

F.No.20/49/2016-AC/ 555- 594
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
FINANCE (Accounts) DEPARTMENT
4th Level, 'A' Wing, Delhi Secretariat, New Delhi

Dated: 04/8/2016

OFFICE MEMORANDUM

Sub: Model Request for Proposals (RFP) for Selection of Manpower Services Provider

1.1 The Cabinet vide Decision No. 2386 dated 8th July 2016 has approved the Model RFP for Selection of Manpower Services Provider (copy annexed).

1.2 The undersigned is directed to state that for selection of manpower services provider, the Model RFP enclosed herewith may be followed henceforth. The Model RFP aims at bringing about uniformity in the terms and conditions of services, ensuring timely payment of wages and other dues of the personnel and eliminating potential malpractices by manpower services provider

2. Need for a Standardised Framework

2.1 For ensuring transparency, efficiency and economy, and for adoption of best practices in the procurement of goods and services, the role of standardising documents and processes has been widely recognised. Standardised documents and processes not only save on the time and costs involved in individual cases of procurement, they also protect the procuring authorities and their officials from making errors and answering for them. Such standard documents typically lay down the norms, principles and parameters to be followed for procurement of goods and services, thereby enabling the procuring authorities to adopt them with considerable ease for meeting their divergent requirements.

2.2 In line with this objective, guidelines have been framed for engaging manpower services providers to augment the human resources required for improving efficiencies in the delivery of policies and programmes of the Government. The guidelines provide for pre-qualification and short listing of bidders on the basis of their net-worth and track record, to be followed by selection of the preferred bidder solely on the basis of financial bids. The guidelines are broad and generic in nature. They address the critical minimum requirements that must be observed in conducting the selection process and are aimed at providing predictability to the entire process, thus allowing decisions to be made objectively and expeditiously.

2.3 The RFP document for selection of manpower services provider is substantially based on the model documents published by the Ministry of Finance, Department of Expenditure, Government of India. Prior to its approval, the RFP document for selection of manpower services provider was subjected to extensive consultations with the departments, undertakings, selected manpower services providers and other stakeholders. The document so evolved was approved for adoption in the Cabinet meeting held on July 8, 2016 under the chairmanship of the Chief Minister.

3. Key Principles governing the RFP

3.1 *The key principles governing the RFP are stated below.*

Specific requirements of the procuring authorities

3.2 *The procuring authorities shall determine and clearly specify their requirements for deployment of manpower. The categories of manpower required such as clerical, skilled, semi-skilled or un-skilled, the number of persons required in each category as well as their minimum educational qualifications and work experience would have to be clearly indicated along with the tenure of the required services. Predictability of costs and obligations is essential for attracting credible bidders and for ensuring optimal bids.*

Compliance with laws

3.3 *Specific provisions regarding compliance with various laws, including payment of wages and allowances, would have to be stated clearly in the RFP to enable the bidders to make a fair estimate of the cost of services to be provided to the procuring authority.*

No contractual relationship with the personnel

3.4 *The personnel deployed by the services provider shall have no contractual relationship whatsoever with the procuring authority and the relationship of master and servant or employer and employee shall subsist only between the services provider and the respective personnel. The procuring authority shall have no liability or obligations, present or future in respect of such personnel.*

Fair and transparent selection process

3.5 *The Model RFP is generic in nature and aims at lending transparency and efficiency to the selection process. It also provides the requisite flexibility by placing several provisions within square brackets, thus enabling the procuring authorities to make necessary substitutions. Some flexibility has also been afforded by the respective footnotes. To the extent possible, the concerned procuring authorities should standardise the provisions contained in square brackets so that case by case modifications are minimised.*

Cost of services

3.6 *The cost of services shall mean and include the remuneration payable by the services provider to its personnel, including the employers' contribution to EPF and ESI, the management charge and all taxes due and payable. The cost of services shall be specified in the RFP and reimbursed to the services provider every month. Such costs shall not be subjected to bidding.*

- 3.7 *In addition to the payment of minimum wages and other statutory dues, it is proposed to provide an ex-gratia payment of 15% of the minimum wages, upon satisfactory completion of services during the relevant month, so as to ensure a comparatively better remuneration and livelihood for the personnel, besides incentivising good performance.*
- 3.8 *The management charge shall be a specified proportion (say, 7.5%) of the remuneration payable to the personnel and shall include expenditure on account of management, supervision, provision of uniforms, requisite equipment, a monthly telephone allowance, other allowances, bonus, other statutory dues and all incidental and consequential costs.*

Timely payment to personnel

- 3.9 *The Model RFP provides for payment of monthly remuneration by the services provider to the personnel through electronic transfer no later than 7 (seven) days and payment of contributions towards ESI, EPF etc. no later than 15 (fifteen) days after completion of a calendar month.*

Substitution of personnel

- 3.10 *No substitution of personnel shall normally be permissible, except under compelling circumstances, such substitution being limited to not more than 15% (fifteen per cent) of the total number of personnel. In the event that substitution of any personnel results in removal thereof, and the procuring authority may, in its discretion, refer the case to a substitution committee comprising nominees of the procuring authorities and the services provider for its consideration.*

Standardised Agreement

- 3.11 *The draft agreement forming part of the RFP should cover the terms and conditions that would govern the provision of manpower services. Key elements that the contract ought to include inter alia are the term of the contract; description of the scope of services; modifications to the scope of work; obligations of the services provider, payment of wages, contribution towards EPF and ESI; elimination of conflict of interest; substitution of personnel; ownership of property and documents relating to the services; insurance requirements; dispute resolution, including the use of specified rules for arbitration; treatment of force majeure; conditions for termination; agreement value; billing and payment; and obligations of the procuring authority.*

Eligibility criteria

- 3.12 *A bidder should normally be pre-qualified on the basis of its net-worth and track record. The RFP clearly indicates the nature of past assignments that would be considered eligible for the purpose of assessing the track record of the bidders. Besides stating the minimum eligibility criteria relating to track record, the RFP also specifies the manner in which past experience would be evaluated for assigning technical scores to each bidder. The eligibility criterion of net worth would be restricted to a minimum amount linked to a specified multiple of the monthly costs of services. No score would be assigned for net worth.*

Selection of Personnel

- 3.13 *The services provider shall be responsible for certification of the credentials of all personnel and for ensuring their police verification. Prior to engaging any skilled personnel, the services provider shall submit to the procuring authority its proposal along with a CV of such persons. The procuring authority may approve or reject such proposal and ask for a substitute. The services provider shall employ and provide only such personnel who have the required skills and experience for performing the specified tasks.*

Two-envelope system

- 3.14 *The services provider shall be selected through a 'two-envelope' system comprising a technical proposal and a financial proposal. The experience and track record of bidders is given due emphasis in this method. The technical and financial proposals are to be submitted in two separate sealed covers. The technical proposal comprises the information relating to the eligibility and experience of the bidders whereas the financial proposal comprises the financial offer for tendering the services. The financial proposal should also be submitted through the specified e-procurement platform.*
- 3.15 *The technical proposals are to be opened first. A technical evaluation should be carried out by an evaluation committee and a list of bidders meeting the eligibility criteria should be prepared and ranked based on their technical scores. Only the bidders meeting the minimum eligibility requirements should be pre-qualified.*
- 3.16 *In the second stage, a financial evaluation is carried out. The financial proposals of only the pre-qualified and short-listed bidders should be opened for the purpose of final selection. The preferred bidder shall be selected on the basis of lowest premium sought for providing the services.*

Technical evaluation

- 3.17 *The technical proposal should be evaluated and score awarded for the experience of the bidder firm in respect of providing manpower services to government departments, public sector companies, private companies or autonomous institutions during a period of 3 (three) years preceding the bid due date. To be eligible for pre-qualification, a bidder should have a cumulative three-year score equal to 10 (ten) times the number of personnel proposed to be procured under the RFP.*

Short-listing of bidders

- 3.18 *Not more than 5 bidders should be prequalified and shortlisted for financial evaluation. The purpose of restricting the number to five is to ensure that only proposals of bidders with a comparatively better track record are considered. In order to avoid concentration of assignments in a few firms, a cap is being imposed based on the number of assignments awarded to the bidder during the last one year or on the total number of manpower provided by it to the procuring authority and to the Government of the NCT of Delhi. However, short-listing may not be undertaken in cases where the volume of procurement is comparatively small, say upto a hundred personnel.*

Financial Evaluation

- 3.19 *In the second stage, evaluation of the financial proposals of the respective bidders shall be undertaken. For this purpose only the premium quoted by the bidders shall be considered, since all the costs of services will be reimbursed at actuals in accordance with the provisions of the RFP. The bidder quoting the lowest premium, not being less than Re. 1 (Rupee one) per month, shall be selected for award of the assignment..*

Timely payment to the services provider

- 3.20 *The procuring authority shall make payment of monthly invoice within 15 days of its submission along with proof of payment of all dues of its personnel. Further it has been stipulated that payment of at least 80% (eighty per cent) of the invoice amount shall be made within 3 (three) working days of its submission. In the event of delay in payment of the monthly invoice by the procuring authority, interest shall be due and payable to the services provider.*

Prevention of exploitation

- 3.21 *Any unlawful exploitation of personnel by the services provider shall be dealt with strictly. In the event any personnel lodges a complaint against any malpractice, the procuring authority may enquire into the veracity of the complaint and if any malpractice is established, the services provider shall be deemed to be in breach of the agreement.*

Variation in number of personnel

- 3.22 *As and when required by the procuring authorities, the services provider shall increase or decrease the number of personnel by upto 25% (twenty five per cent) of the total number of personnel specified in the RFP. In addition, a further deployment of personnel, not exceeding 50% (fifty per cent) of the total number of personnel specified in the RFP, may be undertaken with mutual consent.*

Norms and procedures

- 3.23 *The procuring authorities may, in consultation with the services provider, specify the norms of work and output in respect of each category of personnel and may also specify the standard operating procedures in accordance with good industry practice.*

4. **Conclusion**

- 4.1 *The Model RFP document annexed with this OM has been developed based on the principles outlined above. It is generic in nature and aims at lending transparency and efficiency to the selection process. It addresses the critical requirements that should be satisfied for conducting a fair and transparent bidding process. The administrative departments and other government entities intending to procure the services of manpower services providers should observe these guidelines and adopt the Model RFP document.*
- 4.2 *In case of any ambiguity or doubt with regard to application or interpretation of the Clauses of the Model RFP, a reference may be made to Finance Department/ Development and Dialogue Commission of Delhi for clarification.*


(Rakesh Bali)
Spl. Secretary(Finance)

F.No.20/49/2016-AC/555-594

Dated: 04/8/2016

Copy forwarded for information and necessary action to:

1. Pr. Secretary to Lt. Governor, Delhi
2. Pr. Secretary to Chief Minister, Delhi
3. Secretaries to all the Ministers of Govt. of NCT of Delhi
4. All the Pr. Secretaries / Secretaries / Heads of Departments of GNCTD
5. Controller of Accounts, Pr. Accounts Office, GNCTD
6. Controller of Accounts, Dte. Of Audit, GNCTD
7. Spl. Secretaries/ Joint Secretaries / Dy. Secretaries/ Under Secretary of FD
8. Website of FD


(Rakesh Bali)
Spl. Secretary(Finance)

~~CONFIDENTIAL~~
CABINET MATTER

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
GENERAL ADMINISTRATION DEPARTMENT
(CO-ORDINATION BRANCH)
DELHI SECRETARIAT, I.P. ESTATE, NEW DELHI

No.F.3/3/2016/GAD/CN/dsgadiiv 3452-3461
(GAD) 16/31496

Dated: 12-7-16

TABLED ITEM

CABINET DECISION NO.2386 DATED 08.07.2016

Subject: Cabinet Note on Selection of Manpower Services Provider for providing Manpower.

Decision: The Council of Ministers considered the note of Pr. Secretary (Finance) and the model RFP as proposed in para-17. After deliberations, the Cabinet approved the model RFP subject to the following modifications and observations:

- (i) Para 2.21.1: Performance Security . The Performance security would be for an amount of five to ten percent of the annual value of contract / agreement.
- (ii) Para 3.3.2: Short-listing of bidders not more than 05(five): The proposal as per the model RFP was agreed.
- (iii) Annexure-II- Estimate of Costs of Services :
 - (a) The proposed 15% of the ex-gratia payment would be admissible on satisfactory delivery of service.
 - (b) With regard to the proposed category of personnel, those in Health Department would be excluded as the Health Department is issuing a separate RFP suitable to their requirements.
 - (c) The category of personnel mentioned in Column 2 of Annexure-II of model RFP to be engaged should be restricted to Multi Tasking Staff (Peon/Messenger, Sweeper/Cleaner), Driver, Data Entry Operator and Multi Tasking Assistant and may be changed according to the requirement of the type of manpower required by the Department. The security personnel will be within the ambit of this model RFP.
 - (d) Regarding Column No. 10 and 11 of Annexure-II of the RFP, both columns would be reversed. The details of the Column No.11 should be shown at 10 and vice versa. Further, the rate of Service tax shall be shown as "as applicable" and not the amount being a statutory payment.

Contd..2/-

- (iv) Further, in case of any ambiguity or doubt with regard to application or interpretation of the clauses, the same should be referred to FD / DDC who will clarify the matter.

-Sd/-

(Ramesh Negi)
Secretary to the Cabinet

Dated: 12-7-16

No.F:3/3/2016/GAD/CN/dsgadiii/ 3452-3461

1. Secretary to Lt. Governor, Govt. of NCT of Delhi.
2. Pr. Secretary to the Chief Minister, Govt. of NCT of Delhi.
3. Secretary to Dy. Chief Minister, Govt. of NCT of Delhi.
4. Secretary to Minister, Labour, Govt. of NCT of Delhi.
5. Secretary to Minister, Health, Govt. of NCT of Delhi.
6. Secretary to Minister, Women and Child, Govt. of NCT of Delhi.
7. Secretary to Minister, Tourism, Govt. of NCT of Delhi.
8. Secretary to Minister, Food and Supply, Govt. of NCT of Delhi.
9. Pr. Secretary (Finance), Govt. of NCT of Delhi, with request to upload ATR on CDMS.
10. OSD to Chief Secretary, Govt. of NCT of Delhi.
11. Hindi Officer, Language Department, Govt. of NCT of Delhi for translation.
12. Guard file.

3
(P. C. Jain)
Spl. Secretary (GAD)