



# Initiatives of Preventive Vigilance In SCI



Vigilance Awareness Week - 2019

“Integrity – A way of life”

(For In house circulation only)

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केंद्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



Satarkta Bhavan, Block-A  
GPO Complex, INA,  
New Delhi 110023  
Dated, the 16.10.2019

**MESSAGE**

The Vigilance Awareness Week observed each year by the Central Vigilance Commission affirms Commission's commitment to promotion of integrity and probity in public life through citizen participation.

**“Integrity- A way of life”** has been chosen as the theme for the Vigilance Awareness Week this year by the Commission. Integrity and Ethics form the foundational pillars of a nation and national development takes place when individuals and organisations are committed to integrity as a core value. Combating corruption is not just a matter of making laws and creating institutions, but is deeply rooted in human values and morals of individuals. Cultivating ethical values is essential for building a New India.

The Commission believes that this theme would help draw the attention of all sections of society especially the youth of the significance of ethical conduct in the building of an honest, non discriminatory and corruption free society.

The Commission's initiatives like the taking of voluntary Integrity Pledge, Integrity Clubs in schools and colleges, mass awareness campaigns are efforts to motivate people to observe ethical behaviour in everyday life.

The Commission appeals to all to inculcate integrity as a way of life for the realisation of the full potential of the individual and progress of the nation.

Sd/-

(Sharad Kumar)  
Central Vigilance Commissioner

## C&MD's Message



It gives me great pleasure to note that the Vigilance Division of SCI is bringing out a compilation of important issues raised by Vigilance Division for implementation. ‘To err is human’ and errors also provide opportunities to learn from them. We do often learn from our own mistakes, but it is always better to learn from others. Vigilance guidelines are essentially guidelines whose spirit is to guide us all to learn and to avoid committing the same or similar mistakes.

I appreciate this initiative as this would help capture the experiential learning across various departments in SCI and would be present in an easily retrievable form for the users. I am also happy to note that the compilation can be accessed online by SCI employees. Coming on the heels of the Vigilance Awareness Week 2019, there can be no better time for unveiling this compilation / booklet.

I am confident that the ultimate users would be able to consider potential issues beforehand and be able to contemplate on preventive measures at the very outset.

Sd/-

**(Mrs. H K Joshi)**

**Chairman & Managing Director**

## CVO's Message



प्रिय पाठक,

केंद्रीय सतर्कता आयोग लगातार निवारक सतर्कता के कार्यान्वयन को आगे बढ़ा रहा है। इन सार्थक प्रयासों के द्वारा आयोग प्रणालीगत सुधारों और संरचनात्मक उपायों के प्रभाव से संवेदनशील क्षेत्रों की पहचान करने और उनमें व्याप्त त्रुटियों के फलस्वरूप होने वाले भ्रष्टाचार की घटनाओं को रोकना चाहता है। ये उपाय अनुचित आचरण होने से पहले की उद्देश्यों को दूर करते हैं और साथ ही संगठनात्मक दक्षता को बढ़ाते हैं। एससीआई के विभिन्न प्रभागों को सरकार के नियमों / दिशानिर्देशों से अवगत कराने के लिए, एससीआई का सतर्कता प्रभाग समय समय पर संबंधित परिपत्र/सलाह जारी करता रहा है।

यह संकलन एससीआई के विभिन्न विभागों से संबंधित विविध मामलों/विषयों पर सतर्कता प्रभाग द्वारा उठाए गए बिंदुओं पर एक पुस्तिका संकलित करने का प्रयास किया गया है। इस पुस्तिका में निवारक सतर्कता से संबंधित विविध विषयों पर सरकार द्वारा जारी विभिन्न महत्वपूर्ण परिपत्र भी शामिल हैं।

मुझे उम्मीद है कि सतर्कता प्रभाग द्वारा किया गया यह उपाय कर्मचारियों के सुलभ संदर्भ के लिए एक मार्गदर्शक के रूप में काम करेगा और इसके परिणामस्वरूप संगठन में दक्षता, जवाबदेही और पारदर्शिता बढ़ेगी।

मैं आपको इस पुस्तिका के बारे में अपने विचार, अनुभव और राय साझा करने के लिए [cvo@sci.co.in](mailto:cvo@sci.co.in) पर आमंत्रित करता हूँ।

दीपक चतुर्वेदी

भा. द. से

मुख्य सतर्कता अधिकारी

## **Important initiatives of Preventive Vigilance**

### **(Subject & advices)**

Prevention is better than cure. This is applicable to Vigilance Administration as well. Vigilance Administration is a continuous endeavour. Through preventive vigilance, the systems and procedures are modified to ensure adherence to guidelines and to minimize the chances of scope for unethical practices & corruption. Through participative vigilance, all the stakeholders play a role in prevention of corruption and persisting through these measures, wrong doing & corruption can be contained more effectively and eventually eradicated from an organisation's sphere of activities. SCI Vigilance has taken numerous steps for systemic improvement. Some of the key systemic improvement measures by Vigilance Division are published in this booklet.

### **01. Spare parts procurement - I:**

Spare parts procurement is an activity common in most organizations. It is an important cost centre which is vital for smooth operations / production / process / service which are the final deliverables of an organization. Implementation of price comparison mechanism for procuring spares will keep a strong check on the inflated price of the spares. Thus it will assist spare parts procurement officers to have a check / control on the reasonableness of price quoted by OEM authorised suppliers.

Examination of complaints and system studies resulting thereof have also allowed vigilance more in-depth insight into the working of the various divisions of the SCI which resulted in vigilance advice in the matter. These recommendations /advice are detailed as below:

- 1) Verification of OEM authorized certificate and the address therein should become a standard operating practice; verification should be undertaken by concerned officers from the OEMs directly.
- 2) KYS (Know Your Supplier) compliance should be followed in the Deptt. / Division for the authenticity of the OEM/OEM representatives / agent. This will help in dispelling chances of making transactions with any unverified vendor.
- 3) Requirement of adequate documentary proof, that the spares being supplied are authentic OEM spares, is insisted as mandatory tender condition for vital/major equipments / spares. Certificate of origin of the supplied spares is to be made compulsory in all cases.
- 4) Price comparison of a particular spare with previous procurement of the same spare should be enabled in the system. Management approval note should explicitly contain the previous procurement price.
- 5) DOPO should be strictly followed in the procurement of spares. Requirement of prior approval {as defined under clause 7(a) of DOPO} from appropriate authority as per the DOPO should be adhered to i.e. whenever an indent is received, prior approval for OEM/Limited tender must be taken from sanctioning authority before sending enquires to the parties.
- 6) Operating divisions may form a committee to provide suggestions for the streamlining of spares procurement in SCI and device a "Spare Procurement Manual" for SCI Vessels. The manual should

necessarily be in tandem with the Purchase Manual of SCI. Members from Finance and P&S Department may also be co-opted in the committee. Committee may look in to entire process of vendor registration, spare parts procurement, price comparison with previous purchases and define a proper documented process.

## **02. Spare parts procurement II:**

A Chief Technical Examination type inspection was conducted pertaining to spare parts during the period April 2016 to April 2018. For the purpose of inspection, spare procurement files were selected on a random basis from SAP system. Upon scrutinizing the spare files, it was noted that the prices charged by the OEM authorized suppliers for spares had wide ranging variations. Subsequently, Vigilance Division recommended that there should be a provision in the procurement system to check:

- 1) Last 5 (five) price with date of purchase at which spare part was procured for a group (similar/sister vessels).
- 2) Last 3 (three) supplies of spares along with its price in a particular vessel.
- 3) Ideally each part no. should have a dropdown by which the data required in (a) and (b) should be visible to the spare part procuring officer.

## **03. Stores supply on Vessels - I:**

Ship Inspection is a periodic activity of Vigilance Division. Various ship inspections were conducted by Vigilance Division. From the inspections, various preventive measures and requirement of systemic improvement were identified by Vigilance Division and suggestions were provided to the operating divisions which are as follows:

- 1) Designate a time frame and definite guidelines for the supply of stores on the vessel by streamlining the process so that the store supply is met in the stipulated time to the extent practicable.
- 2) Efforts should be made to ensure that supplier supplies all the items mentioned on the purchase order in a single attempt enabling the ship staff to verify the items supplied.
- 3) A technical committee / group should be formed to have a control over the quality of stores being supplied to vessel as per the specification or sample stated in the tender document.
- 4) Instructions should be issued to the Ship staff for maintaining the Store inventory in the existing Danaos system on board.
- 5) Inventories reflected in the Danaos system should be verified by the Superintendents on board upon their visit.
- 6) Evolve a mechanism to get feedback from Master and Ch. Engineer of the vessel for each supply. Any comments regarding any specific items supplied may be mentioned in their feedback. This feedback should be perused by the contract officer in purchase department.

7) A rigorous evaluation method for vendor rating should be evolved. In the two bid tender system, such vendor rating can be used as qualifying criteria at the technical bid stage. Vendor rating should be based on a formula / method which may include the following:

- Performance evaluation of each supply may be taken from the Chief Engineer, Master & Superintendents.
- Evaluation method shall include inter alia quantitative and qualitative parameters.

#### **04. Stores supply on Vessels - II:**

An inspection was conducted regarding the supply of stores items on SCI ships. After the examination, various observations were noted and suggestions provided thereupon which are as follows:

1) In cases where vessel has raised an indent for immediate supply and has followed up with incessant reminders, Purchase & Services department of SCI should instruct and issue strong directive to the vendors to supply ordered store items to vessel in a timely manner.

2) Chemical treatment/testing and dosing being a matter of concern for the machinery on board, it is important that the brands being supplied meets the technical requirement of the vessel. Where ever multi brands are supplied suitable testing kit and the dosing chart may also be supplied with a proper testing / dosing instruction.

3) Quality of Paints, Chemicals and cotton waste / cotton rags which are being supplied to the vessel in Indian Ports need constant and careful monitoring.

4) Necessary IT training for the senior officers joining ships may be arranged in order to enable senior officers to effectively use the Danaos system on board ship.

#### **05. Personnel Matters: - I**

##### **Verification of Caste certificates of employees:**

A system study was conducted regarding verification of caste certificates of employees. On examining the matter, it was observed that verification of caste certificates was pending for years, thus violating the GOI guidelines. Upon observing this, Vigilance Division recommended for verification of all the pending caste certificates. DoPT requires that the verification of caste certificate to be done at the time of initial appointment and at every important up-turn of employees career as applicable.

#### **06. Personnel Matters: - II**

##### **Private Foreign Visit of employees:**

A system study was conducted on private foreign visit by employees. Upon examination by Vigilance Division, it was observed that many employees went for private foreign visit without taking No Objection Certificate (NOC). In this respect, government guidelines states that whenever a government employee goes for a Private Foreign Visit, he / she is required to get No Objection Certificate from the department / organisation.



## **07. Personnel Matters: - III**

### **Posting of floating staff on ship:**

Upon examining a matter related to posting of floating staff on SCI ships, it was recommended that:

- 1) Posting officers may be trained for soft skills through appropriate training program so as to develop skills for better interaction with the floating staff.
- 2) Posting officers working in the Fleet Personnel department may not be allowed to handle the profile of posting of one rank officer (floating staff) for more than one year. Departmental transfer of posting officers should be done every three years in view of the sensitive nature of the profile.

## **08. Tender related issues:**

### **Receiving of bids on dedicated email Id:**

Upon examining a tender related to spare parts procurement it was observed that bids were being received without any proper system and quotes were received on a dedicated e-mail id. Vigilance Division advised user department to stop the practice of receiving the quotes over e-mails and asked to implement e-tendering for the procurement of spares wherein bid receipt, evaluation and L1 finalization would be done in the system itself. Regular follow up was done by Vigilance Division with IT department to make the required adaptations for processing procurement of spares in the e-tendering module under SRM.

### **Terms of Bid Documents:**

The eligibility conditions of the tender document should be prepared in a manner to encourage competition and promote maximum participation. Eligibility conditions should neither be too strict nor too liberal as the intention of any tender is to contract a vendor who is in a position to perform the contract in a smooth manner.

Simple words, simple sentences should be used in tender document so as to give a clear meaning and prevent any scope for multiple interpretations of the tender conditions. During the course of various scrutinies, Vigilance Division had observed various tenders which were stalled / scrapped due to poor wordings of the tender conditions. Some of the prominent errors have been enumerated below so that similar instances could be avoided in future.

- In a tender document one of the essential conditions required that a vendor should have office /godown in Mumbai area however, a bidder with office in New Mumbai was disqualified by the TPC because the bidder did not meet the tender condition. This condition was too strict and restrictive in nature which is not as per the requirement of CVC guidelines.
- In a tender document one of the requirements was that the vendor should supply a specific brand of cable which was found to be highly restrictive in nature and promoted a specific brand of cable which was not at all desirable.

- In a tender document one of the essential conditions was that the vendor should never have been blacklisted by any government or government owned PSU/PSE. Insertion of so strict a requirement is not desirable and is highly restrictive in nature which is against the CVC guidelines.
- In a tender one of the conditions was that the tenderer is required to submit a certificate from a certification / accreditation agency. At the time of tendering, certificate was being issued by the certification agency only to individuals and not the firms / company. However SCI tender required firms / companies to participate in the bid and submit the certificate as an essential condition. The tender document had a condition which was **not possible** to be met by the bidders to meet.

### **09. Bid Evaluation by TPC:**

Bids received in the tendering process should be carefully evaluated by TPC, keeping in view the eligibility criteria of the tender and other terms and conditions.

#### **Authentication of documents submitted by the bidders in support of meeting tendering criteria: - I**

A complaint was received against the appointment of a Civil architect stating that the architect did not meet the tender criteria of having an office in Mumbai. On verification of the documents submitted with the tender by the architect, it was found that the bidder had submitted a forged document showing an office in Mumbai. Vigilance Division advised the user department that physical verification of the office of the vendor should be done in order to avoid aforementioned discrepancies.

#### **Tender irregularity (services): - II**

In one of the tenders, the Tender Processing Committee had ignored the fact that none of the bidders met the eligibility criteria. The fact that none of the bidders met the eligibility / qualification criteria was suppressed and not conveyed, while seeking approval to open the price bid, to the Tender Approving Authority. By this act, the eligibility criteria got altered, resulting in the ineligible bidders getting qualified during the technical evaluation of the bids. After vigilance examined the issue, TPC cited the reason of allowing such bids was for the sake of competition which was never mentioned in the note or report put up to approving authority. Finally ineligible bid won the tender. It was a wrongful act and violated the spirit of the tender. Based upon the above observation following recommendations were given by the Vigilance Division:

- 1) It should be ensured that pre-qualification / eligibility criteria, performance criteria and evaluation criteria which are incorporated in the tender should be in clear and unambiguous terms without leading to any conjectures. This becomes vital to evaluate bids in fair and transparent manner.
- 2) If absolutely necessary, amendments in the approved draft of the tender may be made after a pre-bid meeting. Such amendments should be published and given the same level of publicity as given for the original tender.
- 3) Tender Approving Authority should ensure that in the tender document, eligibility criteria and terms & conditions should be formulated clearly and exhaustively without leaving any scope for multiple interpretations.

4) The role of the TPC is to evaluate the bids strictly as per the tender conditions. The TPC should not venture into making suo moto alterations without authority, of the tender conditions because it is not in the scope of the role of the TPC. Any matter arising due to exigencies should be put up, with proper recording of reasons by the TPC, to the tender approving authority. Necessary sanctions / approvals from the competent authority should be taken before proceeding to the next stage in tender processing.

## **10. Dry Dock:**

A system study was conducted to know the prevalent practices being followed under Dry-docking of ships in SCI. After studying and analyzing the dry-docking procedures and relevant observations, recommendations were given to the user Division for the overall improvement of the dry-dock procedures/guidelines are as under:

- 1) Repair specification for dry-docking has to be prepared with utmost care and must be specific with maximum possible repair details. Any addition to the original repair specification, after the vessel has reached the yard should be kept to a minimum, since it gives a scope for cost escalation.
- 2) There is no possibility of assessing area and degree of blasting in the work done certificates. Hence this assessment is required to be done prior to commencement of blasting by the technical superintendent / Ship's officers as once blasted it will be difficult to assess the actual area blasted.
- 3) Steel renewal done on ship needs to be measured and recorded properly. It was advised that the record of steel renewed be done before the removal of staging / scaffolding. This will prevent billing by yard for any undue increase in the quantity of steel renewed.
- 4) Whenever a yard has quoted for a service engineer on an hourly basis, proper record should be maintained about the working hours of service engineers, to eliminate billing for increased no. of hours.
- 5) Scaffolding erected for repair works on the vessel are billed by the drydock yards. It was advised that the work done certificate needs to have an endorsement about the scaffolding so as to remove any chance of being billed without scaffoldings being actually erected by the yard.
- 6) Yards which delay release of vessels after dry dock due to force majeure on regular basis should be monitored properly and efforts should be made to cross check the actual reasons for delay, before approving the delay on the basis of force majeure conditions.
- 7) During the technical evaluation of yards, previous performance of yards has to be referred based upon the performance factor calculated upon previous performance of the yard. However, the practice of bringing the performance factor at neutral for those repair yards who have not been awarded the dry-dock repair contract for consecutive preceding two years including "blacklisted yards" was irrational. This policy must be relooked and the performance factor of black-listed yards may be adjusted / lowered in comparison to yards which have performed well during previous dry docks.

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## **Activities amounting to Misconduct as per SCI Conduct Discipline and Appeal Rules 2011**

- 1) Theft, fraud or dishonesty in connection with the business or property of the corporation or of property of another person within the premises of the corporation.
- 2) Taking or giving bribes or any illegal gratification.
- 3) Possession of pecuniary resources or property disproportionate to the known sources of income by the employee or on his behalf by another person, which the employee cannot satisfactorily account for.
- 4) Furnishing false information regarding name, age, father's name, qualifications, ability or previous service, caste certificate or any other matter germane to the employment at the time of employment or during the course of employment.
- 5) Acting in a manner prejudicial to the interests of the Corporation.
- 6) Unauthorised disclosure, detrimental (in the opinion of the Management) to the Corporation or any associated Company's interest, of information concerning financial or trade or policy matter or trade secrets relating to the Corporation's business or the business of its Associated Companies or its or their customers.
- 7) Willful insubordination or disobedience, whether or not in combination with others, of any lawful and reasonable order of his superior.
- 8) Absence without leave or over-staying the sanctioned leave for more than four consecutive days without sufficient grounds or proper or satisfactory explanation.
- 9) Habitual late or irregular attendance.
- 10) Neglect of work or negligence in the performance of duty including malingering or slowing down of work.
- 11) Damage to any property of the Corporation.
- 12) Interference or tampering with any safety-devices-installed in or about the premises of the Corporation.
- 13) Drunkenness or riotous or disorderly or indecent behaviour in the premises of the Corporation or outside such premises where such behaviour is related to or connected with the employment.
- 14) Gambling within the premises of the establishment.
- 15) Smoking within the premises of the establishment where it is prohibited.
- 16) Collection without the permission of the competent authority of any money within the premises of the Corporation except as sanctioned by any law of the land for the time being in force or rules of the Corporation.
- 17) Sleeping while on duty.
- 18) Commission of any act, which amounts to a criminal offence involving moral turpitude.

- 19) Absence from the employee's appointed place of work without permission or sufficient cause.
- 20) Purchasing / selling properties, machinery, stores, etc. from and / or to the Corporation without the express permission in writing of the Competent Authority.
- 21) Commission of any act subversive of discipline or of good behaviour.
- 22) Abetment or attempt at abetment of any act which amounts to misconduct.
- 23) Accepting gainful employment elsewhere while still in the Corporation's service, without the previous permission of the Competent Authority.
- 24) Non-disclosure by the employee of his interest (otherwise than as a shareholder of a Company), in any contract or agreement made by or at the direction of or on the advice of the employee concerned in the course of his duties, on behalf of the Corporation, or any Associated Company or participation in any way in the profits of such contract or agreement or any benefit of emolument arising there from without the consent of the Corporation.
- 25) Sexual Harassment.

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**Time to time Chief Vigilance Officer, SCI issues various Govt. circulars in order to make the departments aware about the government guidelines / amendments and relevant compliances. Few important Govt. circulars on various issues viz. Bank gurantee, RTI, DE, Tenders etc. were circulated by the CVO are as:**



**The Shipping Corporation of India Ltd.**

18<sup>th</sup> Dec 2017

**CVO Circular No. 74**

**Subject - Timely completion of Disciplinary proceedings/ Inquiry proceedings – reg.**

Please find enclosed Circular No. bearing reference no. File No.C-30019/3/2017-Vigilance dtd. 15.12.2017 (copy enclosed) issued by the Ministry of Shipping pertaining to the captioned subject.

In this connection, DoPT has recently incorporated certain instructions / guidelines in the relevant rules of CCS (CCA) Rules, 1965 which are required to be followed by the organisations comes under Ministry of Shipping.

In view of the same, it is requested that the circular may please be brought to the attention of all concerned.

Further all the IOs working under you may be specifically sensitized and advised accordingly.

Moreover, as advised in the letter, IOs who have not completed inquiry within reasonable time as above may be held responsible with suitable action against them.

Sd/-

**(Deepak Chaturvedi)**  
**Chief Vigilance Officer**



**The Shipping Corporation of India Ltd.**

18<sup>th</sup> July 2018

**CVO Circular No. 75**

**Subject – Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis – reg.**

Kindly refer attached Circular No. 06/07/18 dated 11.07.2018 issued by CVC on the captioned subject. The circular states that Commission is still receiving representations reporting instances of award of contracts and procurements in a non-transparent manner on nomination basis by several Departments/CPSUs.

The Commission has reiterated its earlier instructions, that the awards of contracts on nomination basis can be resorted to only in exceptional circumstances as laid down in Commission's Office Order No. 23/7/07 dated 05.07.2007.

In view of the above, it is requested that the circular may please be brought to the attention of all concerned for strict compliance.

Attention is drawn to the CVC's instruction in the office order No. 19/05/10 dated 09.05.2010 that "All works awarded on nomination basis should be brought to the notice of the Board for information".

Kindly forward the list of contracts awarded on nomination basis for the last three years 2015-16, 2016-17 & 2017-18 to the Vigilance Division. Further, it is requested to confirm with supporting documents that the contracts awarded on nomination basis for the last three years 2015-16, 2016-17 & 2017-18 were brought to the notice of the board.

Sd/-

**(Deepak Chaturvedi)**  
**Chief Vigilance Officer**



**The Shipping Corporation of India Ltd.**

03<sup>rd</sup> Sep 2018

**CVO Circular No. 77**

**Sub: CVO to closely monitor presentation of case by Presenting Officer before the IO**

Kindly refer attached CVC Circular No. 09/07/18 dtd 27.07.2018 on the captioned subject. The circular states that the Commission has noticed the undesirable practice of Presenting Officers (POs) taking decisions contrary to the position stated in the charge-sheet without the specific consent of the Disciplinary Authority.

Further the circular advises CVOs to closely monitor the presentation of the case by the PO before the Inquiry Officer (IO).

It thus becomes essential to take preventive measures to avoid the undesirable practice referred by the Commission and to ensure close monitoring of the presentation of the case by the POs before the IO.

Towards this end, all POs are required to meet the Vigilance Division before each hearing and give a brief on what the POs intend to present before the IO during the Disciplinary Hearing.

POs are required to comply strictly with the requirements of para 7.24.3 (xi) of Vigilance Manual 2017 and para 17 of Chapter 15 of the Handbook for Inquiry Officers and Disciplinary Authorities mentioned in the CVC Circular 09/07/18 of 27.07.2018.

Sd/-

**(Deepak Chaturvedi)**  
**Chief Vigilance Officer**





**The Shipping Corporation of India Ltd.**

02<sup>nd</sup> Aug 2019

**CVO Circular No. 80**

**Sub: Expeditious disposal of cases involving public servants due to retire shortly**

The CVC has issued Circular No.04/07/19 dtd 23.07.2019 on the subject cited above. The referred CVC circular advises to ensure expeditious finalization of disciplinary proceedings/action, particularly in respect of officials likely to retire shortly. The Commission had specifically impressed upon, the vigilance functioning as well as administrative authorities concerned, the need to prioritize their activities of conducting investigations and completion of disciplinary action well in advance so as to avoid such late reference to the Commission. Further it was also conveyed that such instances of undue delay in vigilance matters/ disciplinary cases will be viewed seriously by the Commission and it would be constrained to take an adverse view of CVO/Administrative authorities for such avoidable delays.

In view of the above, all DAs/Administrative authorities are requested to report/refer such pending disciplinary cases to the Vigilance Division at least two months before superannuation of employees. Non-compliance and lax attitude in disposal of the cases would be viewed seriously and result into fixing of responsibilities as similar to the suggested action in CVC letter.

It is requested that all DAS/Administrative Authorities should ensure monthly review of all pending cases for the employee retiring 90 days before the scheduled superannuation so as to strict compliance of the referred CVC circular. The contents of the aforementioned CVC circular is pertinent to senior level officers working as DA/IO and may kindly be brought to the attention of officers at appropriate & relevant senior levels.

Sd/-

**(Deepak Chaturvedi)**  
**Chief Vigilance Officer**



**The Shipping Corporation of India Ltd.**

18<sup>th</sup> Oct 2019

**CVO Circular No. 81**

**Sub: Rotation of Officers working in sensitive posts and  
dispensation of Gift Culture - regarding.**

Kindly refer attached CVC office Memorandum No. 019/VGL/031-392192 dated 11.09.2019 on the captioned subject. As per the circular in reiteration to the instructions issued vide circular Ref. No.03/09/2013 dated 11-09-2013, letter No.18/MISC/02-378043 dated 01-05-2018 and circular No. 18/MISC/02-392171 dated 23-08-2018, the Central Vigilance Commission had issued an OM advising all Public Sector Insurance Companies to effect rotational transfers in respect of those officers in sensitive posts who are continuing beyond 3 years.

The Circular also states that the Commission has noticed that frauds were committed in Public sector banks mainly due to non- implementation of the rotational policy.

The circular further states that during festivals and official visits of senior officials, they are obliged with costly *gifts* and undue benefits which must be dispensed with immediately or strict actions with exemplary punishments shall be taken against such officers involved.

In view of the above, it is requested that the circular may be brought to the attention of all concerned for strict compliance.

Sd/-

**(Deepak Chaturvedi)**  
**Chief Vigilance Officer**



## **The Shipping Corporation of India Ltd.**

11<sup>th</sup> Sep 2019

### **Sub: Finalisation of tender document and role of Tender Processing Committee**

In a recent case examined by Vigilance Division, it has been observed that in one of the tender floated by SCI, the Tender Processing Committee has ignored eligibility / qualification criteria and suppressed it from Tender Approving Authority. By this act, the eligibility criteria have been altered resulting in the ineligible bidders getting qualified during the technical evaluation of the bids. After vigilance examined the issue, TPC cited the reason of allowing such bids was for the sake of competition which was never cited in the note or report put up to approving authority. Finally ineligible bid won the tender.

It is wrongful act and violates the spirit of the tender. It should be ensured that pre-qualification / eligibility criteria, performance criteria and evaluation criteria which are incorporated in the tender should be in clear and unambiguous terms without leading to any conjectures. This becomes vital to evaluate bids in fair and transparent manner.

If absolutely necessary, amendments in the approved draft of the tender may be made after a pre-bid meeting. Such amendments should be published and given the same level of publicity as given for the original tender.

Tender Approving Authority should ensure that in the tender document, eligibility criteria and terms & conditions should be formulated clearly and exhaustively without leaving any scope for multiple interpretations.

The role of the TPC is to evaluate the bids strictly as per the tender conditions. The TPC should not venture into making suo moto alterations without authority, of the tender conditions because it is not in the scope of the role of the TPC. Any matter arising due to exigencies should be put up, with proper recording of reasons by the TPC, to the tender approving authority. Necessary sanctions / approvals from the competent authority should be taken before proceeding to the next stage in tender processing.

It is requested that all future tenders of SCI may be issued keeping the above guidelines in view. This information should be communicated to all concerned officials in your Division for immediate implementation.

Sd/-

**(Deepak Chaturvedi)**  
**Chief Vigilance Officer**

No.2-07-1-CTE-30/309204  
Central Vigilance Commission  
Chief Technical Examiner's Organization

Satarkta Bhavan, Block-A  
GPO Complex, INA, New Delhi  
Dated, the 04.03.2016

Circular No. 04/03/2016

OFFICE MEMORANDUM

**Sub: Acceptance of Bank Guarantee (BG) – reg**

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Reference is invited to the Commission's Circular No. 01/01/08 dated 31.12.2007 (issued vide OM No. 02-07-1-CTE-30 dated 09.05.2006), wherein necessity for ensuring verification of genuineness of Bank Guarantee prior to its acceptance was emphasized and steps were suggested.

2. It is, however, observed that the practice of paper based verification of BGs followed by the organizations is not only time consuming causing delay in acceptance / ward of works or advance related payments but also its trustworthiness cannot always be ensured due to human intervention in it.

3. In this background, organizations are advised to follow IT enabled confirmation system which is swift and secured in addition to their existing paper based confirmation system. The following methods for verification may be considered by the organizations:

a) Getting confirmation through digitally signed secured e-mails from issuing Banks;

b) Online verification of Company portal with user ID and password followed by 2<sup>nd</sup> stage authentication system generated One Time Password (OTP) on portal for reconfirmation;

c) E-mail confirmation followed by 2<sup>nd</sup> stage authentication by system generated SMS through registered mobile and reconfirmation through SMS to the verifying officer.

4. Keeping above in view, organizations may evolve their own procedure adopting any one or more of the above methods for ensuring genuineness of BGs, which is compatible with the guidelines of Banks / Reserve Bank of India.

Sd/-

**(Ramesh Chandra)**  
**Chief Technical Examiner**

No. 15(07)/99-DPE-GM-VOL-III-FTS-2344  
Government of India  
Ministry of Industries and Heavy Industries & Public Enterprises  
Department of Public Enterprises

Public Enterprises Bhawan,  
Block no 14, CGO complex,  
Lodhi Road, New Delhi-110003  
Dated: 9<sup>th</sup> October, 2019

OFFICE MEMORANDUM

**Subject:-Amendment to consolidated Model CDA Rules 12(4) & 14-A for Central Public Sector Enterprises (CPSES), 2019.**

The undersigned is directed to refer to DPE OM of even no. dated 11-12-2017 vide which consolidated Model Conduct, Discipline and Appeal (CDA) Rules, 2017 were forwarded to the concerned administrative ministries / departments for adoption by their respective CPSEs while framing / updating their CDA rules.

2. Model CDA Rules for CPSEs amended earlier are based on the provisions of CCS (Conduct) Rules, 1964, amendment thereof and inputs received from CVC from time to time. Accordingly on the lines of DoPT OM No 11013/6/2018-Estt -A-III dated 07-02-2019 and DoPT OM No 11013/2/12019-Estt -A-III dated 06-08-2019, regarding amendment of CCS(Conduct) Rules, 1964, Rule 16 (1) and Rule 13, the corresponding model CDA Rules 14-A and Rule 12 (4) are modified as under:

**Rule 14-A. Speculation of stock / shares of companies**

Employee shall not speculate in any stock, share or other investment. It may also be explained that frequent purchase or sale or both, of shares, securities or other investments shall be deemed to be speculation within the meaning of this sub-rule.

With a view to enable the administrative authorities to keep a watch over such transactions, an intimation may be sent in the Proforma (on the lines of proforma annexed to DoPT OM dated 07-02-2019) to the prescribed authority if the total transactions in shares, securities, debentures or mutual funds scheme, etc. **exceed six months' basic pay of CPSE employee** during the calendar year (to be submitted by 31<sup>st</sup> January of the subsequent calendar Year)

**Rule 12: Gifts**

4. In any other case, an employee of the CPSE shall not accept or permit any other member of his/her family or any other person acting on his/her behalf to accept any gifts without the sanction of the competent authority if the value thereof exceeds rupees **Five Thousand** in the case of Executives and & rupees **Two Thousand** in the case of Non-Executives;

Provided that when more than one gift has been received from the same person/firm within a period of 12 months, the matter shall be reported to the competent authority if the aggregate value of the gifts exceeds Rs.25,000/- and Rs 15000/- in case of Executives and Non-Executives respectively.

3. Further, as shares, securities, debentures etc. are treated as movable property for the purpose of Rule 16 (4) of the Model CDA Rules, if an individual transaction in respect of above instruments exceeds the amount prescribed in Rule 16 (4), the intimation to the prescribed authority would still be necessary. The intimation prescribed in para 2 above will be in addition to this, where cumulative transaction(s) i.e. sale, purchase or both in shares, securities, debentures or mutual funds, etc. in a year exceed the limits indicated in Para 2 above.

4. All the administrative Ministries/Departments concerned with CPSEs are requested to issue suitable instructions to CPSEs under their administrative control to amend their respective CDA Rule(s) accordingly.

Sd/-

**(Rajesh Puri)**  
**Deputy Director**



केंद्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



Satarkta Bhavan, Block-A  
GPO Complex, INA,  
New Delhi 110023  
Dated, the 20.04.2018

**Subject: Public Procurement (Preference to Make in India), Order 2017 (PPP-MII Order) - regarding.**

Department of Industrial Policy and Promotion (DIPP) has issued "Public Procurement (Preference to Make in India), Order 2017 (PPP-MII Order) dated 15.06.2017 pursuant to Rule 153 (iii) of General Financial Rules, 2017, which seeks to promote domestic production of goods and services. As per this Order, restrictive and discriminative clauses cannot be included in procurement by Central Government agencies against domestic suppliers. The Commission has received a request from DIPP to widely disseminate the Order to the CVOs and IEMs to exercise oversight on all contracts over an amount of Rs. five crores.

2. In order to implement to PPP-MII order in letter and spirit, the Commission would direct all the Chief Vigilance Officers (CVO) to exercise oversight on all contracts over an amount of Rs. five crores so as to ensure that restrictive and discriminative clauses against domestic suppliers are not included in the tender documents for procurement of goods and services and that the tender conditions are in sync with the PPP-MII Order, 2017 in their respective Departments/Organisations.

3. The Commission further desires that the Independent External Monitors (IEMs) appointed by the respective organisations may keep in view the provisions of PPP-MII Order 2017 while exercising their functions / duties as IEM in respect of procurements / contracts which fall in their purview.

Sd/-

**(J.Vinod Kumar)**  
**Director**



केंद्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



Satarkta Bhavan, Block-A  
GPO Complex, INA,  
New Delhi 110023  
Dated, the 23.01.2017

Circular No. 01/01/17

**Subject: Systemic Improvement Guidelines - Engagement of Consultants - regarding.**

Attention is invited to Commission's Circular No.08/06/11 dated 24<sup>th</sup> June, 2011 (**copy enclosed**) regarding selection and employment of consultants. The Commission, taking into account the practices and procedures, being followed by various organisations, would advise following measures while finalising the contracts for engaging consultants:

**(a) Framework of Instructions of GOI / Guidelines of CVC / others :** Departments / Organisations (employer / client), engaging a consultant, should draw attention of the consultant to the relevant and extant instructions of Government of India, GFR issued by Ministry of Finance, guidelines of CVC and provisions of the Procurement Manual / relevant instructions of the respective organisation, as applicable to the subject matter of the advice / service to be rendered by the consultant and required to be complied with.

**(b) Accountability of the employer / client and the consultant:** A consultant engaged by the employer has to have a certain degree of accountability, on its part, for any advice and / or for any service rendered to the employer, keeping in view norms of ethical business, professionalism and the fact that such advice / service is being rendered for a consideration, as per the terms of the contract. At the same time, the employer also has to have its share of accountability, for accepting the advice and services, provided by the consultant.

To ensure adequate accountability, suitable tender terms and conditions for apportioning accountability, between the employer and the consultant, need to be incorporated. Also, there should be suitable provisions to enforce such accountability, in case of improper discharge of contractual obligations / deviant conduct by / of any of the parties to the contract.



**(c) Conflict of Interest:** The consultant shall avoid any conflict of interest while discharging contractual obligations and bring, before-hand, any possible instance of conflict of interest to the knowledge of the employer / client, while rendering any advice or service.

The consultant must act, at all times, in the interest of the employer / client and render any advice / service with professional integrity. A consultant is expected to undertake an assignment / project, only in areas of its expertise and where it has capability to deliver efficient and effective advice / services to the employer.

**(d) Maximum Possible Use of In-house Expertise:** Before arriving at a decision to engage consultant and in matters of accepting advice / service rendered by the consultant, all organisations should, in the first instance, explore the possibility of using in-house expertise. Proof checking / peer review, in case of advice rendered by a consultant, especially in high value projects, may be advantageous.

2. Apart from above, following few measures may be considered for better and efficient execution of consultancy contracts:

(a) Suitably incorporating Integrity Pact in the consultancy contracts.

(b) An advisory to the consultant, in suitable format, to keep in view transparency, competitiveness, economy, efficiency and equal opportunity to all prospective tenderers / bidders, while rendering any advice / service to the employer / client, in regard with matters related to selection of technology and determination of design and specifications of the subject matter, bid eligibility criteria and bid evaluation criteria, mode of tendering, tender notification, etc.

(c) Normally, pre-bid conference and timely addressing of objections / queries, in appropriate manner, from prospective tenderers / bidders should be in place.

(d) Suitably incorporating a provision making the consultant to cooperate fully with any legitimately provided / constituted investigative body, conducting inquiry into processing or execution of the consultancy contract / any other matter related with discharge of contractual obligations by the consultant.

3. The Commission desires that the above guidelines be brought into the notice of all concerned.

Sd/-

**(J. Vinod Kumar)**

**Director**



केंद्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



Satarkta Bhavan, Block-A  
GPO Complex, INA,  
New Delhi 110023  
Dated, the 24.01.2011

Circular No. 08/06/11

**Subject: Selection and employment of Consultants.**

The issue of role and professional liability of consultants in government contracts has been under consideration in the Commission for quite some time. The Commission has decided that following guidelines, be kept in view while finalising the contracts for engaging consultants.

**1. Conflict of Interest.** The consultant shall not receive any remuneration in connection with the assignment except as provided in the contract. The consultant and its affiliates shall not engage in consulting or other activities that conflict with the interest of the employer under the contract.

The contract shall include provisions limiting future engagement of the consultant for other services resulting from or directly related to the firm's consulting services in accordance with following requirements:

(a) The consultants shall provide professional, objective, and impartial advice and at all times hold the employer's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other employers, or that may place them in a position of being unable to carry out the assignment in the best interest of the employer. Without limitation on the generality of the foregoing, consultants shall not be hired under the circumstances set forth below:

**(i) Conflict between consulting activities and procurement of goods, works or non-consulting services (i.e., services other than consulting services covered by these Guidelines)** - A firm that has been engaged by the employer to provide goods, works, or non-consulting services for a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from subsequently

providing goods, works, or services (other than consulting services covered by these Guidelines) resulting from or directly related to the consulting services for such preparation or implementation.

This provision does not apply to the various firms (consultants, contractors, or suppliers) which together are performing the Contractor's obligations under a turnkey or design and build contract.

**(ii) Conflict among consulting assignments** - Neither consultants (including their personnel and sub consultants), nor any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants assisting a employer in the privatization of public assets shall neither purchase, nor advise purchasers of, such assets. Similarly, consultants hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.

**(iii) Relationship with Employer's staff** - Consultants (including their experts and other personnel, and sub-consultants) that have a close business or family relationship with a professional staff of the Employer (or of the project implementing agency) who are directly or indirectly involved in any part of: (i) the preparation of the TOR for the assignment, (ii) the selection process for the contract, or (iii) the supervision of such contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Employer throughout the selection process and the execution of the contract.

**(iv) A consultant shall submit only one proposal**, either individually or as a joint venture partner in another proposal. If a consultant, including a joint venture partner, submits or participates in more than one proposal, all such proposals shall be disqualified. This does not, however, preclude a consulting firm to participate as a sub-consultant, or an individual to participate as a team member, in more than one proposal when circumstances justify and if permitted by the RFP.

**(b) Unfair Competitive Advantage** - Fairness and transparency in the selection process require that consultants or their affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question. To that end, the Employer shall make available to all the short listed consultants, together with the request for proposals, all information that would in that respect give a consultant a competitive advantage.

**2. Professional Liability** - The consultant is expected to carry out its assignment with due diligence and in accordance with prevailing standards of the profession. As the consultant's liability to the Employer will be governed by the applicable law, the contract need not deal with this matter. The client (purchaser) may, however, prescribe other liabilities depending on the requirement in each case without any restriction on the Consultant's liability as per the applicable law.

The Commission desires that the above guidelines be brought into the notice of all concerned.

Sd/-

**(J Vinod Kumar)**  
**Officer on Special Duty**



केंद्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



Satarkta Bhavan, Block-A  
GPO Complex, INA,  
New Delhi 110023  
Dated, the 10.03.2017

Circular No. 03/03/2017

**Subject: Seeking similar information through repeated RTI Applications-  
Central Information Commission's decision- regarding.**

The attention of the CVOs concerned is drawn to the Central Information Commission's decision dated 25.06.2014 in case No. CIC/AD/A/2013/001326-SA in the case of Shri Ramesh Chand Jain Vs. Delhi Transport Corporation, GNCTD, Delhi, in which the issue of seeking information by the RTI Applicants through repetitive Applications on similar issues / subject has been considered and decided by the Central Information Commission.

2. The Central Information Commission, in its decision, had observed that:-

*"The Commission noticed that several applicants seek some information from one wing of the public authority, and based on the responses file a bunch of RTI questions from the same or other wings of same public authority, or from other authority. This will have a continuous harassing effect on the public authority. As the PIOs go on answering, more and more questions are generated out of the same and in the same proportion the number of repeated first appeals and second appeals will be growing."*

3. The commission after considering various aspects of the issue and the provisions of acts of similar nature in other countries, and also the decisions of earlier Information Commissioners has concluded that :-

- i) Even a single repetition of RTI application would demand the valuable time of the public authority, first appellate authority and if it also reaches second appeal, that of the Commission,

which time could have been spent to hear another appeal or answer another application or perform other public duty.

ii) Every repetition of RTI application which was earlier responded will be an obstruction to flow of information and defeats the purpose of the RTI Act."

4. The Central Information Commission, vide its decision No. CIC/AD/A/2013/001326- SA dated 25.06.2014 has thus, decided that:-

*“(i) No scope of repeating under RTI Act.*

*(ii) Citizen has no Right to Repeat.*

*(iii) Repetition shall be ground of refusal.*

*(iv) Appeals can be rejected”*

5. The CVOs may bring the above quoted decision of Central Information Commission to the notice of all the CPIOs / Appellate Authorities of their organizations, who may consider the Central Information Commission's decision, while deciding about the RTI Applications seeking similar information through repeated RTI Applications. The complete decision of Central Information Commission, in case No. CIC/AD/A/2013/001326-SA, in the case of Shri Ramesh Chand Jain Vs. Delhi Transport Corporation, GNCTD, Delhi is available on its website, [www.cic.gov.in](http://www.cic.gov.in), in downloadable form and can be access from there.

Sd/-

**(Rajiv Verma)**

**Under Secretary & Nodal CPIO**



सत्यमेव जयते

केंद्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



Satarkta Bhavan, Block-A  
GPO Complex, INA,  
New Delhi 110023  
Dated, the 28.08.2018

Circular No. 10/08/2018

**Subject: Applicability of Commission's guidelines on post tender negotiations with regard to projects funded by World Bank and other International Funding Agencies like, IMF, ADB, etc.**

**Ref: Commission's Circulars Nos. 8(1)(h)/98(1) dated 18.11.1998, 3(V)/99/9 dated 01.10.1999 and 98/ORD/001 dated 28.10.2011.**

The Commission on receiving references seeking clarifications on the applicability of Commission's guidelines to projects funded by the World Bank and other International Funding Agencies like IMF, ADB., etc., had last issued a Circular No. 01/04/18 dated 06.04.2018. On a review of the said instruction and all previous circulars on the subject, the Commission would clarify as under:

*The Commission's instructions dated 18.11.1998 (on post tender negotiations) and other guidelines relating to procurement / sales, etc., would not be applicable to projects funded by World Bank and other International Funding Agencies, as such external aid / loans, etc., received are covered under the applicable policies / legal agreement executed, as permitted under Rule 264 of General Financial Rules, 2017 (GFR), Manual for Procurement of Goods of 2017, Manual for Procurement of Consultancy and other Services, 2017 issued by the D/o Expenditure, M/o Finance, etc.*

2. All Ministries / Departments / Organisations may note for information / guidance.

**(J. Vinod Kumar)**

**Director**



केंद्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



Satarkta Bhavan, Block-A  
GPO Complex, INA,  
New Delhi 110023  
Dated, 23<sup>rd</sup> July, 2019

Circular No. 04/07/19

**Sub.: Expeditious disposal of cases involving public servants due to retire shortly.**

**Ref.: (i) Commission's Office Order No.34/9/07 dated 27/09/2007.**

**(ii) Commission's Circular No.03/03/11 dated 11/03/2011.**

The Commission vide its circulars referred to above had directed CVOs of all Ministries/Departments/Organisations to ensure expeditious finalization of disciplinary proceedings/action, particularly in respect of officials likely to retire shortly. The Commission had specifically impressed upon the vigilance functionaries as well as administrative authorities concerned the need to prioritize their activities of conducting investigations and completion of disciplinary action well in advance so as to avoid such late references to the Commission. Further, it was also conveyed that such instances of undue delays on part of administrative authorities, in dealing with vigilance matters/disciplinary cases, will be viewed very seriously by the Commission and it would be constrained to take an adverse view of CVOs/Administrative authorities for such avoidable delays.

2. Despite, these instructions, references are still being received in the Commission particularly from CPSUs and Public Sector Banks, after the middle of the month, the officer is due to retire which is not acceptable. The Commission has taken a serious note of such lax attitude on the part of CVOs/DAs and would again reiterate that all such retirement cases should be received by the first week of the month of superannuation of the officer(s) concerned. Cases/references received for advice after the first week of the month would be returned back to the Department/Organization without advice of the Commission and action recommended against the concerned authority (ies).

3. All CVOs/Administrative Authorities should ensure strict compliance to the above instructions.

S/d-

**(J. Vinod Kumar)**

**Director**



## **Vigilance Division**



**Published on the occasion of Vigilance Awareness Week 2019**

**By:**

**Chief Vigilance Officer**

**The Shipping Corporation of India Ltd.**

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