

Stores
Vigilance Awareness Seminar

East Coast Railway

Procedure of Vigilance Case

- Preventive Check / Complain
- Seeking of clarification issued in course of investigaton
- Registration of a Case against Railway Officials
- Issue of Questionnaire after registration of case

Procedure of Vigilance Case

- Advice of Closure of Vigilance Investigation
- Preparation & Submission of Investigation Report
- Submission of Report to SDGM/ PHODs and obtaining the recommendation of the concerned disciplinary authority and GM

PLANNING OF NON-STOCK ITEMS AND PROCESSING OF REQUISITION

- Non-Stock items : Do not have regular turn over/consumption.
- Demand preparation: on requisition form No. S 1302.
- NS requisition should be prepared on the basis of “one item on one form” in duplicate

Important points to be kept in mind at the time of preparation and submission of requisitions for non-stock items

- (1) Indent quantity should be assessed critically. Many times there is temptation to over-indent the quantity and ultimately excess quantity may lie in Stores without any use. It should match with requirement.
- (2) Clear description of the item, including IS / RDSO specification

Important points to be kept in mind at the time of preparation and submission of requisitions for non-stock items

- (3) Last purchase particulars invariably to indicate the.
- (4) Estimate rate should be realistic and based on latest purchase rate of any Railways.
- (5) In case of non availability of Last/ latest purchase particulars, Budgetary Quotations from a minimum of three firms to be collected..

Important points to be kept in mind at the time of preparation and submission of requisitions for non-stock items

(6) In absence of any information, rate can be worked out by doing a cost analysis and details of cost analysis may be enclosed along with the requisition.

(7) There should not be any deliberate attempt to assess the rate on lower side to either avoid finance concurrence or administrative approval.

Important points to be kept in mind at the time of preparation and submission of requisitions for non-stock items

- (8) List of likely suppliers to be furnished.
- (9) Obtain signatures of Indenting, Controlling & Approving authorities as per the SOP.
- (10) Wherever required, proper finance concurrence to be taken.

Important points to be kept in mind at the time of preparation and submission of requisitions for non-stock items

(11) Before issuing PAC ,proper justification and market survey to be done

(12) The date by which the material is required should be clearly indicated.

(13) Minimum gap of 6 months to be maintained between two indent of one item.

Important points to be kept in mind at the time of preparation and submission of requisitions for non-stock items

(14) If it is found that a non-stock item is regularly required, then attempt should be made to make it stock item.

Store Dealing Procedure - DMTR

- Page certification in 1st page with signature of SSE & officer
- Each transaction should have a serial no. and continuity to be maintained separately on receipt & issue side.
- Entry should be as soon as the material transaction takes place
- Line to be drawn at the end of each day transaction.

Store Dealing Procedure - DMTR

- Blank spaces to be strike out
- No blank space between consecutive entries & day's last entry and executive signature.
- Submit monthly return to controlling officer at the end of each month indicating the transactions and the balance stock

Store Dealing Procedure - DMTR

- Store Clerk entering the transactions should initial the entries with date at the end of each day followed by SSE signature
- Entry from DMTR to the ledger to be made as early as possible with ledger reference in DMTR.
Challan/Issue notes to be verified early.

Store Dealing Procedure - DMTR

- Challan/Issue notes to be verified early.
- Released material register – After proper verification of material
- Material transaction from one unit to another/
challan verification
- Inspection by officer (once in a year), checking of store records, store items

Common irregularities noticed during PC

- Submission of NSR without clear description and specification.
- Unrealistic estimate rate.
- Collection of Budgetary quotation from the firm which do not exist.
- Issuance of PAC as routine and without review of its necessity.
- Splitting of demands to avoid concurrence and RITES/RDSO inspection.

Common irregularities noticed during PC

- Indenting of excess quantity.
- Un attested corrections / over writings in the indent.
- Submission of false warranty and guarantee certificate by the firm.

Common irregularities noticed during PC

- The documents provided by L1 bidder for eligibility was found false/forged.
- The firm supplied duplicate model & make of the item.
- Advance sample approval clause before issuing of purchase order.
- Despite of availability of standard specification approved by Railway Bd./RDSO etc, NSR is being prepared with local specification.
- Difference in Description of Indent, GeM Contract and iMMS coverage P.O.

Common irregularities noticed during PC

- Inclusion of Restrictive Condition in Eligibility Criteria.
- Delay in Inspection of material, bill passing and payment against supplies.

Case Study 1

Procurement of Item through GeM

- In the direct acceptance case , where no bidding was required, Officials while searching the indented item on GeM portal, willfully selected the item of higher specification in which the known supplier quoted very lower rate as he knew he was to supply the indented item of lower specification.
- Consequently GeM Contract was made for the selected item.
- The item description in GeM Contract was completely different from the indented item as the search description is of higher description.
- The coverage P.O. was prepared in iMMS portal with the description of the indented item.
- The consignee were provided copy of coverage P.O. only but not GeM contract copy.
- The supplier delivered the material as per iMMS coverage P.O. and the material was accepted as per the Imms P.O..

IRREGULARITY :

The supply was supposed to deliver as per the GeM contract but not according to the coverage P.O.

After receiving the material , the consignee has to generate the CRAC as per the GeM Contract copy only.

CASE STUDY 2

SUPPLY OF FAKE & NON-STANDARD AIR- CONDITIONERS

- During a preventive check of procurement of 20 Nos. Air conditioners for staff Canteen
- Non-stock requisition was prepared by Personnel Department.
- Fund provided from Staff Benefit Fund.
- Scope of work: “Supply, installation, testing and commissioning of inverter type high wall split air conditioner.

CASE STUDY 2

SUPPLY OF FAKE & NON-STANDARD AIR-CONDITIONERS

- Specification: 2.0 Ton, inverter type
 - IS:1391,
 - BEE 5 Star rating ,
 - coil material copper,
 - length of copper pipe 05 meter (Minimum) ,
 - refrigerant Eco-Friendly,
 - 10 years of warranty on compressor and 05 years on machine.
- Tender was floated in GeM Portal.
- GEM contract was awarded to M/s. X. Accepted make : HITACHI , Model – RMB524HBEAG.
- inspection clause : by RITES Ltd

CASE STUDY 2

SUPPLY OF FAKE & NON-STANDARD AIR-CONDITIONERS

- Firm dispatched that material without conducting pre-delivery inspection by RITES.
- The firm managed to change inspection clause from 3rd party to by Consignee.
- Installation & commissioning of the material had been carried out by unauthorized service personnel.
- The firm submitted false warranty and guarantee certificate.

CASE STUDY 2

SUPPLY OF FAKE & NON-STANDARD AIR-CONDITIONERS

- For after sales service, joint inspection with Hitachi-authorized service engineer and Railway Electrical engineer, it was found that:
- Condenser coil of outdoor unit as aluminum coil instead of copper
 - R-32 gas sticker was pasted on the compressor and suction pipe while on the front sticker it was printed as R-410A refrigerant gas.
 - No PCB circuit was found in outdoor unit
 - The supplied Air-conditioners are non-inverter type non-HITACHI make
 - Model No. & make are found Fake & duplicated.

CASE STUDY 2

SUPPLY OF FAKE & NON-STANDARD AIR-CONDITIONERS

Irregularity:

1. Indent to be placed by Electrical deptt. Instead of Personnel Deptt.
2. After despatch of material , the Inspection clause should not be changed from RITES to Consignee.
3. Inspection of the material was carried out by the official of Personnel Deptt.
4. The inspecting official did not bother to ensure the genuineness of warranty –guarantee certificate and all other relevant documents.
5. Consignee allow installation of the AC by unauthorised service personnel.

CASE STUDY 3

Irregularity in Stores Tender

➤ During a preventive check of a tender case for procurement of LED signal lighting unit for Route Indicator aspect some non-stock requisitions have been submitted with RDSO specification No. RDSO/SPN/153/2004, Rev.3.0 (Draft), while some have been submitted with RDSO specification with latest RDSO spec. of RDSO/SPN/153/2011, Rev.4.1. It is understood that materials are required to the latest RDSO specn. No. RDSO/SPN/153/2011, Rev.4.1. Tender has been floated with the latest specification by the stores department clubbing all the requisitions without confirmation of S&T department.

➤ The indenting department has neither taken care to prepare the requisition to the latest specification nor corrected the old specification nor corrected the old specification in the requisition.

Vigilance advice:

➤ Stores department should float tender as per description, drawing and specification provided by the indenter in the requisition. In case of any deviation/confusion, the same should be referred to the indenting department for clarification & correction. Correction in the requisition should be got attested by the requisition approving authority prior to floating of tender.

➤ Indenting departments should prepare need based non-stock requisition as per latest specification unless materials are required in old specification. Any modification/alteration in the requisition should be got attested by the requisition approving authority.

Case Studies (Service Contracts)

Violation of Contract conditions:

- **General Irregularities Observed:**
 - **Method of Wage payment not as per contract**
 - **Manipulation of bank payment records & statements**

- **Findings:**
 - **PARTIAL Payment in Contract Labour's Bank account**
 - **Advance payment made by contractor in cash**
 - **Bank payment statement submitted by contractor was forged**

- **Violations:**
 - **Contract condition for payment through bank.**
 - **Approval of competent authority not taken for cash payment**

Violation of Contract conditions:

- **Advice issued:**
 - **D&A action against concerned officials**
 - **Advisory issued for no cash payment**

Irregularity in Penalty Calculation:

- **Case Brief:**
 - Penalty on on short supply of Manpower by contractor was checked
 - Method of calculation of penalty was found to be incorrect

- **Findings:**
 - As per contract agreement, the penalty is to be calculated on **per Day basis**
 - **Fixed batch size was being followed in each shift**
 - Shortfall was being calculated on **monthly basis** by adjusting the oversupply in one shift against under supply in another shift
 - Excess payment to contractor due to improper calculation
 - Same calculation method was being followed since last many years

Irregularity in Penalty Calculation:

- **Violation:**
 - **Terms & Conditions of the contract agreement**
- **Advice issued:**
 - **Minor penalty to supervisor**
 - **Recalculation of penalty from beginning of contract and recovery from contractor**
- **Suggestions:**
 - **Supervisors should be well conversant with contract conditions**
 - **Contract conditions may be framed keeping in mind the execution difficulties at field level**

Irregularities in Contract Execution:

- **Case Brief:**
 - **Checking was done on a manpower based contract**
 - **Violations of contract conditions noticed in the execution at field level**

- **Findings:**
 - **Contractor had not supplied adequate machines, tools & equipment**
 - **Departmental tools and equipment used in the contractual work**
 - **Shortfall was not recorded and intimated to higher authority**
 - **Record not available to support qualification of contractual supervisors**
 - **Attendance register of contractual staff not available at the time of checking**
 - **Work measurement register was not maintained properly**

Irregularities in Contract Execution:

- **Violation:**
 - **Conditions of contract agreement and GCC**
- **Advice issued:**
 - **Minor penalty to supervisor and removal from sensitive post for 02 years**
 - **Penal action to contractor**
- **Suggestions:**
 - **Supervisors should be well conversant with contract conditions**
 - **At the starting of contract: Labor license, bio-data, police verification, qualification of site supervisor, tools & equipments, protective gears etc.**
 - **Higher authorities to be kept intimated in written regarding defficiencies**
 - **Attendance register should be maintained properly**
 - **Work measurement register as per contract condition: No loose sheets**

Irregularities in OBHS Contract Execution:

Case No. 04

- **Case Brief:**

- Checking was done on a On-board Housekeeping Contract
- **Violations of contract conditions noticed in the execution at field level**

- **Findings:**

- **Bio-metric attendance system was not implemented to record attendance of janitors as per contract condition**
- **passenger feedback forms were not filled up by passengers and left blank without any scoring/evaluation. Only details of passengers were filled up**
- **Web or app-based feedback system has not been implemented as per contract condition**

Irregularities in OBHS Contract Execution:

Case No. 04

- **Violation:**

- Conditions of contract agreement

- **Advice issued:**

- Implementation of Bio-metric attendance system
- Implementation of Web or app-based feedback system
- Penalty on contractor as per contract condition

Thank You