



क.रा.बी.नि.
E.S.I.C.

कर्मचारी राज्य बीमा निगम
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
EMPLOYEES' STATE INSURANCE CORPORATION
(Ministry of Labour & Employment, Govt. of India)



मुख्यालय/HEADQUARTERS

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F.No.D-36011/1/2021-Gen.

Date: 14.11.2024

1. All Zonal Insurance Commissioners & Medical Commissioners,
2. All Additional Commissioners & Regional Directors/Deputy Directors (I/c),
Regional Offices/Sub-Regional Offices,
3. The D(M)D, Delhi, D(M)N, Noida.
4. All Medical Superintendents/Deans, ESIC Hospitals/Medical/Dental Colleges
5. Website Content Manager for uploading on Hqrs. Website

Subject: Guidelines on engagement of Contractual Manpowers in ESIC.

Madam/Sir,

Please find enclosed Annexure-I i.e. the Guidelines on Engagement of Contractual Manpowers in Establishments of ESIC, duly approved by the Director General for adherence and strict compliance by all ESIC Units.

Encl: As above.

Yours Sincerely,

(Praveen Kumar Mishra)
Deputy Director (Genl.)

Copy to:

1. PPS to DG/FC/CVO for kind information.
2. PS/PS to IC/MCs, Hqrs for kind information.

**Guidelines on Engagement of Contractual Manpower in
Establishments of ESIC**

1. Introduction:

- 1.1. Certain support services like Security, Housekeeping, Annual repairs and maintenance, Data entry operations, Computer hardware maintenance service and Annual Repair & Maintenance services of various items are required for smooth running of the organisation. In ESIC, such services are outsourced to Agencies. Provision of such services is the responsibility of the concerned service providers. The hiring of suitable agencies, to which such services can be outsourced, is the responsibility of ESIC. As per GFR instructions, these services are hired through GeM.
- 1.2. The process for outsourcing services to eligible agencies through GeM has the advantage that procedures followed by GeM platform take care of all necessary labour laws applicable in such cases eg. The Contract Labour (Regulation and Abolition) Act, 1970, The Minimum Wages Act, 1948 and other labour laws as enumerated in the standard service level agreement for outsourcing of manpower.
- 1.3. In the past, when the contract was entrusted to a new contractor, some contractual resources approached Hon'ble High Court of Delhi in WP (C) 705/2020 & WP (C) 5691/2021 on the ground that the new contractor did not engage them. When the case was heard by the Hon'ble Court of Delhi, the Hon'ble High Court made the following directions vide order dated- 06.01.2022:
- i. *ESIC shall constitute a committee in order to frame a broad policy for all its establishments in respect of contractual workers. Let the details of the said Committee be placed on record by the next date of hearing.*
 - ii. *The said committee shall consist of at least two experts, two representatives from the Workmen and two representatives from the Contractors, as also other officials, as ESIC deems appropriate, in order to frame the proposed policy.*



- iii. *The proposed policy would take into account all the requisite measures that need to be employed to ensure that the interests of the contractual workers is not adversely affected in any manner.*
- iv. *The said committee shall also look at the terms and conditions that should be incorporated in agreement s which would be entered into by ESIC with the contractors. |*
- v. *The issue relating to engagement of PSUs, which in-turn, engage third parties as sub-contractors and whether the same ought to be permitted, would also be considered by the said committee.*

In the light of the above directions of the Hon'ble High Court of Delhi, a committee was constituted which deliberated on the matter and submitted its report. Keeping in view the directions of the Hon'ble High Court and the inputs received from the committee, the following guidelines in respect of contractual manpower in the establishments of ESIC are issued.

2. Responsibilities of the Principal employer:

- 2.1 The interests of contract workers are protected by provisions of Labour Laws where responsibilities of contractor/employer/principal employers are mentioned.
- 2.2 The document inviting bids for outsourcing of manpower shall have a condition of payment of minimum wages, bonus, ESIC & EPF contributions and similar other statutory dues and minimum service charges. Anybody quoting less than these shall be disqualified at the time of opening of Finance Bid. The minimum and maximum rates of service charges to be quoted by the contractor will be regulated by instructions issued by GoI from time to time in this regard. The document inviting bids should also contain provision relating to engagement of only women security guards for the purpose of guarding female wards of the hospitals;
- 2.3 The selection of agencies should invariably be done on the basis of Quality cum Cost Based Selection (QCBS) criteria (70:30 for Technical and Financial evaluation) to ensure that only professional and competent contractors are



awarded contracts so that the Statutory rights of the Contractual manpower are protected. An illustration of QCBS criteria in a bid has been provided as under:

S.No.	Particulars	Mark Breakup		Allocation of Marks		
				Min	Max	Actual
1.	Average Annual Turnover of the previous three financial years		10	10	20	
			15			
			20			
2.	Total Experience of the firms	5 to 7 years	5	5	15	
		7 to 10 years	10			
		>10 years	15			
3.	Number of years of experience in relevant area in Govt./Semi-Govt./Autonomous Bodies/PSUs.	2 to 5 years	15	15	25	
		5 to 10 years	20			
		>10 years	25			
4.	Present operational contracts in the relevant field	2 to 3 contracts	10	10	20	
		4 to 5 contracts	15			
		> 5 contracts	20			
5.	Complaints addressing mechanism in human resource	Mechanism	10	5	10	
6.	Online Presentation	Presentation	10	5	10	
	Total Marks of Evaluation	Maximum Marks	100			
		Qualifying Marks	50			

Further, all the other evaluation criteria shall be decided by the Head of Offices based on their requirements.

- 2.4 Sub-contracting or execution contracting, in case of work contract, may be continued as work contracts (ARM/SR/Capital Works) are generally awarded to CPWD/other PSUs in accordance with Rule 133 of GFR, 2017, as amended;
- 2.5 Principal employer shall ensure that wage is disbursed by the contractor to its workers on or before 7th of every month and not to wait for such verification

- till the bills are submitted by the contractor for settlement;
- 2.6 In case of default in wage payments and Statutory obligations by the Outsourcing agencies/ or complaints received from the outsourced workers of such nature, suitable penal action may be taken against the Outsourcing Contractors including termination, blacklisting etc. Once the outsourced contractors are terminated/blacklisted on account of default in payment to contractual workers, ESIC being the principal employer shall ensure that the wage and other statutory benefits which the contractual workers are entitled to, is paid to them, as per the provisioning applicable labour laws
- 2.7 At the start of new contract, all the workers deployed by the Outsourcing agencies should be disseminated information with respect to their entitlement, their responsibilities, wage details and Grievance Redressal Mechanism by the principal employer to increase awareness of the workers and to have a transparent system;
- 2.8 As per the Section 21 (4) of the Contract Labour (Abolition & Regulation) Act-1970, wages may be paid by ESIC on the behalf of defaulting contractor to the workers engaged based on biometric attendance records maintained in the office. Also, EPF & ESI contributions deducted from the wages of workers engaged by the contractor along with the employer EPF contribution reimbursed by the Corporation should be remitted to the Jurisdictional EPFO Office as per EPFO guidelines/procedures in the matter.
- 2.9 With the commencement of the contract, the HOD concerned shall submit an undertaking for himself and obtain similar undertakings from all ESIC employees under him to the effect (a) that there is no instance of conflict of interest in respect of the contract on the part of any one of them; and (b) that none of their relatives, etc. are engaged by the agency as workers.

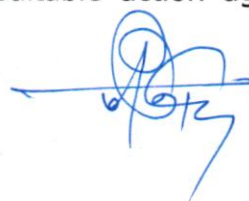
3. Responsibilities of the Contractor/Agency:

- 3.1. Contractor shall be solely responsible to pay the retrenchment compensation within the parameter of Section 25F of the Industrial Dispute Act. Contractor shall be liable to follow all the provisions of the Industrial Disputes Act, 1947;
- 3.2. A contractor/sub-contractor (in case of work contract) shall not charge or



collect any fee for engaging or employing workers for their deployment. Any such activity will amount to violation of the terms of the contract and the principal employer will be free to take appropriate action against the contractor as per applicable laws, rules and policies in this regard which may include termination of the contract, blacklisting of the contractor, etc;

- 3.3. No contractual worker hired by a contractor shall provide services beyond the age of 60. The minimum age of the person hired on contract may also be specified keeping in view the technical and functional skills required for the job at hand but will in no case be below minimum prescribed years of age for contractual engagement/ appointment;
- 3.4. Contractor shall ensure to obtain written undertaking from every worker deployed by it that he/she shall have no claim for any job in ESIC. Such undertaking from each deployed manpower shall be submitted to ESIC before deployment during the currency of contract;
- 3.5. The Outsourcing agency shall provide a Grievance Redressal Mechanism for contract workers by putting a complaint box in a prominent place in the premises of ESIC field units, so that any contractual workers who have complaints against the contractors would be able to submit their complaints in those boxes;
- 3.6. Outsourcing agency shall ensure that ESIC premises is not being utilized in any manner for conduct of any activity other than official work relating to ESIC during the currency of contract;
- 3.7. The manner in which the contractor engages manpower and cases of disengagement from work, if any, would entirely be under the purview of the contractor to decide. However, as far as possible, attempt shall be made by the contractors to engage the willing and suitable manpower from the previous contractors as long as there are no complaints against them. The continuation of contractual workers shall always be in accordance with law and this will not be construed as giving any permanence to the contractual employees.
- 3.8. In an event of deficiency in performance, misconduct and involvement in any act prejudicial to the interest of the Corporation by a worker, the Contractor shall be liable to transfer/terminate and take suitable action against that



worker as per law and at his own discretion/instruction of the Principal Employer. Contractor shall also be responsible to make good against any loss incurred to the Corporation due to such misconducts by the worker engaged by them.

- 3.9. On termination/expiry of the contract of an outsourcing Agency, ESIC would not be responsible for the re-employment of the workers.
- 3.10. The register of workmen employed by contractor (Form XIII) under Contract Labour (R&A) Rules, 1971 shall be called for and verified by the principal employer every month while settling the contractor's monthly bill.

These Guidelines are for strict compliance by all concerned.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the left.