

CHAPTER-5 General Guidance to CVOs

So far we have discussed various deficiencies, relevant instructions of the Commission and the check-list for the preventive measures in different stages of public procurement. CVOs being stationed in the organization can play vital role in minimizing these deficiencies.

Various causes leading to deficiencies can be listed below.

- No manual / Old manual
- Lack of standardization in contract conditions, specifications etc.
- Lack of knowledge of the public procurement process.
- Casual Approach
- Malafide Intentions

In order to address above causes, following preventive measures are suggested.

1. Get the manual updated, if required. If there is no manual get it prepared.

The need to have well documented Policy guidelines in place in an organization to execute the procurement activity in a uniform and well-coordinated manner with least time and cost overruns cannot be over-emphasized. It has been observed that some of the Power Sectors do not have detailed Purchase Policy/Manual, which renders the system of procurement quite ad-hoc and arbitrary. This is a very important document required to guide officials in their day to day work.

It is therefore, essential that a codified purchase/works manual containing the detailed purchase/works procedures, guidelines and also proper delegation of power is prepared by all the organizations so that there is a systematic and uniform approach in decision making. Such an integrated approach is not only likely to put a cap on corruption but would also ensure smoother and faster decision-making.

2. Go through the CTE's intensive examination reports and complaints received in the organization to know the common irregularities occurring in the public procurement.

3. Login CVC website regularly to update with booklets issued by the CTEO's / latest circulars / information.
4. Publish regular news-letters on website to update officers regarding common deficiencies and their preventions / CVC circulars.
5. Arrange adequate training to technical staff in sound engineering practices / contract management etc.

CTE type inspections/ Random Checks

CTEO with their existing staff can undertake intensive examination of 200 public procurement. CVO being extended arm of commission, Commission expects that CVO should not only conduct CTE type periodic instruction, but also randomly check day to day activity of the organizations in public procurements. CVOs are being constantly given instructions/ guidance during various training programs / review meetings / interactions etc. for conducting CTE type intensive examination of works / purchase contracts etc. A manual for intensive examination for works / purchase contracts issued by the commission vide letter no. OFF-1-CTE-1(Pt) dated 07-07-2004 and latest circular no. 21/05/2006 vide letter no. F.No.006/VGL/29 dated 01-05-2006 gives broad guidelines to CVOs for intensive examination of works / purchase contracts. These are available on the CVC website.

Please browse through the following regularly and apply the checkpoints -

- Web-site
- Tender advertisement
- Tender opening register
- Tender evaluation notes
- Time frame for decisions
- Tenders/tender files
- Agreement
- Bills
- Verification of BGs
- Site records

Checkpoints for tender stage-

- Open tenders are called as far as possible
- The panel of contractor / vendors are prepared and updated periodically in transparent way.
- Prequalification criteria is notified and applied as per notified criteria.
- In case of relaxation in prequalification criteria tenders are recalled. Credentials are verified at least in case of L1.
- Commission's circular regarding negotiations with L1 are to be complied with.
- Conditions of tenders are not relaxed after price bids are received.

Check points for execution stage-

- Agreement is signed & sealed properly
- Bank guarantees are verified
- Conditions regarding insurance policies, P.G., Labour licence etc. complied with.
- Major deviations not done.
- Recoveries are made as per contract.
- Proper record of hindrance maintained.
- Mandatory tests are carried out.

Recent Initiatives To Improve Transparency In Public Procurement

A few recent initiatives that have been to improve transparency and openness in Government functioning are enumerated below. The CVOs should take a lead in implementing these initiatives in their respective organizations.

- **Right to information Act:**

The Right to information Act 2005 which has come into force in October 2005, is an important weapon in the hands of Indian citizen to access almost any information from a public authority. The objective of the RTI Act 2005 is to promote transparency and accountability in the functioning of every public authority. Now any decision including decisions in the public procurement domain taken by any public authority can be accessed and scrutinized by any individual.

CVOs should pursue with the management for proper maintenance of records and publishing of relevant information on the web-site to facilitate as much information suo motu to the public at regular intervals so that the public have minimum resort to the use of this Act to obtain information. Since this Act is basically to promote transparency and openness, CVOs should intensify their efforts to bring complete transparency and openness in all processes including public procurement.

- **Integrity Pact:**

This is a tool developed by Transparency International to help government, fight corruption in the field of public procurement. It is a binding voluntary agreement between the procurement agency and all bidders for a project. Both agree not to accept / give bribe to obtain or retain the particular contract. The implementation of integrity pact is to be monitored by independent monitors, selected by the organizations with the approval of the Commission.

CVOs should take initiative in incorporating this pact in large value contracts to begin with.

- **Leveraging information technology:**

The Government is promoting E-Governance to improve transparency in government functioning. As regards public procurement, the modern IT tools can be leveraged in enhancing transparency in the form of E-Tendering, E- Procurements, E-payments & uploading of post tender details on the website.

CVOs should ensure compliance of Commission's instructions issued in this regard.