

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 21602/F.,

Dated 17.08.2026

PT1-FIN-COD-MISC-0009-2019

OFFICE MEMORANDUM

Sub: Guidelines for engagement of Consultants / Project Management Units (PMUs) / Technical Support Units (TSUs).....Regarding

In order to strengthen long-term institutional capacity within the State Government, reduce dependence on external consultants, and establish a sustainable framework for project implementation and knowledge transfer, the State Government has reviewed the existing practice of engaging Project Management Units (PMUs), Technical Support Units (TSUs), external consultants, and other similar entities.

2. Pursuant to the decisions of the Committee constituted under the Chairpersonship of the Chief Secretary, and in accordance with the provisions of Chapter VI of the Odisha General Financial Rules (OGFR), 2023, read with Rule 12 of the Delegation of Financial Powers Rules (DFPR), 1978, the following principles and guidelines are hereby notified for strict compliance by all Administrative Departments, Heads of Departments (HoDs), and subordinate offices and establishments while engaging consultants/PMU/TSU.

2.1 Sunset Clause

Every contract for engagement of external consultants, PMUs, TSUs, or similar entities shall invariably contain a sunset clause prescribing a finite duration of engagement, not exceeding **five years**. **Continuation beyond the stipulated period shall not be permitted.**

2.2 Non-Creation of Posts

Engagement of external consultants, PMUs, TSUs, and similar entities shall not result in the creation of any new Government posts. Further, such personnel

shall not be engaged against any existing sanctioned regular posts or be assigned functions that are required to be performed by regular Government employees.

2.3 Leadership and Administrative Oversight

(a) Department Level

Every PMU, TSU, or similar entity functioning at the Department level shall operate under the direct supervision of an officer not below the rank of **Special Secretary / Additional Secretary/Joint Secretary**, as the case may be.

(b) District and Sub-District Level

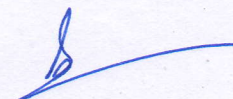
At the district and sub-district levels, PMUs, TSUs, and similar entities shall function under the direct supervision of the **Additional District Magistrate (ADM)/ District-Level Officer / Sub-Collector/Sub-Divisional Magistrate (SDM) /Block Development Officer (BDO)/Block-Level Officer** as the case may be.

2.4. Mandatory Deployment of In-House Personnel

To facilitate institutional learning, knowledge transfer, and capacity building, regular Government employees shall be deployed alongside external consultants, PMUs, TSUs, and similar entities in accordance with the following minimum staffing norms:

Sl. No.	Number of External Consultants Engaged	Minimum Number of In-House Personnel
1	Up to 5	2
2	More than 5 and up to 10	4
3	More than 10 and up to 15	6

Such in-house personnel may include Assistant Section Officers (ASOs), Section Officers (SOs), Under Secretaries, or equivalent officers/employees, as appropriate.



2.5. Exclusivity of Assignment and Performance Assessment of In-House Personnel

(a) Exclusive Deployment

Government employees assigned to a PMU, TSU, or similar entity shall ordinarily not be entrusted with unrelated routine duties during the period of such deployment.

(b) Reporting Structure

Such employees shall report directly to the designated officer heading the PMU, TSU, or similar entity.

(c) Performance Appraisal

The Annual Confidential Report (ACR)/ Confidential Character Roll (CCR)/ Performance Appraisal Report (PAR), or other applicable performance assessment records of such personnel shall be initiated by the designated reporting authority supervising the PMU/TSU, with the Head of Office serving as the accepting authority.

2. 6. Tenure and Rotation Framework

(a) Tenure of Individual Consultants

No individual consultant shall be engaged continuously for a period exceeding **5 consecutive years**. Upon completion of 5 years of continuous engagement, the consultant shall be replaced and shall not be retained in the same assignment or department/agency.

(b) Progressive Transition to Government Personnel

Administrative Departments shall adopt a phased transition strategy whereby consultants are progressively replaced by trained Government personnel, ensuring gradual transfer of knowledge, skills, and responsibilities to the regular establishment.



(c) Billing Arrangements

As far as practicable, payment arrangements shall be linked to actual person-days or person-hours deployed, rather than to named individual resources.

2.7. Creation of Regular Posts for Permanent Functions

Where the nature of work handled through consultants, PMUs, TSUs, or similar entities is assessed to be recurring and permanent in character, the Administrative Department shall examine the requirement for creation of regular posts and, where justified, submit a proposal to the Finance Department for creation of such posts and recruitment through open and transparent processes.

3. Monitoring and Review Mechanism

3.1 Monthly Review

The Special Secretary, Additional Secretary, Joint Secretary, or other designated supervisory officer shall conduct a monthly review of the performance of the consultants, PMUs, TSUs, or similar entities against the approved scope of work and specified deliverables.

3.2 Quarterly Departmental Review

The Secretary of the Administrative Department shall undertake a formal review of the performance, outputs, and deliverables of the PMU/TSU at least once every quarter. Similar review mechanisms shall be instituted for district-level and block-level units.

3.3 Compliance Verification

Immediately after the engagement of any external consultant, PMU, TSU, or similar entity, the concerned Secretary shall undertake a compliance verification to ensure that in-house personnel have been deployed in accordance with the staffing norms prescribed under Paragraph 2.4 above. The Chief Secretary shall periodically review the status of compliance and institutional capacity-building measures across Administrative Departments.



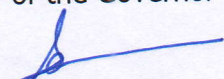
4. Exclusions and Special Provisions

In view of the Standard Operating Procedure (SOP) issued by the Law Department dated **10th June 2026** regarding the establishment of Legal Cells in Departments, legal consultants engaged there under are excluded from the scope of these guidelines. Engagement of legal consultants shall continue to be governed by the aforesaid SOP and other applicable statutory provisions and shall require prior concurrence of the Finance Department on a case-to-case basis, wherever such concurrence is mandated under the extant rules and instructions.

5. The maximum resource strength allowed for Commerce & Transport Department, Health and FW Department, Works Department, Food Supplies & Consumer Welfare Department, GA & PG Department (Vigilance Organization), Planning & Convergence Department, Skill Development & TE Department, Sports & Youth Services Department, Energy Department, Tourism Department, Revenue & DM Department and Steel & Mines Department is indicated in **Annexure-A**.

6. This will be effective from the date of issue.

By Order of the Governor


(Sanjeeb Kumar Mishra)

Principal Secretary to Government

Annexure-A

Sl. No.	Name of the Department	Approved Resources count
1	2	3
1	Commerce & Transport Department	10
2	Health and FW Department	77
3	Works Department	5
4	Food Supplies & Consumer Welfare Department	2
5	GA & PG Department (Vigilance Organization)	37
6	Planning & Convergence Department	20
7	Skill Development & TE Department	20
8	Sports & Youth Services Department	5
9	Energy Department	5
10	Tourism Department	14
11	Revenue & DM Department	5
12	Steel & Mines Department	2



Memo No. 21603 /F

Date 17.08.2026

Copy forwarded to P.S. to Hon'ble Chief Minister for kind information of Hon'ble Chief Minister.

Aw
17/8/2026

Under Secretary to Government

Memo No. 21604 /F

Date 17.08.2026

Copy forwarded to OSD to Chief Secretary/ OSD to DC-cum-ACS to Government / P.S. to Principal Secretary, Finance Department/ P.S to Principal Secretary, General Administration and Public Grievance Department for kind information of Chief Secretary/ DC-cum-ACS / Principal Secretary, Finance Department and principal Secretary, General Administration and Public Grievance Department.

Aw
17/8/2026

Under Secretary to Government

Memo No. 21605 /F

Date 17.08.2026

Copy forwarded to P.S. to Additional Chief Secretary to Government/P.S. to Principal Secretary to Government/ P.S. to Commissioner-cum-Secretary to Government/ P.S. to Secretary to Government (All Departments) for kind information of Additional Chief Secretary to Government/Principal Secretary to Government/ Commissioner-cum-Secretary to Government/ Secretary to Government (All Departments).

Aw
17/8/2026

Under Secretary to Government

Memo No. 21606 /F

Date 17.08.2026

Copy forwarded to All Departments / All Heads of Departments / All Revenue Divisional Commissioners/ All Collectors /All SPs/ All Financial Advisors / All Assistant Financial Advisors /All Treasury Officers/All Special Treasury Officers /All Sub-Treasury Officers/Accountant General (G & SSA) Odisha, Bhubaneswar / Accountant General (E&RSA), Odisha, Bhubaneswar/ Accountant General (A & E), Odisha, Bhubaneswar for information and necessary action.

Aw
17/8/2026

Under Secretary to Government

Memo No. 21607/F

Date 17.08.2026

Copy forwarded to all Officers/ all Branches of Finance Department for information and necessary action.

For
17/8/2026

Under Secretary to Government

Memo No. 21608/F

Date 17.08.2026

Copy forwarded to Commissionerate of CT & GST, Odisha / Directorate of Treasuries & Inspection, Odisha / Odisha Sales Tax Tribunal/ Directorate of Local Fund Audit, Odisha/ Controller of Accounts, Odisha/ Madhusudan Das Regional Academy of Financial Management, Odisha for information and necessary action.

For
17/8/2026

Under Secretary to Government

Memo No. 21609/F

Date 17.08.2026

Copy forwarded to Shri Tapan Kumar Pattanaik, Sub-Nodal Officer (E-Gazette), FID, Finance Department for kind information and necessary action.

It is requested to upload this letter in the official website of Finance Department.

For
17/8/2026

Under Secretary to Government