

Chapter 35

Guidelines on outsourcing of Services

Rules 178-185 of the Swami's compilation of General Financial Rules regulate the Outsourcing of services. These Rules are reproduced below:-

Rule 178. Outsourcing of Services

A Ministry or Department may outsource certain services in the interest of economy and efficiency and it may prescribe detailed instructions and procedures for this purpose without, however, contravening the following basic guidelines.

Rule 179. Identification of likely contractors

The Ministry or Department should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other Ministries or Departments and Organization involved in similar activities, scrutiny of 'Yellow pages', and trade journals, if available, web site etc.

Rule 180. Preparation of 'Tender enquiry'

Ministry or Department should prepare a tender enquiry containing, inter alia:-

- (i) The details of the work or service to be performed by the contractor;
- (ii) The facilities and the inputs which will be provided to the contractor by the Ministry or Department.
- (iii) Eligibility and qualification criteria to be met by the contractor for performing the required work/service; and
- (iv) The statutory and contractual obligations to be complied with by the contractor

Rule 181. Invitation of Bids;

- (a) For estimated value of the work or service up to rupees ten lakhs or less:

The Ministry or Department should scrutinize the preliminary list of likely contractors as identified as per Rule 179 above, decide the prima facie eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should not be less than six.

- (b) For estimated value of the work or service above rupees ten lakhs :

The Ministry or Department should issue advertised tender enquiry asking for the offers by a specified date and time etc., in at least one popular largely circulated national newspaper and website of the Ministry or Department.



Rule 182. Late Bids.

Late bids, i.e. bids received after the specified date and time of receipt, should not be considered.

Rule 183. Evaluation of Bids Received

The Ministry or Department should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.

Rule 184. Outsourcing by Choice

Should it become necessary, in an exceptional situation to outsource a job to a specifically chosen contractor, the Competent Authority in the Ministry or Department may do so in consultation with the Financial Adviser. In such cases the detailed justification, the circumstances leading to the outsourcing by choice and the special interest or purpose it shall serve shall form an integral part of the proposal

Rule 185. Monitoring the Contract

The Ministry or Department should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.

Since the ICAR follows General Financial Rules, of the Government, the Rules relating to Outsourcing of services are also followed by the ICAR mutatis mutandis. Based on these Rules the ICAR has issued detailed guidelines regarding award of job/work contract, procurement of services through consultants and outsourcing of services vide letter No. 17(1)/2010-Estt.II dated 11th June 2010 given in **Appendix-XXXII**.