

Office of the CGDA West Block V R K Puram, New Delhi-66
Pr IFA Wing
Instruction No. 17 of 2008

No. PIFA/ Outsourcing/Misc.

Dated 13.10.2008

To
All PCsDA/CDA/IFAs

Subject: Outsourcing of civilian manpower in Gp. 'C' and 'D' categories.

A good number of references are being received from PCsDA/CsDA/IFAs regarding proposals received in their offices for according financial concurrence for outsourcing of manpower for filling up the existing vacancies in Gp 'C' and 'D' posts. MOD has issued letter No. PC-15973/Outsourcing/MP-4 (Civ)(b)1523/D(Appts) dated 31.01.07 addressed to Chiefs of three Services to this effect with the approval of Special Secretary (J) based on which AG's Branch Army HQrs, has also issued instructions to all Command HQrs for outsourcing the services in Gp. 'C' and 'D' categories vide their letter No. 15973/Outsourcing/MP-4 (Civ)(b) dated 13.04.07. However, both these letters appear to have been issued without consultation with Finance. Subsequently, Army HQ have issued a letter dated 9.01.08 to Command HQrs regarding booking of expenditure in this regard. Copies of MoD letters dated 31.01.07, AG's Branch letter dated 13.04.07 and 9.01.08 are enclosed

2. It is understood from the IFAs that the number of such personnel whose services the units /formations want to hire is small. It is also understood that some of the IFAs are concurring such proposals for hiring of services on case-to-case basis wherever justification exists.

3. However, as the IFAs have raised a number of issues involved in such hiring of personnel, a reference has been made by Pr. IFA Wing to MoD (Fin) for clarification intimating the position mentioned in Para 2 above.

4. Based on our reference, MOD(Fin) has sought clarification from JS(E), Department of Defence raising inter-alia, the following issues:

(a) Can outsourcing of manpower be viewed as outsourcing of services to make up the deficiency of manpower in terms of the existing provisions of GFRs ?

(b) There may be no service providers for providing manpower. Rule 179 of GFRs provides that the Ministries/Departments should prepare a likely list of likely and potential contractors and Rule 180 provides for preparation of a tender enquiry covering the points mentioned in the said Rule. It would be appropriate to draw up detailed

guidelines in this regard which should, inter-alia, mention the terms and conditions on which such services could be outsourced.

(c) Since there may not be any agencies that could provide such services, would it be in order to enter into agreements directly with the individuals?

(d) In case of outsourcing of manpower, it needs to be ensured that agreements with service providers/individuals, do not result in creation of a right on the part of the personnel so engaged to regular employment.

(e) There is no specific delegation of financial powers for this purpose. The existing delegation is very limited as in the case of outsourcing of conservancy services.

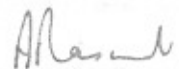
(f) It needs to be decided whether expenditure should be booked to the relevant head, depending on the nature of service that has been outsourced, or to only one specified head, irrespective of the nature of the outsourced service.

(g) As the DoD letter provides for consultation with MoD(Fin)/IFA, there is a need to lay down the policy and detailed procedure in consultation with the Finance Division, with reference to which the proposals could be vetted. The policy should clearly specify the types of services that could be outsourced as in the absence of clarity on this issue, interpretation of such terms as 'essential services' (as in the case of AHQ letter) would also be subject to varying interpretations.

5. While endorsing a copy of the reference to JS(E), MoD (Fin) have advised this office that pending receipt of further communication status quo may be maintained.


6. Accordingly, PCsDA/CsDA/IFAs are requested to deal with the proposals for outsourcing on case-to-case basis on the merit/justification in each case where the number of personnel to be outsourced is small.

Pr. IFA has seen.


(Anuradha Prasad)
Jt. CGDA(IFA)

Copy to:

- (1) Addl FA(A) & JS MoD (Fin)
- (2) Add FA(J) & JS MoD (Fin)
- (3) Jt CGDA(AT-I), Jt. CGDA(AT-II), Jt. CGDA(AT-III), Jt. CGDA(A/c & Budget)
- (7) Jt. CGDA(Trg-I), Jt. CGDA(Trg-II)
- (9) Sr. Dy CGDA (EDPS) - With the request to place the circular on website
- (10) Hindi Cell - For Hindi version please.
- (11) Addl DG FP Army HQrs
- (12) ACNS(P&P) Naval HQrs
- (13) ACAS (Fin P) Air HQrs


(Anuradha Prasad)
Jt CGDA (IFA)

Tele : 2301 8435

Addl Dte Gen Manpower(Policy & Planning)
MP-4(Civ)(b)
Adjutant General's Branch
IHQ MOD (Army)
New Delhi- 110011

15973/Outsourcing/MP- 4(Civ)(b)

Jan 2008

09

Headquarters

Southern Command, Pune
Eastern Command, Kolkata
Western Command, Chandimandir
Central Command, Lucknow
Northern Command, C/o 56 APO
Army Training Command, Shimla
South Western Command, Jaipur

OUTSOURCING OF ESSENTIAL SERVICES IN THE ARMY UNITS/ESTTS,
NAVY AND AIR FORCE AGAINST DEFICIENCY IN THE PE OF
GROUP 'C' AND 'D' TRADES/CATEGORIES

1. Reference this HQ letter of even number dt 13 Apr 2007 on the above subject.
2. Para 5 (e) of this HQ letter of even number dt 13 Apr 2007 and para 10 of SOP is amended to read as under :-

"Outsourcing can be undertaken under Major Head 2076, Minor Head 800B: Misc Expdr (I & M Grant ACG) to various units/estts, in consultation with the concerned IFAs".

3. A new para may be inserted as para 5 (f) of this HQ letter of even number dt 13 Apr 2007 :-

(f) Outsourcing of Conservancy Services can be done as per financial powers given in Schedule XIII of GOI, MoD letter No. A/89591/FP-1/1974/2006/D(GS-1) dt 26 Jul 06, for which the expenditure can be booked to Major Head 2076, Minor Head 800 A : Consy Services. Like wise, medical related

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...2/

services can be outsourced under Schedule XXII of GOI,
MoD letter No.A/89591/FP-1/1974/2006/D(GS-1) dt 26 Jul
06.



(G Vijaya Kumar)
DDG(CP)
For Adjutant General

Copy to :-

All Line Dtes

FP-1

Your Note No. A/89591/Outsourcing/FP-1
dt 26 Nov 07 also refers.

Tel : 2301 8435

Adl Dir Gen Manpower(Policy & Planning)
MP-4(Civ)(b)
Adjutant General's Branch
HQ - MOD (Army)
New Delhi- 110011

15973/Outsourcing/MP- 4(Civ)(b)

Headquarters

Southern Command, Pune
Eastern Command, Kolkata
Western Command, Chandimandir
Central Command, Lucknow
Northern Command, C/o 56 APO
Army Training Command, Shimla
South Western Command, Jaipur

13 Apr 07

**OUTSOURCING OF ESSENTIAL SERVICES IN THE ARMY UNITS/ESTTS
NAVY AND AIR FORCE AGAINST DEFECIENCY IN THE PE OF
GROUP 'C' AND 'D' TRADES/CATEGORIES**

1. Reference Para 178-185 of the General Financial Rules (Copy enclosed)
2. Consequent on enforcement of ban on direct recruitment of civ manpower since 1984 and subsequent reduction in authorised strength by way of ASEC Review, austerity cut and revision of 'Staffing norms', the civilian manpower has been depleting over the years. The deficiency of civilian manpower has further aggravated with the enforcement of ADRP (Annual Direct Recruitment Plan) Scheme by the DOP&T and MOD since the year 2000, which envisages filling up of 1/3 of the direct recruitment vacancy occurring in a year and mandatory abolition of the remaining 2/3 of the direct recruitment of civilian manpower in the Army units/estts. This depleted state of civilian manpower especially in the Group 'C' and 'D' categories has adversely affected the operational/functional/administrative efficiency of Army units/estts. Keeping this background in view and based on PPOC decision a Tri-Service proposal for outsourcing of essential Services in the units/estts of three Services to the extent of deficiency in PE of Group 'C' and 'D' civilian categories/trades in the three Services in terms of existing provision of Para 178-185 of General Financial Rules was taken up with MOD.
3. Consequently, Ministry of Defence have now approved the aforesaid proposal for outsourcing in terms of Para 178-185 of the General Financial Rules

.....2/

vide Govt of India, Min of Defence Letter No. PC-15973/Outsourcing/MP-4(Civ)(b)/1523/D(Appt) dated 31 Jan 07. A copy of MOD letter ibid is enclosed alongwith for dissemination to Army units/estts under your control.

4. A separate case is being taken up with Govt for provision of adequate financial limits at various levels in the chain of command in the lower formations by AG's Branch/MP-4(Civ).

5. In the meanwhile, units/estts under your control may be instructed to take up case for outsourcing of services based on the following:-

(a) Outsourcing of services will be limited to the extent of deficiency in the sanctioned PE of the units/estts concerned. The payments will be based on locally approved nerrick rates and the cost of outsourcing will not exceed the cost that would have been incurred by the State had the deficient manpower been employed on permanent basis.

(b) Units/estts will take up cases for such outsourcing in consultation with their IFA concerned.

(c) Where the quantum of expenditure proposed by way of such outsourcing is within the delegated financial powers of various levels of Army authorities laid down vide Govt of India letter No.A/89691/FP-1/1974/2006/D(GS-1) dt 26 Jul 2006, cases for such outsourcing will be taken up with the competent authorities in consultation with IFA concerned.

(d) Cases where the expenditure proposed in such outsourcing exceeds the existing delegated powers, such case will be taken up with Min of Defence(Fin) through the concerned Admn section in MOD for approval.

(e) All proposals will be routed through GS Branch/Fin Ptg Dte who will indicate appropriate budget head to book expenditure for outsourcing once sanctioned by MOD.

6. SOP - With a view to enable implementation of the Govt sanction in its correct perspective, an SOP containing guidelines for the proposal is also forwarded herewith togetherwith a sample draft format of Agreement for outsourcing in terms of Para 176-185 of GFRs. Units/estts may utilize these specimen formats with suitable modifications wherever required keeping in view their specific requirement.

7. Line Dtes are requested to ensure strict implementation of the above instructions by the Units/Estts.


(G Vijaya Kumar)
DDG (CP)
For Adjutant General

All Line Dtes

Copy to :-

PS to VCOAS

PS to DCOAS (IS & Trg)

PS to DCOAS (P / S)

PS to AG

PS to QMG

PS to MGO

PS to E-in-C.

ADG FP

New Delhi-110011, the 31st January 2007

To

The Chief of the Army Staff, New Delhi,
The Chief of the Naval Staff, New Delhi,
The Chief of the Air Staff, New Delhi.

Subject:- Outsourcing of essential services in Army, Navy and Air Force.

Sir,

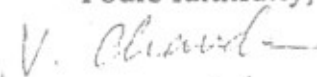
This has reference to the proposal received from Army Headquarters regarding Outsourcing of Services/trades in Army, Navy and Air Force wherein it has been brought out that the PPOC of the three Services had deliberated the issue of deficiency in civilian manpower and the adverse effect of the same on the functioning in lower formations, and recommended outsourcing to mitigate these problems.

2. The issue has been examined in the Ministry and it is considered that the provisions for outsourcing of services already exist in the General Financial Rules. While actual contracts for outsourcing of services would need to be examined on a case-to-case basis, the services would have to satisfy themselves with regard to the security concerns. Further, consultation with the IFA concerned would be necessary while formulating and finalizing these proposals.

3. While the proposal covered under delegated powers of the services can be decided by the competent authorities in consultation with their Integrated Finance Advisors, the proposals not covered within the delegated powers of Service Headquarters would need to be referred to the Defence (Finance) through the concerned administrative Division in the Ministry of Defence for approval.

4. This issues with the approval of Special Secretary (J).

Yours faithfully,



(V.A. Chavda)

Under Secretary to the Government of India

Tele 2310 1449

**SOP ON PROCEDURE TO BE ADOPTED FOR
OUTSOURCING OF CIVILIAN TRADES/SERVICES**

Aim

The aim of this SOP is to lay down the procedure to be followed for entering into contract for getting certain trades/services outsourced to the extent of deficiency in PE of Group 'C' and 'D' civilian posts in the Army in terms of Govt of India letter No. PC 15973/Outsourcing/MP-4(Civ)(b)/1523/D(appts) dated 31 Jan 07.

Background

Steady depletion in civilian manpower in the Army due to ban orders on filling up of civilian vacancies since 1984 and the Annual Direct Recruitment Plan Scheme effective from 2000-2001, where by 2/3 of Direct Recruitment post falling vacant due to annual attrition are to be abolished has brought the manpower availability to a critical level. In order to meet the huge deficiency and overcome the functional difficulties due to shortage of civilian manpower in critical trades/services, outsourcing of deficient trades/services is to be resorted to for which approval of the competent authority has been obtained vide MOD letter ibid.

Rule Position

Rule 178 of the General Financial Rules (GFR) allows outsourcing of services in the interest of economy and efficiency. Rule 179 lays down the procedure to be followed before entering into contract for jobs to be done. While actual contracts for outsourcing of services would need to be examined on a case-to-case basis, the concerned Authority would have to satisfy themselves with regard to the security concerns. Further, consultation with the IFA concerned would be necessary, while formulating and finalizing the proposals. While the proposal, covered under delegated powers of the, services can be decided by competent authorities in consultation with their IFA, (Integrated Financial Advisor), the proposals not covered within the delegated powers would need to be referred to MOD Defence (Finance) through the concerned Administrative Division in the Ministry of Defence for approval.

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In order to ensure that such outsourcing is implemented uniformly in all units/estts, it was considered necessary to issue an SOP as a guideline for the OC Units/Comdts of Estts and all contracting authorities. A copy of Rule 178-185 of GFR is enclosed as Appendix 'A' to this SOP.

Procedure To Be Followed

OC Units/Comdts of units/estts where deficiency in critical trades/services exists, will first assess the deficiency situation and identify the jobs as per the existing PE which could be undertaken through contract. For this purpose, feasibility of outsourcing of the job will be considered taking into account the local conditions and security implications. The financial implications will be worked out after assessing the number of personnel to be deployed and the minimum wages laid down as per current prevailing rates as per Contract Labour, (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules 1971. In case more than one service is required to be outsourced, separate proposal should be prepared and submitted to the concerned Command HQ through the Staff Channel. Depending on the financial implications involved, the proposal will be approved by the competent authority in terms of MOD letter No. A/89591/FP-1/1974/2006/D(GS-1) dt 26 Jul 2006 permitting delegation of Financial Powers to Army authorities for incurring expenditure.

Action by Units/Estts

Once approval of the competent authority is received, the concerned unit/estt will work out the scope of contract, financial limit of contract, general terms and conditions of contract including the clause of arbitration and penalty in case of failure by the Contractor. The QR with regard to the type of service to be outsourced and the persons who are to be deployed by the contractor must be specified in the scope of the contract. A sample Agreement including the scope, security deposit and general Terms and Conditions to be specified is also enclosed as Appendix 'B' for guidance.

Tendering Procedure

The OC Units/Comdts of Estts will then call for tenders from the contractors in sealed cover.

1. Contractors fulfilling the following criteria are eligible to submit the tenders :
 - (a) Firm should have latest ESI Registration alongwith Registration for EPF. (Attested copy of latest receipt of premium paid be attached failing which the certificates will be considered invalid).
 - (b) Attested copy of PAN.
 - (c) Proof of similar works already undertaken.
2. The successful bidder will have to obtain licence as required under Section 13 of the Contract Labour (Regulation and Abolition) Act 1970 from concerned agency of Ministry of Labour to employ labours for this purpose within maximum period of 3 months from award of contract. On failure, actions as per para 2 of contract agreement (at Appendix 'B') agreement will be enforced.
3. Minimum wages as per DOP & T OM No. 49014/2/86/Est(c) dt.07 Jun 1988 to the skilled/unskilled workers should strictly be adhered to.
4. The tender form duly completed should be accompanied by an earnest money by contractor in the form of a Demand Draft/Pay Order. If any tenderer withdraws his tender within the validity period or makes any modifications in the terms & conditions of the tender which are not acceptable to the Government, then the Government shall, without prejudice to any other right or remedy, be at liberty to forfeit 50 % of the earnest money. Earnest money given by all tenderers except the one, where tender is accepted, will be refunded within 15 days of the acceptance of the tender.
5. A tender committee will be constituted for scrutiny of tender documents and evaluation of bids by the parties. On the basis of recommendation of the tender committee, the parties have to be short-listed and contract to be awarded to the lowest tenderer who fulfills all the conditions including the legal requirements under the Labour Regulation Act. The local audit authorities should be involved in finalization of the contract.
6. The successful tenderer, within seven days of the receipt of formal acceptance letter, shall be required to execute an agreement with the Govt. in the prescribed form on a non-judicial stamp paper and furnish a cash security or bank guarantee for successful completion of the contract.
7. Once the contract is awarded, all cooperation should be extended to the contractor

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to ensure that the job gets done smoothly and on time. Officers and JCOs/NCOs of the unit/estt equivalent must be detailed to inspect the work and ensure that it is being carried out as per desired standards. In addition, certificate from the users should be periodically obtained with regard to quality of service provided by the contractor and satisfactory completion of job. This will help in assessing the work performed so that deviations, if any, can be detected in time and corrective action suggested to the contractor to improve the functioning. While deficiency in the service provided would invite deductions in the form of penalty from the bill of the contractor, serious failure can invite invocation of termination clause as per the terms and condition of the contract.

8. The Units/Estts should maintain a list of eligible contractors for each of the services decided to be outsourced. This will help appointment of mid term contractor in the unforeseen event of termination of contracts. Also, the list should be periodically reviewed to drop the blacklisted defaulting contractors.

9. Since the contract is awarded normally for a period of one year, an officer would be designated as Contract Manager to oversee execution of contract in accordance with the stipulated conditions. Quarterly Reports should be sent to the Command HQs to enable monitoring of the Scheme. On the basis of the comments of the command HQ, modifications, if any, can be suggested by the Line Dte concerned at Army HQ.

Booking of Expenditure and Budgetary Provisions

10. All proposals will be referred to Army HQ/GS Branch/Fin Plg Dte who will indicate appropriate Budget Head for booking expenditure for outsourcing once sanctioned by Govt. For allocation of Funds, the Units/Estts will project their budgetary demands to the competent authority for sanction and allocation of the required funds at the relevant Budgetary stage of the financial year.

AGREEMENT

This agreement No..... made on this _____ day of _____ 200__, (_____ two thousand _____)

between CO/OC/any other officer nominated on behalf of the Govt and M/s _____ (herein after referred to as the "Contractor" which expression shall include unless excluded by or repugnant to the context, partners, their respective heirs, executors administrators, and assignees) of the second part. Whereas the Government called for tenders for _____ services in _____ and the tender submitted by the Contractor having been accepted by the Government.

NOW IT IS HEREBY MUTUALLY AGREED AS FOLLOWS :

*1. That the Contractor shall provide _____ services as per details contained in the Schedule - I & II to this agreement. The Contractor shall provide use for the materials for _____ services as per the scales contained in Schedule - III to this agreement apart from other materials required.

* Schedule I, II and III be prepared by Unit/Estts as per requirement in each case.

2. That the contractor shall obtain a valid license from the competent Licensing officer under the provisions of Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules, 1971 within 90 days of the date of this Agreement. If the Contractor is refused a license for any reason whatsoever or fails to obtain the license within the stipulated period, this Agreement shall automatically stand terminated and the Government shall be at liberty to recover losses, if any, from the security deposit and Performance Guarantee of the Contractor.

3. That the Contractor shall also abide by the provisions of the Child Labour (Provision and Regulation) Act, 1986. No labour below the age of 14 years shall be employed on the work.

4. That the Contractor shall pay to the labour employed by him wages as per current prevailing rates in accordance with the provisions of the Contract Labour, (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules 1971

5. That the Contractor shall fix the wage period not exceeding one month to make payment to the labours employed by him and shall ensure payment before expiry of the 7th day after the last day of the wage period.
6. That the disbursement of wages would be made in accordance with the procedure contained in laid down rules/Govt orders.
7. That it shall be the responsibility of the Contractor to issue the employment card to each labour as per the prescribed format and to maintain the muster roll, the wage register and other registers as provided in the Contract Labour (Regulation and Abolition) Act.
8. That the Contractor shall arrange for such facilities as provided for in the Contract Labour (Regulation and Abolition) Act for the welfare and health of the labour employed on the work.
9. That the Contractor shall be paid the charges at the rate of Rs..... (Rupees.....) per month for providing the services as mentioned in Schedule- I & II. The payment shall be made on monthly basis.
10. The Contractor shall submit a consolidated monthly bill for the amount due for the services rendered during the preceding one-month by the 10th of the month. The payment for the service will be made to the Contractor within a reasonable period in arrears and no advance payment will be made to the Contractor.
11. That if the contractor fails to carry out on any day, any of the work mentioned in Schedule - I & II or fails to supply materials as per Schedule - III, without prejudice to any other right or remedy available under the law to the Government on account of such breach, prorata recovery alongwith penalty equal to @ 1% of the monthly charges per day will be recovered from the monthly bill of the contractor. The quantum of recovery will be decided by Govt which will be binding & final.
12. That this agreement shall be in force from till The Government shall have the option to extend the agreement as contained herein upto a further period not exceeding one year which shall be specified by giving notice in writing to the Contractor to that effect. If the Government decides to

extend the agreement beyond the option period, the same shall be done with the mutual consent of the parties.

13. That the Contractor agrees to indemnify the Government against all claims for compensation by or on behalf of any workman employed by him in connection with this agreement for injury or death by accident under the Workman Compensation Act (Act VIII of 1923).

14. That the Contractor shall not sublet, assign or part with this contract.

15. That the Contractor shall within 10 days of the signing of this agreement deposit a sum of Rs.....(Rs.....Only) as security in the form of DD/Pay Order drawn in favour of Govt or arrange a Bank Guarantee or fixed deposit of equal amounts Rs.....(Rupees.....Only) either (in the form of Bank Guarantee Bond as per prescribed Performa).

16. (a) That the contractor, shall also submit Performance Guarantee @ 5 % of Contact value for entire contract period amounting to Rs..... In the form of Bank Guarantee Bond in prescribed Performa as per Annexure-VII.

(b) The Govt shall not make a claim under the Performance Guarantee except for amounts to which the President of India is entitled under the Contract (notwithstanding and or without prejudice to any other provision in the contract agreement) in the event of :

i) Failure by the contractor to pay President of India any amount due, either as agreed by the contractor or determined under any of the clauses/conditions of the agreement with 30 days of the service of notice to this effect by the Govt.

ii) In the event of the contract being determined or rescind under provision of any of the clause/condition of the agreement, the amount towards Performance Guarantee shall stand forfeited in full shall be absolutely at the disposal of President of India.

17. That the Government shall be entitled to deduct from the pending bill of the Contractor all such sums of money as may be claimed by Government in terms of this agreement. Any sum of money not covered by the amount of the

said bills shall be liable to be deducted from the security deposit and amount towards performance guarantee made under clause 15 and clause 16 above.

18. That the Government may require the Contractor to dismiss or remove from the site of work any person or persons employed by the Contractor upon the work due to security/operational reasons or who may be incompetent or misconduct himself. The Contractor shall forthwith comply with such requirements.

19. If at any time after acceptance of the tender Government shall decide to abandon or reduce the scope of works for any reason whatsoever and hence not require the whole or any part the works to be carried out, the Govt will give notice of 30 days in writing to that effect to the contractor and the contractor shall have no claim to any payment or compensation or other wise, whatsoever, on account of any profit or advantage which he might have derived from the execution of the works in full but which he did not derive in consequence of the foreclosure of the whole or part of the works.

20. That in the event of breach of any of the terms and conditions of the this contract or the work of the Contractor in the opinion of the Government is not found satisfactory, or the Contractor becomes insolvent or the Contractor poses any security risk, the Government shall be at liberty to terminate the contract forthwith and carryout the work through any other agency at the risk and cost of the Contractor.

21. That if the Government desires to terminate the contract at any time for reasons other than mentioned herein above, it shall be at liberty to terminate the contract by giving one months notice of its intention to do so. The Contractor shall however have liability to discharge the obligations under this contract during the period of the notice without any compensation from the Government.

22. That the Contractor shall not offer or give or agree to give to any person in Government service any gift or consideration of any kind as inducement or reward for doing or fore-bearing to do or for having done or forborne to do any act in relation to obtaining or execution of this or any other contract for showing or forbearance to show favor or disfavor to any person in relation to this or any other contract.

23. That any breach of the condition in clause 22 above by the Contractor or by any one employed by him or acting on his behalf whether with or without his knowledge shall entitle the Government to terminate this agreement forthwith and to recover from the Contractor the amount of any loss or damage resulting from the termination thereof. In addition to any other remedy open to Government.

24. That the Contractor and the personnel employed by him in discharge of the annexed services shall observe all rules regarding security precaution as applicable to and enforced by the O/C Security of _____. Any breaches of security would render the agreement liable to termination in addition to any other remedies open to the Government. The decision of the Govt in this regard would be final and binding.

25. That in the case of any dispute or difference which may, at any time during and after the contract, be arising between the parties hereto in respect of any of the matter of the agreement, such dispute or difference shall be referred to the arbitration of the arbitrator appoint by the Govt. The decision of such arbitrator shall be final and binding on the parties thereto. The provisions of Arbitration and Conciliation Act, 1966 and the rules there under shall be deemed to apply to the arbitration proceedings under this clause.

26. That for the purpose of this agreement, 'Government' means the CO/OC/any other officer nominated on behalf of the Govt (name of the Units) and Estt Officer, (name of Unit/estt).

27. Any notice/direction given to the Contractor under the terms of this agreement shall be considered to be duly served if the same have been delivered to, left for or dispatched by Registered Post to the contractor at his last known address. An notice to be given to the Government shall be considered as duly served if the same is delivered to, left or dispatched by the Registered Post by the said Govt. Any notice so posted shall be prima facie proof of service at the expiration of the time in which in the ordinary course of post it would have reached the address to which it was sent.

28. That all the expenses for the preparation and execution of this deed including the stamp duty and conveyencing fee shall be payable by the Contractor

29. Both the parties to the Contract namely the Govt represented by CO/OC/any other officer nominated on behalf of the Govt or the contractor would be indemnified in case they are unable to perform the contract due to act of God etc.

IN WITNESS OFIN EXERCISE OF THE POWERS VESTED IN HIM HAS SIGNED THIS AGREEMENT FOR AND ON BEHALF OF THE PRESIDENT OF INDIA AND THE CONTRACTOR HAS SET HIS HAND HEREUNTO THE DAY AND THE YEAR FIRST ABOVE.

For M/S _____

FOR AND BEHALF OF THE PRESIDENT OF INDIA

WITNESSES

1.

1.

2.

2.