# VIGEYE VANI

## CENTRAL VIGILANCE COMMISSION

### NEWSLETTER

*Special Issue on Public Procurement*

October-2022

भ्रष्टाचार मुक्त भारत – विकसित भारत

Corruption free India for a developed Nation

सतर्कता जागरूकता सप्ताह 2022

Vigilance Awareness Week 2022

# Contents



## The Editorial Team

# Message from the Commission

The Central Vigilance Commission is happy to know that newsletter of the Commission "VIGEYE VANI" is being published with special focus on Public Procurement. Government organisations undertake huge volume of procurement of Goods, Works and Services for their operational needs. The quantum of such procurement constitutes substantial part of the GDP of our country. Therefore, emphasis on transparency, competitiveness, fairness and objectivity in decision making in various processes in Public Procurement is of utmost importance.

The earlier problem of having to refer to multiple guidelines on Public Procurement has been resolved, through a joint effort of the Commission and Department of Expenditure (DoE), by subsuming the CVC guidelines into the latest Manuals on Procurement of Goods, Works and Consultancy and Other Services, issued by DoE, Ministry of Finance in the month of July 2022. The Commission has advised all the organisations to align their Procurement Guidelines/Manuals in line with the revised Public Procurement Manuals, now being the single source of reference. As Public Procurement Manuals have been recently revised, in order to build capacity of professionals involved in Public Procurement processes, the Commission has initiated training programme for them.

In the above context, the publication of a special edition of 'VIGEYE VANI' on Public Procurement is really timely. The Commission firmly believes that the ideas/ initiatives shared by various organisations through this newsletter will benefit the Public Procurement Professionals in their endeavour to undertake procurement in a transparent, fair and objective manner.

The Commission congratulates the entire editorial team for publishing this encouraging and meaningful special edition of "VIGEYE VANI".

**(Praveen Kumar Srivastava)**
Vigilance Commissioner

14.X.22

**(Arvinda Kumar)**
Vigilance Commissioner

17/10/2022

**(Suresh N. Patel)**
Central Vigilance Commissioner

New Delhi
14th October, 2022

# Message from the Secretary

It is a matter of great pleasure to bring out the 49th issue of the Commission's Newsletter VIGEYE VANI.

The Commission has been bringing out this Newsletter in different formats beginning from April, 2011. Initially, these were brought out as collection of articles from the officials of the Commission. Later only e-versions of the Newsletter were published. However, beginning from the year 2020, specialised editions on different sectors were brought out incorporating experts from those sectors also in the editorial team. Special editions on Banking, Indian Railways and the Power Sector were brought out in 2020-21. In addition, a special edition bringing out the events that took place during Vigilance Awareness Week-2021 was also published.

This particular edition is being brought out as a special edition focusing on the important topic of Public Procurement. An editorial team comprising of Shri Ashok Kumar, Chief Technical Examiner as Chairman with selected Chief Vigilance Officers and officers of the Commission as members was constituted. They collected articles from different organisations including the Department of Expenditure and Government e Marketplace. About 18 of these articles are being published in this edition. These articles cover various aspects and experiences of organisations connected with public procurement.

I am sure that this compilation will serve as a useful reference guide on public procurement to all practitioners in different organisations.

**(P. Daniel)**
Secretary, CVC

New Delhi
10th October, 2022

From the

# Editor's Desk

It gives me immense pleasure and great satisfaction in presenting to our readers the 49th edition of the Commission's newsletter "VIGEYE VANI".

Public Procurement is a vital function of Government organisations and it offers enormous potential for innovation in works, goods and services. It can help Government boost innovation and ultimately improve productivity and inclusiveness, helping our nation become self-sustainable on the global platform. As such, it should be our endeavour that appropriate system of Public Procurement, based on the fundamental principles of transparency, competition, fairness and objective criteria in decision making is in proper place.

With a view to cover various aspects of Public Procurement, areas such as Global Perspective on Public Procurement, Technological Interventions/Efforts in improving Transparency and Competition, Capacity Building amongst Public Procurement Professionals, Risks and Mitigation measures in Public Procurement, Government e-Marketplace (GeM), Conflict of Interest & Addressal Mechanism, Best Practices in Contracts, Investigation of Frauds in Public Procurement, Dispute Resolution Mechanism, etc. were identified. Various articles were received from different organisations and after an exhaustive screening and review by the constituted committee, 18 nos. of articles have been selected and published in this newsletter. This newsletter also covers the various activities of the Commission.

I am grateful to the Commission and Secretary, CVC for their unstinted support and guidance in bringing out this newsletter. I am thankful to all the organisations who have contributed their articles for this newsletter "VIGEYE VANI". I also extend my gratitude to all the members of the Editorial Committee for finalizing and publishing this newsletter.

**(Ashok Kumar)**
Chief Technical Examiner, CVC

New Delhi
10th October, 2022

# ARTICLES CONTRIBUTED BY





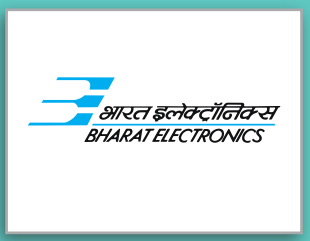














# INDEX

# INDEX

# APPLICABILITY OF THE MANUALS FOR PROCUREMENT ISSUED BY MINISTRY OF FINANCE

**Sanjay Aggarawal,** DoE, Ministry of Finance, GOI

Government organizations procure a wide variety of goods, works and services and undertake execution of works in pursuance of their duties and responsibilities. The procurement spend is approximately 20% of the GDP of India. With a view to improving transparency in decision making in public procurement and reducing the scope for subjectivity, Department of Expenditure (DoE) in 2006 had prepared a set of three Manuals on Policies and Procedures for Procurement of Goods, Works and hiring of Consultants. These Manuals were improved and modified in 2017/ 2019 and were further updated in 2022. In the 2022 update, all procurement related instructions issued by Central Vigilance Commission (CVC) have been subsumed into the Manual, in collaboration with the Commission. CVC has also advised that all earlier instructions issued by CVC on public procurement have been withdrawn and all the organizations are required to update/ align their procurement guidelines/ manuals in line with manuals issued by DoE.

Manuals issued by DoE are to be taken as generic guidelines, which have to be necessarily broad in nature. Ministries/ Departments are advised to supplement this manual to suit their local/ specialized needs, by issuing their own detailed manuals (including customized formats); Standard Bidding Documents and Schedule of Procurement Powers to serve as detailed instructions for their own procuring officers.

However, certain instructions containing "shall" in the manual are mandatory (indicated at the end of respective paragraphs); any deviation from these instructions shall require relaxation from the Department of Expenditure [for Ministries/ Departments etc.]or from the Board of Directors (BoDs) [for Central Public Sector Enterprises (CPSEs)].

## CONFLICT BETWEEN DoE's MANUALS AND OTHER MINISTRY/ DEPARTMENT'S MANUALS

In case of conflict between the Ministry/ Department procurement manual(s) (for procurements undertaken by respective Ministry/ Department) and DoE's procurement manuals, the Ministry/ Department's manual(s) will prevail. However, instructions containing "shall" in the DoE's manuals are mandatory to be followed by Ministry/ Department unless approved by the competent authorities (DoE/ BoD in case of CPSEs) as referred above.

Further, certain policies like procurement policy for Micro and Small Enterprises (MSEs), Public Procurement (Preference to Make in India), Order issued by Department of Promotion for Industry and Internal Trade (DPIIT), DoE's instructions regarding registration of bidders from country sharing land border with India, Debarment instructions of DoE, restrictions on Global Tender Enquiry (GTE) for less than Rs. 200 crores etc. are to be followed mandatorily by Ministry/ Department as earlier.

## AUTONOMOUS BODIES

Autonomous Bodies are also required to follow instructions containing "shall" mandatorily unless approved by DoE.

## PROJECTS FUNDED BY MULTILATERAL DEVELOPMENT BANKS (MDBS)

The guidelines and instructions contained in the procurement manuals issued by DoE would not be applicable to projects funded by MDBs (like World Bank, Asian Development Bank etc.) and other International Funding Agencies. For procurements financed by Loans/Grants extended by International Agencies, the Articles of Agreement with such agencies stipulate specific procurement procedures to be followed by the borrowers. The procurement procedures, as finalized and incorporated in the Agreements after consideration and approval of the Ministry of Finance are to be followed accordingly.

# EPC, EPCM AND PMC: CHOOSING THE PROJECT STRATEGY

**Mudit Anand,** TE, CVC

## BACK GROUND

The Major Construction project shall have the following responsibilities:

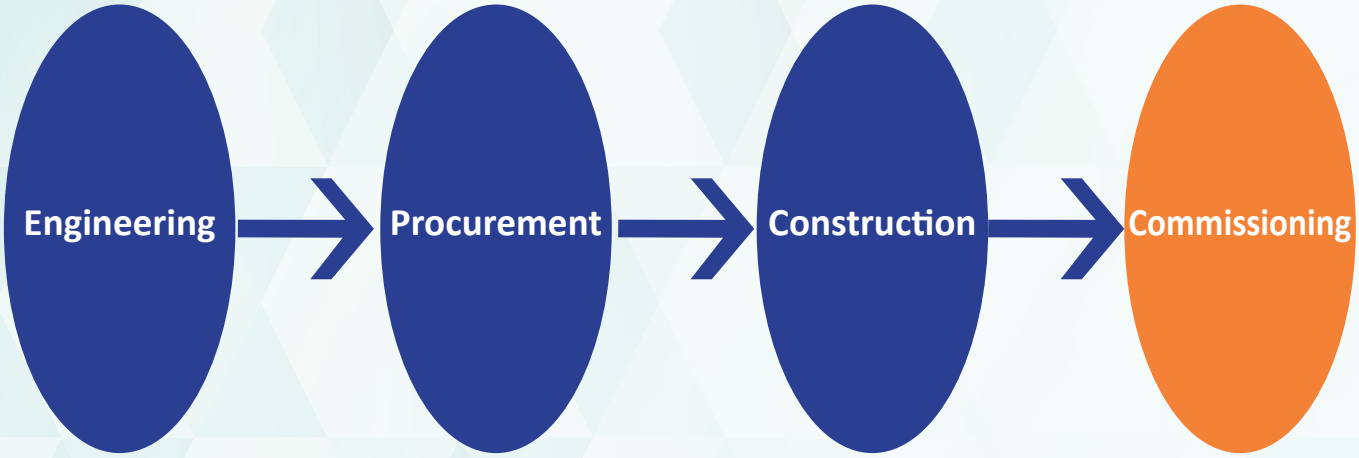
I) Engineering: Comprises of designing, drawings, planning, etc.

II) Procurements: The material/machinery procurements

III) Contractors for execution: Civil, Electrical, Mechanical, Architects, etc.

IV) Management of the Project: Supervision of the project as a whole or partly.

The right choice of strategy is key to the success of the project. There are three main variations of possible contract strategies: EPC, EPCM, PMC. How to choose the one that suits organisation needs?




1. What are the Expectations in timings and budget?
2. How well described is the project deliverables before the start and who is owner of the technology know-how?
3. What would be the control structure?
4. Is a professional, experienced team available in-house to coordinate the work?
5. Guarantee obligations: capability to manage claims.

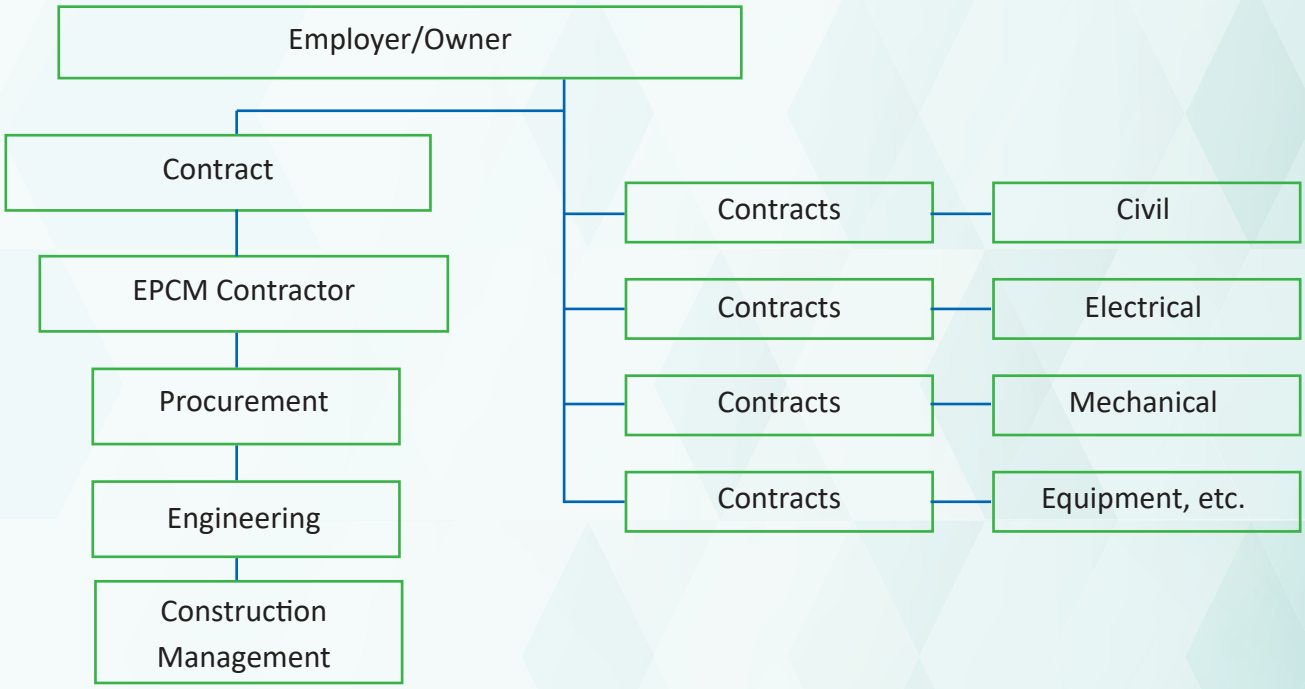
## 1. UNDERSTANDING EPCM, EPC AND PMC

### 1.1 EPCM: Engineering Procurement and Construction Management.

This is the most flexible approach to project execution in terms of timing and budget. First a proposal would be received from a service provider faster than in case of an EPC request. Moreover, the cost will probably be less, as there is no need for the suppliers to add money to the budget for risk mitigation. Last, but not the least, before the contract for construction works is signed, the client has very limited financial risks in case of project cancellation.

As the project is done step by step, it lets the client implement design changes at any stage and/ or refine the strategy during project execution. This approach also allows attracting professional companies in different fields-design and construction.

**EPCM**




However, in this case, the responsibility is shared between the designer and the contractor. Coordination of those parties requires a qualified team of clients to control the contractors and deliver technical decisions rightly and in time. Also, in case of insufficient specification of requirements from the employer's side, there is a possibility of deviation from expected parameters in terms of quality and timings. Nevertheless, following benefits shall be delivered;

-effective budget and quality management

-high quality of design and construction

-effective change management

-opportunity to be involved in project execution at any stage.

It is extremely important to choose a supplier who will take employer's side and stand for its interests. The teams from both sides should communicate effectively and work as one.

Contractual conditions and split of responsibilities between the EPCM Company and the contractors should be well defined to avoid delays and/or extra costs.

The EPCM contractor is not directly involved in the building and construction of the project, but is rather responsible for the detailed design and overall management of the project, on behalf of the owner or principal. While an EPC contract takes the form of a design and construction contract, the EPCM model can be regarded as a professional services contract.

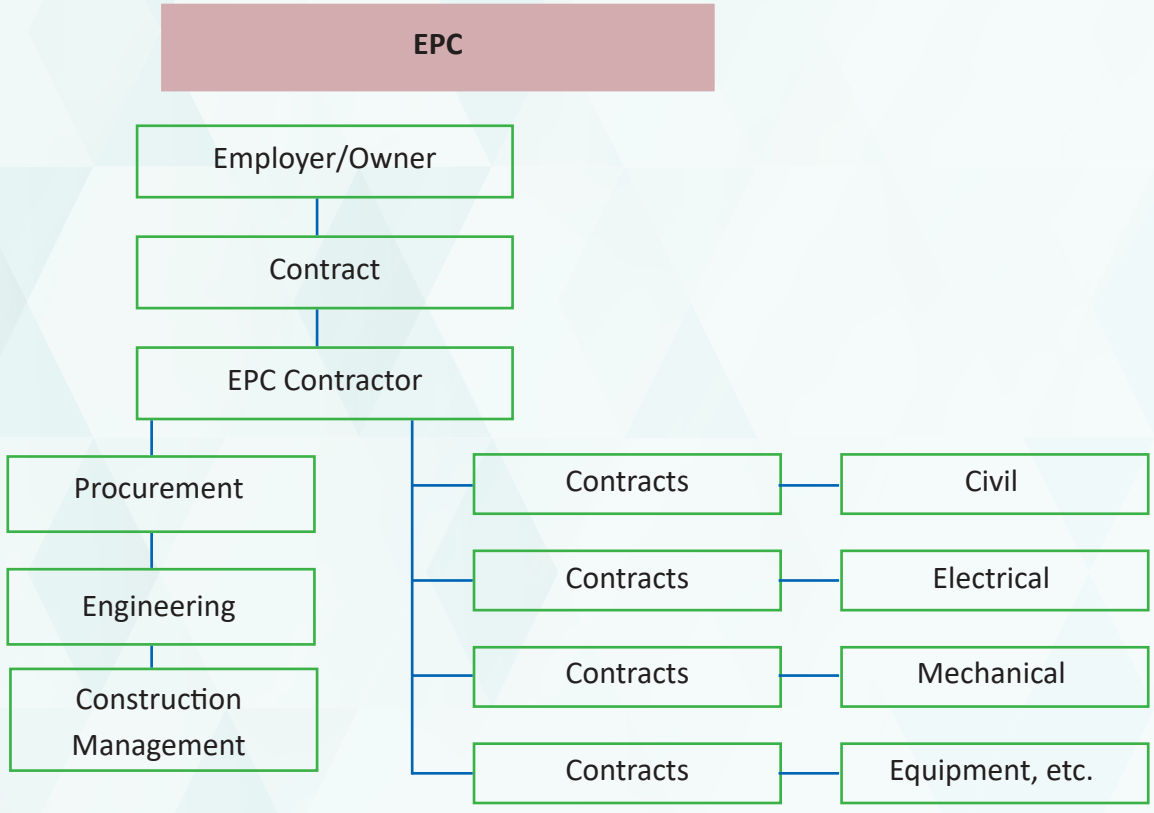
The EPCM contractor has a duty to ensure that the engineering and design of the project is in compliance with the project's technical and functional specifications. Supervising, management and coordinating construction interface in accordance with a detailed schedule is the key responsibility of the EPCM contractor.

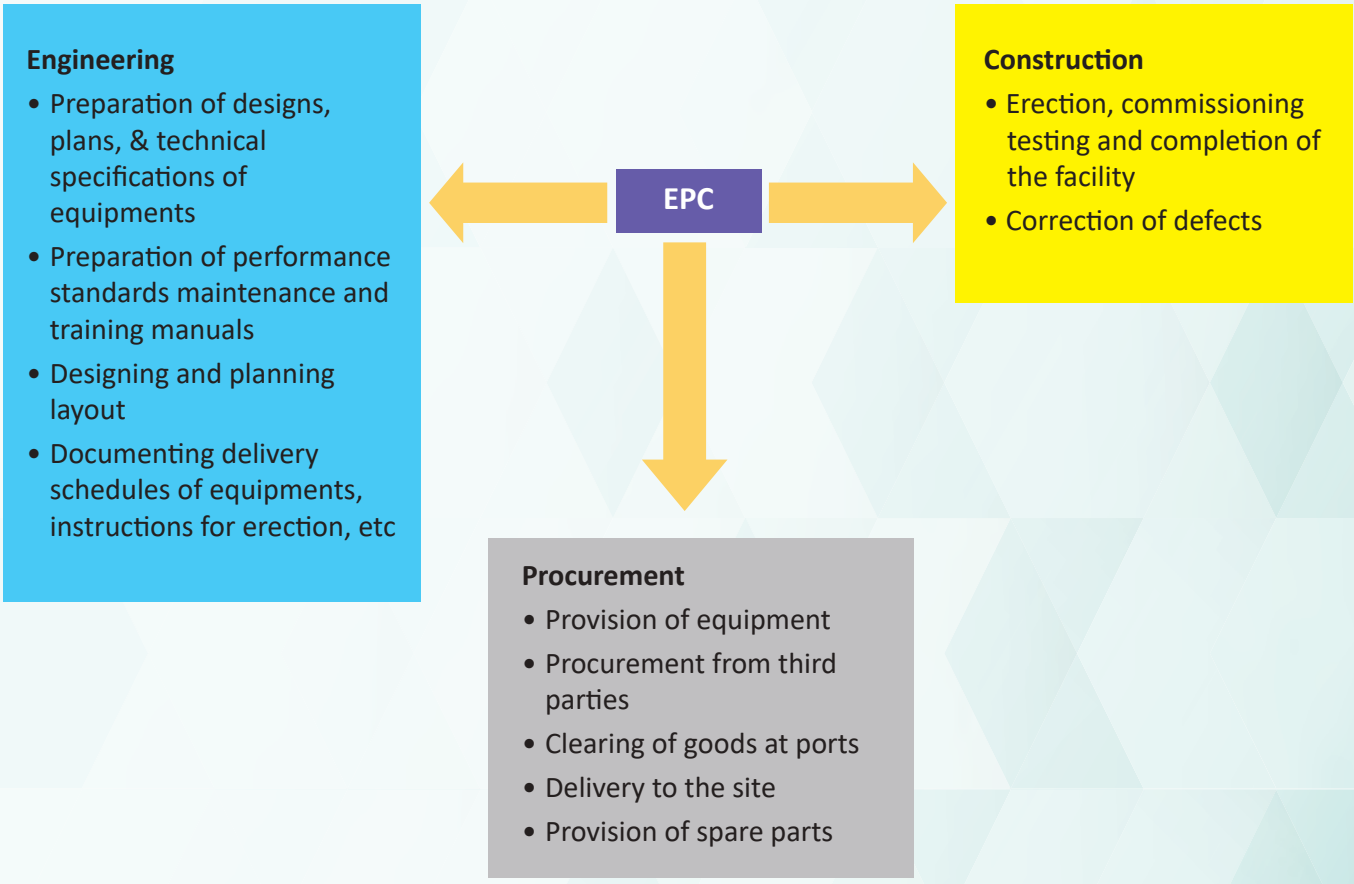
The EPCM contractor is responsible for establishing contractual arrangements on behalf of the owner or principal with other contractors, vendors, sub-contractors and subvendors, through a tender process. The EPCM contractor is contracted by the owner or principal for the construction management role, while the owner or principal is bound to various contractual relationships for construction related works. From an owner or principal's perspective, there lies a disadvantage in being bound to various contractual relationships in the event of a dispute. Unlike the EPC model, the owner or principal will more often find itself involved in a dispute with one or more of the other parties relating to the construction of the project, to whom the EPCM contractor must offer assistance.

Both the EPC and EPCM contracts can be highly beneficial to a project. Choosing the incorrect form of contract can have a major effect on the cost and risk associated with the project. The contract employer choose to utilize requires a clear understanding of the objectives, scope of work, the role of each party and the contract structure as a whole.

### 1.2 EPC: Engineering, Procurement and Construction

EPC means consolidated liability in case of warranty cases, effective communication and a minimum number of interfaces. Project cost could turn out to be 20-30% higher in comparison with the EPCM project approach, as there is large number of assumptions (project is not described in detail yet) and provisions for contracting and the contractor wants to cover the possible risks.






After contract signing with fixed scope of work and price list for equipment, the contractor gets a monopoly position and the further project execution is fully in his hands. It means employer CAPEX is fixed from the starting point. From one hand, it limits the involvement of the owner in the process, but from the other hand, each change required may cause additional expenses. Therefore, all technical requirements should be defined as much as possible at the initial stage and fixed in the EPC Contract, including the guarantee parameters, test procedures and required standards. In case, it is not possible, exceeding budgets and deadlines is very likely.

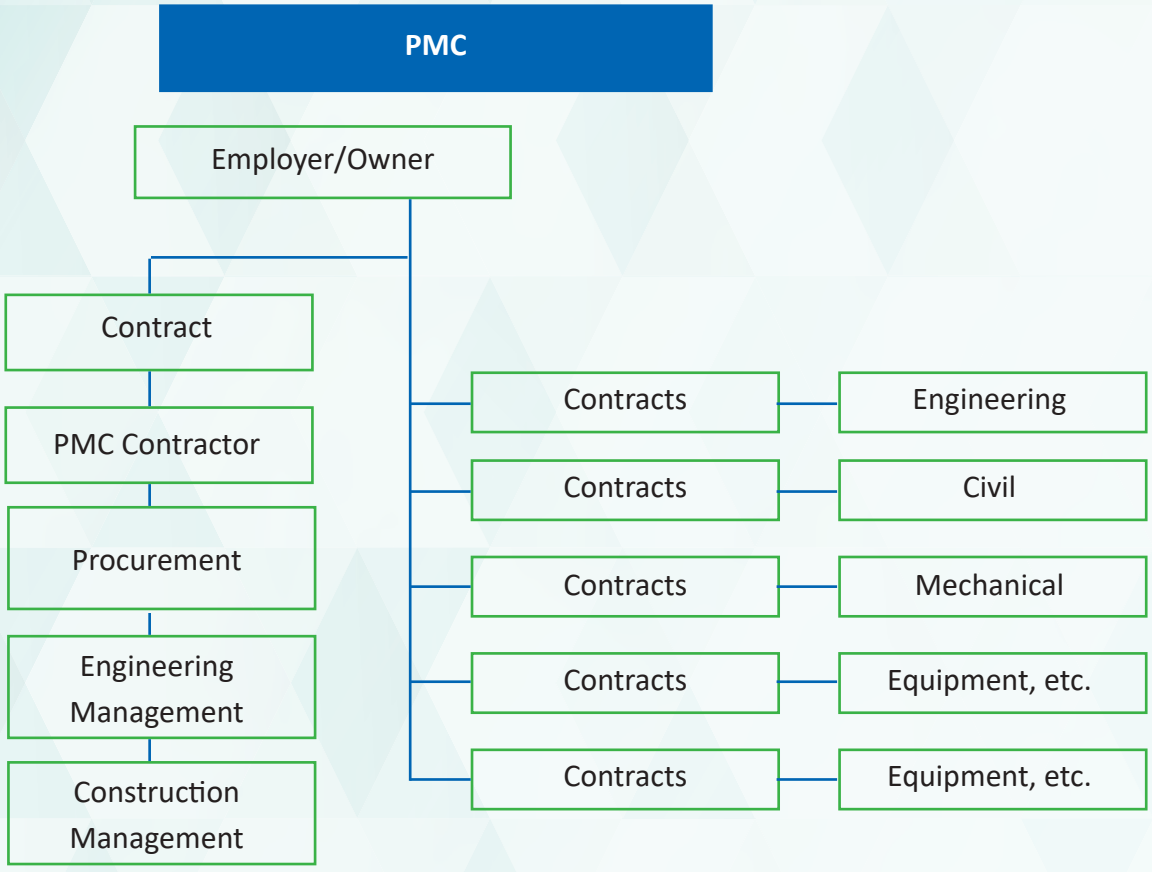
In an EPC contract, the EPC contractor develops the project from commencement to final completion. The owner or principal of the EPC project provides the EPC contractor with a detailed design including technical and functional specifications, in order for the EPC contractor to build and deliver the project to the "turn of the key", within a specified time period. This is why EPC contracts are often referred to as "turnkey" projects. The scope of work should be clearly defined in the contract documents; therefore, amendments to the scope of work should not be a common feature in EPC contracts. For this reason an EPC contract is often a fixed price contract or an all-encompassing lump sum contract. Any shortfall of costs is a risk that rests with the EPC contractor, making cost control their number one priority.

A further identifying feature of the EPC contract is that the EPC contractor enters into separate agreements with the contractors, vendors, sub-contractors, sub-vendors and so on. This is advantageous to the owner or principal of the project, as they will look to the EPC contractor to take

full responsibility for the project and, in the event of a dispute between the EPC contractor and any party to the sub-agreements, to resolve the dispute without the owner or principal being required to be a party to the dispute. The EPC contractor will, in most cases, have a right of recourse against a party to a sub-agreement who was responsible for causing the loss or damage. The EPC contractor must ensure that its contracts mirror those conditions that it has with the owner of principal.

### 1.3 PMC: Project Management Consultancy

This entails splitting the responsibility for engineering and project management function between two contractors. It may be required when engineering required very specific process capabilities and enough bidders with good combination of engineering and project management skills are not available in the market. In this case PMC partner can act as client's representative during the design phase(performing design coordination and evaluation) as well as the construction phase(being responsible for construction management on site)




This model can also be applicable for project with multi contractor approach, when PMC partner performs nominal functions of the general contractor coordinating activities of subcontracting per discipline (civil, mechanical, electrical, etc) employer get the freedom to implement any changes at any stage of the project, which will be managed by the PMC service provider. Nevertheless, the impact of any change on the time and budget may be significant. For the fixed cost project with professional external management, EPC & PMC combination is ideal

# GOVERNMENT e MARKETPLACE: A GAME CHANGER

**Prakash Mirani,** GeM

Previously, public procurement in India had been characterized by inefficient, opaque, and time-consuming manual processes conducted offline, complicated by a fragmented and complex policy landscape. Buyer organizations were limited by the lack of competitive prices, unreliable quality of products/services and the burden of manual process flows. Suppliers/service providers faced issues like cumbersome vendor registration processes, non-transparent verification, and procurement processes, in addition to long and protracted payment cycles. The Government of India set up the Government e Marketplace (GeM) in 2016 as an e-marketplace to revolutionize public procurement in India.

In the last 6 years, GeM has successfully transformed the public procurement space in India through its technology-driven innovations and other strategic interventions. It has made significant strides towards the pursuit of its three fundamental pillars, i.e., inclusion, transparency, and efficiency in public procurement, since its launch. GeM is a shining example of how digital platforms created with a strategic and clear intent to reinvigorate and reimagine legacy processes, can bring about lasting change for the nation as well as the under served.

Triggering the largest transformation exercise in India — through technology, digitization of processes, digital integration of all stakeholders and use of analytics, GeM has revolutionized the ecosystem of public procurement in the country for buyers and sellers alike. GeM has been effectively contributing to the government's commitment of "minimum Government, maximum Governance".

The GeM platform enables multiple procurement modes (direct purchase, L1 procurement, bidding, reverse auction, bid followed by reverse auction). The push button procurement model, recently made live, is a game changer in this direction. GeM has evolved as a trust-based platform where authentication of users is done online through API integration with respective domain databases, i.e., Aadhar, PAN, Udhyam, Start Up, GSTN, MCA21, etc. The marketplace includes policies for automated market adjustments as well as end-to-end digital processes that support a thriving buyer-seller ecosystem. GeM has ushered in automation and digitization of processes enabled by technology and analytics, leading to higher process efficiencies, better information sharing, improved transparency, reduced process cycle time and a higher level of trust among bidders, which in turn have resulted in greater competition and higher savings. These innovations in GeM have also brought down procurement lead time and prices for buyers significantly and have ensured timely payments to sellers.

Given the sheer scale and complexities involved in realigning the procurement processes of the entire spectrum of Central and State Government departments, this has likely been one of the largest change management exercises undertaken by any agency globally. Another key aspect of this has been the comprehensive on-boarding of all buyers and sellers on to the GeM platform. The platform's focus on inclusiveness meant that it was especially critical to accommodate marginalized communities or groups who have limited digital access and capacities.

GeM has achieved this through a thoughtful strategy focused on many aspects, in alignment with the government's Make in India initiative and policy to promote local MSEs. GeM is providing these MSMEs

with easy market access, which is especially important given that the majority of Indian MSMEs lack a digital footprint and only a small percentage of MSMEs sell or promote their business online. GeM platform has also seamlessly given effect to the Make in India [PPP-MII] and the Public Procurement Policy/Preference for MSE [PPP-MSE] of the government. The sellers have the option to choose the States or Districts within which they want to supply goods or services. Further, a range of features and functionalities have been added to the platform to ensure that MSEs are able to participate in public procurement and do business with the government—for example, enabling filters for buyers to reserve procurement from MSEs. An advanced bid search module has been introduced to enable sellers to look for additional opportunities, diversify their businesses and grow with GeM, which in turn will result in wider seller participation and better price discovery for buyers due to the increased participation of sellers.Out of total procurement in the year 2021-22 on GeM, more than 55% procurement was done from Startups, Women Entrepreneurs and MSEs.

Buyer organizations benefit from a diverse and rich range of products and services at competitive prices with assured quality, along with a range of statistical tools to assess price reasonability. All relevant information that is required for decision making by buyers and for participation by sellers is coherently digitized, easily accessible, and seamlessly consumable in the most secure forms for e-procurement.

The portal has more than 10,000 product categories with over 5 million listed products. Similarly, there are more than 250 service categories which will fulfill almost all requirements of any organisation. There is a functionality of Custom Bid which can be used by the buyers to procure any product or service which is not available on GeM as a standard category. Therefore, there is no need for any buyer to step out of GeM for any procurement pertaining to goods and services.

GeM has taken significant steps to bring about more transparency in the procurement process. All bids and contracts issued on GeM are now visible in public domain. A prospective bidder can submit an online representation if it appears that the published bid may favour a particular OEM or has been issued with restrictive terms and conditions. The buyer can seek online clarifications during technical evaluation. To curb unfair or unjust rejections by the buyer during technical evaluation, a challenge window is provided to the disqualified bidder.

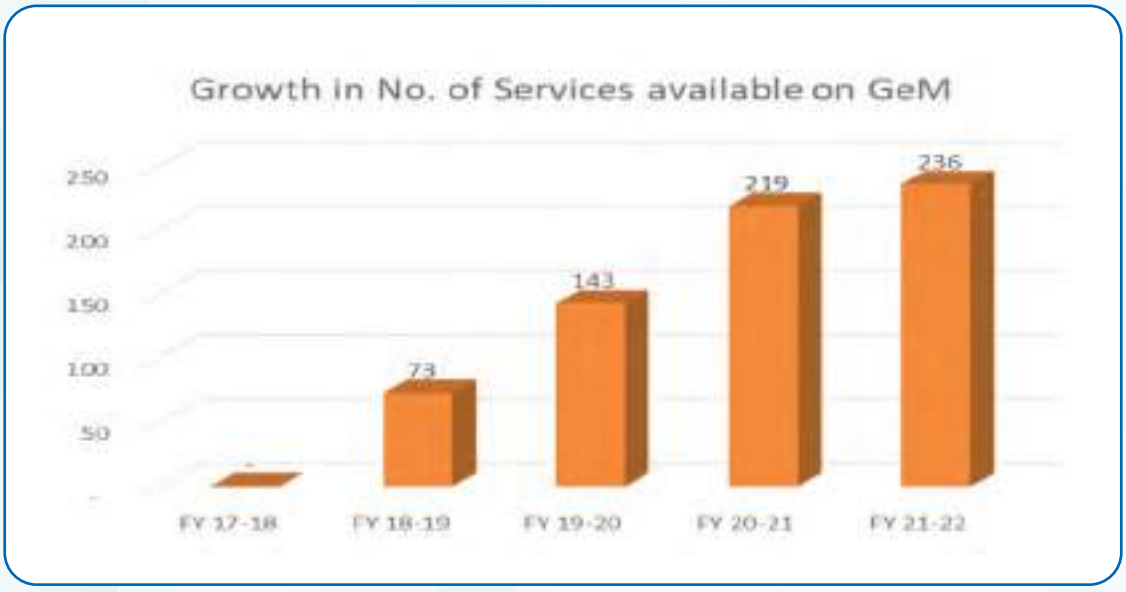
The biggest problem being faced by the MSE sellers, at present, is the inordinate delay in acceptance of material and release of payment. GeM has already implemented a system wherein Acceptance Report for the delivered material is auto generated by the system if the consignee does not take any action within the specified time period. Similarly, payment is also auto released by the system in two installments of 80% and 20% if the payment due is not released to the seller within the specified time period. At present, this functionality of auto release of payment is implemented where payment method is General Pool Account(GPA). It will be extended to other payment methods like Central PFMS and State IFMS gradually.

GeM has implemented a robust Incident Management System to deal with deviations on part of buyers and sellers. Any action that is in variation from the terms and conditions of procurement on GeM and relevant Government rules and guidelines is termed as “deviation”.GeM’s Incident Management Policy guides the mechanism for reporting and initiating action on any such deviation and elaborates the overall framework for identification and handling of deviations on GeM portal. Suitable penalties are prescribed depending upon the severity of the deviation.

Furthermore, one of the key advantages of moving to a digital platform has been the robust audit trails and the wealth of data—both operational and transactional—that is created on the platform. The approach now is to leverage this data and emerging technologies like AI and ML to empower the platform's stakeholders to make data-driven and informed decisions and optimize their procurement transactions. Advanced technologies such as AI are proving to be ground-breaking in terms of their impact on key business outcomes including top-line impact, customer satisfaction, and bottom-line impact. Keeping with this trend, GeM is envisioning the use of AI across a wide range of business processes and functionalities. Some of the key areas where GeM plans to leverage AI are but are not limited to: (1) Fraud, anomaly detection and market sanity; (2) Procurement planning, forecasting and monitoring; (3) Intelligent virtual assistant to aid buyer/seller journeys; (4) Catalogue management including automatic tagging and text description; (5) Customer service automation including helpdesk/call-center.


In nutshell, GeM platform for public procurement provides both competitive and comparative advantage to its business enterprises / organizations and its intrinsic value of transparency and inclusiveness greatly enhances the participative process which benefits all its stakeholders.

In FY 2021–22 alone, GeM achieved a Gross Merchandise Value (GMV) upwards of INR 1 lakh crore - an impressive 176 percent growth compared to FY 2020–21. There are over 5 million sellers and service providers on the platform, and the total number of orders has already surpassed 1 crore.

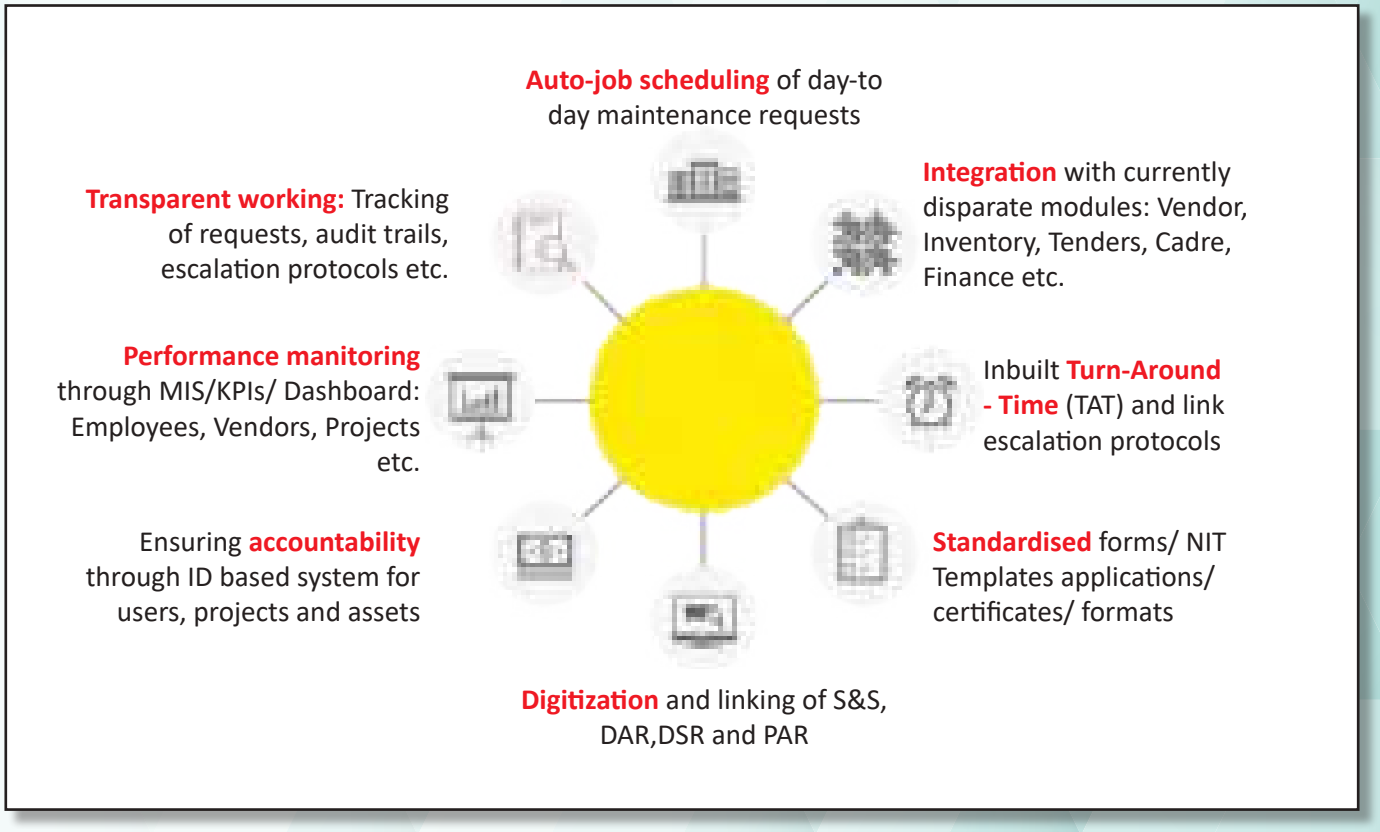



# E-NIRMIT: THE CPWD ERP GOING DIGITAL

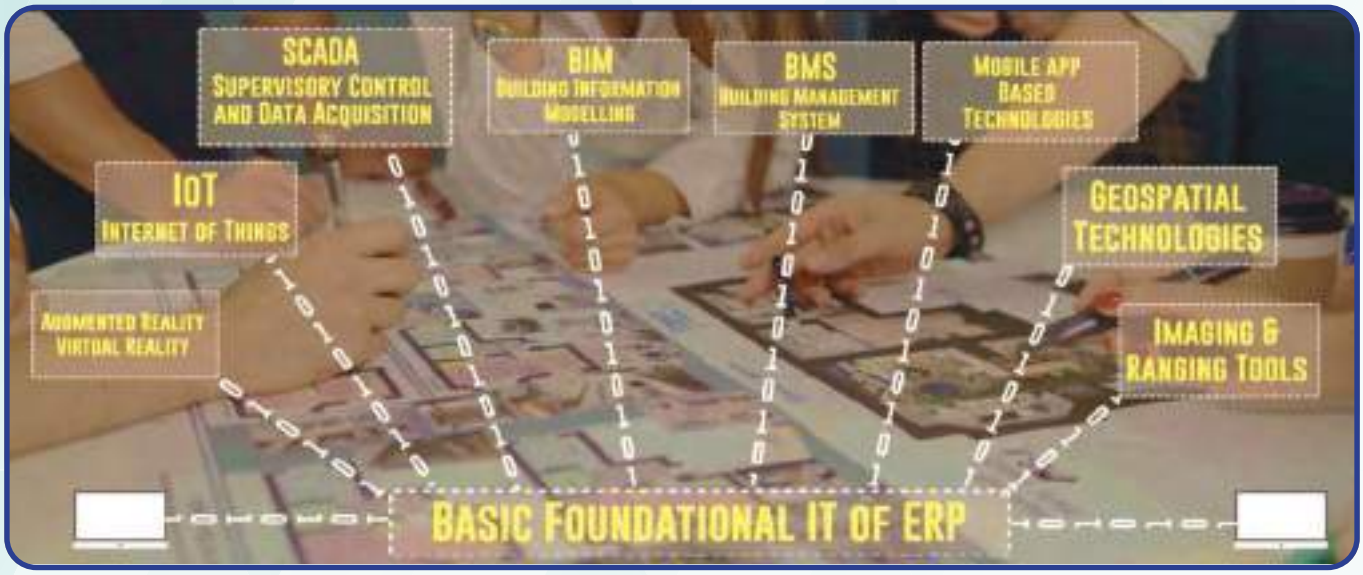
**Manu Amitabh,** CPWD

In today's connected world, digital data has become very important – not just for information inputs for aiding our decision-making but also for vastly improving the efficiency, effectiveness and transparency in our operations. The use of IT enabled technologies will get a tremendous boost with the upcoming 5G network in India, and as an engineering department, CPWD has to take advantage of the emerging technologies which 5G will enable such as Internet of Things, cloud computing, big data, machine learning, artificial intelligence, augmented reality etc for improving our works and maintenance delivery as well as transparency.

CPWD has taken the initiative to migrate its entire operations to a cloud based Enterprise Resource Planning (ERP) System so that such technologies can be leveraged for improving efficiency and transparency. The proposed ERP application – e-NIRMIT (Nationwide Intelligent Resource Management with Information Technology) - will take CPWD to a seamless working environment wherein all ERP modules (such as HRMS, Payroll, Employee Self Service, E-Tender & Auction, Project Management, Maintenance Management, Inventory, Financial Accounting, Contracts Management, Billing, Asset Management, Legal Case Management, Real Estate Management, Quality Assurance, Codification, Master Data, Dashboards, CPWD Portal etc), existing IT applications along with all required Central Govt. applications/portals like PFMS, Bhavishya, ERS, OCMS, PGMS, LIMBS, CPWD e-SEWA, Pragati etc. would operate completely in sync through role specific dashboards of CPWD officers.



Apart from the foundational ERP IT, the application will allow in-process on-line data capture from the vast operations of CPWD, E&M and construction equipment through IOT instrumentation, SCADA, BIM, BMS, visual imagery equipment installed at worksites and mobile/smart phone-based applications used by site engineers. This data will be used not only for analytics for tasks such as preventive maintenance, breakdown analysis, real-time progress monitoring and control for projects spread over each corner of the country, but also for machine learning algorithms to aid decision-making in real-time, improvement of efficiency in deployment of resources, early-alerts for worker safety at site and better quality assurance in its works using artificial intelligence.

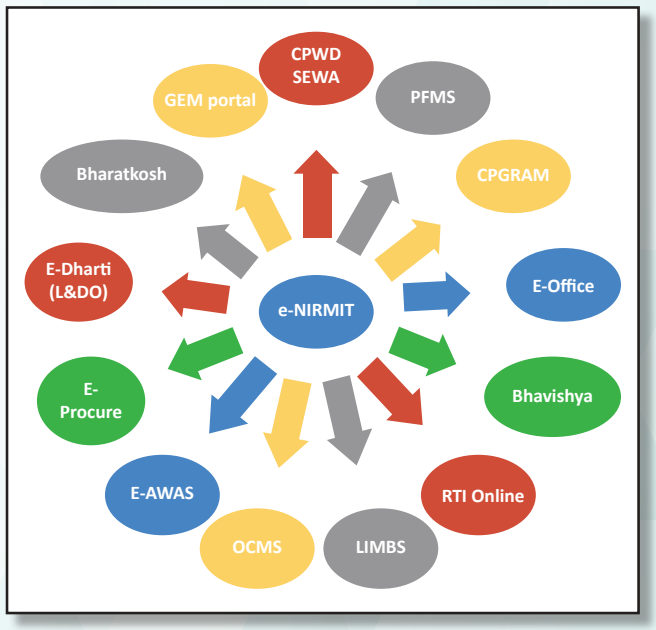



The ERP will integrate all CPWD stakeholders such as contractors, consultants, vendors, clients, arbitrators, officials, project managers etc into a seamless cloud based environment for improving efficiency, eliminating time and cost over-runs of projects and works, cutting wastage and improving client satisfaction. All 210 CPWD processes relating to Finance & Accounts, Architecture / Designs, General Administration, Projects Management, Human Resource Management, Quality Assurance, E-Governance, Civil / Electrical / Horticultural Maintenance, Stores and Inventory will be integrated and brought onto one single platform.

ERP implementation project in CPWD has made substantial progress. The e-Tendering and e-Auction Applications have been certified by STQC and made Go-Live. Development and implementation of the initial versions of the following applications has been completed : ERP Implementation Website, Learning Management System, Preliminary Estimate/ Detailed Estimate Applications, Leave Management Application, Collaboration Portal (common for Engineers, Architects, Consultants and Contractors), e-Kiosk for work charged employees, Cost Index Application, Transfer/ Posting Application, Intra-departmental Communication Tool, CPWD ERP MIS Report Application, Residential Quarters Inventory Data Application and ERP Online Help-Desk and ITSM Tool.

Digitization of 17,500 Employees Service Book data for ERP has been completed. 8,000 items of CPWD DSR / PAR / DAR, standard inventory template for Quarters under CPWD, 700 Cost Centers, 600 Plant Offices, close to 1,48,000 Quarter Premises and 1,000 Service Centers have been configured on ERP. Profile Data of 20,550 Contractors / Bidders have been transferred to ERP. Person to Position Mapping for over 18000 employees has been completed. Inventory details of close to 75000 residential quarters all over the country have been uploaded on ERP.

Around 3500 Bidders and 2500 departmental users have been trained on e-Tendering/ e-Auction Applications and another 7000 users on other modules. Over 300 online sessions and 30 in person sessions for training have been organized with close to 28000 attending participants spread over all sessions. 131 Trainers of EE level and above have been trained under the "Train The Trainers" Programme who in-turn have provided training to over 1100 employees. Over 100 training videos, SoPs, Manuals etchave been uploaded on ERP Implementation Website. Over 5500 employees have been covered in Organizational Behaviour & Change Management Training.




Request for Inspection Application (RFI), Contract Agreement Data Upload Forms, Budget Distribution Application, Real Estate Functions (Occupation) have been made ready for Go-Live. Online Analysis of Rates/ Tender Justification Application and Site Register have been made ready for User Acceptance Testing.


Close to 18000 Tenders have been uploaded and 12000 Tenders opened on ERP e-Tendering website. Over 8770 Employees are logged -in and using the Leave Management System. Over 300 courses have been created and over 6000 Users are logged in and using the Learning Management System. Almost 3000 users are using the PE/DE Module. Over 1700 users are using the Collaboration Tool. Despite Covid pandemic, progress of ERP implementation was achieved by regular follow-up meetings involving agency and CPWD officials. The full ERP will go live by June 2023.

Both the MoHUA as well as the Department are seeing e-NIRMIT as an opportunity for organizational change in CPWD and as a tool for its cultural transformation. CPWD has a rich legacy of successful service to the nation for 168 years. It is to ensure that the adoption of new technology not only changes the way we conduct our routine business but also helps in using our immense organizational learning for the benefit of the society and the nation at large.

e-NIRMIT, the CPWD ERP will rejuvenate CPWD by unlocking its latent productivity and efficiency and improving transparency. This project has the potential of completely overhauling and rejuvenating the Public Works administration in our country.

# BEST PRACTICES IN CONTRACT MANAGEMENT - CENTRAL RAILWAY

**Manoj Tiwary,** Central Railway

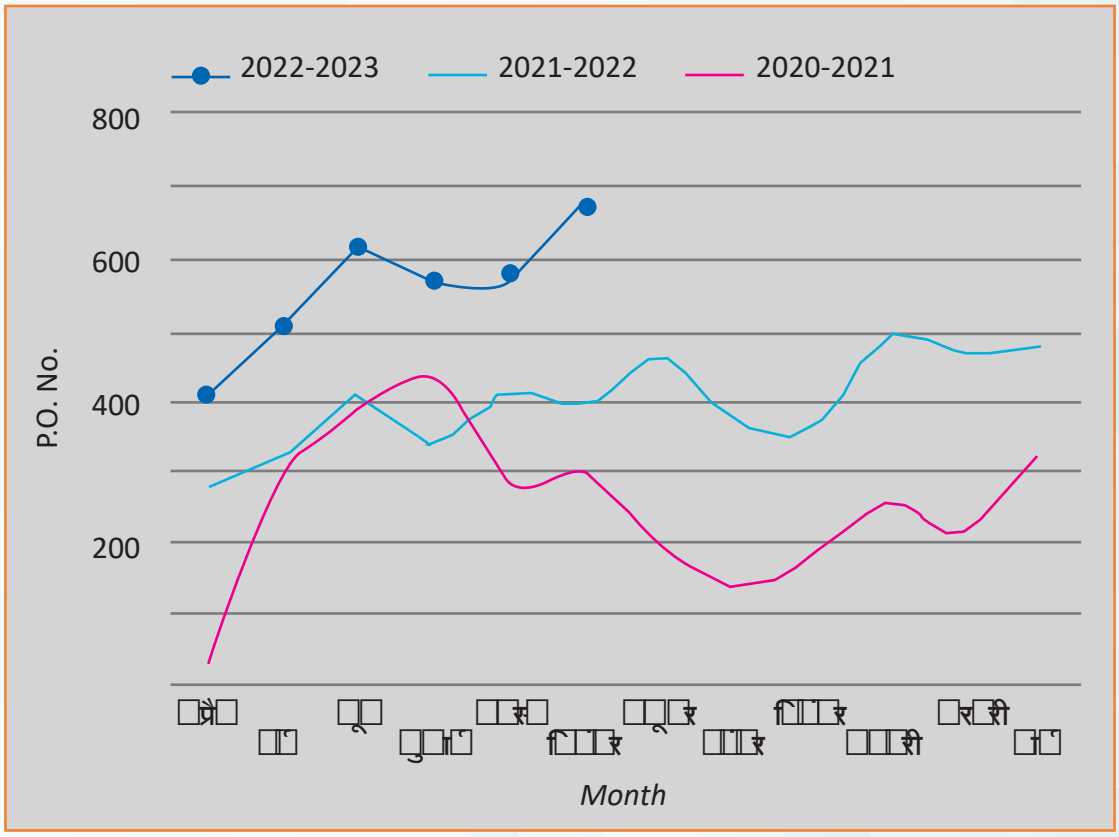
Today's procurement organization is under constant change and moving towards full digitization thereby eliminating the risk and bottlenecks associated with manual handling of the contracts. CRIS has played a major role in digitisation of the contract management related activities over Indian Railways through its IREPS platform. The website developed by CRIS is compliant to IT Act and follows the instructions/ guidelines issued by Ministry of Railways from time to time for procurement, sale and leasing .CRIS designs, develops, implements and maintains the IREPS platform for Indian Railways.

Some of the good practices being followed in Central Railway are a direct outcome of digitization resulting from implementation of e-tender and Integrated Material Management Information System wherein the whole gamut of activities from the stage of demand creation to the procurement stage has been digitised and integrated. This has been further extended with the implementation of User Depot module wherein the material supplied against the contract is monitored till its consumption. The good practices in contract management over Central Railway are:

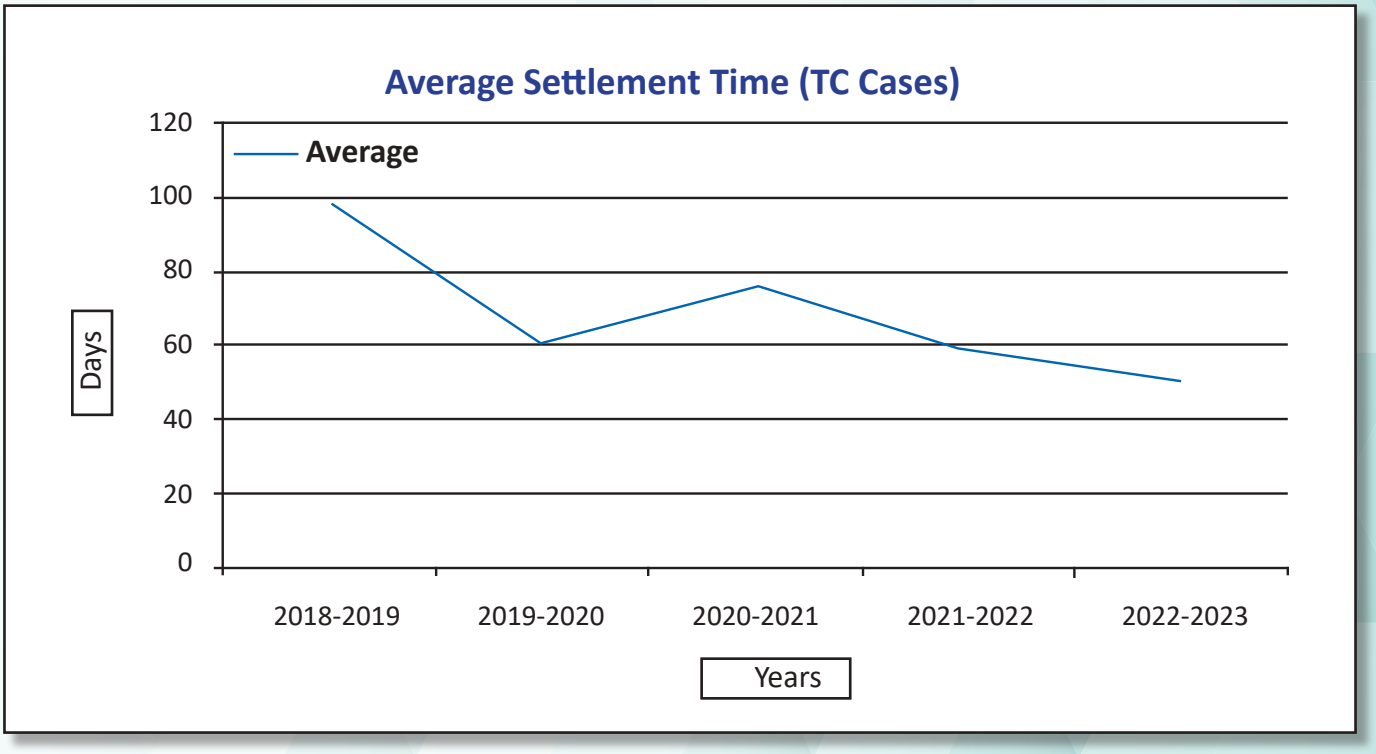
1) **Standardisation of contract related document:** There are centralized and standardized contract documents available in online formats and easily accessible to all. This eliminates the chances of any dispute arising out of poor drafting of contract related documents. Standardised instructions to tenderers for submitting bids, important terms and conditions, standard checklist for tenderers, standardised proforma for statement of deviations in offers, performance statement about outstanding order, equipments and Quality control, bank guarantee towards ED, SD and PBG etc are pre-drafted documents and forms which direct outcome of digitization and results in enhanced transparency thereby minimizing disputes/ambiguities at post tender/contract stages.

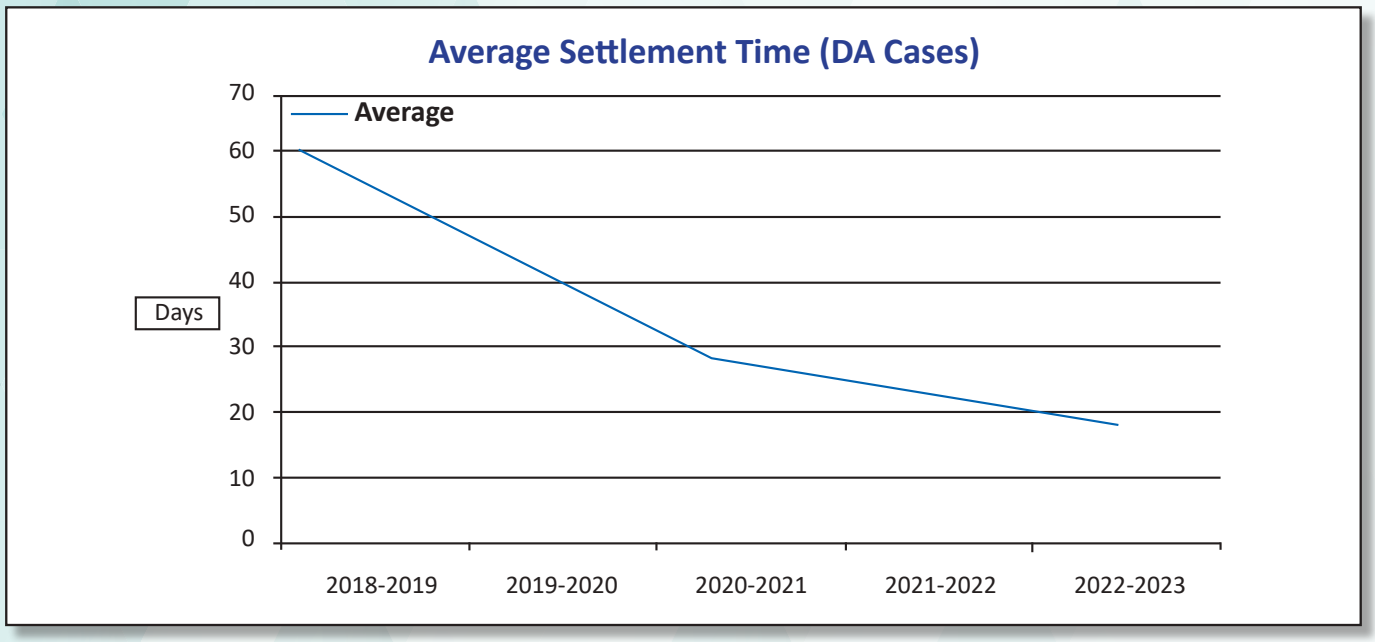
   Most of the communications with respect to contracts are done online wherein there is minimum interaction with supplier. The bid documents are formulated in such a way that the contracts can be finalized with minimum back reference. Use of pre-drafted formats is encouraged for entering in communication with the firms. This has enhanced the clarity in communication, expedited early finalization of contracts and has associated cost leverage with it.

2) **E-tender:** Online calling of tenders through IREPS has enhanced transparency, eliminated the necessity of direct contact with the suppliers and eliminated ambiguities resulting from the manual tenders. This is a secure platform for online transactions for procurement and sale which allows transparency, 24x7availability and saves manpower. Tenders can be opened anytime after due date and time and comparative statement generated automatically. Compared to manual tender opening, IREPS system is robust and requires almost no human intervention. Despite the depleting manpower Central Railway has been able to manage ever increasing number of contracts expeditiously due to this platform. The number of contract placed by Central Railways in various months during past years clearly reflects on the increasing number of contracts being handled by CR.

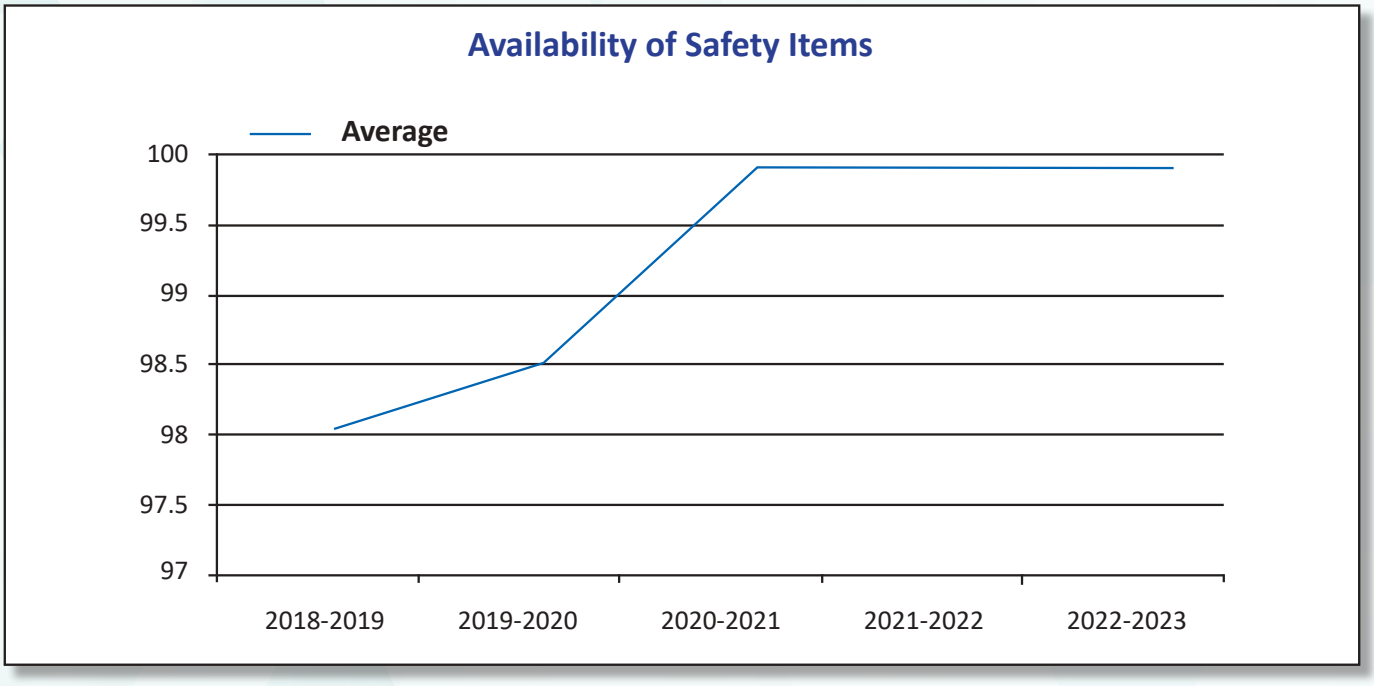


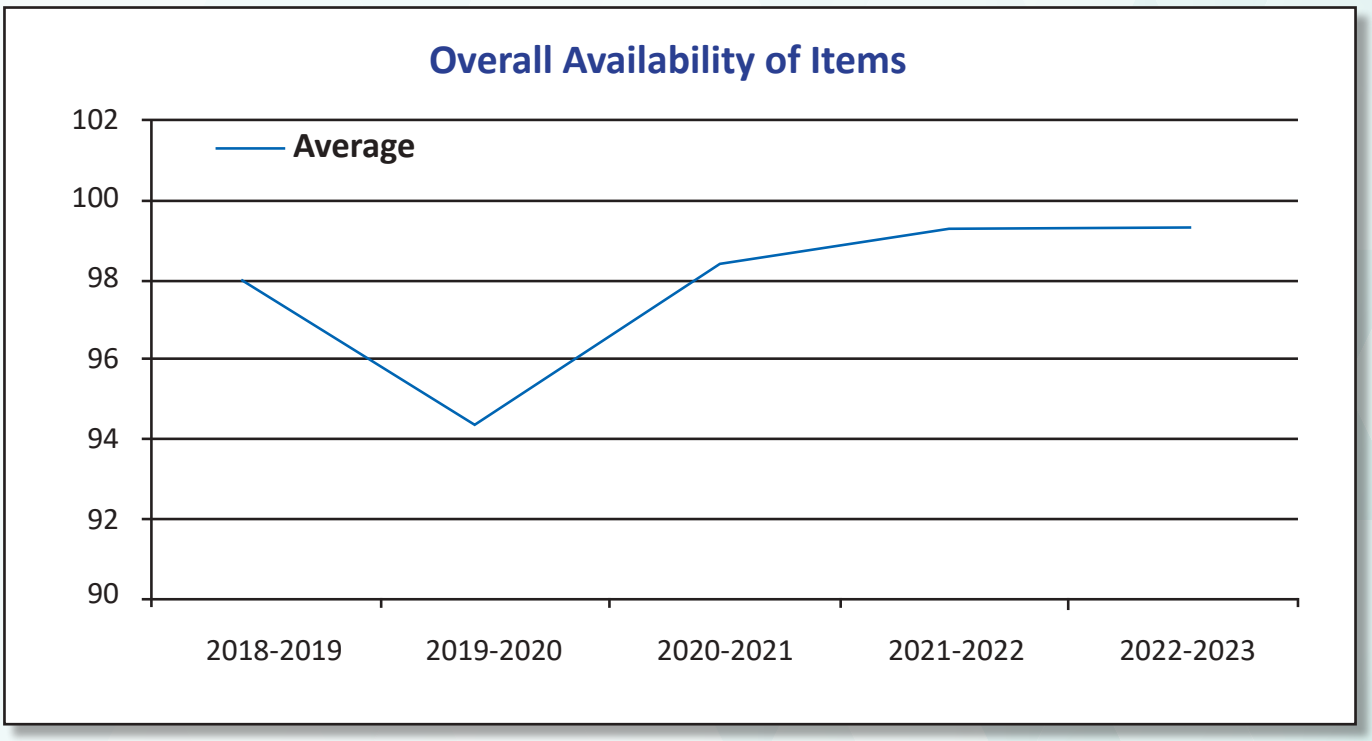

The reduction in average settlement time over the years for TC/DA cases as indicated below reflects on the impact of technology in expediting the tender finalisation in CR.

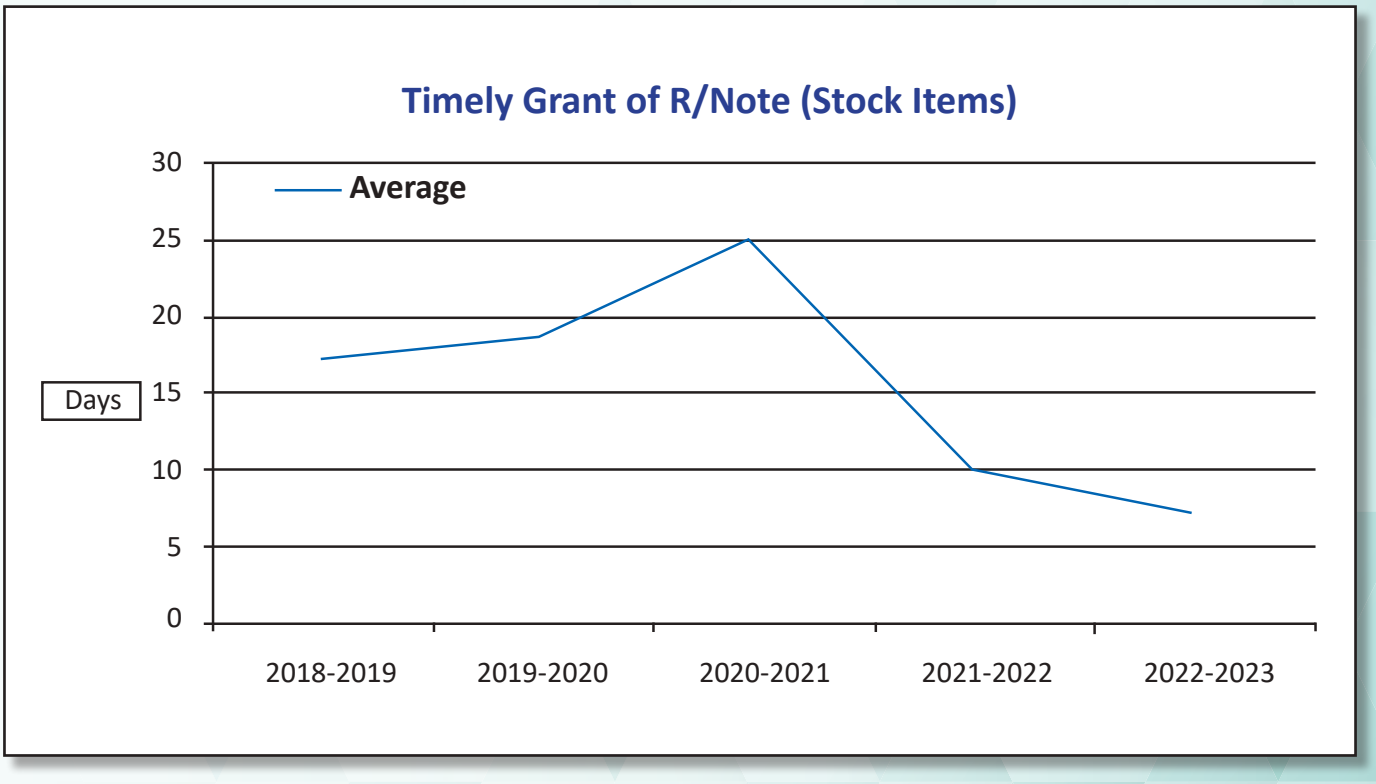





**3) IMMIS (Integrated Materials Management Information System):** Central Railway is one of the pioneers in development of Materials Management Information System (MMIS). Since then, the system has undergone several customizations and is now successfully implemented over Indian Railways in its new form of IMMIS (Integrated Materials Management Information System) which is a web based application on central servers directly managed by CRIS. This gives real time information, supports achieving 6R's of materials management, helps in auto generation of POs, Automated generation of Modifications against online requests of Firms and online issue of Receipt Notes by the depots. This has expedited material accountal functions and helped the depots in improving the availability and improved inventory management.




Overall Availability of Items
102
100
98
96
94
92
90
Average
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023

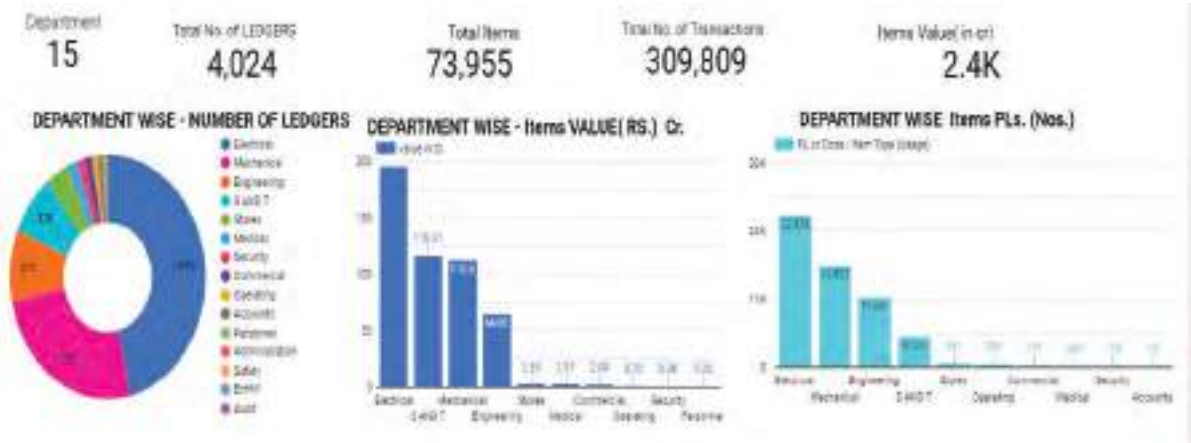

Timely Grant of R/Note (Stock Items)
30
25
20
15
10
5
0
Days
Average
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023

4) **UDM (User Depot Module):** This module under IREPS integrates procurement activities to the end user activities thereby leading to better inventory management. This has facilitated integration of the entire Supply Chain from demand generation to consumption at Consignee end and has paved the way for intensive monitoring of Warranty claims in future. Direct advantages accrued due to implementation of UDM will be optimization of material procurement leading to reduction of cost & economy in purchasing, improved Service Level to internal as well as external customers, Traceability of material usage leading to improved Asset Maintenance, Integration of payment activities on IPAS with digitally signed Consignee Receipt Note (CRN) / Consignment Receipt Certificate (CRC) is being generated in UDM. All the consignees of various departments of CR have been on boarded on UDM platform and consumption/availability of both stock as well as non stock items at their end can be monitored.

   When fully implemented in its full capacity UDM has tremendous scope wherein the material requirement can be directly linked to end user consumption and thereby will minimise the necessity of maintaining inventories at the depot level. The system can be further integrated with the suppliers so as to regulate supply as per consumption at consignee end. These details can be further used in other applications like Track Management System (TMS) & SLAM (Software for Loco Asset Mgt.) etc for improved monitoring at all levels.

5) **E-auction:** Indian Railways have switched over to 100% e-auction for disposal of scrap eliminating need for physical presence/physical bidding by purchasers. Central Railways disposes scrap worth Rs.400 crores to Rs 500 crores every year. In past scrap disposal by Indian Railways was being carried out through public auctions requiring physical presence of purchasers for bidding which had various associated issues like cartel formation, prevention of bids by anti-social elements present in auction halls, last moment bids overlapping with fall of hammer resulting in disputes etc. With implementation of e-auction no physical presence of purchaser is required for biding and any purchaser can participate in e-auction on entire Indian Railway system thereby increasing the level of competitiveness. The e-auction module ensures electronic payment process. Thus e-auction is saving time and effort both for Railways and bidders, bringing in complete transparency, cost effectiveness and efficiency in disposal of scrap on Indian Railways. The ever increasing scrap disposal of central Railway on this platform for last three years is as follows:

For the year 2022-23



6) **Monitoring of Key Performance indicators:** Various KPIs have been identified which can be generated directly from IREPS module and used for 360° monitoring. Contracts are being monitored online right from placement of demands, opening of tenders to their finalization, placement of orders and final supply of material through various key performance indicators which can be easily reviewed. Besides, increasing the efficiency of the whole process, this helps in creating audit history and results in cost reduction in procurement activity. The various KPIs identified for efficient monitoring of the contracts are availability of safety and passenger amenity items, overall availability, average settlement time of TC/DA cases, % of TC/DA cases finalised within 15/45 days respectively, timely publishing of tenders, timely grant of R/Notes, % of retendered cases, clearance of stock sheets, average time taken in release of POs etc. The KPIs have been selected in such a way that performance in one parameter cannot be improved at the cost of other parameters .This encourages positive decision making at every stage and achieves overall objective of efficient contract management.

7) **Clear distribution of roles and responsibilities:** Suitable authority has been granted in the system so that the roles and responsibilities at various levels are clearly earmarked and there is no ambiguity regarding the level at which a particular decision has to be taken. This helps in expeditious acceptance, decision making and disputes resolution, if any, arising during the currency of the contract.

8) **Way Ahead:** There has been palpable improvement in contract management in Central Railway through digitisation. However the full capacity of technology is yet to be harnessed. We can move forward to have smart tender forms wherein there is no need of human intervention for finalisation of the tenders. In routine tenders when specific application of human mind is not required and where there is no deviation from tender conditions the case can be finalised through algorithms. Having a good tender management system that facilitates the capture of tender related data in a consistent format and allows it to relate to the pricing, trend, technical compliance, ordering, invoices etc requires consistent and effective use of Artificial intelligence operation. It is felt that with the implementation of AIs in rudimentary form itself, 60% to 70% of the tender cases can be finalised by algorithms itself with minimum human intervention. AI in future will lead to transforming Procurement. AI is already automating and improving many time-consuming tasks or giving Procurement experts additional insights based on extremely complex and large sets of data. Besides relieving the costly manpower for other work, this will also reduce the operational cost substantially.

# INTEGRATION OF HPCL ERP SYSTEM & GeM PORTAL

**Anupam Das,** HPCL

GeM is a one stop Government e-Market Place where common user goods and services can be procured. HPCL has implemented procurement of Goods & Services through Government e-Marketplace for its major procurement activities. Since HPCL is using the ERP system along with the GeM platform, an interface is required between both systems to ensure uniformity of data/records across existing procurement system of HPCL and GeM Portal.

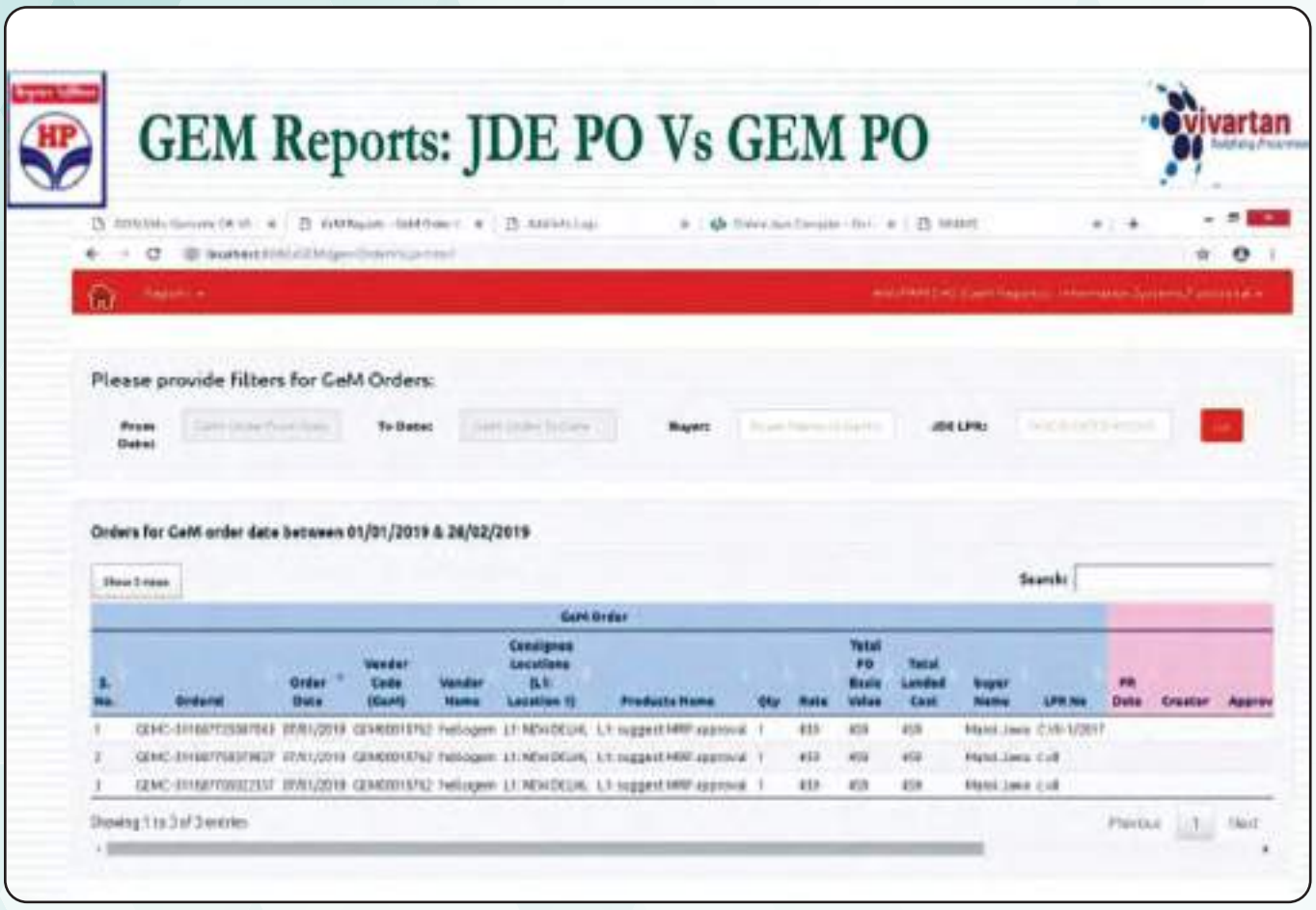
In order to develop better system controls, a review was undertaken to identify all potential gaps/blind spots in the system. HPCL and GeM team collaborated for integration of both systems to eliminate the errors while manually inputting the data between both systems.

The GeM Procurement Portal is different from a conventional e-Procurement platform for multiple reasons. However, the main challenge from a systems control viewpoint was the mapping of process beyond Tender finalization/Purchase order(PO) placement. This includes

- GeM Invoice generation (carried out by vendor) followed by Provisional Receipt Certificate (PRC) carried out by Users (Consignee),
- Consignment Receipt Acceptance Certificate (CRAC) prepared by Users (Consignee),
- Bill processing by Consignee (for Deduction updates etc.) & Payment Update in GeM Portal.
- While the Invoice generation & Consignment Receipt is carried out in GeM Portal, actual payment is disbursed to vendors from the ERP of HPCL.

The ERP process includes Vendor Invoice submission in HPCL ERP system, followed by Goods Receipt Note (GRN) and actual disbursement against submitted invoice. The controls had to be designed for ensuring minimal discrepancy between the transaction records for Invoices & Receipts which are recorded in GeM platform and linkage of disbursement from the ERP against the corresponding GeM Invoice - CRAC. Necessary controls were configured in the HPCL ERP system, based on the GeM Application Programme Interface(API), followed by automated update of actual payment details (Cheque Number/Date etc.) for each GeM Invoice & CRAC combination, directly from ERP of HPCL to GeM Portal.

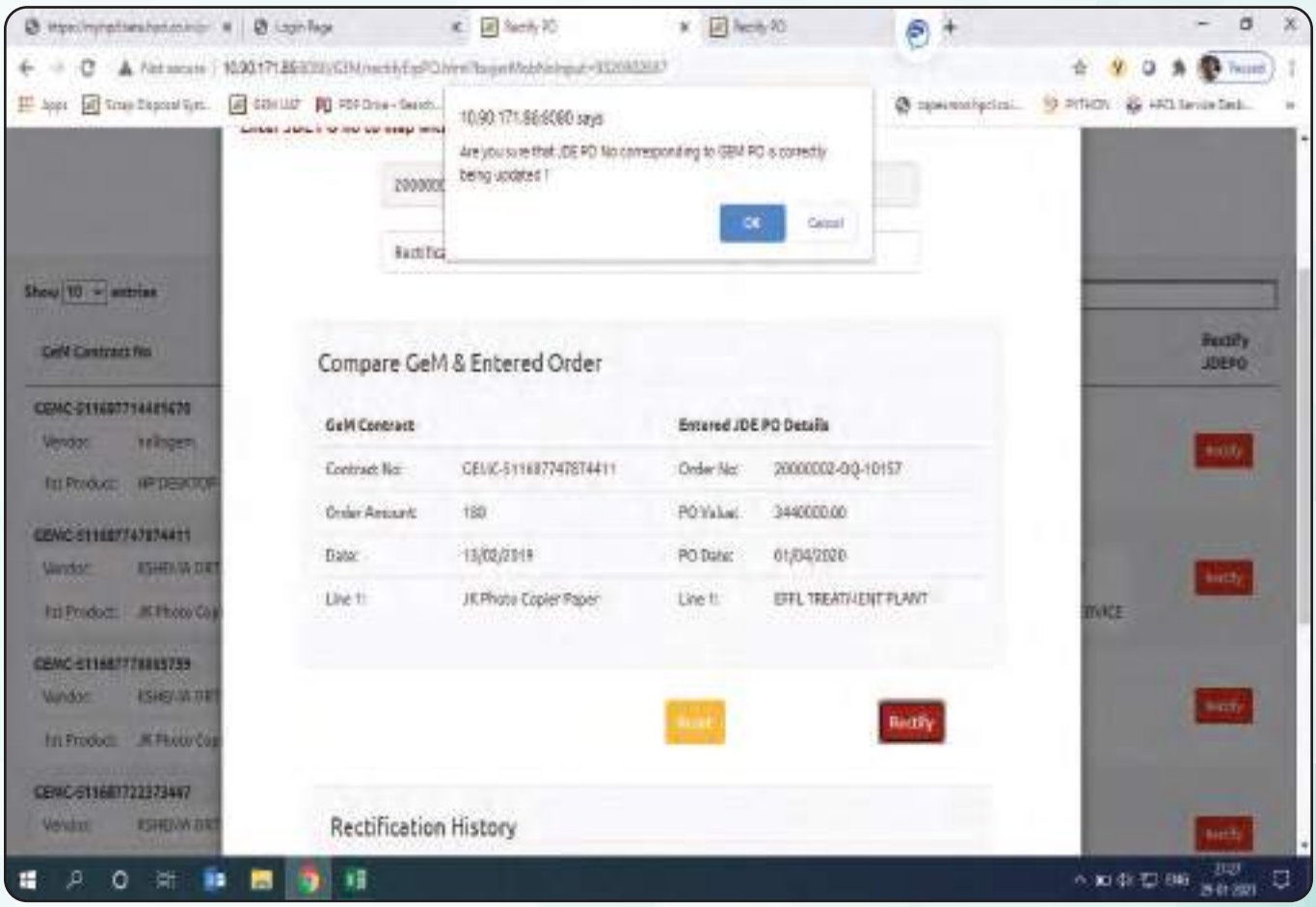
HPCL developed an internal SOP to capture the ERP Purchase Order (PO) Reference Number in GeM Sanction Order (GeM Portal) even before the PO is issued from GeM Portal which ensured that every GeM PO record flowing to HPCL contained the ERP PO reference to maintain linkage for both the PO's in HPCL system. The complete GeM PO data was fetched through an API regularly & email triggers were configured in HPCL system, to instantaneously intimate concerned officer & supervisor in case of any discrepancy. A cross reference repository of GeM ID vs HPCL employee details is also maintained to drive the e-mail intimation based on GeM data. Screen shots of reports maintained by HPCL are provided below:




Comparative report of PO fields in GeM & ERP PO

Systems were also developed to allow vendors to submit Invoice to HPCL through 'Bill tracking site' only after validation for proper GeM Saction Order linked to ERP PO, in all cases of GeM based procurement. Validations were configured, not to allow 'e-Material receipt' transaction in HPCL system, unless the corresponding Consignment Receipt Acceptance Certificate (CRAC) is generated in GeM Portal & same is captured in HPCL system during MRR (Material Receipt Report) stage. This ensured that every ERP payment transaction (for GeM based procurement) is linked to the correct GeM Invoice-CRAC combination in the system. This also ensured that officers of HPCL were not able to release payment through ERP, for those Invoices, where either the 'GeM-Invoice' is not generated by vendor in GeM Portal or CRAC is not created by HPCL officer in GeM Portal.

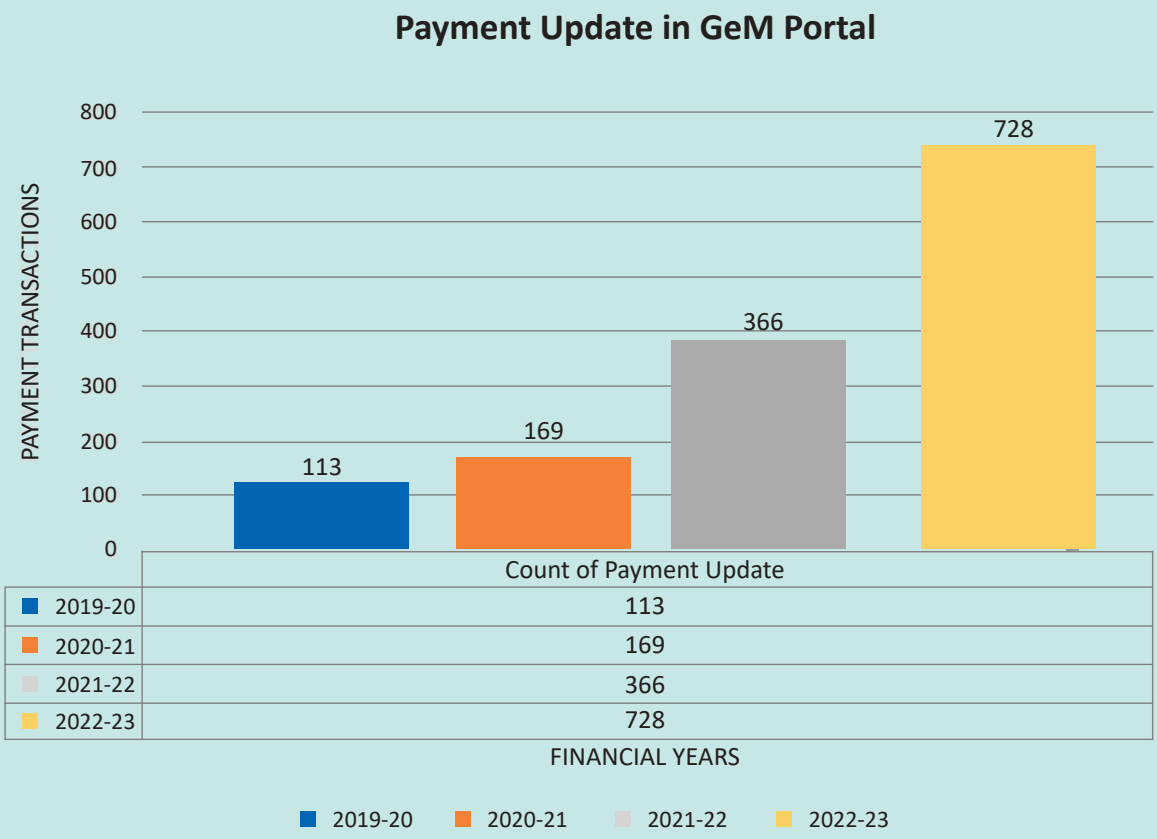
After release of payment from HPCL ERP, the system is able to fetch the UTR Number/Cheque Number, Date, Paid amount and Deductions linked to every GeM Invoice/CRAC and transfer this data smoothly to GeM Portal. This integration has reduced the manual task of HPCL officers drastically, where it was previously required to manually update the Cheque Number/UTR No, Date, Amount etc. individually for every 'GeM Invoice-GeM CRAC' combination after fetching the details from ERP payment reports.




System validation to link proper ERP PO against GeM PO.

The successful integration of both systems through the use of API's and configuration of controls & validations in the ERP of HPCL based on such data has provided multiple advantages as listed below:

1. System has ensured exact linkage of PO's across both systems, so that identification, monitoring & reporting of GeM based transaction from the ERP records becomes easier & simplified.
2. Detailed Reports have been made available to end users, providing comparative figures for all important fields like PO Quantity, PO Unit Rates, PO amount, Vendor Names, Supply location etc., for every GeM PO & linked ERP PO.
3. Internal controls have been configured while updating ERP PO Number against a GeM PO to check for matching PO value etc.
4. Smooth transfer of payment information to GeM Portal against every GeM Invoice-CRAC record, as concerned ERP payment are linked to GeM reference numbers.
5. Exception reporting through automated e- mails.




The integration has become more significant in view of the controls configured in HPCL ERP by using the API data shared by GeM Portal. This has helped in protecting the financial interest of HPCL, besides restricting unwarranted payment transactions to be made against GeM procurement. This has ensured integrity of all procurement transactions carried out through GeM Portal along with providing efficient system controls. Details of automated payment updates done through the API over the last three years is given above.

The collaborative efforts of HPCL has been acknowledged and appreciated by GeM team in their meetings and workshops.

# GLOBAL PERSPECTIVE ON PUBLIC PROCUREMENT

**Parag Verma & Aman Aggarwal,** IRCON

## GENERAL

Public procurement refers to the process by which governments and state-owned enterprises purchase goods and services from the private sector. Govt. entities utilise a substantial portion of Govt. money for public procurement and hence are expected to follow strict procedures to ensure that the process is fair, efficient, transparent and minimises wastage of public resources. In this era of globalisation, many multilateral funding agencies like World Bank, Asian Development Bank, JICA etc. are also working globally to provide funds to the governments of various countries for public procurement. Based on their wide experience across the globe, these Agencies have formulated their own guiding principles which at large are aimed at providing quality outcomes to the general public. To have global perspective on public procurement, the framework of internal experience is discussed below:

**1.0 World Bank's Procurement Framework** have formulated a standard procurement document which emphasise choice, quality, and value for public spending. The document enables adaptation to the country specific in terms of the law of the land. It allows projects to respond quickly to emerging needs and helps client countries to determine the best value for money to ensure quality outcomes and sustainability over the life of the completed project. These documents are formulated based on the market research, needs analysis, and project-specific risks, including environmental and social issues. These standard documents support countries to develop procurement strategies and plans that meet their needs and ensure successful implementation and weeds out the arbitrariness and streamline the process and procedures based on the accepted best practices across the globe.

**2.0 UN Procurement Manual** sets forth the 4 cardinal principles and 1 key notion that should be given due consideration when procuring goods, services or works, these are as below:

### 2.1 Best value for money

While it is worthy to note that best value for money does not impose the notion of lowest cost, it does imply that as much as possible, the total cost of ownership and quality required to meet the user's stipulations.

- Strive to maximize competition;
- Plan for demand promptly and define an acquisition strategy based on an analysis of the demand and supply market;
- Ensure that all costs are considered within the total cost of ownership, including transportation costs, installation costs, operating costs, maintenance costs, disposal costs, etc.;
- Ensure that benefits are optimized, and financial and operational risks and any other adverse impacts are minimized;

### 2.2 Fairness, integrity, and transparency

These three principles are bundled together because they mirror the similar qualities of good faith and goodwill in transactions.

**Fairness,** as a principle, means the procurement process is free from preference, judgement, self-interest, and favouritism.

**Integrity** here holds the transacting parties to follow rectitude, decency and honesty in their actions, and is reflected by adherence to accepted moral and ethical standards.

**Transparency** is mirrored by putting in place mechanisms that ensure audition, compliance to established rules, and healthy open communication.

### 2.3 Effective international competition

**This** is the culmination of the two aforementioned principles, and is concerned with the maxim of 'right time, right quality, right price.' The principles stand on three pillars;

- Adequate notification should be given to as geographically broad as possible vendor community to ensure that there is sufficient time to participate in the procurement processes;
- There should be no restriction of competition through over-specification;
- Economies of scale can be achieved when procurement volumes for identical or similar requirements are consolidated in a single solicitation.

### 2.4 The interest of the Contractor

This principle requires the procurement official to give due consideration to the interest of their contractor when exercising procurement functions.

### 2.5 Client centricity

Going from the above procurement perspective, it is clear that all procurement activities serve and will continue to serve the ongoing and future requirements of the contractor, procurement officials are therefore expected to adopt a client service approach and maintain proper client orientation throughout the procurement process.

**3.0** Globally it is desirable that the principle for framing the contract conditions shall be based on fair and balanced risk/reward allocation between the Employer and the Contractor. Accordingly, **FIDIC** & other form of International Contract an International Federation of Consulting Engineers has framed contract conditions that are widely used for international construction contracts. They are intended to be used in any jurisdiction. They are widely recognised as striking an appropriate balance between the reasonable expectations of these contracting Parties. For example, FIDIC Contract has real commercial value to both the Employer and the Contractor, both at the tendering stage, and during execution of the Contract. In order to minimise the conflict and dispute and meet the intended purpose of contract, FIDIC has further set some "Golden Principles" (GPs) to be followed in all contracts:

- GP1:The duties, rights, obligations, roles and responsibilities of all the Contract Participants must be generally as implied in the General Conditions, and appropriate to the requirements of the project.
- GP2:The Particular Conditions must be drafted clearly and unambiguously.
- GP3:The Particular Conditions must not change the balance of risk/reward allocation provided for in the General Conditions.
- GP4:All time periods specified in the Contract for Contract Participants to perform their obligations must be of reasonable duration.
- GP5:Unless there is a conflict with the governing law of the Contract, all formal disputes must be referred to a Dispute Avoidance/Adjudication Board (or a Dispute Adjudication Board, if applicable) for a provisionally binding decision as a condition precedent to arbitration.

**4.0 Conclusion:** Globally, the best practices on public procurement are clear that the objective of all manuals, documents on public procurement shall be based on transparency and open bidding system giving opportunity to all. The risk distribution is owned by the party which is well suited to take the risk and the dispute resolution mechanism shall be well laid which is time bound and impartial. The standard document shall be adopted to avoid the arbitrariness and adopt standard acceptable practices across the globe.

# FIDIC GENERAL CONDITIONS OF CONTRACT: A STEP TOWARDS ADOPTION OF INTERNATIONAL BEST PRACTICES IN INDIA

**Ajay Kumar Srivastav & Piyush Kamal, DFCCIL**

## 1. INTRODUCTION

FIDIC is an acronym of French term 'Federation Internationale des Ingenieurs-Conseils' which is best translated as 'International Federation of Consulting Engineers'. This federation of Consulting Engineers which started in 1913 with three founding countries has now grown to have over 100 member countries indicating its growing acceptability. Relying on the basic principles of Quality, Integrity and Sustainability, FIDIC has issued different General Conditions of Contract to suit varied requirements of commercial contracts.

## 2. CHOICE OF GENERAL CONDITION OF CONTRACTS FOR INFRASTRUCTURE PROJECTS

General Conditions of Contract (GCC) set forth the rules of the contract and forms a basis over which the contracting parties build their commercial relationship for a project. Poor selection of GCC will not only affect economic interest of Parties but also lead to prolonged disputes and stalemate of the project. Selection of appropriate FIDIC contract form to adopt the corresponding GCC in Infrastructure project thus assumes greater significance.

In global construction industry FIDIC, JCT (Joint Contracts Tribunal) and ICE (Institution of Civil Engineers) and off late NEC (New Engineering Contract)standard contracts forms are in vogue, each having its own merits and demerits.

For an infrastructure project like Dedicated Freight Corridors in India with approximate project cost of more than Rs.1,00,000 Crore, the selection of contract form was primarily based on the mandate of lending agencies preferences towards FIDIC contract. Moreover, use of FIDIC is all the more seen in the World Bank, ADB, UNDP, EU and JICA funded projects in several countries.

## 3. SELECTION OF APPROPRIATE FIDIC CONTRACT FORM

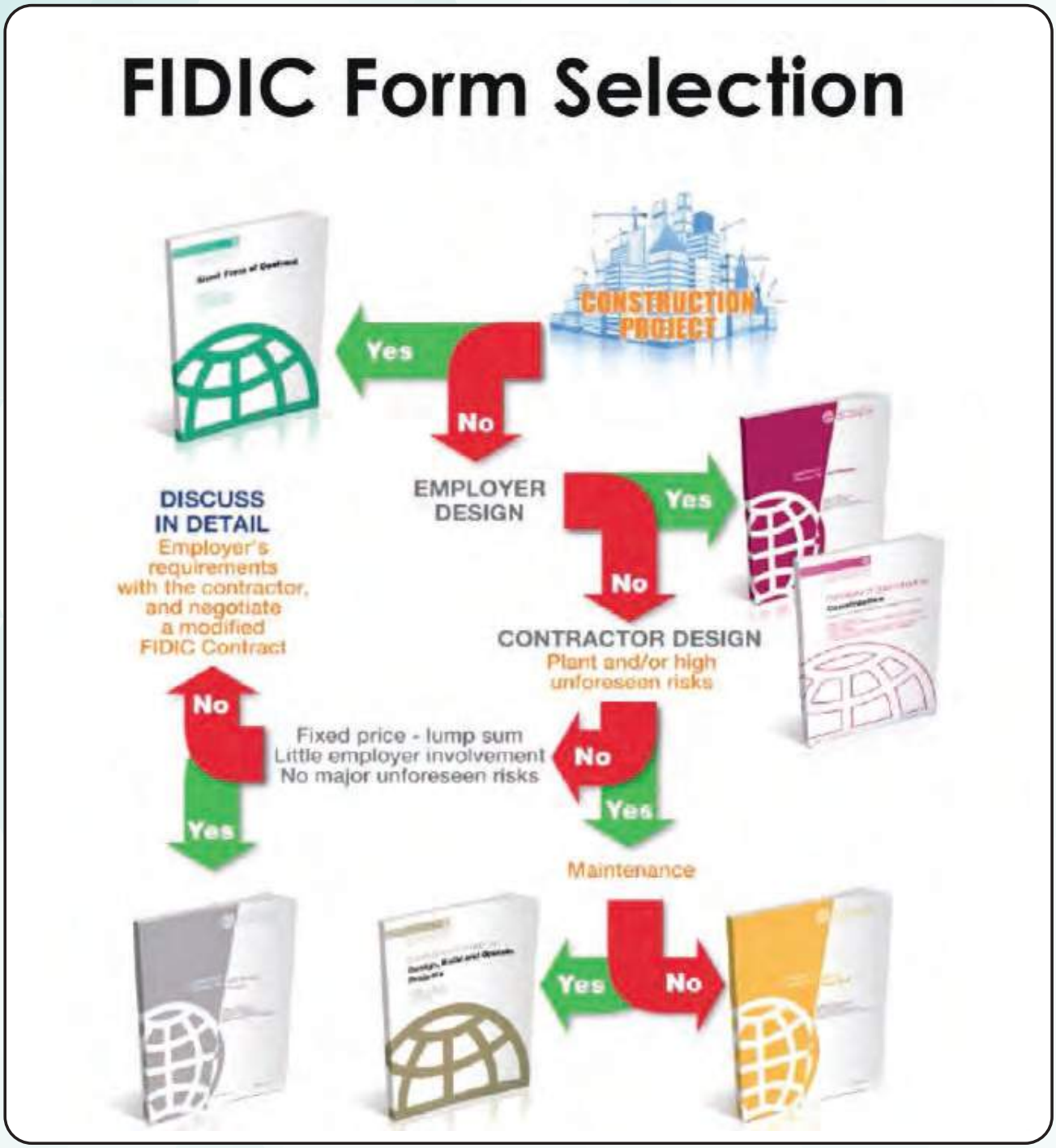
The success of the FIDIC forms of contract in achieving widespread global acceptance had been an interesting development. In a series of Books (a term for Contract Form and denoted in different colour to differentiate), FIDIC has brought out appropriate contract form for the various types of engineering contracts. FIDIC has brought out eight different Books out of which Yellow, Red and Silver are more widely used Contract Forms.

The Yellow Book-Conditions of Contract for Plant and Design-Buildis based on design by the Contractor and payment is made on a lump-sum basis.Under the usual arrangements for this type of contract, the Contractor designs and constructs in accordance with the Employer's requirements (herein DFCCIL). In the Yellow Book, the Engineer is the Contract Administrator and plays a key role. The FIDIC Yellow Book is a Design Build lump sum price contract with provision forpayments based on cost-centres certified by Engineer. Yellow Book also requires the Contractor to undertake a fitness-for-purpose

obligation which extends to the design, as well as materials and workmanship in construction.

Red Book is used for design provided by the Employer and payment is made on a re-measurement basis, or what is traditionally called BOQ contracts in India.

Silver Book is used for EPC/Turnkey Projects, where one entity takes total responsibility for the design and execution of a privately financed infrastructure project which provides a fully-equipped facility, ready for operation (at the “turn of the key”).



As we move from the Red Book to the Yellow Book to the Silver Book, the key conceptual differences appear where in:

- More risk is transferred to the Contractor.
- Inversely proportional to this risk transfer, the Contractor is given more control of the project.
- The design moves from a detailed design, by Employer, to a performance specification only with design solely the responsibility of the contractor.
- While there is Engineer in Yellow & Red Book, in the Silver Book there is no Engineer at all.

In addition, there are more FIDIC contracts forms such as Emerald Book for 'Conditions of Contract for Underground Works'and FIDIC Pink Book for Multilateral Development Banks (MDBs) for construction projects.

## 4. OVERRIDING NATURE OF PARTICULAR CONDITIONS

The standard General Conditions of FIDIC Contract Forms are modified through Particular Conditions of Contracts (PCC) to suit the project specific requirement by the Employer. The PCC, though framed by Employer, entails higher priority over standard FIDIC GCC, hence Particular Conditions require careful drafting at the time of tendering.

The operation of the FIDIC forms relies on often complex interaction of provisions found in different clause / sub-clauses of GCC and PCC, which both complement and supplement each other. These conditions must be read together to obtain a full understanding of the rights, obligations and liabilities of the Parties.

## 5. IMPLEMENTATION OF FIDIC YELLOW BOOK IN DFCCIL

FIDIC Based Contracts in internationally funded dedicated freight corridors contracts has a significant departure from the conventional GCC issued by Indian Railways which are for item-rate contracts. Implementation of FIDIC based contracts in DFCCIL thus require fresh and deeper understanding. The objective is to assess not only the broad principles of FIDIC conditions but also how contract managers in Indian context have to have better appreciation of these principles.

Western Dedicated Freight Corridor Contract Packages, funded by JICA and Eastern Dedicated Freight Corridor, funded by the World Bank are based on FIDIC Design Build Lumpsum contracts (Yellow Book, 1999).

As stated above, the modification inFIDIC General Conditions through Particular Conditions should not change the basic fabric and philosophy of the Contract. One of the lessons, a FIDIC beginner/early user usually learns during the course of the Project implementation is that FIDIC Contract conditions are finely interwoven matrix of interdependent binding clauses. FIDIC conditions drafted over yearsrely on intricate interaction between the Sub-Clauses. Consequently, any amendment or deletion of one Sub-Clause may have an unintended but dramatic effect on the legal aspect of the Contract as a whole. Impact of these incongruity can also impact the dispute resolutions through international arbitration. This stresses the need to set out the Particular Conditions by an organisation as per the 'Guidance for the preparation of Particular conditions' of FIDIC Book.

## 6. TIMELINES IN FIDIC

FIDIC Book provides for strict timelines for activities like payment to the Contractor (within 56 days of

Contractor's Statement), Contractor claims (within 28 days of becoming aware or should have been aware of the cause of action to ensure Dispute Adjudication in real time). Sometimes, FIDIC time barred claims are assailed in Court of Law under section 28 of the Indian Contract Act 1872. At times, these time limits are viewed as not in complete sync withthe provisions in Indian Contract Act 1872. Indian courts have been meticulously judicious in imparting justice in these matters.

## 7. ROLE OF ENGINEER IN FIDIC

In FIDIC Books, Engineer is defined as the person appointed by the Employer to act as the Engineer for the purposes of the Contract and their roles are defined in various clauses. These include approval of drawings, designs, submission of operation and maintenance manual, examination/ inspection /measurement and testing of plant, material and other parts of the Works. Further, the Engineer has been empowered for suspension of work, approve 'value engineering' proposal, approve or disapprove variation.

Structure of FIDIC Yellow Book gives enormous power to Engineer, thereby doing away with quotidian interventions by the Employer. The PMC contracts in DFCCIL are based on international competitive bidding.In PMC contracts, the Engineer brings in vastly qualified expertise. In number of cases, these Engineersarehaving more than 30-40 years of technical experience and international exposure and equipped with project management qualification. As per requirement, they have sufficiently large exposure to FIDIC contracts, which may be less likely for the employer. In such scenario, team building issues invariably comes to the fore. Trust, mutual respect, empowerment is required for project delivery.

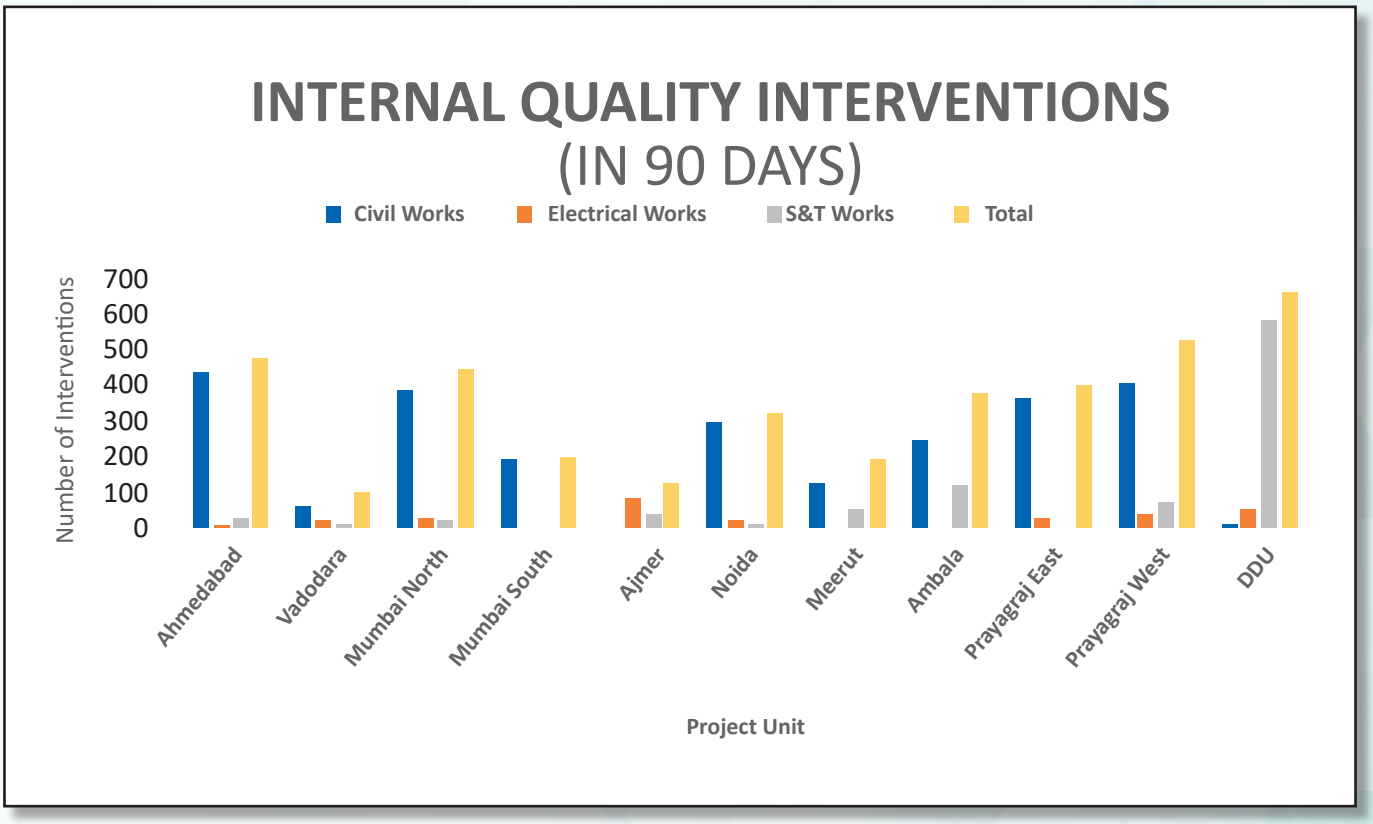
## 8. ROLE OF INTERNAL TECHNICAL RESOURCES

Another issue that will need to be addressed is that if most of the technical issues are being addressed by the Engineer, how does the organisation prepare its own resource for eventual takeover of the project? A situation should not arise where in, after the project is taken over by Engineer and subsequently by the Employer, employees of the organisation fail to comprehend the complexities of the engineering and designs. To address this possible shortcoming, combined quality check, discussions on design approval etc should be a collaborative effort. If this task is achieved the health of the contract as well as of the project will be high.

## 9. INTERNATIONAL BEST PRACTICES AND TOOLS

The project monitoring is being done as per international best practices. Detailed and meticulous documentsfor Request for Inspection (RFI), Interim Payment Certificate (IPC), Test Reports and use of Scheduling Software Primavera to assess liabilities on account of delay and assigning Extension of time (EOT) have established sound organizational framework for processes.

The FIDIC Yellow Book based contracts in DFCCIL are administered by the Engineer who is 100% responsible for check in quality and measurement. However, this doesn't curtail the Employer's right to inspect, measure and test the materials. The FIDIC Yellow Book Clause 7.3(b) says that 'The Employer's Personnel shall at all reasonable times during production, manufacture and construction (at the site and elsewhere), be entitled to examine, inspect, measure and test the materials and workmanship, and to check the progress of manufacture of Plant and production and manufacture of Materials.'




Hence, the FIDIC principles gives ample rights to the Employer in this context. DFCCIL has incorporated a robust quality management framework where DFCCIL officials at different levels are involved in assuring quality checks of Civil, Electrical and S&T works. The quality related interventions by internal managers is reflected in the chart above:

## 10. CONCLUSIONS AND WAY FORWARD

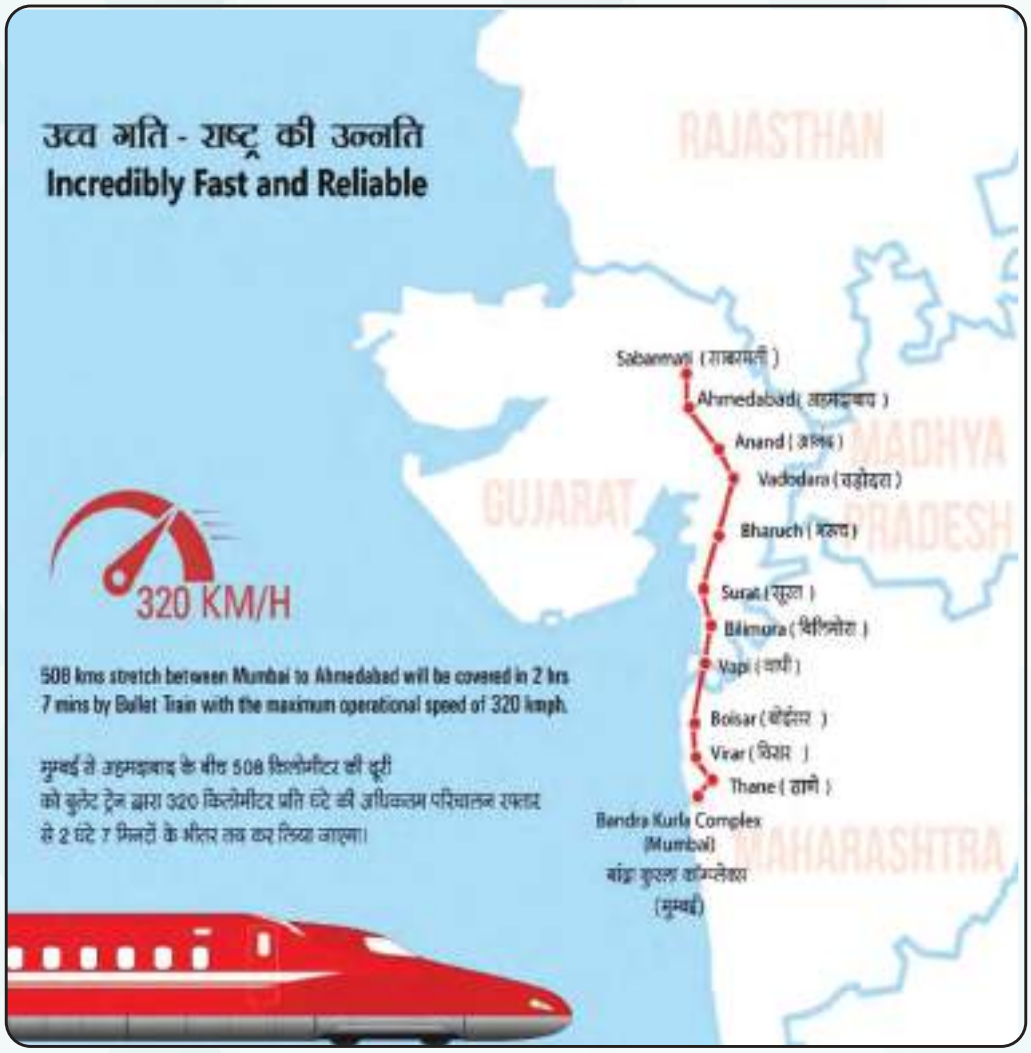
FIDIC Contract form is based on fair transfer of risk between Parties and to minimize disputes. However, it is to be looked into that basic structure of Contract Form is not changed to affect the balance of risk and understanding of parties. It is still early to determine the full advantages that arise for an organisation following FIDIC condition. The FIDIC conditions have evolved over decades by experts and adopted globally but accepting FIDIC as a standard Indian contract, especially while interpreting legal provision remains to be firmly established in Indian Railway Infra projects. Be as it may, the implementation of FIDIC Contract Forms does bring in several best practices. Use of FIDIC Form also provides an equitable opportunity for global companies to participate in Indian mega projects.

# MONITORING OF MUMBAI-AHMEDABAD HIGH SPEED RAIL PROJECT (BULLET TRAIN PROJECT) USING PMIS

**Anjum Pervez & Nishant Singhal,** NHSRCL

## GENERAL

Public Procurement is essentially based on pillars of Transparency, Information accessibility, effective competition,efficiency, accountability and control. Public procurement covers both pre and post contract procedures. Over the years, various public organisations have evolved towards the desired principles of public procurement. Much of it has been achieved with the help of available technological tools. The current article further focusses upon the level and experience of transparency, efficiency and control achieved in the mega public transport project i.e. Mumbai-Ahmedabad High Speed Rail, post contract award execution process using state of the art flexible, integrated and business process workflow based project management information system (PMIS).The web based centralized PMIS maintains single source of a nearly paperless real time information shared in a transparent manner with all stakeholders, covering



drawings/document/progress/quality/safety/contract management i.e. cost/schedule monitoring & control. Contractor's submissions and tracking of approval status has been simplified through the designed process and retrieval facility in PMIS, on few clicks. System effectively tracks the delay and fixes the accountability. Workflows has been designed according to the need of stakeholders and contract conditions.

## BACKGROUND

National High-Speed Rail Corporation Limited (NHSRCL) was incorporated on 12th February 2016 with an objective to finance, construct, maintain and manage the High Speed Rail Corridor in India. The foundation stone was laid on 14th September'2017 at Sabarmati by Hon'ble Prime Ministers of India and Japan. NHSRCL is modelled as SPV with equity participation by Central Government through Ministry of Railways and two state Governments viz, Government of Gujrat and Government of Maharashtra. Mumbai-Ahmedabad High Speed Rail (MAHSR) is 508 KM length mega rail transportation construction project stretching from Sabarmati in Gujrat to Bandra-kurla complex in Mumbai. The train will run at a maximum speed of 320 KMPH. The project involves design and structural complexities covering civil, track, electrical, signalling, rolling stock and other engineering streams due to huge number of identified activities and inherent interdependencies. In order to monitor the contract packages, a need was felt to develop web based system which can provide real time information shared in a transparent manner with all stakeholders, covering drawings/document/progress/quality/safety/ contract management.

## OBJECTIVES

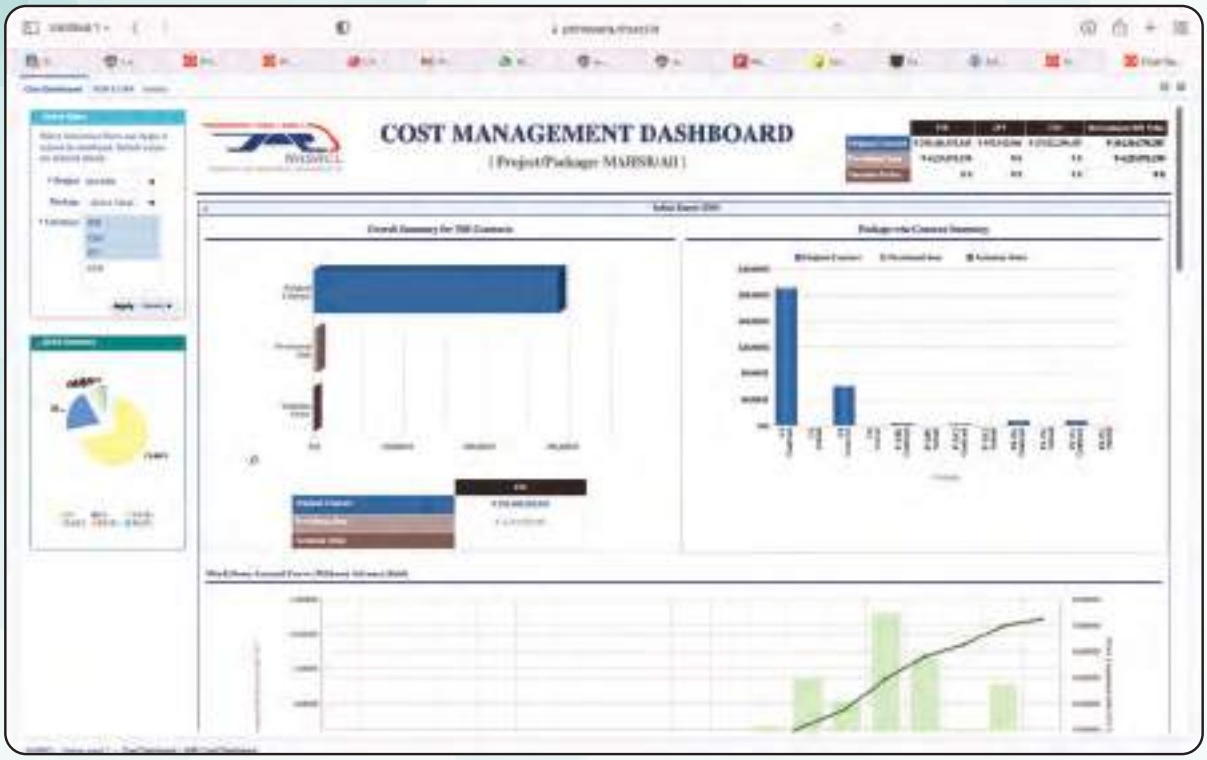
During the initial conceptualization stages, importance of certain key drivers was visualized which were essential for effective monitoring and controlling of the whole project. Looking at the quite large number of packages and stakeholders, standardisation of processes was a basic and first requirement for smooth governance. Transparent real time reporting system enabled tracking &communication of various business processes, monitoring physical and financial progress and dashboard for summarised information of above with exception reports. On-boarding of stakeholders of all packages including Contractors, Engineer, Consultant and Employer teams of various MAHSR JICA packages was the final objective. NHSRCL is aware that continuing with the manual approach like in smaller projects, will expose them to a lot of risk and uncertainty which will lead to delays due to defective work, scheduling conflicts, delaying payments to suppliers, late reporting from site which will increase additional costs. It was therefore decided to implement a modular/flexible solution which will digitize the project, easy to use end-to-end secure project controls platform that boosts efficiency and transparency, limits risk, and improves decision-making across all functional departments.

## DEVELOPMENTS

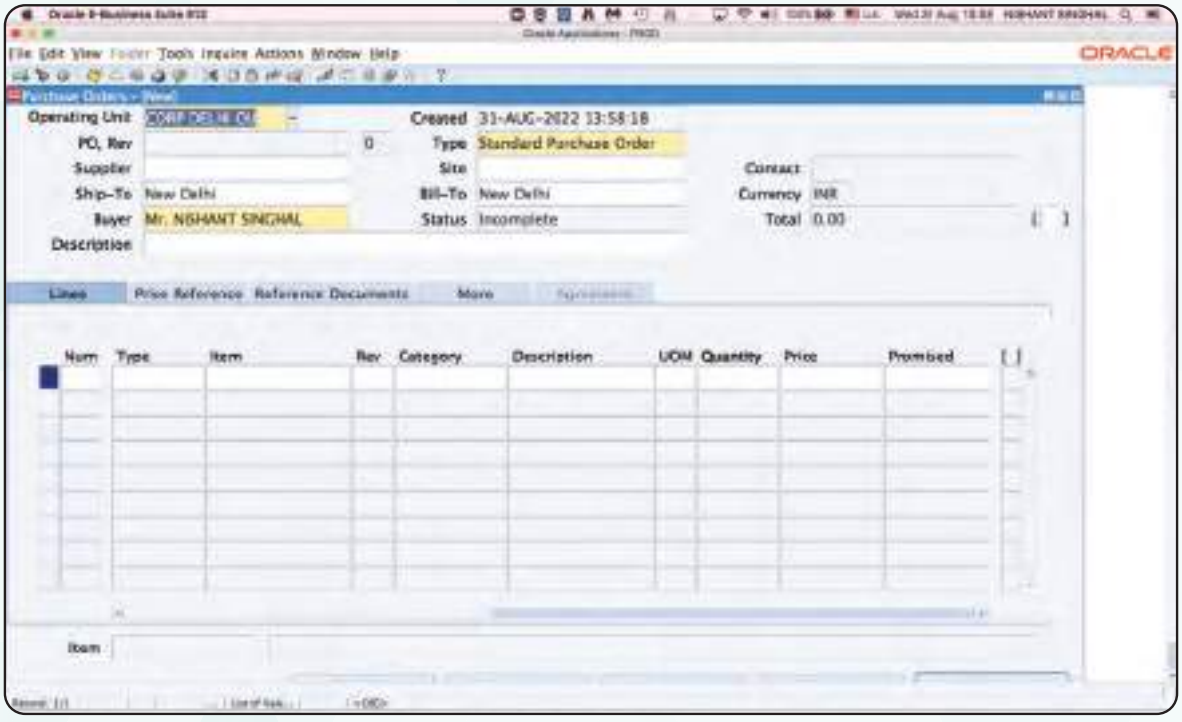
A key challange for setting up the desired standard system was not having prior experience or know how of such end to end information system , which was recognized at planning stage of project. Moreover, the proposed system should largely satisfy large number of stakeholders, industry practices, compliance of contractual conditions etc. To solve the possible issues and gaps in connecting and developing various processes, it was launched in parts based on Built-Test-Use-Modifyi.e. Agile methodology.

To cover the entire gamut of areas and activities, various known strategic software utilities were identified.

Such diverse utilities include planning & scheduling, modular business processes designing, E-Business suite (EBS) modules of Contract/SCM (Supply Chain) and Financials. In order to achieve the single unified PMIS, all these areas were integrated as per requirement. To provide access to the PMIS during mobility, mobile apps was also brought in and made functional.




E-Business Suite SCM

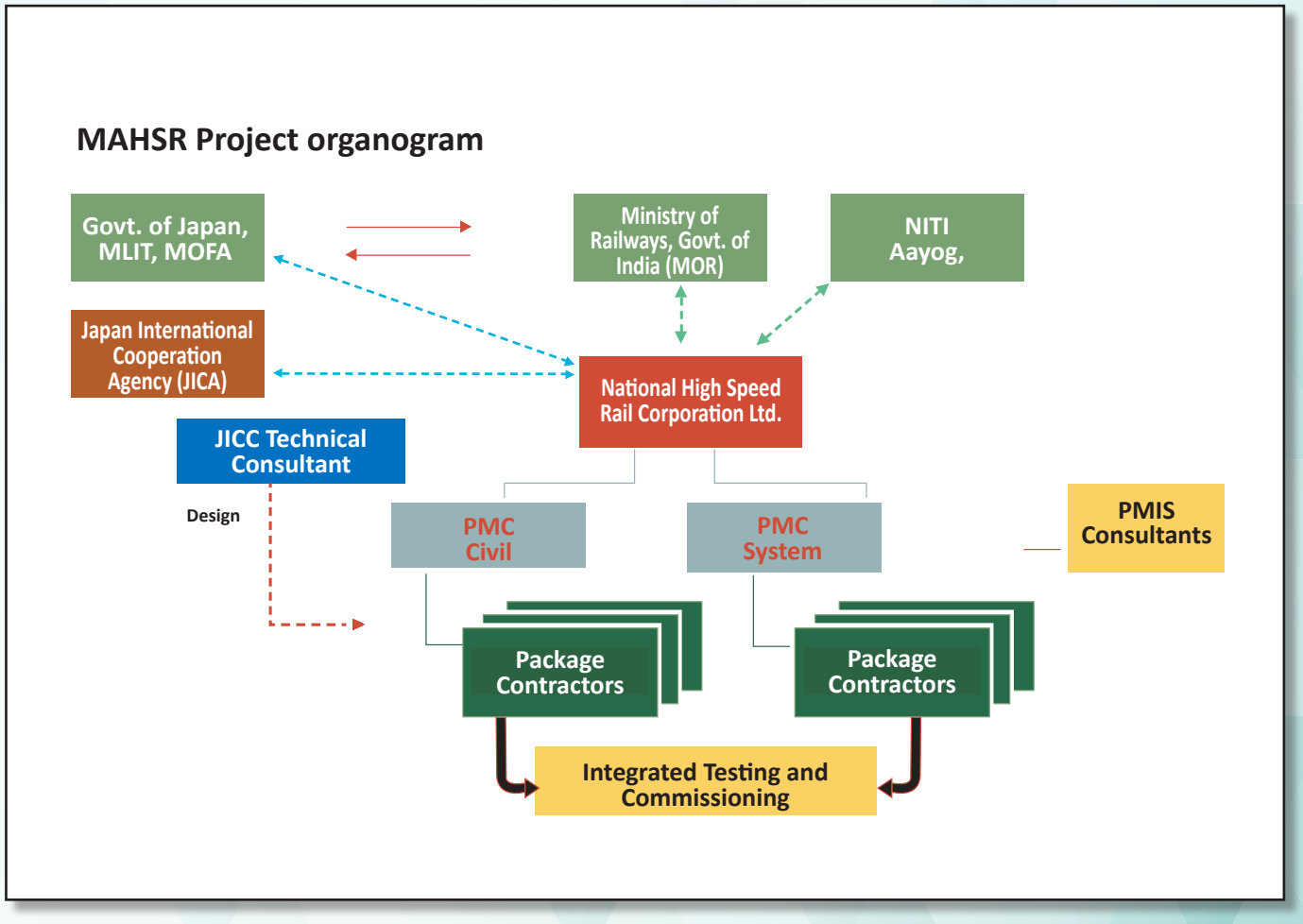



Screenshot3: E-Business Suite SCM module

## STAKE HOLDERS OF THE PROJECT

**Key Solution Areas:**

- Complete Project has been divided into packages, which is created and stored in a single, secure repository enabling visibility for all stakeholders. The solutions bind all packages together with a package level role based access control with an ability to quickly record, access,filter and retrieve the information securely. The information gets rolled up to overall Project level according to the requirement.
- The solution includes an auditable business process management module which allows Employer to track Contractor/Engineers submissions and holding periodic progress review based on PMIS data.
- The solution includes a robust paperless Document & Drawing management module covering high-level basis-of design documents, detailed specifications, as built drawings, operation and maintenance manuals or test results, all documentation utilizes tight permission controls to manage access across the packages. No email or paper approvals are allowed.




- The solutions provide facility for contractor Submittals and their revisions with a powerful automated workflow at the backend. Solution also tracks important documents such as bank guarantees and tracks its expiry.

- The key complex business processes built and implemented are Request for Inspection, Interim Payment Certificate (IPC), Material/Vendor/Lab approvals, Meeting minutes connected with user delegated Action items, Contract and related process i.e. Variation/EOT/Claims. NCR/CAR (Nonconformity report/Corrective action report) linked with IPC. Quality reports and safety incident reporting and mitigation are also part of the unified solution.
- The most complex piece of the entire system is P6/Unifier integrated Progress measurement system, wherein actual cyclic weekly progress is fed by Contractor and approved by Engineer in PMIS. System generates Package and project level physical S-curve based on the above. Various other BPs include General correspondence, Method statement, Daily/Weekly/Monthly progress submission, material specifications etc. According to the need of Stakeholders new processes are being developed and added.

## CONCLUSION

The web based centralized PMIS maintains single source of a nearly paperless real time information shared in a transparent manner with all stakeholders, covering drawings/document/progress/quality/safety/ contract management i.e. cost/schedule monitoring & control. Contractor's submissions and tracking of approval status i.e. NONO(Approved)/NONOC (Approved with comments)/NOO (Not approved) has been simplified through the designed process and retrieval facility in PMIS, on few clicks. As of now Civil, track packages and PMC packages of Gujarat section has been awarded, thereby nearly 1500 users are currently using the 24x7 web based system which now already has received about 5 Lakhs no of documents. More than 2 lakhs no of scheduled activities, out of presently awarded packages, have been identified and included in above centralized system for weekly progress monitoring. All-important documents related to quality and quantity, like Request for Inspection (RFI), Checklists, measurement sheets etc are uploaded along with submission of IPC. No physical documents are required to be submitted. System effectively tracks the delay and fixes the accountability. Workflows has been designed according to the need of stakeholders and contract conditions. PMIS is the official channel of communication enforceable without dispute according to the contract conditions. The system is largely under Support and development mode of Addition/Modification/Deletion mode of already developed modules. Bugs identification, system upgrade, improvement in workflows, introduction of new checks and balances, system/data optimization tasks, integration with other processes and EBS modules, Introduction of detailed progress measurement system using P6 and Unifier progress measurement system are the key areas involved in this phase. The PMIS solution provides NHSRCL management to have an integrated view of their project & package performance.

# TRANSPORTATION TENDERS FOR PETROLEUM PRODUCTS- LEVERAGING TECHNOLOGY

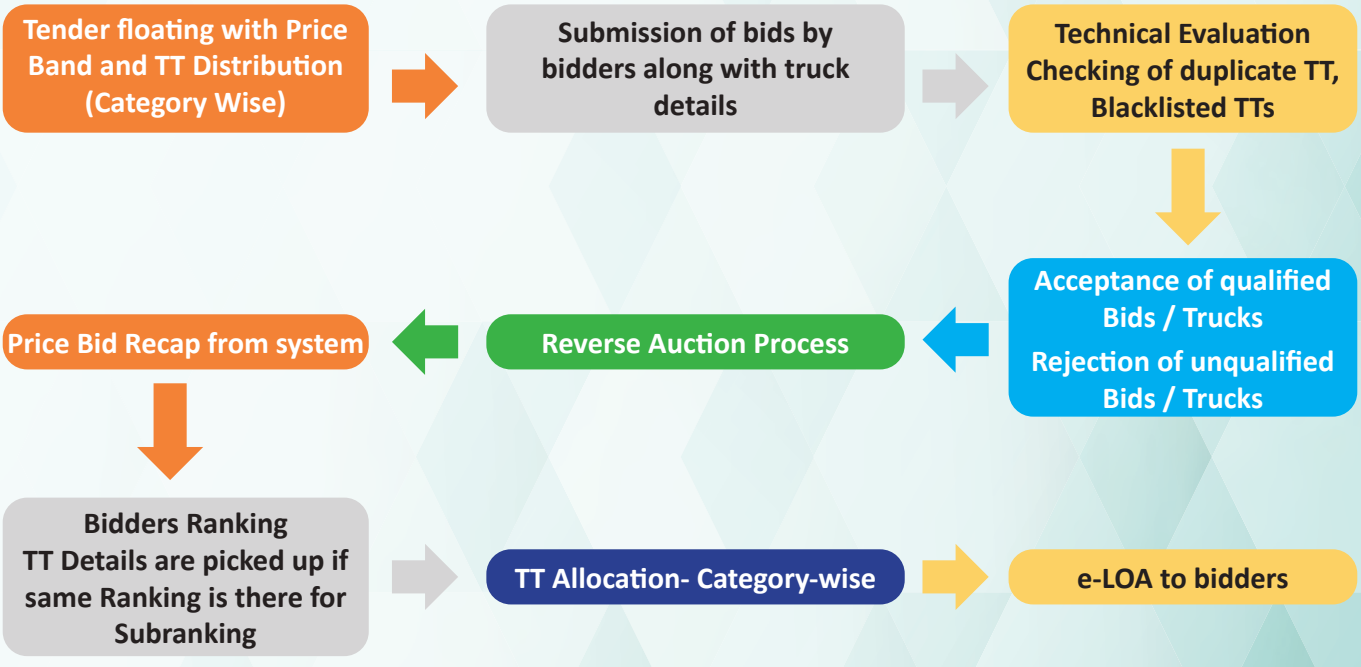
**Siddharth K Patel,** HPCL

Transportation Tenders (TT) for Bulk Petroleum Products are public tenders with values ranging from Rs. 10 Crores to more than Rs. 500 Crores. Since value of such tenders are high, pre qualification criteria for such tenders have higher limits, adversely affecting competition and pricing in the tendering process.

To address the above, Oil Marketing Companies arrived at uniform guidelines incorporating the best practices amongst the three Oil Marketing Companies in respect of petroleum transport, including floating a tender with a Price Band and preference to dealer transporters.

To enable transparent operation of new guidelines, HPCL has developed a new transportation module in Online Procurement Portal which has incorporated Price Band in Tenders and provision for improvised reverse auctions.

Process flow of the e-tender with the additional features of both, the Price Band and Improvised Reverse Auction (RA) is provided as under:



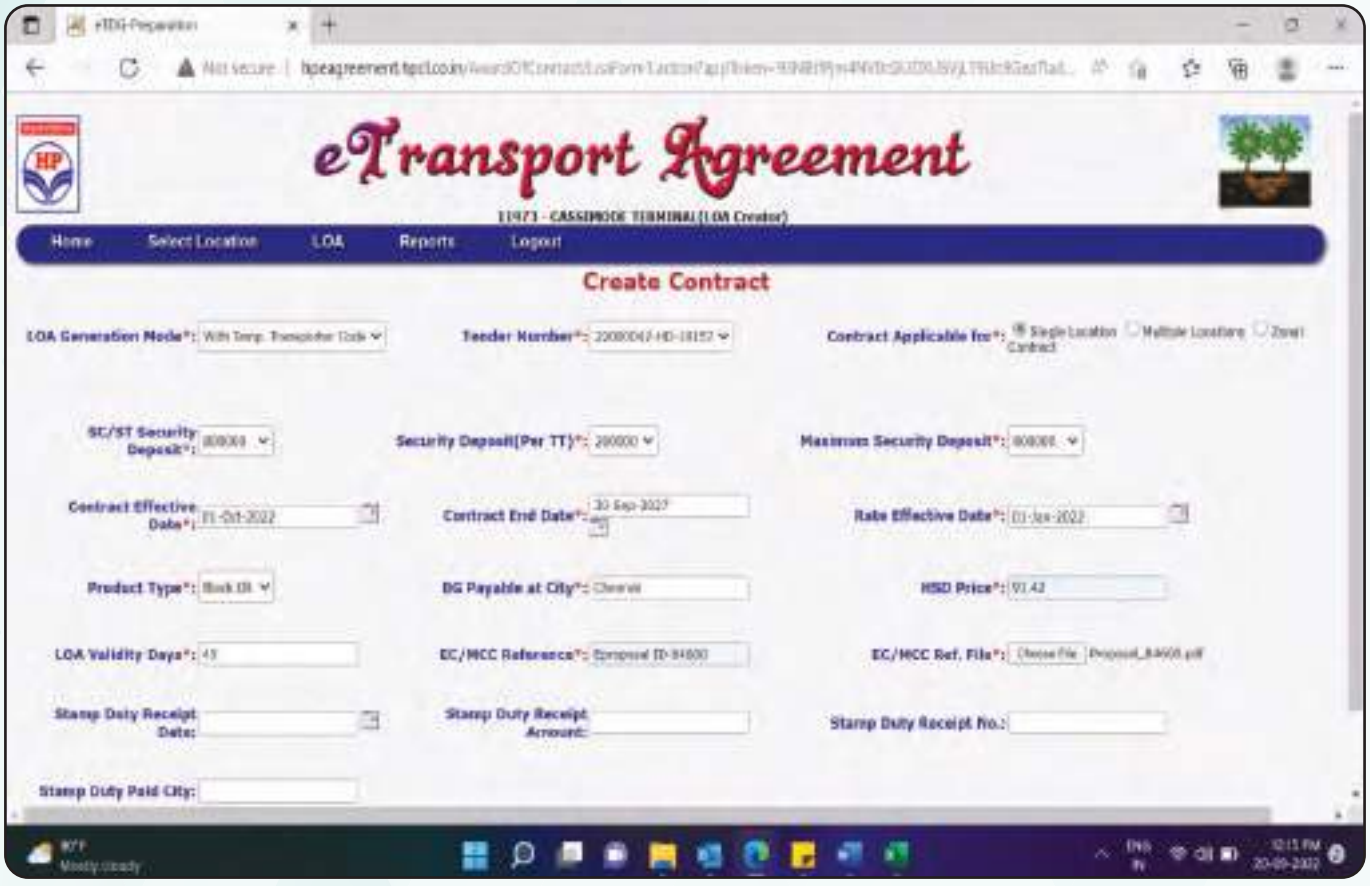

One of the major challenges in finalization of Transportation contract vis-à-vis regular contract is the requirement of multiple Transporters at the lowest quoted price point, as a single transporter cannot meet the complete requirement of trucks required for a Depot/Terminal location. A conventional Reverse Auction only allows for arriving at a single L1 vendor, as any vendor can only submit a reduced bid, vis-à-vis the current 'Leading Bid' during the process. Further, the competition gets skewed as the reverse auction would stop, as soon a single vendor touches the lowest of price band. The conventional options allowed other vendors to match the L1 price at the end of auction. But in those cases, HPCL would be still

required to physically negotiate with other vendors, if the total truck requirement is not met.

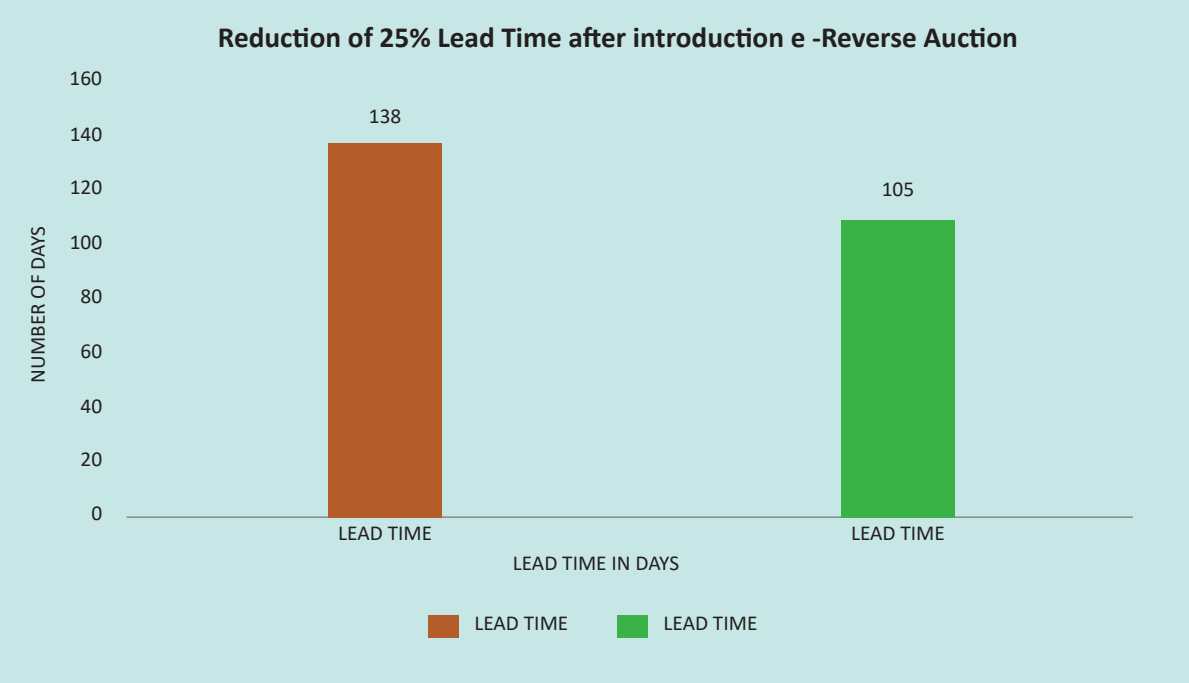
Improvised Reverse Auction rolled out by HPCL ensured that vendors can view their 'previous bid' value, as well as 'Leading Bid' and submit a bid lesser than Leading bid to get the 'L1' position. However, system also allows them to submit a bid which is lesser than their 'previous bid', but not necessarily below the 'Leading Bid'. Further once 'Leading Bid' has reached the 'lowest of band', it allows other vendors to submit a bid matching L1 Bid (Leading Bid).

This process has enabled HPCL to completely leverage the competition in a transparent manner, resulting in maximum vendors offering the L1 price or L2 price during the Reverse Auction process itself. As a result, the need for providing a second event, for matching L1 price or negotiating with vendor's, post Reverse Auction to reduce their price to the extent possible has been eliminated. A statistics of vendor ranking across multiple transportation tenders shows that 70% of vendors on average had submitted their bid at the lowest of band after Reverse Auction. This process has also reduced human interface in negotiations and has led to a substantial saving of time in contract finalization after the Reverse Auction has been completed.

After the Reverse Auction process, ranking of bidders is done as per the rates quoted and in case of same ranking, further sub-ranking is done as per the trucks offered. Further, e- Letter of Acceptance (LOA) is generated through the e-Proc system wherein the rates of individual transporters are picked up and the same is sent to the individual transporters through the online system itself. A sample screen shot of the portal through the online transport agreement is provided below.



An Analysis of Pre and Post Reverse Auction Data has shown that the adoption of the new improvised online RA system, on an average has resulted in reduction of almost 25% cycle time (vis-à-vis contract finalization post bidding), from requisition to contract finalization in transportation tenders in HPCL.




**Statistics considered for Packed LPG transportation tenders*

Additional features which included integrated payment to transporters, option of trip tracking etc., has made the system end to end digital compliant and has ushered in more transparency, efficiency, better participation and timely payment to transporters.

# ETHICAL DILEMMA IN PUBLIC PROCUREMENT - A PRAGMATIC APPROACH AT NMDC

**B. Vishwanath,** NMDC

## 1. INTRODUCTION

Conflict of interest is a principle derived from the 'Principle of Natural Justice,' which states that "no one should be the judge in his or her own case" (Nemo judex in causa sua). In contrast to the ethical and conduct guidelines, the term "conflict of interests" should be interpreted as "conflicts on prioritizing interests" by a public servant while performing duties. When the influence of secondary interest clouds an individual's impartial judgment or actions toward an official duty, this is referred to as a "conflict of interest."

In order to function, PSUs do many things, like hiring employees and managers, forming and fulfilling contracts with other businesses, and so on. Conflicts of interest are inevitable here, and it would be naive to think otherwise. Recognizing and learning to cope with conflicts of interest as they emerge is important. The ability to recognize and resolve 'conflict of interest problems, incorporate governance and maintain public trust appears feasible; yet, it is challenging to achieve in practice. It has become extremely challenging for policymakers and public servants to deal with and design various methods for maintaining conviction among government functionaries and demonstrating their integrity since the emergence of the "Public Private Partnership" in providing services to citizens of the country. An individual's conflicts of interest can be divided into eight distinct classes.

a) Actual conflict of interest:...occurs when there is a direct conflict between a staff member's duties and responsibilities and their personal interests, which influence how those duties are carried out.

b) Potential conflict of interest:...refers to any action, decision or recommendation by a Board member that could result in a pecuniary profit or detriment to self, relatives, or a business with which the Board member or relatives are affiliated, unless otherwise provided by law.

c) Perceived conflict of interest:...include situations where it could be perceived, or appear to a reasonable person, that a staff member's personal interests could improperly or unduly influence the performance of their duties and responsibilities

d) Conflict of duty: ...exists if you have two or more roles that have competing priorities.

e) Direct interests: ... an interest in an entity that is held directly, taking into consideration the potential dilution caused by the interests of others held in intermediary entities.

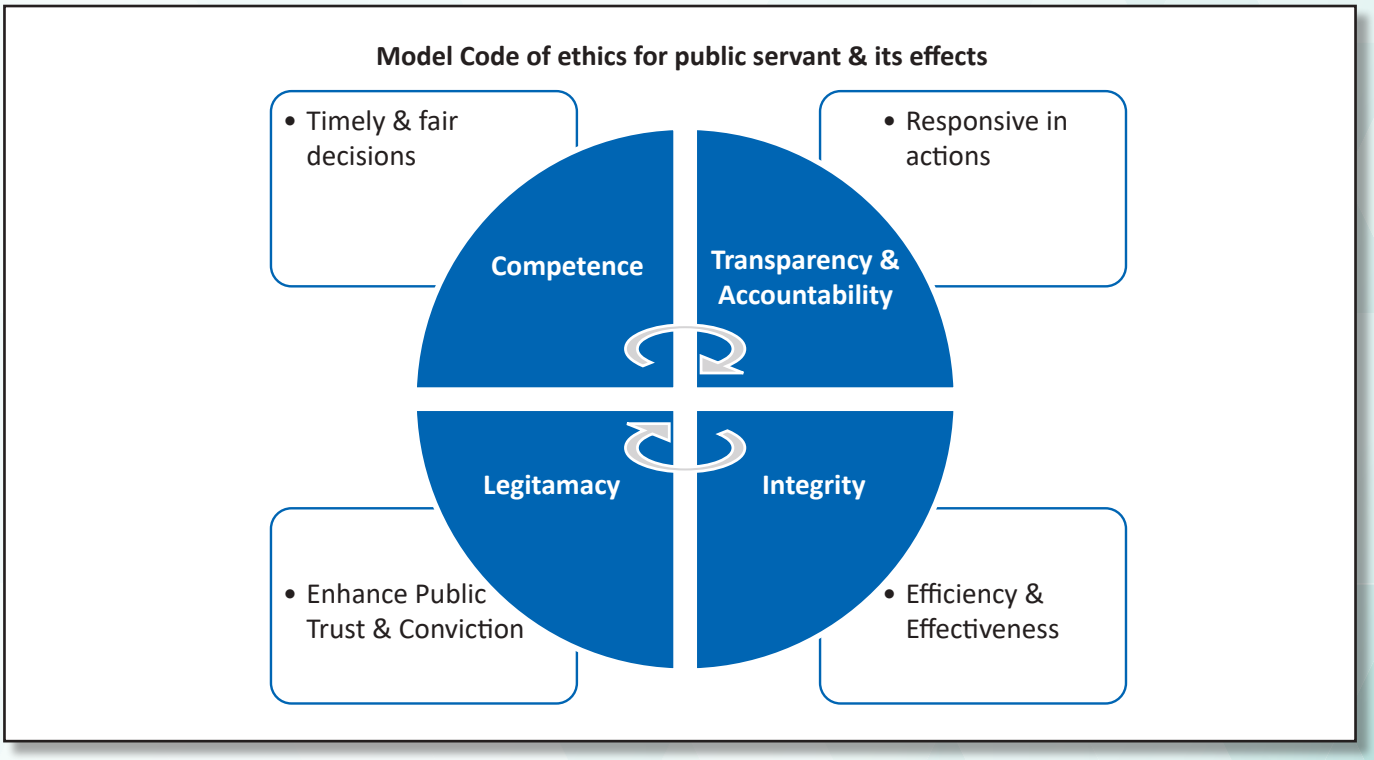
f) Indirect interests: ... an indirect interest held through interests in one or more intermediary entities connected to the entity in question via a chain of ownership.

g) Financial interests ..... monetary reward for a service rendered, monetary Gain for commercial dealings or ownership of shares with profit potential.

h) Non-financial interests:…interest of an individual (or his or her immediate family)in the design, conduct, or reporting of human subject research that is not financial in nature.

A 'conflict of interests' can be resolved by paying close attention to two factors: first, the public servant who is authorized to make decisions, and second, the established procedures/systems used to make such decisions. Certain regulations and directives, such as Section 44 of the Lokpal & Lokayukt as

Act, 2013, Rule 10 of the CCS (Pension) Rules, 1972, Rule 175 of the General Financial Rules, 2017, are already in place. These rules are meant to prevent the public servant from prioritizing his or her private interests over those of the public at large. The most fundamental level of the code of ethics that applies to the subject of "Conflict of interest" for public employees is illustrated by the diagram below:




## 2. PRACTICES FOLLOWED IN NMDC

a. In order to reduce conflicts of interest, the following conditions/clauses are being included in the bidding documents:

- Bidders (including all the members of their consortium) who are associated for this Tender with Consultant or any of its associates that have been engaged by the employer to provide Consultancy Services for the preparation of design Specifications &other documents to be used for procurement of the Facilities to be purchased and installed under this Invitation are ineligible to bid for this tender.
- Bidder (including all the members of their consortium) shall not directly or indirectly, take any service or assistance from the above referred Consultant for the above work, if he becomes a successful Bidder.
- The Employer's Consultant (s) for the Facilities shall not be eligible to submit their bid.
- Separate bid by a consortium member will not be accepted
- A party can be a member in only one consortium; bids submitted by such consortia, which include the same party as member and/or leader, will be rejected.
- Bidders are not allowed to form new consortium (consortia)with other Bidders participating in the tender.
- The composition or the constitution of the consortium, who have become eligible, may be permitted to alter (other than leader) only with the prior consent of the employer in writing.

- For the purpose of formation of consortium, a member shall be an independent and single legal entity as per laws of India or as per laws in the country of such member and should have its own independent financial accounting system as per laws of India or as per laws in the country of such member.
- Tenderer must declare whether the Proprietor or any Partner of the firm or Director of their Company as the case may be, has any relation with any employee working in NMDC.
- Qualification: The determination will take into account the Bidder's financial, technical and production capabilities, in particular its Contract, works in hand ,future commitments, current litigation, if any, and past performance. It will be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder during EOI/ tender stage, as well as such other information as the employer seems necessary and appropriate.
- Any effort by a Bidder to influence the employer in the employer's bid evaluation, bid comparison or Contract award decisions may result in rejection of the Bidder's bid.
- The employer reserves the right to accept or reject any First (Original) or Updated bid, and to annul the bidding process and reject all bids at any time prior to award of Contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of grounds for the employer's such action.
- If at any point of time, it was found by the employer that the Bidder has furnished false information; the employer may reject the bid.
- Undertaking: We undertake that *I/we are not associated, nor has been associated in the past, directly or indirectly, with the Consultant or any other entity that has prepared the design, specifications and other documents for the subject tender.
- **Banning Ground**

(i) The Agency employs an employee who was dismissed removed byNMDC for an offence involving corruption or abetment of such an offence.

(ii) The Agency restored to corrupt or fraudulent practices that may include misrepresentation of facts and/or fudging / forging/tampering of documents

b. Key personnel designated by management regularly submit the declaration for share purchase as per SEBI guidelines.

c. Policy of indicating gifts & other forms of benefits/gifts perceived by the officials incorporated in NMDC CDA rules. Also, Gifts are categorized as acceptable & unacceptable gifts from the persons having official dealings.

- **Undertaking**

  We hereby declare that we, M/s ---------- , including any subcontractors or suppliers for any part of the Contract, do not have any conflict of interest which will call into question our participation in the procurement process and award of contract.

  The documents furnished by the Bidder for the above clauses are scrutinized thoroughly by tender committees. In addition to the above, further system, improvement is suggested that the tender committee members invariably provide a declaration inline with the CVC circular

- **Integrity pact**

  In NMDC, for all the tenders above 1 crore, clauses pertaining to the submission of the Integrity pact by the bidders are incorporated. Moreover, list of IEMs along with the address is provided in the

tender documents. In case of any complaints about the tenders, parties can reach out to the IEMs to resolve and address issues under the rules. Integrity Pact broadly consists of provisions for the following:

- Principal's assurance that they won't try to get an unfair advantage.
- Bidders' assurance that they will not provide the Principal's employee any benefits.
- Bidders are expected to keep all information confidential.
- No bidder may reach an understanding with any other bidder regarding prices or other terms of the bid.
- Bidders must be transparent about any fees they plan to pay to intermediaries.
- Any foreign bidders interested in bidding in India must reveal their India representative's name and contact information. Interested Indian parties must disclose any international partners they are working with.
- The pact would be in effect for a given contract from the time of bid invitation until contract completion.
- Any breach would lead to immediate termination of services and prohibition on business together in the future.

## 3. SUGGESTIONS

Although there is no single way to handle conflicts of interest, the following ideas are suggested.

a) Availability of the policy and administrative procedure for approval of additional/ancillary work, appointment in the client's company after retirement, and identifying sensitive roles in the organization.

Redressal Mechanism, timely revision of CDA Rules, and manuals on works, services, and goods that comply with the guidelines set out by the Department of Expenditure.

b) Policy and administrative procedures for ensuring that inside information, particularly confidential information obtained while performing official duties, is kept secure and not misused by staff.

c) Contracts should have clauses that, forbid consultants from bidding, exclude officers from the ODI and officials on the agreed-upon list from the tendering process, implement integrity pacts, and forbid selective communication with parties.

d) Periodic reviews of proven management actions/decisions such as policy formulation and purchases having vested interest; and withdrawal of such actions to minimize potential risks.

e) To foresee, acknowledge, and prevent potential conflicts in evolving conflict situations, such as pre-employment applicant screening, associated public such as family, community, including religious or ethnic communities with public officials, affecting the interests of public servants, which should be expected.

f) Making rules and regulations and periodically changing them to fit the environment. Additionally, disseminating corporate policies and practices as well as giving counsel to public officials

## 4. CONCLUSION

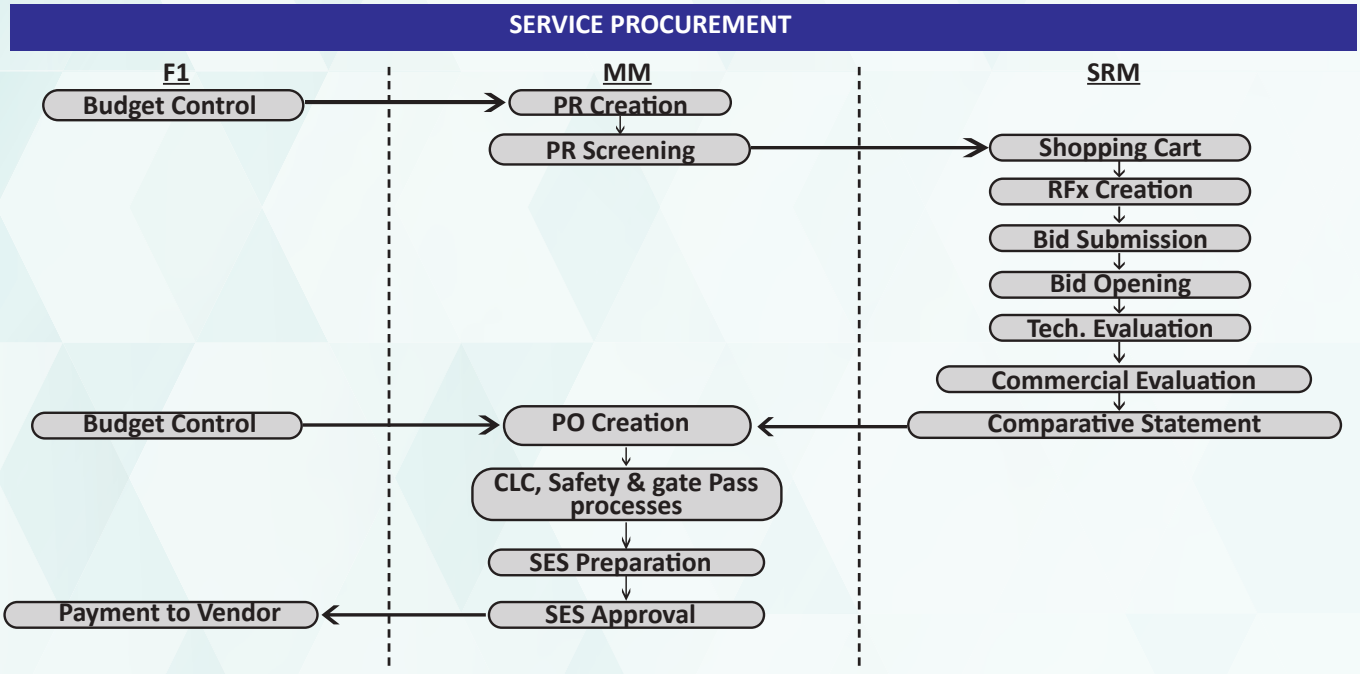
Organizations must effectively manage conflicts of interest; they cannot simply be wished away. The first step along this path would be to make sure the Contract itself has enough clauses. We must remember, however, that a contract's clause is only as good as the parties' commitment to actually upholding it'. Given this, the organization must also keep a close watch on whether or not its associates and employees are upholding their contractual commitments and internal procedures. Additionally, the group must ensure that it has access to sufficient remedies in the event of any non-compliance.

# BEST PRACTICES IN: CONTRACT MANAGEMENT IN BOKARO STEEL PLANT

**Sangita Sinha & Lalit Mohan,** SAIL/Bokaro

Contract management is not just finalizing a contract but includes all processes related to managing contracts. Contract Management includes creation and execution to maximize operational and financial performance while reducing financial risk. Large organizations, specially integrated steel plants, create a bigger challenge owing to the behemoth size of operations and multitude of contracts involving thousands of contract labour. The Contract Management Life Cycle includes the Requirement Generation, Contracting Process, Execution & Payment and Closure of Contract. The Contract Management Process and safeguards, an integral part of above activities, specific to SAIL/Bokaro Steel Plant - where systems were implemented with a closed loop approach - is explained hereafter where each of the 4 activities is explained in different chapters. The entire system is online with checks and balances to protect the interests and prevent errors / mistakes by all involved parties to the contract - Buyer Organization, Contractor and Contract Worker.

**The Contracts Management Life Cycle**




## CHAPTER 1 : DEMAND GENERATION

At SAIL/Bokaro Steel Plant the first step commences with creation and approval of Proposal which requires inclusion of requirement in Annual Approved Plan (AAP) and fund availability.

- **ANNUAL APPROVED PLAN –** Request for inclusion is generated online by Department and approved by Head of Department (HoD). After due verification by Cost Control Section and approval of Head of Works, AAP code is generated on system.

**AAP Module in ERP**


- **PURCHASE REQUISITION CREATION -** Purchase requisition is created by authorized persons of the department for which prerequisites are AAP code, Activity code and Service Group for respective Job, Basis of Estimate (in Standardized format) and Fund availability in Department Fund Centre.
- **MULTI LEVEL SCREENING** by HoD of Planning Agency, Contracting Agency and Finance is done to assess need and quantum of service.

## CHAPTER 2 : E-TENDERING ON SRM PORTAL AND ORDER

**Step 1: Publishing of RFx (Bid Invitation):**

Approved PRs are available on SRM Portal to the contracting agency for creation of RFx which is published after due approval. The approved RFx PDF is automatically sent by email and SMS to vendor email & registered mobile as per data in Vendor Master

**Step 2: Response/BID SUBMISSION**

Online bids are being submitted by the bidders through their SRM log-in up to the submission deadline of a particular tender/RFx. Control Checks at the time of e-bid submission are:

✓ Technical/Item mandatory fields: Technical Comments, Delivery days/Completion Period

✓ Commercial/Price Mandatory fields: Tax Code, Payment terms.

✓ Offer validity Date must be more than that required for the RFx.

✓ Price Bid as percentage Upward / Downward / At Par with respect to estimated cost of job.

**Use of cFolder for document exchange related to Bid:**

SRM Collaboration Folder (cFolder) is an electronic medium for document exchange between the Contracting Agency, Contractor & Technical Evaluators during tender finalization. cFolders are used for :

**Part-1: Pre Bid Folder -** To upload any documents related to Pre-Bid Meeting and related clarifications.

**Part-2: Tech Bid Folder -** Techno-Commercial Documents of Response/Bid and for clarifications on submitted offers

**Part-3: Tech Evaluation Folder –** To upload documents of techno-commercial evaluation

**Step 3: Techno-Commercial Bid Opening & Evaluation**

Submitted e-bids can be opened only after bid opening deadline by the dealing officer. System checks are in place for availability of X+2 offers to ensure Competition. The evaluation results are recorded online and price bids of only the techno-commercially acceptable vendors is opened

**Step 4 : Service Order Creation - Order award to L1 bidder by Contracting Agency.**

Service Order can be created with reference to PR only. Data fields like CLC requirement, Engineer I/C (person ensuring execution and measurement of work done), Service Location, etc. are populated automatically from PR. No extra activity can be added in Service Order other than PR activity and ordered quantity cannot be more than PR quantity.

## CHAPTER 3 : EXECUTION & PAYMENT

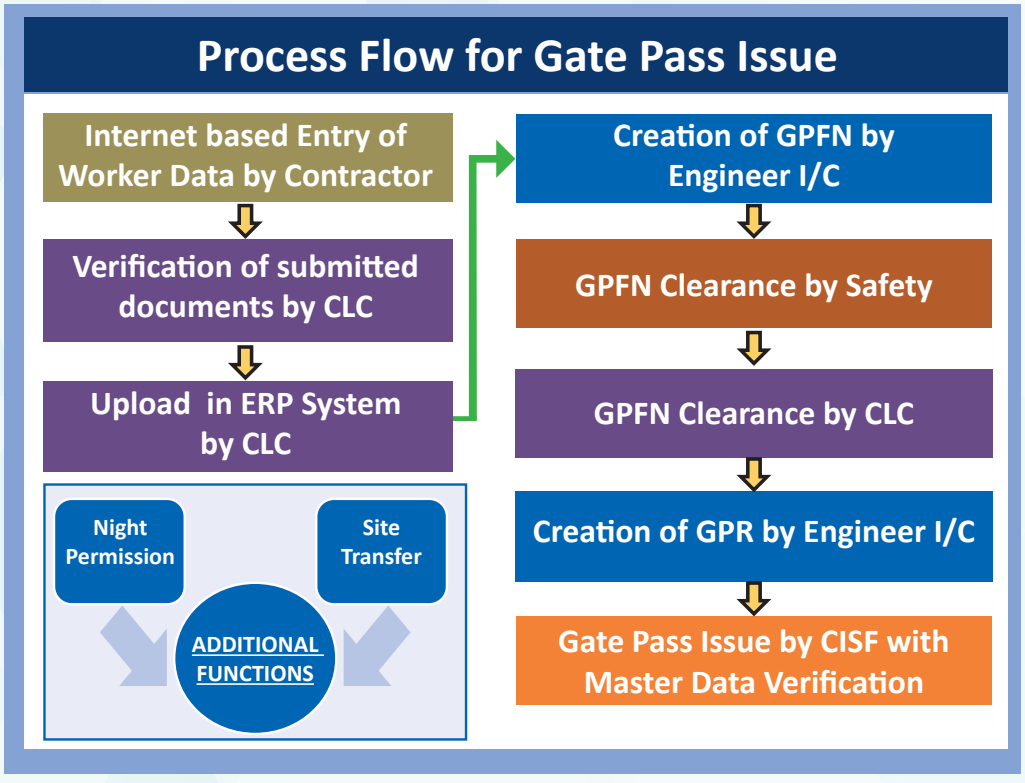
Prior to start of work gate passes for Contract Labour who are allowed inside Plant based on requests from Contractor, acceptance by Engineer-in-Charge, clearance by Safety after Safety Training and issue of the Gate Passes by Central Industrial Security Force (CISF) is ensured. Work commences only after Work Site Safety Training. The Monthly Wage Disbursement is recorded online and validated by Personnel executive. All payments to Contractor are verified for statutory compliance by CLC before sending to Finance.

a) **Worker Master details Entry by Contractors :** Online internet based Portal is provided to Contractors for entry of workers' details, uniquely identified by IP (ESI) Number. The worker details are automatically transferred to SAP. Various checks are incorporated in the System to prevent duplicate entry of worker.

b) **Contract Labour Management System (CLMS) in ERP:** Since steel plants are secure zones the worker details are verified and approved by Contract labour Cell (CLC) after which Gate Pass process can start.

c) **Gate Pass Generation Process:** The process flow showing the steps is highlighted hereunder. Though only the gate pass system of workmen is shown here the gate passes and entry / exit recording of vehicles in relation to contracts is also implemented.

d) After commencement of Work it is necessary to comply with statutory provisions for worker payment which is ensured by online systems.



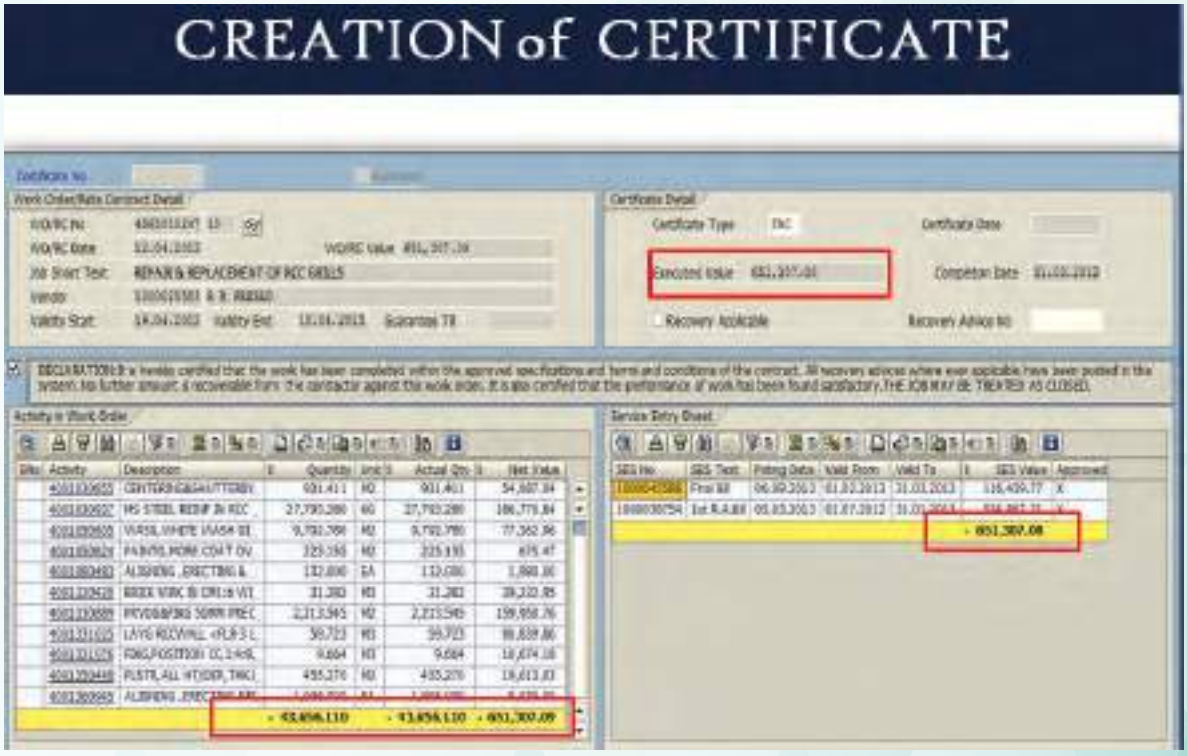
## CHAPTER 4 : CLOSURE OF CONTRACT

The closure of contracts is an important activity since the proper settlement of issues / dues must be ensured against each contract. Before issue of Completion Certificate for the contract the following must be ensured:

- ✓ Liquidation of balance quantities in the order. No pending quantities should remain.
- ✓ Cancellation of all gate passes issued to Contract Labour against the contract.
- ✓ Payment for all liabilities by Contractor towards workers and thereafter by Buyer to Contractor.
- ✓ No Dues certificate by both parties.

On completion of the above the Work Completion Certificate can be issued on the online system. The printed copy is handed over to the contractor for use in tenders. Once CC is issued order cannot be amended.

After expiry of guarantee period the Performance Certificate is provided to the Contractor where the system checks that period of guarantee has been achieved. Any security deposit of Bank Guarantee is returned based on the certificate.




## CONCLUSION

Building a robust system that prevent errors, helps ensure statutory compliances, safeguards interest of all involved persons/entities (Buyer, Contractor, Worker) and provides data for subsequent analytics and improvement initiatives is the goal of any organization and the closed loop approach of SAIL/Bokaro Steel Plant is a step in achieving this goal of contract management.

# RISKS AND MITIGATION MEASURES IN PUBLIC PROCUREMENT

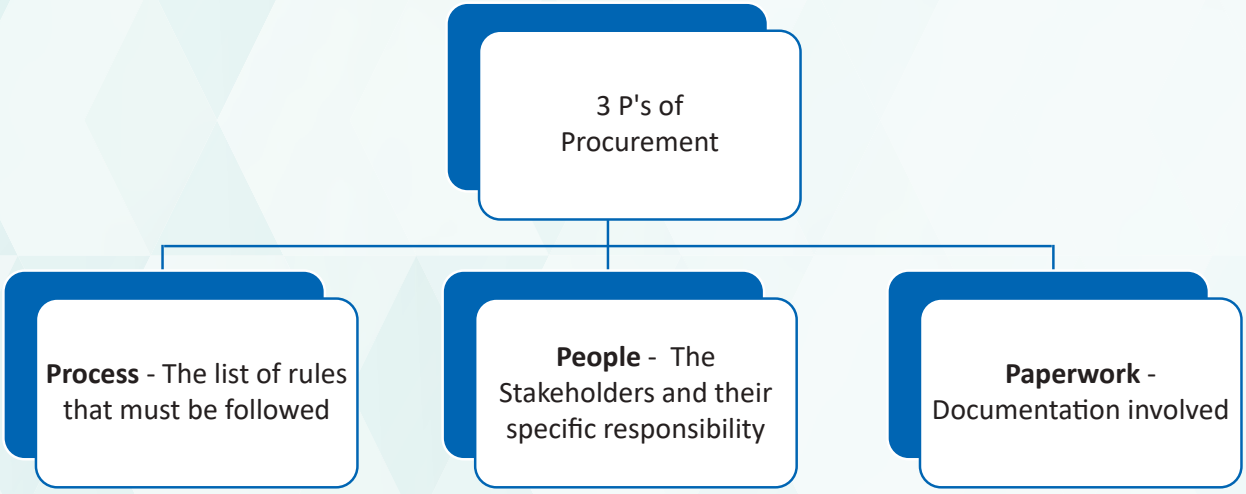
**Anupam,** PNB

## INTRODUCTION TO PUBLIC PROCUREMENT

Public Procurement refers to the process by which government/ government-owned enterprises purchase goods and services and execute works. Since it involves utilising public money, procuring entities must follow strict procedures to ensure that the process is fair, transparent and effective on the one hand and minimises mis-utilization of public resources on the other hand. In view of the thrust given by government to Make in India and the relaxations & reservations in public procurement for start-ups and Micro and Small Enterprises (MSEs);public procurement can also present useful first opportunities for start-ups, MSMEs and other private companies that have not yet gained recognition.

Public procurement accounts for around 20%-22% of the GDP in India. In August 2022 approximately 1.33 Lakh tenders of Rs. 3.42 Lakh Crore were floated on Central Public Procurement Portal itself. The public procurement process in India is quite complex as the Union and State governments, Statutory Bodies, Public Sector Undertakings, and the Local Governance entities have distinct requirements for providing public services and the country does not have a comprehensive Public Procurement Law for guiding the procurement activities.

Regardless of the uniqueness, every procurement management process consists of 3 Ps'




Role of procurement in a public sector organisation is to contribute to the achievement of the organization's goals through the acquisition of Goods, Works and Services while adhering to the values and principles of public procurement. As such, it is accountable to the leadership of the procuring entity as it ultimately affects the beneficiaries i.e. the citizens. It is within this context that risks need to be assessed and mitigated.

## WHAT ARE PROCUREMENT RISKS?

Procurement risks are best understood as opportunities for something to go wrong or not happen as planned. Risks viz. late deliveries, quality issues, difficulty in recruiting qualified staff, negative publicity, litigation costs, etc. are issues that can negatively affect organization's goals or objectives.

Public procurement is a high-risk sector and governments and public institutions must ensure that public officials do not allow their private interests to compromise their official responsibilities. In addition to the risks of integrity breaches, the following are also considered as risk inpublic procurement cycle:

## WHAT DOES RISK ASSESSMENT AND MITIGATION IN PROCUREMENT MEAN?

Risk assessment involves identifying potential risks, assessing their severity and assigning the relevant mitigating actions. For risk mitigation,it is important to understand "what we are up against"and it involves

- (1) Risks of inefficiency in planning, tendering, contract execution and payment;
- (2) Risks related to failures in the e-procurement systems;
- (3) Financial risks; and
- (4) Risk of potential damage to the reputation of the procuring authority.

closely monitoring and circumventing the risks. A clear and thought-out risk management strategy helps in saving cost and averting unwanted setbacks. Public procurement risks need to be actively managed from an early stage, particularly in cases of procurement for large and complex projects like public infrastructure. All procurement activities are prone to risks, and all procurement professionals must know the importance of managing these risks. In a procurement cycle, the age old saying of: "What you don't know can't hurt you." is not true at all; in fact, ignorance can lead to mis-managed expenses and un-mitigated risks.

## RISKS AND MITIGATION MEASURES IN PUBLIC PROCUREMENT

The major risks in public procurement and how organizations can mitigate them have been listed below:


### 1. IMPROPER NEED ASSESSMENT

**Risk:** If the assessment of product quality and quantity with respect to needs is improper, budgeting can be inadequate and time frames can be unrealistic.

**Mitigation:** Having a clear assessment of what you need, when you need it and who will deliver it at best price is important for success of any procurement organization. It is advisable to promote cost-benefit analysis of all options before procurement.

### 2. LACK OF AN ANNUAL PROCUREMENT PLAN TIED TO LONG-TERM STRATEGIC OBJECTIVES

**Risk:** Public institutions are often unaware of a consolidated view of their expenditure as purchasing responsibility is spread across many divisions.

**Mitigation:** Monitoring of expenses vis-a-vis centralised budget shall be done periodically and a common Procurement policy for the organisation as a whole must be adopted with a pre-assessed annual procurement plan.

### 3. RESTRICTIVE PROCUREMENT GUIDELINES AND ABSENCE OF PROCUREMENT LAWS AT CENTRAL LEVEL

**Risk:** Public sector is also constrained with absence of a dedicated procurement law at the Central level.The diverse procurement policies framed on the basis of available guidelines whilst ensuring openness for every bidder and being a fair and non-discriminatory practice in general; tend to disregard innovation and creative solutions.

**Mitigation:** There is a need for a Centralised Procurement Act and standardizing bid documents and policies formulating better supplier selection process and procurement strategy.

### 4. CONFLICT OF INTEREST

**Risk:** One major integrity risk in public procurement is conflict of interest.

**Mitigation:** Definition of conflicts of interest for public procurement officials in their organizational framework needs to be established and declarations by public officials as to whether or not they have a conflict of interest during a public procurement procedure to uphold integrity needs to be promoted.

### 5. LACK OF SKILLED PROCUREMENT OFFICIALS

**Risk:** Public Procurement activities require specialized professional skills and competency. The officials need to be more acquainted with the procurement management, rules and regulations, legal issues and contract management issues. They also need more exposure to formulate procurement norms and practices.

**Mitigation:** This requires training of specialised procurement personnel in an institution for better assessment of needs and effective execution of procurement cycle.

### 6. POOR VENDOR SELECTION PROCESS

**Risk:** Any ambiguity in the supplier selection process leads to supply disruptions, poor vendor performance, and procurement inefficiencies.

**Mitigation:** Inadequate vendor selection processes and choosing the cheapest available option may be substituted by choosing a value for money option basis a well-defined and per-meditated techno commercial evaluation and Robust vendor selection strategy.

### 7. POOR CONTRACT MANAGEMENT STANDARDS

**RISK:** Poor contract management standards are also a reason for cost implications and delays in project completion.

**Mitigation:** Adopting centralised and standardised agreements, setting up sensible milestones,Key Performance Indicators for measuring supplier performance and enabling/ adopting automated communications will mitigate risks. Inclusion of post tendering aspects including project monitoring tools, and time-bound contract payment should be incorporated to make tender less prone to disputes.

### 8. DELAYS IN ACTIVITIES IN PROCUREMENT CYCLE

**Risk:** Manual processes may lead to unnecessary delays, increased risk of manipulation and decreased transparency. A lack of real-time reporting makes it easy to miss the signs of an approaching calamity.

**Mitigation:** By automating processes with an e-procurement platform, procurement functions can benefit from real-time reporting and data tracking providing greater transparency. The introduction of e-procurement has managed to reduce the procurement cycle especially in the stages of publication,

submission, opening, and evaluation of bids. However, the procurement process is often delayed during need assessment and due to improper execution. Unavailability of sufficient procurement professionals and non-realization of the required information are responsible for this delay. Training of procurement professionals in tools like Microsoft Projects and Primavera for identifying impact of an activity on project as a whole shall be promoted to effectively combat delays.

### 9. ABSENCE OF AN INDEPENDENT GRIEVANCE REDRESSAL AND GUIDANCE MECHANISM

**Risk:** Our Country does not have an Independent Grievance Redressal Mechanism in the procurement system. The aggrieved bidders are allowed to file complaints with procuring entities, Arbitrators(Dispute Review Expert), and courts. This process often appears to be time-consuming and costly.

**Mitigation:** The grievance redressal mechanism should be strengthened to ensure that the complaints to be resolved are fast-tracked and not summarily dismissed. This will be a move towards elimination of mutual distrust and confidence building between vendor and procuring entity. It is also important to build a guidance mechanism for procuring agency to mitigate the challenges faced at different stages of procurement. This will further help in advancing projects long-stalled due to disputes.

### 10. LOW PARTICIPATION OF THE DOMESTIC MSEs

**Risk:** Despite the provisions in public procurement for Micro and Small Enterprises (MSEs), the participation of local MSEs in the public procurement activities remains low in India. MSEs do not take part in public procurement due to a perception that government procuring entities often delay in releasing the contract payments which affects their financial stability.

**Mitigation:** Timely payments, better training to human resources, better access to information & technology and easy availability of capital can be major game-changer in this regard. However, while providing reservations to MSEs, the quality in public procurement should not be compromised.

### 11. UNFAIR PRACTICES AND CORRUPTION

**Risk:** Given the size and the interests of the stakeholders, public procurement is vulnerable to unfair practices imposing high costs on both the government and the society. Contracting an entity "friendly" to the decision-maker, altering the outcome of the selection process by asking kick-backs from successful bidder; or successful bidder using unfair means/ access to alter decisions of procuring entitylead to low quality of public services which ultimately hamper the development process.

**Mitigation:** Each procuring authority will have to develop its own risk indicators as detecting corruption and fraud may vary depending on the procurement stage and nature. Procurement practitioners and other public officials may understand their duties and report irregularities through more training opportunities. This might help combat bias, fraud and corruption and enhance procurement practitioners' capacity to prevent and detect wrong-doing throughout the procurement cycle. Another effective means to detect and report fraud and corruption is through the establishment of appeal mechanisms whereby suppliers can issue a formal complaint to the competent procuring authority to report irregularities.

## CONCLUSION

Managing risks in public procurements requires transformation from being merely a cost-cutting process to a strategic process. In the present day, procurement isn't the same as it was a few years back. It now demands robust risk assessment and mitigation capabilities to ensure future success. Managing risks can help in efficient use of resources, enhanced service, improved vendor relationships and better innovation.

# VENDOR INVOICE MANAGEMENT SYSTEM (VIMS) IN ONGC

**Shishir Aggarwal,** ONGC

## INTRODUCTION

In its endeavour to bring in transparency and ease of use through use of digital technology, ONGC has rolled out VIMS on PAN ONGC basis w.e.f. 09.09.2021. VIMS or Vendor Invoice Management System is an end-to-end scan-to-post invoicing automation system. Its main feature is Optical Character Recognition (OCR), which reads and captures data from invoice automatically and submits them for further processing to desired location/concerned user in ONGC.

## BACKGROUND

Before implementing SAP-OT-VIMS, ONGC developed a custom solution in SAP, called "Invoice Monitoring System" (IMS) and with time it has evolved to acceptable level. However there were following shortcomings in the IMS system:

a) The invoices were required in physical form and were moved back and forth between departments for verification/approval. There was no workflow involved.

b) It was not possible to pin point with whom invoices were pending at any stage.

c) Digitisation of invoice and supporting document was missing.

## ABOUT VIMS

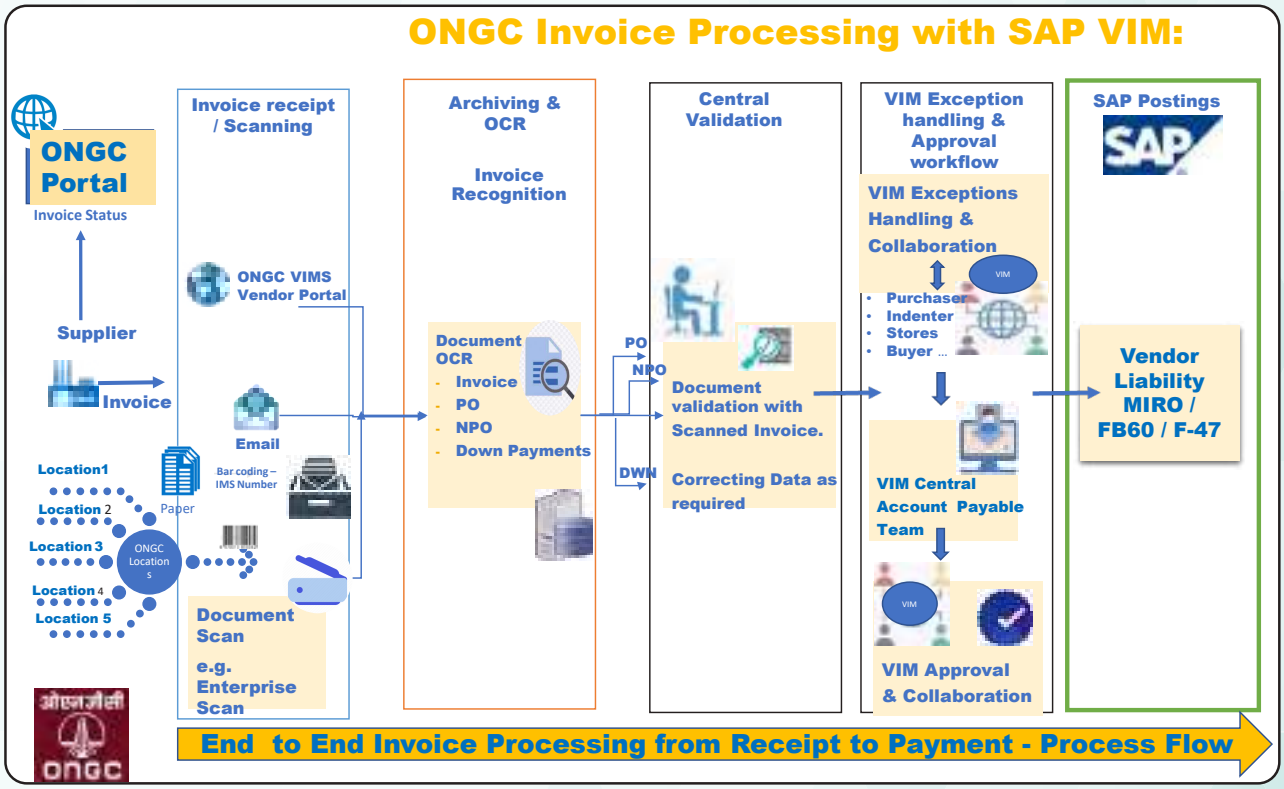
The system is based on SAP –Open Text solution delivered as new initiative under HANA implementation project. This system have built in work flow with complete digitisation and it is paperless. Work flow gets determined based on set of business rules applied sequentially so that back and forth movement of invoices are minimised for processing.

It is being implemented by SAP India and ONGC ICE Core team. Thousands of vendors and ONGC users have been trained using virtual meetings. Training videos have been recorded and made available to respective stake holders at common place for easy access. Lots of information dissemination have been done so that change management is smooth and acceptable to all stake holders.

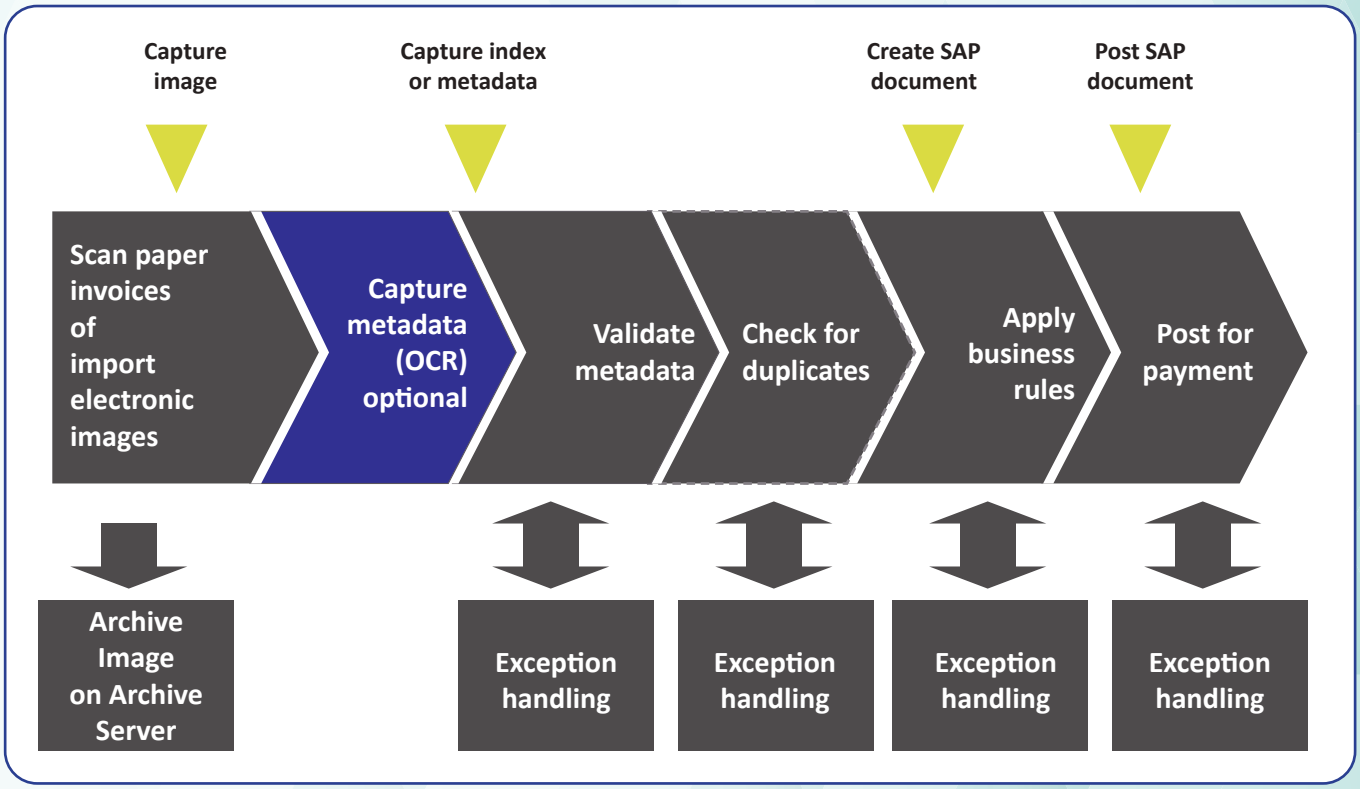
## SALIENT FEATURES OF VIMS

1. There are 3 input channels for invoices to ONGC's VIM system integrated with SAP. This process actually provides flexibility for vendors to submit invoices to ONGC with following difference options :
   - **a. VIMS Portal (https://vims.ongc.co.in/):** Vendors can submit the invoices & supporting documents at VIMS portal. This portal login is based on OTP sent to registered mobile & email of the vendor. This provide flexibility of time and place to vendors for submission of invoices. An acknowledgment mail is sent to vendor immediately on submission of invoice.
   - **b. EMAIL Channel:** A designated email ID of ONGC is provided to vendors for sending the invoices & supporting documents.
   - **c. Submission in Physical form at IMS Desk of ONGC for Scanning:** Vendors can submit the physical invoices & supporting documents at IMS help desk available at all work centers. The help desk at all locations shall be equipped with scanners to scan the invoices and ingest them into VIM system.

Schematic of the VIM system in ONGC




VIMS PROCESS OVERVIEW



2. ONGC is promoting all digital channels for invoice processing which is 100% transparent.
3. On ingestion of invoice, a REGID / DP Number (Document Processing Number) are being generated and being informed to the vendor for tracking purpose through registered E-mail ID against Vendor Code in ONGC Vendor Management System (VMS).
4. As soon as an invoices are ingested in VIM system (which is without any human intervention in first 2 channels), invoices are archived and sent to IC4S (Intelligent Capture for SAP). This solution captures the relevant data from invoice image automatically using OCR and machine learning techniques. IC4S in VIM system extracts the relevant data, such as vendor code, GSTIN, invoice date, invoice amount, tax details, PO number, etc.
5. A designated person will then validate the data ( known as Validator) if it has been correctly read and stored by IC4S system and then VIM process will start for payment.
6. Based on the data captured from invoice image, VIM system sends these invoices further processing as a VIM workflow. Typically in ONGC there are different departments who are supposed to take actions on invoices and these work flows are so designed that it reaches to correct person and in sequence of activity to be performed to avoid to and fro movement.
7. VIMS raises exceptions like GSTIN no. missing, PAN no. not updated, SES (work certification) not released at right place and time so that a linear progression is achieved in invoice handling.
8. In VIM, at any given point of time invoice will be under process with some concerned ONGC employee and will show in his VIMS inbox. The employee will be alerted and reminded automatically by the system to take actions on pending invoices. These alerts will further be sent to higher level of officers if there is pendency or delays.
9. Apart from operational efficiencies, VIMS provides analytics on productivity and efficiency which can be used for further streamline the process of payment.
10. As on date around 2,90,000 invoices have been received in VIM system and have become part of ONGC working. It has made payment processing paperless, 24x7 and most importantly transparent and convenient.

## ROLL-OUT PROCESS

ONGC rolled out VIM System at Mumbai on pilot basis w.e.f. 9thApril 2021. Further, the system was rolled out at Hazira, Goa and Delhi on 9thJuly 2021 and Chennai, Karaikal, Rajahmundary& Kakinada on 9thAug.2021. Subsequently, it has now been rolled out across all locations of ONGC.

## IMPACT AND BENEFITS

This system has greatly increased ease of use & transparency - both for vendors as well as ONGC. This implementation will pave the way for location agnostic processing of business operations. This will further provide opportunity for centralisation and sharing of resources and will help ONGC to shift resource pool to Shared Service concept.

Record keeping of accounting documents and its supporting document has always been a challenge and this digitisation process will eliminate physical copies in its entirety and fetching old data after years together will be just a click away. This software also connects all SAP metadata to invoice documents and audit trail and work process history is adequately maintained.

# DISPUTE RESOLUTION MECHANISM IN PUBLIC PROCUREMENT

**Sunil Kumar Singh,** IPPB

The Public Procurement Contracts in India are very huge in number, where occasionally certain differences and disputes arise. These differences may be due to different interpretations of the terms and conditions or breach of certain conditions of the contract by either of the parties. The final resort for resolution of any dispute is to approach the Judiciary. However, the Judiciary is already overburdened with a backlog of various court cases. The process adopted by the parties to resolve the disputes without the intervention of Judiciary is known as Alternative Dispute Resolution (ADR). The ADR methods are broadly categorized into Negotiation, Mediation, Conciliation and Arbitration, which have their own advantages and disadvantages.

**Pending cases in various courts:**

| Court | Civil | Criminal | Total | Civil cases more than one year old |
|---|---|---|---|---|
| High Courts | 42,88,943 | 16,62,975 | 59,51,918 | 36,46,893 (85.03% of total civil cases) |
| District and Taluka Courts | 1,07,48,628 | 3,09,76,192 | 4,17,24,820 | 80,08,622 (74.51% of total civil cases) |

*Source: www.njdg.ecourts.gov.in (as on 19.09.2022)*

1. **Negotiation:** It is a communication process between two disputing parties so as to reach an acceptable joint decision on the underlying dispute. Negotiation is successful only if parties have some common interests and are willing to maintain the relationship for future also. In negotiation each party achieves his interests and is also satisfied with the outcome. The focus in the negotiation process is to shift from position based approach to problem solving approach.
2. **Mediation:** It is termed as a guided or facilitated negotiation process. Mediation is defined as a structured and voluntary negotiation process where a neutral third party (Mediator) uses communication techniques so as to assist parties in resolving their disputes. The function of mediator is mainly facilitative and the actual negotiation is performed by parties themselves. Mediation focuses on the facts of a dispute, the current circumstances, and working out a practical solution to the dispute.

   The Mediation Bill, 2021 is under consideration of the Legislature. The Bill aims at making mediation as a sought-after mode of alternative dispute resolution in India. Its main objectives include the promotion, encouragement and facilitation of mediation, especially institutional mediation, enforcement of domestic and international mediation settlement agreements and making online mediation as an acceptable and cost-effective process. The Bill also envisages usage of the terms 'mediation' and 'conciliation' interchangeably.
3. **Conciliation:** Like mediation, the conciliation process is a voluntary, confidential, and structured process where the parties seek to reach an amicable dispute settlement with the assistance of the conciliator. In the Conciliation process, the appointed Conciliator plays a proactive role, but the parties

themselves decide the outcome.

The conciliation process is governed by Part-III (Section 61 to 81) of the Arbitration and Conciliation Act, 1996. As per Section 67 the role of Conciliator is mentioned in the Act as:

67(1) The conciliator shall assist the parties in an independent and impartial manner in their attempt to reach an amicable settlement of their dispute.

67(2) The conciliator shall be guided by principles of objectivity, fairness and justice, giving consideration to, among other things, the rights and obligations of the parties, the usages of the trade concerned and the circumstances surrounding the dispute, including any previous business practices between the parties.

67(3) The conciliator may conduct the conciliation proceedings in such a manner as he considers appropriate, taking into account the circumstances of the case, the wishes the parties may express, including any request by a party that the conciliator hear oral statements, and the need for a speedy settlement of the dispute.

67(4) The conciliator may, at any stage of the conciliation proceedings, make proposals for a settlement of the dispute. Such proposals need not be in writing and need not be accompanied by a statement of the reasons therefor.

The Section 74 of Arbitration and Conciliation Act, 1996 specifies that the settlement agreement arrived in a conciliation process, shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal. As per Mediation Bill, 2021 it is envisaged that the Part III of the Act covering conciliation is to be substituted, so that any reference to resolution of disputes through conciliation shall be construed to mean a reference to mediation under the proposed Mediation Act.

4. **Arbitration:** It is a quasi-judicial adjudicatory process where the arbitrator(s) are appointed by the parties or by the court. Party autonomy is key to the Arbitration process, where the parties themselves decide on the number, qualifications and process of appointment of arbitrators. The parties also decide on the place/juridical seat of arbitration. The Arbitration process is governed by the Arbitration and Conciliation Act, 1996 along with its amendments made in 2015, 2019 and 2021. Both Litigation and Arbitration are adversarial processes where a third party controls the outcome of dispute. The key differences between the litigation and arbitration process are:

| | Litigation | Arbitration |
|---|---|---|
| Process | The disputes are adjudicated by a Judge of the Court. | The disputes are adjudicated by an Arbitrator, who is appointed as per the terms of the contract. |
| Who can approach | There is full freedom with the parties to approach the court of law. | Either of the parties can seek arbitration, however a written arbitration agreement/ clause in the contract is required for initiation of arbitration. (Sec 7) |
| Rules and Procedure | There are strict procedures for the proceedings like applicability of Code of Civil Procedure, 1908 and Indian Evidence Act, 1872. | There are simpler procedures and no formal rules of evidence or procedure. (Sec 19) |

| | | |
|---|---|---|
| Adjudicator | Parties have no voice in selection of the adjudicator (Judge). | Arbitrator is generally appointed by the parties with consent. In case of failure, the parties can approach the High Court/Supreme Court for appointment of arbitrator(s). (Sec 11) |
| Expertise | Adjudicators are of legal background (Judge). | Arbitrator(s) can be selected on the basis of expertise/knowledge, as per nature of dispute. |
| Outcome | A judgment by the court, which is binding. | Award is made by the Arbitral Tribunal, the status of which is just like a decree of the court. (Sec 36) |
| Appeal | Appeal against decisions is possible. | Challenge of award i.e. application for setting aside the award is on very limited grounds. (Sec 34) |
| Costs | High Costs (Court fees, Lawyer's fees etc.) | Usually reduced costs (Arbitrator's fee, costs if determined by the Arbitrator). |
| Time | The resolution of the dispute is delayed as the Judiciary has a huge backlog of cases. | Quick Justice possible. As per Sec 29A the arbitrator has to give an award within 12 months from the date of completion of pleadings). |

5. As per Manual for Procurement of Goods, 2022 issued by Department of Expenditure on 1st July 2022 the Para 9.9 Dispute Resolution states that:

   i. There should not be any scope for dispute between the purchaser and supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to a disagreement between the purchaser and supplier. Therefore, the conditions governing the contract should contain suitable provisions for settlement of such disputes or differences binding on both parties.

   ii. The mode of settlement of such disputes/differences should be through arbitration. However, when a dispute/difference arises, both the purchaser and supplier should first try to resolve it amicably by mutual discussion, mediation, and conciliation.

   iii If the parties fail to resolve the dispute within 21 (twenty-one) days, then, depending on the position of the case, either the purchaser or supplier should give notice to the other party of its intention to commence arbitration. When the contract is with a domestic supplier, the applicable arbitration procedure shall be as per the Indian Arbitration and Conciliation Act, 1996 [Amended 2015 and 2021].

   iv. While processing a case for dispute resolution/litigation/arbitration, the procuring entity is to take legal advice, at appropriate stages.

6. Arbitration is the most adopted ADR method used in various Public Procurement Contracts. However, if the parties so desire, the method of Conciliation or Mediation, which offers a time bound and cost effective solution can be adopted. The CVC in its Circular dated 25.01.2022 on adoption and implementation of Integrity Pact has also suggested for resolution of dispute through Mediation before the panel of IEMs, for the disputes between management and contractor relating to those contracts where Integrity Pact is applicable.

# TECHNOLOGICAL INTERVENTIONS / EFFORTS IN IMPROVING TRANSPARENCY AND COMPETITION
# PROJECT: METHODOLOGY FOR LOW VALUE PROCUREMENT BY BEL

**Manu Rastogi & Shabbeer Ahmed A,** BEL

## A. BRIEF INTRODUCTION AND DESCRIPTION OF THE MEASURE/INITIATIVE

The Procurement process is critical for managing the increased business activity. Improving the transparency, efficiency and productivity of procurement process is very essential in meeting the business targets. To meet this business challenge, it is pertinent to revisit the procurement process for improving the efficiency and effectiveness. Simplification & automation of the procurement process can play a key role in meeting the business requirements and ease of business.

An analysis of the procurement process was done on various aspects such as volume, cost, and effort involved. It was observed that, low value procurements such as components cover a major percentage of total procurements by number. As the procurement process is same for all types of procurements irrespective of value, quantity, new or existing items, there was a need to simplify and automate the procurement process for low value items. Following initiatives were taken to simplify and automate the low value procurement process:

- A committee was formed to suggest the separate purchase procedure for Low Value procurement (LVP)
- Based on Committee recommendations, management approval was taken for separate purchase procedure for LVP
- Configuration and development of LVP process is done in SAP ERP system.
- Implementation of LVP process completed for all SBUs/Units

It was undertaken Nov'2020 & completed by Sep'.2021. Initially pilot run was done for two SBUs for one month. Later,it has been implemented across all the units/SBUs of BEL.

## B. BACKGROUND

The purchase process is driven by BEL ERP system (SAP) and is governed by purchase procedure.Purchase requisition is the input for purchase process comprising of following steps:

1) Generation of source list
2) Consolidation of Purchase Requisitions (PRs)& RFQ creation
3) Bid creation
4) Bid publishing & opening
5) Comparative Statement
6) PO creation
7) FLM File approval
8) PO Release & Dispatch PO

The above steps were done sequentially and repeatedly for large volume of PRs of Low value items as these PRs are received at different time interval.

In the new system, steps1 to 3 & 5 to 6 are replaced by automatic process and step 7 is merged with prior approval of sale order taken to initiate procurement activity.

In order to handle the below mentioned process challenges/Issues a new process of procurement is developed.

- Cycle time from PR to PO is same for low value items as of high value item since process is same for all type of procurement.
- Effort required is high because of high volume of PRs.
- High logistic cost of low value imported POs
- Manual consolidation of huge volume of PRs is always a cumbersome & time taking which is addressed by system consolidation.
- Possible human error due to manual comparative is eliminated.

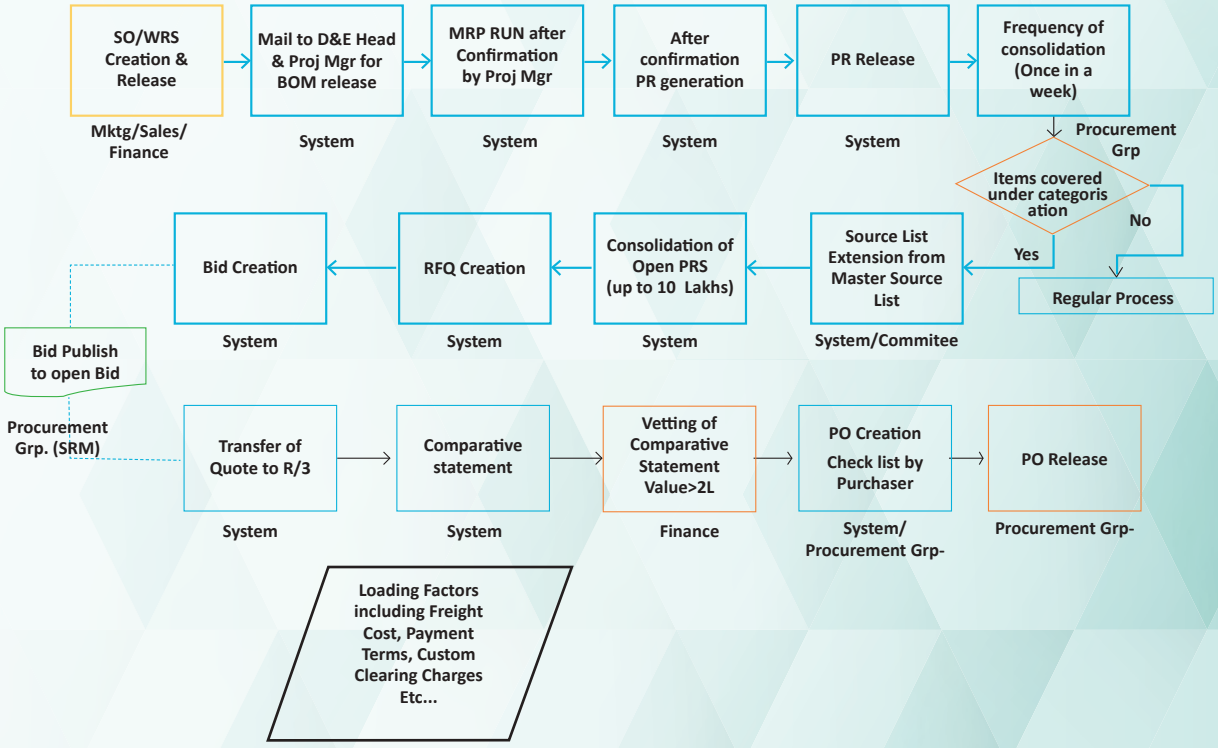
## C. IMPLEMENTATION

Existing SAP ERP platform is used to develop the new process by a team of 4 members to roll out the new process. Training was given to all purchase officers of SBUs/Units

This process is developed in house with required customisation by information system team BEL Bangalore complex.

It was first implemented in 2 SBUs as pilot run for one month. After successful pilot run full scale implementation was carried out across all the units/SBUs of BEL.

### Process Flow



## D. IMPACT AND BENEFITS

Impact on other functions like man-hour reduction, reduction in operation costs etc., is being achieved. The following are observed benefits.

- Reduction in cycle time of low value procurement –Around 40-50% reduction in the cycle time.
- Reduction in cost of order processing
- Regular Purchase executives not required to devote much time for Low value procurement
- Manual steps are replaced by automated process
- Better price advantage, as consolidation of requirement happens automatically
- Due to the fixed delivery terms, tender submission process is also simplified and improved participation from vendors.

Existing procurement process is re-engineered to handle low value parts against a predefined source list. No manual intervention is involved. Where as in the normal tender process, PRs and vendors are manually selected which was eliminated completely.

As the process is automated Main purpose of the process is to consolidate low value parts, this results in better buying rates and hence risk of frequent ordering if same parts is avoided. This also helps in better inventory control.

As payment term, warranty and INCO terms are fixed, Price Negotiation Committee efforts are reduced to only price negotiation.

Strategic procurement efforts can be put for high value parts, as low value procurements will be handled by system itself. Improved cycle time, reduced human efforts, better inventory control are some of the long term benefits.

## E. POTENTIAL FOR REPLICABILITY

Process is exclusive for components with low value based on previous pattern of data, so within procurement process itself, the method can be extended to other categories also.

# FORENSIC ACCOUNTING & FRAUD EXAMINATION: FEW BASIC CONCEPTS

**Supartha Sen,** MIDHANI

## FORENSIC ACCOUNTING

Forensic Accounting has been defined as "accounting analysis that can uncover possible fraud, that is suitable for presentation in Court. Such analysis will form the basis for discussion, debate and dispute resolution".

It is also termed as 'Investigative accounting' that involves application of accounting concepts and techniques to legal problems.

## CATEGORIES

**Forensic accounting can be broadly sub divided into three categories, namely:**

**(1) The Expert witness:** Preparation of formal reports for filing in Court and giving evidence as an Expert.

**(2) Litigation Consultancy:** Working with lawyers and their clients engaged in litigation and assisting with evidence, strategy and case preparation. For example, the forensic accountant may be asked to assign an estimated value for damages sustained by parties involved in legal disputes.

**(3) Fraud Detection:** It involves process to determine whether criminal matters, such as employee theft, falsification of financial statements, etc, whether any kind of theft or fraud have occurred. In Court, the forensic accountant can be an expert witness, a consultant, or play other roles such as trier of fact, special master, court-appointed expert, referee, arbitrator, or mediator.

## HOW ROLE OF FORENSIC ACCOUNTANT DIFFERS FROM EXTERNAL FINANCIAL AUDITORS

External Financial auditors find out the deliberate misstatements only but the Forensic Accountants find out the misstatements deliberately. External auditors look at the numbers and the standards, but the Forensic auditors look beyond numbers and standards.

## GENERAL NATURE OF FORENSIC ACCOUNTANCY WORK

Forensic accountant takes a more proactive, professional skeptical approach in examining books of Accounting; show less concerns for arithmetical accuracy and nothing to do with Accounting Standards but are keen in exposing any possibility of fraud.

## TECHNIQUES IN FORENSIC ACCOUNTING

The conventional accounting and auditing with the help of different accounting tools like ratio technique, cash-flow technique, a standard statistical tool examination of evidences are all part of forensic accounting.

A forensic accountant is often retained to (a) analyse, (b) interpret, (c) summarise and (d) present complex financial and business in a manner, which is both understandable and properly supported with the help of various computer audit software applications and other techniques. Some of the techniques in forensic accounting are:

1. **Benford's law:** It is a mathematical tool and is one of the various ways to determine whether variable under study is a case of unintentional errors (mistakes) or fraud. The variable under scrutiny is

subjected to detailed scrutiny through a test called 'Z' test and it indicates as the percentage, i.e. whether there is 68% chance of 'no error' or 'incidence of fraud'.

2. **Theory of relative size factor:** It highlights all unusual fluctuations, which may be routed from fraud to genuine errors. RSF is measured as the ratio of largest number to the second largest number of the given set. In this method, the records that fall outside the prescribed range are suspected of errors or fraud.
3. **Computer Assisted Auditing Tools(CAATs):** These tools help auditor to perform various auditing procedures such as :
   a) Testing details of transactions and balances
   b) Identifying inconsistencies of significant fluctuations
   c) Testing general as well as application control of computer systems
   d) Sampling programs to extract data for audit testing, and
   e) Re-doing calculations performed by accounting systems
4. **Data mining techniques:** It is a set of computer techniques designed to automatically mine large volume of data for new, hidden or unexpected information or patterns.
5. **Ratio analysis:** Another useful fraud detection technique is the calculation of data analysis ratios. These are:
   (a) The ratio of the highest value to the lowest value
   (b) The ratio of the highest value to the second highest value, and
   (c) The ratio of the current year to the previous year

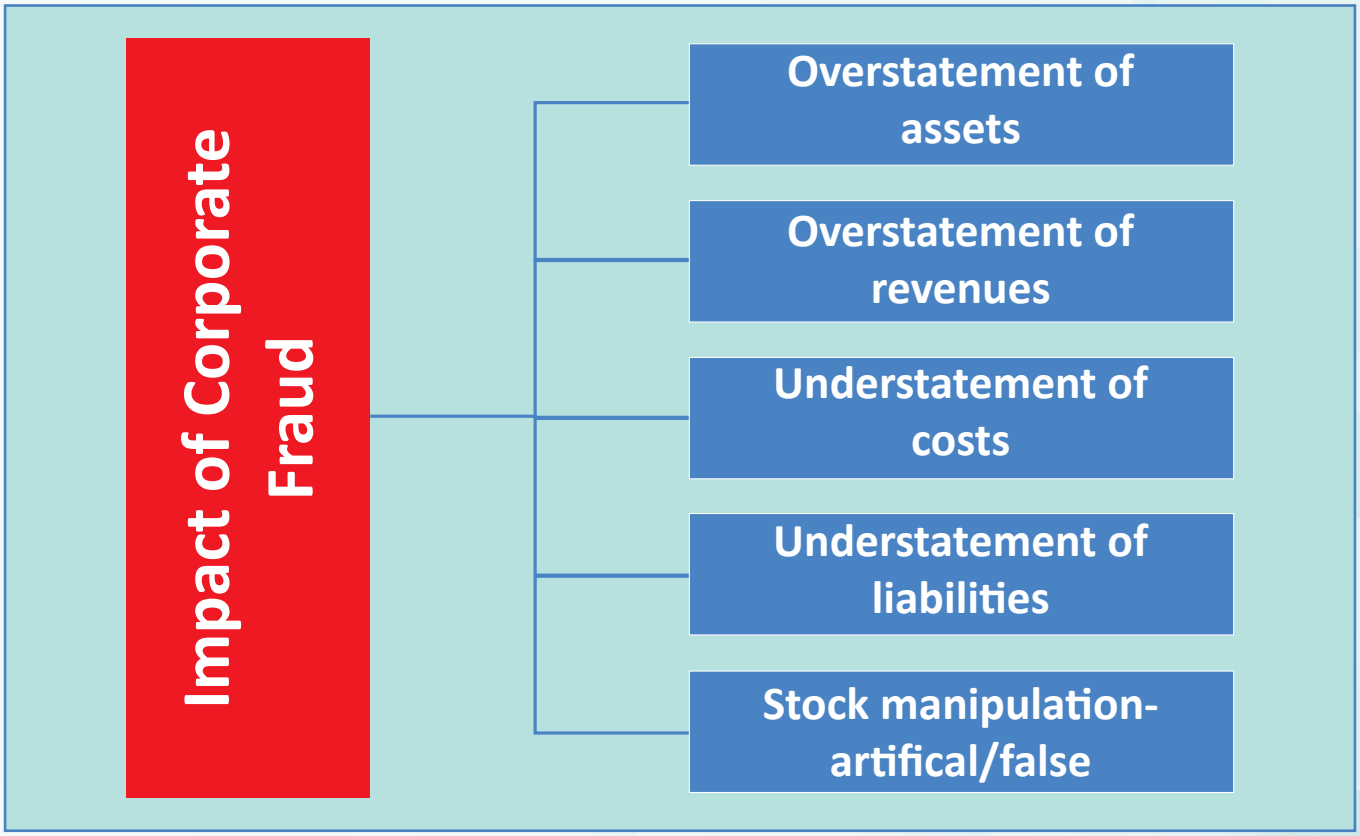
## FRAUD & IT'S EXAMINATION

As stated, forensic accounting is an accounting analysis to uncover possible fraud. Fraud can be defined as "representation about a material fact which is false and intentionally or recklessly so, which is believed and acted upon by the victim, to the victim's damage. Fraud can be classified into many categories and few of which are as below:

- Employee fraud: Fraud committed by an employee against an organization.
- Management fraud: Fraud committed by management using financial statements to defraud stakeholders, lenders who rely on these statements.
- Vendor fraud: Fraud committed by vendors by overcharging or falsely charging a company.
- Customer fraud: Fraud committed by customers by not paying dues that they owe to the company
- E-Commerce fraud: Fraud committed using the Internet and electronic transactions.

## WHY DO PEOPLE COMMIT FRAUD

Like any other crime, fraud also is driven by three factors namely, motive, means and opportunity. Fraud is usually committed to achieve a personal or organizational goal or to satisfy a human need. In addition to the various motives, the internal environment of an organization can provide a climate conducive to committing fraud.




## CORPORATE FRAUDS

Corporate frauds are sometimes called organizational fraud which is intended to benefit the organizational entity and its promoters. Types of corporate frauds can be:

## FRAUD MAY OCCUR IN THE FOLLOWING CASES

i. Threatened financial stability or profitability.

ii. Excessive pressure on Management to meet requirements or third party expectations due to profitability or need for additional debt or equity financing, etc.

iii. Directors or Management's financial situation threatened by significant financial interest in the company.

## COMMISSIONING OF WAYS TO CONTROL FRAUD

**Fraud prevention can be done in two ways:**

- Creating the right environment in an organization by making the right recruitment choices, and disseminating a well-understood Code of Conduct.
- Eliminating opportunities for fraud by installing a good system of internal controls, with physical control of assets, proper authorizations, segregation of duties and proper documentation.

Such proactive fraud management can help organization spot 'red flags' and detect 'instances of fraud' early. However, in spite of all good intentions, frauds do occur and the Forensic Accountant is then called to examine the instances.

# HEALTH ASSESSMENT OF BUILDINGS & REMEDIAL MEASURES

**K P M Swamy & S Mohan Kumar,** NBCC (India) Limited

## Introduction

The Health Assessment of building is investigation work carried out to assess the ageing condition of structures, evaluate the performance of materials and diagnose the present condition of the constituent materials and the condition of whole structure. Health Assessment of building is long-term vision to monitor and evaluate the structural performance so that maintenance, repair, and upgradation actions can be economically optimized. This concept is applied globally, to Major structures like High Rise Buildings, bridges, dams etc.

## Importance of Health Assessment of High Rise Buildings

The Civil Engineering structures/buildings after construction tend to deteriorate due to loading factor and weathering effect which lead to make them weak. This is generally due to lack of preventing & comprehensive maintenance with the passage of time. In the recent times, there is a demand for change in functional use of existing buildings/structure, which has also added to the complications, especially in large and high rise societies.

Large number of studies indicate that due to lack of periodic technical inspection & analysis and lack of comprehensive maintenance of buildings, the rate of deterioration accelerates causing loss of strength and serviceability at a very early age as compared to its anticipated service design life.

## Initiatives by NBCC

NBCC is carrying out the challenging task of completing the Balance work of Construction of buildings left incomplete by other agencies on “as is where is basis” along with repair of old high rise Buildings. The main challenge is to assess the Structural Safety of the Structure executed Built earlier, once the Construction activities initiated. However, ensuring health of the building post-handover by the respective owner is essential to achieve the desired life of the building.

The objective of conducting Health Assessment of Buildings is to know the present Structural Condition of the Building and to decide whether the building is safe for habitation or not.

## Periodic Inspection & Comprehensive Maintenance

The National Building Code of India suggests a periodic inspection& special repair of buildings at every 3-5years but not later than 5 years, though general repairs/ comprehensive maintenance and painting/ finishing should be done within the pre-defined period as mentioned in the various maintenance manuals/ guidelines. The building inspection/audit should be done by a team of multi-disciplinary professionals periodically as per law of land to ensure the compliance of byelaws, structural safety, electrical safety, fire safety, lighting and ventilation, etc.

Regular inspection by technically competent engineers of existing structures have assumed enormous importance in the entire world. Awareness on importance of preventive maintenance plays very important role especially in high rise buildings/societies as it is normally found that wet areas like landscape, green area/garden (over the slab/roof), toilet/ bath, kitchen as well as associated shafts are highly vulnerable to

deterioration which may need frequent attention. Sometimes due to decorative interest, structural changes are being made by owners which later on become the reason for the distress in structural elements.

Electrical safety also plays an important role in maintaining the health of any building by eliminating fire hazards. Fortunately, the likelihood of this occurring is relatively low. However, the control measures that prevent these hazards require careful management, attention to detail and technical competence.

### Method of Assessment of the condition of building

(i) A detailed visual inspection to address distress mapping.

(ii) Survey/testing on assessment of damages due to un-foreseen overloading (earthquake, wind or any kind of impact/live load) foundation settlement, deteriorations, e.g., rebar corrosion, etc.

(iii) Survey/Inspection to assess the acceptable standards in terms of durability/ serviceability requirements and to arrive at repair and retrofit/ rehabilitation measures as necessary using standard testing tools and through structural behaviour analysis.

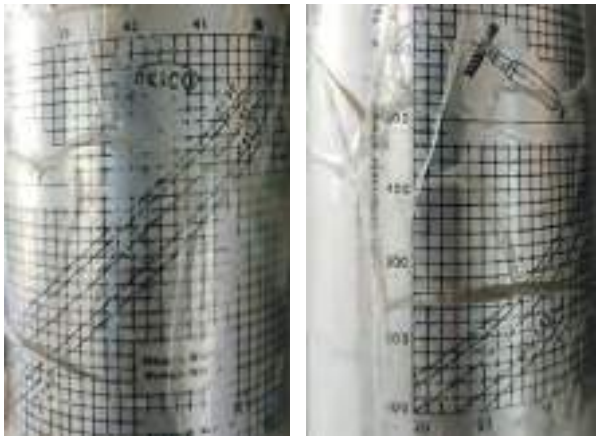
(iv) Non- destructive test (NDT), Rebound hammer Test, Ultrasonic Pulse Velocity Test, Core extraction and testing, Resistivity Meter test, Carbonation and cover Test, Cover Depth Measurement, Ferro scanner test for foundation detail, Test for ingress Moisture in RC (Reinforced concrete) element, Rebar scanner for RC element, Half Cell Potential Test and many more testing as per site condition.

### Testing Methods

- **Rebound Hammer Test-** To determine the estimated compressive strength of concrete and uniformity

| Sl No. | Application | Approximate Impact Energy Required for the Rebound Hammers (Nm) |
|---|---|---|
| i | For testing normal weight Concrete | 2.25 |
| ii | For light-weight concrete or small and impact sensitive parts of concrete | 0.75 |
| iii | For testing mass concrete, for example in roads, airfields pavements and hydraulic structures | 30.00 |

Impact energy of rebound hammer for different applications.



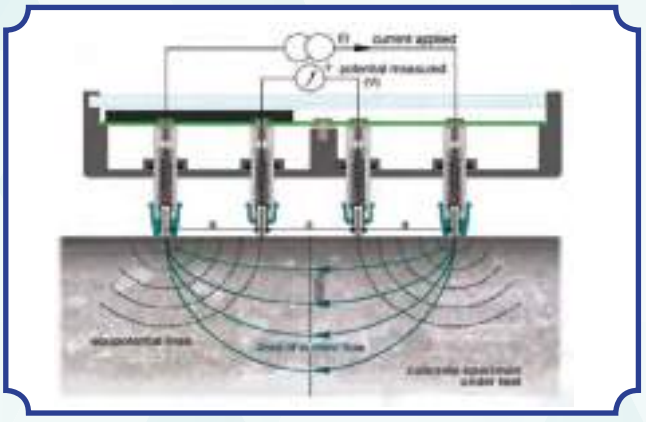
Curve between rebound number and compressive strength for various alignment of rebound hammer.

of concrete in terms of surface hardness as per relevant standards.

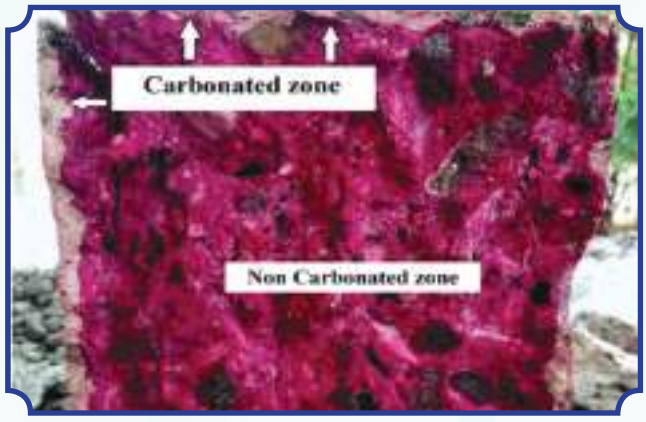
- **Ultrasonic Pulse Velocity Test -** Ascertaining the quality of concrete, uniformity of concrete in terms of soundness and density of concrete.
- **Core Extraction and Test-** Extracting the concrete core samples following codal provisions; and evaluating the properties (fck value, grade of concrete) in the laboratory from the core samples selected.
- **Resistivity Meter Test-** Determination or estimation of the likelihood of corrosion due to poor quality of concrete, correlation to chloride permeability, determination of zonal requirements for cathodic protection systems, Identification of areas within a structure most susceptible to chloride penetration.
- **Carbonation and cover test-** Measurement of carbonation depth by phenolphthalein spray test at selected locations on RCC members to see the depth of carbonation. Cover depth is also measured at the same location to know the ratio of Carbonation depth to cover depth to check whether structure is in incubation period or deterioration period.

Ultrasonic pulse velocity test.

Core extraction in concrete.



Resistivity meter test- concrete sample.




Carbonated and non- carbonated concrete

## Timely Action

All these surveys must be undertaken in timely manner as it is seen in studies that rate of deterioration becomes high with passage of time. In case any inadequacy is noted with respect to any of these aspects then measures for repair and restoration should be suggested. Based on these objectives of building inspection (for Structural/ non-structural & Functional) of an existing structure, systematic assessments need to be performed.

### Advantage of timely assessment

- Building has not shown any sign of distress and only preventive repair is required
- If building is found to be deficient (or distressed), it can be repaired and strengthened, accordingly.

### Retrofitting

Timely comprehensive maintenance reduces the retrofitting work by large. However, retrofitting is one of the best options to make an existing inadequate building safe against natural disasters. Retrofitting of RCC structural members is done so that the deteriorated concrete element structure regains its strength. It also helps to prevent further distress in concrete elements. Two important methods that can be carried on improving concrete structures are these: –

- Adding New Structural Elements
- Strengthening Existing Elements

Steel jacketing

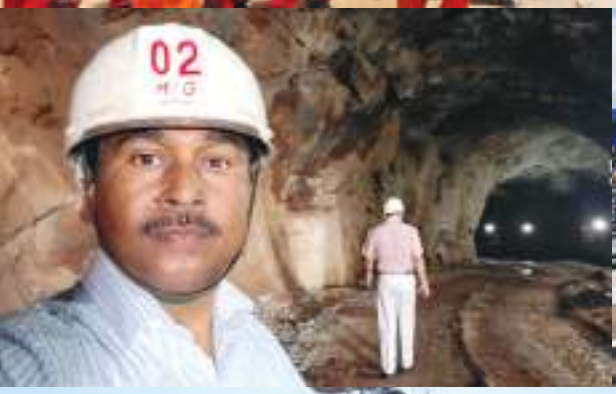
Section enlargement

### Role of Structural Engineers

Structural engineers are required to ensure the feasibility of modifying the existing structure so that the retrofitted structure meets all the safety and serviceability criteria. Structural engineers play a major role to identify those components of the structure which need to be modified to fulfil the purpose of retrofitting. Selection of the ideal retrofitting technique; either local or global and identification of the correct components for retrofitting process to optimize the cost is also an important task.

Thus, after the handover of the building to the building owners, regular inspection of existing structures by technically competent engineers is a must. An objective oriented inspection must be done at regular interval of time preferably before monsoon or twice in a year. Merely architectural/decorative assessment is not sufficient in visual inspection for health of the structure. Desired test should also be performed to assess the durability and serviceability of Building.

# Intensive Examination (IE) by CTEO


# Various Activities in Central Vigilance Commission

# Oath Ceremony of Central Vigilance Commissioner

Hon'ble President of India Smt. Droupadi Murmu administered the Oath of Office to the Central Vigilance Commissioner (CVC) Shri Suresh N Patel at Rashtrapati Bhavan on 3rd August 2022

# Oath Ceremony of Vigilance Commissioners

Shri Praveen Kumar Srivastava and Shri Arvinda Kumar took oath as Vigilance Commissioners on 3 rd August 2022. They were sworn in by the Central Vigilance Commissioner, Shri Suresh N Patel at the office of the Central Vigilance Commission, Satarkata Bhawan, New Delhi.

They were appointed as Vigilance Commissioners in the Central Vigilance Commission by the Hon'ble President of India by warrants dated 21st July, 2022.

Shri Praveen Kumar Srivastava

Shri Arvinda Kumar

# REGIONAL CONFERENCES ORGANIZED BY CENTRAL VIGILANCE COMMISSION

Various Regional Conference for CVOs were organized by the Central Vigilance Commission during the last few months.

A conference for CVOs of the Western India Regional was organised in Mumbai on April 22, 2022, Another a conference for Southern India-based organisations was organised in Bengaluru on May 13, 2022. Similarly, in Kolkata, a conference for CVOs based in Eastern India was organised on May 20, 2022. On June 10, 2022, a separate conference for railways was held in Varanasi.

These conference were aimed to share the various new initiatives taken up by the Commission, new guidelines issued and also to understand the various vigilance issues/agendas pertaining to Vigilance Administration of various organizations. CVOs of the organizations based in the respective regions attended these conferences.

These conference was addressed by then Hon'ble Chairperson, then Lokpal, Hon'ble Member, Lokpal, Central Vigilance Commissioner, Director, CBI, Secretary CVC and Special Director, CBI.


Regional Conference of CVOs of Western India region at Mumbai on 22.04.2022




Regional Conference of CVOs of Southern India region at Bengaluru on 13.05.2022



Regional Conference of CVOs of Eastern India region at Kolkata on 20.05.2022


Sectoral review and Deliberations with Vigilance Team of State Bank of India.




Sectoral review and interaction with Vigilance team of Railways, 10.06.2022 Varanasi

# RELEASE OF PROCUREMENT MANUALS

Revised Manual for Procurement of Goods, Works and Consultancy & Other Services; were released by Shri Rajiv Gauba, Cabinet Secretary, Govt of India along with Shri Suresh N. Patel Central Vigilance Commissioner and Dr. T V Somanathan, Secretary (Finance & Expenditure) on 01st July 2022 at Commission's office, INA, New Delhi.


# TRAINING FOR VIGILANCE OFFICERS

Shri Arvinda Kumar, Vigilance Commissioner, Shri P. Daniel, Secretary, CVC and other officials from the Commission attended the training programme for Vigilance officers of Bengaluru based Organisation, organised by Hindustan Aeronautics Limited on 16th September, 2022


# TRAINING FOR VIGILANCE OFFICERS


# MANAGEMENT AUDIT OF VIGILANCE UNIT (MAVU) – COMMISSION'S INITIATIVE

1. In order to have a proper assessment and appreciation of the work being done by the Vigilance Units of the organisations covered under its jurisdiction, the Commission has started a new initiative in the form of Management Audit of Vigilance Units (MAVU). It is an exercise aimed to help the vigilance units of respective organizations in enhancing their capability and competence to ensure effective Vigilance Administration.
2. During the period April 2022 to September 2022, MAVU of 21 major organisations has been conducted by the teams of officers from the Commission. A scrutiny of systems and procedures/processes adopted by respective organisations has brought to focus certain 'good practices' which help in maintaining a robust preventive vigilance mechanism. MAVU has also helped in identification of 'challenges' being faced by respective vigilance units and also of the areas that need further improvement, so that the effectiveness of vigilance administration can be further enhanced.
3. Common good practices and challenges, as identified during MAVU, are enlisted below:-

## GOOD PRACTICES

1. Structured meetings of Chairperson/Management with CVOs being held regularly to ensure effective vigilance administration.
2. Regular updation of manuals/guidelines is being done.
3. Focused approach on Preventive Vigilance Mechanism and Systemic Improvements is adopted.
4. Thrust is given on imbibing ethical values as part of participative vigilance.
5. Online monitoring of vigilance cases/complaints being done to ensure time bound action.
6. Due diligence being done while selecting personnel for posting in vigilance units.
7. Implementation of the Final Orders being ensured by scrutiny of service records.
8. Optimum use of technology in tendering process/release of payment.
9. Use of Information Technology to track movement of goods and material to stop pilferage.
10. IT based record management implemented.
11. Training/Capacity Building Programs being conductedand case studies being circulated for creating awareness.
12. IT enabled file movement and processing of vigilance clearance proposals.

## CHALLENGES & AREAS FOR IMPROVEMENT/FOCUSSED ATTENTION

1. Disciplinary Authorities not fully aware of their role and responsibilities andrequire training to ensure adherence to rules and procedures.
2. Sensitizing officials about maintaining confidentiality of Log in ID and password, to avoid miscues by unauthorized persons.
3. Seeking and obtainment of required documents for timely completion of investigation.
4. Shortage of manpower in vigilance units, especially those having expertise in Information Technology.
5. Non-verification of complainant's identity and conducting investigation on the basis of unidentified source information/anonymous complaint.
6. Officials occupying sensitive posts beyond the prescribed period.
7. Awareness not being created for the mechanism of lodging complaints under PIDPI Resolution.
8. In composite cases one of the Charged Officers allowed to function as DA for lower level functionaries.
9. Incomplete and inconsistent database of complaints and vigilance cases.
10. Lack of awareness of rules and procedures regarding procurement and tendering activities.
11. Delay in processing of vigilance case including those suspected public servants who are due to retire shortly.
12. CTE type inspections either not being carried out or being done in casual manner.

While appreciating the good practices, the challenges and areas needing focused attention are brought to the notice of Chief Executives and CVOs concerned, most of whom have taken appropriate corrective measures and have informed the Commission about the same.

# INTERNATIONAL DAY OF YOGA

On June 21, 2022, in India and throughout the world 8th International Day of Yoga was celebrated. On this occasion, various yoga activities were organized in the Commission premises. All the officers and staffs of the Commission wholeheartedly participated in these events.

# INITIATIVE UNDER CAPACITY BUILDING DURING APRIL TO SEPTEMBER, 2022

1) The Commission has successfully organized a 5-day offline "Induction Training Programme" for CVOs from 20th to 24th June, 2022 at CBI Academy, Ghaziabad. Total 29 CVOs in Government Departments, CPSEs and Public Sector Banks etc. participated in the Induction Training Programme.


2) The Commission has considered the utility of Forensic Science in investigation of vigilance cases and designed a training programme to suit to all the CVOs across all the organizations for orienting them on preventive side of Forensics. From April, 2022 Commission is regularly organizing 3-day offline training on "Preventive Forensics" at National Forensic Sciences University, Gandhinagar. Total 162 participants from Government Departments, CPSEs and Public Sector Banks etc. have participated in these training programmes as detailed below:

| S.No | Dates | Number of Attended Participants |
|---|---|---|
| 1 | 27th to 29th April, 2022 | 26 |
| 2 | 25th to 27th May, 2022 | 31 |
| 3 | 27th to 29th June, 2022 | 26 |
| 4 | 25th to 27th July, 2022 | 33 |
| 5 | 24th to 26th August, 2022 | 21 |
| 6 | 14th to 16th September, 2022 | 25 |

# NATIONAL FORENSIC SCIENCES UNIVERSITY

SECTOR-9, GANDHINAGAR, GUJARAT STATE.

Training Program on Preventive Vigilance for Chief Vigilance Officers
From 25/07/2022 to 27/07/2022.

# NATIONAL FORENSIC SCIENCES UNIVERSITY

SECTOR-9, GANDHINAGAR, GUJARAT STATE.

Training Program on "Preventive Vigilance for Chief Vigilance Officers"
From August 24th 2022 to August 26th, 2022 at NFSU, Gujarat

3) The Commission had initiated 3-day training programme of IOs/POs of Central Government Organisations/PSUs/ PSBs in August 2021. Initially training was conducted through five Training Institutes, namely Institute of Secretariat Training & Management (ISTM), Central Academy for Police Training (CAPT), CBI Academy, HPCL Academy, National Productivity Council (NPC). Looking at the large number of nominations from the Banking and Insurance sector, the Commission has separately identified Indian Institute of Bank Management (IIBM), Guwahati specifically for the IOs/POs of Banking and Insurance sector.

During the period, April to September 2022, the Commission has successfully organised 19 batches of IOs/POs Training Programme engaging these six training institutes. Of these 19 batches, 9 were conducted in online mode and 10 in offline mode. During the reference period 675 IOs/POs have been trained in the above batches.


4) The Commission is nominating its officers and staff for the open training programmes offered by National Productivity Council (NPC). Officers, as mentioned below, were nominated for the residential training programme conducted by NPC.

| Sr. No. | Training Programme Description | Dates | No. of participants from the Commission |
|---|---|---|---|
| 1 | "Administrative Effectiveness, Focus: Preventive Vigilance, Right to Information Act 2005 & GFR" at Mount Abu | 20th to 24th June, 2022 | 1 |
| 2 | "Advance Course on Secretarial Effectiveness: Capacity Building" at Mount Abu | 18th to 22nd July, 2022 | 4 |

5) Senior civil servants of the Republic of Maldives visited the Commission under capacity building programme in field administration. An interaction with CVC & Secretary CVC was organized on different dates as under:

| S.No | Date | Batch | No of participants |
|---|---|---|---|
| 1 | 03.06.2022 | 12th Batch of Capacity Building Programme in Field Administration | 42 |
| 2 | 14.06.2022 | 13th Batch of Capacity Building Programme in Field Administration | 11 |
| 3 | 29.07.2022 | 14th Batch of Capacity Building Programme in Field Administration | 27 |

6) Two day training programme on Procurement Module was organized in the 5th Floor Multipurpose Hall of the Commission on 12th and 18th July, 2022. All officers in the Commission (Under Secretary and above) participated in the training programme. Sessions were conducted by both the CTEs, TE and officers from Department of Expenditure (DoE).

CVC presenting memento to the guest faculty from DoE for training on Procurement Module.

7) Department of Expenditure in consultation with the Commission has recently released Manuals for Procurement of Goods, Works, Consultancy and other services. Considering the importance of understanding the procurement procedure in better appreciation of vigilance cases, Commission has planned to organize two days training of CVOs on Public Procurement in batches. The first such training has been conducted in the Commission on 29th to 30th September, 2022 for 40 CVOs.

# RELEASE OF NEWSLETTER

Commission's Newsletter **"VIGEYE VANI"** 48th Edition (with Special issue on Power Sector) was released on 12th July 2022.

# FOREIGN DELEGATES AT COMMISSION

The delegation from Maldives had visited the Central vigilance Commission on 03.06.2022 & 29.07.2022. On this occasion, the presentation was shown to the delegates about the various duties, roles and powers of the Commission. CVC & Secretary, CVC interacted with all the delegates of the Maldives.


# हिंदी सप्ताह

केंद्रीय सतर्कता आयोग में 14–20 सितंबर 2022 के दौरान हिंदी सप्ताह पूरे उत्साह के साथ मनाया गया। इस अवसर पर आयोग के अधिकारियों और कर्मचारियों के लिए हिंदी निबंध, प्रश्नोत्तरी, वाद–विवाद, कविता पाठ जैसी विभिन्न प्रतियोगिताओं का आयोजन किया गया। सभी विजेताओं को विभिन्न पुरस्कार देकर सम्मानित किया गया।

# WELCOME CORNER

**Shri Praveen Kumar Srivastava**
joined as Vigilance Commissioner,
CVC on 03.08.2022

**Shri Arvinda Kumar**
joined as Vigilance Commissioner,
CVC on 03.08.2022

**Ms. Arti C Srivastava**
joined as Additional Secretary in the
Commission on 04.04.2022

**Shri Apul Jayaswal**
joined as Director in the
Commission on 17.06.2022

**Shri Deepak K Chaudhary**
joined as Director in the
Commission on 14.07.2022

**Shri Dhananjay Kumar Ranjan**
joined as Director in the
Commission on 07.09.2022

**Ms. Sushmita Bijoypuri**
joined as Assistant Section Officer,
CVC on 06.06.2022

**Shri Pradeep Khatana**
joined as TE,
CVC on 06.06.2022

*We wish them all a happy innings in the Commission*

# FAREWELL CORNER

**Shri M.A. Khan, Director**
superannuated from the
Commission on 30.06.2022

**Shri Ram Avtar**
MTS was superannuated from the
Commission on 31.07.2022

**Shri Suraj Pal Singh**
SCD was superannuated from the
Commission on 30.09.2022

*We wish them a bright future and success in life.*

**Disclaimer:** This booklet comprises of the articles received from different organizations. The views expressed are of respective organizations.

International Exhibition-Cum-Convention Centre (IECC), ITPO, New Delhi

Mahatma Gandhi International Convention Centre (MGICC), Niger

World Trade Center, Nauroji Nagar, New Delhi

Adducity, Maldives

East Kidwai Nagar, New Delhi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(A Government of India Enterprise)

एन बी सी सी NBCC

*A Navratna CPSE*

# CENTRAL VIGILANCE COMMISSION


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**https://cvc.gov.in**


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