

MANPOWER WITHOUT UNITY IS NOT A STRENGTH
UNLESS IT IS HARMONISED AND UNITED PROPERLY,
THEN IT BECOMES A SPIRITUAL POWER.

-SARDAR VALLABHBHAI PATEL



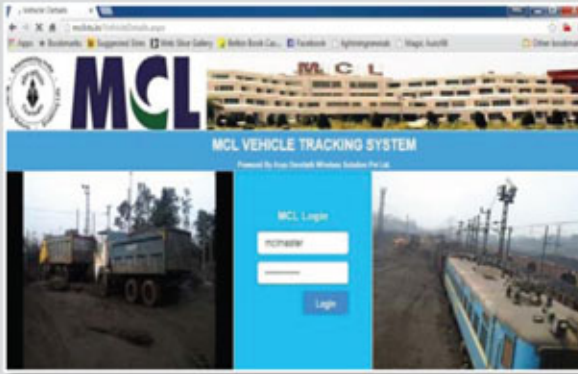
MCL

VIGILANCE BULLETIN

BRINGING OPERATIONAL TRANSPARENCY
THROUGH TECHNOLOGY

VIGILANCE BULLETIN 2015





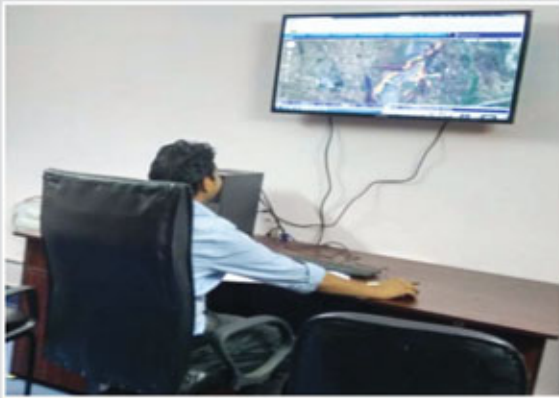
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CHAPTER-I

CHAPTER-I

MESSAGES

MESSAGES

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PREVENTIVE VIGILANCE

ASA TOOL

OF GOOD GOVERNANCE

AN ARTICLE BY CVO, MCL



सत्यमेव जयते

राष्ट्रपति
भारत गणतंत्रPRESIDENT
REPUBLIC OF INDIA

Message

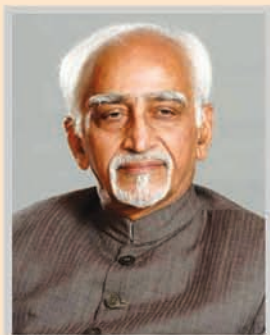
I am happy to learn that the Central Vigilance Commission is observing Vigilance Awareness Week from October 26 to October 31, 2015.

Corruption affects the growth of a nation, reduces the Government's income and creates inequalities in distribution of income and wealth. It is a major factor hindering development. It is critical that awareness is generated and public opinion developed on the evils of corruption. Corruption needs to be treated like a disease and focus should be on prevention. It is appropriate that the Commission has adopted the theme of "Preventive Vigilance as a tool of Good Governance" for the current year. The measures adopted for Preventive Vigilance would help not only reduce corruption but also contribute towards good governance by way of increasing efficiency, transparency and adherence to rule of law. I am happy that the Central Vigilance Commission is also focussing on students and youth for creation of awareness against corruption and promotion of good governance.

I extend my greetings to all those associated with observance of the Vigilance Awareness Week, 2015. Let us reaffirm our commitment to make India corruption free and engage in ceaseless efforts to achieve this goal.

New Delhi
October 6, 2015

(Pranab Mukherjee)



भारत के उप-राष्ट्रपति
VICE-PRESIDENT OF INDIA

Message

I am happy to learn that this year Vigilance Awareness Week is being observed by the Central Vigilance Commission (CVC) from October 26 – 31, 2015 on the theme ‘Preventive Vigilance as a tool of Good Governance’.

Preventive vigilance comes into play before any act of corruption takes place. The system itself, through internal checks and balances, can ensure that acts of corruption do not take place. It is important to create awareness among Government Departments, Institutions and general public to implement preventive measures effectively, so that transparency and accountability can be maintained in governance and corruption eliminated at every level. Since its inception the CVC has played a significant role in the promotion of transparency and efficiency in the public sector.

Let us take a pledge on this occasion to remove the menace of corruption from our society.

New Delhi
30th September, 2015

(M. HAMID ANSARI)



सत्यमेव जयते

प्रधान मंत्री

Prime Minister

Message

I am happy to learn that Vigilance Awareness Week is being observed this year from the 26th to 31st October.

I am also pleased to note that the Central Vigilance Commission has chosen "Preventive Vigilance as a tool of Good Governance," as this year's theme. I am sure, the observance of Vigilance Awareness Week on this theme shall help highlight the importance of preventive vigilance in curbing administrative malpractices, and providing good governance.

On this occasion, I convey my best wishes for the success of Vigilance Awareness Week.

(Narendra Modi)

New Delhi
21 September, 2015



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New Delhi-110 011
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H. L. Dattu
Chief Justice of India

October 05, 2015

Message

I feel privileged to have been called upon by the Central Vigilance Commission to pen down a message for the Vigilance Awareness Week which is being organized from 26th October, 2015 to 31st October, 2015 with 'Preventive Vigilance as a tool of Good Governance' as the main theme.

With focus on bringing awareness among college and school students against corruption and how preventive vigilance could be an effective tool for good governance, the Central Vigilance Commission proposes to organize debates, elocution contests, seminars and panel discussions in more than 100 cities and towns and carry out media campaign during the Vigilance Awareness Week.

The story of any great nation is not merely the summation of its triumphs but also of its challenges and struggles. Today, as India stands on the brink of true greatness, the deep-rooted malaise of corruption is perhaps the biggest challenge that we face. The goals of growth and development that we have set for ourselves can only be achieved through fair and efficacious governance which, in turn, requires robust and independent political and administrative institutions.

Corruption not only impedes efficient governance, but is also a threat to our democratic ideals and the moral fabric of our polity. It is because of this reason that punishing individual cases is no longer sufficient. Prevention is the only effective remedy against the malaise of corruption. What is required is constant and tireless vigilance, not only over the actions of those around us, but over ourselves. Let each and every citizen of this Nation take an oath to police himself, in thought, word and action, that we may, together, step forward into a new tomorrow filled with hope, where the ideals of trust and integrity stand firm as the pillars of our collective public lives.

I wish the Central Vigilance Commission all success in this endeavor.

—H. L. Dattu
(H.L. DATTU)

**MCL**

VIGILANCE BULLETIN 2015



राजनाथ सिंह
RAJNATH SINGH



सत्यमेव जयते

गृह मंत्री
भारत
नई दिल्ली-110001
HOME MINISTER
INDIA
NEW DELHI-110001

Message

I am happy to know that the Central Vigilance Commission (CVC) is organizing a Vigilance Awareness Week during 26th October to 31st October, 2015 on the occasion of Birthday of Sardar Vallabh Bhai Patel on 31st October and the theme "Preventive Vigilance as a tool of Good Governance, chosen is quite apt and appropriate.

I am pleased to note that CVC is focusing on bringing awareness among college and school students against corruption so as to build a corruption free country.

I am delighted to note that apart from organizing debates, elocution contests, seminars and panel discussions across the country, CVC is also planning to carry out media campaign through Door Darshan to spread awareness of the programme.

On this important occasion, I congratulate the Central Vigilance Commission and its team for their noble venture.

(RAJNATH SINGH)



सत्यमेव जयते

*Shashi Kant Sharma***भारत के नियंत्रक - महालेखापरीक्षक
COMPTROLLER & AUDITOR GENERAL OF INDIA**

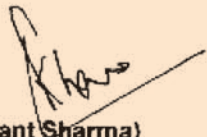
Message

I am happy to know that the Central Vigilance Commission is observing Vigilance Awareness Week on the theme "Preventive Vigilance as a tool of Good Governance" from 26th to 31st October 2015.

Accountability and transparency are two important pillars of good governance, and without them effective and responsive government is not possible. They provide the necessary framework for combating corruption in administration. Corruption is a serious and complex malaise which is to be fought with multifaceted strategies. Preventive vigilance is one such strategy. It aims at constant review of rules, procedures and practices which are susceptible to corruption. Over the years, the Central Vigilance Commission has taken a lot of initiatives to introduce the concept of Preventive Vigilance among the Government entities.

I wish that the Vigilance Awareness Week be a great success and extend my warm greetings and felicitations to the entire Central Vigilance Commission fraternity.

Place: New Delhi
Dated: 29th September 2015


(Shashi Kant Sharma)
Comptroller & Auditor General of India

**MCL**

VIGILANCE BULLETIN 2015

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सत्यमेव जयते

केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023
Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi 110023

सं./No..... 015/VGL/065

दिनांक / Dated..... 05/10/2015

Message

Vigilance Awareness Week – 26th October to 31st October 2015

Observance of Vigilance Awareness Week every year is one of the various outreach initiatives undertaken by Central Vigilance Commission in its endeavour to fight corruption and create awareness among the public servants as well as the citizens on the ill-effects of corruption and need for integrity. Co-operation of all stake holders is imperative in creating and promoting a culture of integrity, transparency and accountability, which would help fulfill the expectations of the citizens for a corruption free society.

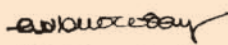
The Commission has chosen "Preventive Vigilance as a tool of Good Governance" as the theme for the Vigilance Awareness Week for the current year. Corruption is one of the factors inhibiting Governance and preventive vigilance can play a prominent role in ensuring Good Governance. Good Governance plays a vital role in promoting economic development of the country and well being of the citizens.

Preventive vigilance is a package of measures to improve systems/procedures aimed at eliminating the scope for corruption and to aid the management to achieve optimum results. Identifying complex rules/procedures and simplifying the same, curtailing discretions, ensuring accountability, sensitizing the officials, facilitating a culture of honesty and promoting ethical practices, etc. are some of the measures. The Commission believes that good governance can be promoted by putting in place strong preventive vigilance measures.

The Commission requests all public authorities to undertake preventive vigilance measures enthusiastically to reaffirm our commitment to the cause of fighting corruption and to improve governance.


(T. M. Bhasin)
Vigilance Commissioner


(Rajiv)
Vigilance Commissioner


(K. V. Chowdary)
Central Vigilance Commissioner

**MCL**

VIGILANCE BULLETIN 2015

महानदी कोलफील्ड्स लिमिटेड
Mahanadi Coalfields Limited
(A Subsidiary of Coal India Ltd.)
A Mini Ratna Company

**MCL**

Animesh Nandan Sahay
Chairman-cum-Managing Director
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Message

The Central Vigilance Commission, New Delhi has issued its directives for observance of Vigilance Awareness Week from 26th October to 31st October, 2015 with the theme of "Preventive Vigilance as a tool of Good Governance".

MCL has been consistent in implementing IT interventions in mining & its business operations for promoting Good Governance. During the Vigilance Awareness Week-2015 we would be further ensuring that preventive vigilance measures are strengthened and all stakeholders are educated and empowered to weed out corruption at all levels.

I am pleased to note that on this occasion, Vigilance Secretariat is bringing out the 11th edition of the Vigilance Bulletin. I am quite hopeful that the CVC circulars on procurement and general conduct, various systemic improvement measures, articles, slogans therein would immensely help in sensitizing and spreading vigilance awareness among all stakeholders in preventing corrupt practices.

I am quite optimistic that the technology driven preventive vigilance measures taken up by our Organization would go a long way in promoting the Good Governance.

(A.N. Sahay)

Chairman-cum-Managing Director

**MCL**

VIGILANCE BULLETIN 2015

महानदी कोलफील्ड्स लिमिटेड
Mahanadi Coalfields Limited
(A Subsidiary of Coal India Ltd.)
A Mini Ratna Company

**MCL**

Deepak Srivastava, IFS
Chief Vigilance Officer
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Message

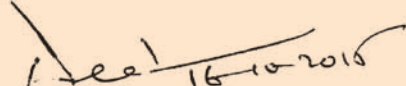
In pursuance of the directives issued by the Central Vigilance Commission, New Delhi, this year the Vigilance Awareness Week would be observed from 26th October to 31st October, 2015. The theme for this year as chosen by the Commission is "Preventive Vigilance as a tool of Good Governance".

It has been a constant endeavor of MCL Vigilance to promote Good Governance through Preventive Vigilance. The MCL Vigilance has taken number of IT initiatives like installation of In-motion Road Weighbridges, Geo-fencing of coal mining areas, installation of Vehicle Tracking System, e-Surveillance and Monitoring systems as preventive vigilance measures for promoting Good Governance.

Though dissemination of awareness about the vigilance and anti-corruption has been the priority agenda of the MCL Vigilance throughout the year, our sole objective on this year's Vigilance Awareness Week would be to promote participative vigilance by roping in all the stakeholders and public at large.

On the occasion we are bringing out the Eleventh Edition of Vigilance Bulletin on anti-corruption issues, systemic improvements, CVC circulars, articles and slogans to educate our esteemed readers on various preventive measures available for combating corruption.

I hope that the Vigilance Bulletin would serve its purpose for sensitizing and promoting preventive vigilance among the various stakeholders in enhancing good governance.


(Deepak Srivastava, IFS)
Chief Vigilance Officer

Preventive Vigilance as a tool of Good Governance

The MCL Vigilance Secretariat endeavor has been to re-strategize the traditional mining operations and official transactions by use of leveraging technology & bringing in a number of e-initiatives by acting as an integral part of the management for improving performance, growth and productivity of the organization in a transparent & fair manner. While doing so the principle has always been in promoting clean business transactions, professionalism, productivity, promptness and ethical practices.



*Deepak Srivastava, IFS
Chief Vigilance Officer
MCL*

Introduction of In-motion Road Weighbridges with RFID and its connectivity to Coalnet:



In-Motion weighbridges with RFID/IP cameras has ensured weighment of more than 800 tippers in one shift as against 200 tippers through electronic static weighbridges. This has resulted in drastic increase in Coal weighment percentage from 10-15% to 90-95%, thereby reducing the chances of adjustment in manipulations in coal production figures on daily basis. The use of RFID tags and RFID reader has ensured entry of authorized coal tippers only inside the mine boundaries. IP Cameras in Electronic and In-motion weighbridges have led to increased surveillance on all the coal tippers for cross checking the entry of RFID tag installed Coal tippers. CoalNet has ensured Real Time transmission of coal weighment data to the Central Server. This has further reduced the chances of fudging of coal production figures on day to day basis.



Static Road Weighbridges



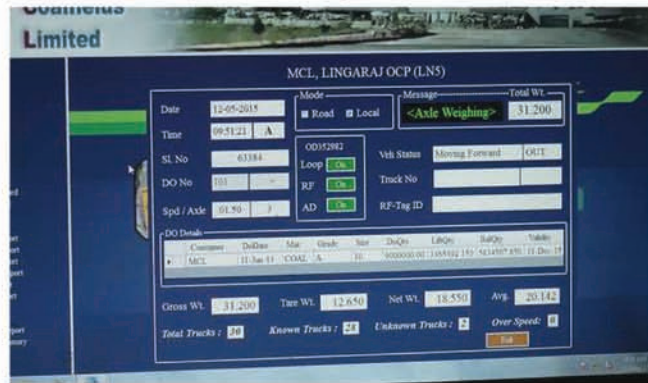
RFID Based In-motion Road Weighbridges



Final Outcomes:

- ❖ Introduction of In-Motion Road weighbridges with RFID & IP cameras have ensured weighment of more than 800 tippers in one shift as against 200 tippers through electronic static weighbridges.
- ❖ Coal weighment percentage increased drastically from 10-15% to 90-95%, thereby reducing the chances of adjustment in manipulations in coal production figures on daily basis.
- ❖ Use of RFID tags and RFID reader has ensured entry of authorized coal tippers inside the mine boundaries.
- ❖ IP Cameras in Electronic and In-motion weighbridges have led to increased surveillance on all the coal tippers for cross checking the entry of RFID tag installed Coal tippers.
- ❖ CoalNet connectivity has ensured Real Time transmission of coal weighment data to the Central Server. This has reduced the chances of fudging of coal production figures on day to day basis.

**In-motion Road WB
Online weighment**



Live Weighment Data in Central Server

MAHARAJI COALFIELDS LIMITED
(A Subsidiary of Coal India Ltd.)
Run Date: 13-MAY-15
Page 1 of 4
(Fig in Tonnes)

Colliery/WeighBridge	Sino.	Truck Number	RFID Number	Tare Weight Date/Time	Gross Weight Date/Time	Tare Weight	Gross Weight	Net Weight
LINGARAJ AREA/LW6	1	OD19E1076	E2 00 10 01 83 0D 01 92 08 50 C2 A3	03-MAY-15 22:48	13-MAY-15 10:29:27	10.000	23.000	13.000
	2	OD02R8022	E2 00 10 01 83 0D 01 15 08 00 C5 52	10-MAY-15 15:49	13-MAY-15 10:38:15	10.250	26.450	16.200
	3	OD19B8127	E2 00 10 01 83 10 01 90 20 00 45 6A	13-MAY-15 04:16	13-MAY-15 10:25:01	10.200	22.750	12.550
	4	OD04F7708	E2 00 10 01 83 10 00 60 12 20 98 14	08-MAY-15 06:48	13-MAY-15 10:23:56	10.350	24.900	14.550
	5	OD19B4789	E2 00 10 01 83 10 00 37 20 00 43 CE	11-MAY-15 06:13	13-MAY-15 10:14:13	10.550	27.100	16.550
	6	OD19E1298	E2 00 10 01 83 10 02 15 06 80 D2 ZE	12-MAY-15 15:24	13-MAY-15 10:09:26	9.800	24.650	14.850
	7	OD07A8229	E2 00 10 01 83 10 02 03 17 20 64 56	09-MAY-15 14:21	13-MAY-15 10:05:39	10.900	22.850	11.950
	8	OD19B7298	E2 00 10 01 83 10 01 58 12 50 98 43	08-MAY-15 07:41	13-MAY-15 10:00:57	10.600	27.850	17.250
	9	OD352027	E2 00 10 01 83 10 00 60 13 80 89 9C	09-MAY-15 14:20	13-MAY-15 09:53:17	10.250	29.400	19.150
	10	OD352986	E2 00 10 01 83 10 02 29 18 30 97 DD	12-MAY-15 18:15	13-MAY-15 09:42:13	10.400	27.450	17.050
	11	OD19C2995	E2 00 10 01 83 10 01 76 12 80 94 2A	12-MAY-15 15:51	13-MAY-15 09:29:18	10.300	28.500	18.200
	12	OD09Q5166	E2 00 10 01 83 0D 01 62 01 40 F7 80	11-MAY-15 06:14	13-MAY-15 09:24:00	17.150	33.950	16.800
	13	OD14P1304	E2 00 10 01 83 10 02 57 17 90 5C 75	12-MAY-15 15:22	13-MAY-15 09:19:38	10.450	23.200	12.750
	14	OD09A2992	E2 00 10 01 83 10 00 80 19 30 4C DB	09-MAY-15 05:10	13-MAY-15 09:15:47	11.100	27.200	16.100
	15	OR16C8354	E2 00 10 01 83 10 01 60 18 40 56 A2	12-MAY-15 05:59	13-MAY-15 09:12:11	10.500	24.550	14.050
	16	OD351468	E2 00 10 01 83 10 01 18 14 70 7D 5D	09-MAY-15 23:26	13-MAY-15 09:03:54	10.050	26.400	16.350
	17	OD19E1076	E2 00 10 01 83 0D 01 92 08 50 C2 A3	03-MAY-15 22:48	13-MAY-15 08:59:49	10.000	28.150	18.150
	18	OD19E0504	E2 00 10 01 83 10 00 71 18 40 55 3E	10-MAY-15 12:43	13-MAY-15 08:46:14	9.800	27.350	17.550
	19	OD19A2788	E2 00 10 01 83 10 01 39 16 50 6C 23	12-MAY-15 15:31	13-MAY-15 08:43:33	13.200	35.500	22.300
	20	OD09Q4779	E2 00 10 01 83 10 02 48 11 90 96 01	09-MAY-15 23:39	13-MAY-15 08:18:00	18.300	37.700	19.400

Installation of GPS based Vehicle Tracking System (VTS) & Geo-fencing of Mining Areas to prevent Pilferage of Coal:



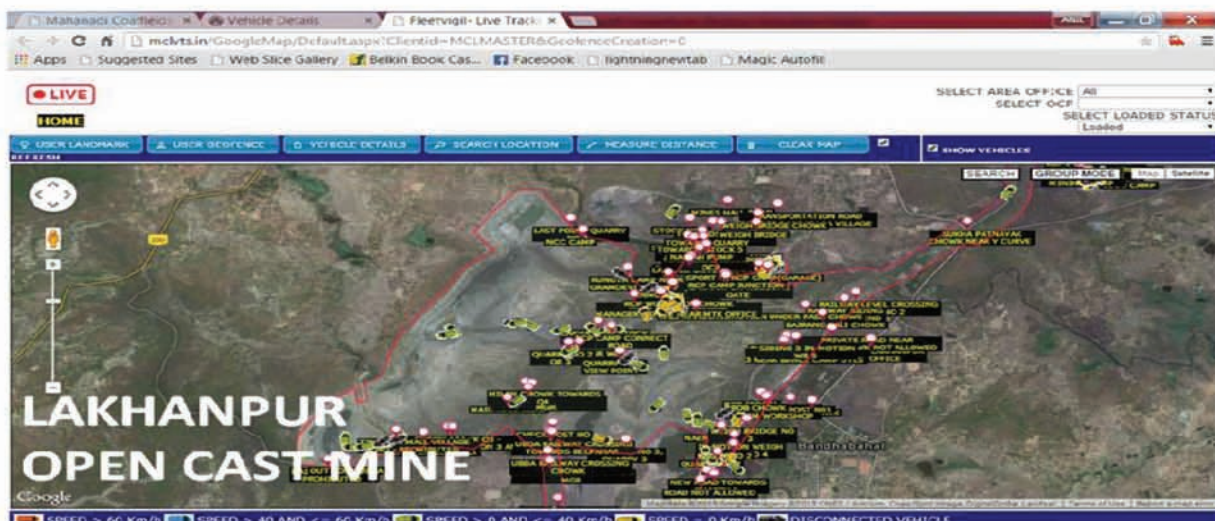
GPS based Vehicle Tracking System fitted in Coal-carrying Tipper

There have always been apprehensions in the mind of public at large about the coal theft/pilferage in the coal industry. It is a fact that chances of illegal diversion of coal do exist as the system is controlled by human intervention at various levels. Taking a cue from the success of "GPS based Vehicle Tracking System" in the supply of drinking water to the peripheral villages in the year 2012, an idea of "Geo-fencing" emerged due to out of box thinking. Thereafter, the Geo-fencing of all the ten Mining areas under the domain of MCL was carried out. System based alerts on Geo-fence violation is also being monitored through e-Surveillance & Monitoring units at the HQ and Area level, has resulted in

reduction in Geo-fence violations from 2127 in January 2015 to 1821 in February to 1385 in March 2015 and 314 in April 2015 and is showing a fluctuating trend and the necessary interventions are being taken from time to time to keep the geo-fence violations under check.

1800 Coal carrying tippers operating in the mining areas of MCL have been fitted with GPS/GPRS and a dedicated portal i.e. www.mclvts.in has been developed for monitoring of Vehicle Tracking System (VTS). Also System driven reports have been designed to get no. of trips, path travelled by the tippers (lead), route violation report contract-wise and tipper-wise. "Geo-fencing" of mines area have been done in the said web-portal to prevent coal theft. The installation of GPRS based VTS has enhanced a greater transparency & effective monitoring of Coal transportation as also is ensuring correct payments made to the transport contractors based on the leads (distance) recorded by the dedicated portal. The other advantages of this e-initiative have been online monitoring of movement of coal carrying tippers thereby increasing in the efficiency of transportation of coal.

Geo Fencing of Mine



Geo Fencing of Mine



Final Outcomes:

The installation of GPRS based VTS and Geo-fencing of Mine Areas have enhanced the transparency & effective monitoring of Coal transportation as also has started ensuring correct payments made to the transport contractors based on the leads (distance) recorded by the dedicated portal for the purpose. The various outcomes of the implementation of this vigilance driven e-initiative are:

- Online monitoring of movement of coal carrying tippers.
- Increase in the efficiency of transportation of coal.
- System based alerts on Geo-fence violation for taking immediate action.
- Reduction in Geo-fence violation from 2127 in January 2015 to 1821 in February and 1385 in March 2015 noticed.
- Record of travelled path by a tipper for cross checking of actual lead travelled and correct payment made thereof to the contractor.

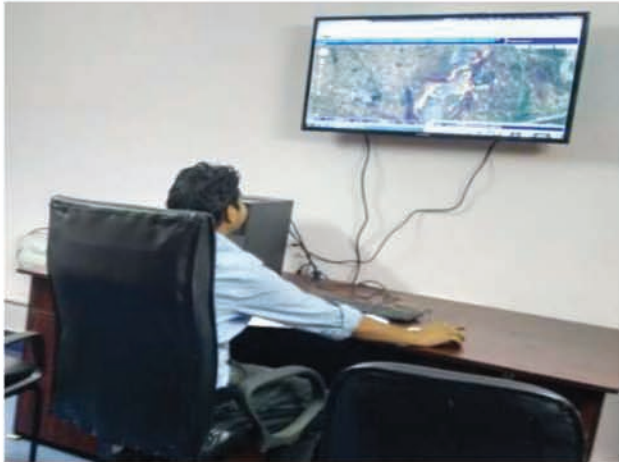
Implementation of Monitoring & e-Surveillance Units in Enhancing Operational Efficiency & Combating Corruption:

To insist close monitoring in loading and transportation activities in the mine areas and to ensure transparency, electronic surveillance in mine areas have been the focal point. For this purpose, 51 nos. of CCTV and 92 nos. of IP Camera have been installed in the Mining Areas. 8 Nos. of Control rooms have also been started at Area level for monitoring of e-initiatives and centrally a e-Surveillance & Monitoring Unit has been set up at MCL HQ. This has started showing positive outcome in terms of transparency and effective way of



loading of rakes at the Railway Sidings avoiding Demurrage Charges paid very often by the MCL to the Railways. This has also resulted in close monitoring of Coal quality & quantity. The loading time of railway wagons have been reduced from 5-6 hours to 3-4 hours thereby avoiding demurrage charges to the company to the tune of ₹88.03 Lakhs to ₹18.25 Lakhs in the last quarter.

e-Surveillance and Monitoring Units at Mining Areas:



CCTV Footage of Surveillance at Railway Sidings:



Final Outcomes:

This particular e-initiative taken up by our Vigilance Department has resulted in the following benefits:

- (a) Coal quality, quantity and loading time is being closely monitored.
- (b) Monitoring of the wagon loading of coal has reduced the loading time from 5-6 hours to 3-4 hours thereby avoiding demurrage charges to the company.
- (c) Demurrage charges borne by MCL in last quarter have been reduced from ₹88.03 Lakhs to ₹18.25 Lakhs.

STABILISATION OF COALNET:

The stabilization of the existing "Coalnet" i.e. Wide Area Network (WAN) of the Company spread over 2700 Sq. km. area through OFC/Radio Network by making it as an important data repository w.r.t. On-line bill status, Coal Production, PIS, Financial

accountability, Material Management etc. could be possible due to constant follow up through the regular field visits & sustained efforts by the vigilance secretariat.

The data repository in Coalnet is being effectively utilized for "real time monitoring of contractual bills" which was one of the vulnerable area prone to corrupt practices. The Real Time Monitoring of Contractual Bills through the Coalnet has led to Payment of ₹5386.41 Cr. of contractual bill on first in first out basis so far. Prior to year 2012 the delay was up to 3 months which has now come down to 15 days. This has resulted in drastic reduction in number of complaints w.r.t. contractual bill payments.

Financial Information System Bill Status Query				
Bill Status For MCL-HQ(Consolidated) and Status = PAYMENT				
Sl No	Bill No	Party Name	Bill Value	Accepted Bill Value
4500/2014/4691	RESBP/MW/Prog 2014-15/1	RAJ YOGA EDUCATION & RESEARCH FOUNDATION, SAMBALPUR	100000.0	100000.0
4500/2014/4678	32/92	BABA CATERING SERVICE	1021386.5	1021386.5
4500/2014/4677	36/43	BABA CATERING SERVICE	56182.5	56182.5
4500/2014/4676	36/60	BABA CATERING SERVICE	189403.12	189403.12
4500/2014/4660	MCL/2014/430	D A V PUBLIC SCHOOL	123000.0	123000.0
4500/2014/4658	372 & 380	BHUBANESWARI TRADERS	15350.0	15350.0
4500/2014/4657	694,695,693 & 746	TRIVENI	59695.0	59695.0
4500/2014/4656	1036,1037 & 1038	KOLKATA FLOWER HOUSE	15100.0	15100.0
4500/2014/4654	15138	RANJIT STORES	32971.4	32971.4
4500/2014/4653	13	SIBU CANE & HANDICRAFTS WORKS	42000.0	42000.0
4500/2014/4652	VTPL ORS-14-15-004	VARELI TECNAC PRIVATE LIMITED	4789935.0	4789935.0
4500/2014/4650	SBI-RJ-123/14-15	VISION INFOTECH	10920.0	10920.0
4500/2014/4649	1386	VISHWAMUKTI	100000.0	100000.0
4500/2014/4648	NIL	XAVIER INSTITUTE OF MANAGEMENT	100000.0	100000.0
4500/2014/4647	NIL	SRIKHETRA KALA PRAKASIKA	50000.0	50000.0
4500/2014/4646	10093	SAMBAD KALIKA	30000.0	30000.0
4500/2014/4645	SR.FP-14/11	SHI PA RICHITRA	20000.0	20000.0

Mahanadi CoalFields Limited
(A Subsidiary of coal india limited)
Receiving Unit/Area: MCL-HQ(Consolidated)

Bill Receipt Acknowledgement

Bill Receipt Sl.No : 4500/2014/02859
Bill Receipt Date : 24-JUL-14

Bill No : 4480
Bill Date : 24-JUL-14
Bill Amount : 63651.90
Name of The Party : SANGEETA SHOE HOUSE
Address : I.G.MARKET, BURLA
Work Order No : 2476
Work order Date : 13-JUN-14
Work Order Description : Supply of Shoe & Socks for Drivers

Signature of Authorized Person



The Sales and Marketing Module on the Coalnet has enabled Online Monitoring of issuance of DO. On an average coal sale value of ₹138.36 Cr. in a year has been refunded to 2130 consumers within one month from expiry of DO.

Eaution Application - Internet Explorer

Sales and Marketing System Eaution Application

16-Oct-2015
CoalNetPROD

Subsidiary Name: MCL

Offer Ref No.: FORWARD/MJSL/03.03
Offer Ref Date: 03-03-2015

Application Ref No.:
Application Ref Date: 16-10-2015

Consignee Code: 100015
Consignee Name: M/S TALWANDI SABO POWER LIMITED

Income Tax Flag:
Income Tax Rate:

[Add Tax Details for Consignee](#)

Address1: BANAWALA, MANSA-TALWANDI SABO ROAD, DIST- MANSA

Address2: ACB (India)Limited, Himiqir washery, Dist- Sundargarh, Odish

Address3:

Pin Code: 151302
C Form:

District Name: MANSA
State Name: Punjab

Tin No.: 03222058369
Remarks:

Submitted Document:
Basic Rate:

Tax Percent(%): 5
Net Percent(%): 0

Sponsorship/OSS
Sponsorship Scheme: OSS Scheme

Remarks Wise Product Details:

Product	Coal Type	Coal Grade	Coal Size	Applied Coal Field Name	Applied Colliery Name	Applied Quantity (Tonnes)	Seam

Insert In Following Table According To Above Table

Product	Coal Type	Coal Grade	Coal Size	Applied Coal Field Name	Applied Colliery Name	Applied Quantity (Tonnes)	Seam
				IB-Valley			

Refund HQ Approval - Internet Explorer

Sales and Marketing System Refund HQ Approval

16-Oct-2015
CoalNetPROD

DO Code: 16033302101
Receipt No: 121848
DR

DO Details

DO Quantity: 13036.000
DO Date: 04/09/2015

SD Amount: 0.00
Amount Deposited at HQ: 14518585.00
DO Value: 14518475.82
View DO Details

Valid From: 05/09/2015
Valid To: 19/10/2015

Consignee Code: 221041
Consignee Name: ANDHRA PRADESH POWER GENERATION CORP.L
Area Deposit: 0.0

Bill Details

Bill No	Bill Date	Bill Qty	Bill Val
201509/4732/1144/769	30/09/2015	13036.000	14518475.82

View Bill Details

Total Loading Weight: 13036.000
View Loading Details

Balance Qty: 0.000

Amount Deposited at HQ: 14518585.00

Bill Amount: 14518475.82
(DO Value/DO Qty.) * Loading Qty. 14518475.82

Already Refunded: 0.00
Bill Amount - {(DO Value/DO Qty.) * Loading Qty.} 0.00

Debit Amount: 0.00

Credit Amount: 0.00

Penalty Amount: 0.00


Amount to be Refunded: 109.18

Area Reference: 121848



Coal Mining Sector being a vast & open sector, for proper monitoring of contractual manpower engaged in coal transportation work, security work and other annual contracts works, Personnel Information System (PIS) module for contractual manpower was thought of and accordingly, the module had been designed on Coalnet. This has ensured transparency in execution of contractual works and payments to the workmen thereof. A total of 22,109 departmental employees & around 14,000 contractual employees including their photographs have been uploaded in the Coalnet and the PIS Module is running successfully.

Mahanadi Coalfields Limited
Personal Information System
Employee General Information



EMPLOYEE CODE : 90091297
AREA CODE : 4501
UNIT CODE : 50000080000
FATHER'S NAME : Lt M. C. Dey
DATE OF JOINING MCL : 18-FEB-1994
DATE OF JOINING CURRENT PLACE OF POSTING : 11-JUL-2009
DATE OF BIRTH : 16-JAN-1963
EMPLOYEE CATEGORY : Executive
DISCIPLINE : System & Equip
DESIGNATION : Chief Manager (Systems)
MARITAL STATUS : Married
CASTE : Gan
RELIGION : Hindu
DATE OF JOINING IN THE PRESENT GRADE : 21-FEB-2013
CONF NO : 16294628
PRESENT ADDRESS 1 : Of. No. C-37, Jagann Vihar
PRESENT ADDRESS 2 : MCL
PRESENT ADDRESS 3 : Odisha
STATE : Orissa
POSTAL PIN : 768020
NEAREST RLY STATION : Bahadur
PHONE NUMBER : 0437346415
COMPANY ACCOMMODATION : Y
DEPENDANTS :

EMPLOYEE NAME : Anand Chandra Dey
AREA DESCRIPTION : MCL HQ (Commercial)
DEPARTMENT : SYSTEMS
SPOUSE NAME : Minati Dey

DATE OF APPOINTMENT : 13-APR-1988
GRADE : E72001
REGISTRATION CODE : AALPD0444P
PAN NO : M
SESSIONS : N
RELIGION GROUP : A+
PERMANENT ADDRESS1 : At. Dalabara Rd P.O. -Bahadur
PERMANENT ADDRESS2 : Assam
PERMANENT ADDRESS3 : Assam
STATE : Assam
POSTAL PIN : 781001
E MAIL : SLUVYNS
SLUYSNO : Y
IFORM NUMBER : 78

NAME	RELATION	AGE	DATE OF BIRTH
Minati Dey	Wife		01-FEB-73
Minati Dey	Daughter		08-DEC-99
Aditya Dey	Son		04-SEP-02

GRADE HISTORY :

GRADE	DESIRED DATE	ACTUAL DATE	ORDER NO	ORDER DATE
E8	02-MAR-2000	06-MAR-2000		
E5	30-AUG-1996	31-AUG-1996		
E4	16-MAR-1993	18-MAR-1993		
E3	01-MAY-1989	01-MAY-1989		
E1	12-APR-1988	12-APR-1988		

QUALIFICATION DETAILS :

QUALIFICATION	QUALIFICATION TYPE	BOARD/UNIV	PASSING YR	CLASS	MARKS(%)	CERTIFICATE DATE
Bch (Electrical Engg.)	Educational		1988			
M.Tech (Electrical Engg.)	Educational		1988			

UNDER GROUND(Y/N) : N

Mahanadi Coalfields Limited
Personal Information System
Contractual Employee General Information



EMPLOYEE CODE : 50138642
AREA CODE : 78
UNIT CODE : 547
FATHER'S NAME : ASHRAF CHOUDHARY
DATE OF JOINING MCL : 19-03-2010
DATE OF BIRTH : 15-12-1986
EMPLOYEE CATEGORY : Skilled
MARITAL STATUS : Married
CASTE : General
RELIGION : HINDUISM
CONF NO : 3147
PRESENT ADDRESS 1 : QR.NO D-1, JORABAGA, JORABAGA, HARHUGUDA
PRESENT ADDRESS 2 : BELPAHAR, ODISHAPHONE
STATE : Odisha
POSTAL PIN : 768117
COMPANY ACCOMMODATION : N
UNIT TYPE :
Working Under Agency : M/s. SADBHAV ENGINEERING LTD.
QUALIFICATION DETAILS :

EMPLOYEE NAME : SATENDRA CHOUDHARY
AREA DESCRIPTION : LAKHANPUR AREA
UNIT DESCRIPTION : LAKHANPUR OCP
SPOUSE NAME : SARITA DEVI
DATE OF JOINING : 19-03-2010
AGENCY :
DISCIPLINE : Transport
SPL CATEGORY CODE :
PAN NO :
SEX(M/F) : MALE
BLOOD GROUP : A(+ve)
PERMANENT ADDRESS1 : LOHARGADA HARHARPUR, GARHWARA
PERMANENT ADDRESS2 : HARHARAND PHONE
STATE : Jharkhand
POSTAL PIN :
IFORM NUMBER : 324

QUALIFICATION	QUALIFICATION TYPE	BOARD/UNIV	PASSING YR	CLASS	MARKS(%)	CERTIFICATE DATE
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Under the "Online Material Management System Module" after the codification of all the 99513 materials, the chances of having different codes for the same item in different stores have been eliminated. The major advantages of the codification have been completely elimination of false indenting, need based indenting of material and effective store inventory control. This has resulted in Identification of dead moving items of 25Crore and reduction in inventory from ₹102 crore to ₹77 crore in a period of two years.

Area Wise Stock value - Internet Explorer

Materials Management System
Area Wise Stock value

16-Oct-2015
CoalNet/PROD

LOCATION	STOCK AS ON	TOTAL ITEMS	CODIFIED ITEMS	UNCODIFIED ITEMS	CODIFIED(%)	YEAR OPENING VALUE	STOCK VALUE	VARIANCE (%)
BASUNDHARA REG-STORE	03/10/2015	4857	4780	77	98.41	31381345.67	31538775.63	.5
BHARATPUR REGIONAL STORE	16/10/2015	8789	8783	6	99.93	73127262.78	93566930.66	27.95
CWS(X), TALCHER	16/10/2015	17392	17376	16	99.91	43824890.99	66744923.25	52.3
CWS, IB VALLEY	15/10/2015	5556	5544	12	99.78	58728535.01	65198758.10	11.02
HINGULA REGIONAL STORE	15/10/2015	7150	7149	1	99.99	69478257.08	75585643.16	8.79
IB VALLEY REGIONAL STORE	13/10/2015	8642	8642	0	100	55863617.10	57566986.90	3.05
JAGANNATH CENTRAL STORE	14/10/2015	16778	16278	500	97.02	208698894.01	165366252.99	-20.76
LAKHANPUR CENTRAL STORE	16/10/2015	12083	11901	182	98.49	143626027.76	138918431.63	-3.28
LINGARAJ REGIONAL STORE	16/10/2015	10206	10205	1	99.99	37560586.09	65927486.10	75.52
ORIENT REGIONAL STORE	15/10/2015	7083	7083	0	100	37933718.36	38737109.32	2.12
TALCHER REGIONAL STORE	16/10/2015	4250	4177	73	98.28	15771489.69	16835414.46	6.75
GRAND TOTAL:		102786	101918	868	99.16	775994624.54	81598712.20	5.15

Print Close

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Modules of CoalNet ERP Implemented in MCL

<u>Payroll System</u>
<u>Sales & Marketing</u>
<u>Finance (Including Payment of Bills to Contractor / Suppliers)</u>
<u>Personnel Information System</u>
<u>Materials Management System</u>
<u>Production Information System</u>
<u>Equipment Monitoring System</u>
<u>Others (Miscellaneous applications)</u>

Final Outcomes:

- Uniform ERP across 2700 sq. KM through OFC/Radio network.
- Real time monitoring of contractual bills leading to payment of Rs.2347 Cr.(2014-15) . 15 days time as against delay of 3 months earlier.
- Online monitoring of DO issue to consumers in 2-3 days as against one month earlier.
- Refund of coal sale value of ₹138 Cr.

to 2130 consumers (2014-15) in one month time as against 4-5 months delay earlier.

- Material codification of 98000 materials leading to identification of dead moving items of ₹25 Cr.
- Reduction in store inventory of ₹102 Cr. to ₹77 Cr. in a period of two years.
- Prevention of unwanted indenting of materials.
- Identification of real dependents of employees leading to prevention of false claim of LTC/LLTC/Medical bills.
- Maintenance of Bank A/C, CMPF details with photo identification w.r.t. 34000 Executive, Non-executive and Contractual workers.
- Monitoring of breakdown/idle hours of HEMMs equipment.
- Monitoring of daily coal production/ Coal despatch/ OB removal.

On-line auto-refund of EMDs to unsuccessful bidders:

Recognizing the fact that the delay in refund of Earnest Money Deposit (EMD), was adversely affecting the morale of the supplier/tenderer, auto-refund of EMDs was thought as an everlasting solution to ensure "system driven EMD refund" to the clients. The system driven refund mechanism, which has enabled the refund amount to be redirected to the supplier/tenderer account in an auto-mode once the e-tender portal declares the unsuccessful/rejected bids. As a forward linkage of e-procurement, Online Auto Refund of EMD has been introduced, during November 2013.

A sum of ₹14.22 Crs has been refunded to 5282 unsuccessful/ rejected suppliers/ bidders till date on auto-mode in hassle free manner, thereby reducing the number of complaints regarding corrupt practices. Bidders participation has gone up and also the Vander base is improving.

The aforementioned e-initiatives could not have been possible without the able guidance and continuous support from the Central Vigilance Commission, New Delhi, Ministry of Coal, GoI and Chairman-cum-Managing Director, MCL.

Veer Surendra Sai University of Technlogy, Burla Students in debate competition on Vigilance & Anti-Corruption



Photographs by
Sudip Maiti, Sr Manager (Min/Vig), MCL HQ

CHAPTER-II

CHAPTER-II

**SYSTEM IMPROVEMENTS,
AN ARTICLE FROM
e-PROCUREMENT CELL**

&

**YOUNG MINDS ON
ANTI-CORRUPTION**

System Improvements

System Improvement-I

Delay in processing/movement of files: This has come to the notice of the undersigned that files related to closure of contracts, procurement, dependent employment are being inordinately delayed and many times it is being kept pending at the Junior Officers level with a verbal instructions from the immediate senior level Officers to process the file after discussing with the higher ups. Under such circumstances, the junior level Officers became automatically responsible for delayed action on such long pending files due to want of any written instructions from the superior officials. Therefore, there is a need to issue circular instruction in this regard that in such cases where the files are being kept pending for a certain period it should be recorded on that particular file as LOT (Lie Over Till) as instructed by particular Senior Officials for a particular period i.e. may be 15 days / 1 month or so and with valid reasons duly approved by the HoD. This kind of system shall not allow the files to lie at lower levels for long time without necessary action.

As a systemic improvement measure, File Tracking System (FTS) has already been designed for immediate implementation on the Coalnet w.e.f. 14th August, 2015 which will facilitate the Management for online tracking and movement of the files enhancing the operational efficiency which shall also indicate the status of those files which are under LOT category for proper monitoring and action on those files.

The system improvement in this section has been done in the Company as a result of reference from Vigilance Department, MCL.

System Improvement-II

Requirement of revision of pre-qualification criteria in case of tender for extraction of coal by Surface Miner loading and transportation:

Tenders invited for extraction of coal contractually in different mines of the MCL are broadly the following types:

- a) Extraction of coal by deploying Surface Miner.
- b) Extraction of coal by deploying Surface Miner and loading.
- c) Extraction of coal by deploying Surface Miner, loading and transportation by the tippers.

In this regard, it is pertinent to mention here that during the inspection of the CTE from the CVC, New Delhi, in one of the contractual work in Talcher Coalfields for extraction of coal during the year 2009, it was recommended that the tender for extraction of coal may be floated clubbing the loading and transportation part with the extraction of coal by Surface Miner. This was recommended keeping in view the fact that awarding contractual work for the extraction part and loading/transportation part separately attracts controversy as both the agencies pass on the blames to each other in case of slow progress of the work adversely affecting the overall coal production.

In spite of the aforementioned facts, it has been observed that the contracts are being awarded for engagement of Surface Miner only and loading/transportation are being carried out by the ESM/PAPs agencies. In such cases, it is strongly felt that if the extraction, loading and transportation contracts are clubbed together, tender can be floated for a composite work making it more economical and easy for the monitoring purpose.

In this regard, the pre-qualification criteria which is being followed in contractual works for extraction of coal in different subsidiaries of the CIL have been examined. The pre-qualification criteria followed in the MCL was approved long back in the year 2006 i.e. 09 years which is still in vogue. Eligibility condition/pre-qualification criteria which were framed during the year 2006, did not have a mention of work experience which is the mainstay for judging the potentiality of the participating bidders. Non-mentioning of the work experience at that time might have been due to the fact that there would not have been adequate eligible bidders for taking up the work for the deployment of Surface Miner. Now with the passage of time, when the competition has increased manifold, it would be prudent to broaden the pre-qualification criteria keeping in view the CVC guidelines by revisiting the eligibility condition-pre-qualification criteria. In this regard, this Secretariat has collected the eligibility condition/pre-qualification criteria being adopted by other CIL subsidiaries and it has been found that the criteria adopted by CCL/SECL/BCCL have been

more broad and competitive. Therefore, it is advisable that the eligibility condition/pre-qualification criteria may kindly be revisited keeping in view the pre-qualification criteria adopted by other subsidiaries and the new tender may be floated as per the eligibility condition/pre-qualification criteria.

The system improvement in this section has been done in the Company as a result of reference from Vigilance Department, MCL.

System Improve ment-III

Release of PBG's to the Suppliers: A complaint from M/s. XXX Pvt. Ltd. was received in the Vigilance Secretariat on dd/mm/yy regarding the pending of balance 20% of the payment and the release of PBG. The firm alleged that the MMV fan complete with electrical fittings had been supplied by them to the YYY Area on dated dd/mm/yy against the supply order No. NNN dated dd/mm/yy issued by the ZZZ Department. The matter was examined in this Secretariat and it revealed that the payment of 80% of the basic cost of the equipment along with taxes had already been made to the party through e-mode as per the terms of the Supply Order. However, the firm had not received the balance 20% payment and Performance Bank Guarantee (PBG), even after the lapse of 7 (seven) months from the expiry of the scheduled guarantee/warranty period of 18 months. The PBG had now been released on dd/mm/yy after the intervention of the Vigilance Secretariat.

In the above context, it is pertinent to make a mention here that there might be few more pending cases of similar nature where PBG have not been refunded by the concerned department even after the expiry of the scheduled guarantee/warranty period of 18 months from the supply of the material. Further, discreet enquiry in this matter has also revealed that in few cases, the material supplied by the Supplier had not been consumed by the concerned department leading to non-issuance of the satisfactory performance certificate by the concerned technical department leading to subsequent withholding of the PBG of the Suppliers. This needs to be looked into urgently as the fault lies with the Company for which the suppliers are unnecessarily been made to suffer.

In view of the above, necessary directives are required to be given to the concerned authorities for expediting the pending cases immediately and also to upload the pending PBG's on the Coalnet for real time monitoring of its pendency so that release of PBG's to the Suppliers are not delayed beyond the NIT condition. In addition, this Secretariat would also be collecting details of cases where materials supplied by the party have not been consumed within the scheduled guarantee/warranty period in order to find out if there exists any vigilance angle or not.

The system improvement in this section has been done in the Company as a result of reference from Vigilance Department, MCL.

System Improve ment-IV

Quoting of abnormally low rates/unworkable rates by the bidders in case of e-Tender-Regarding:

There have been several instances where bidders have been quoting abnormally low rates/unworkable rates and the tenders are being finalized considering the same rate as L-1. In case of civil contracts, it has been seen that in case of item rate tender, provision of identifying Abnormally Low Rate (ALR) & Abnormally High Rate (AHR) are being provided in the NIT. In such cases, the difference in cost between the updated cost and the rate quoted by the contractor for the items are being deposited by the contractor as a security which are being released on successful completion of the work. However, in the Contract Management Manual, there is no such provision for asking the L-1 bidder to deposit security amount against the ALR quoted by the bidder. With regard to the contracts for coal transportation/loading works, such contracts have been awarded in the past even if the L-1 rates have been unworkable on the ground that there had been a compulsion for award of the work to the lowest bidders. It is a fact that award of work at ALR serves as a serious impediment in execution of the work as per the required specification and somewhere the faulty estimate preparation is also the reason behind the award of the work to the contractor abnormally low rate. In view of the foregoing facts, the following are the suggestions for dealing with the civil and transportation contracts.

Civil Works: ALR items are being identified taking into account the updated departmental cost which is being prepared by the XXX Department and it differs from the estimated cost as the current market rates

are being considered while updating the estimated cost. When work order is issued to the contractor (L-1 bidder) declaring the rate quoted by the contractor as abnormally low, the contractor's action in challenging his quoted rates becomes justified in view of the prevailing local market rates. In recent past, in one of the case pertaining to the XXX Department, the security deposit against the ALR rate quoted by one contractor namely Shri CCC for the work of construction of WWW in YYYY Area was re-considered by the Management and the security to be deposited against ALR was reduced from ₹8.22 crore to ₹2.28 Crs after obtaining the approval from the MCL Board. This could have been avoided, had the tender would have been called on the updated cost.

Therefore, it would be appropriate to disclose the updated departmental cost during the process of bidding to the bidders in order to have fair degree of transparency in dealing with the tenders.

Extraction/transportation of coal and OB contracts: In case of the tenders pertaining to loading of coal w.r.t. road sale, the work had been awarded at unworkable rates in the past in YYY Area. The estimate for the said work was based on last awarded rates for similar works as per the decision of the MCL Board in its MMth meeting held on dd/mm/yy which is also an unworkable rate. It is quite obvious that such instances do encourage of adopting unfair means and criminal conspiracy by the Contractors.

In order to deal with such exigencies, it is suggested that the engagement of departmental pay loaders may be explored for loading of road sale trucks avoiding the contractually mode of work at unworkable rate. In case the situation becomes unavoidable and the work is to be taken up contractually, there should be a mandatory provision in the NIT that the L-1 bidder who has quoted unworkable rates/abnormally low rate should give an affidavit to the extent that the contractor shall not adopt any unfair means and shall not indulge in any corrupt practices and failure to do so, shall be liable for termination of contract and banning from participating in future tenders for 03 years in the MCL.

Further, the decision taken in the MMth meeting of the MCL Board during the year YYYY regarding preparation of estimate basing upon the lowest rate of the Area may be reviewed keeping in view that sometimes the awarded rates are unworkable rates and preparation of the estimate based upon these rates may not be justified. The tenders need to be floated on updated cost and abnormally low rate/high rate may be identified if the rate quoted by the bidder is 20% lower/higher than the updated cost.

The system improvement in this section has been done in the Company as a result of reference from Vigilance Department, MCL.

The CHAMPIONS **CVO XI team in Inter Directorate Day & Night Cricket Tournaments**



Tournament in Feb-Mar -2015



Tournament in Oct-2015

Preventive Vigilance as a tool of Good Governance A Case Study of e-Procurement in MCL

*S.K.Bhanja, Dy. GM, O.P.Mishra, Ch.Manager,
B.Pattnaik, Sr. Manager, Sudhanshu D. Asst. Manager(HR),
e-Procurement, MCL*

1.0 Introduction:

Governance can be defined as the processes of governing, whether undertaken by a government, market or network, whether over a family, tribe, formal or informal organization or territory and whether through laws, norms, power or language. It involves the processes of interaction and decision-making among the actors involved in a collective problem that lead to the creation, reinforcement, or reproduction of social norms and institutions and the way the rules, norms and actions are produced, sustained, and regulated. Government can be defined as a formal body invested with the authority to make decisions in a given political system but a governing body may be geopolitical entity (nation-state) or a corporate entity (business entity) or a socio-political entity (chiefdom, tribe, family, etc.) or an informal one. It is a common prudence that the governance can be called good or bad based on the outcomes of the governance that up to which extent it fulfills the aspirations of the governed. It may be better Service Delivery to Citizens, improved Services for Business, transparency & Anticorruption mechanisms and the degree of accountability and transparency in the government and the governing bodies.

Vigilance has got a vital role in curbing corruption which in turns makes the service delivery system and other systems more efficient and effective. Vigilance may be of punitive type or preventive type. Punitive vigilance is an age old system and it has been experienced that though it prevents corruption to some extent but it is not a full proof system. The corrupt practices may be allowed to happen making an irreversible damage and then the culprit shall be caught and punished. It punishes the defaulters but it cannot stop the undesirable event to occur. Secondly, the side effects of these actions de-motivate many more to take even a genuine decision due to fear and suspicion. Therefore it is always better to stop the bad event before it takes place. This is what Preventive Vigilance does.

Mahanadi Coalfields Limited has used the concept of preventive vigilance by leveraging information and communication technology in many of its functional areas like procurement, surveillance, weighment, safety, security, measurements for paying the contractors; operational, financial and personnel information and management system etc. The outcomes are very encouraging and motivating.

2.0 Tools of Good Governance:

A good governance is one in which the last person of the society is also included in the process of development. A system of governance by which financial inclusion, educational inclusion, health, transport, safety and security concerns of each and every citizen is taken care of. At policy level, every concern is taken care of but there are several impediments to the implementation of these policies. Good Governance consists of consensus and participatory approach, not only in decision making but also in implementation. There should be effectiveness in achieving the objectives, efficiency in utilization of resources and responsiveness to the expectations of all the stakeholders and equity and fair play to all players; and a System of Citizen's Charter. It requires accountability and transparency. In a transparent system of governance all the stakeholders gets an opportunity to share their role in the decision making process directly or indirectly. The power of having the knowledge regarding the decision making process by all the stakeholders reduces the chances of misuse of authority and need of other watchdogs for the compliance of the norms, rules and guidelines.

As per IMF, for an economy to prosper, promotion of good governance is an essential element which includes ensuring the rule of the law, improvement in the efficiency and accountability of the public sector, and tackling corruption. According to United Nations Economic and Social Commission for Asia and the Pacific, there are eight characteristics of good governance:

- a. Participation
- b. Rule of Law
- c. Transparency
- d. Responsiveness
- e. Consensus Oriented
- f. Equity and Inclusiveness
- g. Effectiveness and Efficiency &
- h. Accountability

Recently e-Governance is being advocated to take care of such issues. Here again digital inclusion is a problem and it needs a great deal of ground level work to include each and every one digitally. Yet, e-Governance and use of ICT are providing the most optimal solution to the issues of governance.

3.0 Preventive Vigilance as a Tool of Good Governance

The kind of solution e-Governance used to provide, it facilitates preventive vigilance in which an error free system of operation, service and production is designed to prevent trespassing and commit unintentional mistakes and provide an audit trail for intentional mistakes. An e- Governance tool can only be successful when the focus is on the process reform so as to ensure good governance. Effective and efficient implementation of e-governance tools helps in mitigating the leakages in the system and avoids an undesirable event but at the same time fixes responsibility without being an impediment to decision making at the right time.

4.0 e-Procurement : A tool of Preventive Vigilance in MCL

Procurement is a core governance issue for a Public Sector Undertaking like Mahanadi Coalfields Limited. Most of the departments are doing some kind of procurement through public auction. Those personnel who are not dealing the public auction process directly, they are also the end user of the procurement contracts. Thus, almost all the employees are directly or indirectly affected by the efficiency, effectiveness and accuracy of the procurement process in an organization like MCL. Since Governments are the largest purchasers in all economies, and for both moral and political reasons they should buy goods and services in the best way possible. E-governance in case of procurement i.e. e-procurement can lead to significant savings for the government by bringing in efficiency in government purchases, spurred by increased competition through transparency. An efficient practice in procurement of goods and services by government agencies is important for:

- 1 Lowering cost of procurement of goods and services
- 2 Optimal delivery of public services
- 3 Efficient allocation and use of public funds
- 4 Fair opportunities for suppliers to compete for government contracts
- 5 Encouraging good governance practices in procuring entities,
- 6 Reducing corruption
- 7 Providing legal certainty to procurement procedures
- 8 Ensuring transparency and thereby also attracting foreign investment and partnerships.

Mahanadi Coalfields Limited (MCL) is the second largest Coal Producing Company of India growing at a rate of approximately 10% per annum and is expected to be the highest coal producing company in India by 2016. It contributes to nearly 20% of the coal production of the country. Most of its business activities have been out sourced. Therefore, quick finalization of tenders and timely procurement of materials are of utmost importance to MCL for its growth and to meet the expectations from it.

Prior to August 2009 the finalization of tenders through manual process used to take 120 to 180 days on an average and the tendering process involved many subjective judgments inviting complications in the tender evaluation process resulting enormous delay in finalization of tenders. Different departments were following different system of tendering having wide variation and sometimes even in the same department different administrative units were following different formats of tendering causing inconvenience to the bidders and the department due to non-uniformity in the tendering system.

Hence there was a felt need for re-engineering the whole tendering process for optimization and standardization of the activities and resources with an aim to quickly finalize the tenders using the web-

based technology without compromising with the quality of decision making complying the due procedure of tendering in government departments.

Besides, there were directives from the Central Government to go for the mandatory e-Procurement by all Central Government Departments/PSUs. Central Vigilance Commission (CVC) has also issued circulars for ensuring transparency in tendering process by using web based technology. Initiation was taken by MCL just after the OM issued by Ministry of Finance. Vide B(5)E.II(A)/2006 dated July 05, 2006 followed by OM of Ministry of Coal and MCL started e-Procurement w.e.f 15.08.2009 after due process study and process re-engineering for Works and Services and on 24.03.2010 for Goods.

Till date more than 8000 procurement contracts have been awarded through this e-Procurement system at a record average cycle time of 89 days with an estimated cost benefit of more than ₹650 crores since 2009 August without any major complaint about the evaluation process.

The company has been greatly benefited by e-Procurement in terms of considerable reduction in cycle time & cost of procurement and increase in bidder base apart from ensuring greater transparency in the tendering process. Some of the special features of the system are:

- i. The evaluation of Technical part of the Tenders is done by the portal software and human intervention in evaluation of Bid is minimised.
- ii. The evaluation is performed by the portal software based on the data provided by the Bidder in a structured and objective format. Bidders are required to upload minimal documents for participation in Tender.
- iii. Bidders are not required to submit of any document off-line for evaluation of their Bid except in case of Bank Guarantees.
- iv. The business logic required for the evaluation of Tenders is incorporated in the portal software.
- v. The Bidder while submitting the Bid gets a feedback at each stage, as to whether the bid complies to the requirement of the Tender.
- vi. Only Lowest Bidder has to upload scanned copy of Original documents for, in support of the information furnished by them (Bidder) online .
- vii. In order to automate the system of receipt of EMD and Tender fee, a system of online receipt of EMD and Application fee had been started through Electronic Fund Transfer/NEFT/RTGS mode for all the Tenders floated in MCL. Now bidders who are opting for online payment do not have to send any offline document to MCL.
- viii. Automatic refund of EMD to unsuccessful bidders in T+1 date basis. The EMD management has been made online and automated.
- ix. A facility has been created in the portal software so that the Bidders can upload confirmatory documents in support of the Bid information furnished by them in online mode.
- x. After submission of Bid the Bidder gets a feedback regarding their compliance with respect to the requirements of Tender.
- xi. Bidders are not required to visit MCL premises before start of Work.

Therefore, the system of e-procurement in MCL facilitates the compliance of all the eight characteristics of good governance as mentioned in Section 2.0 by ensuring preventive vigilance:-

- a. **Participation:** Participation of all stakeholders without any limitation of time and place through remote access to the services from enrollment & bidding till award of contract on a 24X 7 basis from anywhere on the globe.
- b. **Rule of Law:** Compliance of various laws related to procurement and reflection of changes in corporate policy including CVC guidelines uniformly across the departments throughout the company.
- c. **Transparency:** The system ensures participation of all the stakeholders in the decision making process imparting transparency in true sense. It is being done through auto evaluation of technical and financial bids, online receipt and auto-refund of EMD, uploading of TC recommendation/Work Order/ Supply order/ online clarification to the bidders etc in the portal so as make them visible to all stakeholders.

- d. **Responsiveness:** The system ensures that all the stakeholders are served within reasonable timeframe and there are strict guidelines for sticking to the schedule.
- e. **Consensus oriented:** The system is updated as per the feedback of different stakeholders of the system including the bidders.
- f. **Equity and Inclusiveness:** As a primary concern of any public procurement system, it should include the last person of the society and ensure equality of opportunity to all the citizens with due care to economics and efficiency.
- g. The MCL e-procurement system as per statistics so far, complies the above.
- h. **Effectiveness and Efficiency:** More than 8000 contracts valuing more than Rs 8000 crores awarded till date with an average cycle time of 89 days and with almost nil complaints which certifies the efficacy of the system.
- i. **Accountability:** The system keeps audit trail of all the activities on the portal to fix up the accountability of the users and role based access has been designed and implemented to prevent unintentional mistakes.

5.0 Conclusion:

Use of technology has always facilitated the processes to make more meaningful and efficient. The kind of e-Procurement implemented in MCL is one of the best example that how preventive vigilance tool can be used to reduce corruption, increase efficiency and thus to ensure good governance.

A Poem on Anti-Corruption

*Are we so coward!!,
Or we have no shame...!!!
Do we really care,
To ever take this blame?,*

*We have adapted ourselves,
So well, in this corrupted place,
That vicious cycle moves on,
But we lack the guts to face...*

*We say "corruption chokes",
Then why do we breathe it ?,
We say "corruption kills",
Then why do we breed it ?,*

*Corruption helps,
To set the culprits free,
It blindfolds the law,
& still we shamefully see,
It widens the gap,
Of poor and rich,
Still we continue the same,
Without any hitch... ?*

Somehow I feel...

*Our coward mind has,
Hurled down his brain,
Come what may,
Even let our money drain...*

*And this has become,
Our way of life...
To adjust, without showing,
the signs of strife*

*And so we just keep moving on,
Without a break to re-think, Re-construct, and
reform our Corrugated minds...*

*Is it that no business runs without it ?,
Or is it that who's gonna care !!!,*

*Dont you wanna put an end to it.. ?
Or is it that you dont dare !!!*

*Many questions in these little brain, And almost all
unanswered....*

*Hope to find answers soon....
So please support those,
Who have tried/attempted to erode it from roots,
So that one day people will reap corruption free
fruits.*

*Let there be transparency and accountability in
every firm.*

Let join hand together to wipe out this germ.

**Saurabh Verma
Asst Manager,(E&M)**

YOUNG MINDS ON ANTI-CORRUPTION

Objects can be shaped only during their initial stage, when they are tender and not when things go permanent and solidify. Now you tell us, can you mould a stone? No. How hard you try, if you want to alter its configuration, you can only chisel it. Chisel it using something sharp, something strong, something spiky. And those 'something' to change the shape of the corrupt system are laws, rules, regulations, restrictions, whatever you call them, because a fact is that 'what worries you, masters you'.



SHUBHAMI D KRISHAN, CLASS-X, DAV PUBLIC SCHOOL, BURLA



AMAN SWASTIK SWAIN, CLASS-VIII, DAV PUBLIC SCHOOL, BURLA

In order to eradicate corruption from our society some step are to be followed by us such as:

- Information and technology can be a prime weapon to stop corruption.
- Better salaries should be given to the people doing government services.
- Workers should be increased:
- A person should be dismissed from job if he is found involved in corruption:
- Camera should be installed in government offices

"The world is a dangerous place not because of those who do evil, But because of those who look on and do nothing".





CHAPTER-III
CHAPTER-III
CVC CIRCULARS
CVC CIRCULARS
ON
PROCUREMENT OF
WORKS, GOODS & SERVICES,
CHIEF TECHNICAL EXAMINERS'
ORGANISATION
&
SLOGANS FROM SCHOOL STUDENTS
SLOGANS FROM SCHOOL STUDENTS

**CVC Circulars/Guidelines on Procurement of Works, Goods & Services**

Sl.	Circular No.	Date	Subject
1	01/04/14	29.04.2014	Short-comings in bid documents.
2	18/12/12	11.12.2012	Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis – reg.
3	06/07/12	23.07.2012	Adoption of Integrity Pact-Standard Operating Procedure-reg.
4	15/07/12	30.07.2012	Revised threshold values for submission of Quarterly Progress Report – QPR
5	12/06/12	12.06.2012	Reporting of fraud cases to police/State CIDs/Economic Offences Wing of State police by Public Sector Banks.
6	03/01/12	13.01.2012	Consideration of Indian Agents
7	01/01/2012	12.01.2012	Guidelines on e-Procurement Linked Document
8	12/10/11	28.10.2011	Applicability of CVC's guidelines on post tender negotiations
9	11/09/11	12.09.2011	Recoveries arising out of Intensive Examination Conducted by CTEO
10	08/06/11	24.06.2011	Selection and Employment of Consultants
11	02/02/11	17.02.2011	Mobilization Advance
12	01/02/11	11.02.2011	Transparency in Tendering System
13	34/10/10	07.10.2010	Design Mix Concrete
14	31/8/10	13.08.2010	Adoption of Integrity Pact-Standard Operating Procedure (SOP) – reg.
15	23/6/10	23.06.2010	Leveraging of Technology for improving vigilance administration in the National E-Governance Plan
16	21/5/10	02.06.2010	Delay in initiating Disciplinary Proceedings.
17	19/5/10	19.05.2010	Transparency in Works/Purchase/Consultancy contracts awarded on Nomination basis.
18	18/04/10	26/04/2010	Implementation of e-tendering solutions – check list.
19	17/04/10	19.04.2010	Integrity Pact – Selection and Recommendation of Independent External Monitors (IEMs).
20	01/01/10	20.01.2010	Tendering Process – Negotiations with L-1
21	31/10/09	09.11.2009	Review of Purchase Preference Policy for Products and Services of Central Public Sector Enterprises (CPSEs) in view of the judgement of the Supreme Court of India in the matter of M/s. Caterpillar India Pvt. Ltd. v/s Western Coalfields Ltd. and Ors dated 18.5.2007
22	29/9/09	17.09.2009	Implementation of e-tendering solutions.
23	13/6/09	11.08.2009	Intensive Examination of CTE- Steps for early finalization
24	22/08/09	11.08.2009	Adoption of Integrity Pact – Periodicals regarding
25	17/7/09	14.07.2009	Posting of details on award of tenders/contracts on websites.
26	10/5/09	18.05.2009	Adoption of Integrity Pact-Standard Operating Procedure – Reg.
27	1/1/09	13.01.2009	Implementation of e-Tendering solutions
28	31/11/08	06.11.2008	Time bound processing of procurement
29	24/8/08	05.08.2008	Adoption of Integrity Pact in major Government Procurement
30	22/07/08	24.07.2008	Referring cases of Procurement to the Commission.
31	18/5/08	19.05.2008	Adoption of Integrity Pact in major Government Procurement
32	9/2/08	18.02.2008	Two day Work shop/Seminar regarding IT Procurement...
33	07/02/08	15.02.2008	Measures to curb the menace of counterfeit and refurbished IT products – regarding.
34	05/02/08	05.02.2008	Mobilization Advance
35	1/1/08	31.12.2007	Acceptance of Bank Guarantees.
36	43/12/07	28.12.2007	Adoption of Integrity Pact in major Government Procurement Activities
37	41/12/07	04.12.2007	Adoption of Integrity Pact in major Government Procurement Activities Modified Integrity Pact
38	23/7/07	05.07.2007	Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis.
39	14/4/07	26.04.2007	Use of Products with standard specification.
40	13/4/07	18.04.2007	Improving Vigilance administration by leveraging technology: Increasing transparency through effective use of website.
41	10/4/07	10.04.2007	Mobilization Advance.
42	4/3/07	03.03.2007	Tendering process-negotiation with L-1.

Sl.	Circular No.	Date	Subject
43	3/2/07	23.02.2007	Investigation of complaints by the CVOs – seizure of records reg.
44	40/11/06	22.11.2006	Improving vigilance administration by leveraging technology : Increasing transparency through effective use of websites in discharge of regulatory, enforcement and other functions of Govt. organizations.
45	37/10/06	03.10.2006	Tendering process – Negotiation with L1
46	31/09/06	01.09.2006	Posting of details of award of tenders/contracts on websites/bulletins.
47	15/05/06	09.05.2006	Transparency in Workshops/Purchase/Consultancy contracts awarded on nomination basis.
48	21/05/06	01.05.2006	Examination of Public Procurement (Works/Purchases/ Services) Contracts by CVOs
49	74/12/05	21.12.2005	Vigilance angle – definition of (partial modification regarding)
50	71/12/05	09.12.2005	Undertaking by the Members of the Tender Committee/ Agency.
51	98/VGL/25	10.11.2005	Intensive Examination of works by CTE's Organisation – Submission of quarterly progress report.
52	68/10/05	25.10.2005	Tendering process negotiation with L-1
53	57/09/05	20.09.2005	Details of award of tenders/contracts publishing on Websites/ Bulletins – Reminder regarding.
54	46/07/05	28.07.2005	Details of award of tenders/contracts Publishing on Websites/ Bulletins – Reminder regarding.
55	98/VGL/25	16.05.2005	Intensive Examination of Works by CTE's Organization – Submission of Quarterly Progress Report.
56	2EE-1-CTE-3	12.04.2005	Issues pertaining to negotiation with L-1
57	18/3/05	24.03.2005	Banning of business dealing with firms/contractors – clarification regarding.
58	15/3/05	24.03.2005	Notice inviting tenders – regarding.
59	13/3/05	16.03.2005	Details on award of tenders/contracts publishing on websites / Bulletins.
60	11/3/05	10.03.2005	Delay in payments to Contractors & Suppliers.
61	75/12/04	24.12.2004	Participation of consultants in tender - guidelines reg.
62	72/12/04	10.12.2004	Transparency in tendering system - Guidelines regarding.
63	69/11/04	03.11.2004	Turnkey contracts for net-working of Computer Systems.
64	68/10/04	20.10.2004	Leveraging Technology – e-payment and e-receipt.
65	43/7/04	02.07.2004	Improving Vigilance Administration; Increasing Transparency in procurement/sale etc. - Use of website regarding.
66	4CC-1-CTE-2	08.06.2004	Mobilization Advance.
67	05-04-1-CTE-8	08.06.2004	Receipt and Opening of Tenders.
68	No.12-02-1-CTE-6	07.05.2004	Pre-qualification criteria (PQ)
69	25/4/04	21.04.2004	Consideration of Indian Agents.
70	23/04/04	13.04.2004	Vigilance angle – definition of.
71	20/4/04	06.04.2004	Improving Vigilance Administration - Increasing Transparency and cutting delays by e-payments and e-receipt by Govt. Organizations etc.
72	10/2/04	11.02.2004	Improving Vigilance Administration – increasing Transparency in procurement/tender process – use of website – regarding.
73	9/2/04	09.02.2004	Improving Vigilance Administration – Increasing Transparency in procurement/sale – use of website regarding.
74	8/2/04	05.02.2004	Common irregularities in the award of contracts.
75	98/ORD/1	18.12.2003	Improving Vigilance Administration - Increasing Transparency in Procurement/Sale etc.
76	06-03-02- CTE-34	20.10.2003	Back to back tie up by PSUs - instructions regarding.
77	2EE-1-CTE-3	15.10.2003	Tender Sample Clause
78	46/9/03	11.09.2003	E-procurement/Reverse Auction.
79	44/9/03	04.09.2003	Irregularities in award of contracts
80	33/7/03	09.07.2003	Short-comings in bid documents.
81	98/ORD/1	05.05.2003	Purchase of computers by Govt. departments/ organization
82	98/ORD/1(Pt.IV)	12.03.2003	Use of web-site in Govt. procurement or tender process.
83	12-02-6-CTE-SPI(1)2	07.01.2003	Consideration of Indian Agents.
84	No.12-02-1-CTE-6	17.12.2002	Pre-qualification criteria (PQ)
85	No.OFF1 CTE1	25.11.2002	Appointment of Consultants.



86	98/ORD/1	03.08.2001	Improving Vigilance Administration- Tenders (H1)
87	98/ORD/1	24.08.2000	Improving Vigilance Administration - Tenders.
88	3(v)/99/9	01.10.1999	Applicability of CVC's instruction No.8(1)9h/98(1) dated 18/11/98 on post-tender negotiations to Projects of the World Bank & other international funding agencies.
89	No.98/ORD/1	15.03.1999	Improving vigilance administration – Tenders.
90	8(4)-E.II(A)/98	17.12.1998	Purchase of Computer Systems by Govt. Departments.
91	8(1)(h)/98(1)	18.11.1998	Improving vigilance administration (L1) (L1)
92	No.UU/POL/19	08.10.1997	Grant of interest free mobilization advance.
93	No.3L-IRC 1	10.01.1983	Appointment of Consultants.
94	No.3L PRC 1	12.11.1982	Irregularities/lapses observed in the construction works undertaken by Public sector undertakings/ banks.

CVC-Circular No. 01/04/14 dated 29.04.2014

Short-comings in bid documents

Ref.: Commission's circular No. 33/7/03 dated 9th July, 2003

The Commission has been impressing upon all Organizations to ensure transparency and fairplay in all procurements/contracts. One of the concern relates to the short-comings in framing of NITs and bid documents which results in ambiguity and scope for interpretation differently during processing and award of contracts by the organizations.

2. The Commission had vide its Office Order No. 33/7/03 dated 9th July, 2003, advised that whatever pre-qualification, evaluation/exclusion criteria, etc. which the organization wants to adopt should be made explicit at the time of inviting tenders so that basic concept of transparency and interests of equity and fairness are satisfied. The acceptance/rejection of any bid should not be arbitrary but on justified grounds as per the laid down specifications, evaluation/exclusion criteria leaving no room for complaints as after all, the bidders spend a lot of time and energy besides financial cost initially in preparing the bids and thereafter, in following up with the organizations for submitting various clarifications and presentations.

3. The above instructions are reiterated for compliance by all Ministries/Departments/ Organizations.

Sd/-
(J.Vinod Kumar)
Officer on Special Duty

CVC-Circular No. 18/12/12 dated 11.12.2012

Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis – req.

The Commission has been emphasising on the need for observing integrity, transparency, fairness and equity in all aspects of decision making including in tendering and award of contracts. However, the Commission is still receiving complaints regarding adoption of non-transparent methods in tendering and award of contracts. A number of such complaints pertain to award of nomination (single source procurement) basis instead of following a process of open competitive bidding. The Commission in their earlier office order No. 23/7/07 dated 05.07.2007 (copy enclosed) had laid down the exceptional circumstances where 'single source procurement' can be resorted to. These guidelines were consequent to the Supreme Court's judgement in case of Nagar Nigam, Meerut v/s A1 Faheem Meat Export Pvt. Ltd. [SLP (Civil) No. 1074 of 2006].

2. In view of the complaints being received regarding award of contracts on 'nomination basis' without adequate justification, the Commission has decided to reiterate their earlier instructions for strict implementation. The Commission has also observed that there have been instances where government organizations/PSUs obtain contract from other government organizations/PSUs and further award the same to private entities on 'back to back tie up' basis without competitive tendering mechanism and without any significant value addition by the procuring government organization/PSU. This practice subverts the Commission's emphasis on integrity, transparency, fairness and equity in decision making. It

is therefore, necessary to curb this practice. Further, the Commission directs that details of all tenders awarded on nomination basis shall be posted on website in public domain as per Commission's office order of 5th July 2007 along with brief reasons for doing so.

3. Kindly acknowledge the receipt and circulate to all concerned in your organization.

Sd/-
(J. Vinod Kumar)
Officer on Special Duty

CVC – Circular No. 06/07/12 dated 23.07.2012

Adoption of Integrity Pact-Standard Operating Procedure-reg.

In continuation of Commission's circular No. 10/5/09 dated 18.5.09 laying down "Standard Operating Procedure" for adoption of integrity Pact in major Govt. Department/organizations, the Commission has decided to lay down age criteria for appointment of IEMs. Commission has therefore resolved that at the time of appointment as IEM, the person concerned should be less than 70 years of age. On completion of tenure of initial three years if age of 70 years has been crossed, further extension of two years will not be admissible.

2. Accordingly, new sub-para i.e. 5.10 under Para 5 of the Commission's circular No. 10/5/09 dated 18.05.09 is added which may be read as under:

- 5.10 At the time of appointment as IEM the person should be less than 70 years of age. On completion of tenure of initial three years if age of 70 years has been crossed, further extension of two years will not be admissible.

Other provisions contained in Commission's circular No. 10/5/09 dated 18.5.09 would remain unchanged.

Sd/-
(Madhu Sham)
Deputy Secretary

CVC – Circular No. 15/07/12 dated 30.07.2012

Revised threshold values for submission of Quarterly Progress Report – QPR

In supersession to the Commission's earlier OMs on the subject, the threshold limits for reporting of the contracts in the QPR to the Commission, are revised as under:

	Works/Contracts	Revised Value
	Category-I:	
a)	Civil Works	
b)	Turnkey Works Contracts	
c)	Stores & Purchase	Rs.5 Crores & above
d)	PPP- Public Private Partnership [Cost/Revenue values]	
e)	Sale of Goods/Scrap/Land	
	Category-II:	
f)	Electrical/Mechanical works/Maintenance/ Service contracts including Electronics/ Instrumentation/Telecommunication/ Manpower Supply, etc.	Rs.1 Crores & above
g)	Medical Equipment	Rs.50 lakh & above
h)	Consultancy contracts	Rs.1 Crores & above

**Category-III:**

- | | | |
|----|---------------------|---------------------------|
| i) | Horticulture Works | Rs.10 lakh & above |
| j) | Supply of Medicines | 4 Largest Value Contracts |

1. QPRs should be submitted both in softcopy (in MS Excel format) through e-mail at qpr.te.general@nic.in as well as hardcopy separately for each sub-category mentioned above. For contracts below the threshold value, CVO may conduct CTE type of inspections and intimate the outcome to the Commission through their regular monthly/quarterly reports.
2. The revised limits would come into effect from July-September 2012 Quarter onwards.
3. The Commission is in the process of 'On-line' submission of QPR. The detailed instructions on this would follow. Meanwhile, organizations are requested to make necessary arrangement for on-line submission of QPRs and also documents (if called for). These facilities may be developed in next two months and confirmed to the Commission.
4. The following explanatory notes are for guidance regarding the QPRs.
 - i) Civil works also include marine, mining, excavation and transportation works.
 - ii) Electrical/Mechanical works also include air conditioning, fire fighting, fire alarm and all other allied works.
 - iii) In case there are no works awarded more than the threshold value mentioned under each sub-category, 2 contracts with highest value in each of such sub-category should be reported. In case no contracts are awarded, "Nil" QPRs may be sent.
 - iv) In case the orders are placed in foreign currency, the threshold limit would be determined based on conversion of foreign currency with Indian Rupee at the exchange rate defined in the tender documents. However the currency of payments may also be indicated as per the contract.
 - v) Contracts awarded on Assignment/Nomination/Single Tender/OEM/OES/PAC
(*) basis falling in the above categories shall also be reported.
(*) OEM: Original Equipment Manufacturer
OES: Original Equipment Supplier
PAC: Proprietary Article Certificate
 - vi) For furnishing the QPR related to Sale Contracts [sub-category-I (e)], the QPR may also to indicate the value as per reserve price besides the sale price.
 - vii) The organizations shall report all types of contracts irrespective of their role as Client/Owner or Engineer-in-Charge of the Contract or Project Management/ Supervision Consultant.
 - viii) All works whether in India or outside India in progress, contracts awarded and the works completed during the quarter shall be included in the QPR. In respect of works completed during the relevant quarter, the actual date of completion shall be indicated.
 - ix) CVO to certify on the QPR that all the Works/Purchases/ Consultancies and other contracts required to be reported as per circular have been included in the QPR.
5. In case of any doubt regarding threshold value or the type of contract, the CTE Organization of the Commission may be consulted.
6. The contents of the circular may be brought to the notice of all concerned.

Sd/-
(Ramesh Chandra)
Chief Technical Examiner

CVC – Circular No. 12/06/12 dated 12/06/2012

Reporting of fraud cases to police/State CIDs/Economic Offences Wing of State police by Public Sector Banks.

In partial modification of Commission's circular No. 30/08/10 dated 17.08.2010, it has been decided to enhance the threshold limit for reporting of Bank fraud cases by Local Police/State Police and CBI. Henceforth following monetary limits would be followed to refer financial fraud investigations to the BS&FC unit of the CBI and the Local/State police:-

Cases to be referred to CBI

- a) Cases of ₹3 crore and upto ₹15 crore:-
- Where staff involvement is prima-facie CBI (Anti-Corruption Branch)

- evident
 - Where staff involvement is prima-facie CBI (EOW Branch)
 not evident

b) All cases of ₹15 crore and above BS&FC Unit of CBI

Cases to be referred to the Local/State Police

Cases below ₹3 crore - Local police/State police.

2. Other provision contained in Commissions circular referred above would remain unchanged.
3. Relevant provisions of para 6.3 of the Special Chapter on Vigilance Management in Public Sector Banks stands amended to the extent.

Sd/-
 (Madhu Sham)
 Deputy Secretary

CVC – Circular No. 03/01/12 dated 13/01/2012

Consideration of Indian Agents

Ref: Commission's Circular Nos. 12-02-6-CTE/SPI(I)-2 dated 7.01.2003 and 21.04.2004

The Commission has been stressing on the need for observing transparency and determination of prices in a fair market competition while dealing with the tenders relating to procurement. The above OMs were issued to reduce the possibility of collusion and cartelization among the bidders so that competitive fair market price of the items of procurement can be determined.

2. A number of references have been received in the Commission citing certain specific situations and difficulties being faced in dealing with tenders. Therefore, the matter has been again examined by the Commission.

3. In supersession to the earlier OMs dated 7.01.2003 and 21.04.2004, Commission has decided that in all cases of procurement, the following guidelines may be followed:

- a) In a tender, either the Indian agent on behalf of the Principal/OEM itself can bid but both cannot bid simultaneously for the same item/product in the same tender.
- b) If an agent submits bid on behalf of the Principal/OEM, the same agent shall not submit a bid on behalf of another Principal/OEM in the same tender for the same item/product.

4. The tender conditions may be carefully prepared keeping in view the above guidelines.

5. The receipt of these guidelines may please be acknowledged and circulated amongst the concerned officials for their information and guidance.

Sd/-
 (J.Vinod Kumar)
 Officer on Special Duty

CVC – Circular No. 01/01/2012 dated 12/01/2012

Guidelines for compliance to Quality Requirements of e-Procurement Systems

Ref.: Commission's Circular No. 23/06/010 dated 23/06/2010

Commission has been advocating leveraging of technology for activities prone to corruption since 2006 and one of the prominent initiatives was adoption of e-procurement for goods, works and services by all Ministries/Departments/ Organizations. Commission advised all Organizations to ensure security of the e-procurement systems and to get their system certified by Department of Information Technology (DIT).

2. DIT in turn requested its attached office STQC (Standardisation, Testing and Quality Certificate) Directorate to establish necessary processes and systems to enable certification of e-Procurement



systems. Accordingly, the guidelines prepared by STQC in this regard approved and notified by the DIT is available on egovstandards website [www.egovstandards.gov.in]. The guidelines are also available on Commission's website www.cvc.nic.in (link-circular/instructions). All the Ministries/Departments/Organisations are advised to use these guidelines for compliance to Quality Requirements for certifying the e-Procurement systems.

Sd/-
(J.Vinod Kumar)
Officer on Special Duty

CVC – Circular No. 12/10/11 dated 28/10/2011

Applicability of CVC's guidelines on post tender negotiations with regard to projects funded by World Bank and other international funding agencies like IMF, ADB etc.

Reference have been received seeking clarification whether the Commission's guidelines contained in Circular No. 3(V)/99/9 dated 1st October 1999 are binding even for the projects which are funded by international funding agencies like World Bank, ADB etc.

2. Para 2 of the Commission's Circular dated 1st October 1999 is reproduced as under:-

"It has been decided after due consideration, that in so far as the World Bank Projects and other international funding agencies such as IMF, ADB etc. are concerned, the department/organizations have no other alternative but to go by the criteria prescribed by the World Bank/concerned agencies and the Commission's instructions would not be applicable specifically to those projects. However, the instructions of the CVC will be binding on purchase/sales made by the departments within the country. The CVC's instructions of 18/11/98 will apply even if they are made with source outside the country and if they are within the budget provisions and normal operations of the Department/Organization".

3. It is clarified that the Commission's guidelines would not be applicable in projects funded by the World Bank, ADB etc., if found to be in conflict with the applicable procurement rules of the funding agencies.

4. This may be brought to the notice of all concerned.

Sd/-
(J.Vinod Kumar)
Officer on Special Duty

CVC – Circular No. 11/09/11 dated 12/09/2011

Recoveries arising out of intensive examination conducted by Chief Technical Examiner Organisation (CTEO) of the commission

Instances have come to notice that some organizations while notifying/effecting recoveries from the contractors bills indicate that the recoveries are consequent to the observations made by the CTEO.

In this connection, it may be noted that the contracts are primarily between the executing agency and the contractor. Any endorsements that the recoveries are being made at the instance of a third party could weaken the department's case during arbitration or court proceedings. Further, the observations/advice of the Commission are required to be considered by the executing agencies in terms of the contract and recoveries are to be enforced as admissible as per the conditions of the contract. The organizations are advised that justification / reasons for recoveries in line with contract clauses should be recorded while notifying / effecting recoveries from the contractors.

It is requested that these instructions may be notified to all concerned.

Sd/-
(Anil Singhal)
Chief Technical Examiner

CVC – Circular No. 08/06/11 dated 24/06/2011**Selection and employment of Consultants**

The issue of role and professional liability of consultants in government contracts has been under consideration in the Commission for quite some time. The Commission has decided that following guidelines, be kept in view while finalising the contracts for engaging consultants.

1. Conflict of Interest. The consultant shall not receive any remuneration in connection with the assignment except as provided in the contract. The consultant and its affiliates shall not engage in consulting or other activities that conflict with the interest of the employer under the contract.

The contract shall include provisions limiting future engagement of the consultant for other services resulting from or directly related to the firm's consulting services in accordance with following requirements:-

(a) The consultants shall provide professional, objective, and impartial advice and at all times hold the employer's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own interest. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other employers, or that may place them in a position of being unable to carry out the assignment in the best interest of the employer. Without limitation on the generality of the foregoing, consultants shall not be hired under the circumstances set forth below:

(i) **Conflict between consulting activities and procurement of goods, works or non-consulting services (i.e. services other than consulting services covered by these Guidelines)** - A firm that has been engaged by the employer to provide goods, works, or non-consulting services for a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from subsequently providing goods, works, or services (other than consulting services covered by these Guidelines) resulting from or directly related to the consulting services for such preparation or implementation. This provision does not apply to the various firms (consultants, contractors, or suppliers) which together are performing the Contractor's obligations under a turnkey or design and build contract.

(ii) **Conflict among consulting assignments** - Neither consultants (including their personnel and sub-consultants), nor any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants assisting an employer in the privatization of public assets shall neither purchase, nor advise purchasers of, such assets. Similarly, consultants hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.

(iii) **Relationship with Employer's staff** – Consultants (including their experts and other personnel, and sub-consultants) that have a close business or family relationship with a professional staff of the Employer (or of the project implementing agency) who are directly or indirectly involved in any part of: (i) the preparation of the TOR for the assignment, (ii) the selection process for the contract, or (iii) the supervision of such contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Employer throughout the selection process and the execution of the contract.

(iv) **A consultant shall submit only one proposal**, either individually or as a joint venture partner in another proposal. If a consultant, including a joint venture partner, submits or participates in more than one proposal, all such proposals shall be disqualified. This does not, however, preclude a consulting firm to participate as a sub-consultant, or an individual to participate as a team member, in more than one proposal when circumstances justify and if permitted by the RFP.

(b) **Unfair Competitive Advantage** - Fairness and transparency in the selection process require that consultants or their affiliates competing for a specific assignment do not derive a competitive advantage



from having provided consulting services related to the assignment in question. To that end, the Employer shall make available to all the short listed consultants, together with the request for proposals, all information that would in that respect give a consultant a competitive advantage.

2. **Professional Liability** – The consultant is expected to carry out its assignment with due diligence and in accordance with prevailing standards of the profession. As the consultant's liability to the Employer will be governed by the applicable law, the contract need not deal with this matter. The client (purchaser) may, however, prescribe other liabilities depending on the requirement in each case without any restriction on the Consultant's liability as per the applicable law.

The Commission desires that the above guidelines be brought into the notice of all concerned.

Sd/-
(J. Vinod Kumar)
Officer on Special Duty

CVC – Circular No. 02/02/11 dated 17.02.2011

Mobilization Advance

Commission had earlier issued guidelines on granting of 'Mobilization Advance' vide OM No.UU/POL/18 dated 08.12.1997, OM No.4CC-1-CTE-2 dated 08.06.2004 and OM No.4CC-1-CTE-2 dated 10.04.2007.

2. The matter has been further reviewed and it has decided by the Commission that following additional guidelines may be followed in case of grant of Mobilization Advance.

- (i) The Bank Guarantee etc. taken towards security of 'Mobilization Advance' should be at least 110% of the advance so as to enable recovery of not only principal amount but also the interest portion, if so required.
- (ii) The mobilization advance should not be paid in less than two installments except in special circumstances for the reasons to be recorded. This will keep check on contractor misutilizing the full utilization advance when the work is delayed considerably.
- (iii) A clause in the tender enquiry and the contract of cases providing for interest free mobilization advances may be stipulated that if the contract is terminated due to default of the contractor, the 'Mobilization Advance' would be deemed as interest bearing advance at an interest rate of _____%, (to be stipulated depending on the prevailing rate at the time of issue of NIT) to be compounded quarterly.

Sd/-
(Anil Singhal)
Chief Technical Examiner

CVC – Circular No. 01/02/11 dated 11.02.2011

Transparency in Tendering System

There have been instances where the equipment/plant to be procured is of complex nature and the procuring organization may not possess the full knowledge of the various technical solutions available in the market to meet the desired objectives of a transparent procurement that ensures value for money spent simultaneously ensuring upgradation of technology & capacity building.

2. The Commission advises that in such procurement cases where technical specifications need to be iterated more than once, it would be prudent to invite expression of interest and proceed to finalise specifications based on technical discussions/presentations with the experienced manufacturers/suppliers in a transparent manner. In such cases, two stage tendering process may be useful and be preferred. During the first stage of tendering, acceptable technical solutions can be evaluated after calling for the Expression of Interest (EOI) from the leading experienced and knowledgeable manufacturers/suppliers in the field of the proposed procurement. The broad objectives, constraints etc. could be published while calling for EOI, On receipt of the Expressions of Interest, technical discussions/presentations may be held with the short-listed manufacturers/suppliers, who are prima facie considered technically and financially

capable of supplying the material or executing the proposed work. During these technical discussions stage the procurement agency may also add those other stake holders in the discussions who could add value to the decision making on discussions/presentations so held, one or more acceptable technical solutions could be decided upon laying down detailed technical specifications for each acceptable technical solution, quality bench marks, warranty requirements, delivery milestones etc. in a manner that is consistent with the objectives of the transparent procurement. At the same time care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidders. Proper record of discussions/presentations and the process of decision making should be kept.

3. Once the technical specifications and evaluation criteria are finalized, the second stage of tendering could consist of calling for techno commercial bids as per the usual tendering system under single bid or two bid system, as per the requirement of each case. Final selection at this stage would depend upon the quoted financial bids and the evaluation matrix decided upon.

4. Commission desires that organizations formulate specific guidelines and circulate the same to all concerned before going ahead with such procurements.

Sd/-
(Anil Singhal)
Chief Technical Examiner

CVC – Circular No. 34/10/10 dated 07/10/2010

Design Mix Concrete

During inspection of works of many organizations, it has been observed that provisions of IS 456:2000 are neither being followed for designing the concrete mix nor for acceptance criteria. Instances of acceptance of concrete on basis of false certification and without actually testing the cubes for 28 days strength have also been observed. The following deficiencies are brought to the notice of all organizations for immediate corrective action:

1. Minimum cement content, maximum water cement ratio and minimum grade of concrete for different exposures are not adopted as per the details given in Table 5 of above code.
2. Value of standard deviation is not being established on the basis of results of 30 samples as provided in Table 11 of the above code even for works where more than 30 samples have been tested.
3. For acceptance criteria mean of a group of 4 non overlapping consecutive test results is not being calculated.
4. The samples where individual variations are more than $\pm 15\%$ of average of three specimens are not declared invalid as per the provisions of clause 15.4 of the Code.
5. The concrete is being declared meeting the acceptance criteria which is not in conformity of codal provisions.

Most of the organizations are not even aware about the amendment No. 3 of 2007 modifying clause 15.1.1 of IS 456:2000. All organizations are directed to ensure that provisions of IS 456:2000 read with amendment No. 3 should be followed scrupulously for cement concrete and reinforced cement concrete. Non compliance of the provisions shall be viewed seriously.

Sd/-
(V.K. Gupta)
Chief Technical Examiner

CVC – Circular No. 31/08/10 dated 13.08.2010

Adoption of Integrity Pact – Standard Operating Procedure (SOP) – reg.

The Commission vide its circular No.10/5/09 dated 18.5.09 issued guidelines on "Standard Operating Procedure (SOP) for implementation of Integrity Pact in Ministries/ Departments/Organisations. Section 6.02 of the SOP provides financial impact review through independent agency and physical review through an NGO.



2. The Commission has since reviewed the provisions contained in para 6.02 of the SOP and is of the view that it would be difficult to undertake a separate assessment on the impact of implementation of Integrity Pact in an organisation and has therefore decided to delete Section 6.02(i) & 6.02(ii) of the said circular. All organizations implementing IP would however, undertake a general review and assessment of implementation of IP and submit progress through CVO's monthly report to the Commission.

Sd/-
(Vineet Mathur)
Director.

CVC – Circular No. 23/06/10 dated 23.06.2010

Leveraging of Technology for improving vigilance administration in the National E-Governance Plan.

The Commission observes that e-procurement software, security and implementation is a new area and needs improvement. E-Procurement provides a platform for the collaborative procurement of goods, works and services using electronic methods at every stage of the procurement process. The e-procurement platform transacts confidential procurement data and is exposed to several security threats. Department of Information Technology could be best placed to address issues relating to e-procurement. In order to ensure proper security of the e-procurement system all Departments/Organizations are advised to get their system certified by Department of Information Technology.

Sd/-
(Shalini Darbari)
Director.

CVC – Circular No. 21/05/10 dated 02.06.2010

Delay in initiating Disciplinary Proceedings.

During Intensive Examination of contracts/complaints by CTEO/CVC or CVOs of various organizations excess payments to the contractors have been observed which may be either due to ambiguity in the contract or misinterpretation of various clauses of the contract. In some of the cases variations in the contract clauses or specifications are allowed without financial adjustments, thus, giving undue benefit to the contractors.

2. In such cases, two-fold actions is normally recommended by CVC -
- (i) for Identifying the officials responsible for making excess payments involving vigilance angle.
 - (ii) to recover such excess payments from the contractors.
- In number of cases contractors invoke arbitration to avoid such recoveries and in addition submit huge claims to deter the authorities from making recoveries. CVOs in such cases delay the process of Identifying the officials citing reference to arbitration as an excuse and the organization also fails to affect the recoveries citing reference to arbitration by the contractor.
3. In view of the above, following directions are hereby issued:
- (a) Whenever, any excess payment is detected, it should be recovered from the contractor from the available amount at the first opportunity following due procedure prescribed in the contract, unless any stay has been granted by any Court.
 - (b) Reference to arbitration should not be linked with investigation and for Identifying the officials responsible for lapses/excess payment involving mala-fide intentions/vigilance angle. CVOs should immediately investigate the case to identify the officials for lapses attributable to them and should approach the Commission for first stage advice without any delay.

Sd/-
(V.K. Gupta)
Chief Technical Examiner

CVC – Office Order No. 19/05/10 dated 19.05.2010

Transparency in Works/Purchase/Consultancy contracts awarded on Nomination basis.

Commission vide Circular No.15/5/06 dated 09.05.2006 had prescribed certain measures to be followed on works/purchase/consultancy contracts awarded on nomination basis by PSUs. These instructions have since been reviewed in the Commission and the Commission is of the view that the Board of the PSU is not required to scrutinize or post facto vet the actions of the operational managers and their decisions to award work on nomination basis.

2. Therefore, the following amendment is being made in sub-para (i) of Para 2 of Commission's above circular:-

"All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post facto"

Read as

"All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for information".

Sd/-
(Vineet Mathur)
Director

CVC – Circular No. 18/04/2010 dated 26.04.2010

Implementation of e-tendering solutions – check list

Guidelines were prescribed in this office OM of even number, dated 17.09.2009, on the above-cited subject, advising organizations to take due care to see that effective security provisions are made in the system to prevent any misuse. It has been observed during security audit carried by CTEO that e-procurement solutions being used by some of the organizations lack security considerations as envisaged in the Commission's guidelines dated 17.09.2009. Some of the shortcomings/deficiencies are of repetitive nature.

A check list to achieve security considerations in e-Procurement solutions is enclosed for information. Organisations concerned may follow the same while implementing e-tendering solutions to address the security related concerns.

2. It is clarified that while ensuring fair play, transparency and open tendering procedure for e-tendering solutions, the organizations must take due care to see that effective security provisions are made in the system to prevent any misuse. In this regard, the guidelines on security related issues in e-tendering systems are enclosed for information. Organizations concerned may follow these guidelines while implementing e-tendering solutions to contain the security related loop holes.

Sd/-
(V. Ramachandran)
Chief Technical Examiner

CHECK POINTS TO ACHIEVE SECURITY CONSIDERATIONS IN E-PROCUREMENT SOLUTIONS

Sl.	SECURITY CONSIDERATIONS	Please Tick ✓	
1.	Whether the application is secure from making any temporary distortion in the electronic posting of tender notice, just to mislead certain vendors?	Yes	No
2.	If yes at 2 above, then whether any automatic systems alert is provided in the form of daily exception report in the application in this regard?	Yes	No
3.	Whether application ensures that the tender documents issued to / downloaded by bidders are complete in shape as per the approved tender documents including all its corrigendum?	Yes	No
4.	Is there any check available in the application to detect & alert about the missing pages to the tenderer, if any?	Yes	No
5.	Whether application ensures that all the corrigendum issued by the	Yes	No



	Competent Authority are being fully communicated in proper fashion to all bidders including those who had already purchases / downloaded the bid documents well ahead of the due date & before uploading the corrigendum?		
6.	Whether system is safe from sending discriminatory communication to different bidders about the same e-tendering process?	Yes	No
7.	Whether e-procurement solution has also been customized to process all type of tenders viz Limited / Open / Global Tenders?	Yes	No
8.	Whether online Public Tender opening events feature are available in the application?	Yes	No
9.	Whether facilities for evaluation / loading of bids, strictly in terms of criteria laid down in bid documents are available in the application?	Yes	No
10.	Whether sufficient safeguards have been provided in the application to deal with failed attempt blocking?	Yes	No
11.	Whether application is safe from submission of fake bids?	Yes	No
12.	Whether encryptions of bids are done at clients end?	Yes	No
13.	Whether safety against tampering and stealing information of submitted bid, during storage before its opening, is ensured?	Yes	No
14.	Whether application is safe from siphoning off and decrypting the clandestine copy of a bid encrypted with Public key of tender opening officer?	Yes	No
15.	Whether application is safe from mutilation / sabotage or otherwise rendering the encrypted bid in the e-tender box during storage, to make it unreadable / invalid in any form, before opening of the bids?	Yes	No
16.	Whether introduction of special characters / executable files etc by users are restricted in the application?	Yes	No
17.	Whether validity check of DSC is being done at server end?	Yes	No
18.	Whether system supports the feature that even though if a published tender is being deleted from the application, system does not allow permanent deletion of the published tender from the Database?	Yes	No
19.	Whether sufficient security features are provided in the application for authentication procedure of the system administrator like ID, password, digital signature, biometric etc?	Yes	No
20.	Whether audit trails are being captured in the application on media not prone to tampering, such as optical write once?	Yes	No
21.	Whether log shipping feature is available, where a separate dedicated server receives the logs from the application over a web service in real time?	Yes	No
22.	Whether integrity and non-tampering is ensured in maintaining the server clock synchronization & time stamping?	Yes	No
23.	Whether application generates any exception report / system alerts etc to indicate the resetting of the clock, in case the application for time stamping is killed at the server level and time is manipulated?	Yes	No
24.	Whether application ensures that the quotes from various bidders with their name are not being displayed to any one including to the Organisation during carrying out of the e-reverse auctioning process?	Yes	No
25.	Whether application is fit for usage complying with the requirements of tender processing viz Authenticity of tenderer, non-repudiation and secrecy of information till the actual opening of tenders.	Yes	No
26.	Whether any comprehensive third party audit (as per statutory requirement and also as per the requirements of e-tender processing (compliance to IT Act 2000)) was got conducted before first putting it to public use?	Yes	No
27.	Whether application complies with the Commission's Guidelines dated 17.09.2009 on Security considerations for e-procurement Systems.	Yes	No

CVC – Circular No. 17/04/2010 dated 19.04.2010

Integrity Pact – Selection and Recommendation of Independent External Monitors (IEMs).

The Commission receives a number of requests for implementation of Integrity Pact in Government of India organizations and Public Sector Undertakings. Organizations desirous of implementing Integrity Pact are required to forward at most three names of Independent External Monitors along with the proposal to the Commission for its approval.

2. The Commission would consider names for appointment of Independent External Monitors of only those officers of Government of India departments or Public Sector Undertakings, who have retired from top management positions. The Commission would not consider the name of an officer / executive, who is either serving or who has retired from the same organization to be an IEM in that organization, although they may have served in the top management. Eminent persons, executives of private sector of considerable eminence could also be considered for functioning as Independent External Monitors and names recommended to the Commission for approval.

3. The appointment of Independent External Monitors would be for an initial period of three years and could be extended for another term of two years on a request received in the Commission from the organization appointing the Independent External Monitor. An Independent External Monitor can have a maximum tenure of 5 years in an organization with an initial term of three years and another term of two years.

4. Organizations recommending the names of Independent External Monitors are to select and forward the names to the Commission after due diligence and scrutiny.

Sd/-
(Vineet Mathur)
Director

CVC – Circular No. 01/01/2010 dated 20.01.2010

Tendering Process – Negotiations with L1

Attention is invited to the Commission's Circular No.4/3/07 dated 3.3.07 on the issued of "**Tendering Process – Negotiations with L1**".

In the said circular it has, among other things, been stated "As post tender negotiations could often be a source of corruption, it is directed that there should be no post tender negotiations with L1, except in certain exceptional situations". It has come to Commission's notice that this has been interpreted to mean that there is a ban on the post tender negotiations with L-1 only and there could be post tender negotiations with other than L1 i.e. L2, L3 etc. this is not correct.

It is clarified to all concerned that – there should normally be no post tender negotiations. If at all negotiations are warranted under exceptional circumstances, then it can be with L1 (Lowest tenderer) only if the tender pertains to the award of work/supply orders etc. where the Government or the Government company has to make payment. However, if the tender is for sale of material by the Government or the Govt. company, the post tender negotiations are not to be held except with H1 (i.e. Highest tenderer) if required.

2. All other instructions as contained in the circular of 3.3.2007 remain unchanged.

3. These instructions issue with the approval of the Commission and may please be noted for immediate compliance.

Sd/-
(V. Ramachandran)
Chief Technical Examiner

**CVC – Circular No. 31/10/09 dated 09.11.2009****Review of Purchase Preference Policy for Products and Services of Central Public Sector Enterprises (CPSEs) in view of the judgement of the Supreme Court of India in the matter of M/s. Caterpillar India Pvt. Ltd. v/s. Western Coalfields Ltd. and Ors dated 18.5.2007.**

The Department of Public Enterprises has issued guidelines vide O.M. No.DPE/13(15)/ 2007-Fin. Dated 21.11.2007 on the subject cited above which reiterates DPE's earlier guidelines dated 18.07.2005. Further, it also provides that Preferential Policy framed for the specific sectors by the concerned Ministry/Department within relevant Act of Parliament or otherwise don't come within the purview of these guidelines. However, the DPE OM Dated 21/11/2007, lays down that the concerned Ministry/Department may independently evolve/review preferential policies for the sectors of their concern as per their requirement. A copy of DPE's O.M dated 21/11/2007 is enclosed for reference.

2. The Commission has desired that if any Ministry/Department has evolved a Purchase Preference Policy pursuant to the DPE Guidelines, the same may be brought to the notice of the Commission.

Sd/-
(Shalini Darbari)
Director

**CHAPTER VI
PRICE/PURCHASE PREFERENCE****12. DPE/Guidelines/VI/12****Review of Purchase Preference Policy for Products and Services of Central Public Sector Enterprises (CPSEs) in view of the judgement of the Supreme Court of India in the matter of M/s. Caterpillar India Pvt. Ltd. v/s. Western Coalfields Ltd. and Ors dated 18.5.2007.**

The undersigned is directed to refer to this Department's O.M. no.DPE.13(12)/2003-Fin. Vol.II dated 18.7.2005 regarding extension of Purchase Preference Policy for Products and Services of CPSEs for a further period of three years beyond 31.3.2005 with certain modifications.

2. The Supreme Court of India in its judgement in the transferred Civil Petitions of 2004 from the different High Courts in the matter of M/s. Caterpillar India Pvt. Limited v/s Western Coalfields Limited and Ors. Observed that imposing a condition like purchase preference no option is left and a monopoly is being created. Any increase in the effectiveness of PSEs cannot be done on a uniform basis without examination as to whether such protection is necessary for a particular PSE. Further, it has to be examined on a case to case basis as to whether any differential treatment is called for. There may not be any competition left if 10% margin is allowed. It was also contended that the preference should be given PSE specific and the margin to be allowed should be examined rationally. Because the substitution of the word 'may' by 'will' there is essentially a reversal of the policy. While giving this judgement, the Supreme Court also expressed its views which inter-alia includes the following:

- (a) Industry-wise assessment to be done by the concerned Ministries and in case of cost effectiveness is achieved by any PSEs there may not be any need for extending preference to such PSEs. Such examination should be done on the line as to whether any preference is at all called for and the extent of margin of preference to be allowed, which would also ensure level playing field for others. Further, while splitting the tenders, the minimum quantity/amount should be so fixed as to ensure that it is rational and there is no element of uncertainty. In other words, there should not be any rigid/inflexible purchase preference policy without examination as to whether such protection is necessary for a particular PSE.
- (b) Present practice of allowing uniform margin of 10% over the L-1 bidder, as purchase preference to CPSEs, has to be reviewed and margin should be fixed PSE specific by the concerned Ministry on a rotational basis;

- (c) The overall impact of such preference to be allowed on foreign direct investment has also to be assessed/considered.

The Supreme Court through its judgement dated 18.5.2007 interalia directed that the exercise, as noted above shall be undertaken by the concerned Ministry of the Central Government within a period of 4 months from the date of the judgement.

3. In view of the above mentioned judgement of the Supreme Court of India, the Government again reviewed the Purchase Preference Policy for Products and services of Central Public sector Enterprises on 25.10.2007 and decided to reiterate its decision dated 30.6.2005 that the purchase preference policy will be terminated with effect from 31.3.2008. The Government also decided that the preferential purchase policies framed for the specific sectors by the concerned Ministries/Departments within relevant Act of Parliament or otherwise do not come within the purview of this decision. The concerned Ministry/Department may independently evolve/review preferential policies for the sectors of their concern, as per their requirement.

4. All the administrative Ministries/Departments are requested to take note of the above mentioned decision of the Government and also bring it to the notice of the CPSEs under their administrative control for information and necessary compliance.

(DPE OM No.DPE/13(15)/2007-Fin dated 21st November 2007)

CVC – Circular No. 29/9/09 dated 17.09.2009

Implementation of e-tendering solutions

Guidelines were prescribed in this office OM of even number, dated 13/01/2009, on the above-cited subject, advising organizations to follow a fair, transparent and open tendering procedure, to select the application service provider for implementing their e-tendering solutions.

2. It is clarified that while ensuring fair play, transparency and open tendering procedure for e-tendering solutions, the organizations must take due care to see that effective security provisions are made in the system to prevent any misuse. In this regard, the guidelines on security related issues in e-tendering systems are enclosed for information. Organizations concerned may follow these guidelines while implementing e-tendering solutions to contain the security related loop holes.

Sd/
(V. Ramachandran)
Chief Technical Examiner

CVC – Circular No. 13/06/09 dated 11/08/2009

Intensive examination of CTE – Steps for early finalization of pending vigilance references with CVOs- reg.

The Chief Technical Examiner's Organisation of the Commission conducts independent technical examination of various types of works/contracts/procurements awarded by the organizations, falling within the jurisdiction of the Commission. After intensive examination of the work is carried out by the CTE's organization, an inspection report is sent to the CVO. The CVO is required to obtain comments of various officers of the organization at appropriate levels and furnish the same to the CTE alongwith CVOs comments thereon. In cases, wherein, the CTE recommends investigation of the matter from a vigilance angle, the CVO of the organization is required to investigate and submit a report/reference to the Commission.

2. On a review of the pending CTE paras referred for vigilance investigation to the various CVOs, the Commission observes that a large number of references are pending for submission of reports with the CVOs inordinately. Another factor which contributes to the delay is absence of clarity and also incomplete/inconclusive reports/references made by CVOs. In order to sort out the long pending paras referred for vigilance investigation with the organizations and to appreciate the perceived vigilance angle in such references of CTE, the CVOs of the organizations may consider arranging interactive discussions



with the CTE either at Delhi or during the visit of CTE at various stations for guidance in the matter of preparing vigilance investigation reports.

3. The organization-wise list of pending vigilance references of CTE is enclosed as **Annexure'A'**. The CVO's concerned may take further necessary action as suggested in para 2 above expeditiously.

Sd/-

(V.K. Gupta)

Chief Technical Examiner

Guidelines on Security considerations for e-procurement System

1.0 E-Procurement System

E-procurement provides a platform for the collaborative procurement of goods works and services using electronic methods at every stage of the procurement process. The e-procurement platform transacts confidential procurement data and is exposed to several security threats. Agencies World over face threats to their online e-procurement platforms and the same are addressed by employing a combination of security features and security best practices which result in reduced threat of data loss, leakage or manipulation.

2. Security of e-Procurement system.

2.1 Security of e-procurement system is essentially an amalgamated output of Security of Infrastructure, Application and Management. Assuming the management issues are taken care of the following aspects of Infrastructure and Application are essential to have a fairly secure e-Procurement.

2.2 Security Infrastructure level:

Issues	Best Practices to achieve security considerations
Perimeter Defense	Deployment of routers, Firewalls, IPS/IDS, Remote Access and network segmentation.
Authentication	Network authentication through deployment of password policy for accessing the network resources. To minimize unauthorized access to the e-procurement system at system level.
Monitoring	Deployment of logging at OS/ network level and monitoring the same.
Secure configuration of the network host	The security of individual servers & workstations is a critical factor in the defence of any environment, especially when remote access is allowed. Workstations should have safeguards in place to resist common attacks.
System patching	As the vulnerability of the system are discovered almost regularly and the system vendors are also releasing the patches. It is expected the host are patched with latest security updates released by the vendors.
Control of malware	Suitable control like anti-virus, anti spyware ext. should be deployed on the host associated with e-procurement system. However, option for running the services at non-privileged user profile may be looked for. Otherwise, suitable operating system which is immune to virus, Trojan and malware may be deployed.

2.3 Security at Application level:

2.3.1 Security during design.

Issues	Best Practices to achieve security considerations
Authentication	The authentication mechanism of the e-procurement application should ensure that the credentials are submitted on the pages that are server under SSL.
Access Control	The application shall enforce proper access control model to ensure that the parameter available to the user cannot be used for launching any attack.
Session management	The design should ensure that the session tokens are adequately protected from guessing during an authenticated session.
Error handling	The design should ensure that the application does not present user error messages to the outside world which can be used for attacking the application.
Input validation	The application may accept input at multiple points from external sources, such as

	<p>users, client applications, and data feeds. It should perform validation checks of the syntactic and semantic validity of the input. It should also check that input data does not violate limitations of underlying or dependent components, particularly string length and character set.</p> <p>All user-supplied fields should be validated at the server side.</p>
Issues	Best Practices to achieve security considerations
Application logging and monitoring.	<p>Logging should be enabled across all applications in the environment. Log file data is important for incident and trend analysis as well as for auditing purposes.</p> <p>The application should log failed and successful authentication attempts, changes to application data including user accounts, server application errors, and failed and successful access to resources.</p> <p>When writing log data, the application should avoid writing sensitive data to log files.</p>

2.3.2 Security during application deployment and use.

Issues	Best Practices to achieve security considerations
Availability Clustering. Load balancing.	Depending on the number of expected hits and access the options for clustering of servers and load balancing of the web application shall be implemented.
Application and data recovery.	Suitable management procedure shall be deployed for regular back-up of application and data. The regularity of data backup shall be in commensurate with the nature of transaction / business translated into the e-procurement system.
Integrity of the Application control of source code. Configuration management	Suitable management control shall be implemented on availability of updated source code and its deployment. Strict configuration control is recommended to ensure that the latest software in the production system.

2.3.3 Security in Data storage and communication.

Issues	Best practices to achieve security considerations
Encryption for data storage.	<p>Sensitive data should be encrypted or hashed in the database and file system. The application should differentiate between data that is sensitive to disclosure and must be encrypted, data that is sensitive only to tampering and for which a keyed hash value (HMAC) must be generated, and data that can be irreversibly transformed (hashed) without loss of functionality (such as passwords). The application should store keys used for decryption separately from the encrypted data.</p> <p>Examples of widely accepted strong ciphers are 3DES, AES, RSA, RC4 and Blowfish. Use 128-bit Keys (1024 bits for RSA) at a minimum.</p>
Data transfer security	<p>Sensitive data should be encrypted prior to transmission to other components. Verify that intermediate components that handle the data in clear-text form, prior to transmission or subsequent to receipt, do not present an undue threat to the data. The application should take advantage of authentication features available within the transport security mechanism.</p> <p>Specially, encryption methodology like SSL must be deployed while communicating with the payment gateway over public network.</p>
Issues	Best practices to achieve security considerations
Access control.	<p>Applications should enforce an authorization mechanism that provides access to sensitive data and functionality only to suitably permitted users or clients.</p> <p>Role-based access controls should be enforced at the database level as well as at the application interface.</p> <p>This will protect the database in the event that the client application is exploited.</p> <p>Authorization checks should require prior successful authentication to have occurred.</p>



All attempts to obtain access, without proper authorization should be logged.

Conduct regular testing of key applications that process sensitive data and of the interfaces available to users from the Internet include both "black box" informed" testing against the application. Determine if users can gain access to data from other accounts.
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3.0 Some of the other good practices for implementers of e-procurement to achieve security considerations are as follows:

3.1 Common unified platform for all department.

A single platform to be used by all departments across a State / Department / Organisations reduces the threat to security of data. With a centralized implementation, where in the procurement data is preferably hosted and maintained by the State / Department / Organisations itself, concerns of security and ownership of data are well addressed. A common platform further facilitates demand aggregation of common items across State / Department / Organisations, and result in economies of scale.

3.2 Public key Infrastructure (PKI) Implementation

This is one of the most critical security features that are required to be implemented in order to establish non-repudiation and to ensure the security of the online system. Under the system, participating contractors and suppliers, as well as the departmental users, are issued a Digital Signature Certificate (DSC) by a licensed Certification Authority.

3.3 Third Party Audit

It is recommended that the implemented solution be audited by a competent third party at-least once a year.

Through the above-mentioned steps, the complete security of the system and the transacted data can be ensured and may be communicated to all concerned agencies.

CVC – Circular No. 22/08/09 dated 11.08.2009

Adoption of Integrity Pact – Periodical regarding

The Commission in its various circular has emphasized the necessity to adopt Integrity Pact (IP) in Government Organizations in their major procurement activities. The Commission had also directed that in order to oversee the compliance of obligations under the Pact, by the parties concerned, Independent External Monitors (IEMs) should be nominated with the approval of the Commission, out of a panel of names proposed by an Organization.

2. Further, the Commission vide its circular No.10/5/09 dated 18.5.09 provided a review system for the CVOs wherein and internal assessment of the impact of Integrity Pact are to be carried out periodically and reported to the Commission. In this regard, it is clarified that such review should be on annual basis. The Organization which has adopted Integrity Pact may report compliance of review through monthly report.

3. This may be noted for future compliance.

Sd/-
(Shalini Darbari)
Director

CVC – Circular No. 17/7/09 dated 14.07.2009

Posting of details on award of tenders/contracts on websites.

The Commission vide circulars dated 16.03.2005, 28.07.2005 and 18.04.2007 had directed all organisations to post on their web-sites a summary, every month, containing details of all the contracts/purchases made above a threshold value (to be fixed by the organisations) covering atleast 60%

of the value of the transactions every month to start with on a continuous basis. CVOs were required to monitor the progress and ensure that the requisite details were posted regularly on respective websites, and also to incorporate compliance status in their monthly report to the Commission.

2. On a review of the status of implementation by the organisations, it is observed that some organisations have not adhered to the instructions and implemented the same. Further, such information being posted on the websites are not being regularly updated on a continuous basis by certain organizations and, in some cases, the information published is disjointed and not as per the prescribed format laid down by the Commission. It is also seen that a few organisations have placed such information on restricted access through passwords to registered vendors/suppliers etc. which defeats the basic purpose of increasing transparency in administration.

3. The Commission, therefore, while reiterating its aforementioned instructions would direct all organisations/departments to strictly adhere and post summary of details of contracts/ purchases awarded so as to cover 75% of the value of the transactions without any further delay. Any failure on the part of the organisations on this account would be viewed seriously by the Commission.

4. All Chief Vigilance Officers should reflect the compliance status in their monthly reports to the Commission after personally verifying the same.

Sd/-
(Shalini Darbari)
Director

CVC – Circular No. 10/05/09 dated 18.05.2009

Adoption of Integrity Pact – Standard Operating Procedure – reg.

The Commission has formulated "Standard Operating Procedure" for adoption of Integrity Pact in major Govt. Department/organisations. A copy of the same is enclosed for information and necessary action.

Sd/-
(Shalini Darbari)
Director

Subject: Adoption of Integrity Pact –Standard Operating Procedure-reg.

1.0 Background

1.01 The Central Vigilance Commission has been promoting Integrity, transparency, equity and competitiveness in Government/PSU transactions and as a part of vigilance administration and superintendence. Public procurement is a major area of concern for the Central Vigilance Commission and various steps have been taken to put proper systems in place. Leveraging technology, especially wider use of the web sites for disseminating information on tenders, clearly defining the pre qualification criteria and other terms and conditions of the tender are some of the steps recently taken at the instance of the Commission. In this context, Integrity Pact (IP), a vigilance tool conceptualized and promoted by the Transparency International, has been found to be useful. The Commission has, through its Office Orders No. 41/12/07 dated 04.12.07 and 43/12/07 dated 28.12.07 and Circulars No. 18/05/08 dated 19.05.08 and 24.08.08 dated 05.08.2008 (copies appended), recommended adoption of Integrity Pact and provided basic guidelines for its implementation in respect of major procurements in the Government Organizations.

2.0 Integrity Pact

2.01 The pact essentially envisages an agreement between the prospective vendors/bidders and the buyer, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the buyer, would be considered competent to participate in the bidding process. In other words, entering into this Pact would be a preliminary qualification. The essential ingredients of the Pact include:

- Promise on the part of the principal not to seek or accept any benefit, which is not legally available;



- Principal to treat all bidders with equity and reason;
- Promise on the part of bidders not to offer any benefit to the employees of the Principal not available legally;
- Bidders not to enter into any undisclosed agreement or understanding with other bidders with respect to prices, specifications, certifications, subsidiary contracts, etc.
- Bidders not to pass any information provided by Principal as part of business relationship to others and not to commit any offence under PC/ IPC Act;
- Foreign bidders to disclose the name and address of agents and representatives in India and Indian Bidders to disclose their foreign principals or associates;
- Bidders to disclose the payments to be made by them to agents / brokers or any other intermediary.
- Bidders to disclose any transgressions with any other company that may impinge on the anti corruption principle.

2.02 Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

3.0 Implementation procedure:

3.01 Adoption of IP is voluntary for any organization, but once adopted, it should cover all tenders /procurements above a specified threshold value.

3.02 The threshold value for the contracts to be covered through IP should be decided after conducting proper ABC analysis and should be fixed so as to cover 90-95% of the total procurements of the organization in monetary terms.

3.03 Apart from all high value contracts, any contract involving complicated or serious issues could be brought within the ambit of IP, after a considered decision of the management

3.04 The Purchase / procurement wing of the organization would be the focal point for the implementation of IP.

3.05 The Vigilance Department would be responsible for review, enforcement, and reporting on all related vigilance issues.

3.06 It has to be ensured, through an appropriate provision in the contract, that IP is deemed as part of the contract so that the parties concerned are bound by its provisions.

3.07 IP should cover all phases of the contract, i.e. from the stage of Notice Inviting Tender (NIT)/pre-bid stage till the conclusion of the contract, i.e. the final payment or the duration of warranty/ guarantee.

3.08 IP would be implemented through a panel of Independent External Monitors (IEMs), appointed by the organization. The IEM would review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact.

3.09 Periodical Vendors' meets, as a familiarization and confidence building measure, would be desirable for a wider and realistic compliance of the principles of IP.

3.10 Information relating to tenders in progress and under finalization would need to be shared with the IEMs on monthly basis.

4.0 Role /Functions of IEMs :

4.01 IEM would have access to all Contract documents, whenever required. Ideally, all IEMs of an organization should meet in two months to take stock of the ongoing tendering processes.

4.02. It would be desirable to have structured meeting of the IEMs with the Chief Executive of the organization on a monthly basis to discuss/review the information on tenders awarded in the previous month.

4.03 The IEMs would examine all complaints received by them and give their recommendations/ views to the Chief Executive of the organization, at the earliest. They may also send their report directly to the CVO and the Commission, in case of suspicion of serious irregularities requiring legal/ administrative action.

4.04 At least one IEM should be invariably cited in the NIT. However, for ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process, the matter should be examined by the full panel of IEMs, who would look into the records, conduct an investigation, and submit their joint recommendations to the Management

4.05 The recommendations of IEMs would be in the nature of advice and would not be legally binding. At the same time, it must be understood that IEMs are not consultants to the Management. Their role is independent in nature and the advice once tendered would not be subject to review at the request of the organization.

4.06 The role of the CVO of the organization shall remain unaffected by the presence of IEMs. A matter being examined by the IEMs can be separately investigated by the CVO in terms of the provisions of the CVC Act or Vigilance Manual, if a complaint is received by him or directed to him by the Commission.

5.0 Appointment of IEMs:

5.01 The IEMs appointed should be eminent personalities of high integrity and reputation. The Commission would approve the names of IEMs out of the panel of names, initiated by the organization concerned, in association/consultation with the CVO.

5.02 While forwarding the panel, the organization would enclose detailed bio-data in respect of all names proposed. The details would include postings before superannuation, special achievements, experience, etc., in Government sector. It is desirable that the persons proposed possess domain experience of the PSU activities or the relevant field with which they may be required to deal.

5.03 A maximum of three IEMs would be appointed for Navratna PSUs and up to two IEMs for others.

5.04 Organizations could propose a panel of more than three names for the consideration of the Commission.

5.05 Persons appointed as IEMs in two organizations would not be considered for a third organization.

5.06 For PSUs having a large territorial spread or those having several subsidiaries, there could be more IEMs, but not more than two IEMs would be assigned to one subsidiary.

5.07 Remuneration payable to the IEMs would be equivalent to that admissible to an Independent Director in the organization. This remuneration would be paid by the organization concerned.

5.08 The terms and conditions of appointment, including the remuneration payable to the IEMs, should not be included in the Integrity Pact or the NIT. They could be communicated individually to the IEMs concerned.

5.09 The normal term of appointment for an IEM would be 3 years, and it would be subject to renewal by the Commission thereafter.

6.0 Review System:

6.01 An internal assessment of the impact of IP shall be carried out periodically by the CVOs of the organizations and reported to the Commission.

6.02 Two additional reviews are envisaged for each organization in due course.

- (i) Financial impact review, which could be conducted through an independent agency like auditors, and
- (ii) Physical review, which could be done through an NGO of tested credibility in the particular field.



6.03 It is proposed to include the progress in the implementation of IP in the Annual Report of the Commission. CVOs of all organizations would keep the Commission posted with the implementation status through their monthly reports or special reports, wherever necessary.

7.0 All organizations are called upon to make sincere and sustained efforts to imbibe the spirit and principles of the Integrity Pact and carry it to its effective implementation.

Enclosures: All earlier guidelines, issued by the Central Vigilance Commission, on the subject.

CVC – Circular No. 01/01/09 dated 13/01/2009

Implementation of e-tendering solutions

References are being received by the Commission regarding the methodology for selection of sole application service provider for the implementation of e-tendering solutions in various organizations. The Commission has examined the matter and is of the view that all organizations should invariably follow a fair, transparent and open tendering procedure to select the application service provider for implementing their e-tendering solutions. The standard guidelines on tendering procedure should hold good the procurement of these services as well.

Sd/-
(Shalini Darbari)
Director

CVC – Circular No. 31/11/08 dated 06.11.2008

Time bound processing of procurement

The Commission has observed that at times the processing of tenders is inordinately delayed which may result in time and cost overruns and also invite criticism from the Trade Sector. It is, therefore, essential that tenders are finalized and contracts are awarded in a time bound manner within original validity of the tender, without seeking further extension of validity. While a short validity period calls for prompt finalization by observing specific time-line for processing, a longer validity period has the disadvantage of vendors loading their offers in anticipation of likely increase in costs during the period. Hence, it is important to fix the period of validity with utmost care.

2. The Commission would, therefore, advise the organizations concerned to fix a reasonable time for the bids to remain valid while issuing tender enquiries, keeping in view the complexity of the tender, time required for processing the tender and seeking the approval of the Competent Authority, etc., and to ensure the finalization of tender within the stipulated original validity. Any delay, which is not due to unforeseen circumstances, should be viewed seriously and prompt action should be initiated against those found responsible for non-performance.

3. Cases requiring extension of validity should be rare. And in the exceptional situations where the validity period is sought to be extended, it should be imperative to bring on record in real time, **valid and logical grounds**, justifying extension of the said validity.

4. These instructions may please be noted for immediate compliance.

Sd/-
(Shalini Darbari)
Director

CVC – Circular No. 24/08/08 dated 05.08.2008

Adoption of Integrity Pact in major Government Procurement Activities.

The Commission, vide its Circulars No. 41/12/07, dated 4.12.07 and 18/5/08 dated 19.5.08, has emphasized the necessity to adopt Integrity Pact (IP) in Government organizations in their major procurement activities. The Commission had also directed that in order to oversee the compliance of obligations under the Pact, by the parties concerned, Independent External Monitors (IEMs) should be nominated with the approval of the Commission, out of a panel of names proposed by an Organization.

2. As more and more organizations begin to adopt the Integrity Pact, several queries and operational issues have been raised. The Commission has examined these issues and suggested the following guidelines:

- i) Adoption of Integrity Pact in an organization is voluntary, but once adopted, it should cover all tenders/procurements above a specified threshold value, which should be set by the organization itself.
- ii) IP should cover all phases of the contract i.e., from the stage of Notice Inviting Tender(NIT)/pre-bid stage to the stage of last payment or a still later stage, covered through warranty, guarantee etc.
- iii) IEMs are vital to the implementation of IP and at least one IEM should be invariably cited in the NIT. However, for ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process, the matter should be referred to the full panel of IEMs, who would examine the records, conduct the investigation and submit a report to the management, giving joint findings.
- iv) A maximum of three IEMs would be appointed in Navratna PSUs and upto two IEMs in other Public Sector Undertakings. The organizations may, however, forward a panel of more than three names for the Commission's approval. For the PSUs having a large territorial spread or those having several subsidiaries, the Commission may consider approving a large number of IEMs, but not more than two IEMs would be assigned to any one subsidiary.
- v) Remuneration payable to the IEMs Directors in the organization.
- vi) In view of limited procurement activities in the Public Sector Banks, Insurance Companies and Financial Institution, they are exempted from adopting IP.

3. It needs no reiteration that all organizations must make sustained efforts to realize the spirit and objective of the Integrity Pact. For further clarifications on its implementation or the role of IEMs, all concerned are advised to approach the Commission.

Sd/-
(Rajiv Verma)
Under Secretary

CVC – Circular No. 22/07/08 dated 24.07.2008

Referring cases of Procurement to the Commission

The Commission has noted a significant rise in the number of references made to it involving procurement at different stages. These relate to specific cases and are not generic in nature. Essentially they belong to the domain of managerial decision making and the matter needs to be decided at that level.

The Central Vigilance Commission and its Chief Vigilance Officers, as a matter of policy do not interfere in the process of decision making, which is a management function of the respective organization.

The Commission has issued various circulars/guidelines /instructions in order to promote transparency, improve competition and ensure equity among participants. However, if any organization faces difficulty in the application of any of the circulars/guidelines/instructions issued by the Commission, then it may approach the Commission bringing out the difficulties along with a proposed generic solution listing out the ingredients of the special circumstances for examination and review by the Commission. References of a general nature having elements of managerial decision making and concerning a particular procurement should be avoided.

Sd/-
(V. Ramachandran)
Chief Technical Examiner,
Central Vigilance Commission

**CVC – Circular No. 18/05/08 dated 19.05.2008****Adoption of Integrity Pact in major Government Procurement Activities – regarding.**

The Commission vide its office order no. 41/12/07 dated 4/12/07 had circulated a letter no. 007/vgl/033 emphasizing the need to adopt Integrity Pact (IP) by government organizations in respect of their major procurement activities. The Commission had also directed that in order to ensure compliance with the obligations under the pact by the parties concerned, Independent External Monitors (IEMs) are to be appointed after obtaining approval of the Commission for the names to be included in the panel.

2. As the role of IEMs is very important in ensuring implementation of the IP, it is necessary that the persons recommended for appointment have adequate experience in the relevant fields and are of high integrity and reputation.

3. The Commission would, therefore, direct that the organizations, while forwarding the names of the persons for empanelment as IEMs should send a detailed bio-data in respect of each of the persons proposed. The bio-data should, among other things, include the postings during the last ten years before the superannuation of the persons proposed as IEMs, in case the names relate to persons having worked in the government sector. The bio-data should also include details regarding experience older than ten years before superannuation of the persons proposed as IEMs, if they have relevant domain experience in the activities of PSUs where they are considered as IEMs.

This may be noted for future compliance.

Sd/-
(Rajiv Verma)
Under Secretary

CVC – Circular No. 09/2/08 dated 18/02/2008**Two day Work shop/ Seminar regarding IT Procurement held in June 2007 at Bank of India, Mumbai.**

Minutes of the above seminar were circulated vide letter no 3/CTE (2)- VR/2007 dated 3.10.2007. It has come to the notice of the Commission that despite specific instructions / guidelines and booklets issued by the Commission from time to time, and the holding of an exclusive seminar referred to above for the benefit of the Bank's executives dealing with IT procurements along with respective CVO's, Bank officials do not appear to adhere to these instructions / guidelines as expected of them, which leaves room for various irregularities. As such Commission desires that you organize seminars/workshops and lecture classes at frequent intervals to keep the officials of the bank, particularly those dealing with procurement activities educated and updated regarding procurement procedures, CVC guidelines.

Instances have also come to the notice of the Commission indicating that a number of bank officials lack basic skills in computer operations and knowledge of the banking software. There is also a tendency on the part of senior officers to disclose their password to junior officials / staff for operating the system on their behalf, citing reasons, including work pressure and ignorance which you would appreciate is not acceptable. Therefore, there is an urgent need to impart proper training to such officers and staff at various levels particularly those working in the branches so that they have up-to-date knowledge of the computer system for day to day operations and are not dependent on their colleagues. You are, accordingly, advised to arrange such programmes for training on an on going basis for the benefit of bank officials. Please note to keep the Commission apprised of the steps taken in this regard and the progress so achieved.

Receipt of this communication may please be acknowledged.

Sd/-
(V. Ramachandran)
Chief Technical Examiner

CVC – Office Order No. 07/02/08 dated 15.02.2008**Measures to curb the menace of counterfeit and refurbished IT products - regarding**

With the increasing use of IT to leverage technology, a large number of Government organizations are either upgrading or in the process of procurement of new computer hardware and software. It is often difficult to know the difference between PC made of "**Genuine Parts**" and that made of "**Counterfeit Parts**". It may also be the case often that while various organisations order and pay for brand new equipment, they end up getting an inferior PC with counterfeit and second hand/refurbished parts disguised as new in new/ original cabinets to various customers designated as consignees by the ordering agencies at the headquarters of these organizations who are ignorant or have little or no technical knowledge in the matter.

In effect, this amounts to the organisation not getting what they actually ordered and paid for. The supplies of such PC in the long run would defeat the very purpose of going for a new system. COUNTERFEITING is designed to cheat naive consumers/organizations.

This current circular is intended to help/ inform and enable due diligence as well as curbing the menace of counterfeit and refurbished IT products disguised as new.

As a first step, there is a need for all buyers in the Government Departments/ PSU to insist on a signed undertaking (sample format enclosed) from some authority not lower than the Company Secretary of the system OEM that would certify that all the components/parts/ assembly/software used in the Desktops and Servers like Hard disk, Monitors, Memory etc were original/new components/parts/assembly/software, and that no refurbished/duplicate/ second hand components /parts / assembly / software were being used or would be used, so that the buying organizations were not cheated and get the original equipments as ordered by them. Also one could ask for 'Factory Sealed Boxes' with System OEM seal to ensure that the contents have not been changed en route.

Following advisory checkpoints it is hoped shall help identify the fraudulent practices that have come to notice and help guard against spurious and refurbished/duplicate/ second hand components/parts/ assembly / software being received by purchasers and consignees who receive such goods and may not have much technical knowledge.

1. **CPU.** Buyers are cautioned against buying IT Hardware with remarked CPUs that are freely / readily available in the market today. Entry Level processors get **Remarkd / Over clocked** and sold as high end processors. These CPUs, come disguised as higher clock speed processors (e.g. a Celeron CPU can be remarked as a P4 CPU) while their real clock speed may be lower. Since Operating System is loaded from CD bundled with Motherboard, the CD contains image of configured OS. Hence information as seen in '**My Computer**' – '**System Properties**' shall give deceptive information. In other words, a Celeron CPU remarked as a P4 CPU, shall be seen as a P4 CPU only.

Buyers should therefore, use various tool / utilities like the '**CPU-Z**' Utility or the '**sSpecNo.**' for ascertaining the real parameters of the CPU. Utility like CPU-Z (approx. 1.3 MB size) are available free on the web.

2. **Hard Disk** IT Hardware with refurbished Hard Disks that are actually 2nd hand / repaired hard disks are readily available at low cost. In hard disk drives, the factory repaired hard disk drives, which are mainly used in the warranty replacements are substituted in the new machines. Same is the case observed with floppy drive and Optical disk drives many times. Most of the competent hard disk makers use a sticker on such hard disks sold by them that clearly distinguishes such hard disks from the fresh ones. For example, manufacturer '**Seagate**' marks **Green Border** and label of "**Certified Repaired HDD**" to distinguish such disk drives from **New Genuine HDD**. There is **No border** or **Refurbished** label on genuine new HDD.

In addition to this, buyers may also use **HDTUNE_210** Utility. This utility shall return Hard Disk Manufacturers' Serial no. and Date of manufacturing of the Hard Disk. These parameters can be used to cross-verify with the hard disk vendor. Various Hard Disk vendors also put a date code on the hard disk. A mismatch between this date and the one returned by HDTUNE_210 Utility can also be viewed as tampering with the actual information of the hard disk.



3. Monitors. IT Hardware with refurbished Monitors that are actually 2nd hand / repaired monitors are given a "new look" by changing the body, with internal components remaining "old / repaired". These CRT monitors are usually discarded from developed countries like US and Europe. There are also B Grade (New but Low Quality) CRT Monitors used in place of new monitors. Many times these can be distinguished by opening the cabinet body and noticing that the label on the tube does not carry various certifications and there are scratch marks on the tube. While 'Genuine' Picture Tubes have all mandatory Certifications, 'Counterfeit' Picture Tubes would not have these certifications. Certification gives an assurance of Reliability.

Further many such cathode ray tubes (Picture Tubes) are found to need extra magnets to achieve focusing and earthing also is missing. Genuine Monitors rely on 'Yoke Coil' alone to focus electronic beam. Counterfeit Monitors typically require Numerous Magnetic Strips in addition to Yoke Coil to focus electronic beam. Further, 'Earthing' and 'Shielding' provide ESD (Electro Static Discharge) protection. **Genuine Picture Tubes have proper "Earthing and Shielding"**. Earthing and Shielding is compromised in counterfeit Picture Tubes to reduce cost.

In 'B' Grade LCD Monitors, panels used are B grade in which the number of spots may be higher, response time & brightness of lower specs than what is stated.

Above monitors are all available at low cost.

The "**Signed Undertaking**" as suggested shall serve as a deterrent and as a safeguard to ensure that bidders are not fleecing them by supplying such monitors.

4. Operating System. Purchasers should check the IT Hardware supplied (randomly selected IT Hardware) for Certificate of Authenticity (COA) pasted on the PC for product serial number and OEM's / Supplier's name to be printed on it. In Operating systems, pirated OS software with fake Certificates of Authenticity are used by some suppliers to cut costs. They look as good as the real ones. In PCs, counterfeiters buy legitimate software and copy the box design and packaging. Using sophisticated and expensive copiers, many copies of illegal CDs are created in a day. Purchasers should guard against buying IT Hardware with pirated copies of Operating Systems. Such Operating Systems, though, available at low prices, do not have the updated patches and security features that help safeguarding the PC and also improve its lifespan. Purchasers, therefore, may use the standard testing procedures (randomly on randomly selected IT Hardware) available on the following URL for ascertaining the in authenticity of the operating system installed on their PC:

<http://www.microsoft.com/resources/howtotell/ww/windows/default.aspx> .

Microsoft provides an inbuilt tool to diagnose the "Genuineness of its Operating System". One could go to 'My Documents', and 'Help', from where one shall get step by step instructions to find out whether the windows installed is genuine.

<http://www.microsoft.com/resources/howtotell/ww/windows/default.aspx>

5. Mechanical Keyboards: Fake mechanical keyboards that are partially mechanical, with only the key plunger being that of a real mechanical keyboard and rest of the keyboard features remaining the same as those of membrane keyboard are being passed on as true mechanical keyboards. While these keyboards are available at low prices, they do not offer the robustness and long key-stroke life expected of a real mechanical keyboard. Real Mechanical Keyboards are expected to have Keystroke life of 50 Million as against 10 million for Membrane and Semi-Mechanical Keyboards. In case of bulk orders, it is recommended to physically examine a few keyboards for their construct to ascertain the genuineness of their being real mechanical keyboards.

6. Low Quality Memory Module – Memory chips are remarked or downgraded wafers are plastic packed under unknown brands or remarked with names of well known brands. Such memory modules have lower performance levels. It is better to go in for proven reputed brands such as Kingston, Transcend, Corsair, Samsung and Hynix to name a few available in the market.

7. Fraudulently Marked SMPS – In power supplies, wrong marking of the wattage is done. The power supplies do not carry all required certifications. While 'Genuine' Power supplies carry all mandatory certifications, in counterfeit Power supplies these certifications shall be found missing. Further Short circuit & over voltage protection circuitry could be missing in counterfeit Power Supply to reduce cost.

8. **Counterfeited Consumables** – Counterfeited consumables such as printer cartridges etc are used which are refilled with ink of poor quality leading to poor performance and clogging, smudging in printers etc. It is advisable to buy such consumables from OEM authorized suppliers or distributors to ensure quality and longevity of the printer equipment.

Sd/-

(V. Ramachandran)

Chief Technical Examiner, Central Vigilance Commission

Annexure: Model Undertaking of Authenticity form

Sub: Undertaking of Authenticity for Desktops and Server Supplies

Sub: Supply of IT Hardware/Software -- Desktops and Servers

Ref: 1. Your Purchase Order No. -----dated-----.
2. Our invoice no/Quotation no. -----dated-----.

With reference to the Desktops and Servers being supplied /quoted to you vide our invoice no/quotation no/order no. Cited above, ----

We hereby undertake that all the components/parts/assembly/software used in the Desktops and Servers under the above like Hard disk, Monitors, Memory etc shall be original new components/parts/ assembly /software only, from respective OEMs of the products and that no refurbished/duplicate/ second hand components/parts/ assembly / software are being used or shall be used.

We also undertake that in respect of licensed operating system if asked for by you in the purchase order, the same shall be supplied along with the authorised license certificate e.g. Product Keys on Certification of Authenticity in case of Microsoft Windows Operating System) and also that it shall be sourced from the authorised source e.g Authorised Microsoft Channel in case of Microsoft Operating System).

Should you require, we hereby undertake to produce the certificate from our OEM supplier in support of above undertaking at the time of delivery/installation. It will be our responsibility to produce such letters from our OEM supplier's at the time of delivery or within a reasonable time.

In case of default and we are unable to comply with above at the time of delivery or during installation, for the IT Hardware/Software already billed, we agree to take back the Desktops and Servers without demur, if already supplied and return the money if any paid to us by you in this regard. We (*system OEM name*) also take full responsibility of both Parts & Service SLA as per the content even if there is any defect by our authorized Service Centre/ Reseller/SI etc.

Authorised Signatory

Name:

Designation

Place

Date

CVC – Circular No. 5/2/08 dated 05/02/2008

Corrigendum

Mobilisation Advance

The Commission has reviewed the existing guidelines on 'Mobilisation Advance' circular No. 10/4/07 (issued vide OM No. 4CC-1-CTE-2 dated 10.4.2007). Para 1 of the above circular may be read as under –

“Decision to stipulate interest free mobilization advance in the tender document should rest at the level of Board (with concurrence of finance) in the organizations. However, in case of interest bearing mobilization advance, organizations may delegate powers at appropriate levels such as the CMD or Functional Directors”.

Sd/-

(Vineet Mathur)
Deputy Secretary

**CVC – Office Order No. 01/01/08 dated 31.12.2007****Acceptance of Bank Guarantees**

A number of instances have come to the notice of the Commission where forged / fake bank guarantees have been submitted by the contractors/suppliers. Organizations concerned have also not made any effective attempt to verify the genuineness / authenticity of these bank guarantees at the time of submission.

2. In this background, all organizations are advised to streamline the system of acceptance of bank guarantees from contractors/suppliers to eliminate the possibility of acceptance of any forged/fake bank guarantees.

3. The guidelines on this subject issued by Canara Bank provides for an elaborate procedure, which may be found helpful for the organizations in eliminating the possibility of acceptance of forged/fake bank guarantees. The guidelines issued by Canara Bank provides that-

“The original guarantee should be sent to the beneficiary directly under Registered Post (A.D.). However, in exceptional cases, where that guarantee is handed over to the customer for any genuine reasons, the branch should immediately send by Registered Post (A.D.) an unstamped duplicate copy of the guarantee directly to the beneficiary with a covering letter requesting them to compare with the original received from their customer and confirm that it is in order. The A.D. card should be kept with the loan papers of the relevant guarantee.

At times, branches may receive letters from beneficiaries, viz., Central/State Governments, public sector undertakings, requiring bank’s confirmation for having issued the guarantee. Branches must send the confirmation letter to the concerned authorities promptly without fail.”

4. Therefore, all organizations are advised to evolve the procedure for acceptance of BG, which is compatible with the guidelines of Banks/Reserve Bank of India. The steps to be ensured should include –

- i) Copy of proper prescribed format on which BGs are accepted from the contractors should be enclosed with the tender document and it should be verified verbatim on receipt with original document.
- ii) It should be insisted upon the contractors, suppliers etc. that BGs to be submitted by them should be sent to the organization directly by the issuing bank under Registered Post (A.D.).
- iii) In exceptional cases, where the BGs are received through the contractors, suppliers etc., the issuing branch should be requested to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the guarantee directly to the organization with a covering letter to compare with the original BGs and confirm that it is in order.
- iv) As an additional measure of abundant precaution, all BGs should be independently verified by the organizations.
- v) In the organization/unit, one officer should be specifically designated with responsibility for verification, timely renewal and timely encashment of BGs.

5. Keeping above in view, the organizations may frame their own detailed guidelines to ensure that BGs are genuine and encashable.

6. Receipt of the above guidelines should be acknowledged.

Sd/-
Smt. Padmaja Verma
Chief Technical Examiner

CVC – Office Order No. 43/12/07 dated 28.12.2007

Adoption of Integrity Pact in major Government Procurement Activities – regarding

Reference is invited to Commission's office order No.41/12/2007 circulated vide letter of even No. dated 4/12/2007 on the aforementioned subject.

2. The Commission vide para 4 of the aforementioned office order had directed that the organizations were required to forward a panel of names of the eminent persons of high integrity through their administrative ministries for consideration and approval by the Commission as IEMs.
3. The matter has been reconsidered by the Commission and in order to simplify the procedure and avoid delay, it has been decided that the organizations may forward the panel of names of eminent persons for appointment and consideration as IEMs directly to the Commission for approval.
4. Para 4 of the Commission's circular cited above stands amended to this extent.

Sd/-
Vineet Mathur
Deputy Secretary

CVC – Office Order No. 41/12/07 dated 04.12.2007

Adoption of Integrity Pact in Major Government Procurement Activities – regarding.

Ensuring transparency, equity and competitiveness in public procurement has been a major concern of the Central Vigilance Commission and various steps have been taken by it to bring this about. Leveraging technology specially wider use of the web-sites for disseminating information on tenders, tightly defining the pre-qualification criteria and other terms and conditions of the tender are some of the steps recently taken at the instance of the Commission in order to bring about greater transparency and competition in the procurement/award of tender.

2. In this context, Integrity Pact, a vigilance tool first promoted by the Transparency International, has been found to be useful. The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer committing the persons/officials of both the parties, not to exercise any corrupt influence on any aspect of the contract. Only those vendors/bidders who have entered into such an Integrity Pact with the buyer would be competent to participate in the bidding. In other words, entering into this Pact would be a preliminary qualification. The Integrity Pact in respect of a particular contract would be effective from the stage of invitation of bids till the complete execution of the contract.
3. The Integrity Pact envisages a panel of Independent External Monitors (IEMs) approved for the organization. The IEM is to review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact. He has right to access to all project documentation. The Monitor may examine any complaint received by him and submit a report to the Chief Executive of the organization, at the earliest. He may also submit a report directly to the CVO and the Commission, in case of suspicion of serious irregularities attracting in provisions of the PC Act. However, even though a contract may be covered by an Integrity Pact, the Central Vigilance Commission may, at its discretion, have any complaint received by it relating to such a contract, investigated.
4. The Commission would recommend the Integrity Pact concept and encourage its adoption and implementation in respect of all major procurements of the Govt. organizations. As it is necessary that the Monitors appointed should be of high integrity and reputation, it has been decided that the Commission would approve the names of the persons to be included in the panel. The Government Organizations are, therefore, required to submit a panel of names of eminent persons of high integrity and repute and experience in the relevant field, through their administrative Ministry, for consideration and approval by the Commission as Independent External Monitors. The terms and conditions including the remuneration payable to the Monitors need not be a part of the Integrity Pact and the same could be separately communicated. It has also to be ensured by an appropriate provision in the contract, that the Integrity Pact



is deemed as part of the contract in order to ensure that the parties are bound by the recommendation of the IEMs, in case any complaint relating to the contract, is found substantiated.

5. A copy of the Integrity Pact, which the SAIL got vetted by the Addl. Solicitor General is available on the Commission's web-site i.e. www.cvc.nin.in as an attachment to this Office Order in downloadable form, which may be used in original or may be suitably modified in order to meet the individual organization's requirements.

Sd/-
Vineet Mathur
Deputy Secretary

CVC – Office Order No. 23/7/07 dated 05.07.2007

**Transparency in Works/Purchase/Consultancy contracts
awarded on nomination basis**

Reference is invited to the Commission's circular No.15/5/06 (issued vide letter No.005/CRD/19 dated 9.5.2006), wherein the need for award of contracts in a transparent and open manner has been emphasized.

2. A perusal of the queries and references pertaining to this circular, received from various organizations, indicates that several of them believe that mere post-facto approval of the Board is sufficient to award a contracts on nomination basis rather than the inevitability of the situation, as emphasized in the circular.

3. It is needless to state that **tendering process or public auction** is a basic requirements for the award of contract by any Government agency as any other method, especially award of contract on nomination basis, would amount to a breach of Article 14 of the Constitution guaranteeing right to equality, which implies right to equality to all interested parties.

4. A relevant extract from the recent Supreme Court of India judgement in the case of Nagar Nigam, Meerut Vs A1 Faheem Meat Export Pvt. Ltd. [arising out of SLP(civil) No.10174 of 2006] is reproduced below to reinforce this point.

"The law is well-settled that contracts by the State, its corporations, instrumentalities and agencies must be normally granted through public auction/public tender by inviting tenders from eligible persons and the notifications of the public-auction or inviting tenders should be advertised in well known dailies having wide circulation in the locality with all relevant details such as date, time and place of auction, subject matter of auction, technical specifications, estimated cost, earnest money deposit, etc. The award of Government contracts through public-auction/public tender is to ensure transparency in the public procurement, to maximize economy and efficiency in Government procurement, to promote healthy competition among the tenderers, to provide for fair and equitable treatment of all tenderers, and to eliminate irregularities, interference and corrupt practices by the authorities concerned. This is required by Article 14 of the Constitution. However, in rare and exceptional cases, for instance, during natural calamities and emergencies declared by the Government; where the procurement is possible from a single source only; where the supplier or contractor has exclusive rights in respect of the goods or services and no reasonable alternative or substitute exists; where the auction was held on several dates but there were no bidders or the bids offered were too low, etc., this normal rule may be departed from and such contracts may be awarded through 'private negotiations'."

(Copy of the full judgement is available on the web-site of the Hon'ble Supreme Court of India, i.e., www.supremecourtindia.nic.in)

5. The Commission advises all CVOs to formally apprise their respective Boards/ managements of the above observations as well as the full judgement of the Hon'ble Supreme Court for necessary observance. A confirmation of the action taken in this regard may be reflected in the CVO's monthly report.

6. Further, all nomination/single tender contracts be posted on the website

Sd/-
(Rajiv Verma)
Under Secretary

CVC – Circular No. 14/4/07 dated 26.04.2007

Use of Products with standard specification

A case has come to the notice of the Commission that the user department one organization requisitioned an item of non-standard size. Requisitioning of item with non-standard size resulted in issue of 'Non-availability certificate' by the stores keeper although the same item of standard size was already available in the stock. Citing urgency, the item was procured by the user department at 10 times the cost of the standard item by inviting limited quotations.

2. In order to avoid such occurrences, it is reiterated that the items with standard specifications only should be stipulated in the bid documents. In case, items with non-standard specifications are to be procured, reasoning for procuring such items may be recorded and reasonability of rates must be checked before placing order.

Sd/-
(Smt. Padmaja Varma
Chief Technical Examiner

CVC – Circular No. 13/4/07 dated 18.04.2007

Improving Vigilance administration by leveraging technology: Increasing transparency through effective use of website

Please refer to Commission's Circular no. 40/11/06 dated 22/11/2006 on the aforementioned subject & also Circular No. 13/3/05 dated 16/03/2005 & Circular No. 46/7/05 dated 28/7/2005 regarding details of award of tenders/contracts publishing on Websites/ Bulletin.

2. The Commission vide circulars dated 16/3/05 & 28/7/05 had directed all organizations to post on their web-sites a summary, every month, of all the contracts/purchases made above the threshold value covering atleast 60% of the transactions every month. A compliance report in this regard was to be submitted to the Commission by the CVOs through their monthly report to the Commission. However, it is seen that some of the departments have neither intimated the Commission about the threshold value decided for posting the details of tenders awarded on the web-sites, nor a compliance report is being sent through the monthly reports.

3. Further, vide circular dated 22/11/06, the Commission while emphasizing the need to leverage technology, as an effective tool in vigilance administration, in discharge of regulatory, enforcement and other functions had directed the organizations to upload on their websites, information in respect of the rules and procedures governing the issue of licenses/permissions etc. and to make available all the application forms on the websites in a downloadable form besides, making available the status of individual application on the organization's website. The Commission had directed the organizations to implement its guidelines in two phases. The first phase relating to the posting of all application forms on the website was to be implemented by 1/1/2007 and the second phase, by 1/4/2007. Although, the date for implementation of second phase has passed by, the departments are yet to intimate the Commission about the status of implementation of the two phases.

4. The Commission, therefore, while reiterating its aforementioned instructions directs the CVOs to convey to the Commission the following information latest by 30/4/07:-

- a) The threshold value decided by the organization for publishing on their web-site, details of award of tenders/contracts;
- b) The extent to which the details of awarded tenders are being posted on the web-site and whether the web-sites are being updated regularly or not;
- c) Whether first/second phase of the Commission's circular dated 22/11/06 has been implemented or not;
- d) If not, the reasons thereof: steps being taken by the organization to ensure implementation of the Commission's circular and the exact date by which both the phases as mentioned in the Commission's circular would be fully implemented;.



5. Any failure on the part of organization to implement the directions contained in the Commissions circulars as mentioned above would be viewed seriously by the Commission.

Sd/-
(Vineet Mathur)
Deputy Secretary

CVC – Circular No. 10/4/07 dated 10.04.2007

Mobilisation Advance

Commission has reviewed the existing guidelines on 'Mobilisation Advance' issued vide OM No.UU/POL/18 dated: 08.12.97 and OM No.4CC-1-CTE-2, dated 08.06.2004.

The following guidelines are issued in supercession of earlier guidelines issued by the Commission on 'Mobilisation Advance'

1. Provision of mobilization advance should essentially be need-based. Decision to provide such advance should rest at the level of Board (with concurrence of Finance) in the organization.
 2. Though the Commission does not encourage interest free mobilization advance, but, if the Management feels its necessity in specific cases, then it should be clearly stipulated in the tender document and its recovery should be time-based and not linked with progress of work. This would ensure that even if the contractor is not executing the work or executing it as a slow pace, the recovery of advance could commence and scope for misuse of such advance could be reduced.
 3. Part 'Bank Guarantees' (BGs) against the mobilization advance should be taken in as many numbers as the proposed recovery instalments and should be equivalent to the amount of each instalment. This would ensure that at any point of time even if the contractor's money on account of work done is not available with the organization, recovery of such advance could be ensured by encashing the BG for the work supposed to be completed within a particular period of time.
 4. There should be a clear stipulation of interest to be charged on delayed recoveries either due to the late submission of bill by the contractor or any other reason besides the reason giving rise to the encashment of BG as stated above.
 5. The amount of mobilization advance; interest to be charges, if any; its recovery schedule and any other relevant details should be explicitly stipulated in the tendered document upfront.
 6. Relevant format for BG should be provided in the tender document, which should be enforced strictly and authenticity of such BGs should also be invariably verified from issuing bank, confidentially and independently by the organization.
 7. In case of 'Machinery and Equipment advance', insurance and hypothecation to the employer should be ensured.
 8. Utilization certificate from the contractor for the mobilization advance should be obtained. Preferably, mobilization advance should be given in instalments and subsequent instalments should be released after getting satisfactory utilization certificate from the contractor for the earlier instalment.
2. In order to avoid such occurrences, it is reiterated that the items with standard specifications only should be stipulated in the bid documents. In case, items with non-standard specifications are to be procured, reasoning for procuring such items may be recorded and reasonability of rates must be checked before placing order.

Sd/-
(P. VARMA)
Chief Technical Examiner

CVC – Circular No. 4/3/07 dated 03.03.2007**Tendering process – negotiations with L-1**

Reference is invited to the Commission's circulars of even number, dated 25.10.2005 and 3.10.2006, on the above cited subject. In supersession of the instructions contained therein, the following consolidated instructions are issued with immediate effect:-

- (i) As post tender negotiations could often be a source of corruption, it is directed that there should be no post-tender negotiations with L-1, except in certain exceptional situations. Such exceptional situations would include, procurement of proprietary items, items with limited sources of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiations should be duly recorded and documented without any loss of time.
 - (ii) In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity. The balance quantity should, however, be procured expeditiously through a re-tender, following the normal tendering process.
 - (iii) Negotiations should not be allowed to be misused as a tool for bargaining with L-1 with dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. Competent authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated so that the time taken for according requisite approvals for the entire process of award of tenders does not exceed one month from the date of submission of recommendations. In cases where the proposal is to be approved at higher levels, a maximum of 15 days should be assigned for clearance at each level. In no case should the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalised within their validity period.
 - (iv) As regards the splitting of quantities, some organisations have expressed apprehension that pre-disclosing the distribution of quantities in the bid document may not be feasible, as the capacity of the L-1 firm may not be known in advance. It may be stated that if, after due processing, it is discovered that the quantity to be ordered is far more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable. It is essentially in cases where the organisations decide in advance to have more than one source of supply (due to critical or vital nature of the item) that the Commission insists on pre-disclosing the ratio of splitting the supply in the tender itself. This must be followed scrupulously.
 - (v) Counter-offers to L-1, in order to arrive at an acceptable price, shall amount to negotiations. However, any counter-offer thereafter to L-2, L-3, etc., (at the rates accepted by L-1) in case of splitting of quantities, as pre-disclosed in the tender, shall not be deemed to be a negotiation.
2. It is reiterated that in case L-1 backs-out, there should be a re-tender.
 3. These instructions issue with the approval of the Commission and may please be noted for immediate compliance.

Sd/-
(Vineet Mathur)
Deputy Secretary

**CVC – Circular No. 3/2/07 dated 23.02.2007****Investigation of complaints by the CVOs – seizure of records reg**

It has come to the Commission's notice that when a complaint is received by the CVO either from the Commission or from other sources, the time taken by the department for investigating the complaint is unduly long and beyond the time-limit of three months stipulated by the Commission vide its circular No.000/VGL/18 dated 23.5.2000. The main reason cited by the CVOs for the delay is non-availability of records/documents pertaining to that particular complaint/allegation. The Commission vide Para 4.4 (a) of Vigilance Manual, 6th Edition has already issued guidelines stating that "if the allegations contain information which can be verified from any document or file or any other departmental records, the investigating / vigilance officer should, without loss of time, secure such records, etc., for personal inspection. If any of the papers examined is found to contain evidence supporting the allegations, such papers should be taken over by him for retention in his personal custody to guard against the possibility of available evidence being tampered with".

2. The Commission observes that these guidelines are not being adhered to and would therefore reiterate its aforementioned guidelines and direct the CVOs to ensure that all relevant records/documents/files etc. are taken into personal custody by the investigating officer immediately on receipt of the reference/complaint for processing the allegations, and finalizing the investigation within the stipulated three months' time-limit prescribed by the Commission.

3. The Commission, exercising its authority as contained in para 8(1)(c&d) and para 11 of CVC Act, 2003, also conducts direct inquiry into complaints through Direct Inquiry Officers as nominated by the Commission. It is directed that as soon as a direct inquiry is ordered by the Commission, the CVOs should immediately seize the relevant records pertaining to the case and produce them before the Direct Inquiry Officers (DIOs) without any delay.

4. The above instructions may be noted for strict compliance.

Sd/-
(Vineet Mathur)
Deputy Secretary

CVC – Circular No. 40/11/06 dated 22.11.2006**Improving vigilance administration by leveraging technology:
Increasing transparency through effective use of websites in discharge of
regulatory, enforcement and other functions of Govt. Organisations**

The Commission has been receiving a large number of complaints about inordinate delays and arbitrariness in the processing and issue of licenses, permissions, recognitions, various types of clearances, no objection certificates, etc., by various Govt. organisations. Majority of these complaints pertain to delays and non-adherence to the 'first-come-first-served' principle. In a number of cases, there are complaints of ambiguities regarding the documents and information sought for the grant of such licenses, permissions, clearances, etc. There is also a tendency in some organisations to raise piecemeal/questionable queries on applications, often leading to the allegations of corruption. In order to reduce the scope for corruption, there is a need to bring about greater transparency and accountability in the discharge of regulatory, enforcement and other public dealings of the Govt. organisations.

2. Improvement in vigilance administration can be possible only when systems improvements are made to prevent the possibilities of corruption. In order to achieve the desired transparency and curb the malpractices mentioned above, the Central Vigilance Commission, in exercise of the powers conferred on it under Section 8(1)(h) of the CVC Act, 2003, issues the following instructions for compliance by all Govt. departments/ organisations/ agencies over which the Commission has jurisdiction:-

- i) All Govt. organisations discharging regulatory/enforcement functions or service delivery of any kind, which cause interface with the general public/private businesses, etc., shall provide complete information on their websites regarding the laws, rules and procedures governing the issue of licenses, permissions, clearances, etc. An illustrative list is given in the annexure.

- Each Ministry should prepare an exhaustive list of such applications/matters and submit a copy of same to the Commission for record and web-monitoring.
- ii) All application forms/proformas should be made available on the websites in a down loadable form. If the organisation concerned wishes to charge for the application form downloaded from the computer, the same may be done at the time of the submission of the application forms.
 - iii) All documents to be enclosed or information to be provided by the applicant should be clearly explained on the websites and should also form part of the application forms.
 - iv) As far as possible, arrangements should be put in place so that immediately after the receipt of the application, the applicant is informed about the deficiencies, if any, in the documents/information submitted.
 - v) Repeated queries in a piece-meal manner should be viewed as a misconduct having vigilance angle.
 - vi) All organisations concerned should give adequate publicity about these facilities in the newspapers and such advertisements must give the website addresses of the organisations concerned.

3. In the second stage, the status of individual applications/matters should be made available on the organisation's website and should be updated from time-to-time so that the applicants remain duly informed about the status of their applications.

4. In addition to the manual receipt of applications, all organizations should examine the feasibility of online receipt of applications and, wherever feasible, a timeframe for introducing the facility should be worked out. As a large number of Govt. organisations are opting for e-governance, they may consider integrating the above mentioned measures into their business processes so that duplication is avoided.

5. Instructions at para-2 above shall take effect from 1st January, 2007, and instructions at para-3 shall become effective from 1st April, 2007. All Heads of Organisations/Depts. are advised to get personally involved in the implementation of these important preventive vigilance measures. They should arrange close monitoring of the progress in order to ensure that the required information is placed on the website in a user-friendly manner before the expiry of the abovementioned deadlines. They should later ensure that the information is updated regularly.

6. This issues with the approval of the Commission.

Sd/-
(Balwinder Singh)
Addl. Secretary

Annexure

Illustrative list

1. Land & Building Related Issues
 - (i) Applications for mutation; conversion from leasehold to freehold of lands & buildings; approval of building plans by municipal authorities and landowning/ regulating agencies like MCD; DDA; NDMC; L&DO and similar agencies in other UTs.
 - (ii) Application for registration deeds by Sub-Registrars/Registrars and other applications connected with land record management.
 - (iii) Application for allotment of land/flats, etc., by urban development agencies like Delhi Development Authority.
2. Contracts & Procurement.
 - (i) Applications for registration of contractors/suppliers/ consultants/ vendors, etc.
 - (ii) Status of all bill payments to contractors/suppliers, etc.
3. Transport Sector
Issue of driving licenses, registration of vehicles, fitness certificates, release of impounded vehicles etc. by RTAs.
4. Environment & Pollution Related Matters
Issue of environment and pollution clearances for setting up industries and other projects by Min. of Environment & Forests; Pollution Control Organisations, etc.



5. Food & Hotel Industry
Applications connected with clearances, licenses for food industry/hotels/ restaurants, etc.
6. Ministry of Labour/Ministry of Overseas Indian Affairs.
 - (i) Applications by beneficiaries and employers in connection with EPFO; ESI etc.
 - (ii) Applications by recruiting/placement agencies and individuals submitted to Protectorate General of Emigrants and the concerned Ministry.
 - (iii) Other applications connected with regulatory/enforcement systems of Labour Ministry.
7. CBDT & Income Tax Deptt.
 - (i) Application for PAN.
 - (ii) Applications submitted by NGOs for exemption from Income Tax.
 - (iii) Applications submitted for issue of certificates/income tax clearance for immigration/public contracts or any other purposes.
 - (iv) Application for appointment of legal counsels/any other professionals.
8. Customs & Central Excise & DGFT
Applications/cases of Duty Drawback & other export incentives.
9. Telecom (BSNL & MTNL)
Applications for establishing STD booths, etc.
10. Petroleum Sector
Applications for allotment of petrol pumps/gas stations.
11. Ministry of External Affairs
 - (i) Applications for issue of passports.
 - (ii) Applications for issue of visas by Indian Embassies abroad.
12. Ministry of Home Affairs
 - (i) Applications submitted to FRRO.
 - (ii) Applications connected with FCRA.
13. Ministry of Health
Applications for recognition by Medical Council of India and similar other regulatory bodies.
14. Education
 - (i) Applications for accreditation handled by bodies like AICTE & others.
 - (ii) Applications for recognition of schools by Director of Education etc.
 - (iii) Grant of E.C. by Director of Education.
15. Agriculture, Dairying & Fisheries
 - (i) Various clearances/licenses, eg. clearance for operating fishing vessels.
 - (ii) Quarantine related applications.
16. Ministry of Social Justice/Tribal Affairs.
Applications for sanction of funds to NGOs.

CVC – Circular No. 37/10/06 dated 03/10/2006**Tendering process – negotiation with L1**

Reference is invited to Commission's instructions of even number dated 25.10.2005 on the above subject. A number of references have been received in the Commission, asking for clarification on issues pertaining to specific situations.

2. The Commission's guidelines were framed with a view to ensuring fair and transparent purchase procedure in the organizations. The guidelines are quite clear and it is for the organizations to take appropriate decision, keeping these guidelines in view. In case they want to take action in deviation or modification of the guidelines, to suit their requirements, it is for them to do so by recording the reasons

and obtaining the approval of the competent authority for the same. However, in no case, should there be any compromise to transparency, equity or fair treatment to all the participants in a tender.

3. The above instructions may be noted for strict compliance.

Sd/-
(V. Kannan)
Director

CVC – Circular No. 31/09/06 dated 01.09.2006

Posting of details of award of tenders/contracts on websites/bulletins.

The Commission, vide its orders of even number dated 16.3.2005, 28.7.2005 and 20.9.2005, had directed all organisations to post every month a summary of all contracts/purchases made above a certain threshold value on the websites of the concerned organisations, and it was specified that the proposed threshold limits would be acceptable to the Commission as long as they covered more than 60% of the value of the transactions every month in the first instance, to be revised subsequently after the system stabilized. The threshold values as decided by the organisations, were also to be communicated to the Commission separately for its perusal and record. CVOs were required to monitor the progress in this regard and ensure that the requisite details were posted regularly on respective websites. They were also required to incorporate the compliance reports in this regard in their monthly reports.

2. The Commission has taken serious note that the aforementioned instructions are not being adhered to by the organisations. CVOs are, therefore, once again advised to ensure that details of the tenders awarded above the threshold value by the organizations are uploaded in time on the organisation's official website and are updated every month. The position in this regard should be compulsorily reflected in the CVOs monthly reports to the Commission. CVOs should also specifically bring to the notice of the Commission, any violation of this order.

3. Please acknowledge receipt and ensure due compliance.

Sd/-
(V.Kannan)
Director

CVC – Circular No. 15/5/06 dated 09.05.2006

Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis

The Commission had, in its OM No. 06-03-02-CTE-34 dated 20.10.2003 on back to back tie up by PSUs, desired that the practice of award of works to PSUs on nomination basis by Govt. of India/PSUs needed to be reviewed forthwith. It is observed that in a number of cases, Works/Purchase/Consultancy contracts are awarded on nomination basis. There is a need to bring greater transparency and accountability in award of such contracts. While open tendering is the most preferred mode of tendering, even in the case of limited tendering, the Commission has been insisting upon transparency in the preparation of panel.

2. In the circumstances, if sometimes award of contract on nomination basis by the PSUs become inevitable, the Commission strongly feels that the following points should be strictly observed.

- (i) All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post facto.
- (ii) The reports relating to such awards will be submitted to the Board every quarter.
- (iii) The audit committee may be required to check at least 10% of such cases.

3. This may be noted for strict compliance.

Sd/-
(V. Kannan)
Director

**CVC – Circular No. 21/05/06 dated 01.05.2006****Examination of Public Procurement (Works/Purchases/Services)
Contracts by CVOs**

The Commission has been emphasising the need for close scrutiny by the CVO, of the Public Procurement (Works/ Purchases/Services) Contracts of his department/organisation concerned, to ensure that the laid down systems and procedures are followed, there is total transparency in the award of contracts, and there is no misuse of power in decision making.

2. A number of booklets have been issued by the Chief Technical Examiner Organisation of the Commission, bringing out the common irregularities/ lapses noticed in different contracts. A Manual for Intensive Examination of Works/ Purchase Contracts and guidelines on tendering have also been issued. These are available in the Commission's website.

3. The need for CTE type examinations by the CVOs has been emphasised in the Zonal meetings. The CVOs are required to reflect their examinations in the monthly reports. The Commission reiterates the importance of such examinations by the CVOs, as an effective preventive vigilance measure.

4. For this purpose, the CVOs are required to be well conversant with their organisation's works/purchase manual. Wherever works/purchase manuals are non-existent, they should be got prepared, particularly, in those organisations which have substantial procurement activities. CVOs should also ensure that the manuals are updated from time to time. They should check and ensure that the field staff is well conversant with the extant provisions of the manuals, and the guidelines issued by the Commission/CVOs from time to time. CVOs should have a full and active participation during the CTE inspections to know about the problem areas in the organisation's procurement process.

5. CVOs must also familiarise themselves with the earlier CTE examination reports and ensure that the lapses previously noticed are not repeated. If lessons are not learnt from the past, there would be need to take a serious view of the repetition of lapses and initiate disciplinary proceedings against the officials found responsible for repetition of the lapses committed previously.

6. On the basis of the lapses noticed by the Chief Technical Examiner's Organisation over the years, a checklist has been prepared which could be used by the CVO while examining procurements contracts. The checklist may be seen in Annexure –1. If certain procurement contracts require an intensive examination by the CTEO, a reference may be made to them with adequate justification.

7. This may please be noted for strict compliance.

Sd/-
(V.Kannan)
Director

Annexure-1**Check list for examination of Procurement (Works/ Purchases/ Services) Contracts by CVOs****I. Pre-Award Stage**

1. Financial and Technical sanction of competent authority is available.
2. Adequate and wide publicity is given. Advertisement is posted on website and tender documents are available for downloading.
3. Convenient tender receiving/opening time and address of the tender receiving officials/tender box are properly notified.
4. In the case of limited tender, panel is prepared in a transparent manner clearly publishing the eligibility criteria. The panel is updated regularly.
5. Pre-qualification criteria are properly defined/ notified.
6. Short listed firms/consultants are fulfilling the eligibility criteria. There is no deviation from notified criteria during evaluation.
7. Experience certificates submitted have been duly verified.
8. Tenders/bids are opened in the presence of bidders.

9. Corrections/omissions/additions etc., in price bid are properly numbered and attested and accounted page –wise. Tender summary note/ Tender opening register is scrupulously maintained.
 10. Conditions having financial implications are not altered after opening of the price bids.
 11. In case of consultancy contracts (a)Upper ceiling limit is fixed for consultancy fee and (b) Separate rates for repetitive works are fixed.
- B. Post-award stage
- (a) General
 1. Agreement is complete with all relevant papers such as pre-bid conference minutes, etc.
 2. Agreement is page-numbered, signed and sealed properly.
 3. Bank Guarantee is verified from issuing bank.
 4. Insurance policies, labour licence, performance guarantee are taken as per contract.
 5. Technical personnel are deployed as per contract.
 6. Plant and equipment are deployed as per contract.
 7. Action for levy of liquidated damages is taken in case of delay/default.
 - (b) Payments to contractors
 1. Price escalation is paid only as per contract.
 2. Retention Money/Security Deposit is deducted as per contract.
 3. Recovery of Mobilisation & Equipment advance is made as per the provisions in the contract.
 4. Recovery of I.Tax & Works Contract tax is made as per provisions in the contract.
 5. Glaring deviations are supported with adequate justification and are not advantageous to the contractor.
 - (c) Site Records
 1. Proper system of recording and compliance of the instructions issued to the contractors is maintained.
 2. Proper record of hindrances is maintained for the purpose of timely removal of the hindrance and action for levy of liquidated damages.
 3. Mandatory tests are carried out as per the frequency prescribed in the Agreement.

CVC – Office Order No. 74/12/05 dated 21.12.2005

Vigilance angle – definition of (partial modification regarding)

In partial modification to Commission's Office Order No. 23/4/04 issued vide No. 004/VGL/18 dated 13.4.04 on definition of vigilance angle, the following is added at the end of para 2 for the purpose of determination of vigilance angle as para 2 (b)

"Any undue/unjustified delay in the disposal of a case, perceived after considering all relevant factors, would reinforce a conclusion as to the presence of vigilance angle in a case". The existing para 2 will be marked as para 2 (a).

2. CVO may bring this to the notice of all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary

CVC – Office Order No. 71/12/05 dated 09.12.2005

Undertaking by the Members of Tender Committee/Agency

In continuation of the Commission's directions vide Order 005/VGL/4 dated 16.03.2005 regarding transparency in the tender process, the Commission would advise that the members of the Tender Committee should give an undertaking at the appropriate time, that none of them has any personal interest in the Companies/Agencies participating in the tender process. Any Member having interest in any Company should refrain from participating in the Tender Committee.

2. CVOs should bring this to the notice of all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary

**CVC – Office Order No. 98/VGL/25 dated 10/11/2005****Intensive Examination of works by CTE's Organization – submission of quarterly progress report**

Please refer to Commission's OM No. 98-VGL-25 dated 16.5.2005 wherein it was clarified that the consultancy contracts, all service contracts equipment & supplies of medicines to hospitals etc. are to be included in the QPRs being furnished to the CTE's Organization.

2. It was also enjoined upon all the CVOs to certify on the QPRs that all the works/purchase/consultancy and other contracts in progress as per the prescribed monetary limit have been included in the QPR.

3. It has been observed that many of the QPRs do not contain the consultancy contracts, service contracts and equipment & medicine purchase contracts and also the requisite certificates from the CVOs.

4. It is once again enjoined upon all the CVOs that the QPRs should contain all the ongoing contracts above prescribed financial limit, separately, for the below mentioned categories:-

Civil -	Rs.1.00 Cr. and above
Elect/Mech.Works	Rs.30 Lacs & above
Store Purchase	Rs.2 Cr. and above
Hort.	Rs.2 lacs and above
Medical equipment	Rs.1 Cr. & above
Consultancy	2 largest value contracts
Service contracts	2 largest value contracts.
Supplies of medicines	4 largest value contract.

Requisite certificate by CVO, should also be enclosed along with the QPR.

5. In case organization, which are undertaking such works in the areas mentioned above where the monetary value of all such works is less than the limits prescribed above, they may report 2 largest works in progress in each discipline. If the organization is not undertaking any work under any particular discipline, a 'NIL' report should be furnished.

6. The above instructions are for strict compliance with immediate effect.

Sd/-
P. Varma
Chief Technical Examiner

CVC – Circular No. 68/10/05 dated 25/10/2005**Tendering Process – Negotiation with L-1**

A workshop was organised on 27th July 2005 at SCOPE New Delhi, by the Central Vigilance Commission, to discuss issues relating to tendering process including negotiation with L-1. Following the deliberations in the above mentioned Work Shop, the following issues are clarified with reference to para 2.4 of Circular No. 8(1) (h)/98(1) dated 18th November, 1998 on negotiation with L-1, which reflect the broad consensus arrived at in the workshop.

- (i) There should not be any negotiations. Negotiations if at all shall be an exception and only in the case of proprietary items or in the case of items with limited source of supply. Negotiations shall be held with L-1 only. **Counter offers tantamount to negotiations and should be treated at par with negotiation.**
- (ii) Negotiations can be recommended in exceptional circumstances only after due application of mind and recording valid, logical reasons justifying negotiations. In case of inability to obtain the desired results by way of reduction in rates and negotiations prove infructuous, satisfactory explanations are required to be recorded by the Committee who recommended the negotiations. The Committee shall be responsible for lack of application of mind in case its negotiations have only unnecessarily delayed the award of work/contract.

2. Further, it has been observed by the Commission that at times the Competent Authority takes unduly long time to exercise the power of accepting the tender or negotiate or re-tender. Accordingly, the model time frame for according such approval to completion of the entire process of Award of tenders should not exceed one month from the date of submission of recommendations. In case the file has to be approved at the next higher level a maximum of 15 days may be added for clearance at each level. The overall time frame should be within the validity period of the tender/contract.
3. In case of L-1 backing out there should be re-tendering as per extant instructions.
4. The above instructions may be circulated to all concerned for compliance.

Sd/-
(Anjana Dube)
Deputy Secretary

CVC – Office Order No. 57/9/05 dated 20/09/2005

Details on award of tenders / contracts publishing on websites / Bulletins – Reminder regarding

It has been observed that despite Commission's directions vide its circulars dated 16/3/05 and 28/7/05, a number of organisations are yet to give details of the tenders finalized on the website of their organisations. Some of the Organisations have informed that this is due to the delay in receipt of information from their Regional/Subordinate Offices.

2. In this regard it is clarified that placing of such information on the website will be a continuous process. The CVOs should ensure publishing of the details of the tenders awarded immediately with available information and subsequently update it. The threshold limits as proposed by the CVOs in consultation with CEOs can be taken as the starting point which could be revised subsequently to cover 60% of the transactions in a year and further 100% on stabilization.

Sd/-
(Mitter Sain)
Deputy Secretary

CVC – Office Order No. 46/07/05 dated 28/07/2005

Details on award of tenders / contracts publishing on websites / Bulletins – Reminder regarding

Reference is invited to Commission's **Office Order No.13/3/05 dated 16.3.2005** regarding above mentioned subject directing the organisations to publish every month the summary of contracts / purchases made above a threshold value on the website. **In this regard it is specified that the proposed threshold limit is acceptable to the Commission as long as it covers more than 60% of the value of the transactions every month.** This limit can be raised subsequently once the process stabilizes.

2. CVOs may, therefore, ensure that such details are posted on the website of the organisation immediately and compliance report in this regard should be sent by CVOs in their monthly report to the Commission.

Sd/-
(Anjana Dube)
Deputy secretary

CVC – OM No. 98/VGL/25 dated 16.05.2005

Intensive Examination of works by CTE's Organization – Submission of Quarterly Progress Report

Please refer to the Commission's OM No. 98/VGL/25 dated 20.10.98, 98/VGL/25 dated 20.07.01 and OFF-I-CTE-I(Pt) dated 23.12.03 regarding submission of quarterly progress reports(QPR's) to the CTE's Organization in the prescribed format in respect of Civil Works costing more than ₹1.00 crores,



Electrical/Mechanical and other Allied works costing more than ₹30.00 Lacs, Stores/Purchase contracts costing more than ₹2.00 crores and Horticulture works costing more than ₹2.00 Lacs .

2. It is clarified that the consultancy contracts, all service contracts such as hiring/leasing of cycle stands etc., transportation contracts, catering, equipment & supplies of medicines to hospitals etc are also to be reported in the respective QPR.

3. As per above-mentioned office memorandums, all the works above the prescribed limit have to be reflected in the quarterly progress reports. In case of organizations, which are undertaking such works in the areas mentioned above, where the monetary value of all such works is less than the limits prescribed above, they may report two largest works in progress in each discipline. Instances have come to the notice of the Commission, where all the works in progress, were not reflected in the quarterly progress report submitted by the organization. It is enjoined upon all the Chief Vigilance Officers to certify on the QPR that "All the works/purchases/Consultancy and other contracts in progress, as per the prescribed monetary limit, have been reported in this QPR."

4. The above instructions are for strict compliance.

Sd/-

(Smt. Padmaja Varma)
Chief Technical Examiner

CVC – Circular No. 2EE-1-CTE-3 dated 12/04/2005

Issues pertaining to Negotiation with L1 (i.e. Lowest tenderer)

During the recent Zonal Conference, some of the organizations have expressed some difficulties in implementation of the subject order and requested the Commission for a review.

2. The Commission in its efforts to look at some of its own guidelines & instructions and fine tune them with the organization's requirement to make the system cost effective and more competitive proposes to hold a workshop in the 3rd week of May with select CVOs. The Commission would, therefore welcome the reasoned views of your organization for and against the banning of post- tender negotiations with other than L 1 (lowest tenderer). Your views on the subject matter of negotiations, circulated vide letter No. 8(I)(h)/98(I), dated 18.11.98 with justification of your stand and suggestion for modification, if any, may please be arranged to be sent to this organization addressed to the undersigned immediately, latest by 30.4.2005.

3. The date, time and venue of the workshop shall be intimated shortly.

Sd/-

(V. Ramachandran)
Chief Technical Examiner

CVC – Office Order No. 18/3/05 dated 24/03/2005

Banning of business dealings with firms/contractors – clarification regarding

Para 31 of Chapter XIII, Vigilance Manual Part-I provides that business dealings with the firms/contractors may be banned wherever necessary. It was also suggested that for banning of the business with such firms/contractors or for withdrawal of banning orders, advice of the Central Vigilance Commission need not be sought.

It is however observed by the Commission that some of the departments/organizations cite the Commission as the authority behind the decision in their orders while banning of the firms/contractors. This is not appropriate. **The Commission once again reiterates its instructions that banning of business is an administrative matter to be decided by the management of the organization and the Central Vigilance Commission does not give its advice in such matters.** This may please be noted for strict compliance.

Sd/-

(Anjana Dube)
Deputy Secretary

CVC – Office Order No. 15/3/05 dated 24/03/2005

Notice inviting tenders - regarding

The Commission has observed that some of the Notice Inviting Tenders (NITs) have a clause that the tender applications could be rejected without assigning any reason. This clause is apparently incorporated in tender enquiries to safeguard the interest of the organisation in exceptional circumstance and to avoid any legal dispute, in such cases.

2. The Commission has discussed the issue and it is emphasized that the above clause in the bid document does not mean that the tender accepting authority is free to take decision in an arbitrary manner. He is bound to record clear, logical reasons for any such action of rejection/recall of tenders on the file.

3. This should be noted for compliance by all tender accepting authorities.

Sd/-
(Anjana Dube)
Deputy Secretary

CVC – Office Order No. 13/3/05 dated 16/03/2005

Details on award of tenders / contracts publishing on websites / Bulletins

The Commission vide its Circular No.8(1)(h)/98(1) dated 18.11.1998 had directed that a practice must be adopted with immediate effect by all organisations within the purview of the CVC that they will publish on the notice board and in the organisation's regular publication(s), the details of all such cases regarding tenders or out of turn allotments or discretion exercised in favour of an employee/party. However, it has been observed by the Commission that some of the organisations are either not following the above mentioned practice or publishing the information with a lot of delay thereby defeating the purpose of this exercise, viz. increasing transparency in administration and check on corruption induced decisions in such matters.

2. The Commission has desired that as follow up of its directive on use of "website in public tenders", all organisations must post a summary every month of all the contracts/purchases made above a certain threshold value to be decided by the CVO in consultation with the head of organisation i.e. CEO/CMD etc. as per Annexure-I. The threshold value may be reported to the Commission for concurrence.

3. Subsequently, the website should give the details on the following:
a) actual date of start of work
b) actual date of completion
c) reasons for delays if any

A compliance report in this regard should be sent by the CVOs alongwith their monthly report to CVC.

Sd/-
(Anjana Dube)
Deputy Secretary

Details of contractors concluded during the Month

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Tender No.	Item/ Nature of work	Mode of Tender Enquiry	Date of publication of NIT	Type of Bidding (Single/ Two Bid System)	Last date of receipt of tender	Nos. of tenders recd.	Nos. & names of parties qualified after technical evaluation	Nos. & names of parties not qualified after technical evaluation	Whether contract awarded to lowest tenderer / evaluated L1	Contract No. & Date	Name of Contractor	Value of Contract	Schedule date of completion of supplies

**CVC – Office Order No. 11/3/05 dated 10/03/2005****Delays in Payments to Contractors & Suppliers etc. – Reducing opportunities for corruption regarding**

The Commission has observed that in a large number of Government organisations and PSUs, payments to contractors/suppliers are inordinately delayed. This makes the system vulnerable to corruption, in addition to increasing the cost of procurement by the Government agencies.

2. The Commission has therefore directed that all the CVOs should undertake a review of bills received during the last six months. The review is meant to primarily determine the time taken in clearing the bills. Necessary help from the concerned Finance/Administration departments may be taken wherever required. Wherever the systems have not yet been computerised there may be practical difficulties in conducting such a review for all the bills. The organisations may fix a cut off limit for review. It is suggested that the cut off limit for bills can be ₹1 lakh i.e. time taken for payment of all bills above this amount should be seen. In smaller organisations the cut off limit can be lower depending on feasibility and convenience.

3. The CVO should also review whether payments are being made on “first-come-first-serve” basis or not.

4. A compliance report in this regard may be sent to the Commission by 15.4.2005 as per the following details:

Statement on delays in Bill Payments

1. Name of Organisation	:	
2. Cut off limit	:	₹1 lakh/others(in respect of small orgns.)
3. Bills received during Sept.,04-Feb,05	:	
(from contractors/suppliers etc.)	:	
	Total No. of Bills	:
	Total amount involved	:
4. Out of these		
(a) Bills paid in 15 days		
	No. of Bills	:
	Amount Involved	:
(b) Bills paid in 15-30 days		
	No. of Bills	:
	Amount Involved	:
(c) Bills paid in 30-60 days		
	No. of Bills	:
	Amount Involved	:
(d) Bills paid from 60 days to 120 days		
	No. of Bills	:
	Amount Involved	:
(e) Bills paid over 120 days		
	No. of Bills	:
	Amount Involved	:

5. There are also complaints that most of the organizations take inordinately long time in releasing 5% bills amount, which is normally retained as performance guarantee after it becomes due. CVO may do a similar exercise with regard to release of this payment.

6. Has any ERP system or any other computerized system been installed for accounting purposes which can monitor bill payment?

6A. If not, is there any plan to do so in near future? If so, please indicate the time frame.

Sd/-
(Balwinder Singh)
Additional Secretary

CVC – Office Order No. 75/12/04 dated 24/12/2004**Participation of consultants in tender - guidelines regarding**

Consultants are appointed by the organisation for preparation of project report. These appointments are made for any new projects, expansions, modernization/modification of the existing projects etc. The selection is made with maximum attention to the suitability, competence and proven track record.

2. Further, during the CVO's Conference convened by the Commission in Sept.1997, the Central Vigilance Commissioner had constituted a Committee of CVOs to go into the system of contracts prevalent in PSUs and to suggest, wherever required, methods of streamlining the contracting provisions. The Committee after going through the contract system of various organisations had made recommendations on consultants as under:-

Consultants:-A firm which has been engaged by the PSU to provide goods or works for a project and any of its affiliates will be disqualified from providing consulting services for the same project. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, will be disqualified from subsequently providing goods or works or services related to the initial assignment for the same project.

Consultants or any of their affiliates will not be hired for any assignment, which by its nature, may be in conflict with another assignment of the consultants.

3. It has come to the notice of the Commission that in a tendering process of a PSU, the consultant was also permitted to quote for work for which they had themselves estimated the rates and the consultant quoted 20% above their own estimated rates as against the awarded rates which were 20% below the estimated cost. Such over dependence on the consultant can lead to wasteful and infructuous expenditure which the organisation regrets in the long run. Meticulous and intelligent examination of the consultants proposal is therefore essential for successful and viable completion of the project.

4. The Commission reiterates the recommendations made by the Committee that the consultants/firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, will be disqualified from subsequently providing goods or works or services related to the initial assignment for the same project.

Sd/-
(Anjana Dube)
Deputy Secretary

CVC – Office Order No. 72/12/04 dated 10/12/2004

Transparency in tendering system - Guidelines regarding

In order to maintain transparency and fairness, it would be appropriate that organisations should evolve a practice of finalizing the acceptability of the bidding firms in respect of the qualifying criteria before or during holding technical negotiations with him. Obtaining revised price bids from the firms, which do not meet the qualification criteria, would be incorrect. Therefore the exercise of short listing of the qualifying firms must be completed prior to seeking the revised price bids. Moreover, the intimation of rejection to the firms whose bids have been evaluated but found not to meet the qualification criteria, along with the return of the un-opened price bid, will enhance transparency and plug the loop-holes in the tendering system. All organizations/departments are advised to frame a policy accordingly.

Sd/-
(Anjana Dube)
Deputy Secretary

CVC – Office Order No. 69/11/04 dated 03/11/2004

Turnkey contracts for net-working of computer systems

The Commission has been receiving complaints that in turnkey contracts for net-working of computer systems a lot of unrelated products are being included in the contracts which are either not required or which are stand alone in nature and can be procured separately at much lower cost. Inclusion of these unrelated items creates opportunities for malpractices. The Commission is of the view that wherever possible it will be advisable to take an independent third party view about the scope of turnkey projects so that the tendency to include unrelated products as part of the turnkey project is avoided.

Sd/-
(Balwinder Singh)
Additional Secretary



CVC – Office Order No. 68/10/04 dated 20/10/2004
Leveraging Technology – e-payment & e-receipt

Reference is invited to the Commission's Office Order No. 20/4/04 dated 6.4.2004 regarding the above mentioned subject.

2. The Commission had directed that by July 2004, 50% of the payment transactions both in value terms as well as in lieu of number of transactions shall be made through ECS/EFT mechanism instead of payments through Cheques; and urged all Banks, PSUs and Departments to provide an enabling environment and facilities so that such an initiative is successful. It has been informed that some of the organisations are yet to initiate the process in this regard. The organisations are, therefore, requested to forward the details regarding the implementation of e-payment mechanism, as per the enclosed format by November 15, 2004 positively.

Sd/-
(Anjana Dube)
Deputy Secretary

FORMAT
Leveraging Technology – e-payments & e-receipts

(A) Details regarding payments of salary etc. to employees.

- (1) Total No. of employees -
- (2) No. of employees whose Bank A/c details including MICR have been received -
- (3) % in terms of numbers of employees to whom salary & other dues are being paid through e-payments -

(B) Details regarding payments of dues to contractors/suppliers etc.

- (1) Number of contractors/suppliers/agents/assessees etc. dealt with regularly during the period July 2004 – September 2004.
- (2) Number of contractors/suppliers/agents/assessees etc. whose Bank A/c details including MICR have been received.
- (3) Total payments made to all contractors/suppliers/assessees/CHA's during the period July 2004 – September 2004 (Amount in Rupees in lakhs).
[Payments should include refunds of earnest money/income tax etc.]
- (4) Total payments made through e-payments during the above period (Amount in Rupees in lakhs).
- (5) % of Bills (in terms of number of payments) in which e-payment is made.
- (6) % of value of payments made through e-payments.
- (7) List of nodal officers who have been entrusted with the responsibility of managing charge to e-payment system.

(C) E-receipts

Separate details as per (1)-(7) above may also be provided in respect of e-receipts by organisations getting regular payments in terms of license fee/income tax receipts/custom duty/sales tax/property tax/freight charges/consultancy fees etc. (The organisations can give the type of payments received).

CVC – Office Order No. 43/7/04 dated 02/07/2004

Improving Vigilance Administration: Increasing Transparency in procurement/sale etc. - Use of website regarding.

The Central Vigilance Commission has issued a directive on the above subject vide its Order No.98/ORD/1 dated 18th Dec. 2003 making it mandatory to use web-site in all cases where open tender system is resorted to. These instructions have been further extended vide Office Order No.10/2/04 dated 11.2.2004 to tenders of short-term nature (by whatever name it is called in different organizations). Various organizations have been corresponding with the Commission seeking certain clarifications with regard to the above directives. The main issues pointed out by organizations are as follows:

Issue 1 Size of Tender Documents

In cases of works/procurement of highly technical nature, tender documents run into several volumes with large number of drawings and specifications sheets, etc. It may not be possible to place these documents on website.

Clarification: These issues have been discussed with the technical experts and in their opinion, there is no technical and even practical difficulty in doing the same. These days almost all the organizations do their typing work on computers and not on manual typewriters. There is no significant additional effort involved in uploading the material typed on MS Word or any other word processing softwares on the website irrespective of the number of pages. The scanning of drawings is also a routine activity. Moreover if the volume and size of tender document is so large as to make it inconvenient for an intending tendering party to download it, they always have the option of obtaining the tender documents from the organization through traditional channels. The Commission has asked for putting tender documents on web-site in addition to whatever methods are being presently used.

Issue 2 Issues Connected with Data Security, Legality and Authenticity of Bid Documents.

Certain organizations have expressed apprehensions regarding security of data, hacking of websites etc. They have also pointed out that certain bidding parties may alter the downloaded documents and submit their bids in such altered tender documents which may lead to legal complications.

Clarification: This issue has been examined both from technical and legal angles. Technically a high level of data security can be provided in the websites. The provisions of digital signatures through Certifying Authority can be used to ensure that in case of any forgery or alteration in downloaded documents it is technically feasible to prove what the original document was. There are sufficient legal provisions under IT Act to ensure that e-business can be conducted using the website. A copy of the remarks given by NIC on this issue are enclosed herewith.

Issue 3 Some organizations have sought clarification whether web site is also to be used for proprietary items or items which are sourced from OEMs (Original Equipment Manufacturers) and OESs (Original Equipment Suppliers).

Clarification: It is clarified that Commission's instructions are with regard to goods, services and works procured through open tender system, so these instruction do not apply to proprietary items and items which necessarily need to be procured through OEMs and OESs.

Issue 4 Do the instructions regarding 'short term tenders' given in the CVC Order No.98/ORD/1 dated 11th Feb., 2004 apply to limited tenders also?

Clarification: In many organizations goods, services and works which as per laid down norms are to be procured/executed through open tender system many times due to urgency are done through short term tenders without resorting to wide publicity in newspapers because of time constraint. In all such cases short term tenders (by whatever name it is called) etc. should also be put on the website of the dept. as it does not involve any additional time or cost.

Regarding applicability of these instructions to limited tenders where the number of suppliers/contractors is known to be small and as per the laid down norms limited tender system is to be resorted to through a system of approved/registered vendors/contractors, the clarification is given below.

Issue 5 Some organizations have pointed out that they make their procurement or execute their work through a system of approved/registered vendors and contractors and have sought clarification about the implications of CVC's instructions in such procurements/contracts.

Clarification: The Commission desires that in all such cases there should be wide publicity through the web site as well as through the other traditional channels at regular intervals for registration of contractors/suppliers. All the required proforma for registration, the pre-qualification criteria etc. should be always available on the web-site of the organization and it should be possible to download the same and apply to the organization. There should not be any entry barriers or long gaps in the registration of



suppliers/contractors. The intervals on which publicity is to be given through website and traditional means can be decided by each organization based on their own requirements and developments in the market conditions. It is expected that it should be done atleast once in a year for upgrading the list of registered vendors/contractors.

The concerned organisation should give web based publicity for limited tenders also except for items of minor value. If the organization desires to limit the access of the limited tender documents to only registered contractors/suppliers they can limit the access by issuing passwords to all registered contractors/suppliers. But it should be ensured that password access is given to all the registered contractors/suppliers and not denied to any of the registered suppliers. Any denial of password to a registered supplier/contractor will lead to presumption of malafide intention on the part of the tendering authority.

Sd/-
(Balwinder Singh)
Addl. Secretary

CVC – Office Memorandum No. 4CC-1-CTE-2 dated 08/06/2004

Mobilization Advance

In order to address the problem of misuse of mobilization advance provision in the civil and other works, the Commission had issued an O.M. dt. 8.12.1997 for grant of interest bearing 'Mobilization Advance' in selected works. In view of references from certain organizations on this issue, the Commission has reviewed the issue and it has been decided to modify and add the following provisions in the existing O.M. This may be read as addendum to the Commission's O.M. dt. 8.12.1997.

- (i) If the advance is to be given, it should be expressly stated in the NIT/Bid Documents, indicating the amount, rate of interest and submission of BG of equivalent amount.
- (ii) The advance payment may be released in stages depending upon the progress of the work and mobilization of required equipments etc.
- (iii) There should be a provision in the contract for adjustment of advance progressively even as the bills are cleared for payment.

Sd/-
(Gyaneshwar Tyagi)
Technical Examiner

CVC – Office Memorandum No. 05-04-1-CTE-8 dated 08/06/2004

Receipt and Opening of Tenders

In the various booklets issued by the CTE Organisation of the Commission, the need to maintain transparency in receipt and opening of the tenders has been emphasized and it has been suggested therein that suitable arrangements for receipt of sealed tenders at the scheduled date and time through conspicuously located tender boxes need to be ensured.

A case has come to the notice of the Commission, where due to the bulky size of tender documents the bid conditions envisaged submission of tenders by hand to a designated officer. However, it seems that one of the bidders while trying to locate the exact place of submission of tenders, got delayed by few minutes and the tender was not accepted leading to a complaint.

In general, the receipt of tenders should be through tender boxes as suggested in our booklets. However, in cases where the tenders are required to be submitted by hand, it may be ensured that the names and designation of atleast two officers are mentioned in the bid documents. The information about these officers should also be displayed at the entrance/reception of the premises where tenders are to be deposited so as to ensure convenient approach for the bidders. The tenders after receipt should be opened on the stipulated date and time in presence of the intending bidders.

Sd/-
(Gyaneshwar Tyagi)
Technical Examiner

CVC – OM No. 12-02-1-CTE-6 dated 07.05.2004

Prequalification criteria (PQ)

Guidelines were prescribed in this office OM of even number dated 17/12/2002, on the above-cited subject to ensure that the pre-qualification criteria specified in the tender document should neither be made very stringent nor very lax to restrict/facilitate the entry of bidders. It is clarified that the guidelines issued are illustrative and the organizations may suitably modify these guidelines for specialized jobs/works, if considered necessary. However, it should be ensured that the PQ criteria are exhaustive, yet specific and there is fair competition. It should also be ensured that the PQ criteria is clearly stipulated in unambiguous terms in the bid documents.

(M.P. Juneja)
Chief Technical Examiner

CVC – Office Order No. 25/4/04 dated 21/04/2004

Consideration of Indian Agents

The Commission has received a complaint alleging that in Government tenders an agent participates by representing a company officially and another bid is submitted as a 'direct offer' from the manufacturer. At times, the agent represents a foreign company in one particular tender and in another tender the said foreign company participates directly and the agent represents another foreign company. There is a possibility of cartelization in such cases and thus award of contract at higher prices.

2. The issue has been deliberated in the Commission. In order to maintain the sanctity of tendering system, it is advised that the purchases should preferably be made directly from the manufacturers. Either the Indian Agent on behalf of the foreign principal or the foreign principal directly could bid in a tender but not both. Further, in cases where an agent participates in a tender on behalf of one manufacturer, he should not be allowed to quote on behalf of another manufacturer along with the first manufacturer in a subsequent / parallel tender for the same item.

3. It is suggested that these guidelines may be circulated amongst the concerned officials of your organization for guidance.

Sd/-
A.K. Jain
Technical Examiner
For Chief Technical EXaminer

CVC – Office Order No. 23/4/04 dated 13/04/2004

Vigilance angle – definition of

[Read with modification vide office Order No.74/12/05]

As you are aware, the Commission tenders advice in the cases, which involve a vigilance angle. The term "vigilance angle" has been defined in the Special Chapters for Vigilance Management in the public sector enterprises, public sector banks and public sector insurance companies. The matter with regard to bringing out greater quality and precision to the definition has been under reconsideration of the Commission. The Commission, now accordingly, has formulated a revised definition of vigilance angle as under:

"Vigilance angle is obvious in the following acts: -

- (i) Demanding and/or accepting gratification other than legal remuneration in respect of an official act or for using his influence with any other official.
- (ii) Obtaining valuable thing, without consideration or with inadequate consideration from a person with whom he has or likely to have official dealings or his subordinates have official dealings or where he can exert influence.
- (iii) Obtaining for himself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means or by abusing his position as a public servant.
- (iv) Possession of assets disproportionate to his known sources of income.
- (v) Cases of misappropriation, forgery or cheating or other similar criminal offences.



2. There are, however, other irregularities where circumstances will have to be weighed carefully to take a view whether the officer's integrity is in doubt. Gross or willful negligence; recklessness in decision making; blatant violations of systems and procedures; exercise of discretion in excess, where no ostensible/public interest is evident; failure to keep the controlling authority/superiors informed in time – **these are some of the irregularities where the disciplinary authority with the help of the CVO should carefully study the case and weigh the circumstances to come to a conclusion whether there is reasonable ground to doubt the integrity of the officer concerned.**

3. The raison d'être of vigilance activity is not to reduce but to enhance the level of managerial efficiency and effectiveness in the organisation. Commercial risk taking forms part of business. Therefore, every loss caused to the organisation, either in pecuniary or non-pecuniary terms, need not necessarily become the subject matter of a vigilance inquiry. Thus, whether a person of common prudence, working within the ambit of the prescribed rules, regulations and instructions, would have taken the decision in the prevailing circumstances in the commercial/operational interests of the organisation is one possible criterion for determining the bona fides of the case. A positive response to this question may indicate the existence of bona- fides. A negative reply, on the other hand, might indicate their absence.

4. Absence of vigilance angle in various acts of omission and commission does not mean that the concerned official is not liable to face the consequences of his actions. **All such lapses not attracting vigilance angle would, indeed, have to be dealt with appropriately as per the disciplinary procedure under the service rules."**

5. The above definition becomes a part of the Vigilance Manual and existing Special Chapter on Public Sector Banks and Public Sector Enterprises brought out by the Commission, in supersession of the existing definition.

CVOs may bring this to the notice of all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary

CVC – Office Order No. 20/4/04 dated 06/04/2004

Improving Vigilance Administration: Increasing Transparency and cutting delays by e-payments and e-receipt by Govt. Organisations etc.

The Commission has been receiving complaints about inordinate delays in making payments to the vendors and other suppliers to the Govt. organisations, Public Sector Undertakings etc. Similarly complaints are received about delays in getting refunds from taxation dept. and other departments. Apart from increasing the cost of procurement, the delays lead to opportunities for corruption. A number of measures are required to cut down on delays in making payments. One such step is resorting to mechanism of e-payments and e-receipts wherever such banking facilities exist.

In the last few years tremendous progress has been made by the banking sector in computerization including net-working of branches, making it possible to do e-banking by making use of facilities like electronic clearing system (ECS) and electronic fund transfer (EFT) etc. These facilities are available in most of the banks including the State Bank of India as well as in private banks. A large number of corporates including public sector undertakings are already making e-payments to vendors and employees instead of making payments by issue of cheques.

The Commission has been receiving complaints that delay is intentionally caused with ulterior motives in the issue and dispatch of cheques in the accounts and finance wings of a large number of Govt. Organisations. As the e-payment facility is already available in the metros as well as practically in all the main urban centres of the country, in order to curb the above mentioned malpractices, the CVC in the exercise of powers conferred on it under Section 8(1) (h) issues following instructions for compliance by all govt. departments, PSUs, banks and other agencies over which the Commission has jurisdiction.

1. The payment to all suppliers/vendors, refunds of various nature, and other payments which the organisations routinely make shall be made through electronic payment mechanism at all centres where such facilities are available in the banks.

2. Salary and other payments to the employees of the concerned organisations at such centres shall also be made through electronic clearing system (ECS) wherever such facilities exist.

As the organisations will have to collect bank account numbers from the vendor, suppliers, employees and others who have interface of this nature with the Govt. organisations, the concerned organisations may plan to switch over to e-payment system in a phased manner starting with transactions with the major suppliers in the beginning or in whatever manner is found more convenient.

It is expected that in three months i.e. by 1st July, 2004, 50% of the payment transactions both in value terms as well as in terms of number of transactions shall be made through ECS/EFT mechanism instead of payment through cheques. The remaining 50% payment transactions at all centres where such facilities exist shall be made by 31st Dec., 2004.

These instructions are applicable to all the metro cities and other urban centres where the banks provide ECS/EFT and similar other facilities.

The departments, PSUs, Banks etc. should also provide an enabling environment and facilities so that businessmen and other citizens can make payment of Govt. dues and payments to PSUs etc. electronically.

In addition to significantly reducing processing costs in preparation and dispatch of cheques, the above measures also reduce the risk of frauds by providing speed, efficiency and easier reconciliation of accounts.

Sd/-
(Anjana Dube)
Deputy Secretary

CVC – Office Order No. 10/2/04 dated 11/02/2004

Improving Vigilance Administration - Increasing transparency in procurement/tender process - use of website - regarding

In CPWD, MCD, Civil Construction Division of Post & Telecom departments and in many other departments/organizations, there is system of short term tenders (by whatever name it is called in different organizations), wherein works below a particular value are undertaken without resorting to publicity as is required in the open tenders. This practice is understandable because of cost and time involved in organizing publicity through newspapers. In all such cases, notice can be put on the web-site of the department as it does not take any time compared to giving advertisements in the newspapers and it practically does not cost anything. This will benefit the department by bringing in transparency and reducing opportunities for abuse of power. This will also help the organizations by bringing in more competition.

2. In view of the reasons given above, the Commission has decided that instructions given in the Commission's circular (No. 98/ORD/1 dated 18.12.2003) for the use of web-site will also apply to all such works awarded by the department/PSEs/other organizations over which the Commission has jurisdiction.

Sd/-
(Balwinder Singh)
Additional Secretary

CVC – Office Order No. 9/2/04 dated 09/02/2004

Improving Vigilance Administration - Increasing transparency in procurement/sale - use of web-site regarding

The Commission has issued a directive vide No. 98/ORD/1 dated 18th December 2003 wherein detailed instructions are issued regarding the use of website for tendering process. The objective is to improve vigilance administration by increasing transparency. The instructions were to take effect from 1st January 2004. It is noticed that many organisations whose web-sites are functional are still not putting their tenders on the web-site. The Commission has desired that CVOs should ensure compliance of the above directive. They should regularly pursue the Newspaper advertisements, the web-site of their organisation and in general keep track to ensure that the directives of the Commission on this subject are complied with. Further, the Commission has desired that the CVOs should indicate in their monthly report in the column pertaining to tender notices whether all the tenders have been put on the web-site, and if



not, the reasons for non-compliance. The explanation of the concerned officers who are not complying with these directions should be called and further necessary action taken.

Sd/-
(Balwinder Singh)
Additional Secretary

CVC – OM No. 8/2/04 (File No. OFF-1-CTE-1) dated 05.02.2004

Common Irregularities in the award of contracts

The CTE Organisation of the Central Vigilance Commission conducts independent intensive examinations of various types of works and contracts executed by the organisations under its purview. The lapses and deficiencies observed during the course of such examinations are brought to the notice of the CVOs, for suitable corrective action. With a view to prevent recurrence of such lapses and irregularities and for improving the systems and procedures in the organisations, a few booklets have also been issued by the CTEO. However, it is observed that certain common deficiencies and irregularities continue to plague the systems in a large number of organisations. Some of these noticed during recent inspections are enumerated as under:

- Appointment of consultants continue to be done in an arbitrary manner. At times two or even three consultants are appointed for a work with no clear cut and some times over lapping responsibilities. A PSU, in a recent case, in addition to the engineering and project management consultants appointed an inspection and expediting consultant with no well defined role for them.
- The tendency of over dependence on the consultants continues. All activities are left completely to the consultants. In a recent inspection of an Oil PSU, the tenders for a big work of about Rs.20 crores were issued on the basis of a single page estimate submitted by the consultants and the same was revised by the latter upwards by 20% after opening of price bids, in order justifying the quoted rates. A detailed and realistic estimate must be prepared before issue of tender.
- Some organizations prefer limited tendering system, restricting competition to their approved contractors. The selection of these contractors at times is arbitrary and due of lack of competition or cartel formation amongst such group of contractors, the contractors are awarded at high rates. This needs to be discouraged and the organisations must ensure that contracts are awarded on the basis of competitive bidding at reasonable rates.
- The works are awarded without preparing any market rate justification. The comparison at times is made with works which were awarded few years back. This procedure cannot be considered objective and appropriate for justifying the awarded rates. The justification should be based on realistic prevailing rates.
- In a recent inspection of an oil PSU, it was noticed that revised price bids were asked from all the bidders, as rates were high vis-a-vis the estimate. This tantamounts to negotiations with firms other than L-1 and is a clear violation of CVC instructions in this regard. The negotiations should be an exception rather than a rule and should be conducted if required, only with the L-1 bidder.
- The organizations generally make provisions for a very small amount of say Rs.50000/- or Rs.1 lac as earnest money. This amount is grossly insufficient to safeguard the organisation's interest in high rate tenders running into several crores of rupees. This needs to be revised to a sufficient amount.
- The post award amendments issued by the organizations, at times recommended by consultants, without into account the financial implications favour the contractors. Such post award deviations without financial adjustments are unwarranted and against the principles of competitive tendering.

- The tender documents, and the agreement are maintained in loose condition, are not page numbered and not signed by both the parties. This is highly objectionable. In order to ensure that the agreements are enforceable in court of law, it is imperative that the agreements are well bound, page numbered, signed by both the parties and well secured. This shall also prevent any possibility of interpolation and tampering of documents.
- Loose & incomplete implementation of contract clauses pertaining to insurance, Workmen's Compensation Act, ESIC, Labour Licenses etc., has been noticed, which give undue financial benefit to the contractors.
- Time is the essence of any contract. It has been observed that at times the work is extended and even payments released without a valid extension to the agreement. This has legal implications and in case of disputes, may jeopardize the interests of the organization. Timely extensions of the contracts and BGs if any must be ensured.

In order to make contract management more transparent and professional, CVO's are requested to circulate this memorandum to the concerned officials in their organizations. This OM is also available in the Commission's website www.cvc.nic.in.

Sd/-
(M.P. Juneja)
Chief Technical Examiner

CVC – Office Order No. 98/ORD/1 dated 18/12/2003

Improving Vigilance Administration: Increasing Transparency in Procurement / Sale etc.

The Commission is of the opinion that in order to bring about greater transparency in the procurement and tendering processes there is need for widest possible publicity. There are many instances in which allegations have been made regarding inadequate or no publicity and procurement officials not making available bid documents, application forms etc. in order to restrict competition.

2. Improving vigilance administration is possible only when system improvements are made to prevent the possibilities of corruption. In order to bring about greater transparency and curb the mal-practices mentioned above the Central Vigilance Commission in the exercise of the powers conferred on it under Section 8(1)(h) issues following instructions for compliance by all govt. departments, PSUs, Banks and other agencies over which the Commission has jurisdiction. These instructions are with regard to all cases where open tender system is resorted to for procurement of goods and services or for auction/sale etc. of goods and services.

- (i) In addition to the existing rules and practices regarding giving publicity of tenders through newspapers, trade journals and providing tender documents manually and through post etc. the complete bid documents alongwith application form shall be published on the web site of the organization. It shall be ensured by the concerned organization that the parties making use of this facility of web site are not asked to again obtain some other related documents from the department manually for purpose of participating in the tender process i.e. all documents upto date should remain available and shall be equally legally valid for participation in the tender process as manual documents obtained from the department through manual process.
- (ii) The complete application form should be available on the web site for purposes of downloading and application made on such a form shall be considered valid for participating in the tender process.
- (iii) The concerned organization must give its web site address in the advertisement/NIT published in the newspapers.



- (iv) If the concerned organization wishes to charge for the application form downloaded from the computer then they may ask the bidding party to pay the amount by draft/cheques etc. at the time of submission of the application form and bid documents.

3. While the above directions must be fully complied with, efforts should be made by organizations to eventually switch over to the process of e-procurement/e-sale wherever it is found to be feasible and practical.

4. The above directions are issued in supersession of all previous instructions issued by the CVC on the subject of use of web-site for tendering purposes. These instructions shall take effect from 1st January, 2004 for all such organizations whose web-sites are already functional. All other organizations must ensure that this facility is provided before 1st April, 2004.

Sd/-

(P. Shankar)

Central Vigilance Commissioner

CVC – Office Memorandum No. 06-03-02-CTE-34 dated 20/10/2003

Back to back tie up by PSUs - instructions regarding

It has been observed during intensive examination of various works/contracts awarded by construction PSUs on back to back basis that the works are being awarded in an ad-hoc and arbitrary manner without inviting tenders and ascertaining the performance, capability and experience of the tenderers. In some cases, the works were awarded on single tender basis/limited tender basis though sufficient time was available with the Organisation to invite open tenders.

2. Some of the common irregularities/lapses observed during the examination of works were as under:

- a) No transparency in selection of contractor for the back to back tie up which is the main source of corruption.
- b) Collusion among the contractors was observed where more than one contractors were involved at various stages.
- c) Ineligible contractor obtains the contract through the PSUs.
- d) Purchase preference misused by the PSUs.
- e) PSUs sublet the complete work to a private contractor without obtaining permission from the client which invariably put a condition insisting such permission since the client is generally not interested in such back to back sublet of the work.
- f) Infructuous work (to the exchequer) due to the involvement of intermediary PSUs and cost of project goes up ultimately.
- g) No supervision by the PSU as they put the staff mainly for coordination work.
- h) Quality ultimately suffers due to lack of supervision by the PSUs.

3. Commission is of the view that the practice of award of works to PSUs on nomination basis by Govt. of India/PSUs needs to be reviewed forthwith.

4. The irregularities observed during intensive examination of work and difficulties being faced by the PSUs in inviting tenders were considered and it has been decided that the procedure to be followed for award of work by Construction PSUs shall be finalised taking into account the following points:

- a) PSUs (when bag the contract from the client Department) as a contractor, has to execute the work by functioning like a contractor instead of sub-letting the 100% work on back to back basis.
- b) Open tenders to be invited for selection of sub-contractors as far as possible
- c) In case, it is not possible to invite open tenders, selection should be carried out by inviting limited tenders from the panel approved in the following manner. Panel of contractors are to be prepared for different categories, monetary limits, regions, in a transparent manner clearly publishing the eligibility criteria etc. The above panel is to be updated every year.

- d) Tenders to be opened confidentially by a high level committee to maintain the secrecy of rates, if required. Tender opening register should be maintained in this regard duly signed by the officers opening the tender and kept confidentially. This should be available for perusal when required by audit/vigilance.
 - e) The terms and conditions of the contract of the client especially those pertaining to subletting of works should be strictly adhered to by the PSUs.
 - f) Adequate staff to be deployed by the PSUs to ensure quality in construction etc.
 - g) The record of enlistment/updation of contractor and tender opening register shall be produced to the CTEO as well as audit officials when demanded for scrutiny.
5. It is, therefore, suggested that the procedure for award of work on back to back basis be finalised keeping in view the above points and circulated amongst the concerned officials of your organisation for strict compliance in future works.

Sd/-
(R.A. Arumugam)
Chief Technical Examiner

CVC – Office Memorandum No. 2EE-1-CTE-3 dated 15/10/2003

Tender Sample Clause

The Commission has received complaints that some organizations, while procuring clothing and other textile items insist on submission of a tender sample by the bidders though detailed specifications for such items exist. The offers are rejected on the basis of tender samples not conforming to the requirements of feel, finish and workmanship as per the 'master sample' though the bidders confirm in their bids that supply shall be made as per the tender specifications, stipulated in the bid documents.

2. While it is recognized that samples may be required to be approved to provide a basis in respect of indeterminable parameters such as shade, feel, finish & workmanship for supplies of such items but system of approving/rejecting tender samples at the time of decision making is too subjective and is not considered suitable, especially for items which have detailed specifications. The lack of competition in such cases is also likely to result in award of contracts at high rates.

3. It is thus advised that Government Departments/Organizations should consider procurement of such items on the basis of detailed specifications. If required, provision for submission of an advance sample by successful bidder(s) may be stipulated for indeterminable parameters such as, shade/ tone, size, make-up, feel, finish and workmanship, before giving clearance for bulk production of the supply. Such a system would not only avoid subjectivity at the tender decision stage but would also ensure healthy competition among bidders and thus take care of quality aspect as well as reasonableness of prices.

4. It is requested that these guidelines may be circulated amongst the concerned officials of your organization for guidance. These are also available on the CVC's website, <http://cvc.nic.in>.

Sd/-
(A.K. Jain)
Technical Examiner for Chief Technical Examiner

CVC – Office Order No. 46/9/03 dated 11/09/2003

E-procurement/Reverse Auction

The Commission has been receiving a number of references from different departments / organisations asking for a uniform policy in this matter. The departments / organisations may themselves decide on e-procurement/reverse auction for purchases or sales and work out the detailed procedure in this regard. It has, however, to be ensured that the entire process is conducted in a transparent and fair manner.

Sd/-
(Mange Lal)
Deputy Secretary

**CVC – Office Order No. 44/9/03 dated 04/09/2003****Irregularities in award of contracts**

While dealing with the case of a PSU, the Commission has observed that the qualification criteria incorporated in the bid documents was vague and no evaluation criterion was incorporated therein. It is also seen that the category-wise anticipated TEUs were not specified in the bid documents and the same was left for assumptions by Tender Evaluation Committee for comparative evaluation of financial bids, which led to comparative evaluation of bids on surmises and conjectures. Further, it was also provided as a condition in the tender bid that the tenderer should have previous experience in undertaking handling of similar work and/or transportation works preferably of ISO containers, however, no definition of 'similar works' was, indicated in the bid documents.

2. It should be ensured that **pre-qualification criteria, performance criteria and evaluation criteria are incorporated in the bid documents in clear and unambiguous terms as these criterion very important to evaluate bids in a transparent manner. Whenever required the departments/organisations should have follow two-bid system, i.e. technical bid and price bid. The price bids should be opened only of those vendors who were technically qualified by the Deptt./ Organisation.** The Commission would therefore advise that the Deptt./ Organisation may issue necessary guidelines in this regard for future tenders.

3. It has also observed that the orders were allegedly split in order to bring it within the powers of junior officers and that the proper records of machine breakdown were not being kept. It is therefore, decided that in the matters of petty purchase in emergency items all departments/organisations must keep proper records of all machine breakdown etc.

4. All CVOs may bring this to the notice of all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary

CVC – Office Order No. 33/7/03 dated 09/07/2003**Short-comings in bid documents**

The Commission has observed that in the award of contracts for goods and services, the detailed evaluation/exclusion criteria are not being stipulated in the bid document and at times is decided after the tender opening. This system is prone to criticism and complaints as it not only leads to a non-transparent and subjective system of evaluation of tenders but also vitiates the sanctity of the tender system.

2. The Commission would reiterate that whatever pre-qualification, evaluation/exclusion criteria, etc. which the organization wants to adopt should be made explicit at the time of inviting tenders so that basic concept of transparency and interests of equity and fairness are satisfied. The acceptance/rejection of any bid should not be arbitrary but on justified grounds as per the laid down specifications, evaluation/exclusion criteria leaving no room for complaints as after all, the bidders spend a lot of time and energy besides financial cost initially in preparing the bids and, thereafter, in following up with the organizations for submitting various clarifications and presentations.

3. This is issued for strict compliance by all concerned.

Sd/-
(Mange Lal)
Deputy Secretary
Telefax No.24651010

CVC – Letter No. 98/ORD/1 dated 05.05.2003**Purchase of computer systems by Govt. departments/organisation**

It has come to the notice of the Commission that some departments/ organisations are issuing tenders for purchase of computers where they mention and insist on the international brands. This not only encourages the monopolistic practices but also vitiates the guidelines issued by the Ministry of Finance, D/o Expenditure vide its OM No. 8(4)-E.II(A) 98 dated 17.12.1998 (copy enclosed).

2. It is, therefore, advised that departments/ organisations may follow the instructions issued by the Department of Expenditure.

Sd/-
(Anjana Dube)
Deputy Secretary

CVC – Letter No. 98/ORD/1 (Pt. IV) dated 12.03.2003

Use of web-site in Government procurement or tender process

Attention is invited to the instructions issued by the Commission vide communication No. 98/ORD/1 dated 28.03.2002 regarding publishing of tender documents on the web-site.

2. The Commission has received a number of references from various departments / organisations expressing reservations in implementation the said instructions in toto The matter has been reviewed in the Commission and it is observed that it is a fact that use of web-site for accessing the information has so far not picked up in the country and it would not be possible for the vendors to access the web-site of every organisation to know the tender details. There is also no centralised web-site for the tenders

3. Therefore, it has been decided by the Commission that till such time the penetration of Information Technology is adequate and a dedicated web-site for Government tenderers is available, Departments/Organisations may continue with publishing of NIT in newspapers in concise format and put the detailed information in their respective web-sites.

Sd/-
(Mange Lal)
Deputy Secretary

CVC – OM No. 12-02-06/CTE/SPI(I)-2 dated 07.01.2003

Consideration of Indian Agents

The Commission has received a complaint alleging that in Government tenders at times an Indian Agent participates on behalf of two different foreign suppliers and in the event of only offers of these two suppliers getting short-listed, then the Indian representative knowing the prices of the two foreign suppliers/manufacturers may take an undue advantage.

2. The issue has been deliberated in the Commission. In order to maintain sanctity of the tender system, it is advised that one Agent cannot represent two suppliers or quote on their behalf in a particular tender.

3. It is suggested that these instructions may be circulated amongst the concerned officials of your organisation for guidance.

Sd/-
Niranjan Singh
Under Secretary

CVC – OM No. 12-02-1-CTE-6 dated 17.12.2002

Prequalification criteria (PQ)

The Commission has received complaints regarding discriminatory prequalification criteria incorporated in the tender documents by various Deptts./Organisations. It has also been observed during intensive examination of various works/contracts by CTEO that the prequalification criteria is either not clearly specified or made very stringent/very lax to restrict/facilitate the entry of bidders.

2. The prequalification criteria is a yardstick to allow or disallow the firms to participate in the bids. A vaguely defined PQ criteria results in stalling the process of finalizing the contract or award of the contract in a non-transparent manner. It has been noticed that organizations, at times pick up the PQ criteria from some similar work executed in the past, without appropriately amending the different parameters according to the requirements of the present work. Very often it is seen that only contractors known to the officials of the organization and to the Architects are placed on the select list. This system gives considerable scope for malpractices, favouritism and corruption. It is, therefore, necessary to fix in



advance the minimum qualification, experience and number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution.

3. Some of the common irregularities/lapses observed in this regard are highlighted as under: -
- (i) For a work with an estimated cost of Rs.15 crores to be completed in two years, the criteria for average turnover in the last 5 years was kept as Rs.15 crores although the amount of work to be executed in one year was only Rs.7.5 crores. The above resulted in prequalification of a single firm.
 - (ii) One organization for purchase of Computer hardware kept the criteria for financial annual turnover of Rs.100 crores although the value of purchase was less than Rs.10 crores, resulting in disqualification of reputed computer firms.
 - (iii) In one case of purchase of Computer hardware, the prequalification criteria stipulated was that the firms should have made profit in the last two years and should possess ISO Certification. It resulted in disqualification of reputed vendors including a PSU.
 - (iv) In a work for supply and installation of A.C. Plant, retendering was resorted to with diluted prequalification criteria without adequate justification, to favour selection of a particular firm.
 - (v) An organization invited tenders for hiring of D.G. Sets with eligibility of having 3 years experience in supplying D.G. Sets. The cut off dates regarding work experience were not clearly indicated. The above resulted in qualification of firms which had conducted such business for 3 years, some 20 years back. On account of this vague condition, some firms that were currently not even in the business were also qualified.
 - (vi) In many cases, "Similar works" is not clearly defined in the tender documents. In one such case, the supply and installation of A.C. ducting and the work of installation of false ceiling were combined together. Such works are normally not executed together as A.C. ducting work is normally executed as a part of A.C. work while false ceiling work is a part of civil construction or interior design works. Therefore, no firm can possibly qualify for such work with experience of similar work. The above resulted in qualification of A.C. Contractors without having any experience of false ceiling work although the major portion of the work constituted false ceiling work.

4. The above list is illustrative and not exhaustive. While framing the prequalification criteria, the end purpose of doing so should be kept in view. The purpose of any selection procedure is to attract the participation of reputed and capable firms with proper track records. The PQ conditions should be exhaustive, yet specific. The factors that may be kept in view while framing the PQ Criteria includes the scope and nature of work, experience of firms in the same field and financial soundness of firms.

5. The following points must be kept in view while fixing the eligibility criteria:-

A) For Civil/Electrical Works

- (i) Average Annual financial turnover during the last 3 years, ending 31st March of the previous financial year, should be at least 30% of the estimated cost.
- (ii) Experience of having successfully completed similar works during last 7 years ending last day of month previous to the one in which applications are invited should be either of the following: -
 - a. Three similar completed works costing not less than the amount equal to 40% of the estimated cost.
 - or
 - b. Two similar completed works costing not less than the amount equal to 50% of the estimated cost.
 - or
 - c. One similar completed work costing not less than the amount equal to 80% of the estimated cost.

- (iii) Definition of "similar work" should be clearly defined. In addition to above, the criteria regarding satisfactory performance of works, personnel, establishment, plant, equipment etc. may be incorporated according to the requirement of the Project.

B) For Store/Purchase Contracts

Prequalification/Post Qualification shall be based entirely upon the capability and resources of prospective bidders to perform the particular contract satisfactorily, taking into account their (i) experience and past performance on similar contracts for last 2 years (ii) capabilities with respect to personnel, equipment and manufacturing facilities (iii) financial standing through latest I.T.C.C., Annual report (balance sheet and Profit & Loss Account) of last 3 years. The quantity, delivery and value requirement shall be kept in view, while fixing the PQ criteria. No bidder should be denied prequalification/post qualification for reasons unrelated to its capability and resources to successfully perform the contract.

6. It is suggested that these instructions may be circulated amongst the concerned officials of your organization for guidance in fixing prequalification criteria. These instructions are also available on CVC's website, <http://cvc.nic.in>.

Sd/-
(M.P. Juneja)
Chief Technical Examiner

CVC – OM No. OFF 1 CTE 1 dated 25.11.2002

Appointment of Consultants

While highlighting the common lapses/ irregularities observed in the Construction works undertaken by the PSUs/Banks, under the guidance of Consultants, the Commission had issued certain guidelines vide letter No. 3L PRC 1 dated 12.11.1982 [copy enclosed-Annexure-1] so as to avoid recurrence of such lapses. These were further emphasized vide letter No. 3L-IRC-1 dated 10.1.1983 [copy enclosed-Annexure-II], inter-alia, bringing out the guidelines circulated by the Bureau of Public Enterprises in their letter no. DPE/GL-025/78/Prodn./PCR/ 2/77/BPE/Prodn. dated 15.07.1978 and it was reiterated that the appointment of Consultants should be made in a transparent manner.

2. However, it has been observed during intensive examination of various works/contracts by the CTEO that these instructions are not being followed by a large number of organizations. The consultants are still appointed in an ad-hoc and arbitrary manner without inviting tenders and without collecting adequate data about their performance, capability and experience. In some cases, the consultants were appointed after holding direct discussions with only one firm without clearly indicating the job-content and consultation fee payable to them. Often the scope of work entrusted to the consultants is either not defined properly or the consultants are given a free hand to handle the case due to which they experiment with impractical, fanciful and exotic ideas resulting in unwarranted costs. The organizations display an over-dependence on consultants and invariably abdicate their responsibility completely to the latter. The officials do not over see the working of the consultants resulting in the latter exploiting the circumstances and at times, in collusion with the contractors, give biased recommendations in favour of a particular firm. It has also been noticed that the consultants recommend acceptance of inferior items/equipments / payment for inadmissible items and also give undue benefit to the contractors like non-recovery of penalties for the delayed completion. The position in respect of projects with multiple consultants is still worse as the self-interest of so many outside agencies takes precedence over the loyalty towards the organization. These agencies tend to collude or collide with each other, and both the situations are detrimental to the smooth implementation of the project.

3. Some of the common irregularities/lapses observed during the last four years or so in this regard are highlighted as under:-

- i) One organization engaged architect from a very old panel, prepared about 15 years back.
- ii) An organization invited and short-listed 5 consultants but awarded the contract to the highest bidder on the plea that the bidder had done a very good job in some other project with the



organization. Extra amount of account of travel expenses, boarding and lodging was also sanctioned beyond contractual terms.

- iii) A bank for construction of its Head Office in Mumbai, shortlisted three firms after a thorough scrutiny of offers submitted by a large number of bidders. The price bids of these firms were opened, but in a surprising manner, the work of consultancy was awarded to an L-2 firm thus compromising all ethics of tendering.
- iv) The payment terms to the contractors are often allowed quite liberally. In one case, the consultant's fee was paid on quarterly basis without linking the same with the progress of the project. Full payments had been authorized even before the completion of the project. In another work, the consultants were paid substantial amount at an early stage of the project though they had submitted only preliminary drawings. Subsequently, the consultants failed to complete the job and the department took no action against them. In yet another case, the consultant was allowed extra payment for additional documents that he had to generate due to retendering of the case. However, the reasons for re-tendering were found attributable to the consultants and instead of penalizing, they were rewarded with extra payment.
- v) The consultants tend to increase the cost of the work for more fees as generally the fee of the consultants is fixed at a certain percentage of the final cost of project. In an office building work, tender was accepted for Rs.10.00 crores but during execution, specifications were changed and actual cost on completion was twice the tendered cost. Thus, the consultant was unduly benefited as there was no maximum limit fixed for the consultant's fee.
- vi) In the consultancy agreement generally the nature of repetitive type of work is not defined. In one work, 4 similar blocks comprising of 100 hostel rooms each were constructed. The consultants were paid same standard fees for each block. Due to this, the organization suffered loss at the cost of the consultant.
- vii) There is no check on consultant's planning, design and execution. In one work, pile foundation for a workshop building was designed with the capacity of the piles, capable of carrying twice the required load. In the same project, high capacity piles (450 mm dia, 20 m deep) were provided for a single-storeyed ordinary office building, which did not require pile foundation at all.
- viii) In another case, the project was for a design and construction of a training institute on a big plot of land in a very posh and expensive area. The whole construction was two storied with no scope for future expansion. Ironically all other buildings in the vicinity are multi-storeyed highlighting the fact that space utilization here was very poor. Further, the walls in the reception area and on the outside of the auditorium were provided with acoustic insulation with no rationale. For air-conditioning of the library instead of providing a single AHU of suitable capacity with ducting, etc. 20 plus AHUs had been provided in the room. Such fanciful ideas along with poor planning and supervision resulted in the project suffering heavy cost and time overruns.
- ix) In one of the works for a bank in Mumbai, the substation equipment has been installed in the basement area, jeopardizing the safety aspect, as Mumbai gets its fair share of heavy rains and the area is also in close proximity to the sea.
- x) In many cases, the consultants charge exorbitant traveling expenses. For a work in Punjab, Mumbai based Architects were appointed. The fee payable to them was Rs. 6.00 lakhs, but the actual traveling expenses ultimately paid to them were to the tune of Rs. 7.5 lakhs.
- xi) Sometimes the consultants pass on their responsibility to the contractor. In one work, the consultant was supposed to give design and drawing as per the consultancy agreement. While preparing the tender document for construction work, the responsibility for the preparation of drawings and structural design was entrusted with the construction contractor by adding a condition to that effect. The contractors loaded the quoted rates for the above work and the consultant was benefited at the cost of the organization.
- xii) In case of road projects, it was observed that consultants under different categories like general consultants, planning & design consultants and construction management consultants were appointed for almost all the activities of the projects without competitive bidding. The work done by

the consultants is not checked by the departmental engineers who feel their job is mainly to issue cheques to the consultants/contractors.

4. The above list is only illustrative and not exhaustive. The Commission would like to reiterate the instructions regarding appointment of consultants. The appointment of consultants should be absolutely need based and for specialized jobs only. The selection of consultants should be made in a transparent manner through competitive bidding. The scope of work and role of consultants should be clearly defined and the contract should incorporate clauses having adequate provisions for penalizing the consultants in case of defaults by them at any stage of the project including delays attributable to the consultants. As far as possible a Project Implementation Schedule indicating maximum permissible time for each activity should be prepared with a view to arrest time overruns of the projects. There should be no major deviation in the scope of work after the contract is awarded and the consultant should be penalized for poor planning and supervision if the deviations result in excessive cost overruns. Further, the consultant's fee should be pegged based on the original contract value. The role of the consultants should be advisory and recommendatory and final authority and responsibility should be with the departmental officers only. It is suggested that these instructions may be circulated amongst the concerned officials of your organization for guidance in appointment/working of consultants in the engineering works/contracts. These instructions are also available on CVC's web site, <http://cvc.nic.in>

Sd/-
(M.P. Juneja)
Chief Technical Examiner

CVC – Circular No. 98/ORD/1 dated 03/08/2001
Improving Vigilance Administration – Tenders

Please refer to the instructions issued by the Commission vide its communication No. 8(1)(h)/98(1) dated 18.11.1998, banning post-tender negotiations except with L-1.

2. It is clarified that the CVC's instructions dated 18.11.1998, banning post-tender negotiations except with L-1 (i.e. the lowest tenderer), pertain to the award of work/supply orders etc., where the Government or the Government company has to make payment. If the tender is for sale of material by the Government or the Government company, the post-tender negotiations are not to be held except with H-1 (i.e. the highest tenderer), if required.

Sd/-
(K.L. Ahuja)
Officer on Special Duty

CVC – Letter No. 98/ORD/1 dated 24/08/2000
Improving Vigilance Administration - Tenders

Please refer to the instructions issued by Commission vide its communication No. 8 (1) (h)/98(1) dated 18.11.98, banning post tender negotiations except with L-1.

2. The Commission has been getting a number of queries on how to handle the matter if the quantity to be ordered is more than L-1 can supply or about placement of orders on Public Sector Undertakings. It is requested that such matters may be dealt with in accordance with the clarifications issued by the Commission vide its letter of even number dated 15.3.99 (copy enclosed).

3. Some of the organisations have sought clarification as to whether they can consider the L-2 offer or negotiate with that firm if L-1 withdraws his offer before the work order is placed, or before the supply or execution of work order takes place. In this regard, it is clarified that such a situation may be avoided if a two-bid system is followed (techno-commercial) so that proper assessment of the offers is made before the award of work order., Therefore, if L-1 party backs out, there should be retendering in a transparent and fair manner. The authority may in such a situation call for limited or short notice tender if so justified in the interest of work and take a decision on the basis of lowest tender.

4. The Commission has also been getting references for its advice on the procedures being followed in individual cases of tenders. The Commission would not involve itself in the decision making process of



individual organisations. It, however, would expect the organisations to implement its instructions dated 18.11.98, in its spirit and to ensure that the decisions of administrative authorities are transparent.

Sd/-
(K.L.Ahuja)
Officer on Special Duty

CVC – Circular No. 3(V)/99/9 dated 01/10/1999

Applicability of CVC's instruction No.8(1)(h)/98(1) dated 18/11/98 on post-tender negotiations to Projects of the World Bank & other international funding agencies

The Commission has banned post- tender negotiations except with L-1 vide its instruction No.8(1)(h)/98(1) dated 18/11/98. Subsequently, the Commission had also issued a clarification vide No.98/ORD/1 dated 15/3/99. Notwithstanding the clarifications issued by the Commission, many Departments/Organisations have been approaching the Commission on specific issues which were clarified to the individual departments/organisations.

2. A clarification sought by many Departments/Organisation, which is vital and has relevance to many of the organisations relates to the applicability of the above said instruction of CVC to World Bank Projects. It has been decided after due consideration, that in so far as the World Bank Projects and other international funding agencies such as IMF, ADB etc. are concerned, the department/organisations have no other alternative but to go by the criteria prescribed by the World Bank/concerned agencies and the Commission's instruction would not be applicable specifically to those projects. However, the instructions of the CVC will be binding on purchases/sales made by the departments within the Country. The CVC's instruction of 18/11/98 will apply even if they are made with sources outside the Country and if they are within the budget provisions and normal operations of the Department/Organisation.

3. All CVOs may ensure strict compliance of this instruction.

4. This instruction is also available on CVC's Website at <http://cvc.nic.in>

Sd/-
N. Vittal
Central Vigilance Commissioner

CVC – Letter No. 98/ORD/1 dated 15/03/1999

Improving vigilance administration - Tenders

Please refer to CVC's instructions issued under letter No.8(1)(h)/98(l) dt. 18.11.98 banning post tender negotiations except with L-1 i.e., the lowest tenderer. Some of the organizations have sought clarifications from the Commission as they are facing problems in implementing these instructions. The following clarifications are, therefore, issued with the approval of Central Vigilance Commissioner

- (i) The Government of India has a purchase preference policy so far as the public sector enterprises are concerned. It is clarified that the ban on the post tender negotiations does not mean that the policy of the Government of India for purchase preference for public sector should not be implemented.
- (ii) Incidentally, some organisations have been using the public sector as a shield or a conduit for getting costly inputs or for improper purchases. This also should be avoided.
- (iii) Another issue that has been raised is that many a time the quantity to be ordered is much more than L1 alone can supply. In such cases the quantity order may be distributed in such a manner that the purchase is done in a fair transparent and equitable manner.

Sd/-
(P.S.Fatehullah)
Director

**Ministry of Finance (Deptt. of Expenditure) – Office Memorandum No. 8(4)-
E.II(A)/98 dated 17/12/1998**

Purchase of Computer Systems by Government Departments

The undersigned is directed to invite attention to the provisions of GFR 102(1) and the Annexure to the same according to which "Open Tender" system (that is, invitation to tender by public advertisement) should be used as a general rule in all cases in which the estimated value of demand is ₹50,000/- and above.

2. It has been brought to the notice of this Ministry by Deptt. of Electronics that certain Ministries/Deptts etc. issue tenders for purchase of personal computers where they specify the international brands like IBM, Compaq, HP, Digital, DELL or Gateway Micron. This vitiates the guidelines for open tender system laid down in GFRs and deprives other brands including domestic manufacturers of an opportunity to participate in the tender. Further Deptt. of Electronics have pointed out that brand names do not have any great advantage since at the broad level there is hardly any difference between the competing products because they predominantly use Intel microprocessors.

3. Separately, DGS&D have informed that generalised specifications for personal computers have been finalised and the process of concluding rate contract is being initiated.

4. It is, therefore advised that Ministries/Departments should follow the open tender system without vitiating it by specifying brand names in accordance with the provisions in GFRs for purchase of personal computers till a rate contract for computers is concluded by DGS&D. Thereafter, computers could be purchased on rate contract basis.

Sd/-
(Narain Das)
Under Secretary to the Govt. of India

CVC – Circular No. 8(1)(h)/98(1) dated 18/11/1998

Improving vigilance administration

The Central Vigilance Commission Ordinance 1998 under Section 8(1)(h) directs that the power and function of the CVC will be the following:

"exercise superintendence over the vigilance administration of the various Ministries of the Central Government or corporations established by or under any Central Act, Government companies, societies and local authorities owned or controlled by that Government".

2. Improving vigilance administration is possible only if system improvements are made to prevent the possibilities of corruption and also encourage a culture of honesty. In exercise of the powers conferred on the CVC by Section 8(1)(h), the following instructions are issued for compliance:

2.1 Creating a culture of honesty

Many organisations have a reputation for corruption. The junior employees and officers who join the organisations hopefully may not be so corruption minded as those who have already been part of the corrupt system. In order to ensure that a culture of honesty is encouraged and the junior officers do not have the excuse that because their seniors are corrupt, that they have to also adopt the corrupt practices, it is decided with immediate effect that junior employees who initiate any proposal relating to vigilance matters which is likely to result in a reference to the CVC can send a copy directly to the CVC by name. This copy will be kept in the office of the CVC and data fed into the computer. If within a reasonable time of say three to six months, the reference does not come to the CVC, the CVC then can verify with the concerned authorities in the department as to what happened to the vigilance case initiated by the junior employee. If there is an attempt to protect the corrupt or dilute the charges, this will also become visible. Above all the junior officers will not have the excuse that they have to fall in line with the corrupt seniors. Incidentally, the seniors also cannot treat the references made directly to the CVC as an act of indiscipline because the junior officers will be complying with the instructions issued under Section 8(1)(h) of the CVC



Ordinance 1998. However, if a junior officer makes a false or frivolous complaint it will be viewed adversely.

2.2 Greater transparency in administration

2.2.1 One major source of corruption arises because of lack of transparency. There is a scope for patronage and corruption especially in matters relating to tenders, cases where exercise of discretion relating to out of turn conferment of facilities/ privileges and so on. Each Organisation may identify such items which provide scope for corruption and where greater transparency would be useful. There is a necessity to maintain secrecy even in matters where discretion has to be exercised. But once the discretion has been exercised or as in matters of tenders, once the tender has been finalised, there is no need for the secrecy. A practice, therefore, must be adopted with immediate effect by all organisations within the purview of the CVC that they will publish on the notice board and in the organisation's regular publication the details of all such cases regarding tenders or out of turn allotments or discretion exercised in favour of an employee/party. The very process of publication of this information will provide an automatic check for corruption induced decisions or undue favours which go against the principles of healthy vigilance administration.

2.2.2 The CVC will in course of time take up each organisation and review to see whether any additions and alterations have to be made to the list of items which the organisation identified in the first instance for the monthly communications for publicity in the interests of greater transparency. This may be implemented with immediate effect.

2.3 Speedy departmental inquiries

2.3.1 One major source of corruption is that the guilty are not punished adequately and more important they are not punished promptly. This is because of the prolonged delays in the departmental inquiry procedures. One of the reasons for the departmental inquiry being delayed is that the inquiry officers have already got their regular burden of work and this inquiry is to be done in addition to their normal work. The same is true for the Presenting Officers also.

2.3.2 Each organisation, therefore, may immediately review all the pending cases and the Disciplinary Authority may appoint Inquiry Officers from among retired honest employees for conducting the inquiries. The names of these officers may be got cleared by the CVC.

The CVC will also separately issue an advertisement and start building a panel of names all over India who can supplement the inquiry officers work in the department. In fact, it will be a healthy practice to have all the inquiries to be done only through such retired employees because it can then be ensured that the departmental inquiries can be completed in time. If any service/departmental rules are in conflict with the above instructions they must be modified with immediate effect.

2.3.3 In order to ensure that the departmental inquiries are completed in time, the following time limits are prescribed:

- (i) In all cases which are presently pending for appointment of Inquiry Officer and Presenting Officer, such appointment should be made within one month. In all other cases, the Inquiry Officer and the Presenting Officer should be appointed, wherever necessary, immediately after the receipt of the public servant's written statement of defence denying the charges.
- (ii) The Oral inquiry, including the submission of the Inquiry Officer's report, should be completed within a period of 6 months from the date of appointment of the Inquiry Officer. In the preliminary inquiry in the beginning requiring the first appearance of the charged officers and the Presenting Officer, the Inquiry Officer should lay down a definite time-bound programme for inspection of the listed documents, submission of the lists of defence documents and defence witnesses and inspection of defence documents before the regular hearing is taken up. The regular hearing, once started, should be conducted on day-to-day basis until completed and adjournment should not be granted on frivolous grounds.

2.3.4 One of the causes for delay is repeated adjournments. Not more than two adjournments should be given in any case so that the time limit of six months for departmental inquiry can be observed.

2.3.5 The IO/PO, DA and the CVO will be accountable for the strict compliance of the above instructions in every case.

2.4 Tenders

Tenders are generally a major source of corruption. In order to avoid corruption, a more transparent and effective system must be introduced. As post tender negotiations are the main source of corruption, post tender negotiations are banned with immediate effect except in the case of negotiations with L1 (i.e. Lowest tenderer).

3. Hindi version will follow.

Sd/-
(N.VITTAL)

CENTRAL VIGILANCE COMMISSIONER

CVC – OM No. UU/POL/19 dated 08/10/1997

Grant of interest free mobilization advance

It has come to the notice of this Commission that PSUs are stipulating payment of interest free mobilization advance in their tenders. Many times mobilization advance is allowed after acceptance of tender also. The amount of mobilization advance thus paid to the contractor is prone to be used by him for building his own capital or for the purpose other than the one for which it is disbursed. For big projects mobilization advance of 5 to 10% stipulated in the contract works out to a huge amount and the contractor is likely to be benefited with interest free amount to a very big extent. Normally while preparing justification, elements of gain in terms of interest on capital investment by way of mobilization advance is also not considered and thus the contractor gets higher rates than that may be justified. In case there is a delay in commencement of work the contractor is likely to get undue benefit by way of retention of huge money.

2. It is, therefore, desired that adequate steps may be taken to ensure stipulation of mobilization advance only for selected works and advance should be interest bearing so that contractor does not draw undue benefit. Timely execution/completion of all projects is an essential requirement and the contractor would like to draw interest bearing mobilization advance only when he needs to maintain his cash flow.

Sd/-
(P.K.Gopinath)
Director

CVC – Circular No. 3L-IRC 1 dated 10/01/1983

Appointment of Consultant

Guidelines in connection with the selection of consultants by Public Sector Enterprises for preparation of project reports have been laid down by Bureau of Public Enterprises vide letter No. BPE/GL-025/78/Prod./PCR/2/77/BPE/Prod. dt. 15th July, 1978.

In brief the guidelines laid down are: -

- A. For any new projects, expansions, modernization/modification of the existing projects involving an expenditure of Rs.5 crores and above these guidelines are applicable.
- B. The pre-qualifications public notice should be issued to enlist names of suitable consultants.
- C. The pre-qualification bid should be screened by a scrutinising committee.
- D. The final selection and commissioning of the consultant should be done with the approval of the board of public sector enterprises.
- E. Based on the above guidelines each enterprise should prepare their own instructions and procedure duly approved by the board for the appointment of consultants to ensure that the selection is made with maximum attention to the suitability, competence and proven track record.

The Chief Technical Engineer Organisation under the control of the Commission has had occasion to examine and comment upon works undertaken by public sector undertakings. Common irregularities/lapses noticed in the construction works undertaken by the public sector undertakings/banks have already been brought to your notice vide engineering works, it was observed that consultants were appointed on ad-hoc basis without going through proper formalities as suggested by B.P.E. and/or the consultant was chosen from an old panel thereby



restricting competition. In most of the cases public sector enterprises have not framed their own instructions and procedures duly approved by the Board.

Even though individually such works are less than ₹5 crores, it is necessary that the appointment of consultant should not be made arbitrary or ad-hoc.

It is, therefore, necessary that urgent action is taken to formulate a rational policy for employment of consultants based on the broad outlines given by B.P.E.

This may be given priority and progress made in formulation of rules and procedure may be reported by 31-3-1983.

Sd/-
(D.C. Gupta)
Director

CVC – Circular No. 3L-PRC 1 dated 12/11/1982

Irregularities/lapses observed in the construction works undertaken by Public sector undertakings/banks

The Chief Technical Examiner's Organization under the Commission has had occasion to examine and comment upon the works undertaken by Public Sector Undertakings, Banks etc. under the guidance of consultants. Common lapses noticed as a result of these inspections are enumerated below:-

- i) Employment of consultant without verifying his credentials and capacity or capability to do the work assigned to him.
- ii) Inadequate planning of work and incorrect preparation or non-preparation of detailed estimates by consultants.
- iii) Non-preparation of justification statement for the rates quoted in tender, resulting in contract being awarded at very high rates.
- iv) Rejection of the lowest tender without adequate justification, on the ground that the contractor is not reliable or lacks capacity to execute the work, even though he was included in the original pre-qualification list.
- v) Improper evaluation of tenders, leading to allotment of works wrongly with ultimate loss to the public undertaking.
- vi) Allowing upward revision of rates in some cases by contractors on very flimsy grounds during the process of negotiations, so that the lowest tenderer manages to make up the difference of cost between his quotation and the second lowest quotation.
- vii) Payment of money to contractors outside the terms of contract. For example, in a large number of cases contract is for fixed price, but substantial payment is made on the ground of escalation of prices.
- viii) Use of inferior material in the construction, while payment is made at full rates on the approval of the consultant without making any financial adjustment.
- ix) Substitution of low-rated items by higher-rated items beneficial to contractor.
- x) Lack of proper supervisory arrangement by the undertakings placing total reliance on the consultant for even preparation of the bill which leads to incorrect measurement of works and payment for the items of work not done.

In view of these factors, it is recommended that while consultants may be engaged for the purposes of original planning and designing, scrutiny of tenders and execution of work should, as far as possible, be done by technical officers directly and fully answerable to the public undertaking/banks etc. concerned. For this purpose, engineers may be taken on deputation from Government departments, such as the CPWD. To the extent a consultant is engaged, it is also necessary to ensure that the relationship between the undertaking and the consultant is correctly defined so that the consultant can be held legally and financially responsible for the work entrusted to him.

It is requested that suitable arrangements may be made for properly awarding works and exercising effective supervision and control in their execution with a view to ensure timely and systematic completion. Care may also be taken to guard against the types of irregularities indicated above.

Sd/-
(D.C. Gupta)
Director

CHIEF TECHNICAL INSPECTORS' ORGANISATION

Background

The Chief Technical Examiner's Organisation (CTEO) was established in the year 1957 under the Ministry of Works, Housing and Supply now known as the Ministry of Urban Development. The objective of Chief Technical Examiner's Organisation was to conduct concurrent technical audit of works of the Central Public Works Department (CPWD) and securing economy in expenditure including better technical and financial control.

The Santhanam Committee on prevention of corruption, while appreciating the contribution of Chief Technical Examiner's Organisation (CTEO) in the year 1963 recommended for its strengthening so as to make it more effective. It also recommended enlarging the jurisdiction of CTEO so as to cover construction works undertaken by other Ministries/Departments also and to place it under administrative control of the Central Vigilance Commission. As these recommendations were accepted by the Government, CTEO was placed under the administrative control of the Central Vigilance Commission (CVC) in the year 1964.

The CTEO initially started with intensive examination of selected civil and electrical construction works only. However later, with the growing expenditure on purchase of stores, outsourcing of services etc., CTEO started examining these contracts also. Presently, intensive examination is being done by CTEO in respect of all contractual activities of the Central Government / Central PSUs / Public Sector Banks and other Government organisations ranging from execution of work, purchase of stores, hiring of services etc., that are financed from public funds.

Commission has been emphasising from time to time the use of e-procurement technologies for procurements / contracting which would lead to transparency, savings in procurements and better project management in the Government Organisations. Considering the increasing complexities and use of technology in contracting and procurements, the Commission is of the view that the CTEO requires expertise of technical personnel with diverse engineering backgrounds and experience in sectors like Petroleum, IT, Steel, Power, Coal and such other areas. Induction of specialists having expertise and training in emerging technologies would enable the CTEO to address complex issues in a better way.

The selection of works or contracts for intensive examination is either *suo-motu* or based on inputs like Quarterly Progress Reports (QPR) made available by the Chief Vigilance Officers (CVOs) of the different organisations. The CVOs in the QPR are required to furnish details pertaining to on-going Civil Works/Turnkey Works/Stores & Purchase/Contracts under Public Private Partnership/ Leasing / Purchase / Sale of Goods/ Scrap/Land etc. with contract value above the prescribed threshold values. Some of the reported works are selected for intensive examination. If CVO of any organisation feels the necessity of conducting Intensive Examination of a lower value Contract / Work, he/she may recommend so. The threshold values w.e.f. July-September, 2012 quarter are: ₹5 crores and above for Civil and Turnkey works, Contracts for Stores & Purchase, Public Private Partnership, Sale of Goods, Scrap and Land etc; ₹1 crore for Electrical, Mechanical works, Maintenance & Service contracts, Manpower supply and Consultancy contracts etc.; ₹50 lakh and above for Medical Equipments; ₹10 lakh for Horticulture works and four largest value contracts for supply of medicines.

In the intensive examination reports, observations on over-payments, quality deficiencies, time and cost overrun, lack of transparency and fairness, non-adherence to public procurement procedures, tax compliance etc. are brought to the notice of executing organisations. The action taken on these observations resulted in a large number of



systemic improvements, besides punitive action against erring officials, during the year 2014. A substantial amount of recovery was also made by various departments from the contractors after such deficiencies were pointed out during inspections.

Apart from intensive examinations, CTEO provides technical advice to the Commission in the vigilance investigation against complaints. During the year 2014, such advice was furnished in 680 cases. CTEO also facilitates / conducts training sessions on the subjects like, Preventive Vigilance; Tendering and Contracts, e-Procurement and Reverse Auction, etc., for the benefit of CVOs and other executives of different Government entities and organisations.

Technical Examinations

During the year 2014, the CTE's Organisation undertook inspection of forty nine Projects /Works covering forty organisations. The value of these projects / contracts was over ₹10,949 crores.

Inspection reports are forwarded to the concerned head of the organisation and the respective CVOs for their comments. The Commission refers serious cases involving suspected criminal culpability to CBI. The other cases of irregularities/misconducts with perceived vigilance angle are referred to respective CVO for detailed investigation and fixing responsibility. During the year 2014, thirty-five such cases were referred to the CVOs for detailed investigation.

As a result of the inspections conducted by the CTEO, recoveries to the tune of ₹55.85 crores were made by various executing organisations during the year 2014. The recoveries pertained mainly to overpayments made to the contractors, deficiencies either in the quality of materials used or services rendered, damages due to delay in execution, non adherence to the contract clauses, non compliance of tax etc.

System improvements undertaken during 2014

As a result of observations made by CTEO during the intensive examinations, a number of system improvements were initiated by respective organisations. These system improvements were on subjects like accuracy in preparation of cost estimate, framing of rules pertaining to percentage limit above justified cost for acceptance of tenders, compliance with Commission's circular etc. Some of the system improvements undertaken in various organisations are given in Appendix-VII.

Cases arising out of Intensive Examination taken up for detailed vigilance investigations during 2014

In a contract of ₹13.5 crores relating to procurement of valves by a Central Oil PSU, it was observed that the contract was awarded on Resultant Single Vendor situation. As per eligibility criteria, bidders were required to meet financial capacity (30% annualized value of tender items) as stipulated in tender and could have qualified on the basis of valve manufacturer's experience (by submitting back-up authorisation of valve manufacturers). The sole qualified bidder submitted back-up authorisation letters and other letters of valve manufacturers, where it was evident that the signatures of the same signatory were varying. During intensive examination, it was found from internet that the supplier company does not even exist and the stated Managing Director of the Company works as a sales agent in another piping company of Middle East. During supply of imported valves, the successful bidder submitted multiple copies of Third Party Inspection (TPI) certificates, invoices, transportation related documents unsigned & unsealed guarantee certificates, packing lists, etc. for same set of items, which indicated the submission of forged documents regarding valve supplies. Based on these documents, payments were made. On one of the occasion,

one foreign valve manufacturer of tendered item directly dispatched item to Oil PSU along with their own invoice, which showed that the instant bidder had sold the valve to the Oil PSU at about 4.6 times the manufacturer's price. Thus, it was apparent that the order was placed to frivolous entity at inflated rates.

In a procurement case of CCTV equipments by a PSU Bank costing around ₹8.5 crores, it was observed that initially the tender was to be finalised on the basis of lowest offered price. But before submission of bids, Quality cum Cost based evaluation methodology was introduced without any justification or requirement. The technical marking (having 70% weightage in overall evaluation) was lacking rationality because several parameters (acceptance of tender terms & conditions, submission of mandatory requirement, brand of system supplied and submission of quality assurance certificates) stipulated for technical marking were required to be mandatorily met by all bidders. Due to the revised selection criteria, tender was finalised at higher rates. Even the computation of commercial bid ranking was faulty, as equal weightage to all tendered items was given (unit rates for 25 Nos. of each tendered items were considered for evaluation), whereas the actual requirement for a particular item (8-channel Digital Video Recorder) was maximum (about 90% of total requirement) among all configurations. Moreover, price evaluation methodology and actual configuration-wise quantities were not disclosed in the tender. Tender was finalised at nearly 47% above the initial estimated cost towards required quantity. Price reasonability was not ascertained independently. Thus, higher rates were apparently accepted by the approving authority.

In a work relating to a turnkey project of an oil refinery, amounting to ₹256 crores awarded by a central PSU, it was observed that additional mobilization advance beyond agreement provision amounting to ₹3.00 crores was initially approved, citing execution of critical works. Out of approved amount, payment of ₹1.50 Crore against corresponding bank guarantee was made which was later encashed on failure of the contractor. Thus the decision of giving additional advance was apparently not based on ground realities. In addition, direct payments were also made to the vendors of the main contractor, this resulted in non deduction of the TDS i.e. Income Tax @ 1%. During executing of work, several trees were cut for site clearance and contractor was allowed to take away such 15,651 tree logs in violation of contract and without any cost adjustment. Cement concrete core samples obtained during inspection failed to meet stipulated strength requirement.

In a procurement contract of Telecom company (PSU), tender was floated for a length of about 4.05 lakh kms of Optical Fibre Cable (OFC) and associated accessories (logically divided into 6 packages), with delivery schedule as 8 months from the date of issuance of Letter of Intent. Thus, annualized quantity requirement as per tender was about 6 lakh kms of OFC. There was a provision for splitting of quantity among the technically successful bidders. While floating the tender, it was known that total annual production capacity of 13 probable OFC manufacturers was around 7 lakh kms. In the tender, 13 vendors participated. Due to non-consideration of bidding capacity of all probable OFC manufacturers, all bidders were assured of getting order, and orders were also awarded to all 13 bidders. There was wide variation in the quoted basic price of individual items across the packages and even there was substantial variation in the basic price of those bidders who quoted in multiple packages. After tendering process, the requirement of Cable was reworked and there was about 20% increase in required quantity. Moreover, there has been inordinate delay in the execution of project. Thus, the scope for competition in the tender got reduced substantially on account of huge tender quantity (original as well as revised) and due to non-consideration of bidding capacity of bidders.

In a work relating to office building of an oil sector PSU amounting to around ₹112 crores it was observed that the tenders were invited from Architect and Contractor consortium in two stages. In first stage 10 agencies participated out of which only two firms were qualified. As such in the second stage of tendering, two prequalified agencies participated. A



design competition was held between the two qualified agencies out of which one was selected by a committee on the basis of offered design & presentation. Financial bid of the sole qualified agency was opened and the work awarded after negotiations. The selection of bidder in second stage was based on Combined Quality cum Cost based system (CQCCBS). Such mode of tendering as per prevalent guidelines is permitted only for the selection of consultants for highly technical projects and not for selection of executing firm/contractor. The major stake holder in the consortium was an executing contractor having stakes of 95-97% of total project cost. Advantage of CQCCBS has been given to contractor in violation of prevalent guidelines. Even the broad parameters for qualification during presentation were not defined or made explicit in the tender document. Thus, the process lacked objectivity and transparency. Further, in such an exercise where only one bidder was qualified during the presentation, the benefit of competitive prices was lost. Further at the time of tendering/contract, the building was to be designed and built for occupation of 850 persons. After award, the proposed occupancy was reduced to 540 persons, retaining the same plinth area. Cost adjustment due to cost saving on account of lower furniture requirement, air conditioning etc. due to reduction in occupancy was not made. The contractor was to ensure 'platinum rating' for the building as per green building norms. In order to facilitate the contractor to achieve that benchmark additional payment for providing 7.5% solar power instead of 5% in the contract was made.

In a work relating to construction of multi-storied office building costing around ₹39 crores, it was observed that initial estimate was prepared on the basis of prevailing market rate for ₹34.51 crores. On receipt of tender after a time gap of 3 months only, the work was awarded for ₹39.2 crores, which was 13.6% above initial estimated cost. Increase in cost by 13.6% in three months time does not appear in order, as there was no justifiable reason for such increase in cost. Thus, the work was apparently awarded at higher rate. Further, it was observed that reinforcement steel of a secondary producer was being used. Samples were collected randomly during inspection, which on testing, failed to meet stipulated specification requirement. Yield strength of 8mm dia & 12 mm dia steel reinforcement was observed as 421.8 N/sqmm and 457.2 N/sqmm respectively instead of requirement for minimum 500.00 N/sqmm. This indicates use of substandard quality of steel reinforcement in work.

In a turnkey (Built Operate and Transfer) road construction project by a Central Authority with half yearly annuity of ₹48.6 crores for 20 years, it was observed that the agreement stipulated maintaining of existing road for proper traffic movement during the contract period, however, the said road was not being maintained properly during contract period. Rainwater harvesting system mandated to be provided along the road project was not being provided as per contract provision. Wire fencing to be provided on either side of the road as stipulated, was not provided at many locations. Water dissipation chambers at the end of drain chutes at many locations were also not provided. Lesser slope than mandated in the contract was provided for embankments of height less than 3 meters. Thus undue benefit was given to the contractor.

As per record compressive strength of concrete cubes were not meeting the stipulated strength criteria on few occasions, Bitumen content in the Bituminous Concrete used on random testing was also found to have lesser bitumen content than stipulated. Honeycombed concrete surface, lesser concrete cover than stipulated etc. were also apparent. Thus, compromise in quality of work was apparent.

In a work relating to laying of water pipelines by a state corporation amounting to around ₹13.88 crores, Excise Duty was exempted on rates of steel plates, sluice valves, machinery, equipment, apparatus instrument and pipes etc. as per tender condition. Rates of these materials and T & P were considered with excise duty while preparing both estimate and justification. Thus it was apparent that estimate and justification cost were inflated and the work was awarded on higher rates.

In a work relating to construction of office building amounting to around ₹95 crores being executed by a central PSU, it was observed that advance payment of around ₹77.50 lakh was made to the consultant beyond contract provisions. Further, over payment of around ₹1.00 crore was also made to him. While preparing market rate justification, rate for pilling work was taken on higher side, whereas from the quotation on records lower rate of execution than adopted was evident. In the quotation towards price of steel, the rates quoted were inclusive of VAT, still additional cost @ 4% VAT was added. Thus it was apparent that market rate justification was not correctly prepared leading to apparent award of work at higher rates. Samples of shuttering ply on independent testing failed to meet the stipulated specification requirement.

In a work relating to construction of a hospital building amounting to around ₹60 crores by a central PSU, item of nominal mix 1:1.5:3 nominal mix cement concrete was stipulated in the contract agreement. During execution, this item was substituted with mix of M20 grade concrete. Payment was accordingly made to the contractor for M20 grade concrete. As per the records maintained at site, the contractor has used nominal mix of 1: 1.5:3 concrete. Cost of using M20 Mix grade concrete is higher in comparison to nominal mix of 1:1.5:3 concrete. Thus, undue financial benefit to the tune of ₹45.05 lakh was extended to the contractor. Further additional work amounting to ₹13.58 crores was got executed though it was not intended initially and was not in his original scope and could be got executed through a separate contractor. This was done without having a formal agreement or sanction of extra/substitute items. Also, the payment on account of admixture used in preparation of concrete was made separately whereas rate of concrete was inclusive of admixture cost. Thus undue benefit was given to the contractor.

In a work related to the construction of a National Highway, MORTH specification for roads and bridges were to be followed, which specifies steel to be procured from original producers only. However, it was observed that reinforcement of a secondary steel producer was used, which was cheaper. Thus apparent undue financial benefit was extended to the contractor.

In a civil construction work relating to construction of Broad Gauge Railway line project by a Central Govt. Department costing around ₹25.0 crores, it was observed that labour welfare cess @ 1 % of the contract value was required to be deducted, during release of payment to contractor. But no such labour welfare cess was deducted, in violation of stipulated contract provision. Thus apparent undue financial benefit was extended to the contractor.

In a civil construction work relating to construction of railway line by a Central PSU, it was observed that interest bearing execution advance of ₹24.57 crores was paid, without any such provision in the contract. This advance was paid on the plea of financial hardship being faced by the contractor. Out of this advance around ₹35.00 lakh was also paid without taking approval from Competent Authority. Thus, apparent undue financial benefit was extended to the contractor beyond contract provision.

In a contract relating to construction of Hydro Power Project costing about ₹239 crores by Central PSU, it was observed that overlapping of steel reinforcement bars for laps was allowed for less than 32 mm diameter bars, for bars of and above 32 mm couplers for joining such bars was stipulated. Reinforcement steel bars were being issued by the department free of cost, whereas cost of couplers was on contractor's account. However, it was noticed that laps were also allowed for bars of 32 mm diameter and above by using department issued steel, citing urgency of work. This steel was also being paid against corresponding schedule item. No cost adjustment was made on account of savings made by contractor for using departmental steel instead of couplers. Use of such additional steel laps instead of couplers also facilitated exceeding of deviation limit earlier than due, leading to payment against reinforcement steel item at market rate.



Portland Pozzolona Cement (PPC) was being procured by the department and was issued to the contractor for use in work. The concrete prepared by this cement was not meeting the specification requirement of concrete cube strength for 28 days. However, the same was meeting the strength requirement after 60 days during trial testing of mix design for full strength requirement of cement concrete cubes. The department accepted this concrete citing some published paper, in which delayed gain of strength by PPC as compared to ordinary cement was stated. As per contract payment was stipulated on the basis of 28 days concrete cubes strength irrespective of any acceptance criteria. In case of reduced strength on acceptance payment at proportionate reduced rate was stipulated. Further, on few occasions, even 60 days cube strength was also not meeting stipulated cube strength criteria. Full payment was being made for cement concrete in spite of lesser strength in violation of contract condition and acceptance of sub-standard concrete. Thus undue financial benefit was passed on to the agency.

In a work relating to construction of protection work in a harbour by a Central Corporation, it was observed that cost of stone boulders was being paid against the corresponding schedule item costing around ₹11 crores, for 27150 cum quantity of stone boulders. Out of these 27150 cum so paid only 1750 cum boulder were paid under a execution item of laying packing, 14243 cum quantity of boulder as already laid were measured but not paid, stating improper profile, 1000 cum of such boulders were stated to be utilized at different site, that too without any approval of Competent Authority and approximately 750 cum boulder as measured were actually lying at site. Thus, it was apparent that there was shortage of around 9407 cum of stone boulder as compared to quantity paid. Costing around ₹3.4 crores (approx.). Similarly, it was observed that there was shortage of 12477 cum of boulders in adjacent work in a different package. The boulders were being procured and transported by sea route from the main land to the island where the instant work place was located. No proof of transportation of such boulders by sea could also be produced by the organisation. Thus, it was apparent that payment costing around ₹7.9 crores for substantial quantity of boulders was being made without actually bringing to the site, in violation of contract provision.

Required mandatory tests for checking of suitability of stone aggregates, Coarse sand, water, cement concrete etc. were not carried out. Only concrete cube testing to ascertain quality of concrete was being carried out. Even the concrete cube strength at few instance were not meeting the stipulated specification requirement. Lack of such testing might have allowed compromise in quality of the work. In addition, acceptance of concrete not meeting the specification requirement allowed use of sub-standard concrete in work. Thus, compromise in strength and durability of structure was apparent.

Important initiatives taken by the CTE Organisation

In continuation of the efforts towards emphasis on preventive vigilance CTE Organisation provided technical inputs to various organisations towards capacity building and sensitizing officials about various aspects of vigilance: Specific areas pertaining to tenders and contracting, estimation of rates, legal aspects in contracting etc. were covered in various training programs and seminars. The organisations covered during the year were as under:-

- National Hydroelectric Power Corporation (NHPC)
- Nuclear Power Corporation of India Limited (NPCIL)
- State Bank of Bikaner & Jaipur (SBBJ)
- Central Water and Power Research Station (CWPRS)
- Pawan Hans Helicopters Limited (PHHL)

[From Annual Report 2014 of Central Vigilance Commission, New Delhi]

No.000/VGL/18
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
 GPO Complex, INA,
 New Delhi- 110 023
 Dated the 23rd May 2000

To
 The CVOs of Ministries/Departments, Autonomous organisations and Societies etc.

Subject: Schedule of time limits in conducting investigations and departmental inquiries.

Sir,

Delays in disposal of disciplinary cases are a matter of serious concern to the Commission. Such delays also affect the morale of the suspected/charged employees and others in the organisation. The Commission has issued instructions, vide its communication No. 8(1)(g)/99(3) dated 03.03.1999, that departmental inquiries should be completed within a period of six months from the date of appointment of Inquiry Officers. Regarding other stages of investigation/inquiry, the time-schedule, as under, has been laid down in the Special Chapters on Vigilance Management in Public Sector Banks/Enterprises, which are applicable to the employees of public sector banks / enterprises. The Commission desires that these time-limits should also be adhered to by the Ministry/Departments of Government of India, autonomous organisations and other Cooperative Societies, in respect of their employees, so as to ensure that the disciplinary cases are disposed of quickly.

S.No	State of Investigation or inquiry	Time Limit
1.	Decision as to whether the complaint involves a vigilance angle.	One month from receipt of the complaint.
2.	Decision on complaint, whether to be filed or to be entrusted to CBI or to be taken up for investigation by departmental agency or to be sent to the concerned administrative authority for necessary action	-do-
3.	Conducting investigation and submission of report.	Three months.
4.	Department's comments on the CBI reports in cases requiring Commission's advice.	One month from the date of receipt of CBI's report by the CVO/Disciplinary Authority.
5.	Referring departmental investigation reports to the Commission for advice.	One month from the date of receipt of investigation report.
6.	Reconsideration of the Commission's advice, if required.	One month from the date of receipt of Commission's advice.
7.	Issue of charge-sheet, if required.	(i) One month from the date of receipt of Commission's advice. (ii) Two months from the date of receipt of investigation report
8.	Time for submission of defence statement.	Ordinarily ten days or as specified in CDA Rules.
9.	Consideration of defence statement.	15 (Fifteen) days.
10.	Issue of final orders in minor penalty cases.	Two months from the receipt of defence statement.
11.	Appointment of IO/PO in major penalty cases.	Immediately after receipt and consideration of defence statement.
12.	Conducting departmental inquiry and submission of report.	Six months from the date of appointment of IO/PO.
13.	Sending a copy of the IO's report to the Charged Officer for his representation.	i) Within 15 days of receipt of IO's report if any of the Articles of charge has been



		held as proved; ii) 15 days if all charges held as not proved. Reasons for disagreement with IO's findings to be communicated
14.	Consideration of CO's representation and forwarding IO's report to the Commission for second stage advice.	One month from the date of receipt of representation.
15.	Issuance of orders on the Inquiry report.	i) One month from the date of Commission's advice. ii) Two months from the date of receipt of IO's report if Commission's advice was not required.

Yours faithfully,

Sd/
(K.L. Ahuja)
Officer on Special Duty

इरादे नेक हों तो सब कुछ संभव है

राजपाल यादव, मुख्य प्रबंधक कार्मिक, ईब वैली क्षेत्र

उन्होंने कहा - 'सतर्कता जागरूकता' सप्ताह मनाओ
मैंने कहा - पहले सतर्कता अपनाने की कसम खाओ
उन्होंने कहा - सीसी को जवाब देना है.वी.

मैंने कहा - मेरा भी तो यही कहना है

उन्होंने कहा - यह सतर्कता सचिवालय है क्या बला

मैंने कहा - यह पथभ्रष्टों को अनुशासित रहने की देती है
सलाह

उन्होंने कहा - भ्रष्टाचार मिटाना असंभव है

मैंने कहा - इरादे नेक हों तो सब कुछ संभव है

उन्होंने कहा - भ्रष्टाचार से मुक्ति नहीं

मैंने कहा - ये कहने भर से जिम्मेदारी चुकती नहीं

उन्होंने कहा - क्या चेतावनी देना श्रेयस्कर है

मैंने कहा - परहेज इलाज से बेहतर है

उन्होंने कहा - ये सीनिर्देश हैं क्या बला-सी दिशा.वी.

मैंने कहा - यही तो हैं सतर्कता संबंधी अनुपालना

उन्होंने कहा - यह 'प्रिवेंटिव एक्शन' है कौन जीव

मैंने कहा - यही तो है 'सतर्कता में ही बचाव' नामक बीज

उन्होंने कहा - यह 'पुनेटिव एक्शन' है क्या चीज

मैंने कहा - 'बुरे काम का बुरा नतीजा' नामक सीरीज

उन्होंने कहा - सतर्कता किस लायक है

मैंने कहा - ये ईमानदारी की परिचायक है

अंततोगत्वा वे बोले - ठीक ठीक है-सतर्कता अपनाना है,
भ्रष्टाचार दूर भगाना है

मैंने कहा - महाशय, मुझे भी तो यही बताना और

समझाना है

Slogans from School Students

- ❖ Do not betray your conscience; clear your vision, end corruption.
SanskritiPujari, Class- XI, Roll No:-6, St Joseph's Convent Higher Secondary School.
- ❖ Don't be corrupt, be your own boss. Guard your mind, against negative thoughts.
Sharmistha Swayamprava, Class-XII, Sc, Roll-24, DAV Public School, Dera
- ❖ For good governance what we need is preventive vigilance.
Sambit Kumar Mishra, Class-XII, Sc, Roll-20, DAV Public School, Dera
- ❖ Improved vigilance is improved governance.
Satyabrata Oram, Class-IX B, Roll No-27, St John's School.
- ❖ Adopt vigilance; avoid negligence.
Shriya Agrawal, Class-X, Roll No-41, St John's School.
- ❖ Preventive vigilance works as a trigger, otherwise corruption will be bigger.
Swayamshree Giri, Class-X, Satya Sai Kiddies Abode.
- ❖ Preventive vigilance is the third eye of the country. It works to restrict corruption in the boundary.
J Deepika Rao, Class-X, SatyaSai Kiddies Abode.
- ❖ Search like a Dog, Watch like an Owl, Attack like a Bear
And get corruption out of the Sphere.
Himesh Dash, Class-IX, DAV Public School, Bandhabahal.
- ❖ Vigilance is the vaccination, for the virus of corruption.
Rameswari Sahu, Class-X, DAV Public School, Bandhabahal.
- ❖ When vigilance enhanced, Good governance enhanced.
Siddhartah DASH, Class-IX, DAV Public School, SOCP, Brajrajnagar.
- ❖ Watchful technology, Careful employees.
Swagat Sahu, Class-IX, DAV Public School, SOCP, Brajrajnagar.
- ❖ Suraksha satarkata ho hamara naara,
Jagrikta se bane jeevan sukhmay hamara.(Hindi)
Sanket Pattanaik, Class-VIII, DAV Public School, SOCP, Brajrajnagar.
- ❖ Polluted by corruption leads to our destruction.
Laxmi Meher, Class- IX, Govt Girls High School, Burla
- ❖ Durniti sahaja jeevan gati, Samaj upare maha vipatti.
Durniti hatile desaru amara, Viswa brahmanda re badhiba nama. (Odia)
Jyotirmayee Biswal, Class- IX, Govt Girls High School, Burla
- ❖ For people, production is top line. For production, making profit is bottom line,
But, for a country of good democracy and good governance, vigilance is the life
line.
AsutoshPradhan, Class- X, DAV Public School, Kalinga



CHAPTER-IV

CHAPTER-IV

SLOGANS, ARTICLES, POEMS ON VIGILANCE & ANTI-CORRUPTION, AWARDS & RECOGNITIONS AND INTERACTIONS

**SLOGANS***Rajpal Yadav**Chief Manager (Pers.), Ib-Valley Area*

- Good days are ahead, If we keep hold the integrity thread
- No one can beat us, No one can cheat us
- Till we are impartial, No one can threat us
- When we adopt transparency , We stop to enter backdoor currency
- If we will remain honest,Will succeed to fled away dishonest
- We can be treated as brilliant, So long we are vigilant

*Raji Joshua**Staff Officer(Env),Basundhara Area*

Vigilance is the Responsibility of everyone in the Organisation.

Practicing Honesty and Transparency leads to a Prosperous Nation

Vigilance goes hand in hand with good Governance!

Honest people don't hide their deeds.

*G.B. Mohapatra**Sr. Manager (EE),MCL HQ*

- Say NO to corruption, Every NO counts.
- Polluted by corruption leads to destruction
- Corruption is a true enemy to development.
- Power corrupts but absolute power corrupts absolutely.
- If you are not a part of the solution, then you are the problem.
- Arise, awake and stop not till all join the fight to end corruption
- Clean the trash..or the country will crash.
- Save your soul, and never get sold.
- Seek only what you need, There will never be greed
- Keep nothing under the table except your shoes.
- The worst disease in the world today is corruption . and there is a cure-Transperancy.
- The more corrupt the state, the more numerous the laws.
- Empty pockets never held anyone back, only empty heads and empty hearts can do that.

*Lalatendu Pradhan**Lingaraj Area, Talcher*

- ETERNAL vigilance is the price of LIBERTY.

- The price of freedom is eternal vigilance.

- Beware of rashness, but with energy, and sleepless vigilance, go forward and give us victories.

- The price of Liberty is eternal vigilance and the price of wisdom is eternal thought.

- The condition upon which God hath given liberty to man is eternal vigilance.

- Vigilance is the price of democracy.

- Justification –Before Action

- Explanation –After Action

- Honesty pays Honours and Corruption Dishonours

*Amrendra Narayan**Sr. Officer(Mining), Samleswari OCP*

When you follow the rule, feel much better and cool.

Must use sense dear, No need to fear.

*Girish Chandra Sahoo**Sr. D.E.O, Lingaraj Area*

- Corruption is a disease, Highly destructive and nasty
- Always remember the prevention, Never leave the path of Honesty.
- Corruption creates attraction but its' end is destruction.
- Be a proud citizen of nation with powerful vigilant action on every minute corruption.

*Saurabh verma**Asst manager (E&M)*

Honest people die once, corrupt die several times.

Let vigilance be wood pecker to corruption.

Keep noting under da table, except your shoes.

Lets integrity, ethics, n morals b all above.

Arise awake or else all our country development will be fake.

Lets stop everything to walk through our mind with their dirty feets.

Black is coal, Not my soul.

Let there be no caste ,no religion ,no god, no corruption for mankind.

Corruption free India is my birthright.

<p><i>Smt. Bishnu Priya Srichandan, O.S. MCL, Bhubaneswar</i></p> <ul style="list-style-type: none"> • Corruption is malicious and it leads to ruination, • Why not stand together against corruption for its eradication. • In a country where poverty kills the poor, • Corruption pampers the rich one, • Everyone has the right to live, therefore we need • A country which is both poverty and corruption free. • Underdevelopment is the outcome of corruption, • If you want development then iradicate corruption. • In the age of modernization it is rediculous that • Corruption still exists. The existence of • Corruption should be made extinct for the • Achievement of a clean and livable world. • Human beings are born with a clean heart and soul, • The heart is mortal but soul is immortal, • Corruption is a curse to the purity of heart and soul. 	<p><i>Deepak Singh MT (Legal), MCL HQ</i></p> <ul style="list-style-type: none"> • Vigilance is like the wise old man in the neighborhood; • The more you understand and befriend it, the more beneficial it is! • Demonizing the vigilance will do no favours; • Being aware beforehand, probably, might! • Corruption may give you comforts in short-term; • But being vigilant bears fruits in long-run! • Vigilance is the colourful tattoo you may wear to flaunt; • It's better than ugly corruption charges and ensuing taunt! • Corruption is like a Trojan, It shall allure you for sure, • but eventually; you'll find no cure. <p><i>R.K. Majhee Sr. Manager(S&M), MCL Hqrs., Burla</i></p> <p>Weak people believe in corruption, Strong people believe in Execution. Intelligent people believe in Prevention. Best Yoga Aasan: Inhale the Prevention, Hold it, And exhale Corruption.</p>
<p><i>Upali Ipsita Das Asst. Manager (Pers.), Ib-Valley Area</i></p> <ul style="list-style-type: none"> • Wipe away soul pollution, to drive away corruption. • The shores of ethical governance can be discovered by the power of transparency and honesty. • Self practice of good values and commitment is the beginning of ethical governance. • As sun penetrates through dark night to bring a new day, • Good values and practice of regulation will wipe away dark clouds of corruption. 	<p><i>Sagar Kundu Asth Manager (S&M), MCL HQ</i></p> <p>The price of freedom is enjoyed only by vigilant mind. Democracy and vigilance are metaphor. Vigilant person is more risk averse than a common one. Vigilance being fifth pillar of our democracy other being parliament, government, judiciary and press. Being vigilant is like being watchfully for betterment. Vigilance balances between ethics and egos. Alertness avoids accidents while vigilance prevents scams. Vigilance can be a good friend but negligent may be callous Vigilant society is more safe then a secure one. Government oath directly or indirectly end with a gist-“be vigilant”.</p>
<p><i>Rajpal Yadav Chief Manager (Pers.), Ib-Valley Area</i></p> <ul style="list-style-type: none"> • Good days are ahead, If we keep hold the integrity thread • No one can beat us, No one can cheat us • Till we are impartial, No one can threat us • When we adopt transparency , We stop to enter backdoor currency • If we will remain honest, Will succeed to fled away dishonest 	<p><i>Raji Joshua Staff Officer(Env),Basundhara Area</i></p> <p>Vigilance is the Responsibility of everyone in the Organisation. Practicing Honesty and Transparency leads to a Prosperous Nation Vigilance goes hand in hand with good Governance! Honest people don't hide their deeds.</p>

नारे

राशिद अंसारी
बसुन्धारा

दीप से हर घर उजियारा.
दीपक उनका नाम है प्यारा.
महानदी को मुक्त कराया चोरों और लुटेरों से.
सही रास्ता सभी को दिखाया.
अपने दीप की रौशनी से.
भारत माँ के सुपुत्र हो ऐसा.
जो वफा दार और ईमानदार हो.
अपना देश का अभिन्न अंग है.
महानदी कोलयरी हमारा,
भारत देश का सबसे प्यारा.
अब वो ख्यालो में आने लगे हैं.
लुटेरों का दिल दहलाने लगे हैं क्रपशन को भगाने लगे हैं.
अपनी कर्मों से सबको लुभाने लगे हैं.
हिमालय की तरह उनका नाम ही काफी है.
हिमालय की तरह उनका नाम ही काफी है .दीपक श्रीवासतव"

गिरिश चन्द साहू

वरिय डि.इ.ओ., लिंगराज क्षेत्र

1. चाहता हूँ ध्वंस कर देना भ्रष्टाचार की कहानी,
हो सुलभ सबको जगत में वस्त्र, भोजन, अन्न और पानी
2. भ्रष्टाचार और भ्रष्टाचारियोंका करना है हमेशा प्रतिरोध,
आओ इस अभियान में शामिल हो, सतर्कता विभाग करता है यही अनुरोध
3. हिंदुस्तान की जनता, अब तो संभल जाओ,
भ्रष्टाचार की आंधी से देश बचाओ

बोलो राम श्री राम

विवेक कुमार

सहायक प्रबंधक (विक्रय एवं विपणन)

ईब वैली एरिया

जग में रौशन है इनका नाम,
बेईमानी भरा इनका काम,
बोलो राम श्री राम, बोलो राम श्री राम |
पहुँच रखते ये चारों धाम,
घोटाले करें सुबहो शाम,
बोलो राम श्री राम, बोलो राम श्री राम |
वो छलका रहें अपना जाम,
लुट मची दिल्ली से आसाम,
बोलो राम श्री राम, बोलो राम श्री राम |
सब-कुछ के तो बढ़ रहेंदाम,
हम भुगत रहे अंजाम,
बोलो राम श्री राम, बोलो राम श्री राम |
कभी सोने की चिड़िया था नाम
अब हो रहा ये गुमनाम,
बोलो राम श्री राम, बोलो राम श्री राम |
मत करो अभी विश्राम,
लाओ क्रांति और संग्राम,
बोलो राम श्री राम, बोलो राम श्री राम |
खास नहीं हम हैं आम,
पर लगायेंगे पूर्ण विराम,
बोलो राम श्री राम, बोलो राम श्री राम |
बोलो राम श्री राम, बोलो राम श्री राम |

<p style="text-align: center;">विवेक कुमार सहायक प्रबंधक (विक्रय एवं विपणन) ईब वैली एरिया</p> <p>क्या अधिकारी, क्या कर्मचारी, क्या नेता, क्या अभिनेता भ्रष्टाचार के इस मैराथन में, खिलाड़ी और व्यापारी भी बन बैठे विजेता </p> <p>चारों ओर है भ्रष्टाचार का दलदल, फँस चुकी है आम जनता बिक गया है इमान लोगों का, बिना घुस यहाँ काम नहीं बनता </p> <p>आओ मिलकर प्रण करें, भ्रष्टाचारियों की उखाड़ फेंकनी है सता देवों की इस भूमी पर पुनः स्थापित करनी है, स्वाभिमान ईमान और आत्मसम्मान की महता </p>	<p style="text-align: center;">विवेक कुमार सहायक प्रबंधक (विक्रय एवं विपणन) ईब वैली एरिया</p> <p>तड़प रहा है देश, मचा है हाहाकार, अपने ही लोग कर रहे हैं दुराचार भ्रष्टाचार का फल-फूल रहा कारोबार, बिना घुस दिये काम ना बनता एक बार </p> <p>भ्रष्टाचारियों का बढ रहा अहंकार, सच्चाई और ईमानदारी बैसाखी पर पडे हैं लाचार पीडित-शोषित जनता कर रही चीखा-पुकार ए ईमान बेचेने वालों तुझ पर है धिक्कार </p> <p>भ्रष्टाचार - मुक्त देश का सपना कब होगा साकार, प्रश्न उठ रहा मन में यही बार बार ऐ मनुष्य, जगाओ अपना स्वाभिमान, हो जाओ तैयार, भ्रष्टाचार रुपी दानव पर करो तीव्र प्रहार </p> <p>ठान लो यह मन में, विजयी होना है इस बार, चाहे आए कोई भी बाधा, नहीं डालोगे हथियार भ्रष्टाचार मुक्त देश का सपना करना है साकारभ्रष्टाचार कुक्त देश का सपना करना है साकार </p>
<p style="text-align: center;">कुण्डलियां एवं छंद राजपाल यादव मुख्य प्रबंधक(कार्मिक)), ईब वैली क्षेत्र</p> <p>भ्रष्टाचार को दूर भगाओ, चीखे पूरा देश भ्रष्टाचार मुक्त किंतु, हुआ नहीं परिवेश हुआ नहीं परिवेश, दिखावा सब करते हैं ऊपरी आमदनी पर क्यों हम सब मरते हैं 'ईमानदारी सर्वोत्तम नीति ' का मन में हो समावेश परिवर्तित तब होगा, ये दूषित परिवेश जिसको न निज मर्यादा और स्वच्छ आचरण का ध्यान है सतर्कता और पारदर्शिता का न हृदय से भान है जिसको न अपने देश पर गर्व और अभिमान है ऐसा शख्स जिंदा रहकर भी मुर्दा इंसान है</p>	<p style="text-align: center;">राजपाल यादव मुख्य प्रबंधक(कार्मिक)), ईब वैली क्षेत्र</p> <p>(1) भ्रष्टाचार में लिप्त इंसान जिंदगी भर झेले अपमान (2) बेईमानी से अर्जित धन नहीं कर सकता घर संपन्न (3) सतर्कता ऐसा फरमान भ्रष्टों को कर दे परेशान (4) अच्छे दिन जरूर आएंगे यदि हम सतर्कता अपनाएंगे (5) ईमानदारी ली जिसने धार निश्चित रहे उसका परिवार (6) प्रतिस्पर्धा की दौड़ में रहे, बाजी उसके हाथ पारदर्शिता को ग्रहण कर, सतर्कता का जो दे साथ</p>

Preventive Vigilance as a tool of good Governance

Brajesh Kumar
GM (Systems), MCL HQ

I still remember those days when most of the students were very much afraid of the teachers particularly in the village schools as because for any petty reasons they were caned and the intensity of such punishment varied less according to the seriousness of the fault of the students and more on the mood of the teachers. Some cases are still afresh in my memory when the students were so scared of such physical punishments by the teachers that they thought it better to stay away from the classes and this really hampered their overall development. In those days majority of the teachers firmly believed that such physical punishments were necessary to shape up the future of their students. But now the scenario has completely changed and the students are no more scared of their teachers. The fear factor of any such physical punishment by their teachers, has completely vanished from the minds of the students.

The purpose of recalling the above memories is to establish the fact that one cannot be forced to follow the right path out of fear only just like the lions dancing to the tune of the ring master holding the hunter in his hand. We are not animals and hence we should not be treated in such a manner. I cannot question the provision of punishment in one or another form in the society for those who really deserve it because they in the body of a human being behave like an animal and certainly that is not going to vanish until **SATYUG** starts again after the end of **KALIYUG**.

On the basis of my personal experience I would like to put forth one observation that many of the employees like me did feel perturbed by the uncontrolled worries that while performing their duties in the organization some unintentional mistakes may have occurred landing them in trouble at some point of time if caught by the Vigilance Department. I would like to mention here that such fear crept in our minds even though we considered our integrity to be beyond doubts. Then question arises what was the root cause of such fear. The reason can be traced to the punishments awarded to the corrupt employees engaged in corrupt practices. Such punishments might have merits in almost all the cases but what about those few cases where the faults were not due to any mala fide intention of the individual employee. The mere thought of falling prey to such traps even by an honest man might have been enough to create the fear factor which I am talking about and such fear factors certainly diminishes the professional creativity of the individual resulting in an adverse impact on overall growth of the organization.

Prevention is always better than cure, is not only true for diseases but in case of constructive role of Vigilance in good Governance also it is quite relevant. Such prevention will be more effective if the management as well as the vigilance team of the organization is well equipped with proper tools which can help them to keep a close eye on the ongoing activities by way of bringing more and more transparency in these activities in all respect. Information Technology has really established its identity as such a tool. It is a fact that more number of petty crimes take place in the streets which remain dark at night in comparison to those streets which are well illuminated. This means darkness is the single major cause behind committing of most of the crimes.

The darkness of the street referred above can be well compared with the lack of transparency in the ongoing activities of an organization. In an organization, if all the activities become transparent then even the most corrupt person will think a hundred times before getting involved in corrupt practices and those who are the beginners or are the casual ones will certainly keep far away from such practices if they are aware of it. Now again the fear of getting caught, itself acts as the deterrent and prevents a majority of such crimes. Now-a-days close circuit cameras are being installed at public places, in flats and societies with signboards displaying these words in big and bold letters '**You are under the surveillance**'. The purpose of installing such cameras is not only to just catch hold of the criminals but at the same time to stop them from doing so by generating the fear in them that they under surveillance. Thus, we can confidently proclaim that **TRANSPARENCY** is the main ingredient of Preventive vigilance and preventive vigilance is the tool of good governance. We should never forget that each of us is under the surveillance of the **ALMIGHTY** and **HE** will certainly decide the reward / punishment for the good and bad deeds of the individual.

The various IT initiatives undertaken and successfully implemented in MCL under the able guidance of our top Management, has brought a sea change in the level of transparency associated with the processes involved in various activities. All these initiatives, directly or indirectly have become a magnifying glass in the hands of the Vigilance officials for the purpose of analyzing the things minutely. It helps them not only to identify the mistakes of the persons concerned but also to prevent them from doing so by giving proper warning. Some of such IT initiatives undertaken in MCL are as follows:-

- 1) **Vehicle Tracking System (VTS):-** The installation of GPS/GPRS units in 1800 trucks/tippers in different mines of MCL for bringing them under the surveillance of Vehicle Tracking System has been a very effective tool for monitoring the movements of these vehicle in the mine areas and on different routes. This VTS system is web based and can be accessed from any location from any personal computer with valid login id and password. All the mines along with associated routes have been geo-fenced and real time SMS alerts are being generated whenever any vehicle crosses these logical boundaries
- 2) **Surveillance through Cameras:-** Cameras have been installed at the railway siding, road weighbridges and other strategic locations. For proper monitoring of the same control rooms have been set at MCL,HQ and different Area offices.
- 3) **Online Production Reporting:-** The weighment data along with other details from the in-motion and static road weighbridges are being populated in the central CoalNet server through GPRS. Based on these data a sub-module has been developed in CoalNet System for the purpose of Online Production Reporting.
- 4) **Bill Tracking System:-** This system has proved its identity as a very effective tool for monitoring the interdepartmental movements and current status of the bills submitted by the vendors/contractors. The relevant data related to these bills are also uploaded on the official website of MCL and the same can be viewed by the concerned vendors/contractors through the existing link over there.
- 5) **SMS facility:-** Through auto generated SMS realtime sharing of information related to the issuance of the Road delivery Order(RDO) and the refund of balance amount to our valued consumers, is being accomplished.
- 6) **E-procurement :-** e-Procurement for both goods and services with the provision of automatic refund of the Earnest Money Deposit(EMD), is successfully running in MCL.
- 7) **Centralised OMMS:-** Online Materials Management System for all the stores and central workshops is operational through the central coalnet server which has brought the entire inventory of MCL under the roof of one virtual store resulting in several benefits.
- 8) **Tenders below ₹2 lacs:-** Details of tenders below rupees two lacs and the status of work awarded against them are being captured in the central Coalnet server and simultaneously uploaded in our website i.e www.mcl.gov.in. Now, the interested vendors/contractors can get the tender related information from any location using internet.
- 9) **File Tracking:-** This module developed in Coalnet system has been recently put in use with the basic purpose of tracking the movements of important files among various departments and between HQ and Areas. Current status of any file and the list of pending files can be known through the available reports in the module. We are also going to link this module with auto generated SMS alerts for the delay of files in a particular department over a specific period of time.
- 10) **Centralised Sales billing:-** Preparation of coal sale bills are being done through central Coalnet server resulting in timely preparation of bills and refund of balance amount to the consumers.

- 11) **PIS for Contractual Workers:-** The implementation Personal Information System(PIS) for the contractual workers of MCL has resulted in creation of a detailed database along with photographs for these workers.
- 12) **Integrated Mine Mineral Management System (I3MS):** This software of Odisha Govt. is successfully running in all the road weighbridges from where road sale is taking place. Due to implementation of this system the transit pass is being issued online after necessary validation through the system itself resulting in no manual intervention.
- 13) **Operator Independent Truck Despatch System(OITDS):-** This OITDS system is mine management system and is successfully running in three open cast mines of MCL namely Lingraj, Bharatpur and Balram.
- 14) **Coalnet System:-** The major modules of the customized ERP named CoalNet has been successfully implemented in MCL. Payroll and FIS modules of Coalnet system which were running successfully at HQ are being implemented at each Area.

Our sincere effort will always be there to enable MCL to infuse more and more transparency in the various ongoing activities by bringing them under the banner of IT and thus strengthening the hands of Vigilance Department to use them for Preventive Vigilance for good Governance.



SWACHH BHARAT campaign by MCL Vigilance Secretariat under the leadership of Sri Deepak Srivastava, IFS, CVO, MCL on 2nd Oct-2015



Excerpt from the Dhammapada on Vigilance and Corruptions

Sudip Maiti, Sr. Manager (Min/Vig), MCL HQ
All photographs by Sudip Maiti



The Dhammapada is an ancient Buddhist scripture traditionally ascribed to the Buddha himself. It is a collection of sayings of the Buddha in verse form and one of the most widely read and best known Buddhist scriptures. According to tradition, the Dhammapada's verses were spoken by the original Siddhārtha Gautama Buddha on various occasions around 500 BC. The word 'Dhammapada' essentially means "the path of eternal truth."

Due to its immense importance, the Dhammapada has been translated into numerous languages. In English alone several translations are available, including editions by such noted scholars as Max Muller and Dr. S. Radhakrishnan.

"Evil" is not to be feared, in other words, but understood, which can in turn only be accomplished by penetrating beyond traditional categories of Right and Wrong. Do we, today, really need anything more desperately than to find a way of retaining ethical awareness while rejecting categorical morality—and its accompanying self-righteousness? After 2500 years, the teachings of Goutama Buddha are being regarded as "really quite modern," Buddha laid gentle but firm hand so long ago on "The Problem of Man" including vigilance and corruption.



The verses of the Dhammapada illustrate the duality of human life. Man walks a delicate balance between good and evil, purity and defilement, progress and decline; he seeks happiness, he fears suffering, loss and death. We are free to choose between good and evil, and must bear full responsibility for our decisions. We are the makers and masters of ourselves, the protectors or destroyers of ourselves, we are our own saviors and there is no one else who can save us.

Our moral intuition, our innate sense of moral justice, tells us that there must be some principle of compensation at work in the world whereby goodness meets with happiness and evil meets with suffering. But everyday experience shows us exactly the opposite. We all know of highly virtuous people beset with every kind of hardship and thoroughly bad people who succeed in everything they do. We feel that there must be some correction to this imbalance, some force that will tilt the scales of justice into the balance that seems right, but our daily experience seems to contradict this intuition totally.

In his teachings the Buddha reveals that there is a force at work which can satisfy our demand for moral justice. This force cannot be seen with the eye of the flesh nor can it be registered by any instruments of measurement. This force ensures that our morally determinate actions do not disappear into nothingness, but rather continue on as traces in the deep hidden layers of the mind, where they function in such a way that our good deeds eventually issue in happiness and success, our evil deeds in suffering and misery.



Following are some of the verses from the Dhammapada which are relevant with vigilance and corruption. In the Dhammapada, while Buddha both affirms and denies some things with assurance, many verses also contain, in sequence, the converse of what is first said. These twin verses has been arranged in two columns for better understanding of the teachings.

All experience is preceded by mind,
Led by mind,
Made by mind.
Speak or act with a corrupted mind,
And suffering follows
As the wagon wheel follows the hoof of the ox.

Those who consider the inessential to be essential
And see the essential as inessential
Don't reach the essential,
Living in the field of wrong intention.

As rain penetrates
An ill-thatched house,
So lust penetrates
An uncultivated mind.

All experience is preceded by mind,
Led by mind,
Made by mind.
Speak or act with a peaceful mind,
And happiness follows
Like a never-departing shadow.

Those who know the essential to be essential
And the inessential as inessential
Reach the essential,
Living in the field of right intention.

As rain does not penetrate
A well-thatched house,
So lust does not penetrate
A well-cultivated mind.



Vigilance

Vigilance is the path to the Deathless;
Negligence the path to death.
The vigilant do not die;
The negligent are as if already dead.

Knowing this distinction,
Vigilant sages rejoice in vigilance
Delighting
In the field of the noble ones.



Glory grows for a person who is Energetic and mindful,
Pure and considerate in action,
Restrained and vigilant, And who lives the Dharma.

Through effort, vigilance,
 Restraint, and self-control,
 Unwise, foolish people
 Give themselves over to negligence.
 Don't give yourself to negligence,
 Don't devote yourself to sensual pleasure.
 Vigilant and absorbed in meditation
 One attains abundant happiness.

Vigilant among the negligent,
 Wide awake among the sleeping,
 The wise one advances
 Like a swift horse leaving a weak one behind.

The monastic who delights in vigilance
 And fears negligence
 Advances like a fire,
 Burning fetters subtle and gross.

The wise person can become an island
 No flood will overwhelm.
 The wise protect vigilance as the greatest treasure.

Driving away negligence with vigilance,
 Ascending the tower of insight and free of sorrow,
 A sage observes the sorrowing masses
 As someone standing on a mountain observes
 fools on the ground below.

With vigilance, Indra became the greatest of the
 gods.

The gods praise vigilance,
 Forever rejecting negligence.

The monastic who delights in vigilance
 And fears negligence
 Is incapable of backsliding
 And is quite close to Nirvana.



Corruption

You are now like a yellowed leaf;
 Yama's henchmen are standing by
 You stand at the door of death.

Be quick in making effort. Be wise.
 Unblemished, with corruption removed,
 You'll enter the divine realm of the noble ones.

No provisions for the journey.
 Make an island for yourself.
 Be quick in making effort. Be wise.

With no provisions for the journey.
 Make an island for yourself.
 Unblemished, with corruption removed,
 You'll experience birth and old age no more.

As a smith does with silver,
The wise person
Gradually, Bit by bit,
Moment by moment,
Removes impurities from herself.

As rust corrupts
The very iron that formed it,
So transgressions lead
Their doer to states of woe.

Oral teachings become corrupted when not
recited,
Homes are corrupted by inactivity,
Sloth corrupts physical beauty,
Negligence corrupts a guardian.

Bad conduct is corruption in a person;
Stinginess, corruption in a giver.
Evil traits corrupt people
In both this world and the next.



More corrupt than these is ignorance, the greatest corruption.
Having abandoned this corruption, Monks, remain corruption-free!

Easy is life
For someone without conscience,
Bold as a crow,
Obtrusive, deceitful, reckless, and corrupt.

Difficult is life
For someone with conscience,
Always searching for what's pure,
Discerning, sincere, cautious, and clean-living.



*Always searching for what's pure
Arunachal Pradesh*

There's no fire like lust, No grasping like hate, No snare like delusion, No river like craving.

One digs up one's own root
Here in this very world
If one kills, lies, steals,
Goes to another's spouse,
Or gives oneself up to drink and intoxicants.

Good person, know this:
Evil traits are reckless!
Don't let greed and wrongdoing
Oppress you with long-term suffering.

It's easy to see the faults of others
But hard to see one's own.
One sifts out the faults of others like chaff
But conceals one's own,
As a cheat conceals a bad throw of the dice.

If one focuses on other's faults
And constantly takes offense,
One's own toxins flourish
And one is far from their destruction.
No path exists in space;

Happiness

Ah, so happily we live,
Without hate among those with hate.
Among people who hate
We live without hate.

Ah, so happily we live,
Without misery among those in misery.
Among people in misery
We live without misery.

*Ah, so happily we live,
Without misery among those in misery.
Kaza, Himachal Pradesh*



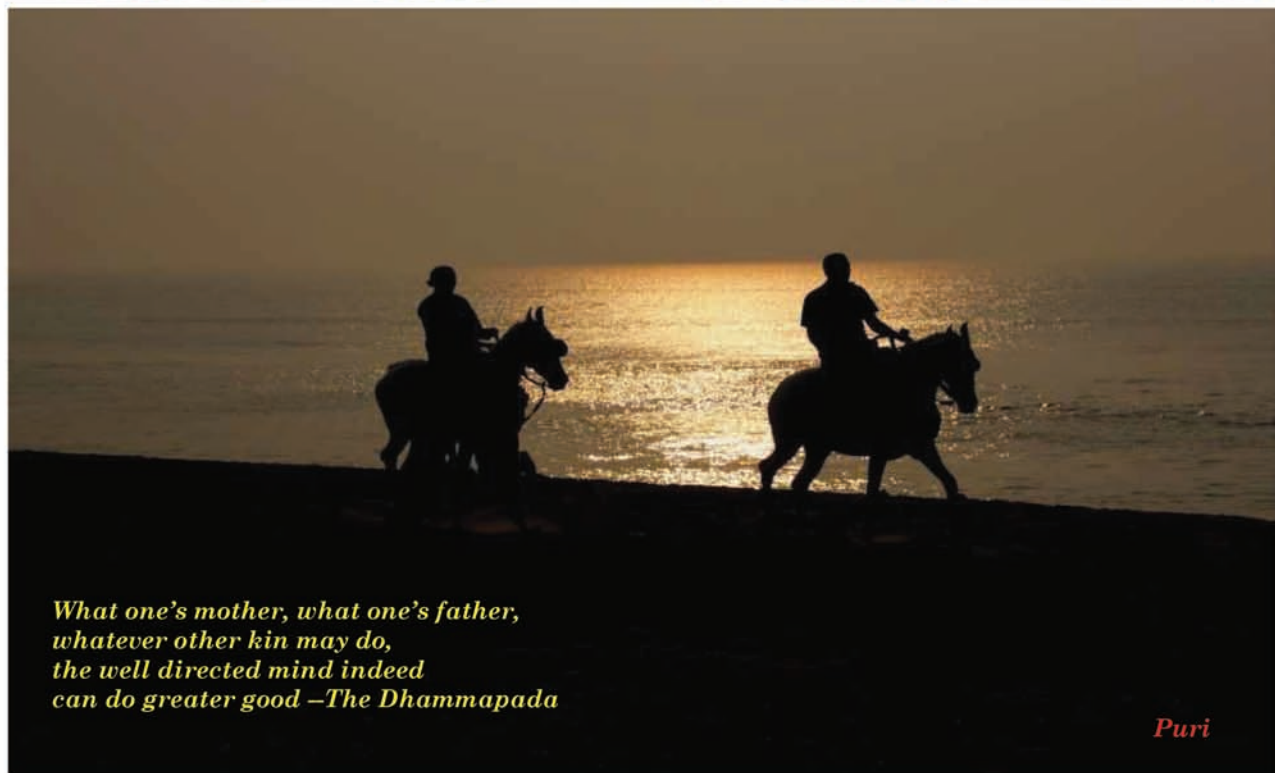
Ah, so happily we live,
Without ambition among those with
ambition.
Among people who are ambitious
We live without ambition.



There is no fire like lust,
No misfortune like hate,
No suffering like the aggregates,
And no happiness higher than peace.



*Ah, so happily we live,
Without ambition among those with ambition.
Kaza, Himachal Pradesh*



*What one's mother, what one's father,
whatever other kin may do,
the well directed mind indeed
can do greater good –The Dhammapada*

Puri

There is infinitely enough in our world for everyone's need,
but not nearly enough for everyone's greed.



Thinking Aloud on Preventive Vigilance : Heartfulness May Show the Way

*Dr. Bibhu Prasad Rath, Addl. GM(ES-NPG)
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What you read here are thoughts about which I am yet to conclude so it is mostly in the form of random thoughts. Random thoughts have two advantages one, it can be challenged and two, corrected. So I expect the reader to challenge me and correct me by responding to these random thoughts.

The inspiration for these thoughts presented here in the form of an essay is one hilarious incident at office and a workshop on heartfulness I attended recently. The incident at office in some details first. We were with some friends at our Hindi section and suddenly I saw the normally light hearted atmosphere turn a bit serious. I enquired to know the matter. It was quite a harmless issue though- a Preventive Vigilance Workshop was to be conducted and the Hindi section was asked to provide the invitation in Hindi. The discussion was what should be the Hindi for Preventive Vigilance Workshop the immediate response of **सतर्कता निवारक कार्यशाला** led us to to a huge round of laughter for obvious reasons. With my limited knowledge of Hindi, I suggested **पूर्व-सतर्कता कार्यशाला** and **सतर्कता रहित कार्यशाला** but it did not find approval of the pundits. After I consulted Google translator **परे-सतर्कता कार्यशाला** seemed a better choice. Subsequently, **बचाव-सतर्कता कार्यशाला** and **निरोध-सतर्कता कार्यशाला** were also discussed. But as I told you earlier, I am still thinking aloud on this issue and you can still contribute to it.

The second incident was a trainers' workshop on heartfulness I attended being conducted by **SMSF Sahaj Marg** spirituality Foundation. Heartfulness is being rooted in the heart knowing heart as the seat of all our thoughts and emotions. Our thoughts and emotions can be purified at its source if we retain an idea of the divine presence in our heart. We need not run to the Himalayas, we need not lead the life of an ascetic, we can still be in our professions, and we can still support our family and society rather in a much better way.

In an intensely competitive world, heartfulness is not an obvious outcome it requires the scientific approach to experiment and this experiment is unique since here the experimenter has to experiment on himself and record his observations for himself. Heartfulness has immense possibilities for the individual and the society. On the one hand the prejudice of distinction based on birth, religion, caste, gender etc besides acquired distinctions of money, education and social status are naturally removed in just one stroke. Fearlessness is a natural out come when one recognizes divine presence in one's heart. The deviant behavior against which the state builds huge edifices would be rendered unnecessary if people become fearless. The corrupt people amass wealth out of insecurity for the future; those who can act remain silent fearing repercussions. Often in our greed we forget that the essentials of life are a free gift of nature the air we breathe is still free though in our foolishness we have contaminated water bodies and pay for bottled water.

Our heart today is full of trepidation it is also agitated and titillated by desires of a wide variety. Such a heart definitely requires some conditioning which can be described as purification. But since all along a pivotal responsibility is with the individual he is encouraged to first mediate on divine presence in the form of light in the heart. It is also shown how to meditate after a guided relaxation technique followed by transmission from a trained preceptor of Ram Chandra Mission. Transmission or pranahuti is a unique technique in the system and an experience of meditation with transmission in contrast to meditation without transmission is the best way to check the efficacy of the system available free of charges around the world.

The outcome of these techniques and the choices are that of the reader. As I told you at the beginning I am still open and thinking about these things aloud. So if you find these techniques helpful or otherwise you may reach out to me. Since the issue is of universal nature you can always contribute with suggestions for improvement.

Looking forward to hearing from you.

*Bibliography: Dr. Bibhu Prasad Rath (The author is meditating in Sahaj Marg System of Raja Yoga since March 1996)
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Corruption, the hindrance of India's progress – be vigilant.

*Kishore Kumar Datta
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Though standing on the threshold of a new era, the very mention of corruption makes us cagey and fearful. Money laundering, scams, incentives have become a way of our modern lifestyle. Lack of govt. transparency, weak civic services, costly political campaigns, expensive budget projects are some of the reasons for corruption. Five problems and one solution i.e. change in perception of people towards alleviation of corruption. In spite of celebrating Anti- Corruption Day on 9th December, Vigilance Awareness Week, Oath taking ceremonies, still then the 2G spectrum scam stands as the hallmark of embezzlement which brought loss of 68,000 crore of rupees on national exchequer. From Boffors guns scam the depth of depravity can be well imagined. Fodder scandal or the Chaara Ghotala is a national shame on national exchequer. Common wealth games scam proved to be generating common wealth for the top brass who are involved in it. IPL scam is also amassing public wealth into private pockets. Politics is another lucrative business these days where money and muscle power are the best investments. Its impact is inalienable in the wings of administration, judiciary, educational system etc. The CEO of Satyam Software also provides the finest example of corruption. In a country where corruption elements do not hesitate to make money for buying coffins for our martyrs or bullet- proof jackets of inferior quality.

Corruption has become an acceptable norm rather than a serious offence. It has become almost a ritual to talk of something pious and give some ready made tips to counter corruption. Corruption has outburst in such a way that it upholds the potential to engulf the unity of the nation. The urgent need of hour is zero tolerance attitude towards corruption. Uprooting the corruption indeed a herculean task. But dismantling the bureaucracy should be the first step. Expressing out against the pernicious corruption in public forums, social networks like Facebook, Twitter, mass media like radio and TV networks can be fruitful. Anna Hazare, the most notable anti- corruption social activist answers why no one goes to jail despite indulging in corruption, because we have completely rotten anti- corruption laws in the papers only but never implemented in practice. Rampant corruption prevailing in country forced law makers to implement RTI act. It not only lays down the foundation of a better India but also exposes the seeds of corruption explicitly. Whistle blowers in our country are such that when they are free to sing, the government is marching forth but when they are silent, it is alarming. "Jaago Grahak Jaggo", is the initiative by TATA Tea to arise the issues of corruptions. Taking corruption in educational system in the form of clubs is indeed a cool idea. Corruption is the single greatest threat to Indian economic prospect. Sometimes departmental vigilance committee in fact acts like a paper tiger and tooth less. The black money is stashed in undisclosed destination, generating 40,000 crore of rupees annually. As per Transparency International, 50% of Indian people are involved in bribery, an odd 500 parliament members, erstwhile and present, have criminal records. The saga of income tax scams and favoritism in educational and carrier institutions carry on with impunity. Stoppage of using currency notes over 100 rupees and providing PAN should be mandatory for all types of financial transactions, bulk purchase of goods should be taxed and its storage for gainful purposes should be penalized stringently.

It is not the time to point out fingers at others or crossing our fingers and sitting idle. We have to fasten our seat belt to thrash the corruption. Citizens can also be whistle blowers to eradicate corruption. Swami Vivekananda said, those who are indulged in corruption and those who knowingly keep mum are equally corrupt. Today let us take a pledge religiously, not to be a part of corruption. Four mantras for ultimate freedom; Awareness, consciousness, creative imagination and firm determination.

VIGILANCE AND E-GOVERNANCE IN HOSPITALS

*Dr Amrender Kumar
Sr. Splst (Anaesthesia), NSCH Talcher*

Vigilance means watchfulness or to bring awareness. Vigilance came into existence mainly for the purpose of fighting corruption. Corruption involves misuse of power, money, government property etc. Though corruption can't be brought down to zero level, we can try to bring it as low as possible. This can be ensured by watchfulness, caution and vigilance. Or in other words it can be achieved by E-Governance. E-Governance is the use of various modern information and communication technologies such as internet, local area networks, mobile phones, etc., by the government to promote democracy and minimize the corruption level. Simply e-governance is electronic management and electronic controllership. Therefore vigilance and e-governance are required for ensuring corruption less functioning of any private, public or government organization. In order to achieve this purpose, government has implemented various online services under national e-governance plan like property registration, railway reservation, pensions, passport, visa, company affairs, land records, e-courts, etc.

In hospitals if we link all OPD registrations, casualty, indoor and outdoor records of the patients, stores records pharmacy dispersion of drugs, referral, indent, reimbursement through EIS and AADHAR CARD electronically. It's proven to be effective, not only for fighting against corruption but also for improving the efficiency, effectiveness and comfortless of public.

Combating Corruption - Technology as an Enabler

*Raji Joshua
Staff Officer(Envnt), MCL Basundhara Area*

Business transactions necessitate appropriate systems and processes to demonstrate transparency and fairness. Legacy based systems and processes have the lacuna for deviating from the ideal course which infact leads to "corruption". Vigilance department has an important role to play to sensitizing organizational members and dig upon ways and means for improving the existing systems and processes. Introduction of modern technology is the right and solitary method to bridge this existing lacuna. Thus the theme "Combating Corruption - Technology as an Enabler" is quite relevant in present day context. The numerous initiatives already taken up by the **Vigilance Department of MCL** in this regard is praiseworthy. There has been substantial growth in our company MCL when looked upon in this angle. I am sure, observance of the awareness week will further substantiate utility of the technology application in conducting our business by adopting the right spirit and following the right approach.

Public procurement is an activity highly prone to corruption and which has serious impact on the industry as well as the market. According to World Bank estimate, the average bribe to obtain a public contract is estimated at 15% of the contract value. The CVC therefore maintains a high focus in this area. Vigilance has been always advocating simplification of procedure and transparency in this area. As it has been mentioned above, for a good decision making it is utmost necessary to put in place a robust system, simplified and with complete transparency. This will help cutting down time of completions of procurement of materials and works and improve projects completion time with the best quality. The purchase and contracts manuals need to be re-looked from the above angle. Vigilance should recommend the top management to update these manuals and the DOP of the company. Moreover, training sessions for all executives should be conducted so that they become accustomed to the purchase & contract manuals, DOP etc. To be a clean and corruption free company, this is a pre-requisite.

Preventive Vigilance as a tool of good Governance

*Deepak Singh
MT (Legal), MCL HQ*

I was amazed with the clarity of thought and conscience my seven years old niece had. It was only the other day that she asked me inquisitively –“why do we need Police?” I told her that to nab the thieves and wrong-doers we do need Police. Then she came up a new question – “If every child is asked to behave properly and not to misbehave, not to steal, not to fight with each other etc.; why do the elderly people do such deeds?” I tried hard not to show my embarrassment and told her that sometimes due to certain compelling reasons or carelessness or due to some untoward incident taking place we happen to commit some wrongs. She wasn't convinced, not a bit to be precise. But, the question she raised was a pertinent one. Let us examine how and why?

We are caught up with our daily chores, running from pillar to post, fulfilling our personal, official, social, filial, moral and other responsibilities. In the midst of all this, many of our responsibilities happen to co-exist and many occur to be overlapping. That is where the need of striking a fair balance arises.

In our daily lives, while fulfilling our usual responsibilities, either by mistake or due to some need or in some cases due to our insatiable greed, we tend to fall for certain allurements. These allurements are not important, nor indispensable, at all. But, with certain exceptions, we happen to fall for them at different times, due to various reasons and with or without some rationale behind them.

As the title reads, Preventive Vigilance is intended to make one aware of his primary responsibilities without compromising upon his own integrity or the sanctity of the responsibility entrusted to him. It gives you a friendly environment wherein you are free to put your views forward and also a right to dissent if it is required in any given situation. It helps you earmark the areas which might lead to a conflict of interest in future or which may lead one into a trap which may prove to be detrimental to his own repute or standing. Further, it assists you to evade any such ways and come to the concerned authorities with any such problem or apprehension, either particular or in general.

So, Preventive Vigilance is here to support you to be & remain upright and enable you to be able to stand for your principles, both in short and long runs. This author wishes there to be a watchful and observant working environment and full support, assistance and inspiration from the concerned authorities and departments to lead us towards good and eventually better governance.

Corruption: A CANCEROUS NATIONAL AFFLICTION

*Sudeep Nayak
MT (S&M), MCL HQ, Burla*

It has been a normal practice of companies to amass huge forces for protecting their widely-loved brands from being hijacked or tainted. Significant budgets are also allocated to pay reputation management firms to monitor the buzz surrounding their well-known brands and their competitors. But this time the story was a little different for a company in particular and amusing for the public in general since it involved the name of our morning companion “**Colgate**” which has been dragged into the multi-billion dollar scam involving India's coal industry, interestingly hyped as “**Coalgate**” by the Indian Media. The Costs that Co(a)lgate brushed around is certainly huge even beyond the imagination of a normal citizen but the impact it had left is quite bigger than the lengthy numerical figures. In fact, the last decade has witnessed a number of major happenings with corruption in the macro level ranging from 2G, Coalgate to CWG & Hawala-gate and many more. The moot point is, corruption has really become noticeably cancerous and at the same time omnipresent, most importantly Government Bodies including the PSUs like ours often get mischievously fingered at time and again.

Significant levels of corruption exist in India despite the existence of a relatively strong governance structure, institutions, legal framework and policies. The anti-corruption laws and institutions coupled with a strong oversight system consisting of the CVC and CAG have been well acknowledged. In fact, the problem lies in implementation where there exists a huge gap between the policies and practices. Moreover, poor regulatory framework, centralized process of decision making aggravated by discretion & official secrecy, rigid bureaucratic structures and processes; and absence of effective internal control mechanism are often blamed by intellectuals for being the common causes of corruption.

The call for battling corruption has been coming from many stakeholders placing Information & Technology (IT) at the forefront. Recently, Hon'ble Prime Minister's much hyped programme "**Digital India**" has been launched with a larger aim of transforming the country into a digitally empowered knowledge economy, however, with a hidden agenda of rooting out corruption from the system especially from Government Bodies. To our utmost satisfaction, much ahead of the call, our esteemed organization MCL had started a number of initiatives for infusing technological advancements into the systems and processes in order to prevent leakages which not only adversely affect productivity and profitability but also the image of the organization. In fact, the role of vigilance administration at MCL must be applauded for their continuous efforts for bringing efficiency, economy and transparency in the system while giving corruption a tough fight of survival; however, we are still left with a long distance to cover.

In the recent times, we have seen major steps being taken as preventive measures to combat economic leakages at MCL. Installation of GPS based vehicle tracking system, Geo fencing of mines to prevent coal pilferages, in-motion road weigh bridges with RFID and its connectivity to COALNET, Installation of CCTV cameras at major railway sidings, E-procurement systems etc are a noted few among others. The Vigilance administration should be congratulated for all these. However, still a lot to be taken care of.

Now, let us figure out some particulars.

It is a well understandable fact that corruption takes place mainly at the human interfaces where parties negotiate for some interdependent goals. More precisely putting this concept into our organizational perspective, it can be inferred that, more is the human interfaces (beneficiary touch points), it is likely to see more prone areas of corrupt practices. Considering the nature of multi layer and multi departmental mode of operation in our organization, a single window system cannot be straight away recommended as this can be counterproductive; however, the touch pints can be reduced for better results.

From the technological point of view, there are a number of other areas where information & technology can be leveraged for efficiency, economy and corruption control. The key idea is that risk management tools are made integral part of the main business processes. For example, in different organizations, frequent cases of frauds are found in availing various employee benefits like medical expenses, LTC, TA/DA etc. The accounting softwares can be built in such a manner that the computer system generates 'exception report' and gives alerts wherever there are significant deviations from certain benchmarks and norms. Apart from this, leave applications, TA/DA, LTC by employees are still initiated and processed in the same decade long pen-paper based method, but this can be replaced by a HRMS software package which will not only result in reduction of usage of paper but also improve transparency, accountability and most importantly man hour. Similarly, the same accounting software system can make inter unit/inter location comparisons of expenditure on these items. Similarly, softwares can be developed with regard to procurement with inbuilt features for making inter unit/inter office comparisons of rates and consumption patterns.

In fact, by closely watching the nature of corruption, it can be broadly divided into two main categories:- "Supply side & Demand Side". However, anti-corruption efforts in India have been largely focused on the "demand side" in which the Public Sector is often blamed for taking bribe and corrupt practices. In the other hand, the private sector which actually forms the supply side and mainly accused of paying the bribe has been largely ignored. But in the corruption economics, both the supply and demand sides go hand in hand and hence should be dealt with accordingly.

However, above all, the most significant achievement in all these aspects is the paradigm shift in the perception of Vigilance in the eyes of the stake holders which has been rightly shifting from a complaint driven administrative mechanism to an integrated preventive risk management tool in the business process. In fact, the role of vigilance in an organization is shaping huge and cannot be confined to a particular individual or set up. All the stake holders, particularly the public servants must have a sense of vigilance inside their mindset so as to make their organization flourish both socially & economically.

“Prevention is a silent skill that helps us make positive changes in ourselves”

NOBODY can clean BHARAT from CORRUPTION

*Ganesh Kumar Sinha
Sr Manager (E&M), Orient Area*

MANY of those who are entrusted and given authority to contain and eradicate corruption have their own part in reaping the fruits of corruption and therefore, remain involved in furthering interests of the corrupt people and practices.

BHARAT celebrated its independence from the British Rule in August 1947. Its Constitution was written by a Constituent Assembly comprising of a Chairman and six members deliberating an initial draft prepared by a constitutional advisor (based on his own research into the constitutions of other countries) at recorded cost of 64 Lakh Rupees. The constituent assembly adopted the constitution on Nov, 1949. One of the members of the said Constituent Assembly, who later became the first Minister for Commerce and Industry and then Finance Minister, had to be compelled to resign for his complicit involvement in Mundhra scandal.

कुपथकुपथरथदौड़ताजोपथनिर्देशकवहहै ।लाजलजातीजिसकीकृतिसेधृतिउपदेशकवहहै ।

Since then scams and scandals have been numerous and ongoing at increasing speed. Involvement of people in Government and almost all its Departments has been surfacing too often. Highest level of crime and corruption has been evidenced in the closest vicinity of the topmost officials of almost all Government departments including those responsible for prevention and eradication of crime and corruption. Highest rate and magnitude of crime and corruption telecasted almost every day by media pertaining to the Capital cities of BHARAT and its states.

The constitutional heads of Bharat and its states, all his ministers (MPs and MLAs), all judges of the Supreme Court and high courts, and other heads of law enforcing departments/ agencies, while taking charge of their office, do swear in the name of God “...to bear true faith and allegiance to the Constitution of India as by law established ...” and that ... “I will do right to all manner of people in accordance with the Constitution and the law, without fear or favour, affection or ill-will”. Moreover, all executives of Government departments also take vigilance oath every year.

मूर्तदंभगढ़नेउठताहैशीलविनयपरिभाषा ।मरणरक्तमुखसेदेताजनकोजीवनकीआशा ।

Still corruption is soaring up. One of the Prime Minister's, while addressing the public in mass had spoken about how 85% of the public money is pilfered before it is spent for the intended use for the public.
उपरउपरपीजातेहैंजोपीनेवालेहैं ।कहतेऐसेहीजीतेहैंजोजीनेवालेहैं ।

Should such oath not be considered as fake shows and the swearing-in ceremonies, as organized dramas of the elected and educated hypocrites just to befool the citizens of the nation? All concerned are salaried people; are they paid to befool the citizens of the nation who pay tax for the Government to function?

What is the wrong? Where is the wrong? I believe that the “wrong” lies in the constitution itself. The constitutions maker said themselves “People of India” who did not even consider “all its citizens” as the “People of India”. Nothing of what the said “People of India” solemnly resolved in dictum of the Preamble of the Constitution, to secure to “all its citizens” could be secured for them in already spent 66

long years since they adopted their constitution on 26.11.1949. Contrary to that all sorts of crime and corruption, which they had not solemnly resolved to secure to the citizens, have been and is being propelled up at rocket speed.

The constitution, on one hand, grants plenty of Human Rights, unlimited opportunity to prove Not Guilty and uncountable opportunity of asking for Pardon, etc. to the criminal and the corrupt people who by use of their vast amount of ill accumulated wealth and criminal and corrupt abettors influence and even kill the victim(s), the witnesses who may stand against them, the lawyers who plead cases from either side, the authorities who to hear and decide gravity of the crime and corruption, and pronounce the penalty and punishment. On the other hand the same constitution grants the victim, if survived, only right to be heard in the courts of law which has a never ending procedure and which has purposely been fostered to be too costly, too clumsy, and too much intricate to confuse all concerned in too many ways until delivery of justice becomes useless. The victim often is driven to perish in gloom. Nothing of JUSTICE, social, economic and political; LIBERTY of thought, expression, belief, faith and worship; EQUALITY of status and of opportunity; FRATERNITY assuring its individual dignity and the unity, and Integrity of the Nation as solemnly resolved to be secured by the constitution makers (the "People of India") can be traced on the ground reality. Typically, what is proved after 18 long years of trial in the courts of laws, which pronounce judgement on the basis of proofs beyond any reasonable doubt, can readily be set aside within only three months by another court of law. Amazing! What required is only ill gotten wealth and a lobby of criminal and corrupt abettors to test if the judges are not corrupt.

Clips below illustrate:



RELATED KEYWORDS: Transparency-International | India-Corruption | Corruption-Index

India's ranking on global corruption index improves

TII, Dec 3, 2014, 12:30PM IST

NEW DELHI: India has showed some improvement in addressing corruption this year, ranking 85th among 175 countries as against 94th last year, graft watchdog Transparency International India (TII) said on Wednesday.

Denmark retained its position as the least corrupt country in 2014 with a score of 92 while North Korea and Somalia shared the last place, scoring just 8, it said.

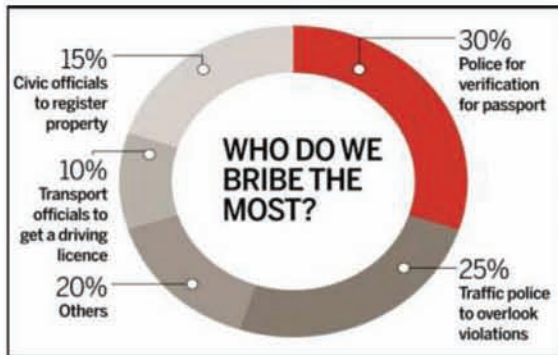
In India's neighbourhood, China moved to 100th place, down from 80th last year, while Pakistan and Nepal were at 126th position. Bangladesh was 145th and Bhutan 30th in the ranking. Sri Lanka was ranked 85th with India. Afghanistan was at a bleak 172.



The improvement in CPI for India was driven primarily by two data sources – from the World Economic Forum and World Justice Project's (WJP) index.

As years are passing by, the criminal and corrupt people are losing apprehension of courts, police and other law enforcing authorities of the Government. Only the common people, who are poor, weak, gentle and honest do fear them. Media now and then show some hope probably for entertainment of people or for their own TRP(Target Rating Points) saying that "India has showed some improvement ..." with reference to India's ranking on global corruption index published by the TII (Transparency International

India). May be, it is based on some political inspiration. Below are some more clips to visualize salient aspects of bribe in our country based on 21012-13 figures:



To analyse the situation, we must recall that every human being, by **instinct**, possesses four constructive/ driving forces, गुण (virtue), namely 1.मन (Mind), 2.बुद्धि (Intellect), 3.चित्त (Will) and 4.अहम (Self-respect, Dignity) and eight destructive/ braking forces, दोष (vice), namely 1.काम (Lust), 2.क्रोध (Anger), 3.मोह (Delusion), 4.लोभ (Greed), 5.मद (Arrogance), 6.मत्सर (Jealousy), 7.द्वेष (Hatred), and 8.भय (Fear). Unless the virtues are taught, developed, fostered and practiced

to control the vices, the vices unitedly result into what we perceive as Crime and Corruption, both of which support and breed one another.



While some civilizations produce saints to practice and preach how to control the eight vices by the four virtues for co-existence of all with

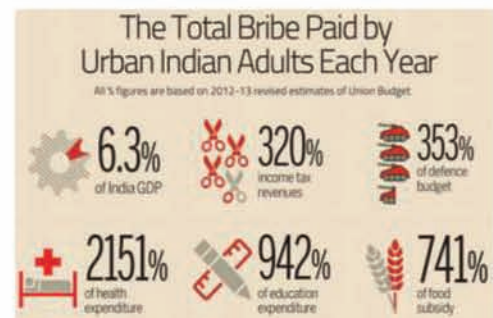
THE MARKET PRICE FOR BRIBES

In India, one has to pay a bribe even for a birth certificate or to renew a passport. A rate chart to show the worth of ser vices.



mutual respect, peace and happiness, there are other civilizations that produce barbaric goons to practice and preach how to fuel the vices and virtues both for satisfying their own barbarous ambitions, thus posing threat of destruction of the entire civilizations worldwide. Eventually meshing of such conflicting civilizations and willing to govern them by a common set of principles with view of appeasing both resulted into a constitution like ours. It is like a **manual for taming** lambs and wolves together and allowing them to live in harmony. The result of the harmony is what is politically blamed as crime and corruption, both breed one another to erode relevance of **that manual**.

Probably the constitution makers, at the time of its making, must not have any better option to deal with the situation than ending up into a constitution which is grossly incapable to secure JUSTICE, social, economic and political; LIBERTY of thought, expression, belief, faith and worship; EQUALITY of status and of opportunity; FRATERNITY assuring its individual dignity and the unity, and Integrity of the Nation as they literally spoke to have been "solemnly resolved" to "secure to all its citizens". Under the provisions of this **Book of Fate for Bharat**, people in the Government and its law enforcement departments can foolishly or otherwise deceptively solace the victims of Crime and Corruption of their fake efforts for betterment of the situation. They will remain favouring the criminals and corrupts at the cost of nation's wellbeing. Increasing number of criminal and corrupt people in the society is sure to multiply exponentially till all the honest and gentle people are out-powered, abused or killed destroying the mesh of conflicting civilizations. Then the constitution, incapable to deal with crime and corruption, will be automatically rejected and scrapped.



A man is what he is grown into in first five years of his childhood. The **instinct** of a man is formed in his mother's womb. Abhimanyu, depicted in the Mahabharat, had learnt entering the 'Chakravyuha' while in his mother's womb. Character of a man is shaped while growing in his mother's lap. If he watches her mother being dealt with due respect and individual dignity, he would naturally respect all women as he grows older. But if he watches his mother being insulted, scolded, beaten and otherwise misbehaved, he will eventually grow to disrespect all women. Similarly, the babies in their early childhood who are taught values like love, respect, mercy, forgiveness, tolerance, donation, honesty and peaceful coexistence of all

will be totally different in character from the babies who are taught in their early childhood to practice hatred, disrespect, cruelty, revenge, intolerance, robbing, dishonesty and enslave all. Family is the most important and powerful school for every child where his character is defined. His character is then strengthened while he watches his family members worshipping the deity and by what is taught in his first school outside his family. Society in general, including academic, religious and political institutions, fills different colours in his character and personality traits which are modified with ongoing experience and acquisition of knowledge. Effect of the society on character of a person is temporary and transitional. Hence a man is a criminal and corrupt or honest and gentle by **instinct**. Society observes and records after he makes abundant proofs of it. Crime and corruption cannot be controlled until the respect and dignity of all men and women is not maintained at the best in the family and society.

Therefore it is unavoidable that all people of Bharat receive the same teaching at home, in schools and in the society from all sources including family traditions, holy rituals, worship of deities and cultural practices by all means including books, media, teachers, preachers and theatres. Constitutional provisions need to be looked into and to enforce adequate measures for maintenance of human dignity and mutual respect of all countrymen. These provisions must be capable to give what is committed in its preamble. Only then crime and corruption can be controlled and eradicated. In absence of the above, all programs and initiatives to control and eradicate crime and corruption will keep proving as deceptive shows fooling the countrymen until total collapse of the Government. Neither the constitution nor Government will survive to launch any more initiative or programme, nor do the citizens to appreciate its effectiveness. Those, who will somehow survive, will see a new dawn of a new civilization. आगे कह मृदु वचन बनाई (preamble of the constitution), पाछे अनहित मन कुटिलाई (provisions of the constitution) जाकर चित अहिगति सम भाई, अस कुमित्र (constitution) परिहरेऊ भलाई ।

Disclaimer

This article is not intended to criticize the Constitution, the Government, or any of its functionaries. It is purely my personal opinion based on own perception. The publisher is fully authorized to edit, correct, modify, delete any part of the article or even totally reject it.

The reader is also requested as: "लिखेऊ लेख निज मति अनुहारी, सुजन सुचित पढ़ि लेहु सुधारी"

10 Tips to begin our day

Raji Joshua

Staff Officer (Env't), MCL Basundhara Area

1. Begin our preparations the day before. Go to sleep at a reasonable hour, so that we have enough hours of sleep.
2. After we lie down in our bed, don't turn on the TV. Close our eyes, calm our body, and repeat several times the affirmation. "I am going to have a good night's sleep, and I am going to wake up happy, refreshed and energetic." Next, let our thoughts come and go, staying calm and relaxed, not thinking about anything in particular, and not fighting thoughts we do not want. Do so until we fall asleep.
3. Upon waking up in the morning, repeat the following affirmation several times: "Today, I am having a most wonderful, happy and productive day."
4. Muster enough strength, and get up, sit on our bed a few seconds with a smile on our face, and then stand up.
5. After washing up, sit alone for at least 5-10 minutes to meditate. If we usually meditate, then no need for usual medication. If we have meditated, just sit down on a chair with our back straight with closed or opened eyes, as we wish. Calm our body, and then watch our thoughts as they come and go. Just watch them with lack of interest, as if they do not belong to us. Don't try to follow them nor fight them.
6. If we have the time for exercising or walking in the morning that's great, but if we don't, do a few exercises for a few minutes. Any exercise will bring more oxygen into our lungs and energize our blood stream.



7. Mother Teresa wrote “Love begins at home, and it is not how much we do... but how much love we put in that action” It is said the breakfast is the most important meal of the day. It gives us the strength and energy to start our day, prepare something to eat ourselves, if we don't have the time, then wake up a few minutes earlier to prepare a light meal for self and our loving family. We will feel more energetic and our head will work better, if we have breakfast together in the morning with our loving ones, we will get an extra energy & family support to encounter our daily problems.
8. Read a few inspiring quotes before going out to work, it would be a good idea to prepare them the previous day. These could be any kind of quotes and inspire that motivate us. We can read different quotes every day or we can repeat the same ones every day.
9. Dress up properly, polite on the way to work. Smile and greet people, whom we know, don't try to ignore them or show them an unhappy face.
10. When we arrive at our place of work, repeat in our mind the following sentence. “I am happy and relaxed. Today is a wonderful and most productive day to encounter our routine problems.” These tips will make us feel better and happier and become more positive and energetic. When we are happy, positive and in a good mood we broadcast these vibration around us, affecting other people and our environment accordingly.

TREATISE ON ISSUES AND CONCERNS IN HSD HANDLING

*Y Kamaleshwar Singha
Deputy Manager (E&M)*

Being one of the most capital-intensive consumables and bearing one of the highest expenditure of Coal India, HSD handling is, as always has been, one of the most critical area of concerns, irrespective of being seen whether through economic outlook to ensure frugality or through administrative lens to prevent pilferages. This article is a panorama, strictly through a technical point of view, rather a sharing of experience drawn at HSD Dispensing Unit, XXXX OCP, YYYY Area. In addition to the legal, statutory and obligatory administrative perimeter borne from the law of the land adhered with multiple authorities to check and review its functioning, there also exists in-house guidelines via IED guidelines or store manuals to facilitate the proper operation of HSD depot. However, in spite of the substantial set of guidelines existing within and outside the organization, few points to ponder or if one might say, food for thought, to hone the existing practices, is worth mentioning and could be tabled for discussion and review, to make the system full-proof and avoid any systemic errors leading to uncalled situations inexplicable by the host officer incharge. Of the many such concerns, this article accommodates a few of them without going into excessive detail.

Underground Tanks Behavior of underground tanks in operation for a considerable period of time having high volumetric handling of HSD is one such issue pervasive in nature. It is very much conspicuous in all the depots to have a difference in mechanical measurements i.e. dip measurement as compared with other measurements, say the totalizer of the dispenser. It may be remembered here that both measurements are certified or calibrated by external authorities, which are statutory and non-statutory in nature. It is usually frowned upon that dip charts issued for an underground tank is not certified and the inaccuracy is numbered as per gazette. It may be noted that dip chart is also a certified document by calibrators entrusted with such responsibility as appointed by the respective oil companies and norms to be followed comes under the Weights and Measures Act. It is fixed at 1% and period of such re-certification or re-calibration is 3 years. Sometimes it is observed that there is a disproportionate variation of HSD measurements in normal operation deviating bilaterally along the acceptable datum. Underground tanks are subjected to multiple mechanical errors due to imperfections in construction and misalignment in installation pertaining to inherent metrological inaccuracy, which is unavoidable. Although this can be corrected or accommodated by physical plotting of dip chart, but the usual procedure adopted by calibrators is to extrapolate the dips based on the measurements at few points spaced to accommodate the whole range. This mathematical derivation is therefore a concern to be looked upon or handled in the particular depot by statistical study stretched to a considerable period of time. One such pursuit at XXX

OCP, has shown distortion of dip measurement after the concerned oil company was asked to re-calibrate the tank. A simple comparison of the charts before and after the calibration showed diverging plots of the dip points, which could not be explained by the oil company after a query was raised.

Claimable Thermal Losses

It is often an issue with the oil company to settle the losses measured in tankers during winters as claimed due to thermal contraction of oil received from the tanks. Points were put forward in the same regard to the parties to explain such difference even when the temperature of unloading is always more than that of loading. Had it been the otherwise, it was also then asked whether a thermally graded dipstick of the tankers could be asked from the metrology inspectors to calculate the losses incurred due to change in temperature. Non-issue of such device or an alternative of the same also keeps a grey portion enabling an unwarranted accommodation of malpractices by the tankers: another issue that needs bilateral attention and cooperation.

Overall Tolerance of HSD Unit

The system concerning this issue has been a prolonged concern for depots handling HSD in high volumes. There exist three tolerances applicable to HSD units each for overall handling termed as 'handling losses', calibration tolerance for dip charts and excess flow tolerance of dispensers. The second i.e. calibration tolerance is accommodated under the first tolerance as the former is 1% and the latter 4%. The tolerance for excess flow is regulated under Weights and Measures Act and thereby checked by Legal Metrology Inspector. The issue is: since the tank and the dispenser is fitted in series, the choice of overall tolerance is therefore unclear as the final exit of HSD occurs at the dispenser. In the same regard, the need for removing the entire oil stock to ascertain the actual balance may also be reviewed since the tolerance of dip chart is well below the losses allowed by gazette. The confluence and simultaneous existence of the above-mentioned issues may lead to situations where actual reason for abnormality cannot be detected right away as these issues are overlapping leading to worsening of already deviated measurements as the case may be. The inability of flawless measurements due to mechanical means is the primary reason for these reasons to be cognate. It therefore calls for a zeroing of experience and expertise in these few of many issues existing in handling HSD so that scope for external manipulation is eliminated and systemic aberrations can be narrowed. Kindly Note: The above-mentioned issues and concerns are endemic to HSD depot of XXX OCP, YYYY Area. Same issues may differ in other depots. However, on a broader perspective, these issues are germane to all the depots in varying magnitude unique to them. This article is purely academic in nature based on the writers experience in HSD depot hence, open for review and criticism. Other issues such as write-off have been avoided as a comment from a short period of three years would be rather premature and myopic but it definitely warrants a panoramic attention of IED which the author feels is highly imperative.

CORRUPTION: REFLECTION OF HOLLOWNESS OF MAN

Dr. Manasi Das

Medical Superintendent, Jagannath Dispensary, Talcher

Few days back I was sitting and pondering over the recent rise of corruption. In the backdrop of recent rise of vigilance cases in my organization as well as the way corruption is getting deep rooted in the roots of our country has made me wonder whether this corruption case is just an economical issue where people do unethical and illegal work just to gain money or is it the greed that drives them to do this.

But after much deliberation I could sense corruption is not just caused by economic issues or greed, it is the great moral vacuum that we are living in these days. As rightly acclaimed by the historically famous play "waiting for go dot" which shows how hollowness of life has occupied a significant part of all humans which can be effectively seen in today's world.



All issues of corruption presently going on in India, starting from the CBI raids on important personalities, discrepancies in the money allotted and actual money spent on projects, issue of black money, rampant corruption starting from lower to higher level, etc. is just a reflection of our human values getting eroded. This is the very reason why corruption has become deep rooted in our society and why despite knowing the consequences of corruption we are being tolerant towards this social menace by accepting this as a way of life.

Human life has become completely hollow. We are now a day just driven by our logic, pragmatism and have become work alcoholic. We are no longer ready to discuss about ethics in work life or human values in our day-to-day life. Earlier people used to get influenced by ideologies of great personalities like that of MK Gandhi the Father of Our Nation who was influence by the great ideals of Leo Tolstoy and Rosseau. Not only this earlier there used to be debates and discussions regarding ideologies. This not only enhanced and enriched our human values but also closely knit our society into a strong society where there was respect for every human being.

But nowadays due to lack of these kind of ideologies, erosion of human values as well as fragmentation of society, wherein people just care for themselves and their world only revolves around them or their family has not only destroyed the social fabric of our country but has created a large black hole in our lives in form of hollowness. This hollowness is responsible for our unethical and immoral behavior and this immoral behavior of human beings is getting manifested in form of corruption.

Although many people would argue that people do corruption to fend for their families since they do not have sufficient income to support or they are driven by greed to earn more and more, yet these are just the coatings over the huge cause that is driving corruption-that is the hollowness of human life. Why would a man become corrupt if his income is insufficient if he knows he lives in a society where people can help him during emergency? But since this society is no longer there he is bound to go for corrupt practices. Not only this why would someone adopt unethical method of corruption for greed or to supplement for his insufficient income when he respects human values and ethics of work life? But since there is a general sense of moral vacuum that is creating a hollowness in human life and with no ideologies to fill up this hollowness people are not caring for what they are doing and thus are turning blind eye towards corruption.

No matter whatever laws we make, whatever regulations we follow, until and unless this hollowness in human life is eradicated by effective awareness as well as effective moral ideologies and ethics, law can only act as a deterrent force but cannot completely eradicate the deep roots of corruption.

ମୁଖ୍ୟତା ଅନ୍ତରାଳେ ଦୁରାଚାର

ହେ ବିଧାତା ଧୂଂସ ମୁଖେ ଆଜି ଏହି ସୃଷ୍ଟି
କି ମହା ପାପ କରୁଛନ୍ତି ଏମାନେ
ହିଂସା, ଲୋଭ, କାମନାର ଶରୀର ମାନେ
ନରମୁଖା ପିନ୍ଧିକି ପାଇଟି ଯାଇଛି ରାକ୍ଷସ
ଆଶୁରିକ ପ୍ରବୁଦ୍ଧମାନ
ଏଠି ସେଠି ସବୁଠି ସମାନ
କଳୁଷିତ କରୁଛି ତାକୁ
ଆତ୍ମାରେ, ପ୍ରାଣରେ, ଦେହରେ ସର୍ବାଙ୍ଗରେ
ଚାଲିଛି ସବୁଠି ଛଳନାର ଲୁଚକାଳି ଖେଳ
ଏଠି ଯିଏ ଦୁଇ ମୁଣ୍ଡିଆ ସାପ, ସେହି ହିଁ ଭଲ |
ଭଦ୍ରତାର ମୁଖା ପିନ୍ଧି କିପରି ସମସ୍ତେ କରନ୍ତି ଗେଲ
ପଛରେ କିନ୍ତୁ ବୁଣିଛି ବେଲ
ବଡ଼ ବଡ଼ିଆକ ବୋଷ ନାହିଁ, ଚକିଆ କର୍ମଚାରିଠୁ ହାନ ନାହିଁ,

ଚାଲିଛି ସବୁଠି ରକ୍ତର ଖେଳ,
ଭାଇ ଯେ ଭଗାରି, ମା ଯେ ବଇରୀ
ପୁରୁଣା ସେ ହିଁ ସ୍ନେହ ମମତା, ବାହାରେ ଖାଲି ଭଦ୍ରତାର ମୁଖା
ପୁରୁଷ ଏଠି ପୁରୁଷ ପଣିଆ ଦେଖାଇ ଏ କି ମହାପାପ କରୁଛି,
ରାକ୍ଷସ ହୋଇ, କାଟି ପକାଇଛି ସବୁ ଭଦ୍ରତାକୁ,
ଆଉ ଧନୀର ଇଚ୍ଛାରେ ଚାଲୁଛି ନିର୍ଧନ, ଏହା ପରା ଭାଇ ବଡ଼ ବଡ଼ିଆକ ମନ
ଏଥି ପାଇଁ ଭାଇ ଭାରତ ହୋଇଛି ସ୍ଵାଧୀନ,
ଚାକ ଚକ୍ୟର ମୁକୁଟ ବାନ୍ଧି, ଭିଆଇଛି ସବୁ ଅତ୍ୟାଚାର,
ପୁନଶ୍ଚ କର୍ମ ରଥ ତଳେ ଚାପି ଯାଉଛି ଆକୃଳେ,
ହାଥ ଯୋଡ଼ି ରଖ ହେ ଦିନ ବାନ୍ଧବ, ହର୍ତା, କର୍ତା ହୋଇ ତୁମ୍ଭେ
ହେଇ ଅବା ମଉନ, ଦେଖ ଆଖି ଫେରିବାରେ
ସୃଷ୍ଟି ତବ କିପରି ଦିଶୁଛି
ମଳିନ ଆଉ ଶ୍ରୀହିନ |

ସଞ୍ଜୁକ୍ତା କର୍ତା,
ଆକାରଣ୍ୟ ଲୁକି, ବସୁନ୍ଧରା ଏରିଆ

- (1) ମଣିଷ ସୃଷ୍ଟିର ଅଟେ ସର୍ବ ଶ୍ରେଷ୍ଠ ଜନ୍ମ,
ଦୁର୍ନୀତି ନିବାରଣ କର ପୂଣ୍ୟ ନୀତି କର୍ମ ।
- (2) ଜନ୍ମ ଭୂମି, କର୍ମ ଭୂମି, ମାତୃ ଭୂମି ଏ ଭାରତ,
ଦୁର୍ନୀତିକୁ ହଟାଇ ଆମେ ରଖୁବୁ ମାନ ମହତ ।
- (3) ଜାଗ୍ରତ ହୁଅ ସର୍ବେ ହୋଇ ଆଗଭର,
ଭ୍ରଷ୍ଟାଚାର ବିରୋଧରେ ଟେକ ହତିଆର ।
- (4) ଭଗବାନ ପ୍ରଦତ୍ତ ଏ ଜୀବନ ଅଟେ ମୂଲ୍ୟବାନ,
ଅପକର୍ମ କରି ନକର ଏ ଜୀବନକୁ ମୂଲ୍ୟହୀନ ।
- (5) ଭ୍ରଷ୍ଟାଚାର ବିରୋଧରେ କର ସ୍ଵର ଉତ୍ତୋଳନ,
ଶୀର୍ଷରେ ରହିବ ତେବେ ଏ ଦେଶ ମାନ ସନମାନ ।

ଆଜିର ଦୁର୍ନୀତି, ସରକାର ର ନୀତି
ପୂରକରି ଚାଲିବା ଆମେ ପୁଲାଇ ଛାଡି ।
ଉର୍ନତି ପଥରେ ଏ ଦେଶ ଆମର
ଥିଲେ ଭ୍ରଷ୍ଟାଚାର ସବୁ ଅସର ।
ଆମରି ଶାସନ ଆମ ହାତରେ
ରହିବନି ଦୁର୍ନୀତି ଆମ ଦେଶରେ ।
ଆଜି ଏ ଦେଶ କହୁଛି ଉର୍ନତି
ଦେଶରେ ଦେଖ ହୁଛି ଦୁର୍ନୀତି ।
ଉର୍ନତି ଆସୁଛି ହାତ ମେଲେଇ
ଦୁର୍ନୀତି ନେବ ସବୁ ଛଡେଇ ।

ଶ୍ରୀମତୀ ବିଷ୍ଣୁ ପ୍ରିୟା ଶ୍ରୀଚନ୍ଦନ,
କାର୍ଯ୍ୟାଳୟ ତତ୍ପରଧାୟକ,
ଏମ.ସି.ଏଲ, ଭୁବନେଶ୍ଵର

ସତ୍ୟମ କୁମାର ସାହୁ,
କ୍ଲଷ - ଦଶମ 'ଏ'
ବୃତ୍ତାନ୍ତକା ହାଇସ୍କୁଲ, ସମ୍ବଲପୁର

FIELD VISITS





AWARDS & RECOGNITIONS



I N T E R A C T I O N S



"Many people, especially, ignorant people, want to punish you for speaking the truth, for being correct, for being you."

Never apologize for being correct, or for being years ahead of your time.



If you're right and you know it, speak your mind. Even if you are a minority of one, the truth is still the truth."

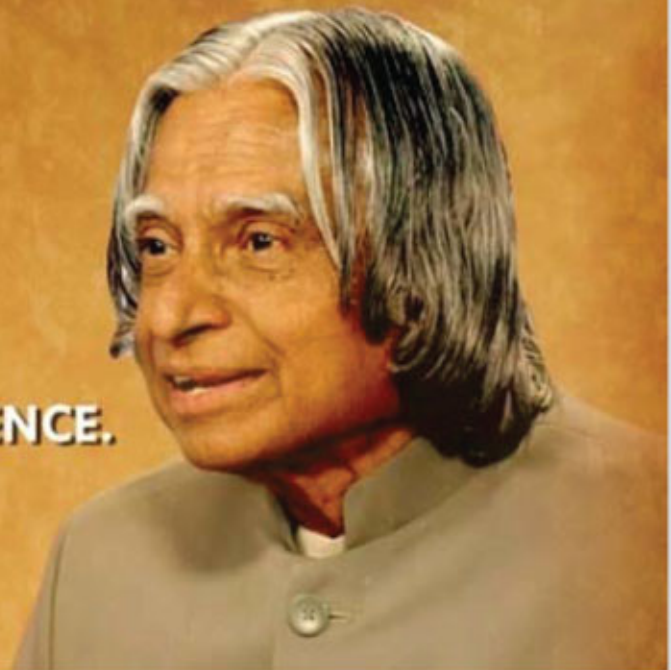
—Gandhi




Injustice and corruption will never be transformed by keeping them hidden, but only by bringing them out into the light and confronting them with the power of love.

— Martin Luther King —

"IF A COUNTRY IS TO BE CORRUPTION FREE AND BECOME A NATION OF BEAUTIFUL MINDS, I STRONGLY FEEL THERE ARE THREE KEY SOCIETAL MEMBERS WHO CAN MAKE A DIFFERENCE. THEY ARE THE FATHER, THE MOTHER AND THE TEACHER."



LET'S



"ARISE, AWAKE AND STOP NOT 'TIL THE GOAL IS REACHED."

SWAMI VIVEKANANDA {1863-1902}

UNDER THE GUIDANCE OF SHRI DEEPAK SRIVASTAVA, IFS, CVO, MCL
EDITORIAL & DESIGN TEAM: SUDIP MAITI, MAJOR S.B. PUHAN & RAJARAM MAHARANA



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Vigilance Secretariat

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