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No.FFE-A(B)2-16/2015  
Government of Himachal Pradesh  
Department of Forests

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Shimla-02, the 12<sup>th</sup> June, 2017

CIRCULAR (FORESTS-A)-I

It has been observed that a system of hiring labourers as per existing schedule of labour rates for respective Forest Circles of the department is being followed for carrying out afforestation activities and other civil works. Hardly any of these works are carried out through Tender system as provided for in the HP Financial Rules, 2009 barring few exceptions. This has led to creation of huge work force of daily wagers hired by the department for such works contrary to the instructions of Finance Department dated 6<sup>th</sup> September, 1995 and reiterated thereafter numerous times and thus putting unprecedented burden on the State Exchequer on one hand and leading to numerous and multiple litigation involving these unauthorized workers.

The Finance Department, Government of Himachal Pradesh vide their letter no. Fin.1-C (14) 1/83 dated 06-09-1995 had explicitly mentioned in the guidelines that no new posts on daily wage part-time shall be created without prior concurrence of the Finance Department. In their subsequent communication issued vide letter no. Fin.-I-C(7)-1/99 dated 24-12-1999, the Finance Department clarified that any instance of engaging daily-wage-personnel without concurrence of the Finance Department is a contravention of Government orders inviting disciplinary action and the personal responsibility of the officer concerned. Further, the Finance Department vide their letter no. Fin-F-(A)-(11)-11/2004 dated 13-06-2007 again reiterated that there shall be a complete ban on fresh recruitment of all posts (including daily wage/Part time/Contract Posts) except with the prior approval of the Government in Finance Department and thereafter of the Council of Ministers. Such approval shall be granted only for functional posts. These instructions were further repeated by the Finance Department vide their letter no. Fin.-F-(A)-(11)-11/2004 dated 17-09-2008.



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The H.P Financial Rules, 2009 under Chapter 6 provides for the procurement of Goods & Services and a well-defined procedure has been laid out. The broad details are given in the Table 1 and Table 2 below:

**Table 1**

Provisions as per Part-A of the Chapter-6 under Rule 91 to Rule 111* of HP Financial Rules, 2009 - Procurement of Goods			
Sr. No.	Method	Amount	Remarks
1	Purchase without Quotations	Max. Rs 3000/- on each occasion	Maximum of Rs 50,000/- in a Financial Year
2	Purchase by the Purchase Committee	Above Rs 3000/- and up to Rs 1,00,000/- on each occasion	Local Purchase Committee shall consist of three members as may be decided by Head of Department
3	Purchase directly under Rate Contract	As per the Rate Contract decided by the Controller of Stores	Prices should not exceed those stipulated in the Rate Contract and other terms & conditions specified in the Rate Contract must be fulfilled.
4	Advertised Tender System	Rs. 10 Lakhs and above	Wide publicity through leading newspapers and website. Minimum time to be allowed shall be three weeks for submission of bids.
5	Limited Tender System	Max. up to Rs 10 Lakhs	Tender documents be sent to the firms dealing in required goods - to obtain bids. Preference to the Suppliers having Depots or Dumps in HP. Number of firms shall not be less than three.
6	Single Tender System	Rates identical to those approved by DGS&D or Comptroller of Stores or similar to those quoted in any other state	To be adopted in case of articles of proprietary nature available from a single source.



• Rules may be referred to for more detailed procedure.

**Table 2**

Provisions as per Part-B of the Chapter-6 under Rule 112 to Rule 121* of HP Financial Rules, 2009 – Contracting and Outsourcing of Services or Works			
Sr. No.	Method	Amount	Remarks
1	Advertised Tender System	Rs.10 Lakhs and above	Wide publicity through leading newspapers and website. Minimum time to be allowed shall be three weeks for submission of bids.
2	Limited Tender System	Max. up to Rs 10 Lakhs	Tender documents be sent to the firms dealing in providing the required services to obtain bids. Preference be given to the Contractor(s) belonging to HP. Number of Contractor(s) shall not be less than three.
• Rules may be referred to for more detailed procedure.			

The aforesaid provisions are laid down in public interest in order to bring efficiency, economy and transparency in public procurement & works AND also for fare and equitable treatment of suppliers and contractors. The detailed provisions as laid out in Chapter 6 of the H.P. Financial Rules, 2009 may be referred for more details.

It is, therefore, decided that henceforth the Afforestation and Civil works in the department will be carried out through tendering as prescribed in the H.P. Financial Rules, 2009. Also the procedure laid down in the aforesaid rules for procurement of goods be followed strictly. The estimates of Major Civil Works i.e. of estimated value of more than one lakh will be prepared and technically approved by the engineering staff of the department at different levels to be decided by the Head of the Department. The technical inputs in works above 10