



## EAST COAST RAILWAY

# VIGILANCE WATCH


## Avoiding Mistakes

### GENERAL MANAGER'S MESSAGE

I am glad to learn that the Vigilance Department is coming out with their maiden, monthly issue 'Prahari': The Vigilance Watch, to generate awareness and knowledge on how to avoid making mistakes.

It has been our sincere endeavour on the East Coast Railway to ensure the well being of all officers and staff. In the course of their duty, they are faced with a host of impediments, either due to their lack of knowledge, or temptations, derailing them from their normal, set path of duty and virtue. To forestall such mistakes as well as prevent common pitfalls, the Vigilance Department has been holding Workshops and Seminars on a wide spectrum of topics to guide and caution them effectively.

I hope this issue in its crisp and compact form will be effective in combating the terror of error while at the same time instilling in the railway persons a noble sense of honour.

  
(Arvind Kumar Vohra)  
GENERAL MANAGER

*Rather fail with honour ...  
Than succeed by fraud.*

### CVO Speaketh...

Ships are not supposed to be anchored at the shore or moving sluggishly by the coastline; they have to weather the storms and the rough seas to be gainfully deployed. Similarly,

officers and staff in our vibrant Railway organization are required to take decisions and act fast, efficiently and effectively at all time to ensure high productivity. In the course of their work, therefore, mistakes may occur, advertently or inadvertently, either due to lack of knowledge or not following the relevant rules and guidelines. Many a time the temptations play a silent role and weaken the fabric of moral character. An effort in this context has been made by the Vigilance Department of East Coast Railway to reach out to the last person who is involved in the decision-making, whether or not at the cutting edge. We have attempted to flag certain issues in an attractive and interesting fashion. This may be freely displayed on the Notice Boards for the benefit of one and all.

Your criticism, appreciation and suggestions in full measure for our first attempt are most welcome.

  
(Ravindra K. Tandon)  
Sr. Dy. General Manager

*Don't go through life,  
Grow through life.*

### CASE STUDY

#### Irregularities in purchase of optical fiber cable

Emergency purchase of Optical Fibre Cable (OFC) was made by one of the Unit of Zonal Railways for six months requirement violating railway board's instruction to purchase three months requirement in case of emergency. The

*tender was floated even when Railway Board's contract was live for the zonal railways and 30% of option clause was available to meet the emergent requirement of various zonal railways. TC did not take the cognizance of the prevalent market rate and did not carry out proper rate analysis to arrive at rate reasonableness. Though information about market rate was available in the tender file, the same was ignored. DAR proceedings against the TC and TAA have been initiated.*

### Learning from Mistakes

- ❖ OFC, was purchased- for more than 6 months requirement in the name of emergency was purchased, violating Railway Board's instructions to restricted to 3 months requirement-.in spite of the fact that the tender at Board level was live. Thus, the non-materialization of supplies against Railway Board contract was pre-judged and with untenable justification. For meeting shortfall over such a long term, the proper action should have been to send the indent to Railway Board for operating the +30 percent option clause available in the Board contract. Being aware of the fact that market prices for optical fiber which accounts for 70 percent of the cost of OFC was crashing down at that time, the purchase of huge quantity was not an act of common prudence.
- ❖ In the tender, exorbitant rate was justified after rate analysis done on the basis of arbitrary figures taken without any market survey and documentary evidence. The rate reasonableness should have been examined with respect to last accepted rate, suitably updated based on various input cost in the intervening period duly supported by documentary evidence. TC did not deliberate the recommended rate with reference to last accepted rates. If at all, rate analysis was to be done, it should have been based on proper market survey of various elements of the product. At first TC

appreciated correctly that the cost of the optical fibre was 70 per of the total cable cost. .and incorporated the above information in their recommendations for negotiations. While giving final recommendations, TC changed their stand and misrepresented that fibre cost as 70% of total raw material cost of optical fibre cable in order to justify higher rate. No cognizance of the fact available that BSNL was going to cancel a tender for purchase of OFC in which they received lowest rate of Rs.1.12 lakh per KM in view of fall in the optical fibre prices, as reported in the newspaper clipping.

- ❖ When the tender was finalized, the market price of optical fibre was almost identical to what was when Railway Board tender was opened. Therefore, recommended rate should have been near about to last accepted rate by adopting system of examining rate reasonableness with reference to last accepted rates and comparing the market situation prevailing at the time of tender, Railway would not have suffered extra burden of about Rs. ONE CRORE.

### I take a vow:

- TO avoid projection of artificial urgency during demand survey/planning stage.
- TO explore the possibility of operating the option clause available in the other relevant contracts.
- TO purchase only the emergent quantity.
- TO calculate the quantity requirement as per prevalent guidelines.
- TO make consistent decision during the finalization of tender.
- TO pay attention to the various information available in the TC file.
- TO get the market survey done before arriving at rate reasonableness.

*Nobody ever did, or ever will,  
Escape the consequences of his choices.*

***Truth is just like the Sun; It can remain hidden; it will always shine through eventually.***