

# Some common irregularities /malpractices in finalization of contract with vigilance angle

- Making alterations in the quotation subsequent to opening of tenders if the rates/conditions are not encircled and initiated.
- Basic price can be changed if rate is not written in both figures and words and cuttings/over writings not indicated
- Additional levies/taxes or conditions mentioned if the offer of firm being favoured is much lower than the next higher offer
- Adding clause offering discount where offer of favoured firm is higher, so as to make it lower
- Playing with technical aspects for rejecting inconvenient bids on grounds of technical unsuitability.
- Changing scope of work/certain items to enable acceptance of alternative items after repeated negotiations when the number of competitors in the field remain one or two.

- Delay in finalisation of tenders necessitating the extension of validity period there by discouraging the competitors to extend their validity
- Rejection of offers on account of credentials not well substantiated or conclusion drawn wrongly
- Comparison of rates with selected last accepted rate overlooking the financial impact of certain conditions proposed to be accepted
- Unequal evaluation of financial impact of conditions or overlooking the financial impact of certain conditions proposed to be accepted.

- Tender accepting authority directly entering into reference with tenders or entertaining post tender offers without referring back the case to tender committee with his observation for their examination
- Intentional delay in plotting /inking of cross sections and allowing the execution of works to start before final plotting and signing of initial cross-sections
- Recording inflated measurements for on-account bill involving advance payments

- Changing the scope of work to increase the quantities of paying items and decrease the quantities of losing items
- Improper compaction of earthwork. Fabricated figures of OMC and MDD compaction in top layers only.
- Delay in making payment for the work executed thereby harassing the contractor to extract money
- Supply of substandard materials by contractor
- Deputed departmental labour in the scope of work of the contractor in the name of progress/urgency without observing the formalities with the contractor.

# DOs of contract management

- Record the acceptance or otherwise on the body of the tender committee minutes only
- Ensure that the reasonableness of rates is examined critically, logically and specifically, both in respect of total cost and rates of important individual items
- Ensure that the tender committee is only constituted or competent level of officers specified
- Ensure inspection and passing of materials supplied by contractors on through rated contract before these are used in work. Maintain proper records.
- Keep proper accountal and classification of released materials

- Intensive supervision “ You can expect more , if you inspect more”
- Use of factory produced materials like use of marbonite, mosaic in place of kota stone/marbles, door and window and pavers blocks and hexagonal blocks
- Testing lab for testing bricks, sand and cubes etc in each divisional HQ or construction projects
- Testing of cement and tor steel supplied by contractors
- Design mix of concrete for M-250 and above from reputed institute /firm

# DON'Ts of contract management

- Do not change the tender committee members once constituted without proper approval of competent authority
- Do not consider delayed/late tenders except under specified exceptional circumstances
- Do not treat the tender committee's recommendations with dissenting notes from one or more members of the tender committee as a unanimous recommendation
- Do not exercise the power on the accepting authority in case you have been a member of the tender committee.
- Do not award the contract unless detailed estimate is sanctioned and LAND is available.

- Do not accept modified offers, not considered by the tender committee
- Do not allow subsequent revision of the minutes, unless the reconsidered minutes are put up in addition
- Do not record the acceptance/otherwise of the tenders anywhere else than the body of the tender committee minutes noting side of the file is to endorse action taken only.
- Do not advise the tender committee prior to their deliberations on the suitability or otherwise of any particular offer



- Do not allow simultaneous collection and training out ballast from same area
- Do not allow concave tops in ballast stack. Have it rectified before measurement
- Do not depend upon visual inspection to assess oversize ballast. Use prescribed sieves and do proper sampling
- Do not allow putting of ballast into the track in case of supply of ballast is still in progress in adjacent stretches

- Ensure that contract is alive at all times-in case the work cannot be completed in agreed time period , ensure that the contractor applies for currency extension and extend validity promptly when the contract is alive
- As far as possible stick to the agreed upon schedule and scope
- Get the variation /operation of new items approved in advance- no work should be commenced without contractor submitting his offer and request for written permission.

- DON'ts

- Don'ts sleep over a communicated claim/dispute with respect to a contract
- Don't let the validity of a contract expire at any stage – all punitive or otherwise provisions become in-effective the moment validity of the contract expires

- Do not dilute the contract specifications to benefit the contractor. In one case, in the execution of a hydroelectric project, the contract envisaged a 125T EOT crane
- but the contractor supplied and installed a 100T crane. The organisation also accepted the same without making any cost adjustments while releasing the payment against this item.

- Do not handle the post contract monitoring in a casual manner.
- Some organisations do not incorporate a liquidated damages/penalty clause for imposing a penalty in case of failure by the contractors to complete the contract within the stipulated schedule.

- It is essential to accord priority to the post contract follow up for execution of works. The time extension should be granted only on bonafide requests and not on a routine and casual manner.

- Common deficiencies observed in HT Panels are enumerated below :
- (i) The size of bus bars in some of the cases was found less than the rated current carrying capacity.
- (ii) In some cases, tripping current of switchgear was found to be higher than the current carrying capacity of bus bars.
- (iii) The clearances in all directions of panels and gap between bus-bars were found to be less than the IS stipulations.
- (iv) The construction material of the panel body is often sub-standard either due to poor quality of the sheet or due to lesser thickness of the sheet.
- The selection of capacity of capacitor banks is done in a random manner and is not based on the actual inductive load in the circuit.

- Common deficiencies observed in transformer installation are as under :
- The type of winding material of transformer coils is not clearly specified which may be a potential cause of controversy at the time of execution.
- The gap between the phases of end terminations of cables is found less than specified.
- In some of the cases, the clearance in all directions of the transformer is not found adequate as per the relevant IS specifications.