

पूर्वोत्तर रेलवे
NORTH EASTERN RAILWAY



कार्यालय
महाप्रबंधक / सतर्कता
गोरखपुर - 273012

Office of
General Manager / Vigilance
Gorakhpur - 273012

e office No. 37802/System Improvement/2022

Dated 04.08.2022

PCE, CAO/Con., PCSTE,
PCEE, PCME & PFA,
NER, Gorakhpur.

Divisional Railway Manager,
N.E. Railway,
Izzatnagar, Lucknow & Varanasi.

Sub:- Care in dealing with works contracts (System Improvement).

During scrutiny of works contracts, it is observed that some contracts could not become successful due to non-adherence to provisions given in Indian Railways Standard General conditions of Contracts (GCC) and their mismanagement. Proper care in dealing with works contracts after finalization of tender and issue of LOA should be given and in this regard, some important provisions given in GCC 2022 & CE circular 107 of 2022 are being mentioned and some system improvements to make it more effective are being suggested as follows:

1. As per GCC 2022 para no. 16(4), a Performance Guarantee (PG) has to be submitted by the successful bidder within 21(Twenty one) days from the date of issue of Letter of Acceptance (LOA) without penalty and beyond 21(Twenty one) days and up to 60 days from the date of issue of LOA with a penal interest of 12% per annum. Performance guarantee is a prerequisite for execution of a contract agreement and any bill can be paid to the agency only after execution of the contract agreement. **But, it is being observed that contract agreements are being inordinately delayed after issue of LOAs.** It is being suggested that after the issue of Letter of Acceptance (LOA), the contract agreement should also be prepared and

a formal communication for signing the contract agreement should be conveyed to the contractual agency within 15 days of receipt of performance guarantee. As per para 8 of Part -I of GCC 2022, it should be clearly mentioned that the agency should attend the office within 7 days of such notice for formal agreement. Furthermore, it is also being suggested that the contract agreement should be signed within 30 days of submission of the Performance guarantee and in case of delay in contract agreement beyond 60 days, proper reasons should be recorded in the concerned tender file.

2. During execution of work, any issue raised by the agency should be properly replied by the person competent to do so. And, if there is any delay or slackness on the part of the contractual agency, there should be written communication for the same. As per para 61(1) of GCC 2022, determination of contracts should be based on proper reasons with sufficient evidence and proper 7 days notice, 48 hours notice and termination notice in writing should be given to the firm for determination of contract. ***As far as possible, formal and written communication should be made with the agency during execution of contracts.***

3. As per para 19(2) of GCC 2022, the firm shall commence the work within fifteen days after receipt of orders viz. LOAs(Letter of Acceptance) to that effect and as per clause 19(3) of GCC 2022, the Contractor who has been awarded the work shall as soon as possible but not later than 30 days after the date of receipt of the acceptance letter in respect of contracts with initial completion period of two years or less or not later than 90 days for other contracts have to submit the detailed programme of work indicating the time schedule of various items of works in the form of Bar Chart/PERT/CPM. A detailed programme of work is an important tool of contract management and it gives an assessment of deployment of resources and critical activities in a work to complete the awarded work within time. But, it is being observed that no detailed programme of work is being prepared for the works. It is being suggested that the detailed programme of work should be taken from the agency and it should be mutually agreed and jointly signed. ***Any deviation from the signed detailed programme of the work should also be recorded.***

4. Site should be handed over to the agency in writing on the day the agency starts the work and instructions given in CE Circular 107 of 2022 (copy enclosed) should be followed and all important site registers i.e. Site order book, hindrance register etc mentioned in the CE Circular 107 should be maintained. Proper drawings of works to be executed in the contract should be handed over to the agency in the beginning.

This issues with approval of SDGM/NER.

DA: As above.

**Bharat
Bhushan**

Digitally signed by Bharat Bhushan
DN: c=IN, o=Indian Railways,
ou=Vigilance,
2.5.4.20=C26060A0A0dc411cd53254db
8649e5baa231ff0cdefd4696c3f4cdc6a
e2361c9, postalCode=273012,
st=Uttar Pradesh, cn=Bharat Bhushan
Date: 2022.08.04 12:30:38 +05'30'

**(Bharat Bhushan)
Dy CVO/Engg.
For GM/Vigilance**