

NEW DELHI MUNICIPAL COUNCIL
DALIA KENDRA : NEW DELHI

No.2217/PS/Secy/D/05

Dated: 22.08.2005

CIRCULAR

It has been observed that in many cases, extension of contracts beyond valid period is sought. This is an unfair practice. HOD should prepare a list of annual contracts effected in their department and indicate the date of termination of the contract. Efforts should be made to initiate the process of new contract before 3 months of expiry of the old contract. Any extension of the contract after month of 1 December 2005, would require explanation of the HOD and the responsibility will be fixed on HOD.

This issues with the approval of the Chairperson

Sd/-
(Keshav Chandra)
SECRETARY

To

- 1 ALL HODs (as per list enclosed)
- 2

PS to Chairperson	}	For information
PS to FA		
PS to E-in-C		
PS to Chief Auditor		

OFFICE OF THE FINANCIAL ADVISOR
NEW DELHI MUNICIPAL COUNCIL

STANDING ORDER NO.01/2021

Sub:Streamlining Financial Instruction(s): standing Order (s)

1. A system for issue of Standing Orders had been formulated in Finance Department vide Standing Order No. 2/2003-04 and certain Standing Orders were issued from time to time. These standing orders were to be controlled by Central Diary Section and was later assigned to Unit II of Finance Wing. As per records available in Finance Wing, only 15 standing orders had been issued last in year 2005. While there has been a dire need to bring uniformity in financial procedures and have single authenticated mode of communication for improved financial prudence in the system, it appears that the good practice of using these standing order system has not been leveraged to the fullest. In view of the above, entire system has been reviewed and following instructions are issued for information and compliance of all concerned.
2. Finance Deptt. will be responsible for issue of Standing Order(s) as needed from time to time. The orders would be issued serially numbered and made available on website of NDMC/Finance Deptt. All authorities exercising delegated financial powers and their associated finance would need to refer to them in exercise of their day to day work and ensure compliance.
3. The task of maintenance and up-dation of these orders shall now vest with Internal Audit Branch which will have a nodal cell responsible for this task among others as assigned from time to time. To start with, the work will be managed through internal re-allocation of resources. This cell will be the repository of financial rules, regulations and instructions as a standard reference point. The Cell would also look into the financial controls available in the system and work on their strengthening for both manual and computerized environments. The cell will work under administrative control of Financial Advisor, NDMC.
4. The standing order(s) will be issued to clarify various issues observed in financial scrutiny and to streamline the processes. Any unit of finance, including budget, accounts & CBS, on sensing the need for a standing order would send a

draft for the same to Nodal Cell, IAB with justification and approval by the concerned Jt.FA/CAO. The nodal cell, would examine the same and seek consultations from other wings, if necessary before processing the same for approval of Chairman, NDMC. After approval, a SO no will be allotted and the same will be circulated/uploaded on website. The documentation will be maintained in the nodal cell for record. Noting(s), if any received from the other divisions will also be retained and certified copies will be returned for their record.

5. All interpretations/clarifications on such standing orders will be issued under approval of Financial Advisor, NDMC.

6. Any other division may also request Nodal Cell IAB to issue a standing order(s) in case required. However they should send the suggestion only under approval of head of the department and in consultation with associated finance.

7. The Nodal Cell would, immediately review the existing instructions to examine their continued relevance. If needed they would be superseded/ recirculated afresh in the new series of Standing Orders commencing from January 2021. This standing order would accordingly be numbered SO-01/2021.

8. This SO supersedes the SO issued earlier vide SO no 2/11.08.2003 in its entirety.

This issues with the approval of Chairman, NDMC.

FINANCIAL ADVISOR

Copy to:-

data
Digitally signed by PUSKAL

ADHAYAY 1. PS to Chairperson for information please.

Mon Feb 01 13:14:25 IST 2021

isonApproved

**OFFICE OF THE FINANCIAL ADVISOR
NEW DELHI MUNICIPAL COUNCIL**

Previous Standing order	Date	Current Standing Order	Date
Streamlining Financial Instruction(s): Standing Orders		Streamlining of Contract Renewal/Extension in NDMC -	
No. 01 of 2021	01.02.2021	No. 02 of 2021	10.03.2021

It is observed that significant number of cases pertaining to renewal/extension of ongoing contracts/ services, annual maintenance contracts of IT, Electrical etc. are being processed in a routine manner and forwarded to Finance Division. A large number of cases are being received for extension/renewals much after the lapse of original contracts, sometimes as much as two years after expiry of contract, by violating the guidelines circulated by the Secy, NDMC vide Circular No. 221/PS/Secy./D/05 dated. 22.08.2005.

2. Attention of all administrative/financial authorities is drawn to the provision of Rule 22 of GFR 2017 regarding expenditure from public funds, which specifically prohibits incurring of any expenditure or entering into any liability involving expenditure unless the same has been sanctioned by the competent authority.
3. On one hand, allowing service providers to continue their services after validity is fundamentally wrong in terms of the rule 22 of GFR, on the other, it makes difficult to confirm veracity of past services in such cases.
4. Financial prudence necessitates that services being obtained by NDMC must be based on current prevalent rates leveraging competition. Extensions to ongoing contracts in a routine manner limit the scope for NDMC to benefit from competition. It is expected that the period of contract/service be decided pragmatically keeping in view the actual requirement and extensions need to be a matter of exception than of rule.
5. In view of above, following directions are issued for strict compliance henceforth :-
 - a. All HODs should immediately review the existing ongoing contracts in respective divisions/departments and keep a close watch on the period of validity.
 - b. All proposals for renewal/extension must be initiated sufficiently in advance and must reach in FD, six weeks before expiry of validity. (wherever concurrence of FD is required).
 - c. All cases for ex-post facto renewals/extension must indicate the reasons for non initiation of proposal in time causing violation of Rule 22 and documented proof indicating rendition of service by the provider, during the part period.
 - d. All HODs are requested to immediately get prepared a list of all contracts which are operating beyond their period of validity and render to the Finance, Department by 15.03.2021

(PUSKAL UPADHYAY)
F.A, NDMC

1. All HODs
2. PS to Secretary for kind information
3. PS to Chairman for kind information

File No.G-28011/46/2020-Finance

**OFFICE OF THE FINANCIAL ADVISOR
NEW DELHI MUNICIPAL COUNCIL
NEW DELHI : PALIKA KENDRA**

CORRIGENDUM

**Sub.: Streamlining of contract renewal/extension in NDMC.
Ref.: Standing Order No. 02/2021 dated 10.03.2021 issued vide e-office No. 417800 dated 17.03.2021.**

Standing Order No.02/2021 dated 10.03.2021 issued vide e-office No.417800 dated 17.03.2021, the date of submission of list of all contracts which are operating beyond their period of validity needs to be rendered by 15.03.2021 may now be extended upto 31.03.2021 as per para-5(d) of Standing Order 02/2021.

**(PUSKAL UPADHYAY)
FINANCIAL ADVISOR**