



PREVENTIVE VIGILANCE

DOs



DON'Ts

2022



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

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Message

I am very happy to note that on the occasion of Vigilance Awareness Week 2022, SAIL Vigilance is bringing out an updated version of its Booklet on Preventive Vigilance, titled "DOs and DON'Ts". In the past, this Booklet has been quite popular and effective in disseminating knowledge required for day to day official decision making.

SAIL has robust Systems, Procedures & Guidelines in place which serve as enablers for transparent & fair working and facilitate efficient & faster decision making. These procedures & guidelines are also reviewed and updated from time to time to address new challenges and keep in sync with ever-changing requirements.

In order to ensure managerial excellence, formulation of simple thumb rules on various issues and their dissemination among the employees is of vital importance. On this front, I congratulate SAIL Vigilance for taking the initiative to update this quick reference Booklet for promoting Preventive Vigilance by not only listing out common irregularities observed by Vigilance but also providing general guidance for day-to-day decision making in official work.

I am sure this Booklet will be of immense help to the employees to remain vigilant while taking decisions.


Soma Mandal
Chairman



Foreword

To facilitate SAIL employees in executing various activities involving decision making and as a part of preventive vigilance administration, SAIL Vigilance has been making continuous efforts along with the executing agencies in the Plants and Unit, for system improvement and formulation / updation of Rules, Regulations, Procedures, Guidelines etc. from time to time. It is seen that many times vigilance cases arise not because of any malafide intention of an employee but because of lack of awareness or non adherence to Rules, Regulations and Procedures in one's area.

In this endeavor, SAIL Vigilance has been publishing the Booklet on Preventive Vigilance "DOs and DON'Ts" from time to time. Lot of changes have taken place since this Booklet was last published in 2016. Thus, the Booklet has been updated by SAIL Vigilance and I am happy to present this updated version on the occasion of Vigilance Awareness Week 2022.

I am sure this Booklet will go a long way in creating awareness amongst the employees and also help them in taking decisions freely and fairly.

Vineet Pandey
Chief Vigilance Officer



Preface

SAIL Vigilance has been publishing the Booklet on Preventive Vigilance "DOs and DON'Ts" from time to time. Many changes have taken place since the Booklet was last published in the year 2016. Hence, an effort has been made by SAIL Vigilance to update this Booklet. This updated version not only lists out the common irregularities observed by SAIL Vigilance during the last five years but also provides general guidelines for the things "to do" and "not to do" in official decision making, mainly in the areas related to tendering, award and execution of POs / Contracts/ Agreements etc.. It has also been published in a Handy Booklet format so that it can be used as a ready reckoner.

I would like to place on record my appreciation for the Content Preparation Committee for this Booklet, comprising Shri M Subba Rao, GM (Vig) & ACVO, SSP; Shri Satyabrata Kar, GM (Vig), BSP; Shri Suman Saha, GM (Vig) DSP; Shri Sanjay Kumar, DGM (Vig), RSP and Shri Rajesh Kumar, DGM (Vig), BSL ; and the Content Finalization Committee comprising of Shri A C Rathi, CGM (Vig) & ACVO, BSP; Shri A Roy Choudhury, CGM (Vig) & ACVO, DSP; Shri Arun Kumar, CGM (Vig) & ACVO, BSL and Shri M K Gupta, GM (Vig) & ACVO, RSP.

I hope that the updated Booklet on Preventive Vigilance "DOs and DON'Ts" will be useful for all the employees of SAIL, especially for those employees who are involved in decision making for tendering, award or execution of POs / Contracts/ Agreements etc. Comments/Suggestions for further continual improvement of this Booklet are welcome.

Sanjay Sharma

Executive Director (Vigilance)

Disclaimer

This booklet (updated 2022) of DOs/DON'Ts is only indicative and is by no means exhaustive nor is it intended to be a substitute for rules, procedures and existing instructions / guidelines of various authorities on the subject. The provisions herein should be read both individually and in conjunction with other relevant rules / procedures / guidelines, policy circulars for proper appreciation of the issue involved. The publication is intended for official use only and should not be quoted as authority in any official reference or produced in any court of law.

For any inadvertent error and omission or doubt, Vigilance may be contacted for clarification.

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Preventive Vigilance (DOs & DON'Ts)



LIST OF COMMON IRREGULARITIES IN INDENTS

Purchase / Contract cases - Pre-Award Stage:

Mode of Tendering:

- 1) Increasing trend of Single Tender Enquiry (Non-Proprietary Cases) and Limited Tender Enquiry with selective/preferred parties.
- 2) Selection of party for single tender (non-proprietary case) not done in judicious manner.
- 3) Limited Tender Enquiry issued to selective parties without proper justification
- 4) Limited Tender Enquiry issued for high value cases, which otherwise should have been processed on Open Tender enquiry as per DOP.
- 5) Discretionary / Selective provisional registration of parties for issuing LTE.
- 6) No efforts to register the last supplier who was issued LTE during previous cycle through provisional registration.
- 7) Limited Tender Enquiry with provisionally registered parties though there are sufficient registered parties under the required Category and Class.
- 8) Limited Tender Enquiry being issued to parties having common Directors / Partners as well as having known business relations with each other.
- 9) Rotation for coverage of all registered parties not being done in LTE cases as per provision of PCP-2020.
- 10) Effort for development of Vendor Base in STE (P) Cases is missing.
- 11) Lack of monitoring or deliberate attempts to create fait-accomplis situation to support award of contract on Nomination Basis (STE).



Preventive Vigilance (DOs & DON'Ts)



LIST OF COMMON IRREGULARITIES IN INDENTS

Justification of Quantity and Scope of Work:

- 1) Quantities (items) procured on early delivery/ emergency basis but not consumed as stated in the indent.
- 2) During PR creation, proper justification for sudden jump in projected quantity not recorded in current year vis-à-vis consumption pattern of previous year.
- 3) Mix up of Matching / Non – matching items in same indent.
- 4) Missing of the quantities of some important items in the scope, resulting in Interim Deviation Statement (IDS) at an early stage of the contract.
- 5) Quantity and Scope for Free issue items not clarified properly.
- 6) Resources assumed during estimation, not indicated in terms and conditions of the contract and not ensured during execution.
- 7) Splitting of indents to keep the value of PR within DOP of certain levels.
- 8) Separate concurrent proposals with overlapping service activities.
- 9) Scope of work mentioned not relevant with the Job required to be executed in the Contract.
- 10) Final PR released without incorporating the comments / changes w.r.t. quantities / scope of work suggested by agencies / officials like Screening Committee during the approval stage.
- 11) Non due diligence by on-line Contract Screening Committee as mandated under PCP.
- 12) Non inclusion / Non consideration of quantity in pipeline (pending PR/PO quantity).



Preventive Vigilance (DOs & DON'Ts)



LIST OF COMMON IRREGULARITIES IN INDENTS

Eligibility Criteria:

- 1) Mentioning of earliest delivery dates as a pre-requisite even when not required and Mentioning specific requirement even for jobs of generic nature.
- 2) For major equipment supply-mentioning execution of orders for same / similar item on value basis rather than capacity basis.
- 3) For item supply -not mentioning requirement of minimum quantity of the material supplied to other firms.
- 4) Clear cut-off date for successful operation/experience not indicated.
- 5) Specifying fixed turnover criteria in enquiry even when smaller quantities are allowed to be quoted.
- 6) Experience of a particular operation for multi-use products found quite restrictive e.g. in case of pumps, compressors etc.
- 7) Documentation required for acceptance / eligibility not clearly specified.
- 8) Eligibility criteria not in consonance with Special Terms & Conditions of NIT.
- 9) Similar Work not specifically defined leading to subjectivity in Eligibility Criteria.
- 10) Similar work defined in such a way so as favour selective parties and restrict competitive bidding.
- 11) Reference value not calculated properly for mentioning the same in the Eligibility Criteria for technical eligibility.
- 12) Definition of similar work in eligibility criteria is based on minor component of work especially in Composite Contract.



Preventive Vigilance (DOs & DON'Ts)



LIST OF COMMON IRREGULARITIES IN INDENTS

Specifications:

- 1) Sometimes specifications made either too restrictive considering functional end use and availability in market or based on old/obsolete models/technology. Old specifications mentioned even after amendment in BIS / ASTM etc.
- 2) Specifications differ radically from what is mentioned in estimates. Critical parameters not identified. In some cases, parameters indicated are difficult to measure.
- 3) Mentioning of brand name in Limited Tender Enquiries (LTE) and mentioning of special features of equipment of a particular manufacturer in LTE / OTE.
- 4) Mixing up of BIS / Other Standards with own specifications.
- 5) Parameters specified are not matching with technology specified. Range/tolerance limits are not provided in specifications
- 6) New item specification made in the lines of budgetary offer of a single firm.
- 7) Contradiction in the quantifiable factors in the Special Terms & Conditions of the Contract, resulting in dispute for settlement of quantities and also in deduction of penalty at a later stage.
- 8) Requirement of Manpower and their Skill requirement, not defined in the contract as per the requirement of job. Mode of evaluation of skill of Manpower not mentioned in the NIT.
- 9) Scope of work defined in such a manner, which makes it difficult to measure the executed quantities and further clearance of RA Bills.
- 10) While framing Terms & Conditions of Contract, appropriate clauses for deduction/recovery on account of substandard work, delayed work, w.r.t. less manpower/unskilled manpower deployment not included judiciously to safeguard the interest of organization.
- 11) Penalty clauses not included appropriately in line with the cost of the work.



Preventive Vigilance (DOs & DON'Ts)



LIST OF COMMON IRREGULARITIES IN INDENTS

Estimate preparation:

- 1) Estimate based on Last Purchase Price (LPP) for items being procured after a long gap without considering price variation during intervening period.
- 2) Estimate based on LPP which has not materialized in terms of delivery.
- 3) Engg. Estimate not prepared as per prevailing Guidelines.
- 4) In manpower contracts (Service Contracts), estimate prepared based on assumptions and not based on the historical data of actual deployment.
- 5) Multiple Budgetary Quotations obtained only from one source.
- 6) Estimate is based on the basis of previous order placed on Single Tender / Emergency basis.
- 7) Estimate is prepared considering branded products but specifications are kept generalized.
- 8) The (+) / (-) limits over LPP mentioned are not backed up with proper data / justification.
- 9) For preparation of the estimate related to Civil and Structural Work, very old rates are considered without adding escalation, resulting in unworkable estimate for the job.
- 10) Important items required for the tender not considered during the estimate preparation.
- 11) Skill wise bifurcation for manpower deployment indicated while preparation of estimate, however, the same was not ensured while execution of the contract.
- 12) Where Statutory clearance is required for the job, cost of the same not considered in the estimate.



Preventive Vigilance (DOs & DON'Ts)



LIST OF COMMON IRREGULARITIES IN INDENTS

Techno-Commercial Evaluation:

- 1) Non-Uniformity in technical evaluation w.r.t. work experience of the bidders, leading to declaration of eligible bidders as ineligible.
- 2) Offers accepted with the deviation to tenders terms and conditions.
- 3) The offer of the party evaluated and declared technically eligible without submission of the copy of the work order and without scrutiny of scope of work. Sometimes, self-certified copies of work order and completion certificate are not submitted and yet bidder declared eligible.
- 4) Job Completion Certificate considered / accepted without mention of actual executed value of the work in the certificate and considering the contract award value as the executed value.
- 5) Credentials of a Party rejected in a tender, however the same credential accepted in another tender having the same Eligibility Criteria.
- 6) Technical Evaluation sheet either not prepared or prepared without mentioning all relevant data.
- 7) Work Orders / POs of Private Limited Company considered in contradiction of eligibility criteria.
- 8) Work Orders / POs of on-going contracts are considered during evaluation without being specifically mentioned in NIT.
- 9) In case of Budgetary Offer sought / Purchase Order issued to the Supplier on behalf of OEM, present status of authorization from OEM not ensured / checked.
- 10) Commercial Documents not evaluated properly for mention of UDIN w.r.t. Financial Documents.



Preventive Vigilance (DOs & DON'Ts)



LIST OF COMMON IRREGULARITIES IN INDENTS

- 11) Indenting Department undertaking clarifications & negotiation (price) with vendor, before placement of order, which is a deviation to PCP.
- 12) Endorsement / Acceptance of flawed recommendations of TEC & CEC by Tender Committee.
- 13) TEC and CEC constituted in almost all cases as a routine activity and not based on the need.
- 14) Inspecting Authority / Operating Authority / Executing Authority / Engineer-in-Charge not indicated while raising the Indent.
- 15) Role of TC, TEC & CEC not clearly defined and not as per PCP provisions.



Preventive Vigilance (DOs & DON'Ts)



LIST OF COMMON IRREGULARITIES IN INDENTS

Purchase / Contract cases - Post Award Stage

- 1) Non-signing of Contract Agreement within stipulated period and also release of payment without signing of Contract Agreement.
- 2) Non-submission of Performance Bank Guarantee / Insurance Policies (if required) by the contractor within stipulated period.
- 3) Subletting of job without written consent of the Employer.
- 4) Not maintaining the Log Book / Measurement Book properly and difference in quantities recorded in Log Book / Measurement Book w.r.t. quantities cleared in RA Bills.
- 5) Poor maintenance of record related to free issue of material from department.
- 6) Poor maintenance of record related to Tools / Tackles and Vehicles deployed in the contract.
- 7) Records of monitoring of Penalty Clauses not maintained.
- 8) Consumable and Non-consumable items of other Site / Contract are used without the permission of the competent authority.
- 9) Advance certification of the quantities in RA Bills without proper records.
- 10) Items supplied against the contracts are not of the make as specified in the Contract.
- 11) Documents for verification of supplies by the contractor not maintained properly and Items supplied against the particular PO not matching with the PO specification.



Preventive Vigilance (DOs & DON'Ts)



LIST OF COMMON IRREGULARITIES IN INDENTS

- 12) Skill requirement of Manpower not checked before deployment as per the provision mentioned in the Contract. Submission of qualification and experience related documents of the contract workers not ensured as per the terms of the contract.
- 13) Online Attendance not maintained as per the guidelines issued by Contract Labour Cell Deptt.
- 14) Mismatch in the Name of the Contract labours, attendance recorded in Contract Labour Management System (CLMS) and Muster Roll.
- 15) Due procedure not followed while transferring the contract labours from one contract/site to another contract/site.
- 16) Irregularities / Discrepancies in payment of wages to contractual labour as regards to Statutory contributions, Payment to bank account etc.
- 17) Submission of Doctored / Forged Cheque / NEFT statements by the Party towards payment of wages to contractual labours.
- 18) Frequent changes of Inspecting Authority / Operating Authority / Executing Authority / Engineer-in-Charge without taking approval of the CA.
- 19) In emergency procurement cases, where order placed on higher rate than LPP due to emergency, timely delivery not ensured.
- 20) Issuance of Job completion certificate without mentioning the actual performance / delays / penalties imposed.
- 21) Job completion certificate issued even by the authority who are not competent otherwise. Further, completion certificate found issued even to sub-contractors.

DOs - GENERAL

DOs



- 1) Every employee of the company is expected to follow/adhere to the extant Guidelines, Rules, Procedures, Circulars, SOPs etc. in force for judicious discharge of their duties in a fair, transparent and dispassionate manner.
- 2) While taking decisions maintain contemporary records. Anything explained later on may be treated as afterthought, with the intention to cover up the issue.
- 3) Continuously review and update the existing rules and procedure, with respect to work requirement and changing environment so that rules remain relevant and adherence is practicable.
- 4) Use of discretion should be rare, judicious with recorded rationale. In the event of deviation from the laid down rules / procedure, record the deviation along with reason thereof and take approval of competent authority, as per Delegation of Power.
- 5) The non-redressal of grievances leads to dissatisfaction, often resulting in complaints. Hence, to nip the problem in the bud, pay prompt attention to all grievances at workplace irrespective of the source.
- 6) The record note of the discussions / minutes of the meeting should be prepared immediately, when the discussions are fresh in memory, lest the point discussed are missed out or get distorted. While signing, write name, designation and date of signature.
- 7) Conduct surprise checks in your area, to ensure adherence to laid down procedures, in a transparent and fair manner.
- 8) Monitor the receipt and disposal of Files / Bills received from other department / agencies to avoid undue delays.



Preventive Vigilance (DOs & DON'Ts)



DOS - GENERAL

- 9) An approving / sanctioning authority should have his / her own shortlist of points like delegation of power, availability of budget, extant rules and procedure, etc., which should be checked before granting sanction / approval.



Preventive Vigilance (DOs & DON'Ts)



DOS - PURCHASE / CONTRACT CASES - PRE-AWARD STAGE

- 1) Only one consolidated indent should be raised by the designated centralized agency for same / similar scope of work considering the locational issues.
- 2) Following pre-requisites of any tendering process have to be well determined:
 - i. Indenter should mention detailed justification and reasons in initial proposal / note for required service / items.
 - ii. The indenter should meticulously mention quality, quantity (Stock/Pending/Requirement), specifications without ambiguity, tolerance limit, delivery schedule, diversion of quantity(if any), performance parameters/acceptance criteria, LD, Safety and Penalty Clause etc. Include check list for new items / jobs.
 - iii. Tender documents should be clear, specific and self-contained.
 - iv. Rule out any contradiction inter se in the clauses with the other documents attached with tender like General Conditions of Contract (GCC), Special conditions of Contract (SCC) etc. Provide precedence / priority if required.
- 3) Estimate should always be supported by calculations, necessary and relevant data so that the genuineness of the quotations can be examined appropriately. The tax liability with GST Input Tax Credit should also be spelt out.
- 4) While preparing the estimate, especially for Civil / Structural Works, Standard / Schedule Rates should be used. Where the same is not available, a proper analysis / reasoning for adopting a particular rate / value may be indicated.



Preventive Vigilance (DOs & DON'Ts)



DOS - PURCHASE / CONTRACT CASES - PRE-AWARD STAGE

- 5) As far as possible, International or Indian Standards may be used for specifications and otherwise specifications should be clearly stipulated in an unambiguous manner. Any self made specifications, where general specification exists, may be interpreted as favour to the particular party, from whom it has been borrowed / adopted.
- 6) The payment terms mentioned in the Contract / Purchase Order should be unequivocal and unambiguous. The documents required to be submitted along with bills should be indicated clearly.
- 7) Adequate publicity of tenders is to be ensured and post them on the website as per the laid down procedures.
- 8) LTE should be issued only to Registered Vendors and such Vendors list needs to be reviewed periodically to ensure adequate response.
- 9) In case of STE(Prop. & Non-Prop.) cases, efforts shall be made to develop Vendor Base in consultation with Other Plants / Units of SAIL.
- 10) In the Open NIT / Tender document, the Qualifying / Eligibility Criteria should be mentioned clearly without ambiguity. Eligibility criteria Should be:
 - i. Specific & quantifiable
 - ii. Should neither be too restrictive nor too lax
 - iii. Work experience requirement should be reasonably well defined Cut-off date of experience in terms of no. of years to be fixed realistically.
 - iv. Not to be linked to criteria which cannot be measured & pose difficulty in evaluation
 - v. To avoid conditions which inhibit competition

Documentary supports required against each criterion should be well defined.



Preventive Vigilance (DOs & DON'Ts)



DOS - PURCHASE / CONTRACT CASES - PRE-AWARD STAGE

Evaluation of bids/offers shall be done exactly as per the specified criteria based on documents submitted. Personal information or gut feeling etc. should never be the basis for decision for qualifying or rejecting a party.

- 11) All Open / Global Tender Notices shall be published on SAIL Tender website and get reflected / published on Central Public Procurement (CPP) portal as well as Govt. e-Marketplace (GeM) Portal as per extant guidelines. Addendum /Corrigendum / Extension of Bid Submission / Bid Opening Date if any shall also be published on the above mentioned sites.
- 12) In case the date of submission of the tender is extended, corresponding extension should also be given in the period of sale of tender paper and should be notified through the same media in the same manner as NIT.
- 13) The tenders should be opened at the appointed date, time and place in the presence of Contract Awarding Agency / Finance Officer and Bidders who choose to be present.
- 14) The processing of the tender and decision to be taken should be communicated to the party within the validity period of the offer.
- 15) A reasonable time is to be fixed for the bids to remain valid while issuing tender enquiries keeping in view the following points so that finalization of tender within the stipulated original validity is ensured:
 - i. The complexity of the tender.
 - ii. Time required for processing the tender.
 - iii. Seeking approval of the competent authority etc.



Preventive Vigilance (DOs & DON'Ts)



DOS - PURCHASE / CONTRACT CASES - PRE-AWARD STAGE

- 16) In contract labour cases, the tendency for going for a higher number of labour to compensate on other accounts for executing the work should be strictly avoided.



Preventive Vigilance (DOs & DON'Ts)



DOs - Purchase / Contract Cases - Negotiation

- 1) Ensure that during price negotiations, price & other points having bearing on the price only shall be discussed. Changes in the already decided techno-commercial terms shall not be allowed and no increase in price is permitted.



Preventive Vigilance (DOs & DON'Ts)



DOs-Purchase / Contract Cases – Post-Award Stage

- 1) Once a contract is awarded, it is the responsibility of the Operating / Executing Authority to be conversant with the conditions / Payment Terms as per PO.
- 2) A check list should be prepared for ensuring timely performance of reciprocal obligation in the contract indicating the time schedule and responsible person / party. Check List should also mention Documents which are required to be submitted alongwith Invoice in case of Supply / Service , separately.
- 3) While accepting Bank Guarantee, Letter of Credits etc., ensure its completeness as per prescribed Format and its genuineness shall be ensured as per the laid down guidelines. Verification / Validity of Insurance Policies (if required) e.g. MCE / EAR / Import Marine / GPA / WC etc. should also be ensured.
- 4) Within the mobilization period of the contract Engineer -In-Charge shall ensure release of Drawings / Fronts etc. for ensuring timely commencement of the contract.
- 5) Deviation from agreed Terms & Conditions to be rare. However, due to exigency (if any), proposal for the same should be submitted at the earliest to the competent authority for approval, along with the reason(s) thereof and efforts should be made to minimize financial implication due to deviation(s).
- 6) Ensure implementation of conditions such as deployment of specialized Equipment / Experts / Labour requirement in case of Service Contract, proper classification of rocks and soil in Civil Contract, as mentioned in the contract.
- 7) Avoid issuance of material beyond stipulation in the contract and if required urgently, recovery of the same may be sent immediately to Finance Department for necessary action.



Preventive Vigilance (DOs & DON'Ts)



DOs-Purchase / Contract Cases – Post-Award Stage

- 8) The measurement book (wherever applicable) should be written and updated religiously and regularly preferably Day wise / Item wise. (GCC of Contract)
- 9) The payment should be made on first come first served basis normally and if any discrepancy / observation in Bill / Invoice is noticed, necessary action shall be taken by Finance Department.
- 10) Shortfall in performance and delay in execution etc. on the part of contractor should be informed to him in writing with applicable Penalty / LD as per PO, and the same shall be recorded while issuing completion certificate. (GCC of Contract)
- 11) Refund of EMD / Un-Opened Price Bids of un-successful / un-suitable bidders must be ensured as per PCP-2020.
- 12) If Supplier / Contractor fails to Supply the material / Execute the Job (Fully / Partially) as per Contractual / PO Terms, Risk Purchase Action (RPN) may be initiated as per extant Guidelines.
- 13) Validity of Licence of Contractor to be checked and verified during contract execution period.

DON'Ts - Purchase/Contract Cases -Pre-award Stage

DON'Ts



- 1) Do not exceed the financial or administrative power vested upon you while approving a proposal. In case the power lies with your superior authority, submit the file with your recommendations.
- 2) Do not split a work just in order to accommodate powers within the DOP prescribed.
- 3) Do not make / incorporate ambiguous specification which may lead to subjective interpretation.
- 4) Only sealed cover quotation to be entertained. Do not consider the tender submitted beyond scheduled time. Such tenders have to be dealt with as per the rules.
- 5) Do not entertain unsolicited letter / offers during the processing of the tender.
- 6) Avoid processing a single tender in response to a LTE except in very exceptional cases, that too with recorded reasons for doing so and with the approval of competent authority.
- 7) Do not allow execution of work to start without proper Sanction / Safety clearance (If required). Even in case of emergency, verbal approval should be obtained and the note may be processed concurrently.
- 8) While deciding the time for execution of a contract, normal condition should be taken into consideration. Providing un-workable time and later on granting extension for its execution should be avoided. It gives rise to issues of LD besides opportunity to others to lodge complaints.



Preventive Vigilance (DOs & DON'Ts)



DON'Ts - Purchase/Contract Cases - Pre-award Stage

- 9) Do not issue limited tender enquiry to unregistered parties.
- 10) Do not keep conflicting conditions in the tender. Be careful as sometimes an erroneous, irrelevant and / or conflicting condition may result in disadvantage of the company.
- 11) For a Civil Job Contract, do not ask 'the rate only' for any item without mentioning estimated quantity.



Preventive Vigilance (DOs & DON'Ts)



DON'Ts-Purchase / Contract Cases–Post-award Stage

- 1) The contract is to be executed within the Work Order / PO Value. Do not operate extra items unless it becomes absolutely unavoidable. An Amendment of the same may be issued for and budget availability may also be ensured.
- 2) Do not allow the contractor to use sub-standard material.
- 3) Do not fail to draw up a check list for achieving each milestone of the contract and identify and fix responsibilities for timely fulfillment of contractual obligations.
- 4) Do not accept the Running Bills, which have not been signed by the contractor or their authorized representative or presented without performance documents.
- 5) Do not give clearance for dispatches before fulfillment of the contractual obligations like submission of Security Deposit / Bank Guarantee / Insurance Policies (if required) / Performance Guarantee Bond etc. are fulfilled.
- 6) After award of the contract, avoid any changes in the terms and conditions like modification of payment terms, etc. which have financial implications and may be construed as undue benefits to the Contractor / Supplier.
- 7) Do not grant extension merely on the request of the contractor. The extension should be granted only for valid reasons with the approval of Competent Authority, duly recorded in the file.



Preventive Vigilance (DOs & DON'Ts)



DON'Ts-Purchase / Contract Cases–Post-award Stage

- 8) The situation of a work site is dynamic. Do not delay any decision in respect of the work site and in providing requisite support for execution of the contractual obligations.
- 9) While making payment to the contractor, do not overlook recoveries either mentioned by Indenting Department e.g. Penalty/RPN/Safety/Other Contractual Recoveries or to be calculated by Finance Department like SD / IT / LD etc.to be made or deduction to be affected. The bills submitted shall not be kept pending. They may be examined / processed and if found clear the payment be made within the time as stipulated in the contract.



Preventive Vigilance (DOs & DON'Ts)



Preventive Vigilance Good Practices

- a) Have adequate knowledge of applicable rules & procedure.
- b) Be aware of own job responsibilities & significance
- c) Create contemporary records
- d) Rational estimation and similar work definition for OTE/GTE
- e) Rational estimation and selection of vendors for LTE
- f) Highlighting changes vis-à-vis previous procurement cycle of service / item
- g) Write speaking / reasoned notes / orders.
- h) Optimize the terms & Conditions of tenders
- l) Ensure compliance to contractual provisions
- j) Conduct surprise checks in own areas
- k) Take decision with prudence
- l) Ensure integrity & devotion to duty of subordinate also
- m) Create SOPs and checklists for standardized jobs
- n) Weed out obsolete systems / procedures
- o) Use discretion judiciously & record deviation, take approval of Competent Authority
- p) Pay prompt attention to Grievances / Complaints
- q) Monitor delays and disposal of files /bills/documents from your department
- r) Be accountable for your own decisions



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There's a little bit of SAIL in everybody's life

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