



Vigilance Aspects & Case Studies



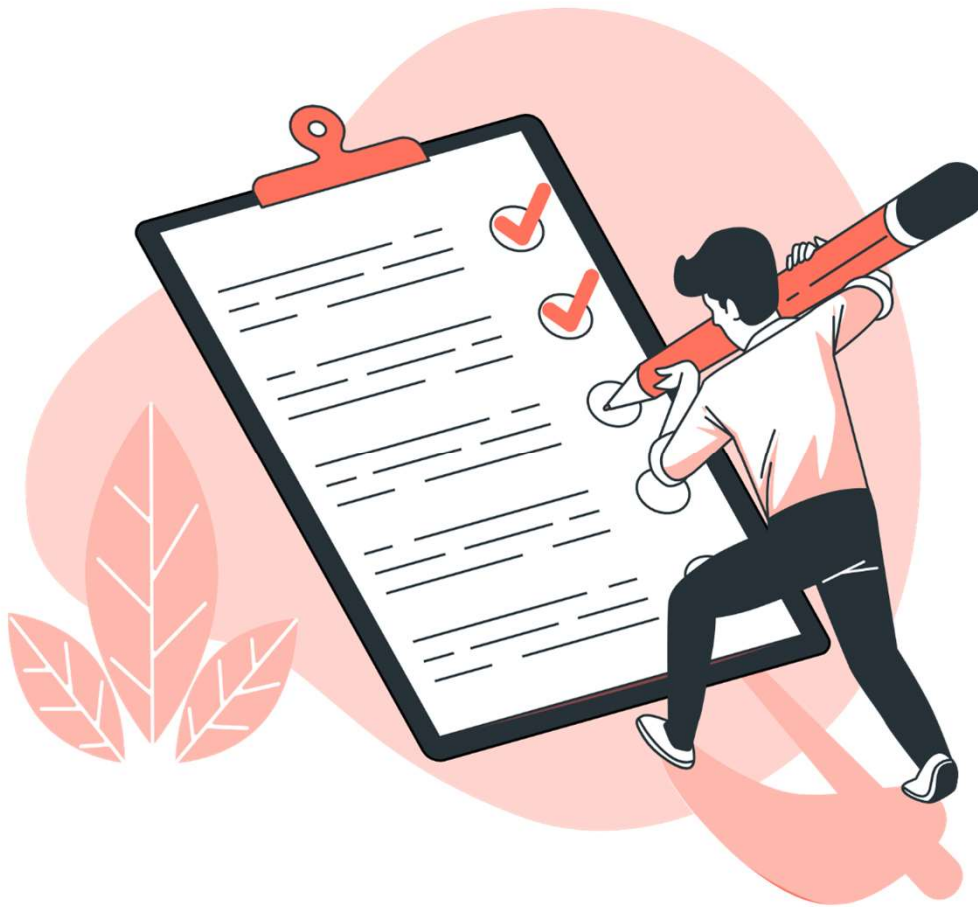
By-

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Date-10.08.21

First some ground rules..



- Keep your microphones in mute except..
- Interaction is a must.
- Have fun!



Why Vigilance?

- Vigilance administration in any organisation is **an integral function** like any other function of management.
- Vigilance administration comprises of **preventive and punitive anti-corruption measures**.
- It includes detecting irregularities, analysing and finding out reasons for such irregularities and **making effective systemic improvements** to curb them. It also entails **identifying** the public servants responsible for misconduct and **taking appropriate punitive actions**.



(CVC's Vigilance Manual 2017)

Case Study-I



- A tender was published for outsourcing of shop floor cleaning.
- In LAR, unit of measurement was sqm. In tender schedule, unit of measurement was taken as sqft.
- When tender opened, L1 offered at 1% below the schedule price which was accepted by TC and LOA was issued.
- **Who are the culprits here?**
- **Comment on the presence of vigilance angle.**

Vigilance Angle



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





Vigilance Angle



This is not an exhaustive list. CVC has mentioned other irregularities where circumstances will have to be weighed carefully to take a view whether the officer's integrity is in doubt. These include **cases of gross or willful negligence; recklessness in decision making; blatant violations of systems and procedures; exercise of discretion in excess, where no ostensible public interest is evident; failure to keep the controlling authority/ superiors informed in time.**

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Case Study-II



- A contract was done for coach conversion.
- One of the items to be supplied by contractor was to be RITES inspected.
- Contractor was delaying supply of the material and executive was under pressure to get the job done in time due to upcoming GM inspection.
- After a lot of delay, contractor informed that material is now ready but RITES inspection will take time and hence it proposed to change inspection criteria and conduct inspection from a 3rd party lab.

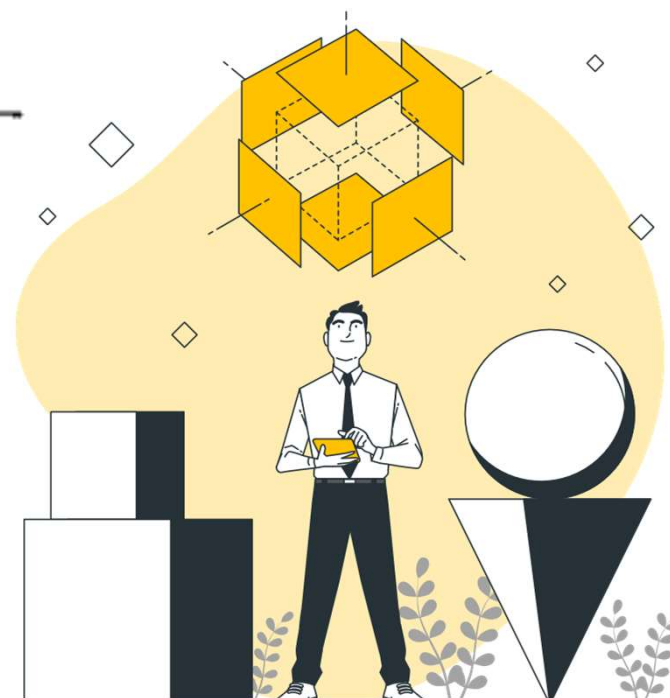
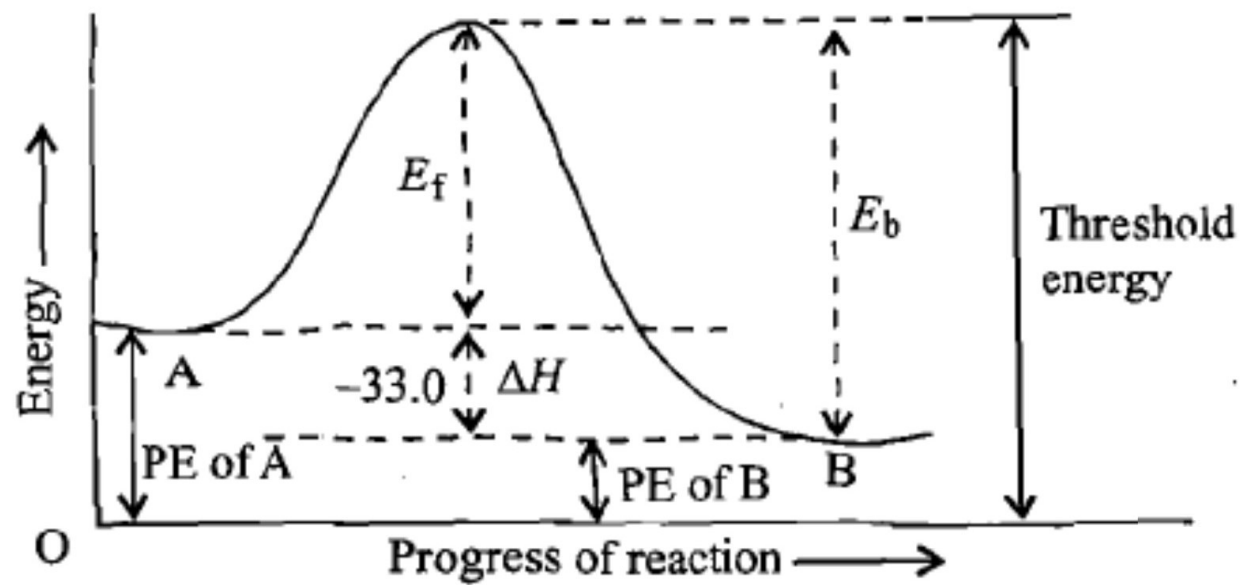
Case Study-II



- Branch officer accepted the proposal on noting and wrote-
 - 1 sample of item to be sent to the 3rd party lab for inspection.
 - Payment of the item to be released.
- **Comment on the presence of vigilance angle.**



Threshold Energy



Case Study-II



- Branch officer accepted the proposal on noting and wrote-
 - 1 sample of item to be sent to the 3rd party lab for inspection.
 - Payment of the item to be released.
- **Comment on the presence of vigilance angle.**

Case Study-III



- In a tender for laying of cables, supply of cables and its laying were two different items in the schedule.
- In schedule, 24sqmm cable was to be supplied but in schedule item regarding cable laying, it was written to be done as 2X24sqmm cable.
- Although no variation in cable supply was done, variation in quantity of laying was done and was paid to the contractor.
- Ambiguous language of schedule was used as a defense arguing that there is a confusion in the laying of double cable.

What's the secret?



There is **no** secret.

It's just you.

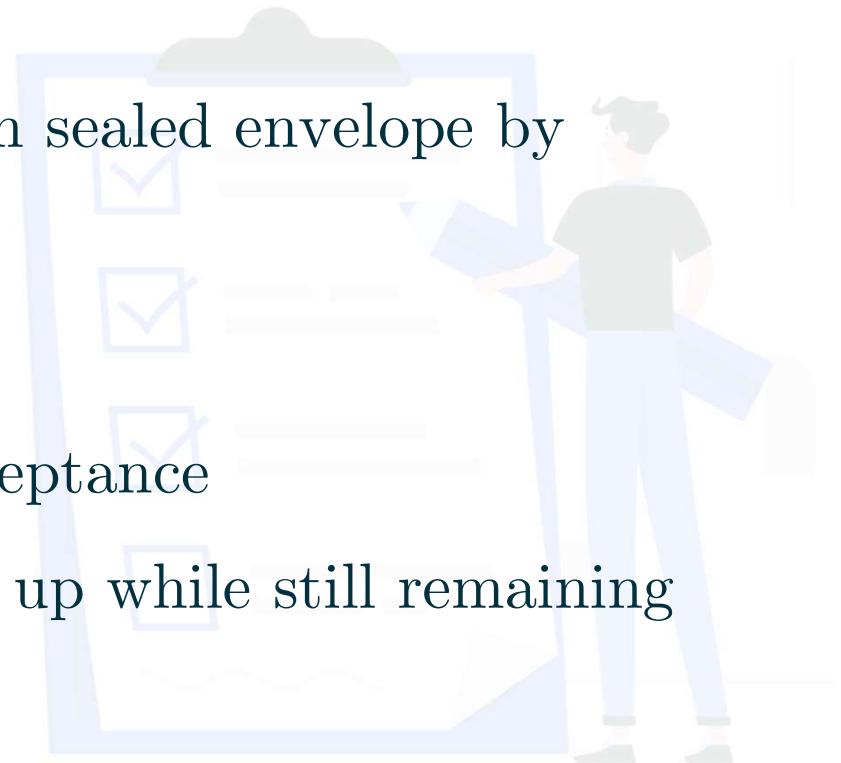




Common Irregularities

Quotations

- Calling without urgency & for fancy items
- Deliberately splitting the work
- Not obtaining the quotations in sealed envelope by appropriate level
- Award of work at higher rates
- Execution before calling or acceptance
- Changing lowest offer to boost up while still remaining lowest

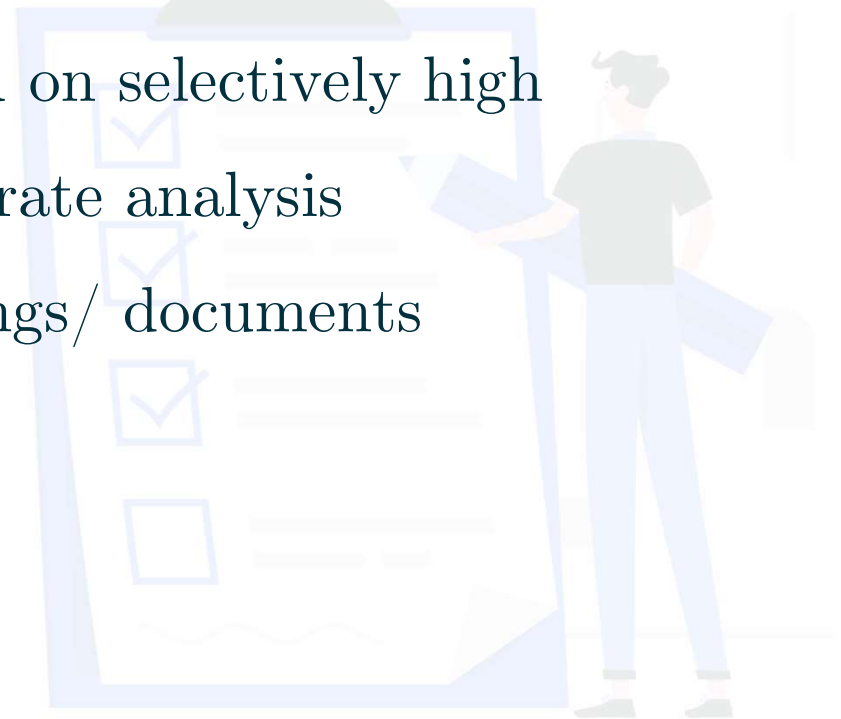




Common Irregularities

Pre-tender stage

- Inviting tenders without sanction of the estimates
- Splitting of work to bring within competence
- Arriving at the NIT cost based on selectively high LARs or carrying out inflated rate analysis
- Non supply of complete drawings/ documents along with the tender forms

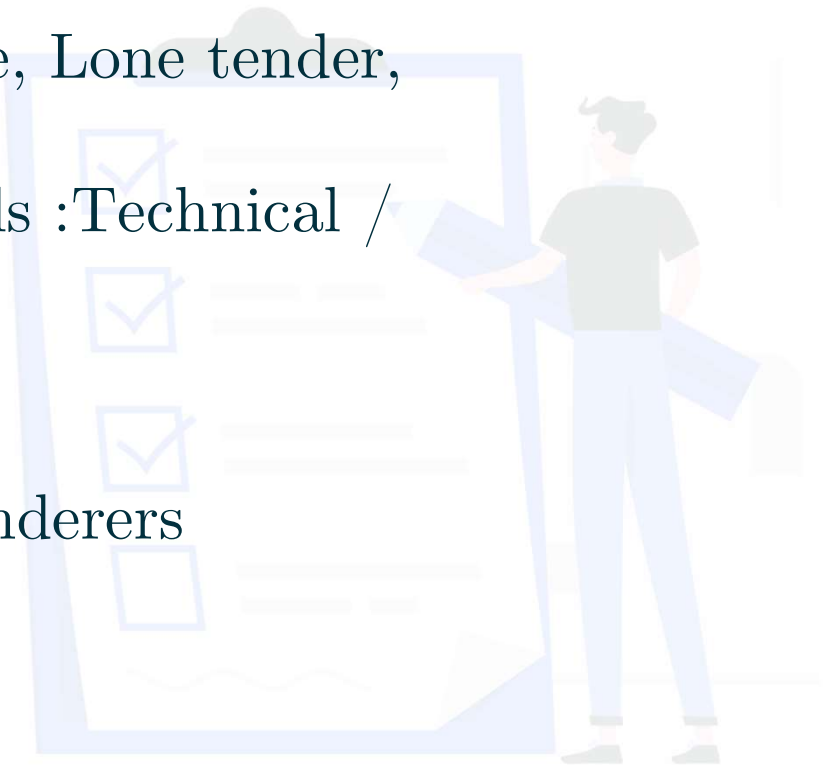


Common Irregularities



Consideration of Tender by TC

- Necessary sanctions / approvals
- Tender procedure
- Validity of tender: EM, Sample, Lone tender, Delayed / Late Tender
- Eligibility Criteria / Credentials : Technical / Financial
- Competition
- Reasonableness of rates
- Special condition quoted by tenderers



Common Irregularities



If L1 withdraws?

- If L1 withdraws before work order is placed or supply/execution takes place, there should be re-tendering

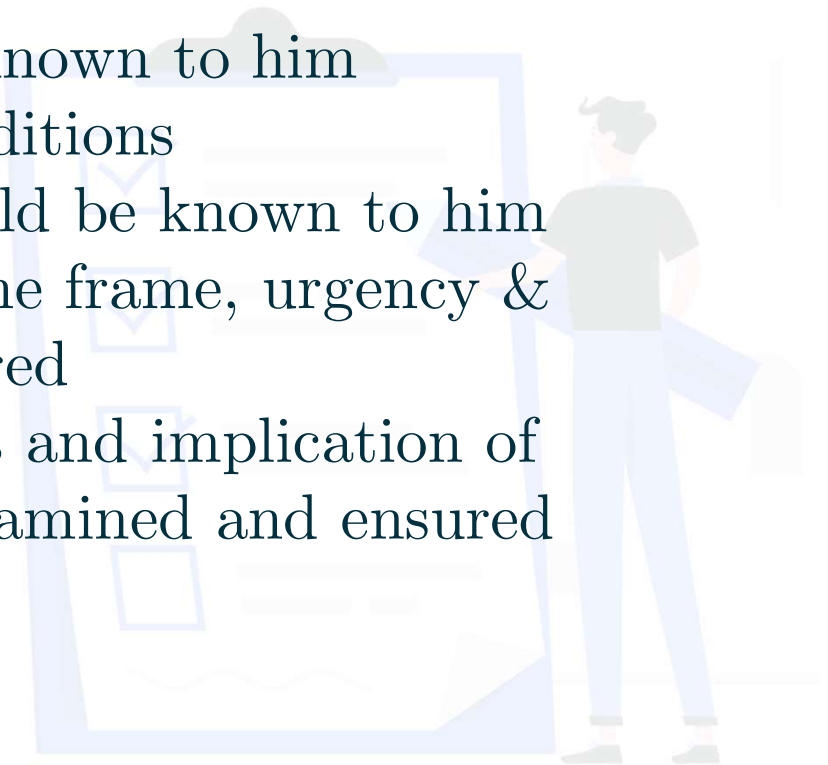


Other guidelines



Role of convener

- He should have full knowledge of work to be executed
- All special features should be known to him
- He should be aware of site conditions
- Specifications of the work should be known to him
- Credential of the tenderers, time frame, urgency & any other special feature required
- Market survey for rate analysis and implication of special conditions should be examined and ensured
- He must fully brief the TC

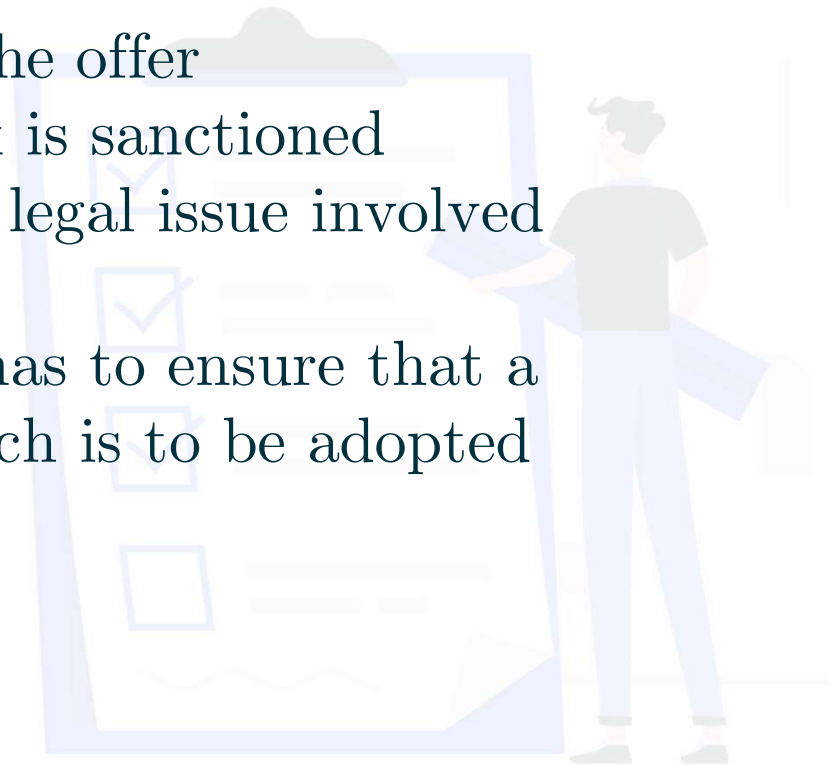




Other guidelines

Role of finance member

- Earnest money is as per demand and in acceptance form.
- The arithmetical accuracy of the offer
- The funds position and if work is sanctioned
- The partnership deed and any legal issue involved is examined
- Being a common member, he has to ensure that a uniform and consistent approach is to be adopted in dealing with the tenders.

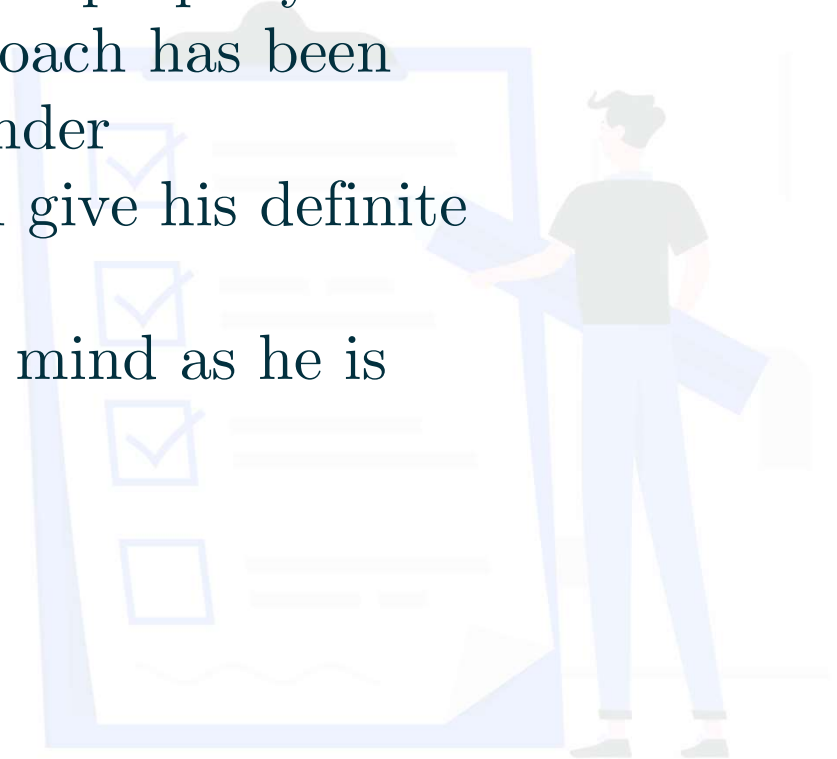


Other guidelines



Role of Third member

- He must ensure that rules are followed
- Reasonableness of rates has been properly examined
- A uniform and consistent approach has been adopted in dealing with the tender
- In cases of difference – he shall give his definite opinion
- He is to apply his independent mind as he is equally responsible

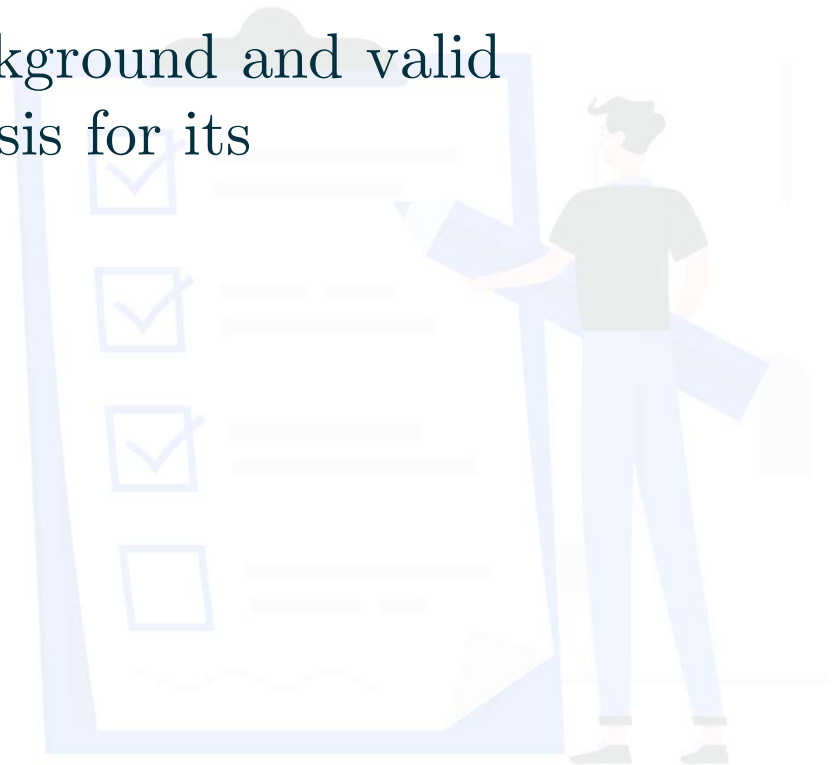


Other guidelines



Role of TC as a whole

- It is the collective responsibility of the TC to give a definite recommendation
- To clearly specify reasons, background and valid apprehensions, which is the basis for its recommendations



Other guidelines



Role of Tender accepting authority

- TAA is finally & ultimately responsible for the acceptance, although the TC is also responsible for its recommendation.
- TAA to ensure that-
 - Work is essentially required and is covered by sanction and funds are available
 - In case of open Tender full opportunity has been given to all the tenderers
 - Technical suitability and reasonableness of offers has been properly examined by the TC
 - Any other special feature has been brought on record





Thank You