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Dated: As signed

St.DEN/Co.ord/BZA, SC, JHYB, GTL, GNT & NED,  
Dy.CE/EWS/LGD, Dy.CE/Lines/BZA & Dy.CE/CPOH/RYP

Sub: System improvement in conditions of outcome-based contract- Reg.

Ref: 1. Dy.CVO/Engg/Letter No.G.265/V/1/20240601 544 dated 23.07.2025.

2. DEN/East/BZA Letter No.B/W.496/Tenders/System Improvement/2025 dt. 31.10.2025.

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This has reference to the vigilance observation cited at Ref. (1) regarding ambiguity in a service tender, where clauses for Outcome-Based and Manpower-Based contracts were inadvertently mixed, leading to confusion.

The matter was examined in detail by BZA Division, whose remarks at Ref. (2) form the basis for the following system improvement measures. To ensure clarity, transparency, and uniformity in all future manpower supply or outcome based in lieu of manpower supply tenders, the following guidelines are hereby issued for strict compliance:

**A. Mandatory Declaration of Tender Type for manpower supply or outcome based in lieu of manpower supply tenders:**

These tender must explicitly state in the Tender Schedule and Special Conditions of Contract whether it is an "Outcome-Based Contract" or a "Manpower-Based Contract."

**B. Clause Consistency to be ensured:**

**(i) For Outcome-Based Contracts:**

Quoting of Nil or Negative percentage rates shall be permissible.

The basis of payment shall be linked to the output or outcome (e.g., Sq. Meters cleaned per month, number of units maintained).

All clauses specifying minimum manpower strength, deployment schedules, or per-person penalties for absenteeism shall be excluded.

Suitable Penalty clause to be included in the special conditions of contract as and where required.

**(ii) For Manpower-Based Contracts:**

The basis of payment shall be linked to the supply of specified manpower.

Conditions related to minimum manpower, qualifications, and penalties for short-supply of staff shall apply.

As per the latest Railway Board letter No.2017/EnHM/25/11 dt. 11.2023, tenderers shall quote above at par rate towards the manpower schedule of any manpower based service tender. If quoted Nil or Negative percentage rate towards manpower schedule it (their bid) will be treated as non-responsive.

**C. Standard Definitions for Clarity:**

The following definitions shall be incorporated in the General Conditions or Special Conditions of tender documents:

**"Supply":** Provision and delivery of required manpower, materials, and consumables as specified in the contract scope.

**"Deployment":** Placement, utilization, and operation of supplied resources at the site to achieve the specified outcome or performance standard.

These measures are imperative to prevent ambiguities, ensure fair competition, and align our tendering process with the principles of the GCC for Services-2018 and Railway Board's guidelines.

All Divisions are directed to implement these instructions in letter and spirit for all forthcoming manpower supply or outcome based in lieu of manpower supply tenders with immediate effect. Necessary compliance may be intimated to this office.

This is issued with approval of PCE/SCR.

Digitally Signed by Peddu  
Murali Krishna

Date: 26-11-2025 12:58:02

Reason: Approved -

(P. Murali Krishna)

Dy.CE/LM

for Pr.Chief Engineer

Copy to:

Dy.CVO/Engg/HQ for information please.