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दक्षिण पूर्व रेलवे  
SOUTH EASTERN RAILWAY

Office of the  
Pr. Chief Signal & Telecom Engineer  
11, Garden Reach Road, Kolkata-700043

Dated: 13.09.2021

No. CONF/PCSTE/D&A/VIC/S&T/PLII

CSE, CSE-II, CCE, CSTE/Plg,  
CSTE/Proj, CSTE/Proj-II,  
S.E. Railway, GRC.

**Sub: Suggestion for uniformity in basic structure of  
tender schedule.**

Ref: SDGM/SER's letter No.G.130/C/2018/09/01720/NIK/397  
dated 18.03.2021.

A copy of the above referred confidential letter issued by SDGM/SER is  
enclosed herewith for information and necessary action.



*(Signature)*  
13/9/21

(Pradheep M Sikkari)  
Pr. Chief Signal & Telecom Engineer

Copy to Sr.DSTE/ADA, KGP, CKP & RNC for information and necessary  
action.



दक्षिण पूर्व रेलवे  
South Eastern Railway  
(सतर्कता शाखा)  
(Vigilance Branch)

**Confidential**

Vigilance Office,  
Garden Reach,  
Kolkata-700 043

No.: G.130/C/2018/09/01720/NIK/397

Date :18-03-2021

CAO(C) PCE, PCEE, PCME, PCSTE, PCMD, PCSC & PFA  
S.E.Railway, Garden Reach, Kolkata-43

**Sub: Suggestion for uniformity in basic structure of tender schedule**

**Ref: Railway board letter No: 2018/V3/SE/Elect./04-CVC Dated 18-04-19**

One complaint was received in this office in which the complainant alleged that due to inclusion of GST, EPF & ESIC, the advertised tender value was increased and the party failed to qualify the technical eligibility criteria.

The extract of relevant clause (Para-37) in Indian Railways Standard General Conditions of Contract for works-2018 is produced below

*"The rates, entered in the **accepted Schedule of Rates of the Contract** are intended to provide for works duly and properly completed in accordance with the General and Special (if any) Conditions of the Contract and the Specifications and drawings together with such enlargements, extensions, diminutions, reductions, alterations or additions as may be ordered in terms of Clause 42 of these conditions and without prejudice to the generality thereof and shall be deemed to include and cover superintendence and **labour**, supply, including full freight of materials,..... all **fees, duties, royalties, rent and compensation to owners for surface damage or taxes and impositions payable to local authorities** in respect of land, structures and all material supplied for the work or **other duties or expenses for which the Contractor may become liable or may be put to under any provision of law for the purpose of or in connection with the execution of the contract** and all such other incidental charges or contingencies as may have been specially provided for in the Specifications".*

Para 4.42 of GCC for services-2018 is also reproduced below:

*"The **rates entered in the Schedule of rates of the contract** are intended to provide for services duly and properly completed in accordance with the General and special (if any) conditions of the contract and the specifications /procedures specified in the contract document including drawings wherever applicable along with all labour, materials, tools and plants etc."*

Para-13 of Standard bid document issued by EnHM directorate says "**The rates quoted by the tenderer for all materials, required to be purchased for the satisfactory performance of this contract, shall be deemed to be inclusive of all duties, taxes, octroi, royalties, rentals etc**".

Thus it is crystal clear that the Quoted/accepted value of contract must include all taxes, duties etc. But clear cut instruction about inclusion or exclusion of these taxes & contributions on advertised tender value has not envisaged.

After the examination of railway board, the case was referred to CVC. Railway board vide letter No: 2018/V3/SE/Elect./04-CVC dated 18-04-19 has advised to "**issue guide lines regarding Inclusion of GST and other taxes while preparing estimates**".

In order to have a broader picture of non-uniformity practice followed in tender schedule, 14 (fourteen) tender notices of service contracts across all the departments and divisions have been analyzed and tabulated at **Exhibit-1**. In absence of patent instruction about inclusion or exclusion of GST, EPFO & ESIC contribution, non-uniform practice is being adopted across the departments and divisions. In one case contractor profit @10% was also added which has no valid reason.

Clarity and uniformity regarding GST, ESIC & EPF is very important as inclusion or exclusion of these taxes, duties, contributions etc alter the advertise tender value which plays pivotal role in deciding the value of requisite credentials to qualify the technical bid/technical eligibility criteria. The advertised tender value also affects the amount of EMD, SD & PG.

In order to avoid any future complicacy, uniformity in tender schedule of works & service contract wherever applicable becomes indispensable. As a system improvement measure a basic structure of tender schedule is proposed below. Items and sub-items may be added inside the schedule as per specific requirement.

	<b>Schedule-A</b>	Unit	Supporting Documents for bill
1	Minimum wages for Unskilled, Semiskilled, Skilled Manpower as sanctioned in detail estimate.	Per Day/ Month	Attendance register of contractor labours certified by consignee
	<b>Schedule-B</b>	Unit	Supporting Documents for bill



1	Cost of Materials, Erection/commissioning charges, Personal safety equipment, Uniform, Shoe etc as sanctioned in detail estimate.	Per Month / Year	Verified Challans, Daily progress report/register
	<b>Applicable GST on Schedule A+ B</b>		Return challan may be submitted as proof
	<b>Schedule-C</b>	Unit	Supporting Documents for bill
1	Employer contribution towards EPFO for Number of labour as specified in Sch-A	Per Month	To be paid on submission of challan (Subjected to the ceiling amount as specified in the schedule)
2	Employer contribution towards ESIC for Number of labour as specified in Sch-A	Per Month	


Contribution towards ESIC and EPFO exempted in service tax regime will be continued under GST (**Exhibit-2**). The EPFO and ESIC challans submitted by one contractor of SER also shows that no GST has been charged on EPFO & ESIC contributions. Hence it is not appropriate to charge GST on ESIC and EPFO contributions in the estimate / tender schedule.

Payment of bonus is dependent upon the performance/profit of the organization /agency. Hence payment towards bonus by principal employer is not mandatory. In case provision of bonus is made in the tender schedule then acknowledgement copy of the Annual return form-D (**Exhibit-3**) to be uploaded in web portal of Ministry of Labour & Employment, Govt of India and to be submitted along with the bill.

The above suggestions are only indicative and not exhaustive. The tender inviting authority should critically analyze the above aspects and may consider the above suggestions (as applicable) while floating the tender.

The proposed suggestions may be circulated to the concerned executives in compliance to CVC's advice.

Encl: 3 Exhibits.

  
 15.03.2021  
**(Sankarsan Nayak)**  
**Sr. Dy. General Manager**  
**S.E.Railway, Garden reach**