



JAGRITI

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From the Desk of Chief Editor

Dear Readers,

Warm greetings to you all.

This issue has articles on Transparency and ethics in Public Procurement, e Governance and certain important CVC circulars.

It is estimated that procurement by Government, its various Ministries and Departments, Departmental and Public Sector Undertakings put together constitutes around 20 -25 % of the country's GDP. This is indeed a huge sum. As the public organizations utilize public money for procurement it is the duty of all involved in the process to see that the procurement is done in a transparent manner by following ethical practices to get maximum value for money.

Transparency is a wonderful source of mental peace. When we are transparent, we tend to do official duties as per rules and regulations and lead our personal lives following societal norms, traditions and customs. Being transparent also increases our face value as well. When we are not hiding anything, we can smile more often and look at the world in its eyes.

World Bank is running a Certificate Program on Public Procurement. It has three modules. Each module has an interesting lecture session followed by a on line test with multiple choice questions. Registration is free. I can assure you that It will be a good learning experience. I suggest to one and all to give it a try.

With Best Wishes and Happy Reading,

S.Mohanraj,

AGM(Vigilance)/Corporate & Chief Editor, JAGRITI Magazine

TRANSPARENCY IN PUBLIC PROCUREMENT

Procurement is the acquisition of appropriate goods and / or services at the best possible “total cost of ownership” to meet the needs of purchaser in terms of quality and quantity, time and location. When goods or services are purchased by a public sector, it is called public



procurement. Public procurement is the act of purchase of goods and services by a public sector entity for achieving certain specified and identified objectives As has been stated, *'it is the process by which Governments and public sector institutions buy inputs for vital public sector investments in physical infrastructure and for strengthening institutional human capacities which lay the foundation for national development.* Taken ideally, public procurement would mean acquisition of goods or services at the best possible cost, in the right quality and quantity, at the right time, in the right place and from the right source, for the ultimate benefit of the Organisation.

Public Procurement is an essential government activity that affects a country’s economy. With 10 to 15 percent of the national budgets in developed countries, and up to 20 percent in developing countries, government procurement accounts for a substantial part of the economy. Similar case exists for India where public procurement is an important means for not only meeting day-to-day functional needs, but also for fulfilling socio-economic objectives and promoting economic growth.

Various ministries, departments, municipalities, other local bodies, statutory corporations and public undertakings both at the Centre and State levels in India carry out public procurement. In India it constitutes around 25-30 per cent of GDP. It is noteworthy that key departments of the Government such as defence, railways and telecommunications spend about 50 per cent of their budget on procurement. It is estimated that the annual expenditure on public procurement for the Union Government is in the range of Rs. 2.5 – 3 lakh crores. As public resources are limited, the primary goal of public procurement policy is to achieve 'value for money', i.e. to procure best goods and services at the lowest price.

Guiding Principles of Public Procurement:

Rule 137 of General Financial Rules (GFR) of Ministry of Finance enunciates the fundamental principles of public buying:

- Adequate information and announcement
- Transparency of bidding as well as evaluation process
- Accountability
- Non-restrictive bidding conditions to unlock market
- Non-discriminatory practices to provide equality of opportunity

Process of Public Procurement:

One of the most common and popular mechanisms of public procurement is the ‘tendering system’. In the usual course, it involves the following stages:

- a) Identifying the broad scope of work and prescribing technological specifications/standards by the Government or authority concerned;
- b) Inviting tenders from various interested parties. Technical and financial bids being usually invited separately;
- c) Evaluation of technical bids. This enables to shortlist bidders whose financial bids would be evaluated;
- d) Evaluation of financial bids of the shortlisted bidders. After this step the bidder that can provide the goods or services to the Government at the lowest cost is identified; and
- e) Executing a legally binding contract with such shortlisted bidder.

Public Procurement- An Important Governmental Activity:

In recent times, public procurement has been impacting the economy significantly by generating demand and consumption. Government, by virtue of its purchasing power can steer the market in a particular direction. Public procurement also serves as an instrument to attain social outcomes. By way of preferential treatment in procurement, it may be used to promote indigenization of foreign technology, development of backward regions or protection of small-scale industry. Of late, procurement is also being leveraged to promote the causes of environment, human rights, protection of children and gender equality.

The following are some of the representative factors that highlight the academic importance of public procurement:

1. Involvement of large sum.
2. Large sized Contracts particularly those relating to infrastructure and Defence.
3. Huge stakes: while the taxpayers look for value for money, transparency and Non discrimination, the general public look for quality of goods / services and responsiveness / efficiency.
4. Significant impact on domestic industry: through development, construction work, purchases and overall buoyancy in the economy.
5. Significant impact on society: through provision for labour laws, minimum wages and health standards.
6. Governance: the image of any Government is largely influenced by the quality of public procurement.

Need For Transparency and Fairness in Public Procurement:

Public procurement has a pivotal importance in our everyday lives as it plays a key role in the creation of both social and economic infrastructure like roads, schools, hospitals, provisions for drinking water and sanitation etc. As stated above, sectors like railways, defence, health, and telecommunication have allocated significant portions of their budgets to public procurement. In India where Public procurement system accounts for around 30% of the country's GDP, the importance of having an 'effective' public procurement system can never be understated.

Transparency in public procurement is sought to be achieved through an open and non discriminatory competitive bidding. It is, therefore, important that the procurement process is not distorted by practices such as collusion, bid rigging, fraud and corruption. Efficient and competitive procurement processes are thus key to obtaining goods and services at the best

value for money to the benefit of taxpayers, end consumers and users of public services in general. However, certain rules that govern procurement, the way in which a tender is carried out and the design of the tender itself can hinder competition and promote collusion arrangements or bid-rigging conspiracies between competitors.

Public Procurement and Corruption:

Procurement is the acquisition of goods or services by public bodies and private companies. The prime objective of any procurement is getting the right product or service, at the right price and quality at the right time. However, procurement processes are also highly vulnerable to corruption, collusion, fraud and manipulation.

Objectives in Public Procurements:

Following are some of the representative objectives in public procurement:

- Get the best value for taxpayer's money.
- Provide opportunity to all eligible bidders.
- Promote and sustain competition.
- Ensure transparency and openness.
- Build in accountability and responsibility.
- Reduce scope for corruption and abuse.
- Develop domestic economy.
- Be a model purchaser and employer.



Features Of Public Procurement System In India:

The procurement system in India has the following features:

Centralized procurement by clubbing of demand. The theory of centralized procurement led to the establishment of DGS&D, which made procurements on behalf of almost all Central Government Ministries and Departments. However, the problem is that too much centralization of procurement often leads to generation of very large demands, indifferent approach particularly towards quality, associated delays and unhealthy practices.

Provision for various modes of procurement such as Open Tendering, Limited Tendering, Rate Contracts, Purchases by Purchase Committee and Purchase from Market.

Checks and balances to ensure that any stakeholder does not misuse the entire procurement system at any stage. However notwithstanding this, the public procurement system in our country has not proved to be as efficient to combat the evils of corruption, bid rigging etc.

Transparency through adherence to rules / regulations and instructions issued by various departments of the Government such as CVC.

Government Guidelines on Procurements:

Detailed rules and instructions relating to procurement by the Central Government are contained in the following:

- General Financial Rules (GFR),
- Delegation of Financial Powers (DFPR), and
- Manual on Policies and Procedures for Purchase of Goods.

A revision of these rules is to be made from time to time. These rules have to be followed by all departments under the Central Government for any public procurement that is made by such departments. However, major ministries such as Defence, Railways, Public Works, Central Purchase Organisation (Directorate General of Supplies and Disposal), PSUs etc. have their own purchase procedures. These procedures are also more or less based on the guidelines contained in the GFR and DFPR. The basic guiding principles of public procurement, *inter alia*, include the following:

Maximizing economy, efficiency and effectiveness in procurement: This would mean purchasing of goods / services of required specifications for the intended purpose in a required time frame at the most economical price.

Fairness: providing fair and equitable treatment to all prospective suppliers /bidders.

Competition among suppliers for supply of goods / services to be procured: so that efficiency can be rewarded and procurement can be made at the most economical price.

Achieving transparency in the procedures relating to procurement:

Importance of Procurement Manuals: The documents of Government of India like GFR and DFPR are of a general nature and meant for all departments. Even though it is true that they lay down the basic structure for procurement mechanisms, however, they are not as extensive and, therefore, fail to satisfy the specific requirements of individual departments. Moreover, the Central Vigilance Commission (CVC) has been encouraging all ministries /departments to come out with their own procurement manuals.

As has been stated by the CVC, *'the cardinal principle of any public buying is to procure the materials / services of the specified quality, at the most competitive prices and, in a fair, just, and transparent manner. To achieve this end, it is essential to have uniform and well documented policy guidelines in the organization so that this vital activity is executed in a well-coordinated manner with least time and cost overruns. A codified purchase manual containing the detailed purchase procedures, guidelines and also proper delegation of powers, wherever required needs to be made by all the organizations so that there is systematic and uniform approach in the decision-making'*.

Updated frequently: The manuals are updated from time and time in response to changes in external environment and feedback received from different stakeholders. For example, the Defence Procurement Procedure (DPP) and the Defence Procurement Manual (DPM) have been updated from time to time. The updation of DPP was last done in the year 2013.

Procedural simplicity: Existing rules / regulations / orders are put into laymen terms along with clarifications, wherever warranted. The aim to have a simple procurement system easily understood by a common man.

No scope for ambiguities: Manuals do not leave any space for such interpretations. For example, the DPM 2009 (as supplemented by 2010 edition) defines most terms and phrases that are used in day-to-day contract management in defence sector.



Ethics in Public Procurement

Guiding Principles:

It is very important that the public procurement function is discharged with probity, transparency and accountability in a manner that secures best value for public money.

Probity requires the purchasing process to be conducted, (i) ethically; (ii) honestly; and (iii) with fairness to all participants

Transparency and accountability require that the basis for decisions is demonstrably clear and objective and that the purchaser is held to account for the conduct of the procurement process.

Contracting authorities must be cost effective and efficient in the use of resources while upholding the highest standards of integrity. Procurement practices are subject to audit and scrutiny under the Comptroller and Auditor General (Amendment) Act 1993 and Accounting Officers are publicly accountable for expenditure incurred. Management in contracting authorities should ensure that there is an appropriate focus on good practice in purchasing and, where there is a significant procurement function, that procedures are in place to ensure compliance with all relevant guidelines.

Probity:

In the context of procurement, the aim should be that individuals and organisations are trusted and respected by those with whom they deal and that business is conducted by all parties not only efficiently but in a fair and reasonable manner. Some of the practical implications of ensuring probity in procurement are set out in the following sub-sections.

Legality:

There is an obligation on officials to exercise their powers lawfully. Officers must be aware of the provisions of the various Acts, Directives, regulations, policies and procedures that are relevant to their function. Compliance with national and legal requirements is a duty owed to Contractors, Suppliers, and Service-providers by the Contract awarding authorities. Contractors, Suppliers, and Service-providers, who have been treated unfairly or whose rights have been infringed in the public procurement process have a right to legal redress through grievance redress mechanism followed by the Company or under the relevant Government guidelines.

Disclosure of Interest:

Any form of personal interest which may impinge, or might reasonably be deemed by others to impinge, on a public official's impartiality in any matter relevant to his or her duties should be disclosed in writing to the Line Management. Personal interest includes an interest of a relative or connected person. Line Management must then decide if the exercise should be dealt with by another member of staff or seek further advice.

Gifts: Public officials should not accept benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement or integrity. The actions of public officials must be above suspicion and not give rise to any actual or potential conflict of interest and their dealings with commercial and other interests should bear the closest possible scrutiny. It is not possible to give guidelines for every conceivable situation that may arise but if a doubt arises about a particular situation line management should be consulted.

The following general guidelines provide a framework within which decisions in this area can be made or local rules formulated:

- a) Gifts must never be solicited, directly or indirectly.
- b) Subject to Company's CDA rules, an official may accept and retain gifts of low intrinsic value. Any gift of more significant value should be refused. The policy of the contracting authority and the ethical rules that apply to public officials should be explained to the donor so that reasons for refusal are not misunderstood or offence caused. Particular care should be taken in relation to offers of gifts from donors who stand to derive a personal or commercial benefit from their relationship with the contracting authority concerned.
- c) Cash, gift cheques or any vouchers that may be exchanged for cash may not be accepted regardless of the amount.
- d) Public purchasers must never solicit sponsorship for social, sporting, charitable or similar organizations or events from Contractors, Suppliers or Service providers. Where such sponsorship is offered, it may only be accepted when expressly approved in writing by management. (This is not intended to relate to instances of appropriate and acceptable sponsorship of projects or activities which are related to a contracting authority's official activities and are otherwise in accord with public procurement rules).
- e) Public purchasers must not seek or accept special facilities or discounts on private purchases from contractors, suppliers or service providers with whom they have official dealings.

Hospitality:

Normal business practice may occasionally justify accepting routine / modest hospitality from suppliers provided that:

- a) The frequency and scale of hospitality is not allowed by the recipient to reach a position whereby he or she might be, or might be reasonably deemed by others to have been, influenced in making a business decision as a consequence of such hospitality.
- b) The number of officers availing of the hospitality is kept to a minimum.

- c) Invitations do not include provisions deemed to be excessive, such as significant travel, overnight accommodation or trips abroad.
- d) Availing of the hospitality does not identify the contracting authority in a public way with any particular contractor, supplier or service provider.

Each Organisation has their own Conduct rules regarding accepting Hospitality offered by Contractors or Vendors. Any offer of hospitality should be reported to line management. Particular care should be taken where suppliers are in the process of tendering for business. In this regard there should be no acceptance of gifts or hospitality from Contractors, Suppliers or Service providers involved in a current tendering process.

Transparency and Accountability:

Procurement transactions and decisions must in all respects be fair, equitable and ensure value for money. Contracting authorities must be able to justify decisions made and actions taken. In organising the procurement function, management in contracting authorities must ensure appropriate separation of duties within the procurement cycle. For example, insofar as possible, ordering and receiving goods and services should be distinct from payment for goods and services.

Accurate written records (including computer records) are essential in demonstrating that proper ethical standards have been observed. Therefore, appropriate records should be maintained throughout the purchasing process. These records should provide an audit trail of the reasons for making a particular procurement decision. The type and detail of information that is recorded should be specified in local procedural guidelines and will depend on the complexity or sensitivity of the particular purchasing issue.

Confidentiality of Information:

The basic rule is that commercially sensitive information must be kept secure and never used for personal gain or to prejudice fair competition. Information on individual contracts must not be given to the media or any other enquirer (except the individual contractor concerned), without the authority of line management. Disclosure of supplier and tender information relating to the tender process prior to contract award, and in particular to another interested party, is strictly prohibited.

Contributed by:

M.Raja Sekaran

Sr.DGM – Corporate Vigilance



ई-शासन: सतर्कता और जागरूकता की दिशा में एक सार्थक पहल

सतर्कता का शाब्दिक अर्थ है सतर्क और जागरूक रहना पर यहाँ जब हम सतर्कता की बात कर रहे हैं तो इसका अर्थ है भ्रष्टाचार के खिलाफ लड़ाई | भ्रष्टाचार में समावेशित है - शक्ति , धन एवं सरकारी सम्पदा का दुरुपयोग | हमारी सोच भ्रष्टाचार को शून्य तक लाने की है और भ्रष्टाचार को जड़ से मिटाने की है | इस दिशा में प्रयास है - सचेत रहना ,जागरूकता एवं सतर्कता | इसकी सही पहल है ई-शासन या ई-गवर्नेंस | ई-शासन विभिन्न सूचनाओं तक आसानी से हमारी पहुँच सुनिश्चित करता है और नागरिकों को सशक्त बनाता है | यह लोगों की शासन में भागीदारी बढ़ाता है और उन्हें सतर्क एवं जागरूक बनाता है |

ई-शासन का मतलब विभिन्न आधुनिक सूचना एवं तकनीक (इंटरनेट, संचार-तंत्र, लोकल एरिया नेटवर्क, मोबाइल इत्यादि) का उपयोग कर गवर्नेंस को और प्रभावशाली और सक्षम बनाना, आम लोगों तक सरकार की योजनाओं को आसानी से पहुँचना और लोकतंत्र को मजबूत करना है जिस से की न्यूनतम भ्रष्टाचार को सुनिश्चित किया जा सके और और अधिकाधिक जागरूकता बढ़ाकर सतर्कता बढ़ायी जा सके| दूसरे शब्दों में ई-शासन का अर्थ है ईलेक्ट्रॉनिक माध्यमों से सरकार द्वारा प्रबंधन एवं नियंत्रण |

जैसे ये हमें ज्ञात है की सतर्कता की जरूरत सरकार की क्षमता को बढ़ाना ,उचित एवं भ्रष्टाचार रहित कार्यान्वयन सुनिश्चित करना तथा किसी भी सरकारी, प्राइवेट, निजी और अन्य संस्थानों की कार्यप्रणाली में पारदर्शिता लाना | सभी सरकारी और गैर-सरकारी योजनाओं के कार्यान्वयन को भ्रष्टाचार मुक्त बनाना और हर नागरिक तक इसका उचित लाभ पहुँचाना | इस दिशा में आगे बढ़ते हुए सरकार द्वारा विभिन्न ऑन-लाइन सर्विसेस की शुरुआत राष्ट्रीय ई-गवर्नेंस/ ई-शासन योजना के तहत की गयी है |

केंद्र सरकार की पहल : भारत सरकार की राष्ट्रीय ई-शासन योजना का उद्देश्य देश के भीतर ई-शासन की नींव रखना एवं इसके सतत विकास के लिए प्रोत्साहन देना है। सुशासन एवं सांस्थानिक प्रक्रमों के सृजन, आधारभूत अवसरंचनाओं एवं नीतियों के क्रियान्वयन को आगे बढ़ाना है इसके अतिरिक्त केन्द्र, राज्य एवं समन्वित सेवा के स्तरों पर अनेक मिशन मोड परियोजनाओं के कार्यान्वयन को सुनिसचित करना |

भारत में सरकारी विभागों के कम्प्यूटरीकरण से ई-शासन धीरे धीरे विकसित होकर एक ऐसा प्रयास बन गया है जिसमें शासन के बारीक बिन्दु शामिल हैं, जैसे नागरिक केंद्रिकता, सेवा अभिविन्यास और पारदर्शिता। राष्ट्रीय ई-शासन योजना (एनईजीपी) में पूरे देश के ई-शासन प्रयासों का एक समग्र चित्र लिया जाता है, इन्हें एक सामूहिक संकल्पना में समेकित किया जाता है और फिर आपस में

बांटा जाता है।

इस हेतु केन्द्रीय प्रयासों में शामिल हैं: राष्ट्रीय ई-शासन योजना (एनईजीपी), राष्ट्रीय ई-शासन प्रभाग (एनईजीडी), ई-शासन मूल संरचना मिशन मोड परियोजनाएं, नागरिक सेवाएं, व्यापार सेवाएं, सरकारी सेवाएं, परियोजनाएं और पहल, ई-शासन में मानव संसाधन, रेल- रिज़र्वेशन इत्यादि।

राज्यों की पहल : अनेक राज्य सरकारों ने ई-शासन को बढ़ावा देने के विभिन्न नवाचारी कदम उठाए हैं और आईटी कार्यान्वयन तथा नागरिकों को ऑनलाइन सेवाओं की प्रदायगी की एक रूपरेखा भी तैयार की है। जिन अनुप्रयोगों का कार्यान्वयन किया गया है वे सरकार से नागरिक (जी2सी), सरकार से व्यापार (जी2बी), सरकार से सरकार (जी2जी) सेवाओं को स्थानीय भाषा में उपयोग पर बल देकर प्रदान करने पर लक्षित हैं। प्रत्येक राज्य में 5 अतिरिक्त राज्य विशिष्ट मिशन मोड परियोजनाओं को चुनने की नम्यरता दी गई है (जो राज्य के अंदर आर्थिक विकास के लिए संगत हैं)। उन मामलों में जहां केन्द्रीय सहायता की आवश्यकता है, जैसे कि समावेश, इसे संबंधित मंत्रालयों / विभागों की सलाह पर विचार में लिया गया है। राज्यों में कृषि, वाणिज्यिक कर, ई-जिला, रोजगार कार्यालय, भूमि अभिलेख, नगर पालिकाएं, ग्राम पंचायत, पुलिस, सड़क परिवहन, राजकोष आदि पर कदम उठाए गए हैं |

राज्य सरकारें और केंद्र सरकार एक ही दिशा में आगे बढ़ रहे हैं और जरूरत है हमें भी जागरूक बनने की और नवीनतम योजनाओं के बारे में जानने और उनसे जुड़ने की | भ्रष्टाचार मुक्त समाज की कल्पना में सतर्कता और जागरूकता की ओर बढ़ाया गया ये ई-शासन का कदम सिर्फ एक शुरुआत है और हमें काफी आगे बढ़ना है ||



गौरव कुमार
वरिष्ठ अभियंता (विकास एवं अभियांत्रिकी)
भारत इलेक्ट्रॉनिक्स-पंचकुला

संदर्भ: केंद्रीय सतर्कता आयोग -वैबसाइट
केंद्रीय सूचना आयोग -वैबसाइट
ई-शासन-भारत सरकार वैबसाइट

Important CVC Circulars related to Transparency in Procurement

No.005/CRD/19
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 5th July 2007

Office Order No.23/7/07

Subject:- Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis.

Reference is invited to the Commission's circular No.15/5/06 (issued vide letter No.005/CRD/19 dated 9.5.2006), wherein the need for award of contracts in a transparent and open manner has been emphasized.

2. A perusal of the queries and references pertaining to this circular, received from various organizations, indicates that several of them believe that mere post-facto approval of the Board is sufficient to award a contracts on nomination basis rather than the inevitability of the situation, as emphasized in the circular.

3. It is needless to state that tendering process or public auction is a basic requirements for the award of contract by any Government agency as any other method, especially award of contract on nomination basis, would amount to a breach of Article 14 of the Constitution guaranteeing right to equality, which implies right to equality to all interested parties.

4. A relevant extract from the recent Supreme Court of India judgement in the case of Nagar Nigam, Meerut Vs A1 Faheem Meat Export Pvt. Ltd. [arising out of SLP(civil) No.10174 of 2006] is reproduced below to reinforce this point.

***“The law is well-settled that contracts by the State, its corporations, instrumentalities and agencies must be normally granted through public auction/public tender by inviting tenders from eligible persons and the notifications of the public-auction or inviting tenders should be advertised in well known dailies having wide circulation in the locality with all relevant details such as date, time and place of auction, subject matter of auction, technical specifications, estimated cost, earnest money deposit, etc. The award of Government contracts through public-auction/public tender is to ensure transparency in the public procurement, to maximize economy and efficiency in Government procurement, to promote healthy competition among the tenderers, to provide for fair and equitable treatment of all tenderers, and to eliminate irregularities, interference and corrupt practices by the authorities concerned. This is required by Article 14 of the Constitution.*”**

***However, in rare and exceptional cases, for instance, during natural calamities and emergencies declared by the Government; where the procurement is possible from a single source only; where the supplier or contractor has exclusive rights in respect of the goods or services and no reasonable alternative or substitute exists; where the auction was held on several dates but there were no bidders or the bids offered were too low, etc., this normal rule may be departed from and such contracts may be awarded through 'private negotiations'.*”**

(Copy of the full judgement is available on the web-site of the Hon'ble Supreme Court of India, i.e., www.supremecourtindia.nic.in)

5. The Commission advises all CVOs to formally apprise their respective Boards/managements of the above observations as well as the full judgement of the Hon'ble Supreme Court for necessary observance. A confirmation of the action taken in this regard may be reflected in the CVO's monthly report.

6. Further, all nomination/single tender contracts be posted on the website ex post-facto.

(Rajiv Verma)
Under Secretary

No.005/CRD/19
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 9th May 2006

CIRCULAR No.15/5/06

Subject:- Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis.

The Commission had, in its OM No. 06-03-02-CTE-34 dated 20.10.2003 on back to back tie up by PSUs, desired that the practice of award of works to PSUs on nomination basis by Govt. of India/PSUs needed to be reviewed forthwith. It is observed that in a number of cases, Works/Purchase/Consultancy contracts are awarded on nomination basis. There is a need to bring greater transparency and accountability in award of such contracts. While open tendering is the most preferred mode of tendering, even in the case of limited tendering, the Commission has been insisting upon transparency in the preparation of panel.

2. In the circumstances, if sometimes award of contract on nomination basis by the PSUs become inevitable, the Commission strongly feels that the following points should be strictly observed.

(i) All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post facto.

(ii) The reports relating to such awards will be submitted to the Board every quarter.

(iii) The audit committee may be required to check at least 10% of such cases.

3. This may be noted for strict compliance.

(V. Kannan)
Director

All Chief Vigilance Officers

Copy to:

(i) All Secretaries of Govt. of India

(ii) All CEOs/Head of the organisation

"Integrity without knowledge is weak and useless; knowledge without integrity is dangerous and dreadful"

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 11th February 2004

Office Order No. 10/2/04

To
All Chief Vigilance Officers

Subject: Improving Vigilance Administration – Increasing transparency in procurement/tender Process – use of website- regarding.

In CPWD, MCD, Civil Construction Division of Post & Telecom departments and in many other departments/organizations, there is system of short term tenders (by whatever name it is called in different organizations), wherein works below a particular value are undertaken without resorting to publicity as is required in the open tenders. This practice is understandable because of cost and time involved in organizing publicity through newspapers. In all such cases, notice can be put on the web-site of the department as it does not take any time compared to giving advertisements in the newspapers and it practically does not cost anything. This will benefit the department by bringing in transparency and reducing opportunities for abuse of power. This will also help the organizations by bringing in more competition.

2. In view of the reasons given above, the Commission has decided that instructions given in the Commission's circular (No. 98/ORD/1 dated 18.12.2003) for the use of web-site will also apply to all such works awarded by the department/PSEs/other organizations over which the Commission has jurisdiction.

Sd/-
(Balwinder Singh)
Additional Secretary

Thought for the month

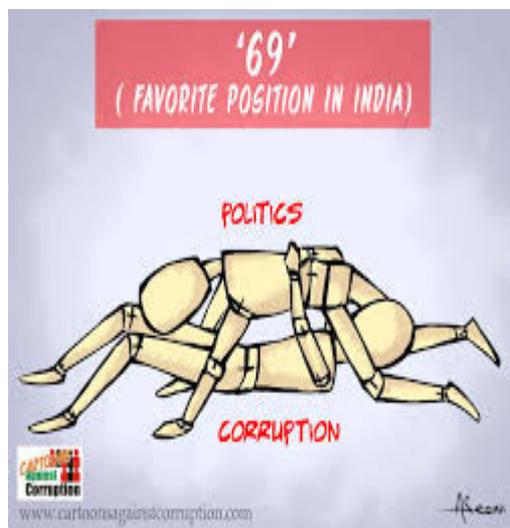
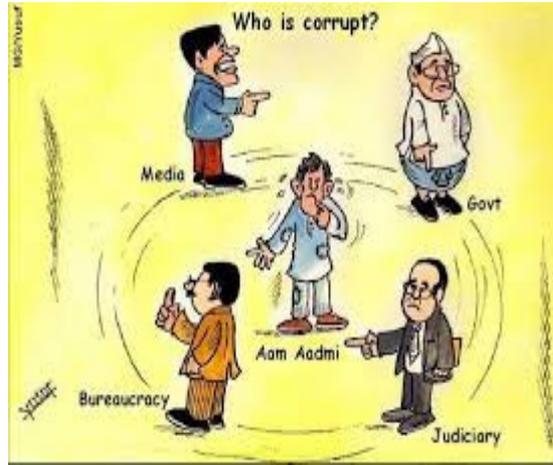
Good thoughts bear good fruits; bad thoughts bear bad fruits.

No one who desires to become good will become good unless he does good things.

Discussion is an exchange of intelligence. Argument is an exchange of ignorance.

If you think you are too small an entity to play any role in the fight against corruption, think of the potential of an atom.

Cartoon Speaks



WORLD BANK'S CERTIFIED PROGRAM ON PUBLIC PROCUREMENT (CPPP)

Ensuring probity in Public Procurement is not only a desirable virtue, but it is also an economic necessity considering the fact that Procurement accounts for a major portion of the Organisation's total expenditure. Any small savings in Public Procurement or even a minor improvement in the efficiency of Public Procurement can have positive impact on finances of the Organization. The financial stakes to cut waste and corruption in Procurement is very high and there is a need to address the governance deficit in the whole Procurement Cycle, from the Needs Assessment, Tendering phase and Contract Management. In achieving this efficiency and economy, a limiting factor is the lack of trained person who has the expertise in the Procurement function.

With the objective of professionalizing and building up the capacities of Officials involved in Procurement Management, Vigilance Study Circle, Bangalore has partnered with the World Bank, in an "Out Reach Programme in Public Procurement Management". World Bank has developed the Certificate Program in Public Procurement (CPPP), which is first ever free Procurement Certificate delivered as Massive Open Online Course (MOOC). The Program enables the participants to get an overview of Public Procurement and understand the rationale behind Public Procurement decisions. The Certificate Program in Public Procurement (CPPP) is free precursor of the main Professional Diploma in Public Procurement (PDPP) developed through the Charter for Public Procurement Studies (CPPS) formed by 10 leading Academic and Management training institutions in India and it confirms to International Standards.

CPPP content is drawn from 3 Modules of PDPP. It requires 15 to 18 hrs of Online learning and at the end of each Module, the participant will have to take a 20 question Online test to proceed to the next Module. The three Modules of the Certificate Programme that have universal relevance and appeal are (i) Introduction to Procurement and Public Procurement, (ii) Public Procurement Operations and (iii) Governance issues in Public Procurement. The objective of the program is to orient the learner towards the Principles of Procurement, management principles applicable to Public Procurement, essential operational aspects of need assessment, procurement planning, bidding, evaluation, and selection and award process. The certificate Program also provides knowledge on Governance issues as well as information on the anti-corruption initiatives in Procurement.

About 102 Executives of BEL Panchkula Unit, 6 Vigilance Officers and a Staff of Corporate Vigilance have successfully cleared the CPPP Course and most of them with distinction.

The online CPPP Course is available free of cost and can be accessed through www.procurementlearning.org . All the Executives and especially the Executives and employees in Purchase, Contracts cell, Sub Contract and Finance are requested to make use of this learning opportunity and update their knowledge, which will results in better Procurement Practices in the Company.

News & Events

BEL PANCHKULA'S DISTINCTION

Under the directions and initiatives of Shri K.Baljit Chander, General Manager and Unit Head of Panchkula Unit, 102 Executives of the Unit has successfully completed the CPPP Course with most of them secured distinction. The coverage of the Executives is 100% ! in the Unit.

“JAGRITI” appreciates the initiatives of BEL-Panchkula, especially the Unit Head who motivated the Executives to reach this milestone and Congratulates all the Executives who passed this Certificate Course with Distinction. “JAGRITI” also wishes, that the Non Executives in Procurement, Contracts, D&E and Finance of BEL Panchkula Unit get enrolled in CPPP and complete the Course with Distinction.

CORPORATE VIGILANCE TOO JOINED THE STREAM

Six Vigilance Officers from Corporate Vigilance, including Shri S.Mohanraj, AGM(Vigilance)/CO, has successfully cleared the CPPP with distinction.

Miss. Aarthi, CCC-OC, in Corporate Vigilance is the first employee in the Non Executive cadre to clear this Course with distinction.

“JAGRITI” congratulates, the Vigilance Officers and Staff of Corporate Vigilance, for successfully completing the CPPP program with Distinction.

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Articles, Cartoons, Slogans, Quotes related to Vigilance, Corruption and other issues of Public interest are invited from the Readers for publication in the “Jagriti” News letter.

Reader's comments and suggestions for improvement may be sent to Editor-in Chief, Bharat Electronics Limited, Corporate Office, Outer Ring Road, Nagavara, Bangalore-560045.