GOVERNMENT OF THE PUNJAB
FOOD DEPARTMENT.

SUBJECT:- TRANSPORTATION POLICY

It shall come into force immediately and shall be applicable to all contracts floated, decided and executed henceforth in connection with the transportation of indigenous as well as imported the transportation of indigenous as well as imported wheat or any other item related to the purpose.

2. The terms referred in this transport policy will mean as under:-

   i) GOVERNMENT. Means Government of the Punjab, Food Department.

   ii) DIRECTOR. Means Director Food, Punjab, Lahore.

   iii) COMPETENT AUTHORITY. Means Director Food Punjab for Transportation of inter-Provincial Inter-Divisional and Deputy Director Food for transportation within district/ division.

   iv) ARBITRATOR. Means a person appointed as Arbitrator by the Secretary Food, Punjab to act as such, not below the rank of Deputy Secretary/ Deputy Director Food.

   v) CONTRACTOR. Means a registered transport Contractor in any category with Food Department.

3. CATEGORIES OF TRANSPORT CONTRACTS.

   Following shall be the broad categories of transport contract to be executed in connection with the purposes outlined in the transport policy.

   i) Within district.

   ii) Within division.
iii) Inter-division.
iv) Inter-provincial.

4. Tenure of the contracts would be as under:-

i) Within district. From 1\textsuperscript{st} September to 31\textsuperscript{st} August of the next year.

ii) Within Division. I) From 1\textsuperscript{st} April to 31\textsuperscript{st} October. From 1\textsuperscript{st} November to 31\textsuperscript{st} March.

iii) Inter-divisional. As fixed by the competent authority but not less than three months.

iv) Inter-provincial. -do-

5. **MODE OF TENDERS.**

i) The contracts for within the district transport shall be from the centre/cluster, of centres to the specified centre/centres, in the district.

ii) Within division contracts shall be made from specified despatching centre along with estimated quantity to be transported within specified period to specific destination centre.

iii) Inter-divisional and Inter-provincial contracts shall be from specific despatching centre to specific destination centre/along with estimated quantity and period.

6. **SCHEDULE FOR FINALIZATION OF TENDERS.**

Tenders will be invited/finalized by the competent authority well before the date of their coming into operation.
7. **AUTHORITIES FOR INVITING TENDERS/FINANCIAIATION OF CONTRACTS AND EXECUTION OF AGREEMENTS ETC.**

<table>
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<tr>
<th>Sr. No</th>
<th>Nature of transportation contract</th>
<th>Invitation / Finalization of tenders</th>
<th>Execution of Agreement</th>
<th>Issue of work order.</th>
<th>Payment of TPT Bills of contractors</th>
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<tbody>
<tr>
<td>1.</td>
<td>Within district.</td>
<td>DDF of the division.</td>
<td>DFC of the District.</td>
<td>DFC of the district.</td>
<td>DFC of the District.</td>
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<td>2.</td>
<td>Within division</td>
<td>DDF of the Division.</td>
<td>DFC of the despatching district.</td>
<td>DFC of the despatching district. With the approval of DDF subject to allocation made by the competent authority.</td>
<td>DFC of the despatching district.</td>
</tr>
<tr>
<td>3.</td>
<td>Inter divisional</td>
<td>Directorate Food, Punjab.</td>
<td>DFC of the despatching district.</td>
<td>DFC of the despatching district. With approval of DF, Punjab subject to allocation made by him.</td>
<td>As above.</td>
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8. **MANNERS TO FLOAT TENDERS.**

Tenders shall be floated and finalized in the following manners:-

i) **WITHIN DISTRICT TRANSPORTATION.**

The rates shall be tendered in terms of per ton basis for transportation of wheat from Flag Centres/PR Centres of Flag Centres to P.R.R Centres for which one rate shall be quoted for one cluster.
ii) **INTER-DIVISIONAL TRANSPORTATION.**

The rates for within Division/ inter-divisional and inter- provincial contracts shall be on per ton basis and shall included the loading at despatching centre and unloading at destination.

9. **TENDER FORM.**

Tender from shall be issued only against the deposit receipt of earnest money and payment of the price of tender form, which may be fixed from time to time. Presently, the price of tender form shall be Rs.200/- (Rupees Two Hundred Only) each. The conditions of the tender/contract shall be printed at the back of the form in Urdu. A copy of the proforma of agreement shall be supplied with the tender Form.

10. **EARNEST MONEY/ SECURITY.**

The amount of earnest money shall be determined on the basis of 3% of the average value of the contract for the last three years, and the security at 10% of the value of the contract awarded. Separate earnest money/security shall be deposited for each contract. In case of acceptance of tender, the earnest money shall be adjusted into security at the time of execution of contract. If the contractor fails to execute the agreement within 7 days from that date of issue of approval letter the contract shall stand cancelled and the earnest money forfeited.

11. **OPENING OF TRANSPORTATION TENDERS.**

i) The tenders for within district and within division contracts shall be opened by a Committee of the following officers, presided over by the DDF of the division:-
a) DDF of the Division.
b) ADF of the Division.
c) AAO of the Division.
d) DFC of the Dispatching district.

In addition, a representative of Food Directorate which shall not be below the rank of AAO, shall also be the member of the Committee and shall be given 3 days clear notice regarding date and time of opening of tenders. If any member fails to turn up in spite of notice, proceedings shall commence as per schedule. Quorum shall be three members.

ii) Tenders for inter-divisional and inter-provincial contracts shall be approved by the Committee of the following officers under the Chairmanship of Director Food, Punjab:-

a) Additional Director Food.
b) Deputy director Food (B & A), Food Directorate.
c) Deputy Director Food (P), Food Directorate.
d) Deputy Director of dispatching division.

All the members present at the time of opening of tenders, shall sign the tenders and the envelopes.

iii) The Deputy Director Food of the division in the case of within district/within division contracts shall process the valid tenders for approval at his level or refer the case to the Food Directorate, if so required, under the policy/instructions.

12. **PROCESSING OF TENDERS FOR DECISION.**

i) The Deputy Director Food in consultation with the representative of Food Directorate will finalize the tender for within district/within division and both the officers will sign acceptance of tender contract. A copy of the approval of tender shall, however, be endorsed to Food Directorate for information. The agreement with the contractor shall, however, be executed after three days after the approval.
ii) Director Food, Punjab may however, rescind, order re-consideration/ re-negotiation and withdrawal of a tender / approval for reasons to be recorded in writing within seven days of the date of issue of approval by DDF.

iii) Single tender shall be rejected for the 1st time, if the rates tendered are exorbitant. However, even after re-tendering, if single tender is received and the rates are reasonable, the case will be referred to Food Directorate for clearance along with last 2 years rates of the concerned centre and 2 adjoining centres in case of within district and within divisional tenders. In case of inter-divisional, and inter provincial tenders the case will be referred to Secretary Food, Punjab for approval.

13. QUOTATIONS.

In case of non receipt of tenders, advertised twice, DDF will invite quotations from registered contractors with the prior approval of the Secretary Food, Punjab and will finalize the case in accordance with rule 1 (ii) of Delegation of Financial Powers Rules 1990, PART-II (Food Department).

14. NEGOTIATION.

Negotiation shall be held by the authority competent to decided/finalize the tender only in exceptional cases and that too with the lowest bidder only. Nominal decreases as a result of negotiation shall be avoided.

15. SECURITY.

i) After the award of contract the earnest money will be adjusted towards security deposit, and the remaining amount of security shall be deposited by the contractor before entering into agreement after three days of the
issue of approval by the competent authority, failing which, his earnest money shall be forfeited. Work order shall be issued only after the fulfillment of these conditions.

ii) The work order shall only be issued after fulfilling the condition laid down in para-14(i).

iii) IF the security in full or part has been forfeited or adjusted on the completion of work, fresh work order shall be issued only on deposit of the deficit amount of security to complete the amount as laid down in para-10 above.

16. EXTENSION OF WITHIN DISTRICT / WITHIN DIVISION CONTRACTS.

In case the rates offered in fresh tenders are exorbitant and the competent authority decides to re-invite the tenders, DDF on the same terms and conditions as set forth in the agreement, will extend the contract for a period not exceeding 1/3rd of the original contract period under intimation to Director Food, Punjab. Thereafter, the contractor shall continue to perform his contract as per terms and conditions previously settled. Director Food, Punjab may extend the contract for full year on the recommendation of DDF, concerned but on the following conditions:-

a) Extension of 1/3 period of contract or less shall be granted as stop gap arrangements where tenders have not been finalized in time due to cogent reasons.

b) Extension of a contract for full term shall be granted only when:-

i) Single or no tender has been offered in 2 attempts, and

ii) The new tender rates are higher than previous rates in two attempts and the lowest bidder does not agree to reduce his rates to a reasonable extent.
c) However, such extension will not exempt the contractor from penalty livable for default during assigned period of (original) work order.

17. **EXTENSION OF INTER-DIVISIONAL AND INTER-PROVINCIAL CONTRACT.**

DDF concerned after recording reasons in writing may recommend extension in contract for a period not exceeding $\frac{1}{3}$rd of original period of the contract to the Director Food, Punjab who will consider / grant extension on the following conditions:-

i) Tenders invited and the rates offered by contractors are exorbitant / higher than the last year’s approved rate and re invitation will take up sufficient time.

ii) Tenders invited, but no party participated in the tender enquiry.

iii) However, such extension will not exempt the contractor from penalty livable for default during assigned period of original work order.

18. **ISSUE OF WORK ORDER.**

i) After the tender is approved, agreement signed and security deposited in full, the DFC of the despatching district shall in accordance with the allocation made by the competent authority, issue work order in the prescribed proforma, indicating the specific quantity to be shifted up to a particular date Estimated daily target shall also be indicated.

ii) The target specified in a work order shall not ordinarily exceed the quantity, the transportation cost of which is more than ten times of the amount of security in the contract. It shall save the Department from the
compilations in case the total amount of penalty under a work order is more than the full amount of security deposited under the contract.

19. **DIRECTOR DIVERSION.**

In case of diversion of wheat stock with Parmesan direct to the flour mills from PR Centre, deduction of unloading charges shall be made from the bill of transport contractor by the DFC concerned of the despatching end on the report of the DFC of receiving end.

20. **ENHANCEMENT OF WORK ORDER.**

During the operation of work order, the work order shall not be enhanced without the written consent of the contractor. It would, however, may be reduced, suspended or cancelled by the DFC with the approval of the DDF under special reasons/circumstances to be recorded in writing. No order shall be made with retrospective effect. However, this condition will not be applicable in within district contract.

21. **PENALTY.**

i) Penalty shall be calculated and imposed at the rate of 8% of the transportation charges for the quantity transported less than the target indicated in the work order.

ii) The assessment of penalty shall be on the basis of monthly performance of the contractor and the total amount of penalty so calculated will be recovered from the bills. In case, the amount of penalty exceeds the amount of bills, the same will be recovered from the security deposit.
iii) Keeping in view the performance of the contractor, a percentage of the bill / bills if necessary, may be withheld till the finalization of the work. Final assessment and adjustment of the penalty and withheld amount shall be made in the final bill under a work order. Action under this provision shall only be necessitated if the target in the work order exceeds the quantity laid down under para-18 (ii) above. In all other cases, the risk will stand covered from the amount of security.

iv) In case of unsatisfactory performance or non observance of any condition of the agreement by the contractor, any action warranted under the policy may also be taken in addition to the imposition of the penalty.

v) Any under-assessment of penalty shall be the personal responsibility of the DFC making payment of the bill.

vi) The above provisions in this para shall be applicable to all categories or contracts under this policy but in case of contracts within district for shifting of wheat from flag centre to PR Centre, the assessment of performance will be made on weekly basis.

22. **PAYMENT OF BILL.**

i) The bills of the contractors shall be paid by the DFC on fortnightly basis on production of duly acknowledged GP 13 and GP7 from the recipient centre.

ii) All the bills shall be post audited by the DDF concerned within a fortnight from the payment. In case any over payment is detected, the same shall be recovered from the next bill or security of the contractor. If the DDF fails to do so, he shall be responsible for any lapse, over payment of non/under imposition of penalty.
23. PAYMENT IN CASE OF NON RECEIPT OF ACKNOWLEDGEMENT OF STOCKS.

If the despatch documents viz GP-6 etc of stocks despatched one week earlier are not received by the staff of destination end, no payment of transportation shall be made to the contractor till the receipt of the required documents.

24. RESPONSIBILITY OF CONTRACTOR REGARDING QUALITY / QUANTITY.

The transport contractor will be responsible for delivery of the stocks at the recipient centre and will be responsible for safe and sound condition of the stocks. Thereafter, he shall deliver the acknowledgement documents at despatching station. He shall also be responsible for weight and enroute damage to wheat and bardana and safe transportation of the stocks at the destination. In case of any enroute damage to wheat and bardana the contractor shall be liable to make good the loss.

25. ACKNOWLEDGEMENT OF STOCKS.

In case of non-receipt of acknowledgement of the stocks (GP-7) despatched a week earlier, the despatching staff shall suspend the despatches and no relief in target shall be allowed to the contractor on this score.

26. QUALITY OF WHEAT.

i) In case of any dispute on account of quality at the recipient center, the DFC of the recipient center will inform the DFC of dispatching end regarding quality of wheat received. The DFC of the dispatching center will then assess the quality according to the report received from the DFC of the recipient center and make assessment whether the quality of wheat
deteriorated en route or otherwise. In case of any damage or shortage en route would be the responsibility of the contractor and he will be bound to make good the loss. However, if DFC verifies and issues certificate that the wheat dispatching is FAQ and sends a copy thereof to his DDF as well as the DDF and DFC of the destination, the consignment will be accepted by the recipient district.

ii) The DFC of destination district may, if he so desires, send his representative to the dispatching center to decide the issue of quality on the spot. The contractor shall, on the issue of a certificate by the DFC or settlement of the dispute with the rep: of the recipient center/district, transport the wheat and the responsible about the quality of that wheat. The contractor can insist on drawing the samples of the stocks and in that case he may retain one sealed sample with him.

27. **PERFORMANCE.**

The basis of the performance shall be delivery of quantity at recipient center and not lifting from the dispatch centers. However, if a consignment was lifted and dispatched 12 hours before the termination of work order which reached the destination late due to reasons beyond the control of the contractor, the certificate of dispatching end will be acceptable in his defence while assessing the penalty. The daily dispatches and receipts from each center shall be recorded at the center, office of the DFC and DDF in register in the prescribed form under the initials of responsible officials.

28. **ACTION IN CASE OF DEFAULT.**

In case of failure of the contractor to transport stocks according to the work order or in contravention of any condition of the agreement,
DF/DDF shall proceed immediately on receipt of a reference from the DFC, or on his own record, against the contractor, after taking and action provided in the policy/ agreement, which may include forfeiture of security, cancellation of the registration or black listing of the contractor.

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TRANSPORTATION FROM FLAG CENTRE TO PR CENTRE.

If the transport contractor within the district fails to lift the procured stocks of wheat from flag centres during the procurement drive, the centre incharge may, pending any proceedings against the contractor, get the stocks moved to the Godowns by the seller of wheat viz commission agent/ grower, at the rates approved for the contractor. The centre incharge shall also make an entry on GP-13 that the stocks are being moved by the grower/ seller named . The payment of transportation charges in that case shall be made to the grower/seller directly. Proper record of such shifting shall be maintained in the prescribed register on daily basis. Weekly reports shall be sent to the DFC with a copy to the DDF and the contractor.

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WORK AT THE RISK AND COST OF CONTRACTOR.

i) If the contractor fails to discharge his obligations, the work can be got done by any registered contractor at his risk and cost. It shall be in addition to any action or penalty levied upon him. Order to get the work done at risk and cost of the contractor shall be subject to issue of notice to the contractor to this effect. The DDF in case of within district and within division transportation shall invite quotations from the registered contractors for a particular date and time on which the contractor shall also be informed to remain present. The contractor can also send authorized agent, if he so desires. However his absence inspite of notice shall not vitiate the proceedings. Director Food will proceed in the manner given above in case of inter-divisional and inter-provincial contracts.

ii) On acceptance of the lowest quotations the security shall be deposited and work order issued. The quotationer shall then be deemed to be the
contractor for all purposes and all the clauses of this policy shall apply to him.

iii) The work done shall be paid for at the rate thus approved, meeting the excess expenditure, if any, from the security/bills of the defaulting contractor.

iv) With the issuance of the work order for the lowest quotations under this para, the original contracts of the defaulting contractor shall stand suspended and penalty clause shall cease to operate from that date against the original contractor.

STORAGE OF STOCKS PROCURED.

a) The District and Divisional offices have to ensure by all means that:-

i) The stocks are not accumulated at the flag center.

ii) Adequate and timely dispatches are made to the deficit areas/milling stations to avoid break-down.

iii) Expeditious clearance of the stocks is made from the PR Centre.

b) To achieve these objectives, timely and effective action has to be taken against the defaulting contractors. They have also to coordinates the efforts of all concerned and remove bottle-necks in time.

c) In case of in-action, the DFC shall be liable for disciplinary action. In serious cases, the DDF shall share the responsibility.
COMMUNICATION WITH CONTRACTOR.

i) The contractor shall station his authorized representative at the district headquarter for liaison with the DFCs of the recipient and the dispatching districts to receive orders, instructions, letters etc, regarding work under the contract. Likewise, the contractor shall convey his telephone number and postal address to the District and Divisional offices for effective and smooth correspondence. Any change in the address shall be communicated by him to the Division and District offices against a receipt by a Gazetted Officer. Any registered letter on the given address shall be taken as effective communication and service on the contractor.

ii) All types of notices/letters shall be sent through registered post or by special messenger on last given address of the contractor. The posting of the notice at a conspicuous place of the premises as per address with an endorsement of the official and two witnesses of the locality, on the office copy shall be an alternate mode of service. Any of the modes given above shall be legal and valid service the contractor. In case he fails to make arrangements for receipt of correspondence on that address or does not respond up to the given date, ex-parte action shall be taken and he shall not have any right or objection before any forum or court.

MAINTENANCE OR PROVINCIAL RESERVE.

All the DFCs shall be responsible to maintain at least 30 days wheat stocks at all times, except Lahore and Rawalpinid who will ensure that at least 45 days wheat is maintained at all times.

PROCEDURE OF ACTION AGAINST A CONTRACTOR.

i) On the directions of a superior officer or on his own record, the DFC shall issue a notice to the contractor for not performing his contractual
obligations requiring him to show cause within the specified time as to why the proposed action (to be specified in the notice) may not be taken against him. In case of no response, exparte action shall be taken.

ii) In the case of within district and within division contracts, the DFC shall pass appropriate order after hearing the contractor in person.

iii) For inter-provincial contacts the DFC in the receiving district and inter-divisional contracts, the DFC of the dispatching district shall forward the case to the DDF with his recommendations. The DDF shall refer the case after hearing the contractor to the Director Food with his recommendations for appropriate action/order.

iv) In case of breach of condition, the DFC of the recipient station may send a report to the dispatching DFC or the DDF. Prompt and proper action shall be taken under intimation to the recipient DFC.

v) The DDF may directly take action against the contractor, if the DFC does not act or the situation so demands. The formalities of notice to the contractor and personal hearing shall be completed before final action.

35. **APPEALS.**

i) A petition against the penalty imposed under para-21 and appeal against any other order of the DFC under the policy shall lie with the DDF, against the orders of the Deputy Director Food with the Director Food, and against the orders of Director with Secretary Food. The petition/appeal shall be filed within 30 days from the date of the impugned orders.

ii) The cases of petitions against imposition of penalties for less transportation than the specified quantity under apra –21 shall be decided
by the Director Food/ Deputy Director Food within 3 weeks from the filling of the petition with him.

36. **ARBITRATION.**

If any dispute or difference of opinion arises about the performance of services under a contract under this transport policy, and of the parties may apply to the Secretary Food, Punjab, Food Department for appointment of sole arbitrator and decision of such arbitrator shall be final and binding on the parties, However, in case the contractor decides to avail facility of arbitration he will be barred from availing the remedy of appeal. In case, the contractor has availed the remedy of appeals, he cannot avail the facility of arbitration.
TRANSPORTATION POLICY

HANDLING / CONTRACT POLICY.