the MTFs are as under:**

- a. All the tenders are to be floated through GeM portal hence the term CPP portal has been replaced with the GeM portal. Earlier the tenders were being floated through custom bid on the GeM portal, however now the tenders can be floated through registered service category on GeM Portal.
- b. The provision of mandatory mechanized handling has been introduced in the H&TC MTF to encourage innovation and modernization of operations.
- c. GPS enabled trucks have been made compulsory, so as to capture the movement and trail of FCI operations. The modification/amendment in the HTC and RTC MTFs for fitment of AIS-140 or equivalent devices has been made.
- d. The provision for online submission of Bills through Bill Tracking Software (BTS) has been incorporated in the Payment clause of HTC/RTC MTFs.
- e. In compliance to Ministry of Finance, Department of Expenditure O.M. No. F.1/20/2018-PPD dated 02.11.2021 regarding "Guidelines on Debarment of firms from bidding", the disqualification Conditions has been modified in the HTC/RTC MTFs and period of debarment has been reduced from the existing three years to two years.





- f. The experience criteria for the bidders has been reviewed and simplified extensively with a view to encourage wider participation in the tender process. Simplification of the documentation has also been envisaged to avoid any ambiguity. The earlier criteria of exclusive rake handling experience for H&TC has been replaced with any handling of similar products as mentioned in the enclosed MTF. It has also been clarified that the experience of running contract should also be considered.
- g. The requirement of P&L account has been discontinued for the bidders showing experience from FCI. The bidders showing experience of the entity other than FCI have to provide a certificate from the CA regarding revenue proportionate to the experience.
- h. Instead of seeking last three Income Tax returns, provision has been revised to submit only one ITR of any of the last three years for the limited purpose of KYC only.
- i. As per the earlier instructions even in-experienced bidders were required to have EPF code for participating in the H&TC tenders, now only the successful bidder in the in-experienced category needs to submit EPF Code within one month of the award of contract.
- j. To address the situations where in the remaining period of awarded contract there is no likelihood of any work, a new provision of Foreclosure of contract has been introduced in the HTC and RTC MTFs. The foreclosure of the contract under this clause shall be treated as successful completion of the contract.
- k. The MSE clause in the HTC and RTC MTFs has been revised as per the present instructions of Govt of India for MSEs.
- l. Bid validity Period for HTC and RTC has been amended to 75 days from the last date of submission of bid.
- m. The quoting of rate by the bidders has been revised as 'inclusive of all taxes including GST' to align with the provision of the GeM portal.
- n. The time for raising grievance by technically disqualified bidders has been reduced to two working days instead of three as per the present provision on the GeM portal.
- o. The provision relating to transportation through Animal Cart has been removed from HTC MTF.
- p. The criteria of quoting of rates in the Percentage based SOR module has been defined clearly in the H&TC MTF with the illustration for convenience of bidders.



- q. Presently, Liquidated Damages in the RTC MTF have been fixed @ Rs.500/- (Rs. Five Hundred only) per truck per day for distances upto 150 Kms and Rs. 1000/- (Rs. one thousand only) per truck per day for distances beyond 150 Kms. to avoid discretion.

The Reforms in Contract Management shall be a continuous process based on the changing scenario.

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CHAPTER  
**14**

## TENDERING THROUGH GEM

### 14.1 ONE STOP GOVERNMENT E-MARKETPLACE (GEM)

An online marketplace (or e-commerce marketplace) is a type of e-commerce site where product or services are offered by a number of sellers and all the buyers can select the product/ services offered by any one of the seller, based on his own criteria. In an online marketplace, Purchaser's transactions are processed by the marketplace operator and then product/ services are delivered and fulfilled directly by the participating retailers. Other capabilities might include auctioning (forward or reverse), catalogues, ordering, posting of requirements by Purchasers, Payment gateways etc. In general, because online marketplaces aggregate products from a wide array of providers, selection is usually wider, availability is higher, and prices are more competitive than in vendor-specific online retail stores.

**14.2** Ministry of Commerce have developed an online Government e-Market Place for common use goods and services. The procurement process on GeM is end to end from placement of supply order to payment to suppliers. This is to ensure better transparency and higher efficiency. All the process will be electronic and online. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM.

**14.3 GeM Portal:** <https://gem.gov.in>. Detailed instructions for user organization registration, supplier registration, listing of products, terms and conditions, online bidding, reverse auction, demand aggregation, call centre, etc. are available on GeM portal.

**14.4 Floating of Handling & Transport Contract and Road Transport Contract tenders on GeM Portal through respective 'Registered Service category' on GeM portal**

GeM has developed a registered module/category as "Handling, Transport and Other Mining Services Percentage quote basis". This module shall be used by all the Regions for floating of the HTC tenders. Also, Board of Directors has approved in the 416th meeting held on



24.03.2023 to float HTC/RTC tenders under respective service category on GeM portal. Necessary terminology/nomenclature for utilizing these services on GeM portal is as under:

- (a) Schedule of Rates (SOR)**- In the new system provided by GeM, the bidder can quote the rates above 0% and no negative value can be quoted by the bidder. The SOR value will be equivalent to 100% and accordingly, the BSoR can be between 0 to 100 % and the ASOR will be above 100%.

Illustration-If the Schedule of Rates (SoR) Per 100 Bags as mentioned in the bid is Rs. 100, then the percent rate quoted by the bidder will be treated as under:

- I. If the bidder quotes 100% then the rate will be treated as Rs. 100 X 100% i.e. Rs. 100 which is equivalent to Schedule of Rates (SoR). i.e. at par with SoR
- II. If the bidder quotes 60% then the rate will be treated as Rs.100 X 60% i.e. Rs. 60 which is Below Schedule of Rates (BSoR). i.e. 40% BSoR.
- III. If the bidder quotes 120% then the rate will be treated as Rs. 100 X 120% i.e. Rs. 120 which is Above Schedule of Rates (ASoR). i.e. 20% ASoR.

- (b) Additional Terms & Condition (ATC):** The approved MTF of HTC with necessary changes/amendments as advised by Hqrs from time to time should be uploaded while creating the bid as ATC. Note: - GeM has formulated General Terms & Conditions (GTC) in their portal. As per the provision of GeM, the Terms & Conditions stipulated in Additional Terms & Conditions (ATC) and SLA will supersede those in GTC in case of any conflicting provisions.

- (c) Service Level Agreement (SLA)** –SLA shall be uploaded on GeM portal while creating the bid which is an indication of the type of different services to be provided by the bidder/service provider which has been prepared on the basis of provisions of MTF. Note: Any changes/amendments in different service defined in the MTF made by Hqrs shall be incorporated themselves by the regions in the SLA in future.

- (d) Bid Estimated Value** – This value should be calculated as per the prevalent methodology for calculation of estimated Contract Value (ECV). The same should be mentioned in the relevant place in the GeM portal on the basis of which EMD should be worked out.





Note: - It may be pertinent to mention here that this Bid Estimated Value is different from the concept of Base Value of the contract. The 'Base value' is worked out on the basis of SOR whereas the 'Estimated value' is worked out considering the value of the last outgoing contract which is based on the last quoted ASOR/BSOR rate.

- (e) **Base Value of the contract**- The base value of the contract should be calculated as per following illustration:

Description of SoR item	Schedule of Rate (SoR)*	Quantity Handled**	Amount (in Rs.)
(1)	(2)	(3)	(4) = (2) x (3)

Total Amount

Base Value of  
contract

\* The Schedule of rates as mentioned in Column (2) is to be entered by the Regions applicable in that Region.

- \*\* (i) The quantity handled in the last contract is each respective SoR item to be considered.
- (ii) In case of new contract where there is no reference of earlier work in that place then the estimated quantity is to be considered.

The base value of the contract should be mentioned in the GeM portal. The BoQ should be uploaded invariably in an excel sheet in the portal showing the SOR items for the respective contract and the work carried/expected to be carried out showing the base value of the contract as mentioned above. A sample copy of BoQ is enclosed for reference only.

- (f) **Security Deposit/ Bank Guarantee**- Presently, GeM has the provision for a maximum of 5 % Security Deposit/ Bank Guarantee whereas there is requirement of higher SD/BG as per the MTF of FCI. Hence, the instruction for SD/BG should be followed as per the MTF as ATC in the GeM portal.

Similarly, the tenders of Road Transport Contract (RTC) shall be floated through



registered service category of "Goods Transport Services - Per MT Basis" available on GeM portal where the quoting of rate is similar to that of FCI i.e. per MT basis. The approved MTF of RTC with necessary changes/amendments as advised by Hqrs from time to time should be uploaded while creating the bid along with the SLA. In future, the SLA should be revised by the regions as per the changes/amendments made in the MTF by the Hqrs.

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CHAPTER

15

## DELEGATION OF POWERS

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- 15.1** The Food Corporation of India, under Section 37 of the Food Corporation Act 1964 may, by general or special order in writing, delegate to the Chairman or any other member of the Board of Directors or the Secretary or other officer of the Corporation, subject to such conditions, if any, as may be specified in the order such of its powers and functions under this Act as it may deem necessary.
- 15.2** Under the aforesaid provision of the Act, the board has delegated financial and cognate powers to officers of the Corporation at different levels for various matters including storage operations and contracts.
- 15.3** The delegation of powers is reviewed by the Board of Directors from time to time.
- 15.4** The delegation of powers is subject to the existing policies, procedure, guidelines and instructions prescribed by the Corporation from time to time. Where any doubt or question of interpretation of the delegation of powers arises, the Chairman/Managing Director in consultation with the Executive Director (Finance) will the competent to issue necessary clarification interpretation.
- 15.5 Following general guidelines are prescribed for the exercise of delegated powers at various levels:**
- The powers delegated to the various authorities are to be exercised with utmost care taking into account the financial interests of the Corporation.
  - Except as otherwise specifically provided in any case, all contracts should ordinarily be awarded on the basis of public tender.
  - The term 'General Manager' includes any other officer by whatever name called, if he is called upon to perform, the function/duties of a General Manager.
  - All power delegated to an Authority may be exercised by an Authority higher than him/her.



- e. All powers are to be exercised in consultation with the Associate Finance Officer at the various levels.
- f. All powers relating to Legal matters are to be exercised by the Competent Authority in consultation with the Law officer at the appropriate level.
- g. The Associate Finance/Legal shall be an officer lower in rank than the Authority vested with power.

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CHAPTER

16

## COMMON ANOMALIES IN THE TENDERING PROCESS

**16.1** Department of Expenditure (DoE) in collaboration with CVC has updated following manuals w.e.f 1st July, 2022, wherein all the CVC guidelines on Public Procurement have been merged:

- (i) Manual on Procurement of Goods
- (ii) Manual on Procurement of Works
- (iii) Manual on Procurement of Consultancy & Other Services

**16.2** GFR, 2017 provides for rules dealing with procurement of goods and services and lays down elaborate principles regarding publication of tenders, evaluation of bids etc. The same needs to be referred to and followed to the extent applicable to the facts of the given situation.

### 16.3 Use of Updated format of MTF

Certain issues crop up due to using old format of MTF. This can be avoided through a simple exercise which must be ensured in every region. The best way to do this is to use the latest and updated MTF format given on FCI Hqrs website. To ensure this one must check its "updated up to..." date, and therefrom, incorporate any further amendments received after that date from FCI Hqrs. It must be the responsibility of initiating officers of OD to use correct format of MTF and approval of Competent Authority shall be required only when making any change in the MTF or NIT or SLA, etc. Such changes, if any, should be duly highlighted and brought to the attention of Tender Accepting Authority. Further, it must be understood that any specific clause/information added in the NIT at Regional Level also becomes an integral part of MTF. Hence, it shall be ensured that changes in NIT are in consonance with the MTF.

### 16.4 Evaluation of Technical Bids

- (a) It has been observed that sometimes, technical bids of bidders are rejected on hyper-technical grounds, which is in violation of FCI Hqrs circular issued

in this regard vide Circular Number 01/2017 (Cont.) dated 31.10.2017. There is a need to examine the technical bids in right spirit as per instructions of the Manual and as per instructions contained in Manual for Procurement of Services published by Deptt. Of Expenditure, Ministry of Finance. For example, sometimes, bids are rejected on the ground that some pages of MTF do not carry the signature of bidder (scanned impression of signature on uploaded page of MTF). All documents uploaded in GeM by the bidder are deemed to be signed by him and are acceptable as per provisions of Indian Contract Act'1872 and IT Act'2000.

- (b) It is advisable that FCI authorities may not try to exceed their authority by stepping in to the role of other statutory authorities. It must be understood that a line needs to be drawn on degree of scrutiny of bid documents and receipt of documents need to be checked in the right spirit and technical bid evaluation may not be made a fault-finding exercise. The documents sought for purpose of KYC (know your customer) may be examined only for genuinity if any doubt arises.

### **16.5 Seeking Additional documents**

The tender awarding authority reserves the right to disqualify the bid as per terms and conditions and no request for alteration, modification, substitution or withdrawal shall be entertained by the Authority in respect of such bid. Provided however, that the Authority may, in its absolute discretion, allow the bidder to rectify any infirmities or omission in form of the clarification only against the information submitted, if the same do not constitute a modification of the bid save to the extent of the aforesaid clarification.

For example- Clarification can be sought from the bidders for the documents which already exists and submitted in the bid like missing signatures on few pages, anomalies due to different spellings of name, surname, places etc.

The bids should be disqualified on material grounds only.

### **16.6 Price Bid Evaluation**

It has been observed in past that in few instances Price Bid Evaluation is done using different parameters in different cases. While it is reasonable that different tenders have different circumstances, and all cannot be decided with same yardstick. But, it is still advisable that evaluation must first be done on the basis of same/similar parameters in a uniform manner. Thereafter, elimination/addition of some parameters due to any special circumstances may be recorded separately for reaching a final decision.





## 16.7 Handling Emergent situations

The mandate of FCI is to ensure seamless procurement and uninterrupted supply of stocks under Public Distribution System (PDS)/ Other Welfare Schemes (OWS). Many a time emergent situation arise due to factors like floods, cyclones, earthquakes, riots, disruption in Road/Rail network etc. the requirement of foodgrains for relief operations on SOS basis are to be met. So, in such situations when normal supplies are also impacted, to ensure prompt supplies, decisions need to be taken, away from the generic guidelines given in this manual and the tender form. The next higher authority to the tendering authority may permit relaxations in exigencies of work. In no case, the supply/ procurement of foodgrains in effected areas should suffer.

## 16.8 Disputes due to Distance Measurement

A lot of disputes in transport contracts are relating to distance measurement. Therefore, it must be ensured that Distance measurement is completed prior to the floating of the tender.

In no case, the distance measured for the outgoing contract should be considered for the new tender, without verifying it afresh through actual measurement.

Further, during currency of the transport contract awarded on point to point basis, it must be ensured that whenever there is a major change in distance due to permanent disruption of a route/other factors and the contractor is not able to perform on existing rates, then efforts should be made to place a new contract after foreclosing the instant contract, instead of making payment on pro-rata basis. The decision for foreclosure can be taken by ED (Zone) on recommendation of GM (Region). The claim of existing contractor for enhancing payment regarding contract finalized on flat rate basis will not be permitted under any circumstances.

## 16.9 Payment of Casual Labour

Sometimes it has been observed that the payment of Casual Labour is done for those services or auxiliary services to those services (especially depot oriented work) which has already been specified and enumerated under the services to be performed by the contractor for which remuneration / piece rate has already been defined in the Schedule of Rate (SoR). In such case it leads to double payment which shall be avoided.

**Note:** In present MTF, Clause no. XIX Part II (24) is relevant to Services to be performed by the Contractor. Therefore, while issuing the work slip and scrutinizing



the bill/claim of contractor, the nature of work regarding engagement of casual labour should be examined carefully.

### **16.10 Additional Clauses incorporated by Banks in Bank Guarantee**

As clarified by S&C Division, FCI, Hqrs vide letter dated 06.09.2022, the Field offices may accept Bank Guarantee (BG) with additional clauses incorporated by Banks only after the concurrence by the Regional Legal and Finance divisions and subject to the condition that additional clause incorporated by Banks in the BGs does not have any adverse impact with regard to interest of the Corporation and on the spirit/enforceability of the BG.

### **16.11 Status of Contract in case of Death of the Contractor**

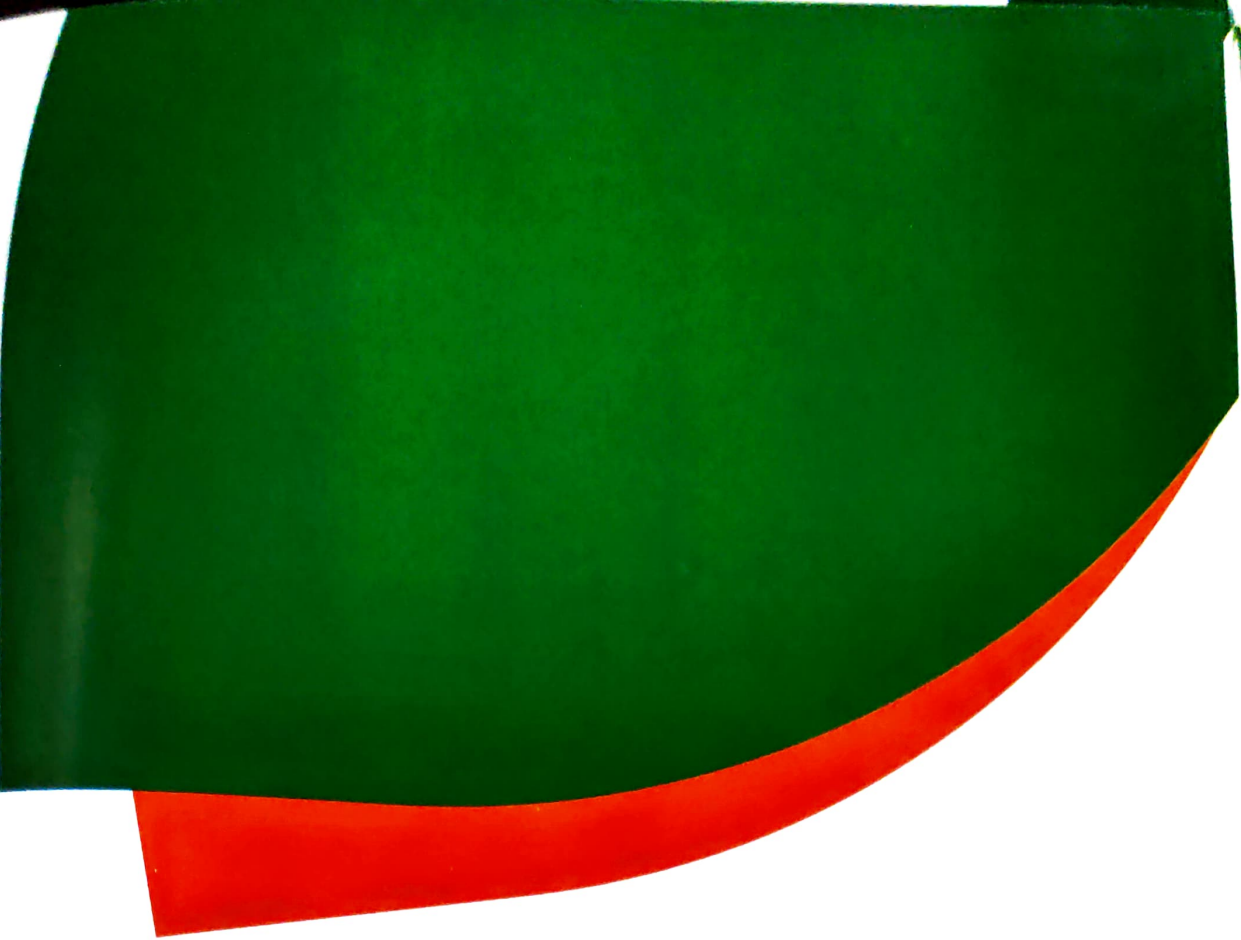
Instances come to the notice of Hqrs where in the case of death of the Contractor/ Individual the contract for the remaining period in case of individual/sole - proprietorship firm had been awarded to the legal heirs by the Regional Offices. In this regard, S&C Division, FCI, Hqrs has clarified vide letter dated 11.03.2016 to Field offices that award of Contract to the legal heir of the deceased contractor is not as per tender terms & conditions. The contract comes to an end with the death of the contractor/proprietor/individual of the sole proprietorship firm and contract should not be awarded to legal heir of the deceased contractor. Therefore, in case of death of individual/sole proprietorship firm, Regional Offices should go for fresh tender and in the meanwhile Adhoc/ Limited arrangement may be made.

**16.12 Removal of doubts/ Modifications:** Where a doubt arises as to the interpretation of any of the provisions of this manual, the matter shall be referred by Tender Inviting Authority/Region Office, through the concerned Zonal Office to FCI Hqrs for Clarification.

The systems and procedures established by this manual are subject to general or special instructions/orders issued by the FCI Hqrs from time to time. In case any Field Office requires modification in the systems and procedures established by this manual, reference may be made by the concerned Executive Director (Zone) along with proper justification and recommendation for approval of FCI Hqrs.

\*\*\*\*\*





# **FORMS/ ANNEXURES**



**ANNEXURE-1**

Letter no. \_\_\_\_\_

Dated: \_\_\_\_\_

To

M/s \_\_\_\_\_  
\_\_\_\_\_

**Sub: Letter of acceptance for Handling and Transportation of foodgrains at  
\_\_\_\_\_ reg.**

Ref:

Sir,

Please refer to this office Tender Notification No. \_\_\_\_\_ and the Tendersubmitted by you for Handling and Transport Contract at \_\_\_\_\_ under Divisional Office \_\_\_\_\_ for a period of \_\_\_\_\_ years through GeM portal with GeM ID \_\_\_\_\_. Your quoted rate of \_\_\_\_\_% (\_\_\_\_\_ percent only) SOR/ASOR/BSOR for Handling and Transport work has been accepted by the Competent Authority for a period of two years with effect from \_\_\_\_\_.

2. You are advised to furnish the Security Deposit comprising of:

- i) A sum equivalent to 5% of the estimated value of contract submitted electronically through NEFT/RTGS/ECS amounting to Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_).. However, the contractor at his option may deposit 50 (fifty) percent of this amount i.e. 2.5% within fifteen working days of acceptance of his tender as initial Security Deposit at the time of joining of the contract while the balance 50 (fifty) percent may be paid by the contractor by deductions @ 20 (twenty) percent from the admitted bills unto the completion of 5% declared Security Deposit. However, If the actual value of contract increases from the estimated value of the contract, the deduction of 2.5% from admitted bills of contractor shall be continued unto the closure of the contract. If there





are less than 5 (five) admitted bills of the contractor, the recovery of SD shall be up to the admitted bills only. The Security Deposit shall not earn any interest.

- ii) A sum equivalent to 10% of estimated value of contract amounting to Rs. \_\_\_\_\_/- ( \_\_\_\_\_ only) in the form of an irrevocable and unconditional Bank Guarantee (including e-Bank Guarantee) issued by 'Scheduled Commercial Bank' notified by RBI (excluding all Urban/Rural/State Co-operative banks and Gramin Banks) through SFMS platform to the FCI banker as per MTF clause no.-7 (vi) under General Information to tenderers on non-judicial stamp paper of appropriate value purchased in the name of issuing bank in the prescribed format of Appendix-IV of the MTF which shall be enforceable till six months after the expiry of the contract period as per tender terms and conditions of MTF.
  - iii) if applicable, an additional sum equivalent to 10% of estimated value of contract amounting to Rs. \_\_\_\_\_/- ( \_\_\_\_\_ only), in terms of the undertaking provided by the tenderer for relaxation of eligibility conditions, in the form of an irrevocable and unconditional Bank Guarantee (including e-Bank Guarantee) issued by 'Scheduled Commercial Bank' notified by RBI (excluding all Urban/Rural/State Co-operative banks and Gramin Banks) through SFMS platform to the FCI banker as per MTF clause no.-7 (vi) under General Information to tenderers on non-judicial stamp paper of appropriate value purchased in the name of issuing bank in the prescribed format of Appendix-V of the MTF which shall be enforceable till six months after the expiry of the contract period as per tender terms and conditions of MTF.
3. You are requested to furnish prescribed security deposit along with bank guarantee as stated above within 15(fifteen) working days from issue of this letter as per MTF.
  4. The Bank Guarantees must contain the name and employee code, Designation of the signing officers along with sign and seal of the bank.
  5. You are also requested to submit the original hard copy of MTF duly signed on each page of MTF along with Annexures/Appendices duly attested within 15 working days without fail.
  6. You shall be bound to comply with all contractual as well as statutory provisions including EPF and ESI Act etc. governed by MTF.

-Sd-  
AGM(Contract)  
FCI Regional Office \_\_\_\_\_



## ANNEXURE-2

### FOOD CORPORATION OF INDIA NO DEMAND CERTIFICATE FOR CONTRACTOR

I/We ..... (Name of the Contractor) TC/HTC/  
RTC/HC Contractor to FCI, Regional Office, .....  
appointed by the General Manager (Region), FCI, Regional Office-  
..... vide appointment letter no .....  
dated ..... do hereby acknowledge to have received  
payment in full from the Divisional Manager, DO ..... for  
all the services rendered by me/us in connection with TC/HTC/RTC/  
HC..... (Name of contract) and certify that  
I/We have no further claims whatsoever against the Food Corporation  
of India in connection with or arising out of the said contract which  
remain unadjusted.

Signature of two witnesses

.....  
.....

Signature of Contractor

Defacing Stamp

Dated .....





### ANNEXURE-3

#### FOOD CORPORATION OF INDIA

Region ..... Divisional Office .....

#### FOODGRAINS RECEIPTS STATEMENT

For Period from.....to.....

Commodity	Despatching Zone / Region	By Rail	Quantity received By Road	By other means of transport	Total
(1)	(2)	(3)	(4)	(5)	(6)

The bi-monthly statement has to be prepared by the Divisional Manager to cover the period w.e.f 1st to 15th and 16th to end of the month. One copy has to be sent to the Deputy General Manager (Movement) and one copy to General Manager (Region) / Deputy General Manager (Region).

The zone(s) will be indicated separately for each Divisional Office.

The statement must be sent within seven days of the closure of the period.



**ANNEXURE 4**

**EXPERIENCE CERTIFICATE REGARDING CONTRACT WITH FCI  
TO WHOMSOEVER IT MAY CONCERN**

1. Contract/ NIT Reference No. \_\_\_\_\_
2. Name of the Contractor with full address: \_\_\_\_\_  
 \_\_\_\_\_  
 e-mail \_\_\_\_\_ Mobile: \_\_\_\_\_
3. PAN Number: \_\_\_\_\_ GSTN: \_\_\_\_\_
4. Contract Award Letter Ref No. & Date: \_\_\_\_\_
5. Contract Commencement Date: \_\_\_\_\_
6. Date of Completion of Contract: \_\_\_\_\_
7. Work details:  
 Nature of work: \_\_\_\_\_

S. N.	Name & Period of Contract	Financial Year	Quantity of Foodgrain Handled (in MT)		Payment for the Quantity Handled (Rs.)			Remark
			Handling	Transportation	Handling	Transportation	Total	
		<b>Total</b>						

The Contractor \_\_\_\_\_ M/s \_\_\_\_\_  
 Handled (Handling/Transportation/Handling & Transportation) \_\_\_\_\_  
 (MT) Quantity with Contract Value \_\_\_\_\_ during the above mentioned  
 period.

Manager (Contract)  
 For Divisional Manager  
 FCI, Divisional Office \_\_\_\_\_

Note: 'Experience Certificate' has to bear unique e-office file number with digital signature.





## ANNEXURE 5

### TEMPORARY CONTRACTOR LABOUR'S IDENTITY/ EMPLOYMENT CARD

1. Name of the Labourer/Worker \_\_\_\_\_
2. Father's/Husband's Name \_\_\_\_\_
3. Date of Birth \_\_\_\_\_
4. EPF Membership No. \_\_\_\_\_  
(i) Address (Local) \_\_\_\_\_  
(ii) Permanent \_\_\_\_\_
5. Name & Address of FCI Contractor \_\_\_\_\_  
\_\_\_\_\_
6. Valid \*

(\* Period of the Contractor) From \_\_\_\_\_ to \_\_\_\_\_

Signature of the Contractor/  
Authorized Representative

#### Back Side of the Card

Countersigned by

Manager (Depot)/Depot Incharge

Valid from \_\_\_\_\_ to \_\_\_\_\_

(Ref. No, \_\_\_\_\_)

Seal of Manager (Depot)/Depot Incharge

Name of Depot

Place:

Date:



## ANNEXURE-6

### FOOD CORPORATION OF INDIA

ORIGINAL:

DUPLICATE:

TRIPLICATE:

#### WORK SLIP

Name of the Depot .....

Name of Ship (For work done at docks) .....

Date.....

S. No.	Date of Operation	No./Name of Godown /Shed/ Rly. Station	Particulars of operations Performed	Contract item number	Stack No.	Stack Planning	No. of bags/quantity handled	Ledger folio	Remarks
1	2	3	4	5	6	7	8	9	10
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Signature of the contractor

#### INSTRUCTIONS

Signature of the Manager (Depot)

- Each work slip should be prepared in triplicate. The three copies will be distributed as under:
  - Original: To be handed over to contractor for submitting with the bills.
  - Duplicate: To be sent to Manager Depot.
  - Triplicate: To be kept as Office Copy in the Book.
- All the three copies of the work slip should be prepared with one stroke by carbon process with the use of indelible pencil or ink. or It should be generated through DOS as the case may be.
- On receipt of the contractors bills the 'Original' copy of the work slip attached to the bill should be compared with the 'Duplicate' copy received from the issuing office to see that it agrees in all respects.
- Stack-wise Counting Sheet before and after the operation must be enclosed along with work slip duly certified by Shed In-charge and Manager (Depot). Stack plan must be mentioned in detail so that higher office must ensure about stack for 174 MT or above.**





## FOOD CORPORATION OF INDIA

### REGISTER OF CONTRACT CASUAL LABOUR EMPLOYEED AT THE FOOD CORPORATION OF INDIA STORAGE DEPOT (Owned and Hired) .....

Date	No. of casual Labour engaged	Purpose for which engaged (For QC/Depot Work)	Period Full / half day	Ref. to sanction Order No. & Date	Rate (MW*)/per day Paid	No. and date of work slip Issued	Signature of the Manager (QC/Depot)	Remarks
1	2	3	4	5	6	7	8	9

\*Minimum Wages (Declared by Appropriate Government)

# ANNEXURE-8

## FOOD CORPORATION OF INDIA

### CONTRACTOR LEDGER (to be maintained at Divisional Office level)

Name of Contractor.....

Nature of work on which employed.....

Period of contract.....

Amount of Security Deposit recoverable.....

Amount recovered in cash.....

Balance to be recovered from bills.....

Sl. No.	BTS Ref No. & Date	Gross Claim	Date of sanction	Sanctioned for Payment	Deduction for SD	Deduction for TDS	Deduction for other statutory	Deduction for Excess claim	Deduction for Non Performance	Net amount payable	FAP Voucher No. for Bank transfer	Remarks For other deduction/Non Performance





## ANNEXURE-9

### FOOD CORPORATION OF INDIA

#### REGISTER OF DESPATCHES BY ROAD

Region: .....

District: .....

Office: .....

S. No.	Consignor	Consignee	Booking Station	Destination Station	Description of Commodity	Receipt Particulars	Transport Operator	Number of lorry trips	Despatch Commenced on	Despatch Ended on	Freight charges	Dates of Arrival at destination	Remarks Regarding Shortage, loss damage etc.	General Remarks
--------	-----------	-----------	-----------------	---------------------	--------------------------	---------------------	--------------------	-----------------------	-----------------------	-------------------	-----------------	---------------------------------	--	-----------------

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15)



# ANNEXURE-10

Original	for consignee
Duplicate	to be returned Duly acknowledged
Triplicate	for DC A/cs Despatch Centre duly acknowledged
Fourth copy	For DM (Receiving centre)
Fifth copy	For DM Despatching Station
Sixth copy	For Controlling Officer
Seventh Copy	Office copy

## FOOD CORPORATION OF INDIA DAILY DESPATCH REPORT FOR ROAD MOVEMENT

PSD.....  
District.....  
Region.....

1. Commodity.....
2. Variety.....

Consignor.....  
Consignee.....

S. No.	C.R. No. & date	Truck No.	No. of Bags	Gross Qtl.	Weight Kg. Gram.	Net Weight Qtls. Kg. Gram.	Freight Paid/to Pay	Mode of weightment	Type of gunny	Remarks
--------	-----------------	-----------	-------------	------------	------------------	----------------------------	---------------------	--------------------	---------------	---------

To,  
Manager (Depot) FCI  
.....

Copy of information & necessary action to:

1. Divisional Manager (Despatching District)
2. Divisional Manager (Recipient District)
3. Divisional Office A/cs Section (Despatching District)

Depot Incharge/ Manager (Depot)  
Acknowledgment

The above mentioned consignment  
received by me on.  
Sl. of the





# **CIRCULARS/ INSTRUCTIONS**



FCI HQ-S-C013(26)/1/2022-S C

1/177721/2023

नाम : 'फूड कॉर्पोरेशन'

Gram : FOODCORP

फैक्स नं. एचएफसीआई एन डी

Fax No. : HFCI ND

भारतीय  
खाद्य  
निगम



FOOD  
CORPORATION  
OF INDIA

मुख्यालय  
नई दिल्ली  
Head Quarters  
New Delhi

00911123413241

00911143527433

16-20, बाराकम्बा लेन, नई दिल्ली - 110001. दूरभाष : 011-43527697, 43527698  
16-20, BARAKHAMBA LANE, NEW DELHI - 110001. PHONE: 011-43527697, 43527698

No. FCI HQ-S-C013 (26)/1/2022-S C

Dated: Signature Date

कार्यकारी निदेशक (अंचल),  
भारतीय खाद्य निगम,  
आंचलिक कार्यालय  
(उत्तर/पश्चिम/पूर्व/उत्तर-पूर्व)  
नोएडा/मुंबई/कोलकाता/चेन्नई/गुवाहाटी

महाप्रबंधक (क्षेत्र),  
भारतीय खाद्य निगम, क्षेत्रीय कार्यालय,  
दिल्ली, हरियाणा, पंजाब, हिमाचल प्रदेश, जम्मू,  
राजस्थान, उत्तर प्रदेश, उत्तराखंड, गुजरात, महाराष्ट्र,  
मध्य प्रदेश, छत्तीसगढ़, बिहार, झारखण्ड, ओडिशा,  
पं. बंगाल, तमिलनाडु, आंध्र प्रदेश, तेलंगाना, केरल,  
कर्नाटक, असम, अरुणाचल प्रदेश, शिलॉंग, नागालैंड,  
मणिपुर।

**Sub: Reforms in the Tendering process and modification/amendments in the FCI's Handling & Transport Contract/ Road Transport Contract Model Tender Forms (MTFs) for making them compliant with GeM portal, implementation of various guidelines of Gol reg.**

Sir/Madam,

A series of steps are being undertaken to bring reforms in the FCI. Introduction of modern technology is also envisaged in the day to day operations. In one such initiative, it has been decided to simplify/modernize the FCI's Handling & Transport Contract / Road Transport Contract Model Tender Forms (MTFs) to bring about more transparency and ease of doing business. A committee of officers deliberated and suggested wide ranging reforms in the MTFs. Accordingly, MTFs of H&TC and RTC have been revised and duly approved by Board of Directors in the 416<sup>th</sup> Meeting held on 24.03.2023.

**The salient revisions in the MTFs are as under:**

1. All the tenders are to be floated through GeM portal hence the term CPP portal has been replaced with the GeM portal. Earlier the tenders were being floated through custom bid on the GeM portal, however now the tenders can be floated through registered service category on GeM Portal.
2. The provision of mandatory mechanized handling has been introduced in the H&TC MTF to encourage innovation and modernization of operations.
3. GPS enabled trucks have been made compulsory, so as to capture the movement and trail of FCI operations. The modification/amendment in the HTC and RTC MTFs for fitment of AIS-140 or equivalent devices has been made.
4. The provision for online submission of Bills through Bill Tracking Software (BTS) has been incorporated in the Payment clause of HTC/RTC MTFs.





FCI HQ-S-C013(26)/1/2022-S C

1/177721/2023

5. In compliance to Ministry of Finance, Department of Expenditure O.M. No. F.1/20/2018-PPD dated 02.11.2021 regarding "Guidelines on Debarment of firms from bidding", the disqualification Conditions has been modified in the HTC/RTC MTFs and period of debarment has been reduced from the existing three years to two years.
6. The experience criteria for the bidders has been reviewed and simplified extensively with a view to encourage wider participation in the tender process. Simplification of the documentation has also been envisaged to avoid any ambiguity. The earlier criteria of exclusive rake handling experience for H&TC has been replaced with any handling of similar products as mentioned in the enclosed MTF. It has also been clarified that the experience of running contract should also be considered.
7. The requirement of P&L account has been discontinued for the bidders showing experience from FCI. The bidders showing experience of the entity other than FCI have to provide a certificate from the CA regarding revenue proportionate to the experience.
8. Instead of seeking last three Income Tax returns, provision has been revised to submit only one ITR of any of the last three years for the limited purpose of KYC only.
9. As per the earlier instructions even in-experienced bidders were required to have EPF code for participating in the H&TC tenders, now only the successful bidder in the in-experienced category needs to submit EPF Code within one month of the award of contract.
10. To address the situations where in the remaining period of awarded contract there is no likelihood of any work, a new provision of Foreclosure of contract has been introduced in the HTC and RTC MTFs. The foreclosure of the contract under this clause shall be treated as successful completion of the contract.
11. The MSE clause in the HTC and RTC MTFs has been revised as per the present instructions of Govt of India for MSEs.
12. Bid validity Period for HTC and RTC has been amended to 75 days from the last date of submission of bid.
13. The quoting of rate by the bidders has been revised as 'inclusive of all taxes including GST' to align with the provision of the GeM portal.
14. The time for raising grievance by technically disqualified bidders has been reduced to two working days instead of three as per the present provision on the GeM portal.
15. The provision relating to transportation through Animal Cart has been removed from HTC MTF.
16. The criteria of quoting of rates in the Percentage based SOR module has been defined clearly in the H&TC MTF with the illustration for convenience of bidders.
17. Liquidated Damages in the RTC MTF have been fixed @ Rs.500/- (Rs. Five Hundred only) per truck per day for distances upto 150 Kms and Rs. 1000/- (Rs. one thousand only) per truck per day for distances beyond 150 Kms. to avoid discretion. The above mentioned revisions are for illustrative purpose only.

**FCI HQ-S-C013(26)/1/2022-S C**

1/177721/2023

Revised H&TC and RTC MTFs duly approved by BoDs are enclosed herewith. Field offices are requested to go through the attached MTFs thoroughly and float tenders of Handling & Transport Contract and Road Transport Contract on GeM Portal under their respective registered service category with these amended/revised MTFs.

Further, pre-bid meetings should be ensured by every region for awareness of the prospective bidders regarding the changes made in the MTFs as well as the system of floating of tenders through GeM portal. These instructions are in suppression to all the previous instructions on the matter wherever there is a conflict.

This issues with the approval of Competent Authority.

Yours Faithfully

Encl: AA

**Signed by Sanjeev Kumar****Date: 11-04-2023 17:15:45****Reason: Approved** (Sanjeev Kumar)  
Dy. General Manager (S&C)

Copy to:

1. General Manager (Finance/Legal), Food Corporation of India, Hqrs, New Delhi...for information please.
2. File No. FCI HQ-S-C013(23)/1/2022-S C (HTC-RTC MTF Review)





FCI HQ-S-C013(26)/1/2022-S C

1/177738/2023

तार : 'फूडकोर्प'  
Gram : 'FOODCORP'  
फैक्स नं.: एचएफसीआई एन डी  
Fax No.: HFCI ND

भारतीय  
खाद्य  
निगम



FOOD  
CORPORATION  
OF INDIA

मुख्यालय  
नई दिल्ली  
Head Quarters  
New Delhi

00911123413241 16-20, बाराखम्बा लेन, नई दिल्ली-110001, दूरभाष : 011-43527697, 43527698  
00911143527433 16-20, BARAKHAMBA LANE, NEW DELHI - 110001, PHONE: 011-43527697, 43527698

No. FCI HQ-S-C013 (26)/1/2022-S C

Dated: Signature Date

कार्यकारी निदेशक (अंचल),  
भारतीय खाद्य निगम,  
आंचलिक कार्यालय  
(उत्तर/पश्चिम/पूर्व/उत्तर-पूर्व)  
नोएडा/मुंबई/कोलकाता/चेन्नई/गुवाहाटी

महाप्रबंधक (क्षेत्र),  
भारतीय खाद्य निगम, क्षेत्रीय कार्यालय,  
दिल्ली, हरियाणा, पंजाब, हिमांचल प्रदेश, जम्मू,  
राजस्थान, उत्तर प्रदेश, उत्तराखंड, गुजरात, महाराष्ट्र,  
मध्य प्रदेश, छत्तीसगढ़, बिहार, झारखण्ड, ओडिशा,  
पं. बंगाल, तमिलनाडु, आंध्र प्रदेश, तेलंगाना, केरल,  
कर्नाटक, असम, अरुणाचल प्रदेश, शिलोंग, नागालैंड,  
मणिपुर।

**Sub: Floating of Handling & Transport Contract and Road Transport Contract tenders on GeM Portal through respective 'Registered Service category' on GeM portal reg.**

- Ref: i.** This Office letter no.F.1/GeM/Cont/(281)/2019-20 dated 12.08.2021 & 02.09.2021  
**ii.** This Office letter no. F.1/GeM/cont/(315)/2022 dated 17.08.2022

Sir/Madam,

In reference to the above cited subject, it was directed by Ref-1 to float all HTC & RTC tenders through GeM portal only. Accordingly, regions have started to float the tenders through GeM portal using the "Custom Bid for Services" module. However, it was noticed that the custom bid module on GeM portal is based upon quoting of the bids on total value of the contract whereas the H&T contracts of FCI are awarded on percentage basis. Since, Govt of India has made it mandatory to procure all the goods and services on GeM portal, an adhoc measure was worked out vide cited ref-2 for reflection of the total value of the contract on the GeM portal. Simultaneously, the matter was also taken up with GeM for development of a module meeting the requirement of FCI. Now, GeM has developed a registered module/category as **"Handling, Transport and Other Mining Services-Percentage quote basis"** which has already been tested by Punjab, Haryana & Kerala Region on a pilot basis. Based upon the inputs received from the Regions & GeM it has been decided that the same module shall be used by all the Regions for floating of the HTC tender. **Also, Board of Directors has approved in the 416th meeting held on 24.03.2023 to float HTC/RTC tenders under respective service category on GeM portal.**



FCI HQ-S-C013(26)/1/2022-S C

1/177738/2023

**In this regard necessary terminology/nomenclature for utilizing these services on GeM portal is as under:**

1. **Schedule of rates (SOR)**- In the new system provided by GeM, the bidder can quote the rates above 0% and no negative value can be quoted by the bidder. The SOR value will be equivalent to 100% and accordingly, the BSOR can be between 0 to 100% and the ASOR will be above 100%.

**Illustration**-If the Schedule of Rates (SoR) Per 100 Bags as mentioned in the bid is Rs. 100, then the percent rate quoted by the bidder will be treated as under:

- I. If the bidder quotes 100% then the rate will be treated as Rs. 100 X 100% i.e. Rs. 100 which is equivalent to Schedule of Rates (SoR). i.e. at par with SoR
- II. If the bidder quotes 60% then the rate will be treated as Rs. 100 X 60% i.e. Rs. 60 which is Below Schedule of Rates (BSOR). i.e. 40% BSOR.
- III. If the bidder quotes 120% then the rate will be treated as Rs. 100 X 120% i.e. Rs. 120 which is Above Schedule of Rates (ASOR). i.e. 20% ASOR.

2. **Additional Terms & Condition (ATC)**: The approved MTF of HTC with necessary changes/ amendments as advised by Hqrs from time to time should be uploaded while creating the bid as ATC.

**Note:** GeM has formulated General Terms & Conditions (GTC) in their portal. As per the provision of GeM, the Terms & Conditions stipulated in Additional Terms & Conditions (ATC) and SLA will supersede those in GTC in case of any conflicting provisions.

3. **Service Level Agreement (SLA)**- The attached SLA shall be uploaded on GeM portal while creating the bid which is an indication of the type of different services to be provided by the bidder/service provider which has been prepared on the basis of provisions of MTF.

**Note:** Any changes/amendments in different service defined in the MTF made by Hqrs shall be incorporated themselves by the regions in the SLA in future.

4. **Bid Estimated Value** - This value should be calculated as per the prevalent methodology for calculation of estimated Contract Value (ECV). The same should be mentioned in the relevant place in the GeM portal on the basis of which EMD should be worked out.

**Note:-** It may be pertinent to mention here that this Bid Estimated Value is different from the concept of Base Value of the contract as explained at 1 above. The 'Base value' is worked out on the basis of SOR whereas the 'Estimated value' is worked out considering the value of the last outgoing contract which is based on the last quoted ASOR/BSOR rate.





FCI HQ-S-C013(26)/1/2022-S C

1/177738/2023

5. Base Value of the contract- The base value of the contract should be calculated as per following illustration:

Description of SoR item	Schedule Rate (SoR)*	Quantity of Handled**	Amount (in Rs.)
(1)	(2)	(3)	(4) = (2) x (3)
Total Amount			Base Value of contract

The Schedule of rates as mentioned in Column (2) is to be entered by the Regions applicable in that Region.

- \*\* (i) The quantity handled in the last contract is each respective SoR item to be considered.
- (ii) In case of new contract where there is no reference of earlier work in that. place then the estimated quantity is to be considered.

The base value of the contract should be mentioned in the GeM portal. The **BoQ** should be uploaded invariably in an excel sheet in the portal showing the SOR items for the respective contract and the work carried/expected to be carried out showing the base value of the contract as mentioned above. A sample copy of BoQ is enclosed for reference only.

6. **SD/BG**- Presently, GeM has the provision for a maximum of 10% Bank Guarantee as Security Deposit whereas there is requirement of higher SD/BG as per the MTF of FCI. Hence, the instruction for SD/BG should be followed as per the MTF attached as ATC in the GeM portal.

**Note:** The matter has been taken up with GeM and they are working on the same. However, they have informed that this is in development stage and it may take some time to provide the necessary facility to make it compliant with FCI. Till, the resolution of same it should be carried out as per the MTF of FCI uploaded as ATC.

- II. **Similarly, the tenders of Road Transport Contract (RTC) shall be floated through registered service category of "Goods Transport Services - Per MT Basis" available on GeM portal** where the quoting of rate is similar to that of FCI i.e. per MT basis. The approved MTF of RTC with necessary changes/amendments as advised by Hqrs from time to time should be uploaded while creating the bid alongwith the SLA (Copy attached). **In future, the SLA should be revised by the regions as per the changes/amendments made in the MTF by the Hqrs).**

FCI HQ-S-C013(26)/1/2022-S C

1/177738/2023

Therefore, it is requested to float the tenders of Handling & Transport Contract and Road Transport Contract on GeM Portal through their respective registered service category only as mentioned above with immediate effect.

Further, pre-bid meetings should be ensured by every region for awareness of the prospective bidders regarding the new changes made in the system of floating tenders through GeM portal.

This issues with the approval of Competent Authority.

Yours Faithfully

Encl: AA

**Signed by Sanjeev Kumar**

**Date: 11-04-2023 17:15:45**

**Reason: Approved** (Sanjeev Kumar  
Dy. General Manager (S&C)

Copy to:

1. Additional Secretary & Financial Advisor, Ministry of Consumer Affairs, Food and Public Distribution, Department of Food & PD, Krishi Bhawan, New Delhi - 110001
2. Additional Secretary (P&FCI) Ministry of Consumer Affairs, Food and Public Distribution, Department of Food & PD, Krishi Bhawan, New Delhi - 110001.
3. Sh. P K Singh, IAS Chief Executive Officer, GeM, Ministry of Commerce & Industry, GOI, Jeevan Tara Building, New Delhi-1110001
4. Shri KC Jha, Advisor Business Functions and Integration, Ex Additional Director General, Ex Additional CEO, GeM SPV
5. Executive Director (Purchase), FCI, Hqrs, New Delhi-110001
6. PS to CMD, FCI, Hqrs, New Delhi-110001



**Delegation of Powers for  
HTC/RTC Contracts  
(w.e.f 16.03.2023)**



(DOP NO.18)

Sl. No.	Nature of powers delegation	District Level		Regional Level		Zonal Level			Hqrs Level		Remarks
		Authority	Powers	Authority	Powers	Authority	Powers	Authority	Authority	Powers	
1	2	3	4	5	6	7	8	9	10	11	
18.	Awarding of Handling and Transport Contracts										
(i)	At mandis/ purchase centres										(i) Subject to haulage limits laid down by the Z.O. in each season. (ii) This item will also cover Mandi H&T contracts as per schedule notified by the State Government / authority concerned.
(a)	By Public tender	Divisional Manager	Full powers								
(b)	By Limited tender	Divisional Manager	Full powers								
ii)	At other places										In exceptional cases for the duration of the procurement season concerned only.
a)	By Public/Open tender										
aa)	Award of Regular contract	-	-	DGM(R)/ GM(R)	Full powers						
ab)	Award of Adhoc Contract/ Ratification of expenditure of	Divisional Manager	Upto Rs.25 Lakhs on	DGM(R)/ GM(R)	Upto Rs.1 Crore on each occasion	ED(Zone)	Full Powers				A monthly report of such cases should be sent to next Higher Authority for review.





Adhoc Contract to meet an emergent situation	each occasion	Full powers	To be exercised on the advice of a committee consisting of DGM(R)/GM(R) as the case may be and the finance head and officer of concerned division(s).
b) By negotiation following public tender whenever necessary	-	Full powers	To be exercised on the advice of a committee consisting of DGM(R)/GM(R) as the case may be and the finance head and officer of concerned division(s).
c) Awarding of road transport contract including transportation of paddy for milling	-	Full powers	To be exercised on the advice of a committee consisting of DGM(R)/GM(R) as the case may be and the finance head and officer of concerned division(s). A monthly report of such cases should be sent to next higher authorities.
d) Award of Contract through limited tender to meet an extremely emergent situation	Upto Rs. 10 lakhs on each occasion	-	To be exercised only with the approval of next Higher Authority.
iii) Awarding of Handing work to genuine labour cooperative without tender	-	Full powers	



**(DOP NO.19)**

Sl. No.	Nature of powers delegation	District Level		Regional Level		Zonal Level		Hqrs. Level		Remarks
		Authority	Powers	Authority	Powers	Authority	Powers	Authority	Powers	
1	2	3	4	5	6	7	8	9	10	11
19.	<b>Awarding Road Transport Contract i.e. excluding Handling</b>									
19(i)	By Public/Open tender									
19(i)(a)	Award of Regular Contract	-	-	DGM(R)/GM(R)	Full powers					Where negotiation are involved, the committee procedure outlined against S.No. 18 above will apply.
19(i)(b)	Award of Adhoc Contract/ Ratification of expenditure of Adhoc Contract to meet an emergent situation	Divisional Manager	Upto Rs. 25 lakhs for each occasion	DGM(R)/GM(R)	Upto Rs. 1 Crore for each occasion	ED(Zone)	Full powers			A monthly report of such cases should be sent to next Higher Authority
19(ii)	Award of Contract through tender to meet an extremely emergent situation	Divisional Manager	Upto Rs. 10 lakhs for each occasion	-	-	-	-	-	-	To be exercised only with approval of next Higher Authority





(DOP NO.20)

Sl. No.	Nature of powers delegation	District Level		Regional Level		Zonal Level		Hqs. Level		Remarks
		Authority	Powers	Authority	Powers	Authority	Powers	Authority	Powers	
1	2	3	4	5	6	7	8	9	10	11
20.	Fixing rates for services not provided for in an existing contract.	Divisional Manager	Rs. 1 lakh	DGM/GM	Full powers					The total of all such services should not in any event exceed 10% of the value of the contract concerned. Ex post facto approval of the next higher authority should be obtained in all such cases.

**FOOD CORPORATION OF INDIA  
HEADQUARTERS, NEW DELHI****No. F. 1/5/87-Cont.****Dated: - 19.03.1987****The Executive Director (Zone)  
Food corporation of India  
New Delhi/Mumbai/Kolkata/Chennai/Guwahati****Sub: Road movement of foodgrains—measures for ensuring monitoring of despatches  
and accounting of stocks.**

Sir,

As you are aware, inter and inter-Regional/Zonal movement of stocks by road is being arranged by the Corporation for supplementing rail movement. In order to ensure monitoring of despatches by road and accounting of stocks, the following instructions are issued for strict compliance:

- i) The stocks should be moved only on clear despatch instructions received in writing form / e-mail the Divisional Manager/ General Manager (Region) of the recipient end.
- ii) The despatching centre should send a telegram to each receiving centre indicating number of trucks despatched on that day along with the commodity and quantity with number of bags despatched. A copy of this e-mail should also be marked to concerned Divisional Manager of the recipient district and also to the despatching district.
- iii) A daily despatch request (DDR) may be drawn in the enclosed Performa. Seven copies of this daily despatch report may be prepared. The first four copies marked original, duplicate triplicate and quadruplicate may be sent to the consignee depot for recording the acknowledgment of the receipt of the trucks by them, while the copy marked fifth may be sent directly to the consignee District Officer and the sixth copy may be sent to the controlling consignor District Officer, retaining 7th copy as the office copy of the despatching depot. On receipt of four copies by the consignee depot, the Depot In charge will acknowledge the receipt of the trucks retaining the original copy with him and sending the duplicate one to the consignor depot. The triplicate copy would be sent to the consignor Divisional Office and quadruplicate copy would be sent to his controlling Divisional Office. These acknowledgements would enable Accounts Section of both consignor and consignee Divisional Offices to effect reconciliation and keep a close watch on the issue/receipt of the Transfer out/In Invoices and thus facilitating early finalization of accounts.

These acknowledgments on DDR will not, however, obviate recording acknowledgments on the truck chits.

The Depot Managers will be responsible to ensure the implementation of the instructions relating to instructions of the despatch of stocks and the procedure of daily despatch reports.





- iv) Consignee Divisional Manager will also watch the road movement and ensure that the trucks despatched by the despatching end reach destinations safely. If considered necessary, he may even open a separate cell for monitoring the road movement and ensuring accounting of stocks.
- v) If any truck does not reach the destination within a reasonable time, this fact should be immediately reported to the DM Divisional Manager at despatching end by the receiving end through e-mail. The Depot Incharge at the receiving end shall be personally responsible for prompt reporting of non-receipt of trucks consigned to his depot.
- vi) The Depot In charge should also take similar precautions for the road movements carried out by the H & T Contractors and immediately report to the Distt. Office, if any truck does not reach the destination with reasonable time.
- vii) Immediately on detection of any missing truck, the matter should be filed with the police in this regard. Payment of bills of the contractor should be withheld forth with till the entire cost of foodgrains found missing or lost in transit is recovered and the matter is finalized.
- viii) Clear acknowledgment should be obtained from the driver of the truck and the authorized representative should be clearly written on the truck chit.
- ix) The trucks supplied by the LRT contractor should be accepted for loading on clear authorization in writing from the LRT contractor or his authorized representative. Every truck supplied each day, should have authorization letter. Even the contractors own trucks should have similar authorization.

Please acknowledge receipt.

Your faithfully

Sd/-

(K.S. Bhasin)  
Manager (S&C)

Encl: 1. Circulation:

1. All GM(Region), FCI.....
2. All Divisional Managers, FCI.....

Copy to:

1. Ps to CMD, FCI, Hqrs., New Delhi
2. Ps to ED (T)/ ED (F)/ ED(Proc.)/ED (S&C)/ED (Sales)/ ED (QC). FCI, Hqrs., New Delhi

Manager (S&C)



भारतीय खाद्य निगम

मुख्यालय

16-20, बाराखम्बा लेन, नई दिल्ली 110001

फैक्स / FAX: 011-23413241, 43527433



**FOOD CORPORATION OF INDIA,  
HEAD QUARTERS**

16-20, BARAKHAMBA LANE,  
NEW DELHI-110001

दूरभाष/ Phone: 011-43527697, 43527698

दूरभाष/ Phone: CGM (A/cs) 011-43527311, GM (A/cs) 011-43527608, DGM (A/cs) 011-43527604

ईमेल: /Email: afaaccts.fci@nic.in

No. Acctts/9(1)2016

Date: 05-07-2017

### **Circular No. 1208/Acctts**

Following Accounting Policy and Procedure has been approved by the Board of Directors in 381<sup>st</sup> BOD meeting held on 22.06.2017 to write back Liabilities/Trade payables. All the unit offices are hereby directed to follow the policy and procedure as given below to write back Liabilities/Trade payables in the books of Accounts w.e.f. 01.04.2016.

#### **1. Accounting Policy (No. 17)**

"Liabilities/ Trade Payables of the Corporation shall be carried in the books of accounts of the Corporation for consecutive 3 (three) years from the date of its origin and in the 4th year, these liabilities /trade payables shall be written back in the books of accounts and credited to Income after following the due procedure".

#### **2. Following Procedure is to be followed to write back liabilities/Trade Payables.**

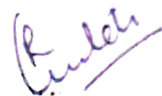
- i) Accounts Division in every office shall review the Liabilities/Trade Payables/Other payables at the beginning of every year based on Account Reports and identify the cases which are existing for more than 3 years.
- ii) Such liabilities/trade payables shall be examined by the Accounts Division to ascertain whether a liability /trade payables is appearing due to wrong accounting i.e. subsequent payment being made directly debiting expenditure head, estimated liability /trade payables raised by Accounts based on Audit Query etc. In such cases Accounts Division itself shall write back the amount giving a detail clarification of the event.
- iii) Other liabilities/trade payables will be intimated to concerned operating division and will be noted down in separate register and action to write back will be taken by the Account Division.
- iv) A separate Register will be maintained to record the details of liabilities/trade payables written back.



- v) Any claim raised by the creditors after it has been written back, shall be recreated as liability/trade payables with the approval of the one office higher to the office where such liability/trade payables was earlier existed and written back except for Headquarter. Example: In case of Area Office, approval to recreate liability/trade payables shall be accorded by RO in consultation with Finance Division.

The above policy will be effective from 01-04-2016.

Hindi version follows



(RASHMI GULATI)

General Manager (A/cs)

#### **Distribution:**

1. All CGM/GM (F&A) in Headquarters/Zones.
2. GM (Cost/Fin/CPF/FAP/Fund/Pension), FCI, Headquarters, New Delhi.
3. All GM/DGM/AGM (IA&PV) in Hqs./Zones/Regions.
4. AGM (Bills/IA/Computer), FCI, Headquarters', New Delhi.
5. The Director, IFS, FCI, Gurgaon, Haryana.
6. All DGM (F&A)/AGM (A/Cs), FCI, Regional Offices
7. All Area Managers.

#### **Copy to**

1. The Principal Director of Commercial Audit (MAB-IV), 8th, 9th Floor 10-Bahadur Shah Zafar Marg, New Delhi-110002
2. The Dy. Director of Commercial Audit, FCI Hqrs. KhadyaSadon, New Delhi.
3. The Director of Commercial Audit, 4th Floor, 27-Mirza Galib Street, Kolkata
4. The Dy. Director (Commercial) Account Audit, Principal director (commercial accountaudit) M.A.B-4A 3rd floor F.C.I. Building, 8 Meyar, Satya Murti Marg. Chitpait, Chennai 600031.
5. The Dy. Director of Commercial Audit, M.A.V-4 CAG/Audit, Branch Office, 7th Floor, Audit Building, Plot No. 25- C. Behind Income Tax Office, BandraKurla Complex, Mumbai- 400051
6. The Dy. Director (Commercial) Account Audit, M.A.V.-4, CAG (Audit)/Punjab, New A.G. (Audit) Building, First Floor, Sec-17E, Chandigarh-160017.
7. The Sr. Regional Audit Officer, C/o General Manager (Region), FCI, Regional Office, TC/3V, VibhutiKhand, Gomti Nagar, Lucknow.
8. The Regional Audit Officer, C/o FCI, Regional Office, Chetak Building. M.P Nagar, HabibGanj, Bhopal (MP)
9. Webmaster fci@nic.in for uploading on website.



## SHORTCOMINGS IN THE BID DOCUMENT

विषय : 'कुचक्रान्त'  
उद्देश्य : FCI/FCI/FCI  
किसम नं. भारतकालीनई गन की  
Page No. FCI/FCI

भारतीय  
खाद्य  
निगम



FOOD  
CORPORATION  
OF INDIA

मुख्यालय  
नई दिल्ली  
Head Quarters  
New Delhi

00011123413241 10-20, बारादाम्बा लाने, नई दिल्ली 110001, फ़ोन: 011-43527697, 43527698  
00011143527433 10-20, BARA DAMBA LANE, NEW DELHI - 110001, PHONE: 011-43527697, 43527698

No: F.1 (Misc.)/2014/Cont.(209)/Circular/Vol.-I

Dated: 31.10.2017

## Circular-01/2017(Cont)

## Sub: Short coming in the Bid Documents.

Reference is invited to CVC's Circular No.33/7/03 dated 09.07.2003 and Circular No. 01/04/2014 dated 29.4.2014 stating that the Central Vigilance Commission has been impressing upon all organizations to ensure transparency and fair play in all procurement/contracts(copy enclosed). The commission advised that whatever pre- qualifications, evaluation/exclusion criteria, etc., which the organization wants to adopt, should be made explicit at the time of inviting tenders so that basic concept of transparency and interests of equity and fairness are satisfied. The acceptance/rejection of any bid should not be arbitrary but on rational and objective grounds as per the laid down specifications, evaluation/exclusion criteria leaving no room for complaints as after all a bidder spends a lot of time and energy and resources in preparing the bids.

It has been observed that in some cases the bids are being rejected during technical evaluation on trivial and frivolous grounds. This practice is against the spirit of the fair tendering process and leads to elimination of competition.

Keeping the above principle in view, the instructions of the CVC for the tendering process are to be implemented in letter and spirit for safeguarding the interests of the Corporation to ensure fair play. Rejection of tenders on hyper technical grounds is not fair and may be detrimental to the interest of the Corporation as this practice leads to limited or no competition.

Therefore, it is expected that Competent Authority at various levels would judiciously apply their mind before taking decisions.

This issues with the approval of Hon'ble CMD.

Encl. AA

Yours Faithfully

Meena

Dy. General Manager (S&C)

## Distribution:

1. All Executive Director, FCI, Hqrs, New Delhi
2. Executive Director (Zone), Food Corporation of India, Zonal Office (North/West/East/South/NE), Noida/Mumbai/Kolkata/Chennai/Guwahati



1. General Manager (Region), Food Corporation of India Regional Office Coimbatore/  
Coimbatore/Panaji/Kolhapur/Solapur/Jalgaon/Durgam/Dibrugarh/Bongaigaon/Banarasi  
Chennai/Mumbai/Patna/Ahmedabad/Bhopal/Patna/Bhubaneswar/Raipur/Ranchi/  
Assam/Shillong/Dimaapur/Imphal/Arunachal Pradesh
2. All General Manager FCI, HQ, New Delhi
3. Director IFS, Gurugram, Haryana



Dy. General Manager (S&C)



No.98/ORD/1  
**Government of India**  
**Central Vigilance Commission**  
(CTE's Organization)

Satarkta Bhavan, Block 'A'  
G.P.O. Complex, I.N.A.,  
New Delhi-110 023  
Dated the 9th July, 2003

**Office Order No. 33/7/03**

To

**All the Chief Vigilance Officers**

**Subject:- Short-comings in bid documents.**

Sir/Madam,

The Commission has observed that in the award of contracts for goods and services, the detailed evaluation/exclusion criteria are not being stipulated in the bid document and at times is decided after the tender opening. This system is prone to criticism and complaints as it not only leads to a non-transparent and subjective system of evaluation of tenders but also vitiates the sanctity of the tender system.

2. The Commission would reiterate that whatever pre-qualification, evaluation/exclusion criteria, etc. which the organization wants to adopt should be made explicit at the time of inviting tenders so that basic concept of transparency and interests of equity and fairness are satisfied. The acceptance/rejection of any bid should not be arbitrary but on justified grounds as per the laid down specifications, evaluation/exclusion criteria leaving no room for complaints as after all, the bidders spend a lot of time and energy besides financial cost initially in preparing the bids and, thereafter, in following up with the organizations for submitting various clarifications and presentations.
3. This is issued for strict compliance by all concerned.

Yours faithfully,

Sd/-  
(Mange Lal)  
Deputy Secretary  
Telefax No.24651010





केन्द्रीय सतर्कता अयोग  
CENTRAL VIGILANCE COMMISSION

सतर्कता भवन जी.पी.ओ. कॉम्प्लेक्स,  
ब्लॉक ए, आई.एन.ए., नई दिल्ली 11002  
Satarkta Bhavan, G.P.O. Complex,  
Block A, I.N.A., New Delhi-110 023

सं./No. 98/ORD/1 (viii)

दिनांक /Dated. 29th April, 2014

**Circular No.01/04/14**

**Sub: Short-comings in bid documents**

**Ref: Commission's circular No.33/7/03 dated 9 July, 2003**

The Commission has been impressing upon all Organisation to ensure transparency and fair play in all procurements/ contracts. One of the concern relates to the short-comings in framing of "NITs and bid documents which results in ambiguity and scope for interpretation differently during processing and award of contracts by the organisations.

2 The Commission had vide its Office Order No.33/7/03 dated 9<sup>th</sup> July, 2003. advised that whatever pre-qualification, evaluation/exclusion criteria, etc. which the organization wants to adopt should be made explicit at the time of inviting tenders so that basic concept of transparency and interests of equity and fairness are satisfied. The acceptance/rejection of any bid should not be arbitrary but on justified grounds as per the laid down specifications, evaluation/exclusion criteria leaving no room for complaints as after all the bidders spend a lot of time and energy besides financial cost initially in preparing the bids and thereafter, in following up with the organizations for submitting various clarifications and presentations.

3. The above instructions are relegated for companies by all Ministries/Departments/ Organisations.

*[Signature]*

J Vinod Kumar  
Officer on Special Duty

To  
All Chief Vigilance Officers

**Instructions regarding Additional Clauses being incorporated in the Bank Guarantee format of HTC/RTC contracts by the issuing banks**

1/3718/2022

नाम 'फूडकोर्प'  
Gram - FOODCORP  
पेसम नं. एम्प्लॉयमेंट एंड एन डी  
Fax No. HFCI ND

भारतीय  
खाद्य  
निगम



FOOD  
CORPORATION  
OF INDIA

मुख्यालय  
नई दिल्ली  
Head Quarters  
New Delhi

00911123413241 16-20, बाराहम्बा लेन, नई दिल्ली - 110001, दूरभाष - 011-43527697, 43527698  
00911143527433 16-20, BARAHAMBA LANE, NEW DELHI - 110001, PHONE: 011-43527697, 43527698

**No. FCI HO-S-C013/3/2022-SC**

**Dated:06.09.2022**

Executive Director (Zone)  
Food Corporation of India,  
(North/West/East/South/NE)  
Noida/Mumbai/Kolkata  
Chennai/Guwahati

Food Corporation of India  
Zonal Office General Manager (Region),  
Regional Office  
Delhi/Punjab/Haryana/U.P./Uttarakhand/Rajasthan/  
H.P./J &K/ Andhra Pradesh/Karnataka/Tamilnadu/  
Kerala/Telangana Maharashtra/Chhattisgarh/  
Gujarat/M.P. Bihar/Jharkhand/Odisha/West Bengal  
Assam/NEF/Nagaland/Manipur/Arunachal Pradesh

**Sub: Additional Clauses being incorporated in the Bank Guarantee format of HTC/RTC contracts by the issuing banks reg.**

Sir/Madam,

References have been received from field offices regarding incorporation of additional clauses in the Proforma/Format of Bank Guarantee of Security Money Deposit in respect of HTC/RTC contracts by the issuing banks.

The matter has been examined in consultation with Finance Division and Competent Authority has approved that field offices may accept Bank Guarantee (BG) with additional clauses incorporated by Banks only after the concurrence by the Regional Legal and Finance divisions and subject to the condition that additional clause incorporated by Banks in the BGs does not have any adverse impact with regard to interest of the Corporation and on the spirit/enforceability of the BG.

Yours Faithfully  
**Signed by Alok Kumar Oday  
Bhanu Singh**

**Date: 08-09-2022 12:50:09**  
**Reason: Approved**

**Copy to:**

1. Executive Director (Zone), Food Corporation of India, Zonal Office (East), Kolkata...w.r.to your office letter no.F-6(37) Cont/MTF/2017-2022 dated 01.08.2022.
2. General Manager (Region), Food Corporation of India, Regional Office, Bhubaneswar, Odisha...with respect to your office letter no. Cont.15(379)/2022/BLJR-Simdega dated 03.06.2022
3. Executive Director (Finance), Food Corporation of India, Hqrs, New Delhi.....for information please.

Dy. General Manager (Genl)





## ADVISORY FOR MISSING TRUCKS

संस्था  
FOODCORP  
उत्पादक/सिपार्स एमसी  
00011123413241  
00011123413241

भारतीय  
खाद्य  
निगम



FOOD  
CORPORATION  
OF INDIA

पञ्जाब  
-110 001  
Hauz Khas  
New Delhi

फोन नं.  
00011123413241  
00011123413241

सं. २०, बरकतपुर रोड, नई दिल्ली ११००१  
16-20 BARKATPUR LANE, NEW DELHI 110001. PHONE 43627697 43627698

Vig 21(175)/2011/EZ

07 April 2017

### ADVISORY

1. There have been reports of incidence of 'missing trucks' involved in inter/intra district movement of foodgrain stock between FCI Depots and subsequent release of payment to RTCs even before reconciliation of stocks by respective consignor/consignee resulting into heavy pecuniary loss to the Corporation.
2. In this regard the verification of documents submitted by contractor, monitoring despatches of stock and complete reconciliation of stock is utmost necessary to obviate any incidence of missing of trucks.
3. In this regard instructions issued by FCI HQs, S&C Division vide their letter No. F1(5)/AP/2014/Contract/596 to 625 dated 3.2.2016 are reiterated as under:

**DDR (Daily Despatch Report) should be sent through E-mail on daily basis by the despatching end to the recipient end and reconciliation between despatching end to recipient end should be done on regular intervals keeping in view approximate time required to cover the distance from despatching end to recipient end and in case any variation is noticed, no further stock should be handed over to RTC till reconciliation of stock. Also action as per MTF should be taken against defaulters. Further, a time limit may be fixed by the Regions for reconciliation for delivery of stock transported by road in consultation with Zonal Office as conditions may vary from Region to Region and after that limit, if any, truck or stock found missing, no further stock should be handed over to the defaulter RTC. Further instructions regarding monitoring of stock despatched through road movement issued through Circular No. F.1/5/87-Cont dated 19.3.87 and 28.4.93 and various provisions of MTF should be followed meticulously.**

संस्थापक  
प्रधानमंत्री  
कार्यालय  
नई दिल्ली  
110001  
फोन 43527097 43527098  
फैक्स 43527097 43527098

भारतीय  
खाद्य  
निगम




FOOD  
CORPORATION  
OF INDIA

मुख्यालय  
नई दिल्ली  
110001  
फैक्स 43527097 43527098

संस्थापक प्रधानमंत्री कार्यालय नई दिल्ली 110001 फोन 43527097 43527098  
फैक्स 43527097 43527098

4. It is requested that the instructions contained in FCI HQs ibid letter be scrupulously followed in letter and spirit by the concerned field level functionaries.

This issues with the approval of ED(Vigilance).

  
(Sanjeev Gautam)  
General Manager(Vigilance)

### Distribution

1. Executive Director (Zone), FCI ZO Noida/Chennai/Mumbai/Guwahati/Kolkata
2. General Manager (region) FCI Regional Office New Delhi/Panchkula/Jaipur/Jammu/Mumbai/Bhopal/Ahmedabad/Raipur/ Patna/Ranchi/Kolkata/Bhubaneshwar/Shillong/Guwahati/Dimapur/ Thiruvananthpuram
3. General Manager (S&C), FCI HQS, New Delhi





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भारतीय  
खाद्य  
निगम



FOOD  
CORPORATION  
OF INDIA

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## CIRCULAR NO.05/FIN/2018

No. Fin/32/4/2016

Date:18.05.2018

Multiple circulars of FCI are in place on different aspects of Bank Guarantee. In this regard a SOP containing important guidelines on various aspects of Bank guarantee has been compiled and are stated hereunder:

### 1) Acceptance of Bank Guarantee

- As soon as the Bank guarantee executed by bank on prescribed stamp paper is received, it should be seen that the BG is properly signed and bears the necessary stamp of the bank.
- The wordings of the BG should be compared with the model BG enclosed with the tender and it should be accepted only after it agrees in toto with the model BG.
- It should be checked that the BG contains the name and/ or employee code and/ or designation of the officer of the Bank who have issued the BG. It has already been stated at point 1 (a) that signature and proper seal of Bank is also required.
- The BG with restricted period of validity not covering the period stipulated in tender should not be entertained.
- The genuineness/ correctness of the BG should be examined in the Operating division by an officer not below the rank of AGM. The BG, post examination by operating division, should be further examined in finance division by officer not below the rank of AGM (A/cs) at RO/ZO/HQRS and M (A/cs) at AO level.

### 2) Verification Confirmation of Bank Guarantee

- The concerned office is required to verify/ confirm the genuineness of the BG provided by the contractor, directly from the authority one level higher than the issuing authority of the bank under registered acknowledgement Cover. The reply of the Bank in confirmation should not be accepted if it is brought by the party himself.
- The confirmation/ verification of BG from bank should be availed only in hard copy through post and not in electronic format.
- If the confirmation is delayed, the hand copy of confirmation letter shall be availed by deputing officials of Finance and operating division to collect it in person (official concerned should not be retiring before bank guarantee period).



- d) Necessary entry of receipt of this confirmation letter in Dak receipt register be immediately done by operating division concerned.
- e) Concerned operating division must ensure that confirmation/ verification of the BG from bank is invariably availed.

### **3) Period of BG and its extension**

- a) Period of BG: - BG with appropriate period of validity determined by taking into account the following factors and other relevant instructions on the subjects should be stipulated:-
  - i. The actual period of contract.
  - ii. The period for which the contractor is responsible for the maintenance of the executed work/ material supplied and/ or for which he gives corresponding guarantee for the same.
  - iii. The period for which the performance of work/ completion of supply may be extended and the period which may be necessary for finalization of the accounts or the work,
- b) Extension: - There could be occasions where extension of the guarantee period to account for the justifiable delays etc. become necessary. Extensions/ renewals in the validity period of BG should be with the consent of issuing bank and this validity period should be very clearly stipulated on the face of the bank guarantee that the bank guarantee is effective upto (such and such date). The notion in some of the offices that the bank guarantee is effective till the expiry of the contract is wrong and it is again repeated that the validity of the bank only upto the specific date mentioned in the bank is required, request for extension in validity period of BG should be made by the party/ contractor to the issuing bank well in time before the expiry of the validity period initially provided in the BG. Further, communication about BG extension from Bank should be received at FCI within the validity period of BG. In case of refusal by the party/ contractor to extend the BG/ non-receipt of extension by bank in time, the BG should be encashed within the validity period of the BG with due regard to the amount in lieu of which the same was executed and the encashed amount should be kept in the accounts of FCI without relating it to the value of damages or claims/ dues of FCI against the contractor.

### **4. Encashment of BG**

- a) When on breach of contract, it becomes necessary to encash the BG, a notice to the bank may be issued and served within the validity period of the BG. The notice should be sent through special messenger and the payment should be demanded immediately. If there is any difficulty in encashing the BG immediately, the matter should be brought to the attention of the Regional office with a copy to G.M. (A/ cs), ZO (by name), and if required, advice of the advocate in panels/ Central Govt. panel lawyer be obtained without loss of any time.





- b) If the party who furnishes the BG obtains a stay order from the court against encashment of the BG, we should at once engage a lawyer out of FCI's panels for getting the injunction restraining the FCI from encashing the BG vacated. In case there is no panel of lawyers of FCI, a lawyer from Govt. Panel must be engaged. If the court does not vacate the stay order, an appeal should be preferred in the next higher court. When the BG is subject matter of a suit, for litigation, or injunction and the validity of the BG is about to expire due to any injunction or stay order of the court, then an application should be moved before the court for issue of directions for renewal or extension of the BG by the bank.

It has been decided to ensure in the first instance, that no injunction is granted restraining FCI from encashing the BG. If we do not succeed, we shall simultaneously pray to the court to implead the bank as a party and for issue of specific directions to the party as well as bank to keep the BG alive till a decision of the case by the court or the arbitrator, if favourable to FCI finally gets implemented in full. A copy of the order with such directions may also be supplied to the bank.

- c) In this connection, it is advised that the legal process normally allows very little time for filing appeals and if the appeal to the higher court is not filed within stipulated time, the courts do not normally condone the delay in filing appeal and the case is dismissed on this account alone even if otherwise sustainable merits. G.M. (Region) for BG encashment issues at RO/ AO and GM of operating division concerned for BG encashment issues at ZO/ HQRs, should monitor the subject till its closure.
- d) In all cases involving litigation directly or indirectly, the legal officers available in the Regional office or the Zonal office should be invariably consulted and his opinion obtained if time permits.

## 5. Safe custody of BG

BG at all times must be carefully kept in proper custody. In other words the same should be packed in a sealed cover and kept in the iron safe of the cashier, so that it is not available to anyone without proper authorization. A photo-stat copy should however be kept in the appropriate file of the concerned division for timely action whenever required.

## 6. Responsibility in regard to BG

- a) As Bank Guarantee is initially received by the Division awarding a contract. Hence it would be their primary responsibility to see that they are correctly drawn in favour of the corporation before these documents are sent to cashier for safe custody. In this connection it is stated that mere sending these documents to cashier for safe custody does not absolve the contract awarding division of their responsibility in all respects. The division responsible for awarding contracts has to make timely action for encashment/ renewal/ release of the documents wherever called for.
- b) In case, if it is decided by the operating Division to encash the Bank Guarantee or other valuables through Finance Division, the operating division may communicate the decision along with all required documents to finance division in advance so that Finance shall take necessary action for execution of the decision of the



competent authority.

- c) It has been decided with the approval of competent authority that in those cases where the encashment is to be got done through Finance division, the time limit to communicate to finance division shall be as follows:
  - i. In case the issuing branch of BG is situated at the same location/ city where the concerned FCI office is situated, such decision will be communicated at least two working days in advance. (excluding day of communication and last day of BG encashment).
  - ii. If the branch of the issuing bank is not situated in the same city. The decision shall be communicated at least 4 working days in advance (excluding day of communication and last day of BG encashment).
- d) Dated acknowledgement of BG encashment communication from operating division should be availed from Finance Division (AGM (A/cs)/ M (A/cs)).
- e) On the receipt of such advice for encashment of Bank Guarantee, the Finance division shall immediately depute AGM (A/cs)/ M (A/cs) to the concerned bank branch for encashment of bank guarantee. After receipt of money in FCI account, Finance division shall communicate the same to the concerned operating division.
- f) Short duration notice (i.e. less than period stated above) shall not be accepted by Finance Division owing to time constraint. Such BG encashment needs to be done by operating division themselves.

With the issuance of above circular, circulars no. 15/Finance/82 dated 07.12.1982, 1/FIN 2015 dated 25.05.2015, 3/FIN/2015 dated 11.09.2015, 4/FIN/2015 dated 23.11.2015 and 03/FIN/2018 dated 23.01.2018 stands withdrawn.

-sd-

(Akshay Vishal)  
General Manager (Finance)

वितरण:

1. सभी कार्यकारी निदेशक (जोन) / सभी महाप्रबंधक (क्षेत्र), एफसीआई
2. सभी कार्यकारी निदेशकों, एफसीआई मुख्यालय
3. जीएम (एफ एंड ए) जोन / आरओ, एफसीआई
4. सभी क्षेत्रीय प्रबंधक, नजला कार्यालय, एफसीआई
5. निदेशक, आईएफएस, गुड़गांव
6. एजीएम (नबल), एफसीआई मुख्यालय
7. जीएम (आईटी) एफसीआई मुख्यालय..... इस वेबसाइट पर पररपत्र अपलोड करने के अनुरोध के साथ।
8. जीएम (हिंदी), एफसीआई मुख्यालय..... हिंदी अनुवाद के लिए।



नाम : 'फूडकोर्प'  
अब्रहम : 'FOODCORP'  
वेबसाइट : एचएफसीआई एन डी  
फैक्स नं. : HFCI ND

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सं. फिन./32/4/2016

दिनांक: 10.06.2019

### **CIRCULAR NO. 03/FIN/2019**


Reference may be drawn towards FCI's circular no. 05/Fin/2018 dated 18.05.2018 containing guidelines on various aspects of Bank Guarantee.

Regarding guidelines on Safe Custody of Bank Guarantee, following additional instructions are to be followed:-

1. Cashier/Custodian shall receive the Bank Guarantee from the operating division by giving written acknowledgment and maintain a proper register/excel file of Bank Guarantees kept by him in his safe custody to keep a check of its validity and shall be reviewed on first working day of every month jointly by the custodian and his reporting officer i.e. Manager (A/Cs)/AGM (A/Cs)/DGM (A/Cs).
2. The review and action thereafter shall be made as per following process :-
  - i. A review report shall be prepared mentioning total number of Bank Guarantees (B.G.s) available with specific information w.r.t. no. of B.G.s expiring in next two months.
  - ii. An inter departmental note shall be issued to concerned operating division by the custodian intimating the expiry of B.G.s within two months with request to advise further course of action.
  - iii. A second reminder shall be issued to concerned operating division by the custodian before 30 days of expiry of B.G.
  - iv. Final reminder/warning shall be issued by the reporting officer of the custodian to the concerned head of operating division before 10(ten) days of expiry of B.G. seeking specific direction on the B.G. revealing clearly the expiry date and its consequences.
  - v. On expiry of validity period if no action is taken by operating division, the B.G. in original shall be returned to the concerned operating division by obtaining a written acknowledgment by the custodian.



These instructions are being issued only to maintain double check on validity period of Bank Guarantees and it does not anyway absolve the operating division of its responsibility of taking timely actions for extension of Bank Guarantees. For this purpose, operating division shall maintain a register of bank guarantees obtained by it for different contracts given by the division, which should be regularly monitored by it.

  
(जगदीश कुमार)  
महाप्रबंधक (विन)

वितरण:

1. सभी ईडी (जोन) / जीएम (क्षेत्र), एफसीआई;
2. जीएम (एफ एंड ए) / डीजीएम (एफ एंड ए), जेडओ / आरओ, एफसीआई;
3. सभी क्षेत्रीय प्रबंधक, एफसीआई, डीओ;
4. निदेशक (आईएफएस), गुडगांव;
5. सभी ईडी, एफसीआई, मुख्यालय, नई दिल्ली;
6. पीएस से सीएमडी;
7. एजीएम (बिल), एफसीआई, मुख्यालय, नई दिल्ली;
8. जीएम (एफएपी), एफसीआई, मुख्यालय, नई दिल्ली;
9. जीएम (आईटी), एफसीआई, मुख्यालय..... एफसीआई वेबसाइट पर अपलोड करने के लिए;
10. जीएम (हिन्दी), एफसीआई, मुख्यालय..... कंटेंट को हिन्दी में परिवर्तित करने के लिए।





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सं. फिन/32/विधि/2018-19

दिनांक: 19.08.2019

## **CIRCULAR No. 05/FIN/2019**

Reference is drawn towards Finance Division Circular No. 05/2018 dated 18.05.2018 vide which SOP on various guidelines related to Bank Guarantee has been issued. As per the existing instructions, the concerned office is required to verify/ confirm the genuineness of the BG directly from one office higher than issuing office through registered post.

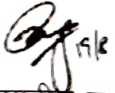
However it has been felt that there is a risk involved during the time gap of submission of bank guarantee and its verification thereafter. So to mitigate such risk of fraud, Competent Authority has approved the use of Structured Financial Messaging System (SFMS) through ICICI Bank for receiving confirmation of Bank Guarantee in favour of FCI. This will save our manpower, resources involved in getting BG confirmed from one higher office of issuing bank branch. This will also eliminate any chance of acceptance of any fraudulent BG by our offices.

1. ICICI bank is offering this service through its portal e- BG/ CIB Trade online. Under this system, a current account at HQ level will be opened and a corporate User ID and password for CIB Trade online platform of ICICI Bank will be issued to FCI HQ.
2. Further User IDs and passwords to field offices will be issued by the bank, who can also log into the portal and see the BG issued in their favour. These IDs will be view only and no transactions can be done by any field office in this account
3. As and when any bank issues a Bank Guarantee in the favour of FCI office and sends SFMS Message under MT760COV/MT767COV to ICICI Bank, an email message will be received by concerned FCI office from ICICI bank. Further this will also be reflected in login of concerned office of FCI (Issued by ICICI Bank as at 2 above)
4. When the third party/contractor submits the Bank Guarantee physically to concerned office, Operating Division(s) will send the copy of Bank Guarantee on file for verification to Finance Division. Finance Division will cross verify issuance of BG from logging in ICICI Bank's CIB Trade online platform.. Finance Division will download the message from ICICI Banks e-BG/CIB Trade online portal and place the same in the file.
5. Original BG after such confirmation will be handed over to cashier for safe custody as per prevalent practice and procedure.

6. The applicable bank charges for this facility shall be released by Bills Section, Hqs only and IOG shall be sent to Concerned ZO/RO/DO.
7. This process will involve addition of SFMS Clause in all MTF's and modification of BG format, for which separate instructions are being issued by concerned operating division separately.

All field offices should ensure that necessary amendment in MTF clause & Format of BG is done. Prospective bidders should be made aware of this change to enable them to get the BG issued from their bankers suitably.

**This facility will run parallel to present system of manual BG confirmation, initially on a pilot basis for 6 months. Manual system will be dispensed after all our offices are on board and are confident of this system through a review by the respective Regional office for all divisional offices under it and Zonal offices/HQ/IFS for their respective offices.**

  
(जगदीश कुमार)  
महाप्रबंधक (वित्त)

वितरण:

1. सभी ईडी (जोन), एफसीआई,
2. सभी ईडी, एफसीआई, मुख्यालय, नई दिल्ली,
3. सभी जीएम, एफसीआई, मुख्यालय, नई दिल्ली,
4. सभी जीएम (क्षेत्र), एफसीआई / डीजीएम (क्षेत्र), मणिपुर,
5. निदेशक (आईएफएस), गुरुग्राम,
6. सभी क्षेत्रीय प्रबंधक, एफसीआई, डीओ।





केन्द्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन जी पी ओ. कॉम्प्लेक्स,  
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सं./No. 22/VGL/032

दिनांक /Dated. 11.07.22

**Circular No. 14/07/22**

**Subject: Updation of Manual on Procurement of Goods, Services, Works and Consultancy, etc.**

Central Vigilance Commission and D'o Expenditure have issued guidelines on public procurement from time to time.

2 After due deliberations, it was decided that for the sake of uniformity and to avoid multiplicity of authorities for issuance of guidelines on procurement related issues, updated Manuals may be issued by Dio Expenditure only, after taking into consideration the guidelines issued by the Cominission. Accordingly, Dio Expenditure have updated and released i) *Manual on Procurement of Goods*; ii) *Manual on Procurement of Works*; and iii) *Manual on Procurement of Consultancy & Other Services*, wherein the guidelines issued by the Commission on public procurement has also been assimilated. The same are available on Commission's website i.e. [www.eve.gov.in](http://www.eve.gov.in) under the head "Guidelines" and sub-head "Tender Guidelines".

3. The Commission has desired that all the Chief Vigilance Officers may take note of the updated Manuals and bring the same to the notice of Chief Executive/Management of their organisation, along with other authorities concerned, for strict compliance henceforth. An introductory note relating to updated Manuals, as quoted above, is enclosed for guidance and reference purpose.

(Rajiv Verma)  
Director

Encl. As above



**Central Vigilance Commission**

Central Vigilance Commission (CVC) has been issuing various guidelines on Public Procurement from time to time. So far, in all 72 number of circulars containing issue specific guidelines were issued and were also hosted on Commission's website

2. Apart from the guidelines issued by CVC, Department of Expenditure (DoE), Government of India has also been issuing guidelines on public procurement including manuals on procurement of goods, works and consultancy & other services.
3. On other occasions, various other Organisations like NITI Aayog, D/o Promotion of Industry & Internal Trade have also issued guidelines on public procurement. CVC after deliberations with DeE and within the Organisations has come to logical conclusion that it would only be appropriate if public procurement guidelines are issued from D/o Expenditure. Due to multiple organizations issuing guidelines, procurement executives were facing problems in having a single authoritative source of reference.
4. DoE in collaboration with CVC has now updated (i) Manual on Procurement of Goods, (ii) Manual on Procurement of Works (iii) Manual on Procurement of Consultancy & Other Services, wherein all the CVC guidelines on public procurement have been merged.
5. These updated Manuals have been released by Cabinet Secretary in the office of Central Vigilance Commission on 1<sup>st</sup> July, 2022 in presence of CVC and Finance Secretary Secretaries of various Ministries/Departments, Heads of PSUs/PSBs, officials of CVC, officials of DoE etc. were also present.
6. These updated Manuals of D/o Expenditure have been uploaded on the website of CVC and all the earlier guidelines of CVC on public procurement have been withdrawn. All the Organisations are required to update/sliga their procurement guidelines/manuals in line with the above Manuals of D/o Expenditure and upload them on their website at the earliest for easy access of their officials and other stakeholders.

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