

Nó. 43/5/2001-IGSI

From

The Chief Secretary to Government Haryana

To

1. All Heads of Departments, Commissioners, Ambala, Hisar, Rohtak and Gurgaon Divisions.
2. The Registrar, Punjab & Haryana High Court, Chandigarh
3. All Deputy Commissioners and Sub Divisional Officers (Civil) in Haryana.

Dated, Chandigarh the 1<sup>st</sup> Spetember, 2006.

**Subject: - Policy for outsourcing of services/ activities.**

Sir/Madam,

I am directed to say that the matter regarding framing of a new outsourcing policy has been drawing the attention of the Govt. for past sometime. After careful consideration of the matter, Govt. has decided to frame a policy to engage/outsouce services/ activities for Government Departments. The present policy aims at giving effect to one of the recommendations of the 5<sup>th</sup> pay Commission i.e. outsource auxiliary services. The policy is enclosed as Appendix .

2. In Haryana Government Notification No.G.S.R.24/ Const. / Art.309/2003, dated 1<sup>st</sup> October, 2003, which provides for the regularization of the services of Group-C and D employees working on adhoc/ contract or daily wage basis, it was also directed that no appointment on adhoc/ contract/ daily wage basis in Group-C or Group-D posts would be made in future. This was done with a view to curb the tendency of appointment on adhoc/ contract /daily-wage basis.

3. However, to meet the emergent requirement of staff caused due to death, resignation, retirement, promotion and leave etc., necessary instructions were issued vide Government circular letter No. 43/5/2001-1GS1, dated 16.8.2004 to allow the departments to engage persons on contract basis pending approval of regular contract policy. In the first instance, the Departments/ Public Enterprises were allowed to engage persons on contract basis up to 31.12.04 and subsequently the period for engagement of persons on contract basis was extended from time to time and last time this period was extended up to 31.7.2006 through the letter of even number dated 7<sup>th</sup> July, 2006.

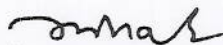
4. It is clarified that persons so engaged shall not have any legal right claiming regularization of their services etc. in the departments where they have been engaged.

5. This policy shall come into force with effect from 1.8.2006, as a result of which the instructions contained in letter No. 43/5/2001-1GS1, dated 16.8.2004 and subsequent in circulars of even number dated 29.12.2004, 13.5.2005, 16.1.2006, 26.4.2006 and 7.7.2006 shall stand superseded with effect from 1.8.2006.

The policy in question should be brought to the notice of all concerned



A copy is forwarded to all the Financial Commissioners / Commissioners and Secretaries to Govt. Haryana for information and necessary action.

  
Deputy Secretary General Administration  
for Chief Secretary to Government Haryana.

To

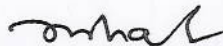
All the Financial Commissioners/Commissioners and Secretaries to Govt. Haryana.

11/9/06

U.O.No.43/5/2001-1GSI

Dated Chandigarh, the 1<sup>st</sup> September, 2006.

A copy is forwarded to the Principal Secretary/ Additional Principal Secretary- I-II/OSD- I-II/ Senior Special Private Secretary/Senior Secretary/Private Secretaries to Chief Minister , Deputy Chief Minister, Haryana/Ministers/ Chief Parliamentary Secretary/ Parliamentary Secretaries for information.

  
Deputy Secretary General Administration  
for Chief Secretary to Government Haryana

To

The Principal Secretary/ Additional Principal Secretary- I-II/OSD- I-II/ Senior Special Private Secretary/Senior Secretary/Private Secretaries to Chief Minister , Deputy Chief Minister, Haryana/Ministers/ Chief Parliamentary Secretary/ Parliamentary Secretaries

11/9/06

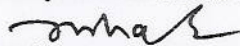
U.O.No.43/5/2001-1GSI

Dated Chandigarh, the 1<sup>st</sup> September, 2006.

Endst. No. 43/5/2001-1GSI

Dated Chandigarh, the 1<sup>st</sup> September, 2006.

A copy is forwarded to the Member Secretary, Haryana Bureau of Public Enterprises, Chandigarh for information and taking necessary action in the matter.


  
Deputy Secretary General Administration  
for Chief Secretary to Government Haryana.

Endst. No. 43/5/2001-IGSI

Dated, Chandigarh the 1<sup>st</sup> September, 2006.

1-9-2006

A copy is forwarded to all the Managing Directors of Boards/ Corporations / Public Undertakings for information and necessary action.


  
Deputy Secretary General Administration  
for Chief Secretary to Government Haryana

Endst, No. 43/5/2001-1GSI

Dated Chandigarh, the 1<sup>st</sup> September, 2006

1-9-2006

A copy is forwarded to the Director, Public Relations, Haryana, Chandigarh for wide publicity.

  
Deputy Secretary General Administration  
for Chief Secretary to Government Haryana

1-9-2006



## APPENDIX

### POLICY FOR OUTSOURCING OF SERVICES/ACTIVITIES.

The Government of Haryana proposes to further strengthen the delivery of services to the people. Keeping in view the emergence of new areas in the field of effective governance and due to technological advancements, it is endeavoured to outsource services/ activities that are of an auxiliary or supporting nature to its functioning. It has been felt by the government that a policy needs to be enunciated to provide a framework for outsourcing of such services/activities as well as provide guidelines on the subject. This policy aims to provide an enabling framework to approach outsourcing of services/activities wherever required for better and efficient delivery of services.

#### PART-A WHERE REGULAR POSTS DO NOT EXIST

- (i) Services/activities may be outsourced as and when required in part or completely by the departments. For instance, cleaning of premises, horticultural work, housekeeping services, maintenance of buildings, transport services, information technology services provided the software application required to be developed or data entry services are clearly specified, secretarial services, courier services, highly technical and professional services etc. The above activities are illustrative and the departments can apply this policy for outsourcing on the basis of need and span of the services/activities.
- (ii) The nature of the services/ activities required to be outsourced should be specified and clearly defined in the tender notice as well as the contract document instead of mentioning the number of personnel required to perform the services/ activities.
- (iii) The Departments shall ensure that there is no regular sanctioned post in that unit of office for performing the outsourced services/ activities.
- (iv) The identification of the services/ activities to be outsourced shall be done by the head of department. The services/ activities to be outsourced can be identified for the department as a whole or a specific unit of the department. In either case, the head of department will ensure that no regular sanctioned posts are available in that office to perform the services/ activities.
- (v) Once the services/activities to be outsourced are identified, the minimum qualifying criteria, the deliverables (expected service levels), performance monitoring standards and liabilities in case of non-performance shall be unambiguously determined and approved by the head of department.



a competitive bidding process. A Model Draft Service Contract Document is placed at Annexure 'A' for illustration.

(vii) In case of the Mini-secretariats in the districts where several offices of different government departments are located under one roof, the Deputy Commissioner shall identify the services/ activities to be outsourced for the building as a whole and the expenditure on such outsourcing shall be borne by the Deputy Commissioner through the budget available for the purpose.

(viii) Wherever required, the departments would move for adequate provisions in their budget for outsourcing of services/ activities under the appropriate head.

(ix) Wherever contract for services is awarded on the basis of competitive transparent bidding process no approval of FD will be required, if the expenditure is within the sanctioned budget provision.

(x) All the expenses for outsourcing of services/ engagement of persons against sanctioned posts or otherwise shall be restricted within the sanctioned budget of the department. No separate allocations shall be made on this account.

#### **PART-B-WHERE REGULAR POSTS EXIST.**

(i) In emergent cases involving public interest, where the sanctioned vacant posts of Group C&D categories exist, term engagement can be made for a period not exceeding six months on wages fixed by the DC under the Minimum Wages Act, for which no approval of FD shall be required. If however, it is proposed to pay higher wages, then approval of FD will have to be obtained, giving proper justification. During these six months the department will endeavour to make regular appointment.

(ii) In case of persons already engaged on contract by some departments, against sanctioned vacant posts of any category, they will be considered having been engaged under this policy, on term engagement for a period of six months from the date of notification of this policy or the period of the term entered upon by the parties, whichever is less, during which the department will endeavour to fill up the posts on regular basis by following due procedure. The present incumbents may also be considered for regular appointment, if they fulfill the prescribed qualifications;

Provided that if for any reason, the process of recruitment cannot be completed within six months then approval of FD shall be obtained, giving justifications, for term engagement for a further period of six months.

(iii) In case of persons already engaged on contract, by some departments, where no such posts exist, the engagements shall be deemed to have been made under this policy for a period of six months or the term of engagement, entered upon by the parties whichever is less. After the expiry of this period, however, the department shall float tender for



parties, which should unambiguously state that it is an engagement for a fixed term and shall automatically cease on the expiry of the term without providing any claim to the person so engaged to any regularization of service or any consequential benefits. A draft of such model agreement is appended at Annexure 'B'.

(v) In the case of posts of a highly technical or professional nature, of any category, whether for reasons of unavailability of suitable persons for regular appointment or for reasons of continuous updation of knowledge or technology, if it is decided to fill the post on term engagement, a speaking order will be passed by the head of department on the file. Such term engagement will be at Deputy Commissioner's rates wherever applicable, under the Minimum Wages Act, or upto minimum basic pay of the pay scale prescribed for that post, plus allowances, as the case may be, for a period not exceeding one year, for which approval of the Finance Department will not be required. If however, higher pay/wages are proposed to be paid during the term engagement, then approval of the Finance Department may be obtained giving full justifications.

.....



**ANNEXURE-A****SERVICE AGREEMENT**

THIS AGREEMENT is made on this.....day of.....2006, between the Governor of Haryana acting through..... Department, Government of Haryana (hereinafter referred to as the "Department"; which expression shall, unless excluded by or repugnant to the context, be deemed to include its successors in office and assignees) of the first part and M/s....., a company registered under the Companies Act, 1956/a partnership firm constituted between....., having its place of business or registered office at .....acting through,.....its Managing Director/Partner (hereinafter referred to as "Service Provider" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its/his/her/their respective heirs, executors, administrators and successors/the partner(s) for the time being of the said firm the survivor(s) of them and the executors, administrators and successors of the surviving partners, as the case may be) of the second part.

WHEREAS the Service Provider is engaged in the business of providing..... Services;

AND WHEREAS the Service Provider has expressed his keen desire to provide the said services to the Department under this agreement;

AND WHEREAS on the aforesaid representation made by the Service Provider to the Department, the parties hereby enter into this agreement on the terms and conditions appearing hereinafter.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AND IT IS AGREED BY AND BETWEEN THE PARTIES AS UNDER:

## **1. SERVICE PROVIDER'S REPRESENTATIONS AND WARRANTIES**

The Service Provider hereby represents warrants and confirms that the Service Provider-

1.1 has full capacity, power and authority to enter into this agreement and during the continuance of this agreement, shall continue to have full capacity, power and authority to carry out and perform all its duties and obligations as contemplated herein and has already taken and shall and continue to take all necessary and further actions (including but without limiting to the obtaining of necessary approval/consents in all applicable jurisdictions) to authorize the execution, delivery and performance of this agreement ;

1.2 has the necessary skills, knowledge, expertise, adequate capital and competent personnel, system and procedures, infrastructure and capability to perform its obligations in accordance with the terms of this agreement and to the satisfaction of the Government ;

1.3 shall, on the execution of this agreement and providing services to the Department, not violate, breach and contravene any conditions of any agreement entered with any third party/ies ;

1.4 has complied with and obtained necessary permissions/licences/ authorizations under the Central, State and local authorities and obtained all required permissions/licences for carrying out its obligations under this agreement.

## **2. OBLIGATIONS OF THE SERVICE PROVIDER**

(a) The Service Provider shall operate and provide services to the Department at its



- (c) The assessment made by the Service Provider in the tender including number of personnel of various descriptions as required to provide/give the required quality of services shall be final and acceptable by and binding upon the Service Provider.
- (d) If the Department notices that the personnel of the Service Provider has/have been negligent, careless in rendering the said services, the same shall be communicated immediately to the Service Provider who will take corrective steps immediately to avoid recurrence of such incidents and reports to the Department.
- (e) If any of the personnel of the Service Provider indulges in theft, negligence or any illegal/irregular activity, misconduct, the Service Provider shall take appropriate action against its erring personnel and intimate accordingly to the Department or itself can take action in accordance with law.
- (f) The Service Provider shall furnish a personal guarantee of its Managing Director/Partner, guaranteeing the due performance by the Service Provider of its obligations under this agreement.

### 3. TERMS OF PAYMENT

- (a) Fees and charges for the services to be rendered are at Annexure 'B' as agreed to between the parties.
- (b) All payments made by the Department shall be after deduction of tax at source wherever applicable as per the provisions of the Income Tax Act, 1961.
- (c) The Service Provider, being the employer in relation to persons engaged/employed by it to provide the services under this agreement shall alone be responsible and liable to pay wages/salaries to such persons which in any case shall not be less than the minimum wages as fixed or prescribed under the Minimum Wages Act, 1948 (Act XI of 1948) for the category of workers employed by it from time to time or by the State Government and /or any authority constituted by or under any law.. He will observe compliance of all the relevant labour laws.
- (d) The Service Provider will have to produce the register of wages or the register of wages-cum-muster roll of the preceding month along with the bill to be submitted on the ..... day of every calendar month for verification to the nominated official of Department. The Service Provider shall ensure that payment to his employees is made in the presence of an authorized representative of the Department.

### 4. SUBMISSION AND VERIFICATION OF BILLS

The Service Provider shall submit on a monthly basis the bills for the services rendered to enable the Department to verify and process the same.

### 5. DISCIPLINE

- (a) The Service Provider shall issue identity cards, on its own name and trading style, to its personnel deputed for rendering the said services, which at Department's option, would be subject to verification at any time. The Department may refuse the entry into its premises to any personnel of the Service Provider not bearing such identity card or not being perfectly dressed.
- (b) The Department shall always have the right and liberty to do surprise inspection at its sites.
- (c) The services rendered by the Service Provider under this agreement will be under close supervision, co-ordination and guidance of the Department. The Service Provider shall frame appropriate procedure for taking immediate action as may be