



NOTE FROM D (C) OFFICE

Ref.: D(C) /NOTE /129

October 22, 2018

Subject : System Improvement for Consultancy Contracts based on Vigilance Observations

CVO vide letter no. EIL/VIG/WF-662/8177 dated 31.08.2018 has forwarded the CVC letter 07-17-D16-ENE-13/392235 dated 23.08.2018 instructing system improvement by inclusion of provision towards imposition of LD against poor performance / delay in services etc. in the bidding documents.

In view of the same, following provisions shall be incorporated in the bidding documents issued for consultancy contracts:

- i) In the technical document, the indenting department shall ensure that the quality/ performance parameters of the services to be provided by the consultant shall be stipulated and in case, the Consultant not being able to achieve the same, appropriate provision for imposition of liquidated damages shall be stipulated.
- ii) In the commercial document, definite time schedule shall be stipulated for completion of services and in case of consultant failing to adhere to the stipulated time schedule, the contract price shall be reduced by ½% of the contract price per week of delay or part thereof subject to maximum of 5% of the total contract value."

Note: There may be certain kind of consultancy contracts like legal services or financial services wherein the advice is sought for certain specific queries. Although the response is desired at the earliest, yet these responses are not schedule bound in terms of the contract. For such services, above provision at sr. no. ii) may not be applicable.

Issued for compliance for LSTK/ OBE/ Depository / Inhouse Jobs. However, for EPCM/ PMC jobs, client guidelines shall be followed.

Rakesh
R K Sabharwal

To :
ED(SCM- I & II)
D(T) — for suitable action against sr. no. i) above

CC:
C&MD - for information please
D(HR)/ D(F) - for information please