

**Guidelines for Zonal Contract: (HQ/NR/New Delhi Letter No. 74-W/0/Pt. XXVII/WA dt.15.4.2015.)**

**Features of Zonal Contract:-**

- 1.1 Zone works contracts are mainstay of petty day to day contractual maintenance requirement of an SSE/Works unit.
- 1.2 The tenure of these contracts is from 01<sup>st</sup> July to June 30<sup>th</sup> next year.
- 1.3 Since the zone contracts are duration based, any termination takes of at least 3-4 months from working period due to no contract. Thus there appears to be reluctance to terminate failing contracts on the plea that there is insufficient time to call and place a replacement contract. At the same time there are no specific deterrents to failed contractors and they end up participating again and again in same or near by zones.

**Guidelines:**

- 2.1 Delay in execution of work in a work order: - The contractor shall complete the works set forth in a given work order on or before the date specified in the work order, as per terms and conditions of GCC. The delay in execution of work within the completion period specified in the work order shall be governed by the clause 17, 17A & 17B of the GCC.
- 2.2 When to treat failure:- There appears to be no bar set to declare a contractor as failure and take suitable action for zonal contracts. Thus, termination gets dragged in the absence of any predetermined criteria. It is directed that if a contractor fails in execution of more than 2 nos. work orders, or work orders costing 10% of the contract value (partially or fully) whichever is less, then full contract will be treated as failed.
- 2.3 Debarring for Participation in subsequent tenders: The failed zonal contractor will be barred from participation in zonal contract in the same division for one year/subsequent zonal period whichever is later.
- 2.4 Zone Contractor to have permanent organization for execution of works: During the currency of contract, the zone contractor must have a minimum set of skilled staff to execute the works under work orders issued. The nos. of assured staff strength should be calculated based on monthly production expected from the contract.  
  
DENS/Sr. DENs should decide such organization.
- 2.5 The tenderer shall submit the list of personnel/organization on hand and proposed to be engaged for the tendered work. Similarly list of P&M available on hand and proposed to be inducted and hired for the tendered work.

- 2.6 Work orders not signed by Contractor: - There are reports that contractors refuse to sign the work order when they find it is not suitable for them which stalls even the start of work. It should be clearly stated in the tender condition that competent authority's (such as Divisional Engineer/Sr. Divisional Engineer) approval of a work order shall be binding on contractor. Contractor's signatures are mandated for their acknowledgement of work order. If they have anything to say, may submit request to Sr.DEN/Cord. In turn, Sr. DEN/Coord. shall communicate his decision. However, the date of start of work will be such date mentioned in the work order or the date of dispatch whichever is later.
- 3.0 Penalties:
- 3.1 For non execution/non-completion of work: Penalty @ 50% for the value of balance works will be imposed and recovered from the contractor's dues subject to maximum penalty provided in GCC on over all contract value.
- 3.2 Pipe Line works: All the openings made or dismantling done in connection with pipeline work, shall be made good promptly. A penalty of Rs. 200/- per day for each such location shall be levied in case the contractor fails to repair the same in 48 hrs time form the issue of notice in this regard.
- 3.3 Dumping Debris at nominated locations: The contractor is prohibited from dumping the debris anywhere in the colony except for the nominated location. The contractor shall be responsible for collecting the debris generated out of repair works and keep the same at one nominated place/vat allotted to the contractor for this purpose on daily basis. For the failure of the contractor to remove the debris in time he/they shall be liable for a penalty of Rs. 500/- per day location, after 48 hrs. of the issue of notice.
- 3.4 Removal of debris from nominated locations to dumping ground: The contractor shall arrange the frequent and regular (once in a week at least) cleaning of the nominated locations, where he has dumped the debris. In case of failure of the same, contractor shall be liable for a penalty of Rs. 1500/- per day, after 48 hrs of the issue of notice.
- 3.0 Completion of works: All works of the old contract are completed by the end of June, Exceptional cases may be, however, dealt on their merits with the approval of the competent authority.

#### General issues:

- 4.1 Computerization of various process involved in zonal contracts should be done to enhance transparency & effectiveness of zonal contracts.
- 4.2 Billing of zonal contractors should be submitted to associate finance within 10 days of completion of each work order. Every month SSE/Works will submit list of works against each work order completed to AEN for his inspection etc.