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Government of India  
Department of Atomic Energy

Anushakti Bhavan,  
C.S.M. Marg,  
Mumbai-400 001.

No. 1/10(2)/2010-Vig/ 4845

May<sup>24</sup>, 2010

**OFFICE MEMORANDUM**

The Department has been receiving cases involving violation of rules and procedures with regard to tendering procurement and awarding contracts, promotions, recruitment. It is important that we ponder over the manner in which we discharge our duties and fulfill our responsibilities and what we need to do to refurbish our image.

2. Government employees are appointed on the basis of a fair and open competition. We must respond in full measure to the faith that citizens have reposed in us and meet their hopes and aspirations of good governance. Integrity, honesty, objectivity, impartiality, transparency, accountability and devotion to duty are the core values which we should cherish and which should form an integral part of our decisions and actions.

3. The issue of corruption needs to be addressed fairly and squarely. The Government's policy of zero tolerance for corruption must be implemented fully and effectively. Preventive vigilance should be strengthened. Transparency must be introduced in decision making and in all our systems. Stringent action must be taken against officers found guilty. Disciplinary proceedings must be expedited.

4. We need to stand by and uphold our core values. Senior officers must set an example and mentor their colleagues. Officers and staff at all levels must work wholeheartedly to provide good governance.

5. Please share these sentiments with all the employees. Let us resolve to serve the Department and our nation in a committed manner.

  
(A.P. JOSHI)  
Additional Secretary

All Heads of Constituent Units of DAE

Issued  
24/05/10

SI No. 5 (II)

Government of India  
Department of Atomic Energy

Anushakti Bhavan  
C.S.M. Marg  
Mumbai - 400 001.

No.10/3(2)/2008-SUS/1883

February 21, 2011.

**OFFICE MEMORANDUM**

**Sub : Performance Audit of Procurement of Stores  
and Inventory Management of DAE by CAG**

The Comptroller and Auditor General of India had conducted Performance Audit of Procurement of Stores and Inventory Management of DAE and submitted its Report to Parliament on 13.8.2010. The importance of having an efficient procurement and inventory management system in place is very critical to the functioning of an organization, and it has direct bearing on the Project Management activities of DAE. This aspect has prompted C&AG to undertake Performance Audit of Department of Atomic Energy.

2. It is observed that many a time, the constituent units of DAE are resorting to limited tenders/single tenders on the grounds of urgency. However, the same exigency is not shown in ensuring timely delivery and installation of the system. There is also lack of coordinated action by the agencies involved in the procurement process in ensuring site readiness, to match the delivery schedules of the equipment, which ultimately defeats the purpose of dispensing with the public tender. It is therefore reiterated that the dispensation of public tender should be adopted only in cases having sensitive / strategic implications or exceptional cases, with approval of Competent Authority.

3. It is also noticed that delivery period is extended in a routine and casual manner even in cases that were processed on urgency, without levy of liquidated damages. Suitable provisions made in the purchase contracts to indemnify the purchaser for defective/short supply etc. need to be invoked, in time, in order to safeguard government interests. There are also instances, where it is certified that the delay was not attributable to the suppliers. In such cases, the onus of delay falls on the executing agencies/purchaser and the responsibility should be fixed on the officers concerned.

4. All the Indenting Officers/Project authorities may please be instructed to vigorously follow up with the suppliers, to ensure delivery of the items as per the schedules defined in the purchase order and to scrupulously comply with the ordered terms viz., approval of drawings, carrying out pre-dispatch inspection when called for, within a reasonable time frame, which will facilitate in identifying the reasons for delay, if any, and wherever the delays are attributable to the contractor, the LD clause as brought out in the contract should be invoked invariably. In order to invoke the LD clause effectively, the delivery period has to be assessed in a realistic manner at the indenting stage itself and further extensions given only with proper justification.

5. Procurement of a large number of machinery/equipment gets delayed due to non-readiness of the site which is largely dependent on the availability of site. A suitable time frame needs to be carefully assessed for installation and commissioning of machinery/equipment right from the indenting stage. Proposals seeking dispensation of normal mode of tendering on grounds of urgency could be backed by a certificate of readiness of site or commitment for readiness by a specified date, to ensure justification of such an action and concerned officers held accountable for delay.

6. All Heads of Units are, therefore, requested to invariably comply with the above requirements and draw up a precise time frame. It should be ensured that a proper monitoring mechanism is in place within the Unit to ensure that the time frames prescribed for processing and finalization of tenders are strictly adhered to by the implementing authorities.

7. The contents of the above note may please be brought to the notice of all concerned.



(A.P. Joshi)

**Additional Secretary**

**All Heads of Units  
All Joint Secretaries in DAE  
All Internal Financial Advisers**

Government of India  
Department of Atomic Energy  
Vigilance Section

2nd floor, Anushakti Bhavan,  
CSM Marg,  
Mumbai - 400001

Ref. No.1/5(5)/2011-Vig./13354

December 15, 2011

Subject: Systemic Improvement in tendering procedures - reg.

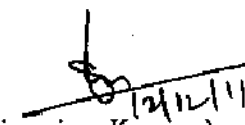
It has come to the notice of the Department that procedures prescribed in the Purchase Manual of DPS and guidelines of CVC on tenders circulated from time to time are not scrupulously followed in some tenders. In many such cases, disciplinary action has been initiated against several senior officials of the Department.

2. In order to ensure level playing field and to generate sufficient competition, it is necessary that specifications should be broad based, which should contain basic parameters to meet requirements of the user. Broad based specifications should generally result into multiple acceptable offers from vendors and the organization would be benefited in terms of price. When only one offer is found to be acceptable in the tendering action, the competent authority should consider revisiting the specifications and take a view whether the single tender situation is because of tailor made specifications and if so, then they may go for re-tendering with revised specifications.

3. As per CVC Office Order No.44/9/03 dated 04/09/2003, evaluation criteria must be mentioned in the tendering enquiry so that prospective bidders know how their quotes are going to be evaluated. The basis of evaluation should never be decided after opening of the tender.

4. Central Vigilance Commission, at times has also observed that the tender issuing authorities do not follow the instructions of Commission regarding pre-qualification criteria (i.e. defining "similar work" in NIT) and web publicity, which is the main reason of subjectivity and the complaints relating to tenders. Similarly, while fixing the eligibility criteria, CVC guidelines on tenders, as contained on the link [http://cvc.gov.in/proc\\_works.htm](http://cvc.gov.in/proc_works.htm) & [http://cvc.gov.in/cte\\_man\\_2002.pdf](http://cvc.gov.in/cte_man_2002.pdf) must be kept in mind.

5. As a measure of "Preventive Vigilance" and to ensure systemic improvement/uniformity in tendering procedures of the Department, all Administrative/Vigilance authorities are requested to ensure strict compliance of the laid down procedures in "Purchase Manual" of DPS and guidelines issued by CVC.

  
(Niranjana Kumar)  
Deputy Secretary

1. Heads & Vigilance Officers of Units/PSUs/AIs
2. CVOs in PSUs/Aided Institutions under DAE.

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issued  
15/12/2011.