

## CVO's Desk:

Several instances come to notice when there are apprehensions of cartelization in tender processes. Bid rigging, collusive tendering and cartel formation are synonymous terms when the very idea of competitive bidding for best value of tax payer money is defeated. This is done by limiting the degree of competition by bidders. There are not very tangible factors for identifying it, but several indicators might give idea of probable bid rigging like inconsistent & too much similar prices, less participation, area specific bidding, careless bidding, JV with ambiguous records etc.

Competition commission of India (CCI) processes such complaints/information as per Competition act 2002, Competition Commission of India regulation 2009 and subsequent amendments. In May 2018, CCI imposed penalty on six firms in Pune, amounting 20 Lakhs to 1.68 Cr. In one case of supply of explosives in mining work, CCI imposed penalty of Rs 58.8 Cr on participating firms. Imposing penalty is one way to discourage firms to adopt such unethical practices. Management also needs to design eligibility conditions very carefully with most possible generic specifications. Bidding and evaluation processes also need to be most transparent and in speaking fashion with minimum interaction with bidders so that chances of any probable collusion with involvement of official is minimized or easily detectable. Use of several service providers for e-tendering may also be resorted so that nexus is not developed between portal providers and bidders. Officers working in sensitive positions should be rotated from time to time in accordance with extant instructions. With coherent and synchronous approach, it is indeed possible to develop a culture with zero tolerance for cartelization activities.

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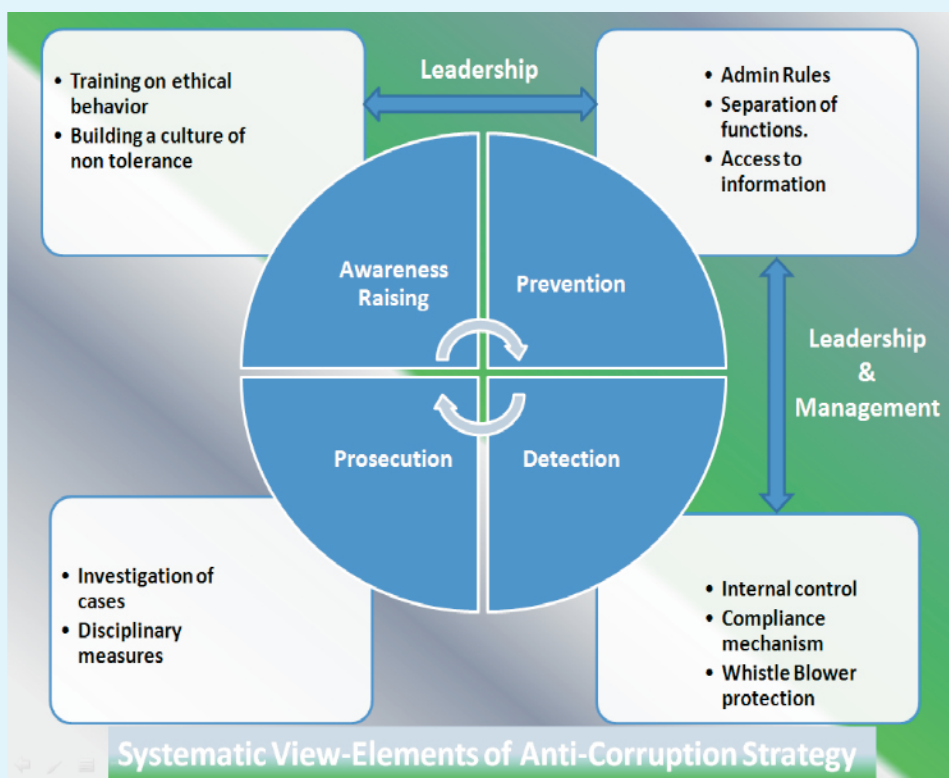
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## **Illustrative Check Points for Various Stages Of Public Procurement-Part 7**

### **10.0 Tender Evaluation and Award of Work**

**10.1 This is the most sensitive area susceptible to corruption. Corruption is inversely proportional to transparency and fairness. To ensure that evaluation is done in most transparent, fair & open manner, following points should be taken care of:**

- Evaluation of tenders needs to be done as per pre-notified criteria.
- Timely decision within validity period.
- Complying with commission's circular regarding negotiations.
- Ensuring that conditions / specifications are not relaxed in favour of contractor to whom the work is being awarded.
- Ensuring that L1 is not ignored on flimsy grounds.
- Compliance with the purchase preference policy of the govt.
- Ensuring that work order / supply order is placed within justified rates.

**10.2 CVC guidelines in this regard have been issued vide following circulars:**

- Circular No. 8(1)(H)/98(1) dated 18.11.98,
- Circular No. 98/ORD/1 dated 24.8.2000 / 15.3.99,
- CVC'S Office Order No. 13/3/05 (005/VGL/4) dated 16.3.2005,
- Circular No. 06-03-02-CTE-34 dated 20.10.03,
- Circular No. 004/DSP/11-6594 dated 24-2-2005
- Circular No. 005/CRD/012 dated 3.03.2007

contd...



**10.3 Following check-points are suggested:**

- i. Whether the Tender Evaluation Committee has been duly notified by the Competent Authority?**
- ii. Whether members of the Tender Evaluation Committee are competent enough to deal with the subject matter?**
- iii. Whether the bids are evaluated as per the terms of the tender document or not?**
- iv. Whether the tender evaluation committee has commented upon the aspect of the bid being unbalanced or front-loaded?**
- v. Whether ambiguity clause has been properly applied to deal with any inconsistency in the bid during evaluation?**
- vi. Whether there has been any inordinate delay in processing the tender for award of the work?**

- As Per CTE's Organization



**Ore stock verification, Balaghat Mine**





Ore stock verification, Munsar Mine



Ore stock verification, Kandri Mine



Ore stock verification, Beldongri Mine



Ore stock verification, Gumgaon Mine



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