

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

PUBLIC SERVICES – Outsourcing of certain services in Government
Departments – Comprehensive Guidelines – Orders – Issued.

FINANCE (SMPC) DEPARTMENT

G.O.Rt.No.4271

Dated: 01.11.2008.

Read the following:-

1. G.O.Rt.No. 2501, Finance (SMPC) Department, dt. 13.07.2006.
2. Circular Memo No. 25928-A/1046/A2/SMPC/2006, dt. 23.10.2006.
3. G.O.Rt.No. 4459, Finance (SMPC) Department, dt. 27.12.2006.
4. Circular Memo No. 8999-A/319/A2/SMPC/2007, dt. 21.04.2007.
5. G.O.Rt.No. 2246, Finance (SMPC) Department, dt. 07.06.2007.
6. Circular Memo No. 14863-F/547/A2/SMPC/2007, dt. 14.06.2007.
7. Circular Memo No. 17944/668/A2/SMPC/2007, dt. 06.10.2007.
8. Circular Memo No. 28346-C/958/A2/SMPC/2008, dt. 30.09.2008.
9. Circular Memo No. 30766/A/896/A1/B.G.I/2008, dt. 23.10.2008.

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ORDER:

Government has been permitting appointments on contract as well as on outsourcing basis to effectively cater to the needs of the Departments. In case of contract appointments, appointments are being made by the concerned Departments as per the terms of the contract. Whereas, under outsourcing the responsibility of the supplying required man power is through different outsourcing agencies duly identified.

2. Government have issued certain guidelines/instructions from time to time in the references 1st to 9th read above to streamline the Contract /Outsourcing appointments and requested all the Departments to follow the guidelines/instructions scrupulously and to release wages/salaries by 1st of every month. However instances have come to the notice of the Government notwithstanding the above, that these categories of employees are facing hardship in some cases by not getting their salaries by 1st of every month. In order to ensure payment of remuneration to the Contract / outsourcing persons, by 1st of every month and to address the difficulties if any, it is now decided to issue comprehensive guidelines in case of Contract/Outsourcing appointments.

3. Government after careful examination of the matter hereby issue the following comprehensive guidelines so as to enable the Departments to pay the remunerations to the contract / outsourcing persons by 1st of every month and also to avoid confusion regarding selection of Outsourcing agencies, Payment of remuneration and Deductions to be made from the remuneration of contract/outsourcing persons.

I. SELECTION OF OUTSOURCING AGENCIES:

- i. The Head of Office or Department who is the Principal employer should get permission from the Government in Finance (SMPC) Department to engage for outsourcing the services.

SECRETARIAT & HEADS OF DEPARTMENT:

- ii. In order to finalize the outsourcing agencies for supply of man power, a Committee headed by the Principal Secretary /Secretary to government in respect of Departments of Secretariat and head of the Department in respect of Heads of Department may be constituted for selection of outsourcing agencies by the respective Special Chief Secretaries/Principal

Secretaries/Secretaries. The Secretary to Government (Services & HRM), General Administration Department is the Nodal Officer for guidance and for redressal of grievances etc. For the purpose of grievance redressal a grievance cell shall be constituted as at item IV of point (iii).

DISTRICTS:

- iii. In the reference 3rd read above a Committee with the following officers is constituted for selection of outsourcing agencies at the district level to be headed by the District Collector since most of the outsourcing of the functions/functionaries arise in the Districts.

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|------------------------------|---|-------------------|
| District Collector | - | Chairman. |
| Dy. Director T&A | - | Member. |
| District Labour Officer | - | Member |
| District Employment Officer- | | Member –Convener. |

The District Employment Officer at the district level is the officer responsible to move the proposal for outsourcing of the functions and take the orders of the Collector and other Members concerned.

- iv. In respect of contract appointments the Departmental selection Committees shall make appointments duly following contract guidelines.

II. PAYMENT OF REMUNERATION:

- i. In the G.O. 1st read above (copy enclosed) Government fixed remuneration to certain categories. In respect of the categories which were not covered in the above G.O., the Departments are advised to propose the remuneration based on and not exceeding the minimum time scale attached to the equallent category for which they are proposed to be contracted/outsourced and send necessary proposals to Finance Department without giving raise to any anomalies.
- ii. In the reference 8th read above, Government have issued instructions to pay the remunerations to all the persons covered by outsource/contract services as well as aided institutions on the 1st of every month promptly. To avoid delays on payment of remuneration the Departments shall reckon the working period in case of outsourced and contract persons as 21st of previous month to 20th of current month (the month in which the bill presented to the PAO/Tresury) and take necessary steps to present the bill in time to the respective PAO/DTO/STOs and PAO (W&P) and ensure that the remunerations of Contract/Outsourcing persons shall be paid on 1st of every month. If there is any short fall of Budget for payment of remuneration to the contract / outsourcing persons, the concerned Departments shall submit necessary proposals to the Finance Department for sanction of additional funds with full details as per the agreed manpower requirements covered by Implementation Committee proceedings. Expenditure sections in Finance Department are already permitted to give quarterly relaxation for this purpose. For the present year if any additionality is required the same will be arrived in Finance Department based on the information furnished by the respective Departments to the Finance (SMPC) Section and will be provided. From next financial year onwards departments may take care to furnish necessary particulars in the statement to be prescribed by Finance Department at the time of budget preparation for making adequate budgetary provision.

- iii. Further Government directs the DTA/PAO and Director of Works Accounts to admit the bills into audit under the following detailed heads with out insisting upon 80% of the expenditure of earlier Quarters subject to limiting the expenditure to the extent of provision available so as to facilitate prompt payment of remuneration of the Contract /Outsourcing persons in the reference 9th read above in partial modification of instructions if any already issued.

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|---------|---|--------------------------------------|
| 270/273 | - | Work-charged Establishment. |
| 280/282 | - | Payment to Home Guards. |
| 280/283 | - | Payment to Anganwadi Workers. |
| 280/284 | - | Other Payments(individual payments). |
| 300 | - | Other contractual services. |
| 310/311 | - | Grants-in-aid towards salaries. |

- iv. All the Departments shall ensure that a bank account in the name of the Contract / Outsourcing persons is opened. In respect of contract persons the respective PAO/Treasury shall issue cheque to the contract persons through DDO directly. In respect of outsourcing persons the remuneration shall be paid to the agency and agency shall pay the remuneration by cheque to the persons against the bank account opened for the purpose only.

DEDUCTIONS:

- v. In the reference 4th read above instructions were issued to pay the remuneration to the contract /outsourcing persons as fixed by the Government in full duly deducting the Employees Contribution towards EPF, ESI and Profession Tax. The outsourcing agency shall produce a remittance certificate towards EPF and ESI contributions at the time of submitting bill for the following month. Any excess deductions made by the outsourcing agencies in violation of the Government instructions shall result in stringent action including termination duly protecting the interest of outsourcing persons.

III. CONTINUATION OF CONTRACT/OUTSOURCING PERSONS

- i. In the reference 6th read above Government have issued instructions to all the Departments to extend the contract/outsourcing agency contract beyond one year as long as posts are outsourced within the sanctioned strength of the Department as per implementation committee orders without referring file again to Finance Department. However all the departments shall obtain concurrence of the Finance (SMPC) Department at the initial time of contract/outsourcing.

IV. GRIEVANCE CELL

- i. All the Departments shall create a Grievance cell to attend to the complaints received from the contract/outsourcing persons regarding payment of remunerations etc. One of the existing Officers of their respective Departments may be nominated as in charge of that cell to attend the complaints received from the contract / outsourcing persons and his phone number and address should be made available to all contract /outsourcing persons. If any violation of instructions noticed, it should be brought to the notice of the Collector in the Districts and to the Secretary to Government, General Administration (Services) Department in Hyderabad as the case may be who will black list the agency against whom such complaints are found to be true.

- ii. Further all the Departments and unit officers are instructed to scrutinize the acquittance rolls to be maintained by outsourcing agencies and take stringent action against agencies if instances of irregular deductions are noticed. Further as a measure of protection to the diligent contractual / outsourced persons, they may not be discontinued without the acquiescence of the employer. These categories can be replaced normally on grounds of dissatisfactory service indiscipline and more importantly cessation of the need as determined by the employer and not as per the whims and fancies of the agency.
 - iii. General Administration (SU-IV) Department also will open a grievance cell and designate an Officer In charge for the same to facilitate receiving of complaints and examine them against any malpractices by the outsourcing agency.
4. All the Departments are requested to follow the above guidelines scrupulously and ensure that the payments of remuneration to all contract/outsourcing persons on 1st of every month without fail.
 5. Copy of this order along with enclosures shown in the references is available on Internet and can be accessed at address “<http://www.ap.gov.in/goir>”.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. N. RAMESH KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT (R&E)

To

All the Departments of the Secretariat.
All the Heads of Departments.
The Director of Treasuries and Accounts, A.P., Hyderabad.
The Pay & Accounts Officer, Hyderabad.
The Dy. Pay and Accounts Officer, Secretariat Branch, Hyderabad.
The Finance (BG) Department.
The All Expenditure Secretions in Finance Department.
All the District Collectors.
All the Dy. Directors O/o D.T.O. in the State.
All the District Employment Officers.
All the District Labour Officers.
SF/SCs

//Forwarded :: By Order//

SECTION OFFICER