



आयुध निर्माणी बोर्ड  
10ए एस के बोस रोड  
कोलकाता 700001  
(अभियांत्रिकी विभाग)

ORDNANCE FACTORY BOARD  
10 A, S. K. BOSE ROAD  
KOLKATA 700 001  
(ENGG DIVISION)

भारतीय आयुध निर्माणियां, रक्षा मंत्रालय  
Indian Ordnance Factories, Ministry of Defence



CIRCULAR

No: 001/CW/Consultancy/Policy/E/B

Date: 28.01.2013

To

The Sr. General Manager/General Manager  
All Ordnance & Ordnance Equipment Factories

The Sr. Principal Director/NADP

Sub: Standard Operating Procedure for engagement of consultant for  
execution of Civil works in Ordnance Factory Organisation

During 1<sup>st</sup> Board Meeting held on 15.01.2013 Board approved Standard Operating  
Procedure for engagement of consultant for execution of Civil works in Ordnance  
Factory Organisation

2.0 Standard Operating Procedure for execution of Civil Works in OF Organisation  
as approved by Board is appended in annexure.

Encl: As above (8 Sheets)

(Pradip Kumar Khan)

Director/EB

For Director General, Ordnance Factories

Copy to:

1. Shri Ravin Kulshrestha  
OSD (LS)/ Ministry of Defence  
Sena Bhawan, New Delhi 110011
2. Principal Controller of Accounts (Factories), 10A S.K. Bose Road Kolkata 700001
3. Principal Director of Audit, 10A S.K. Bose Road Kolkata 700001
4. Chief Internal Auditor, 10A S.K. Bose Road Kolkata 700001

Contd.2

5. CVO, OFB 10A S.K. Bose Road Kolkata 700001
6. Secretary/OFB
7. Controller of Finance & Accounts (Fys), 10A S.K. Bose Road Kolkata 700001
8. Controller of Finance & Accounts (Fys), Heavy Vehicle Factory, Avadi, Chennai
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10. Controller of Finance & Accounts (Fys)Jabalpur Group of Factories, Jabalpur
11. Controller of Finance & Accounts (Fys)Dehradun Group of Factories, Dehradun
12. Controller of Finance & Accounts (Fys) Kanpur Group of Factories, Kanpur
13. Controller of Finance & Accounts (Fys) Kirkee Group of Factories, Kirkee, Pune
14. Controller of Finance & Accounts (Fys)Ambajhari Group of Factories, Nagpur
15. Controller of Finance & Accounts (Fys) Ordnance Factory Medak
16. Controller of Finance & Accounts (Fys)Bengal Group of Factories, Isahpore
17. OFB/Finance

## **SOP for engagement of consultant for execution of Civil Works**

In Ordnance Factory Organisation Consultant can be engaged for following purpose:

- a. Preparation of Project report
  - b. Detailed Design & Engineering
    - i. Preparation of Architectural Plan and Detailed & Drawings, Preparation of submission drawings for clearance from local bodies/ authorities (if required).
    - ii. Preparation of bills of quantities, technical specifications and tender documents.
    - iii. Preparation of Civil & structural Engineering Drawings based on the detail architectural drawings.
    - iv. Preparation of detailed engineering drawings for internal & external electrical services, water service, water supply, sanitary sewerage etc. based on detailed architectural plans for building services.
  - c. Project Management Services
    - i. Pre-qualification of contractors
    - ii. Issue of tenders, receipt, technical scrutiny & financial evaluation and submission of recommendation
    - iii. Supervision of works of the contractors
    - iv. Approval of drawings, quality control
    - v. Measurement of work & recording the same in Measurement Book.
    - vi. Preparation of RAR & final bill.
    - vii. Issuance of stability certificate of newly constructed building
- 2.0 Consultant can also be engaged for submission of annual stability certificate to State Govt. Authorities.
- 3.0 This would be applicable for projects which are proposed to be executed through competitive bidding under direct contract.
- 4.0 For projects to be executed by MES, this would not be applicable.
- 5.0 Procedure for entering into agreement for specialist Consultancy Services is given **Appendix 'A'**.

## Appendix 'A'

### Procedure for entering into agreement for Specialist Consultancy Services for Civil Works

The procedure, given below, is to be adopted for entering into agreement for specialist consultancy services for Civil Works.

1.0 Consultancy contract would be allowed only in case of Capital civil works excluding periodical services, normal road repair, term contract etc.

2.0 Proposal to engage private consultant for the purpose of obtaining consultancy services on special items of civil works may be forwarded by the factory/unit to OFB for obtaining 'Acceptance of Necessity' (AON) from concerned Addl.DGOF/Member OFB. The proposal should essentially include the justification for engaging consultant, scope of consultancy, terms of payment, well defined milestones/ benchmarks, names/addresses of likely consultants alongwith their past experience and other relevant particulars. The proposal should be duly vetted by LAO & approved by Head of Department. 'Acceptance of Necessity' and approval of the consultants to whom the tender enquiries will be issued, would be accorded by the concerned Addl. DGOF/Member OFB.

3.0 After obtaining AON, the offers should be invited through competitive tendering. The terms and conditions stipulated in the most acceptable offer received, may be settled through negotiations, if required. If for any particular specialist service, not more than one consultant is available, negotiations may be done with that consultant.

4.0 The comparative statement of tenders alongwith the recommendations of TEC/TPC should be forwarded to OFB (concerned Addl.DGOF/Member OFB) for finalizing/approving the consultancy proposal.

5.0 Sr. General Manager/General Manager of Ordnance & Ordnance Equipment Factories, Sr.PD/PD of NADP & Sr.DDG/DDG of OFBHQ are authorized to enter into consultancy agreements after obtaining the approval of OFB.

6.0 The amount of consultancy shall not exceed 8% of the project cost excluding consultancy cost. Normally the consultancy charges for pre-contract and post-contract activities should not exceed 4% each. However, this may vary from case to case based on the scope of consultancy and TPC may take appropriate view on the same.

7.0 Funds for consultancy will be met out of project cost.

8.0 Expenditure incurred for consultancy services will be considered as a separate item of Admin Approval, if necessary.

9.0 The agreement may be signed in 'Consultancy Agreement' format given in **Appendix 'B'**. No separate legal consultation is required for conclusion of consultancy agreement as per above mentioned prescribed format. All the standard clauses of tender document should also form part of the consultancy agreement/contract.

10.0 With reference to the Standard Form and Annexure 'C' thereto, the schedule of fees should be so made out that,

- a. either the consultant becomes entitled for payment of fees only on satisfactory completion of the entire consultancy services covered by the Agreement, or
- b. if payment in stages is contemplated, the consultant becomes entitled for the item-wise stage payment only on satisfactory completion of distinct stage. This will ensure that even if per chance, the consultant ultimately fails to complete the entire consultancy service in terms of the Agreement, the fees already paid does not become infructuous (*Note - the part service rendered which is complete in itself, could be made use of by the department*).

11.0 Further, if and when item-wise stage payment is contemplated, a note should be added in the said Annexure "C" to the effect that consultant shall be entitled to be paid fees to the extent of 90% only of the respective stage payment as per the schedule of fees, on satisfactory completion of that stage. The remaining 10% shall be paid with the Final Bill on satisfactory completion of the entire consultancy service as required under the Agreement.

12.0 If in any particular case, a consultant fails to render the consultancy services satisfactorily in terms of the Agreement, a report should be submitted to OFBHQ promptly so that other units of OFB can also be suitably apprised.

13.0 National Directory of Consultancy Services published from time to time by Consultancy Development Centre IHC, Lodhi Road, New Delhi and PHDCCI directory of members published by Chambers of Commerce Industry, New Delhi should be referred to for checking the capabilities of private consultants.

14.0 Procedure of competitive tendering shall be followed. However requirement of immovable/movable property, solvency certificate and working capital certificate shall not be insisted upon for provisional enlistment. Security Deposit shall be released alongwith final bill to the consultant. No risk and cost action shall be taken.

15.0 While implementing above procedure, GFR provision & CVC guidelines (as amended from time to time) should be kept in view.

**CONSULTANCY AGREEMENT**

This Agreement made this day of \_\_\_\_\_  
BETWEEN \_\_\_\_\_(on behalf of the President of  
India) hereinafter referred to as "the Client" and \_\_\_\_\_having its  
registered office at \_\_\_\_\_ hereinafter referred to as "the  
Consultant".

2.0 WHEREAS the Client proposes to construct \_\_\_\_\_ hereinafter  
referred to as 'the Project' and intends to obtain consultancy services as listed in  
clause 'a' hereinafter and the Consultant is agreeable to render the said consultancy  
services on the terms and conditions hereinafter stipulated, it is hereby agreed to by  
both the Parties as under :

- a. Consultancy Services as listed in Annexure 'A' shall be provided by the Consultant.
- b. The Client shall provide data/information as specified in Annexure 'B', to the Consultant within \_\_\_\_\_ days of conclusion of this Agreement.
- c. The Consultant shall provide and complete the Consultancy services, in accordance with the phasing \_\_\_\_\_ stipulated hereinafter, to the satisfaction of the Client or his authorized representative, within a period of \_\_\_\_\_ months, of conclusion of this Consultancy agreement.
- d. Extension of time may be granted for delays caused, which in the opinion of the Client, were beyond the Consultant's control, provided the Consultant applies for such extension of time in writing, within seven days of the occurrence of any event which caused delay.
- e. The Consultant shall carry out the services required in terms of this Consultancy Agreement, according to accepted norms of sound engineering practice and conforming to Indian standard Codes. The Consultant shall be responsible for the technical soundness and accuracy of the service as rendered.
- f. The Consultant shall supply to the Client the following documents:
  - i. Design calculations, duly, typed \_\_\_\_\_ copies.
  - ii. Softcopy of drawing & detailed working drawings size \_\_\_\_\_ copies and quality of drawing paper as mutually agreed between the Client and the Consultant. (Modify suitably to meet the requirements. If necessary stipulate the sizes/quality.)

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- iii. Bills of Quantities in respect \_\_\_\_\_ copies of \_\_\_\_\_ duly typed (Quantities to be taken off from drawing s, as per IS 1200, as amended upto date).
  - iv. Any other document/deliverable envisaged in the scope of consultancy to the agreement.
- g. Design paper by Consultant in respect of \_\_\_\_\_ shall be got checked by Indian Institute of Technology \_\_\_\_\_ Central Building Research Institute Roorkee/Structural Engineering Research Centre, Chennai/\_\_\_\_\_ (Retain only one or two and delete the remaining as necessary), under the Consultant's own arrangements, before finalization of drawing's. A certificate to the effect that the designs have been so checked, shall be furnished to the Client by the Consultant. The fees stipulated in Annexure 'C' shall inter-alia be inclusive of getting the designs checked as aforestated. This clause may be inserted when design for unconventional structures are involved, at the discretion of Head of Unit.
- h. The calculation sheets, drawings, reports and similar documents provided by the Consultant in terms of this Agreement to the Client, shall remain the property of the Client and the Client shall have full right to use them in any manner for the project or any other-propose, at the Client's sole discretion.
- i. The Consultant shall use the data and other information supplied by the Client solely for the purpose of performing and carrying out his obligations under this Consultancy Agreement and shall not disclose the same to any other person, except to the extent required in performance of the work of the project, and shall maintain utmost secrecy.
- j. The Consultant shall not, without the consent in writing of the Client. Publish any article or photographs relating to the project.
- k. For providing the Consultancy Service as stipulated in this Agreement in accordance with the provisions of clauses '2.a' and '2.c' to '2.g', the Client shall pay fees to the Consultant as specified in Annexure 'C'.
- l. If the Client requires that the Consultant should provide additional Consultancy Services other than those listed in Annexure 'A', the Consultant shall provide the same at fees mutually agreed.

- m. If at any time after conclusion of this Agreement, the Client decides to postpone or abandon the project, he may, by giving seven days notice in writing to the Consultant, terminate this Agreement, provided that if the project or any part thereof is postponed, the Client may, in lieu of terminating this Agreement require the Consultant in writing to suspend the carrying out of this Services under this Agreement, for the time being. If the Client does not require the Consultant to resume performance of Services in respect of any postponed work within a period of three months from the date of the Client's requirements in writing to the Consultant to suspend the carrying out of his services, such work shall be considered to have been abandoned and this Agreement shall be deemed to be terminated.
- n. If this Agreement is terminated in pursuance of Clause '2.m', the Consultant shall be eligible for payment of proportionate fees for the portion of Consultancy Services already rendered, as assessed by the Client. The Client's decision in this respect shall be final and binding, the other compensation whatsoever shall be paid.
- o. Conflict of Interest: The consultant shall not receive any remuneration in connection with the assignment except as provided in the contract. The consultant and its affiliates shall not engage in consulting activities that conflict with the interest of the Ordnance Factory organization under the contract and shall be excluded from downstream supply of goods or construction of works or purchase of any asset or provision of any other service related to the assignment other than a continuation of the "Services" under the ongoing contract. Consultants should provide professional, objective and impartial advice and at all times hold the client's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests. Consultants shall not undertake any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the OFB.
- p. If the Consultant commits any breach of any of the provisions of this Agreement, the Client shall be entitled to cancel this Agreement and on such cancellation the fees payable shall be proportionate to the Services if any, already rendered by the Consultant as assessed by Client, less ten percent.



- q. ALL Payments to the Consultant shall be made through electronic money transfer.

In WITNESS WHEREOF the Parties aforesaid have set hands as shown below.

(The Consultant)

(The Client)

Signature of Witness

(On behalf of the President of India)

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\_\_\_\_\_  
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Annexure 'A'

Consultancy Services to be provided by the consultant (list)  
[Refer clause 2.a of agreement]

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Annexure 'B'

Data/information to be supplied by the client (list)  
[Refer clause 2.b of agreement]

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Annexure 'C'

Schedule of fees to be paid to the consultant (list)  
[Refer clause 2.k of agreement]