

EO: EM1 (10)83/12591

dt. 28.6.92

STANDING INSTRUCTIONS NO: 360

After investigating a case regarding supply of stores worth Rs.2 Crores during 1982-83, the C.D.I. had pointed out the following irregularities:

(1) There was no immediate need of such huge quantity of stores, when the orders were placed.

(2) The Supply Order was placed on a firm which had no experience in manufacturing of such stores. The firm even did not possess a factory for manufacturing that product. Some of the items ordered for supply were not even included in the tender, which amounted to award without call of tenders.

(3) The firm had been given Mobilisation Advance equal to 10% of the Supply Order at an interest @ 12% Per Annum, even though the firm had not asked for it initially, and there was no such condition in the NIT. Steel & Cement on Levy Rates had been issued to the firm for manufacture of the product, even though there was no such stipulation in the NIT.

(4) The contract was awarded arbitrarily, brushing aside the serious objections to the proposal of Chief Engineer by the Finance Branch:

In order to avoid recurrence of such irregularities, it is enjoined upon all concerned to observe the following precautions henceforth.

(1.) The stores shall be procured only to the extent to be consumed within a reasonable period, to avoid blockage of funds and deterioration of quality.

(2) Preference will be given to the firms registered with the D.G.S. & D or/and holding ISI Licence for manufacturing the required product. In all other cases, the tenders should be issued to those firms which have satisfactorily completed the supplies of such materials to Government Departments and Undertakings in atleast 3 cases, each involving an amount of not less than 25% of the proposed order. Other provisions contained in CPWD Manual Volume-II, in this regard, should invariably be followed.

(3) Unless otherwise provided in the tender documents, the Mobilisation Advance shall not be paid to the intended suppliers. However, in such cases where it is unavoidable, the interest rate shall not be lower than the Bank Market Rate. Similarly, unless otherwise specifically stipulated in the Tender Document, no stores shall be issued by the deptt. for manufacturing the goods ordered for.

(4) The observations recorded by the S.Es(Planning) and the Finance Wing should be given due cognizance.

[Signature]
ENGINEER MEMBER
D.D.A.

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[Signature]
Director (Monitoring)
D.D.A.