



# **MEASURES FOR PREVENTIVE VIGILANCE**

## **PROCUREMENT, SERVICE & WORKS CONTRACT**



The Harish-Chandra Research Institute (HRI) is an institution dedicated to research in mathematics, and in theoretical physics. It is located in Allahabad, India, and is funded by the Department of Atomic Energy, Government of India.



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## Chapter - 01

### **Provisions to be made in Tender Documents/RFP** (To avoid Irregularities/Lapses in Procurement)

The cardinal principal of any public buying is to procure the materials/services of the 'specified' quality, at the most competitive prices and in a fair and transparent manner. In HRI, we have the Purchase Procedures Policy duly approved by the Governing Council. To make the procurement processes more transparent, following points will also be adopted in the procurement procedure procedures;-

1. For a general tender, a normal time of 04-06 weeks should be given whereas in the limited tender case, a normal time of 21-30 days should be given. In case of emergencies where short duration tenders are floated, reasons for short tender should be properly recorded before taking approval of competent authority and tender inquiries should be sent by faster means like FAX/Speed Post/email etc and reasonable time should be given to prospective bidders to submit their tenders. Expressing urgency in a very routine and casual manner should be avoided.
2. Tender opening date should be on the day of closing of tender or the very next working day.
3. The tenders should preferably be kept open for sale till the date of tender opening or just one day prior to the date of tender opening. The tender notices should be put on the website and the e-mail address of the organization (here Registrar & SPO for those cases where tender are published by SPO offices, and for Engineering Section, eMail of the related officer of the section should be published).

#### **(A) Estimated Rates (Indent Value) of Items**

4. Sometimes, it has been observed that the estimated rates are being worked out in an unprofessional and perfunctory manner, at times by extrapolating the price of the lowest capacity equipment or by applying a uniform yearly compounded escalation over the prices of similar equipment purchased few years ago. Consequently, the prepared inflated estimated rates resulted in acceptance and payment of higher prices to the firms.
5. As the estimated rate is vital element in establishing the reasonableness of prices, it is important that the same is worked out in a realistic and objective manner on the basis of prevailing market rates, last purchase prices, economic indices for raw material/labour, other output costs etc wherever applicable and assessment based on intrinsic value etc.

**(B) Tender/Bid Document**

6. The terms and conditions being stipulated in the tender/bid document should be quite sufficient and should not be sketchy i.e there should not be any inconsistency or ambiguity.
7. The Time/Date for receipt and opening of tenders should properly incorporated in the document and should also be on the front page / first page of the document properly highlighted.
8. The following important clauses should be incorporated in the Bid/RFP document properly;-
  - Earnest Money – EMD shall be 2% of the estimate of an indent (rounded off to the next higher Rs. 50/-) which should be in favour of Director or Registrar in the form of Demand Draft/Pay Order/Bank Draft/Bank guarantee issued by any Nationalised Bank/Scheduled Bank. The EMD amount of a particular indent for which such decision is warranted, may be increased with the approval of Registrar but the indent group should proposed the hike with a proper rationale.
  - Delivery Schedule
  - Payment Terms (also provisions as per clause 45 of Section – ‘J’ should be incorporated in the bid document)
  - Performance/Warrantee Bank Guarantee (PBG)
  - Pre-Dispatch Inspection
  - Arbitration Clause
  - Liquidated Damages/Penalty Clause for delayed supplies and Risk-purchases etc.

*All the above clauses/points are important for safeguarding the interest of the institute and also have the indirect financial implications in the evaluation of the offers and execution of the contract.*
9. The Store Purchase Section will draft two standard drafts for EMD and PBG. It will be vetted by AO and will be forwarded to Registrar/Director for approval. This will be a part of every Bid/RFP document. If any additional conditional is to be incorporated in EMD/PBG document, it can be incorporated on the case to case basis.
10. The primary objective of the submission of the EMD is to establish the earnest of the bidder so that he does not withdraw, impair or modify the offer within the validity of the bid. It also helps in restricting if not eliminating ‘speculative’. ‘frivolous’ or ‘wait and see’ bids. Since any relaxation regarding submission of EMD has financial implications besides giving encouragement to the bidders to submit frivolous bids, the terms and condition should clearly stipulate that offer without EMD shall be considered as unresponsive and rejected.

11. The detailed generic technical specifications including performance parameters and the technical evaluation criteria should be clearly specified in the Bid document.

ALL THE IMPORTANT CLAUSES/POINTS AS BROUGHT ABOVE NEED TO BE INCORPORATED IN THE BIDDING DOCUMENTS SO AS TO FULLY SAFEGUARD THE INTEREST OF THE INSTITUTE FOR EVALUATION OF BIDS ON EQUITABLE AND FAIR BASIS AND IN THE TRANSPARENT MANNER.

**(C) Postponement of Tender Opening**

12. Whenever extension in the tender opening is done due to reasons like change in the specifications or on the basis of request of the vendors, sufficient time to submit the bids as per the revised specifications should be given to bidders. The intimation of tender opening extension should be sent to all the bidders who had purchased the Bid document. Also such notice of extension should be published in newspapers/web site.
13. In order to give equal opportunity to all the bidders and to maintain sanctity of tendering system, it is of paramount importance that any change in the tender terms & conditions, specifications and tender opening date etc. be notified to all bidders, sufficiently in advance of the revised tender opening date.

**(D) Opening of Tenders**

14. Tenders should be opened in public i.e. in the presence of the bidders or his representative. If not done so, it will be treated as against the sanctity of the tender system and not in a transparent manner. In case none of the bidder or his representative turns up at the time of bid opening, the tender should be opened with waiting.
15. While opening the tenders by the tender committee, each tender should be numbered serially, initialed and dated on first page. The other pages of the tenders should also be initialed with date particularly the prices, important terms & conditions etc should be encircled and initialed (possibly with 'Red' ink pen) by the tender opening committee.
16. Alterations in the tenders, if any, made by the firm, should be initialed legibly to make it perfectly clear that such alteration were present on the tender at the time of opening, be also recorded.
17. The tender opening committee should also prepare 'on the spot' statement giving details of the quotations received and other particulars like prices, taxes, duties and EMD etc as read out during the opening of the tenders.
18. In case of 'Two Bid System', after opening of the 'technical bids', the 'price bids' which are to be opened subsequently, closed envelopes after duly signed by the committee members and at least two members of the bidders side and then these should be kept in another sealed big envelope which should be signed by the committee members and members of the bidder's firm who are present at that time.
19. During the opening of the Bids (technical & financial), proper attendance of committee members and bidder's representatives should be recorded.

**(E) Post Tender Negotiations**

20. As per the guidelines of the CVC, post tender negotiation is banned except in the case of negotiation with L-1 (i.e. Lowest Tenderer). As per the Purchase Procedure Policy of the Institute, Post Tender Negotiation should be discouraged except in respect of the following circumstances:-
- a) Purchase of items on single tender basis where the prices quoted by the only supplier are higher than the estimate, subject to the condition that the estimate is realistic.
  - b) There is downward trend in the price of the item in the market after opening of the tenders. If the number of technically suitable / acceptable offers are more than one, all such bidders shall be given an opportunity to furnish their revised prices in a sealed envelope on a specified due date and time instead of holding any negotiation.
  - c) When the quantities of the item to be purchased are large and the orders have to be placed with more than one supplier and each of them has quoted varying rates in their offer and the intention is to reduce the price gap.
21. No individual should negotiate with L-1 rather the committee shall negotiate with L-1.
22. The Director of the Institute may overrule the recommendation for the price negotiation if he is satisfied that the recommendation made to hold the post tender price negotiation does not fall in the line with the above guidelines.

**(F) Technical Evaluation of Tenders**

23. Once the offer of a firm fully confirms to the specifications laid down in the bid documents, he should not be discarded based on certain additional features which were never the part of the specifications. Similarly the offers should not be graded as 'good', 'better' and 'best' meaning there cannot be any category for technically qualified bids for the award of the contracts.
24. Similarly, once the specifications are finalized and bids are submitted, the technical qualification criteria cannot be changed. For this, Technical Evaluation criteria should be clearly mentioned in the Bid document.
25. Once it has been established that the offers meet the laid down specifications, the question of 'grading' as well as any 'pick and choose' should not arise. The contract needs to be awarded to the lowest bidder meeting the laid down specification. For this Lowest Evaluated Bidders criteria should be clearly mentioned in the Bid document.

**(G) Advance Payment & Bank Guarantees including Performance Bank Guarantees**

26. The payment of mobilization advance should be made only in cases of select works and that the advance should be interest bearing that too against a bank guarantee of the same amount so that the contractor does not draw undue benefit.
27. The Bank Guarantees accepted should not be defective/conditional and should safeguard the interest of the Institute. Normally, BGs permitting encashment without any demur – merely on a demand from the Institute should be accepted. Conditions like 'the encashment only if it is established that the supplier had failed to comply with

his contractual obligations' should not be accepted at any cost. The defective BGs having conditions deterrent to the Institute interest should not be accepted at any cost.

28. The Bank Guarantees submitted by the firms should be verified from respective banks by Accounts Department.
29. The effective date of contract should never be linked with the date of receipt of Bank Guarantee. This is detrimental to the institute's interest as in the absence of a specific date for submission of Bank Guarantee; it would not be possible to establish specific date of breach to enforce the contractual remedies. In such cases, the supplier will get full opportunity to wriggle out of the contract, if so desire without fulfilling contractual obligations.
30. The advance payments need to be generally discouraged except in specific cases. Where ever payment of advance is considered unavoidable, the same should be interest bearing and be allowed after getting an acceptable Bank Guarantee for an equivalent amount with sufficient validity so as to fully protect the Institute Interest. Some reasonable time should be stipulated for submission of Bank Guarantee so that contractual remedies could be enforced, if required.
31. The Bank Guarantees need to be properly examined with respect to the acceptable format and any conditions deterrent to the Institute interest should got withdrawn before acceptance besides verifying the genuineness of the Bank Guarantees from the bankers. Timely action for revalidation/encashment of the Bank Guarantees also needs to be taken so as to protect the Institute interest.
32. In order to safeguard the interest of the Institute, it is appropriate to take reasonable amount of Performance Bank Guarantee valid upto warranty period for due performance of the contract. The validity of the Bank Guarantees need to be carefully monitored and whenever extension in the delivery period is granted, the validity of Bank Guarantee should be appropriately extended so as to protect the Interest of the Institute. Again, the genuineness of the BGs should be checked from the issuing bank.

**(H) Delivery Period Stipulation**

33. There has been various instances in case of Government supplies that only the date of completion of supply of the equipment is stipulated as the delivery period even though the installation and commissioning of the equipment is also carried out by the supplier. For installation and commissioning, no date is stipulated.
34. In the absence of any contractual binding in this regard, the suppliers claims the full payment for supplies of equipment and then tend to behave in an irresponsible manner and do not bother to take up timely installation/commissioning resulting in the equipment remaining uninstalled for months/years together.
35. To avoid the above, the specific delivery period for supply as per the terms of delivery such as FOR station of dispatch / destination and for completion of installation with necessary provision for Liquidated damages (LDs) / Penalty clause in the event of delay in supplies / installation needs to be incorporated in the contract.

**(I) Guarantee / Warranty Terms**

36. The guarantee / warranty clause to be incorporated should not be sketchy type as the modalities for enforcing the warranty obligations should be incorporated properly. Due to incomplete guarantee / warranty terms, the suppliers take full leverage and do not bother to honor the guarantee / warranty obligations resulting the equipment remaining defective and unutilized and thereby causing the loss to buyer i.e. institute.
37. Sometimes it is observed that in terms and conditions where installation of the equipment is also included in the scope of contracts but the standard guarantee/warranty clause of 15 months from the date of shipment / dispatch of 12 months from the date of delivery, whichever is earlier normally incorporated. With the result due to delay in installation of the equipment, that guarantee/warranty expires even before the installation of the equipment or sometimes a very short period of guarantee/warranty is available.
38. Detailed guarantee/warranty clause embodying all the safeguards be incorporated in the tender enquiry and the resultant contract. It is also needed to ensure that in installation/commissioning contracts, the guarantee/warranty should reckon only from the date of installation/commissioning.

**(J) Post Contract – Modification of contract terms / specifications**

39. After award of contract or after finalization of bid document and subsequently after opening of the bid, amendments/modifications having financial implications are not allowed in the terms & conditions as it give undue advantage to suppliers.
40. Hence after the conclusion of the contract, any relaxation in the contract terms / specifications should be severely discouraged. However, in exceptional cases where the modifications/amendments are considered to be absolutely essential, the same should be allowed after taking into the account the financial implications for the same.

**(K) Purchase Order, Receipt of Stores and Payments**

41. After getting proper approval from the competent authority, the Stores & Purchase Section will release the Purchase Order with detailed terms & condition. Internal Inspection Wing, DAE, Gol in their Internal Inspection of Accounts report of HRI for the year 2010-11 (vide their letter DAE/IIW/IR (09-10)/HRI/646 dated February 27, 2012 has mentioned that purchase orders should be prepared in proper contractual format in future. This should be complied along with the following;
  - (a) For a purchase of Rs. 50.00 Lacs and above, a proper contract on Rs. 100/- Indian Non Judicial Stamp Paper should be executed with the supplier. The contract should contain all the relevant clauses of the Bid document/RFP which includes Delivery Schedule, Payment Terms, Performance/Warrantee Bank Guarantee (PBG), Pre-Dispatch Inspection, Arbitration Clause, Liquidated Damages/Penalty Clause for delayed supplies and Risk-purchases etc along with other important points.
  - (b) No additional points should be added which were not in original Bid document/RFP. Even if, it is found that certain new points are required to be added



in the contract with the mutual consent of the supplier, the interest of the institute should be considered and should be as per the various provisions defined in this document.

- (c) For the order of value below Rs. 50.00 lacs, the purchase order should be 'Purchase Order cum Contract' and all the conditions as per the above point 39(a) should annexed with PO and should be accepted by the supplier with a proper acceptance on the PO by the supplier (PO should be in two copies and one copy will be returned by the supplier duly signed and stamped).
42. All the materials purchased on behalf of the Institute shall be received at the Stores & Purchase Section. After inspection and physical verification of the store, necessary technical and quality approval of the indenting Authority/Technical Committee shall be taken and recorded on the invoice of the supplier. The Store & Purchase section will provide Invoice/Bill with necessary entries along with copies of approval of the competent authority to the Accounts Section for Payment
43. Payment against orders shall be released by the Accounts Department as per the mode and terms & conditions stipulated in the order/bid document.
44. In respect of such of those purchase orders where the contractors make either excess supply or short supply not exceeding plus/minus (+/- 10% of the quantity ordered in each purchase order, the paying authority will make payment to the extent of quantity actually supplied by the contractor/supplier without a formal amendment to the purchase order subject to;-
- (a) availability of funds for the purchase (will be determined by Accounts Section at the time of raising the indent)
  - (b) the indenting authority agreeing to accept the short or excess supply
  - (c) the total value of the excess supply not exceeding Rs. 50000/- in each case
45. As per OM no 308/2957 dated 18/21 June, 2004, following shall be followed by the Accounts Section;-
- (a) The AO must ensure that the bill of creditors are processed and paid within a reasonable time, say 3 to 4 days.
  - (b) Once the cheques and drafts are readied, they should immediately be (within a day) passed on to the Dispatch Section for further necessary action.
  - (c) Accounts Officer may have certain query, should be handed over along with the necessary documents to the Registrar so that necessary clarification/rectification etc may be arranged.
46. In addition to the above, while processing the payment, Accounts Section should follow the following also;-
- (a) The query by Accounts Section if any is to be raised, it should be relevant/related with the payment of the supplier. If there are certain queries for which the suppliers is neither responsible nor concerned, it should not be linked to the payment of the supplier and should be dealt separately.

- (b) The payment should be cleared on the “*first come first serve*” basis for the procurement of various items. Account will maintain a register (may be in electronic form) detailing the payments and will give a running serial number along with date on every payment related document. These payment advices will be processed serially.
- (c) The payment related with building construction, transport contractors, civil maintenance, horticulture contract which are regular nature jobs of the Institute, shall not fall under the category of above 44(b) but will be dealt separately. The other clauses of the above will be applicable to these cases also.
47. For dis-intermediation and transparency purpose, the payment should be made through electronic payment mechanism. To start with, in the first phase, payment above Rs. 25.00 lacs will made through RTGS for which provision has to be made in bid document mentioning that bidder/supplier should have to provide the following details to the Institute before claiming any claim for payment along with one cancelled cheque leave of their bank account so that amount payable to them may be transferred electronically.
- (a) Beneficiary Details (For RTGS Transfer)
  - (b) Bank
  - (c) Branch
  - (d) IFS Code
  - (e) Beneficiary's Account No
  - (f) Beneficiary's Account Type
  - (g) Beneficiary's Name
48. The purpose for making payment system to be a transparent is to avoid inordinate delay in payments of suppliers which makes the system vulnerable to corruption. In different categories of payment, it should be ensured that payments are being made on “*first-come-first-serve*” basis.
- (L) Post Contract Monitoring**
49. The post contract monitoring should not be handled in a very casual and lackadaisical manner otherwise it may lead to time and cost overrun which will be against the interest of the institute.
50. There may be cases where even after expiry of delivery schedule stipulated in the contract and without extension of time granted by the purchaser. The consignees keep on exchanging correspondence with the suppliers and thereby keep the contract alive. This should be discouraged or rather stopped.
51. Generally, the purchaser extends the delivery period of the contracts. It should never be considered and recorded that the ‘Supplier’ has extended the delivery period of the contract.

52. The Liquidated damages for delay in supplies should be levied and recovered from the suppliers properly. In case, it is to be waived off, proper justification should be given and approval of the competent authority should be taken.
53. In case of letter of Credit (LC, which is normally not in practice in our institute), if the institute is extending the letter of credit facility for the delay of supply attributable on the part of the supplier in making the timely supplies, the LC extension charges shall be borne by the organization so that undue benefit to the supplier is not given.
54. Hence;-
- (a) The delivery period should be extended on bonafied request and not in a routine and casual manner.
  - (b) After expiry of delivery period, the consignees should be refrained from exchanging correspondence with the supplier.
  - (c) In case of delay in supplies, by the supplier, the liquidated damages to the extent possible needs to be recovered. Also in case of delay attributable on the part of the supplier, the LC extension charges should be to supplier's account.

In the nutshell, there is a need to discipline the suppliers so that the non-performers could be weeded out and the suppliers which can be relied upon with consistent performance, in terms of quality and delivery schedule are encouraged.

**(M) Other Miscellaneous**

55. There may be a situation where the equipment/items to be procured is of complex nature and we may not possess the full knowledge of the various technical solutions available in the market to meet the desired objectives of a transparent procurement that ensure value for money spent simultaneously ensuring upgradation of technology and capacity building etc. In all such cases, following may be adopted;-
- (a) In such procurement cases where technical specifications need to be iterated more than once, it would be prudent to invite Expression of Interest (EoI) and proceed to finalize specifications based on technical discussions/presentations with the experienced manufactures/suppliers in a transparent manner i.e. publishing EoI in newspapers and website etc. In such cases, two stage tendering process may be useful and be preferred.
  - (b) During first stage of tendering, acceptable technical solutions can be evaluated after calling for the Expression of Interest (EoI) from leading experienced and knowledgeable manufacturers/suppliers in the field of proposed procurement. The broad objectives, constraints could be published while calling for EoI.
  - (c) On receipt of EoI, technical discussion/presentations may be held with the short-listed manufacturers/suppliers, which are prima facie considered technically and financially capable supplying the material or executing the proposed work.
  - (d) During above technical discussions stage, we may also add those other stake holders in the discussions who could add value to the decision making on the various technical aspects and evaluation criteria. Based on the discussion/presentations so held, one or more acceptable technical solutions could

be decided upon laying down technical specifications for each acceptable technical solution, quality bench marks, warranty requirements, delivery milestones etc in a manner that is consistent with the objectives of the transparent procurement. At the same time care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidders. Proper record of discussions/presentations and process of decision making should be kept.

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

## Chapter – 02

### **Vigilance Guidelines** (For Preventive Vigilance)

#### **(A) Pre-Qualification in Major Packages**

1. The pre-qualification of contractors for various parts/packages of the project can be done by inviting pre-qualification tender as per procedure laid down in respective Manuals.
2. The pre-qualification of firms/contractors should be done separately for each case since all the projects have unique parameters.
3. The pre-qualification criteria should be prescribed in the tender itself for ascertaining the eligibility of the contractors as per notified criteria.
4. Evaluation criteria, in detail with weight-age for each criteria and cut off level for qualification should be notified in the tender.

#### **(B) Registration of Contractors**

5. Follow the guidelines issued from time-to-time or in the Purchase manual of the Institute.
6. Registration of contractors/firms (preferably e-Registration) should be done.
7. Registration of non – performing contractors./firms should be immediately cancelled and informed to DAE and all its units and post on the website of the Institute also.
8. Banning/ debarring/ blacklisting of the contractor/firm should be informed to DAE and all its units and post on the website of the Institute also.

#### **(C) Consultancy Contractors – Appointment & Execution**

9. Appoint consultant in a fair and transparent manner through competitive bidding.
10. Appointment of consultant should be absolutely need based & for specialized jobs only.
11. The scope of work & role of consultants should be clearly defined & the same should be enforced during execution.
12. The contract should have adequate provision for penalizing the consultants in case of defaults by them like failure to provide required services, performance guarantee, professional liability insurance etc. at any stage of project.

13. As far as possible, a project implementation schedule indicating maximum permissible time for each activity should be prepared with a view to arrest time over runs of the projects.
14. Avoid appointing the same consultants perpetually. Keep adding new consultants through registration process.
15. Rates for repetitive works should be carefully fixed as it requires no extra inputs such as additional set of drawings or otherwise.
16. Do not pay for services not rendered.
17. Exercise control on travel & other miscellaneous expenses of the consultants, if the Institute has to pay for it.
18. Ensure that consultants do not offload their responsibility on the contractor or organization during execution / supervision.
19. Decision making should rest with the executive and the role of consultant should only be advisory & recommendatory.
20. Fix upper ceiling for fees. It should be pegged with original estimated value.
21. While short listing the bidders, do not restrict your selection to only those firms as recommended by consultants & add more firms in the expert field after their due evaluation for better competition.
22. Check the estimate prepared by consultants which may have ambiguous provisions and inflated rates etc.
23. Check the need and use of imported material suggested by consultant as they may inflate the estimate or favour some specific firm.
24. Check the use of proprietary articles / monopoly items prescribed by the consultant.

**(D) Approvals & Technical Sanctions**

25. Ensure separate administrative approval is available for each work. Administrative approval for project does not mean availability of approval for each work.
26. The preliminary / block estimate proposed for obtaining administrative approval should be based on plinth area rates / unit cost / market rates etc.
27. Prepare preliminary / block estimates duly considering factors affecting the work, market survey and the local conditions. The basis of arriving estimate should be clearly brought out.
28. Ensure financial sanction is available for the work.
29. Ensured availability of adequate budget provisions for the work.

30. Prepare detailed estimates / technical sanction based on approved tender drawings/sketches, supported by rate analysis. Do realistic estimation of the quantities based on approved drawings and record their basis.
31. Adopt standard schedule of rates and add reasonable escalation based on relevant indices published by RBI, if required.
32. If schedule of rates are not available, then the rates should be decided based on market survey, with proper rate analysis. Basis of such rates should be mentioned in the estimate.
33. Do not collect market rates from unauthorized sources.
34. Manpower rates should be worked out realistically considering the applicability of PF, insurance etc. Manpower rates should be based on the minimum wages specified by Central or State Government and as per statutory requirement or as per the policy of the Institute if any.
35. Estimates should include basic price, fabrication charges, inspection fees, taxes & duties of all types, packing, handling & transportation charges, erection, testing, commissioning charges, contingency charges etc. as applicable.
36. Clearly mention the specifications and special conditions based on which the estimates are prepared.
37. Do not take the rates of previously awarded works for preparation of the estimates as it may include huge contractor's profit and may not be necessarily obtained through competitive bidding.
38. Ensure that technical sanction of the estimate from the competent authority is available before inviting the tender.
39. Do not revise the technical sanction at a later date after receipt of tender in order to justify quoted rates of the L-1 bidder.

**(E) Mode of Tender**

40. Avoid public tender dispensation as far as possible. If done, detailed justification should invariably be furnished.
41. Limited tenders should be called not as a matter of routine but only in cases as specified in Manuals/Policy of the Institute.
42. Ensure calling of single tender only as per purchase policy of the Institute.

**(F) Pre-Qualification (PQ) Criteria**

43. Prescribe pre-qualification criteria as per Standard NIT as published in GCC booklet. Any additional condition, if warranted, should also be included but only after approval of competent authority giving full and detailed justification.
44. In case, any unavoidable change in pre-qualification criteria is necessary, approval of the competent authority should be obtained after recording adequate justification.

45. Define the 'Similar Work' in clear terms in NIT so that there is no ambiguity while evaluating the tenders. Do not change the definition of the 'similar work' again & again.
46. Ensure that pre-qualification criteria are not too stringent to discourage competition nor too lax to complete the work successfully by the contractor.
47. Requirement of supporting documents should be clearly laid down in the tender while fixing the criteria for fair evaluation.
48. Don't relax the PQ criteria after receipt & opening of the tender. Re-tender, if relaxation / modification in PQ criteria is absolutely necessary.
49. Re-tendering amounts to derailment of tendering process and hence to be resorted only with proper & recorded justification and not on flimsy grounds.

**(G) Preparation of Tender Documents**

50. Pre-qualification criteria, performance criteria, evaluation criteria, weightage and any other conditions incorporated in the tender documents, should be unambiguous to evaluate bids in the transparent manner.
51. The contractor always tries to read between the lines of the contract clause. Hence, the clause should be framed carefully to avoid disputes/arbitration at a later stage.
52. Terms and conditions should be clear. Vague and conflicting provisions result in disputes and cost over – runs.
53. Order of precedence given in GCC should be kept in mind while framing specifications / conditions.
54. Ensure conformity among nomenclature / description of items, specifications, drawings, general and special conditions.
55. Avoid inclusion of such conditions in the document which are not feasible to be operated during execution.
56. Ensure Bid security clause to eliminate non serious bidders.
57. Provide enough safe guards against misuse of mobilization advance.
58. In single part tender, emphasis should be made for not accepting any documents from the bidder after opening of tenders. A clear provision in this regard should be made in the NIT and tender documents.
59. Stipulate condition regarding splitting of the quantities, if required, in tender documents.
60. Do not split the quantities / work among bidders on flimsy grounds.
61. Conditions should be framed in a manner so that same / similar activity is not performed by Institute's staff as well as contractor's staff at the same location simultaneously.



62. Specify minimum man-power per day to be deployed by the contractor particularly for contracts of support services which involve mainly supply of manpower. There should be provision for penalty for supply of less manpower. The qualification of manpower required should be clearly spelt out.
  63. Stipulate milestones in the contract for the specific schedule of completion of contract in an unambiguous manner for major works.
  64. Mention clearly the forms in which the bid security amount can be accepted & strictly adhere to the same.
  65. Mention relevant IS code references for technical specification / item description.
  66. Provide realistic completion period for the work. Unworkable periods lead to frequent grant of extension of time and litigation. Similarly, for longer periods, contractors tend to quote higher rates or they may get benefit of bonus for early completion of work.
  67. Specify the clauses of invocation & revocation of Bank Guarantee.
  68. Don't sub-divide / split a bigger work into smaller works so as to bring it within the power of approving authority of lower level.
  69. Don't alter specifications and conditions of contract if left out work of a rescinded contract is to be executed at the risk & cost of the defaulting agency.
  70. Specify the tools or any material / machinery to be issued to the contractor duly indicating their quantities, rates and locations of issue. If any wastage is permitted, the same needs also to be specified.
  71. Make clear the applicability of various taxes & duties in the bid documents. Consult finance for framing tax clauses.
  72. Do not stipulate a particular brand of product in the tender document, as it encourages restrictive trade practice. However, you may stipulate list of recommended brands.
  73. Ensure to provide information regarding pre-bid meeting as per GCC (i) to bring clarity regarding various provisions & (ii) to bring necessary modifications, if required.
  74. The date of pre-bid meeting should be after the tender sale date. All issues should be settled in the pre-bid meeting.
  75. Invariably fill-up complete details as required in Schedule 'A' of GCC.
  76. Do not issue tender documents as prepared by the consultant to the tenderers / bidders, without their scrutiny and approval of competent authority.
  77. Tender documents should be put to sale only after scrutiny & approval of the competent authority.
- (H) Notice Inviting Tender (NIT)**
78. Ensure strictly the approved format of NIT as contained in GCC.

79. Float press advertisements for open tender in local and national newspapers for wide circulation as specified in 'Construction Management Manual'.
  80. Tender notice should contain the information regarding receipt of bids viz. designation and complete address of officer to whom the tender should be addressed and due date, time & place of receipt & opening of tenders.
  81. Ensure uploading of NIT and tender documents on Institute website in time with downloading facility. Do put notices of all tenders (be it single, limited or open tender) on the Institute website.
  82. Ensure to publish the following items simultaneously on Institute's Website/Central Public Procurement Portal (CPP):
    - All tender enquiries whether they are advertised, issued to limited parties or to a single party;
    - Details of contracts awarded thereon including those issued through e-procurement.
    - Requests for Proposals
    - Requests for Expressions of Interest
    - Notice for Pre-qualification / Registration
    - Any other notice inviting bids or proposals in any form
    - Related corrigenda for above items.
  83. Ensure that prescribed time limits between the date of call for tender & date of opening of tenders, as laid down in 'Construction Management Manual' are followed. If the time is required to be reduced, availability / providing sufficient time to the bidder should be ensured. Detailed reasoned note may be prepared & approval obtained from competent authority for reduction of time.
  84. Don't forget to intimate any corrigendum, issued individually to the parties who have already purchased the tender documents. Also ensure publishing the same in the media and display on CPP, Institute website & Notice Boards.
  85. The forms, in which the cost of the tender documents will be acceptable, should be clearly brought out in the NIT.
  86. Do not stipulate any additional condition in the NIT which may restrict the competition.
- (I) Receipt and Opening of Tenders**
87. Ensure suitable arrangements for receipt of sealed tenders at the scheduled date & time and at an easily approachable location.
  88. Tender Box should be sealed and signed in presence of at least two departmental officers and should be opened in presence of the financial representative. The records should be maintained in a Register.
  89. Follow the instructions to receive the tenders in sealed cover only, as per the provisions enunciated in NIT /provided in GCC booklet of tender document.

90. Don't accept the tenders received after due date and time. Only in exceptional cases as per NIT Para 26.4 (GCC Booklet), the bids can be received up to opening of the tender.
  91. Record reasons for postponement of the tender opening. Don't extend the date of submission or opening without valid reasons.
  92. Notify to all the bidders through corrigendum in the media, CPP, website & notice boards, sufficiently in advance of the revised tender receiving / opening date along with any change in specifications, terms & conditions etc. if any.
  93. Open tenders in presence of the bidders / their representatives who chose to be present.
  94. Ensure to open the tenders on the stipulated date and time.
  95. Ensure that while opening tenders, each tender should be numbered serially, initialled and dated on the first page.
  96. Ensure that each page of tender is initialled with date by all the tender opening officers.
  97. Ensure that all cuttings / over-writings / insertions / additions are encircled and all the tender opening officers put their signatures / initials with date. Also mention total number of such corrections at the bottom of each page, so as to avoid subsequent tempering.
  98. Any omissions observed should be brought out clearly by the tender opening officers on each page of the tender.
  99. Prepare a statement giving details of the tenders received and other particulars like the prices, taxes / duties, bid security, any rebate etc. as read out during opening of the tenders. The statement should include date of opening including extension, if any, name and signature of all the persons present to witness the tender opening including the bidders' representatives.
  100. In cases of two part tender, ensure that all the tender opening officers sign on the envelopes containing the price bids. Thereafter, all the price bids should be kept in an envelope and all the joints of the envelope should be sealed and signed by the opening officers including F&A officer. This envelope should be kept with a nominated officer in safe condition and it should be opened in presence of F&A officer & the bidders / their representatives who chose to be present.
  101. No tender is to be issued after close of sale, without extending the sale date.
  102. Don't entertain any unauthorized person during tender opening.
  103. Maintain tender sale & tender opening registers.
- (J) Tender Evaluation**
104. Do not consider bids without valid Bid Security.

105. Evaluate the tenders strictly as per notified criteria, tender specifications and conditions.
106. Ensure independent verification / authentication of all the important certificates especially work completion certificates, securities / sureties, and other documents submitted by the bidder.
107. Do not consider the work order alone or completion certificate alone as a proof of work executed.
108. Do not relax PQ criteria after tender opening. Re-tender, if relaxation or change in PQ criteria is essential.
109. In single part tender, no additional documents should be obtained provided the same is specified in the NIT / tender documents. Evaluation should be done strictly based on documents submitted.
110. Prepare technical comparative statement consisting of comparison of various bids strictly as per conditions mentioned in the tender.
111. Finalize the tenders within its validity period. If required, it should be invariably got extended before expiry. Work should not be awarded to the agency which do not extend the validity.
112. Do not add any fresh evaluation criteria during evaluation.
113. Do not reject the bids without assigning proper justifiable reasons.
114. Do not propose for award of work with unacceptable conditions put forth by the bidder. Those should be withdrawn first.
115. Do not accept any post tender modifications by the bidder.

**(K) Post Tender Negotiations**

116. Do not conduct negotiations. If at all to be done, it should be held with L-1 only. Record valid and logical reasons for justifying negotiations.
117. The agenda for negotiation should be fixed beforehand & negotiations should be done only on the agenda items.
118. Record without loss of time, the details and outcome of such negotiations, if any. Such document should be made part of the agreement and should contain the signatures of all the officers present during negotiation.
119. Carefully evaluate the condition quoted by the bidders and do not accept undue conditions during negotiation.
120. Do not retender on flimsy ground as the rates may be higher at second call.
121. Re-tender the work in case L-1 backs out.

122. Do not delete items after opening price bid. Compare the rates with rates of similar works awarded / being awarded at the same time.
123. In case of single part tender, prepare Comparative Statement carefully including rejected / disqualified bids.

**(L) Cases Requiring Splitting of Work**

124. Pre-disclose the ratio of splitting the work in the tender itself.
125. In case of splitting of work, make counter offer to L-2, L-3, etc., at the accepted rates of L-1 as pre-disclosed in the tender.
126. Establish the reasonableness of rates on the basis of estimated rates / SOR and prevailing market rates before acceptance of the offer.
127. Identify abnormally high rates (AHR) and abnormally low rate (ALR) items and address them appropriately. Engineer – In – Charge responsible for execution of contract should be intimated to exercise appropriate control on such identified items to avoid vitiation (i.e. L-2 becoming L-1) or undue benefit to the contractor.

**(M) Award of Contract**

128. Ensure that once the offer is found techno-commercially acceptable, the work is awarded without any loss of time.
129. Issue the Letter of Intent only after acceptance / approval of award of work by the competent authority.
130. Expedite issue of Work Order once Letter of Intent is issued.
131. If the amount to be accepted is in excess of 10% more than the financial sanction, obtain additional sanction.
132. Do not award additional work beyond the original scope of work included in the work order in order to avoid the preparation of detailed estimate and call of tenders.
133. Take acceptance of the work order before starting off work.
134. Ensure that contract agreement document is precise, definite, unambiguous and complete. Make all important papers, such as minutes of pre-bid meeting, copy of amendments subsequent to the issue of tender documents, outcome of the negotiation etc., a part of contract agreement.
135. Ensure that the agreement is well bound, page numbered in serial, signed by both the parties and well secured.
136. Sign the agreement with the contractor within the stipulated time to avoid any complication in the contract at a later date. Do not sign back dated.
137. Ensure that the details of awarded contract are posted on the website and Centralized Procurement Portal.

**(N) Execution of Contract**

138. Study all the contract conditions carefully.
139. Before allowing the contractor to start the work, the EIC should check the following documents depending upon the contract provisions:
  - A copy of the Work order & its acceptance by the contractor.
  - A copy of valid labour license, if applicable.
  - Original Insurance policies as per contract.
  - A list of staff to be deployed and the copies of their certificates of qualification and experience (to be verified with originals by the EIC).
140. Performance Guarantee should be obtained within the stipulated time in the contract.
141. Engineer-In-Charge & his representatives responsible for execution, should understand the contract conditions and follow the same, Clauses of insurance, workmen compensation, etc. are routinely neglected giving huge financial benefit to the contractor.
142. Do not change 'Engineer-In-Charge' frequently.
143. Ensure that all the recovered & usable materials in a contract are properly accounted before work completion.
144. Ensure that the payment of interest free advance is not given, until it is specified in the contract.
145. Ensure execution of works as per drawings & specifications. If inferior quality of work is technically acceptable, ensure reduction in quoted rate for such item.
146. Maintain attendance measurement records for contractor's staff and record their availability in manpower supply / related contracts.
147. Ensure that materials are tested at required frequency & keep the records.
148. Reconcile the issue of materials by the department at various stages of project / work, if any.
149. Keep record of receipt of materials supplied by the contractor like cement, paint, chemicals etc. and reconcile the same intermittently to check their consumption.
150. Be watchful on the quantities of abnormally high rated items and do not increase their quantities unless such increase is essential / unavoidable on technical grounds.
151. Do not decrease or delete or substitute the quantities of abnormally low rated items unless specific field conditions warrant this.
152. Adopt risk & cost option in case of contractor's failure to complete balance work. Ensure to serve all the relevant notices as prescribed.
153. Ensure that the specialized works are executed through specialized agencies and obtain required Guarantee for such works from specialized agencies, if specified in

agreement. Remember that recovery is not a substitute for acceptance of bad work. Efforts should be made to get bad work rectified by Contractor.

154. Do not delay in identifying the substandard works and directing the contractor to rectify the same at their risk and cost.
155. Keep the departmental equipments separately and do not mix with the contractors equipments. If similar equipments are in use, the departmental equipments should be embossed with 'HRI' for easy identification, loss, etc.
156. Institute machinery and plant should not be provided to the contractor unless specified in the contract. Similarly, do not issue any material to the contractor beyond the scope of the contract. If at all it is unavoidable issue the plant & machinery on chargeable basis after obtaining approval from competent authority.
157. Do not fail to record facts i.e. any obstruction in the work due to non-availability of site / front, labour problem, non-receipt of material, stoppage of work due to any other reason in Hindrance register connected with contractor & keep record of slow progress of work, improper quality, bad workmanship, extra claims & issue the relevant notices / denials from time to time etc.
158. Refer documentation of test records; site instructions, issue of materials to ensure execution of quality work.
159. Monitor the progress in accordance with the schedule as per agreement. The lapses should be brought in writing to the notice of the concerned departmental officer and the contractor.
160. Do not approve exorbitant rates for extra/substituted items.
161. Record detailed measurements date-wise & location-wise as per HQI. Do not record measurements unless works are carried out. Practice of entering only abstract measurements may attract vigilance angle.
162. Ensure test checks as per norms specified in Construction Management Manual are carried out on the Measurement Book (MB) entries, with specific recording of the quantities checked with due initials and test checking date.
163. While conducting test checks, record the item location, date of check etc. in the Measurement Book. The percentage of the items checked, is to be documented.
164. Do not forget to prepare as built drawings on completion of any contract.
165. Extension of time of contract should be based on hindrance noted in Hindrance Register.
166. Ensure levy of compensation for delay as stipulated in GCC in case of delay in completion of contract.
167. Do not release retention money / security deposit before due date.

**(O) Bank Guarantee (BG)**

168. Ensure that BG is obtained from a scheduled commercial bank in India in the prescribed format.
169. The BGs submitted by the contractor should be verified verbatim on receipt with the specified format.
170. Ensure that whenever the time extension for contract is granted, the extension of validity of BG from Bank should also be obtained from the Contractor.
171. Insist on the contractors that BGs to be submitted by them are sent to Institute by the issuing bank directly under registered post.
172. The genuineness of BG should be checked independently from issuing bank. Write to the issuing bank (if BG is submitted by the contractor directly) to send by registered post and un-stamped duplicate copy of the Guarantee directly to the corporation with a covering letter. Compare this with the original BG for confirming that BG submitted by the contractor is genuine.
173. Never handover the BG to the contractor for getting its extension or verification.
174. Assign the responsibility & ensure verification, timely renewal and timely extension of BG.
175. Conditional BGs should not be accepted.
176. Ensure timely action for revalidation / encashment of BGs. Do not wait till last moment for extension and in such a case ask for encashment well in advance.

**(P) Insurance**

177. Ensure the contractor submits all policies as per tender in joint name with Institute.
178. Do not accept photocopy of the Insurance policy and ensure that the original copy of the insurance policy is submitted by the contractor.
179. Ensure that contractor submits the Insurance Policy specific to the work under consideration & not generalized one.
180. Do accept insurance policies for entire period of contract including defect liability period, if any from the contractor.
181. Match the workmen compensation policy with the monthly wages of the workmen deployed by the contractor.

**(Q) Post Tender Modifications**

182. Discourage any relaxation in contract terms and conditions / specifications after award of the contract.
183. Do not modify any condition of the contract to avoid vitiation of contract and litigation by other party.



184. Allow modifications / amendments, only in exceptional cases which are considered absolutely essential but after taking into account the financial implications.
185. Inspection clause should not be waived subsequently without valid reasons and adjustment of financial implications.
186. Do not cancel part item of the works.

**(R) Payment, Taxes & Dues**

187. Do not measure new work unrelated to tendered scope as variation in the existing contract.
188. Do not pay price escalation unless specified in agreement.
189. Formula for escalation and respective indices should be correctly applied as per escalation clause of GCC.
190. Do not delay in settling rates for extra / substituted items.
191. Ensure recoveries as per contract agreement.
192. Reimburse taxes and duties, if applicable, only on production of relevant documents.
193. Ensure that various taxes & duties are paid / recovered by / from contractor.
194. Make clear the applicability of various taxes and duties in the bid document.
195. Make the payment to the contractor based on the actual progress of the work.
196. Pay the quantities executed beyond the stipulated time after deducting suitable LD as per agreement for delay attributable to contractor.
197. Do not deviate from payment terms provided in the contract. All the payments should be made timely to the contractor. Final bill payment should be made promptly after completion the work. Inordinate delay attracts the vigilance angle.
198. Remember that every clause of a contract has its meaning and significance. Fulfilment of each condition is binding on both the parties to avoid arbitration.

**(S) Lump Sum Contracts**

199. The tender document shall contain complete & detailed specifications and scope of work to be executed.
200. If the work is to be carried out as per Institute design and drawings, all the drawings should be prepared beforehand and should form part of the tender document.
201. In case the design is also to be carried out by the bidder, all necessary input details and output requirement should be clearly spelt out in the bid document.
202. Post tender changes should not be encouraged in lump sum contracts, since financial adjustment due to such changes are difficult to work out accurately.

203. Payments schedule shall be based on the quantum of work to be executed till completion of each milestone.

**(T) Horticulture Works**

204. Different species of plants / variety of chemicals having large cost difference shall not be clubbed under one item.

205. Persons with experience in horticulture works shall only be deployed for monitoring and supervision of this type of works.

206. Payment of royalty by the Contractor for material used in works shall be ensured.

207. Ensure the height of plants supplied and their planting distance as per contract during execution.

**(U) Auction**

208. Estimate of material should be prepared based on the market rate and the reserve price should be decided accordingly.

209. reserved price should be kept confidential.

210. E-auction should be followed in all cases.

**(V) Conflict of Interest**

211. A Bidder participated as a consultant in the preparation of design or technical specifications of the works that are the subject of the bid, shall not be permitted to participate in the bid.

212. A Bidder affiliated with a firm or entity that has been hired (or is proposed to be hired) by the Corporation for supervision or as Engineer-in-charge for the contract, shall not be permitted to participate in the bid.

213. The Contractor shall not be permitted to participate in tender for works in the Institute (responsible for award and execution of work) in which his near relative is posted as an officer in any capacity.

214. Tender inviting authority / ENC must ensure that the bidder / contractor intimates the names of persons who are working with him in any capacity or are subsequently employed by him and who are near relatives of any officer in the Institute.

215. They shall also ensure that the bidder / contractor intimates, if any employee of the Corporation has or develops a financial or other interest either with him or his company during the execution of the contract.

**(W) Arbitration**

216. Remain vigilant so as no opportunity is given to the contractor for making any undue claim. Generate proper records during execution clarifying various disputed points.

217. Ensure that the payment to the contractor is made promptly after measuring works executed as per contract. It is most critical for successful & timely completion of works to avoid litigation and arbitration.
218. Process the case for appointment of arbitrator as per contract agreement, well before its stipulated time. Follow-up constantly with the competent authority for appointment of arbitrator within scheduled time and early settlement of the case. Otherwise, the contractor will get the chance to get the arbitrator appointed through court.
219. Remember that once the case is under arbitration, the correspondence with the agency should be done in consultation with the corporation's legal expert.
220. Do not forget to take action on arbitration award unless disputable

## Chapter – 03

### General Anomalies

#### **(A) Administrative Approval**

1. Works taken up without administrative approval and / or financial sanction.
2. Block estimates prepared without any basis and Inadequate / inappropriate justification for taking up the work
3. Approval obtained from authorities who were not competent.

#### **(B) Technical Sanction & Estimates**

4. Technical sanction not obtained. Technical Sanction of same work in two contracts of the same department / section.
5. Estimates prepared with inflated rates. Estimated rates derived by applying certain arbitrary factors on previously awarded rates.
6. Estimated Rates worked out without proper market survey. No rate analysis or back-up details for basis of rates prepared and attached with estimate.
7. Estimates prepared without detailed drawings or inappropriate quantities of items resulting in large variation during execution.
8. Adhoc reduction of estimated cost in NIT published.
9. Reducing the cost of work or splitting the work to suit for approval at lower level.
10. Preparation of item with vague / contradictory description.
11. Inflated estimation on account of radiation doses resulting in excess payment to the contractor.
12. Framing lump-sum items without detailed and complete specification, resulting in disputes during execution.

#### **(C) Pre-qualification (PQ) Criteria**

13. Qualification criteria prepared to suit a particular bidder. Relaxation in prequalification criteria to qualify certain agencies during evaluation.
14. Formulating new qualification criteria during evaluation for qualifying or disqualifying a particular bidder.
15. Qualifying the bidder even though proof of similar work executed not available / attached.
16. Qualification of contractor without availability of copy of contract / work order and / or completion certificate.
17. Qualification of contractor without verification of documents submitted in support of PQ criteria.

18. Disqualification of bid on criteria not notified in the tender and qualification of contractor ignoring PQ criteria though stipulated in the tender.
19. Disqualification of bid even after fulfilling criteria as per tender.
20. Acceptance of unauthorized partnership deed and consideration of assets & credentials of other contractor for qualification in the tender.
21. Repeated changes in the definition of similar work.

**(D) Tender Conditions**

22. Conflicting tender conditions.
23. Bureau of Indian Standard (BIS) / other relevant codes not referred / mentioned wherever required.
24. Providing completion period too long / too short than required.
25. Penalty clause not included or inadequately covered in service contracts.
26. Acceptance criteria not indicated in tender.
27. Vague condition about qualification of contractor's staff resulting in deployment of untrained staff or less qualified staff by the contractor in service contracts.
28. Minimum requirement of manpower and other resources not specified in the service contracts.
29. Tests (if any) to be conducted or its frequency not mentioned in the tender.
30. List of materials or its quantities not matching with the conditions specified.
31. Not framing the proper clauses of recovery towards non-provision of specified resources in the contract.
32. Recovery rate for non-return of surplus free / chargeable issue material not indicated.
33. Tax clauses not decided in consultation with finance.
34. Insurance clause not included.

**(E) Mode of Tender**

35. Limited tenders issued to unregistered contractors.
36. Guidelines for issue of limited tender contained in 'Construction Management Manual' or Institute Manual not followed.

**(F) Invitation & Publicity of tenders**

37. Inviting tender without technical sanction.
38. Improper NIT (Notice Inviting Tender).
39. Selection of firms for inviting limited tenders not done as per defined/approved procedures
40. Wide publicity of NIT in newspapers not done

41. Tender not published on the Institute web-site.
42. Inadequate time for sale & submission of tender and issue of tender after closing of sale.

**(G) Tender Receipt and Opening**

43. Acceptance of late tenders Extension of date of sale / receipt of tender on invalid reasons and / or to favour a particular bidder.
44. Tender opening committee members not signing documents. Corrections are not authenticated during tender opening.
45. Qualifying bidder and opening his financial bid in anticipation of submitting a vital document by the bidder at a later date and disqualifying the bidder for not submitting the same document later.

**(H) Award of Work**

46. Carelessness in preparing comparative statement. Consideration of tender with inadequate / without Bid Security.
47. Improper identification of L-1 during evaluation or Rejection of L-1 bid on flimsy grounds.
48. Negotiation with L-1 bidder without convincing reasons.
49. Deviating from approved agenda during negotiations.
50. Awarding of work without assessing reasonability of rates.
51. Re-tendering on frivolous grounds.
52. Revising the estimated cost after opening of tender and during evaluation to justify the offer which is above the estimated cost.
53. Issue of work order even after loss of file / lowest bid.
54. Agreement signed back dated or Agreement not signed by competent authority.
55. Agreement papers not bound and serially numbered.
56. Original agreement not containing the original bid and documents.

**(I) Post Contract Modifications**

57. Revising the specification after award of work without considering financial implications.
58. Revision of terms of payments and advances.
59. Awarding new work as additional work / variation in existing contract.
60. Cancellation of part item / work to benefit the contractor.
61. Substitution / deletion items unfavourable to contractor.

**(J) Execution of Contract**

62. Payment of interest free advance without contract provision.

63. Advance payments not adjusted timely.
64. Non – verification of bank guarantee. Bank guarantee bond not renewed / extended.
65. Delay in recovery of security deposit or delay in obtaining performance guarantee.
66. Change of brand during execution without justification and no reduction in rates for use of cheaper brand.
67. Deployment of less qualified / experienced staff by the contractor than specified in tender.
68. Falsified conversion of cost of manpower into inflated quantity of items.
69. Detailed measurements not entered in Measurement Book (MB) / Work Contract Management System (WCMS). Only abstract measurements are entered & paid.
70. Test Check of measurement not done by senior officers.
71. Material issue / receipt register not maintained properly in sectional stores for accounting of material issued to the contractor.
72. Receipt and consumption register is not maintained for materials like cement, steel, paint, chemicals etc. Material consumption not verified intermittently.
73. Non-issue / delay in issue of completion certificate. Issuing completion certificate without mentioning of contract value, actual value of work done, penalty levied and work order number.
74. Issue of part completion certificate, though not stipulated in contract. Non-compliance of insurance clause.
75. Insurance policies / BGs not obtained for specified period as per tender clause
76. Workmen compensation policy taken for less number of workers / less monthly wages.
77. Attendance measurement records for manpower supplied by the Contractor not maintained properly (for works related to manpower supply).
78. Testing Laboratory not set-up as per contract and testing done by the departmental facilities without recovering testing charges.
79. Not ensuring the deployment of minimum manpower and not imposing penalty for short deployment as per contract.
80. Quality test certification entrusted to the contractor staff.
81. Falsified conversion of cost of manpower into inflated quantity of items.
82. Hindrances Register not considered while granting time extensions and quantifying delays. Also other factors not recorded as hindrances considered for such extensions.
83. The family member of the EIC working with the contractor without any intimation to the Corporation.

84. Payment released for absent days on manpower supply contract or Payment released for work not done or for incomplete work.
85. Extra item prepared & paid without justification.
86. Execution & payment of work not in the scope of contract. Payment of earlier work done in a contract, awarded at a later date.
87. Payment of same work in two contracts.
88. Payment of non-admissible taxes in violation of contract.
89. Mixing of contractor's personnel with departmental staff for various works thereby resulting in duplicate payments.
90. Payment for working of contractor's staff on Sundays and other holidays without their working on these days and against contract stipulations.
91. Excess Overtime (OT) Payment to contractor by not accounting over-time hours as per contract condition.
92. Payment to the contractor without checking time schedule of his personnel.
93. Non-recording of measurements in manpower based contracts.

**(K) Others**

94. Non-retention of Measurement books as per prescribed retention period.
95. Approvals from authorities without checking their competency for such approval, as per delegation of powers.
96. Wrong application of 'Force Majeure' Clause of GCC to benefit the contractor.
97. Revision of reserve price arbitrarily without proper basis.
98. Returning the demand draft on the same day of auction without en-cashing the same.
99. Not recording in & out time of the contractors' employees at the Main Gate.

***The provisions/points given in this booklet are to be considered at different relevant stages. This may not be the complete list but such list check points will always include above items. Approving authorities can further add check points relevant to their requirements. In most of the contract processes, there is also a recommending authority. Sometimes the proposals pass through more than one recommending authority. Approving/accepting authorities can define the role of recommending authorities. They may be guided to verify and certify certain items specifically as per check list before the recommendations are brought to the approving/accepting authorities. This will help to cut down the time required by the approving/accepting authorities.***

***The provisions given in Purchase Manual of the Institute or other rule books which are followed in the Institute shall prevail over above. In case any inconsistency or ambiguity observed while considering the above, it will be the responsibility of the concerned to bring this to the notice of the competent authority and get it cleared/approved.***