

TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2006-2008)**

SIXTY SIXTH REPORT

(Presented on 15th July, 2008)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2008

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**COMMITTEE
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SIXTY SIXTH REPORT

On

**Action taken by Government on the Recommendations
contained in the Fiftieth Report of the Committee
on Public Accounts (2001-2004)**

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COMMITTEE ON PUBLIC ACCOUNTS (2006-2008)

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Smt. D. Kumari Girija, Deputy Secretary

Smt. A. Achamma, Under Secretary

INTRODUCTION

I, the Chairman, Committee on Public Accounts having been authorised by the Committee to present this Report on their behalf present the Sixty Sixth Report on Action taken by Government on the Recommendations contained in the Fiftieth Report of the Committee on Public Accounts (2001-2004).

The Committee considered and finalised this Report at the meeting held on 7th July 2008.

Thiruvananthapuram,
15-7-2008.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the action taken by Government on the recommendations contained in the Fiftieth Report of the Committee on Public Accounts (2001-2004).

The Fiftieth Report of the Committee on Public Accounts (2001-2004) was presented to the House on 17-6-2003. The Report contained ten recommendations relating to Water Resources Department. Government were addressed on 9-7-2003 to furnish the statements of action taken on the recommendations contained in the Report and the final replies were received on 3-6-2006.

The Committee considered the action taken statements at its meeting held on 14-11-2007. In the light of the replies received from Government, the Committee decided not to pursue further action on the recommendations.

The recommendations of the Committee and the Action Taken by Government are incorporated in the Report.

**Recommendations which the Committee does not desire to pursue
in the light of the replies furnished by Government.**

WATER RESOURCES DEPARTMENT

Recommendation

(Sl. No. 1 Para No. 3)

1. The Committee is shocked at the report that the department had procured large quantity of steel and cement at the investigation stage of the Chamravattom Project without estimating the actual consumption, in violation of all norms of financial principles and provisions for purchase in this regard. The Committee is also not satisfied with the explanation put forth by witnesses for excess expenditure incurred on account of transportation and rent of godown as a result of an injudicious purchase. It is also surprising that the Water Resources Department which undertakes works of huge magnitude failed to take note of loss of steel due to the risk of deterioration on prolonged retention at sea coast. The Committee view the practice of purchase of materials in this manner with serious concern and urges that Government should take effective steps so as to ensure that similar instances are not repeated in future.

Action Taken

2. The Department has taken necessary steps to ascertain the requirement of steel in other projects so that the balance now available at Chamravattom Division can be transferred. The Chief Engineer, Projects II, Thiruvananthapuram has informed that the whole quantity of steel (160 605 MT) is required for the works under Muvattupuzha Irrigation Project Division No.II, Koothattukulam. Necessary instructions have been issued to the Executive Engineer, Chamravattom Project Division, Eswaramangalam to make necessary arrangements to transfer the entire quantity of steel. Now, procurement of materials is strictly limited to the actual requirement so that such instances are not repeated in future.

Recommendation

(Sl. No.2, Para No.4)

3. The Committee understands that the balance work of the Chamravattom Project costing Rs.120 crore as per revised estimate, is still in the preliminary stage and that the possibility of completion in the near future is remote for want of adequate funds. Therefore, the Committee suggests to explore the possibility of implementation of the project under BOT Scheme.

Action Taken

4. Government have examined the possibility of implementing the scheme with external assistance and Chamravattom Regulator Authority of Kerala Limited (Later renamed as Kerala Irrigation Infrastructure Development Corporation Limited) has been formed for this purpose. The authority had entrusted ICICI-KINFRA to conduct a techno economic feasibility study for implementing the scheme on a B.O.T. basis at a reduced cost. Further developments in this regard will be intimated to the committee in due course.

Recommendation

(Sl. No. 3, Para No.6)

5. It was stated during examination that the contractor has challenged the revenue recovery action in the Court. The Committee urges the Government to take urgent steps to get the stay vacated and to expedite recovery of dues fixed as liability against the contractor. The further development in this regard may be reported to the Committee.

Action taken

6. Steps were taken to recover the amount due to Government by Revenue recovery steps. But the contractor filed O.P. No. 14725/98 before the Honourable High Court of Kerala against the Revenue recovery proceedings. The court allowed the case and quashed the Revenue Recovery order. The court allowed to take necessary action in accordance with Law in fixing the liability against the petitioner.

7. Accordingly the Superintending Engineer vide his letter No.W1(A) 2716/89 dated 27-04-1999 directed the contractor to remit Rs. 4,00,706 within 10 days towards the loss sustained to the Government. Against this Sri. Ramachandran filed I.A/No.1004/99 on O.S.No.195/99 before Hon'ble Sub Court, Thiruvananthapuram. This O.S. was dismissed by the Hon'ble Court on 5-3-2003. But A.S. No.67/03 was filed before the Hon'ble District Court against the decree in the judgment in O.S. No.195/99. The A.S. was posted for hearing on several days and the next hearing stands posted on 14-11-2005. Steps for the recovery of loss sustained to Government can be initiated subject to the decision of the Honourable District Court in the AS.

Recommendation

(Sl.No.4, Para No.11)

8. The Committee cannot agree with the action of the Water Resources Department in allowing an enhanced rate of Rs. 148 and Rs. 111 per cubic metre

for earth work excavation to the contractor on the ground that protective measures were to be taken during blasting. The Water Resources Department had violated all standards of financial propriety and overlooked specifications of canal formation which stipulate that the contractor is bound to protect all adjoining structures and no extra payment is admissible for protective measures at the agreed rate. The Committee is of the view that improper investigation and preparation of estimates in a hasty manner led to such developments in project works. The Committee urges the Department to ensure provision for protective measures at the time of preparation of estimates for the work itself.

Action Taken

9. The contractors for the above reaches were bound to do earth work excavation (item No. 2 of App.4 canal formation) and to form the canal as per agreement condition. But during the course of excavation a particular type of Narikkal (Hard strata) was met with in the canal alignment. The contractors were about to remove this hard strata by stray blasting. But the inhabitants residing adjacent to the canal banks raised objection against the stray blasting stating that their houses and valuables would be damaged due to the blasting. On account of such objections from the public, the earth work excavation would not be proceeded further. It was also not possible to remove the Narikkal by other means viz; using ordinary tools and plants.

10. In the above reaches canal passes through thickly populated and built up areas where various types of structures are situated on either side and the width of land acquired for final formation required. Moreover majority of the people of this locality are labourers, who possess only small extent of cultivated land.

11. This forced them to agitate against blasting. The blasting would also cause severe shocks to an area of 10m to 15m from the point of blasting and blasted materials scatter here and there. In order to safeguard the property and houses of the inhabitants, it became necessary to adopt protective measures. The public obtained a stay order from the Munsiff Court, Paravoor by which prohibiting orders were given to the contractor from doing any operation in the reach from ch.28230m to 29777m. Accordingly the contractor stopped the works. On this the contractor informed the department that he could not proceed with the work unless he was given rates for providing protective measures. Directions have been issued to ensure provision for protective measures at the time of preparation of the original estimates itself, vide circular dated 18-11-2004. (copy of the circular is included as appendix I).

Recommendation

(Sl. No. 5 Para No.12)

12. The Committee wanted to know whether the Department had secured approval of Government for payment of Rs. 57.52 lakhs to the contractor treating protective blasting as an extra item contrary to the specific stipulation in the agreement making it obligatory on the part of contractors to protect all existing and adjoining premises during blasting operations without any extra cost. Though the witness, (Principal Secretary, Water Resources Department) agreed to furnish the Government Order directing inclusion of protective blasting, it has not yet been furnished to the Committee. Therefore, the Committee desires that the copy of the Government Order directing inclusion of protective blasting should be submitted to the Committee within one month.

Action Taken

13. The site was inspected by the Executive Engineer, Assistant Executive Engineer, and Assistant Engineer and conducted test blasting using adequate protective measures. Based on the above an observed data for providing protective measures was worked out ie. Rs.148/m³ sanctioning by Chief Engineer to carry out blasting by protective measures. The Chief Engineer sanctioned to carry out the protective measures for blasting done in hard strata at 75% of the worked out data Rs.148/m³ ie; Rs.111 m³ for the reaches of Paravoor distributory from 31398m to 32337m. The contractor has executed supplemental agreement for the work at above reaches. The proposal and data at Rs.148/m³ for the reaches of

- (i) from ch.24740m to 26540m
- (ii) from ch.26570m to 28230m &
- (iii) from ch.28230m to 29777m

for protective measures of hard strata were considered by the high level committee and recommended the same to Government for sanction. Government after examining the matter in detail accepted the recommendation of the HLC and issued the following orders.

- (1) G.O. (RT) No. 112/94 dated 28-11-1994
- (2) G.O. (RT) No.113/94 dated 28-1-1994
- (3) G.O. (RT) No.167/94 dated 10-2-1994

Based on the above orders supplemental agreement for the above reaches had also been executed. Had it not been for the protective measures adopted

for blasting in the above cases huge amounts would have been spent towards compensation on amount of litigation by local residents. Narikkal, Narappara and hard conglomerate etc. comes under the soil classification of medium rock which could be removed only by stray blasting. The contractors could have taken adequate precautions for protecting the life of adjacent properties the buildings and valuables if there was provision for excavation of hard rock. The hard strata met with during excavation could not be removed by usual appliances like crowbars and wedges etc. In the absence of the above some measures had to be provided to protect the adjacent properties, building and valuables. Hence the higher rate were admitted.

Recommendation

(Sl.No.6 Para No.13)

14. The Committee notes that defective investigation and absence of a feasibility study led to the changes in the scope of work and resulted in extra payments which was not admissible as per provisions in this respect. The Committee is of the view that the lack of detailed investigation at the initial stages of the work was the basic reason for the expenditure incurred so far becoming infructuous. Therefore, the Committee recommend to strengthen the investigation wing on scientific lines equipped with an analytical laboratory for the close scrutiny of technical aspects of the works if necessary by consulting other experts in this field so as to ensure only the inclusion of intended items in the estimates.

Action Taken

15. As per the tender conditions, the contractors would have inspected the site before quoting the rates. Even then certain items could not be verified earlier, which would be met with while excavation is in progress. Such items could not be avoided in good sense for the execution of the work. In the instant case had the contractor left the work undone on the protest of the locals it would have affected the canal formation adversely. On the other hand if the contractor had done the excavation using blasting materials it would have brought great loss to the properties, dwelling houses and other valuables of the locality. The Munsiff Court by a stay order avoided it. Further if the work had been arranged with another contractor by inviting fresh tenders it would have involved greater expenditure than the present one due to schedule revision. It would also be time consuming.

16. It was after considering the above aspects that the rate was enhanced at Government level as allowed to execute the work for the best interest of Government and the department.

17. At present Water Resources Department had an investigation wing headed by the Chief Engineer, Investigation and Planning. Under this wing Irrigation Design and Research Board (IDRB) is a specialized team for designs and Kerala Engineering Research Institute (KERI) is an institution with some facilities for field investigations and testing Laboratories, Departments used to take the facilities of KERI for investigations and testing and also used to take technical advice from the following institutions.

- (1) Centre for Earth Science Studies, Thiruvananthapuram
- (2) Department of Mining and Geology
- (3) Soil Survey Department
- (4) Civil Engineering and Geology Department of Engineering Colleges
- (5) L.B.S. Centre for Science and Technology.

Recommendation

(Sl. Nos. 7 & 8 Para Nos. 17 & 18)

18. The Committee is concerned to note that the avoidable payment of Rs. 8.08 lakhs incurred on the flood control works for protecting banks of Periyar river near Aluva Sivarathri Mandapam, was not justified and could have been avoided. The Committee is not ready to accept the plea that excess payment had to be made due to the disparity in the estimated dredger capacity and the actual output. The Committee is of the view that the failure of the Department to conduct proper study about the out-turn of dredgers before fixing the rate resulted in payment for 29339.61 cubic meters of dredging quantities. The Engineering Officials of the Department who are supposed to look into such matters more deeply have failed to discharge their duties. The Committee urges the Department to take action against the persons responsible for the defective preparation of estimates and establishing the inaccurate rate for earth filling.

19. The Committee records its strong displeasure over the laxity on the part of Principal Secretary, Water Resources Department, in furnishing the report on the issue of non payment of final claim and the present position of the case in this regard. The Committee desires to be furnished with a report on the issue of non-payment of final claim and present position of the case within one month.

Action Taken

20. The audit objection is that an avoidable expenditure to the extent of 8.08 lakhs has incurred because of the preparation of un-realistic estimate for the above said work due to lack of proper investigation. The Accountant General observed that the rate of Rs. 34/m³ arrived at for item No. 2 of the approved estimate was incorrect and a boosted up one which resulted in the finalization of un-realistic estimate and thereby led to undue benefit to the contractor. This rate Rs. 34/m³ was arrived at by adopting the dredger capacity of an out turn of 300m³/day according to the estimate data. It is noticed in the audit that the total quantity of dredged earth executed in 217 dredging hours was 29,339.81m³ indicating the actual out turn of the dredger as 810m³ /day against that of 300m³ per day that was anticipated in the original estimate. Therefore, the audit objection concludes that the rate admissible for item No. (2) is Rs.13.6/m³ only by adopting an average capacity of the dredger as 125/m³/hour as against the rate of Rs. 34/m³ which resulted in avoidable payment of Rs.8.08 lakhs for the quantity of 29339.61m³ up to CCI and part of the work.

21. The work was taken up for execution by the Department based on the demand of the public to facilitate the needs of the pilgrims at large mass who visits the holy place and also as per the direction of the Honourable High Court, because of the distressed reports in the dailies and formulated an effective committee with an adviser. Accordingly the estimate for the work was prepared by this department on war footing basis so as to complete the work within the time limits specified by the Honourable High Court. The rate for dredging item was arrived at after verification and detailed studies of similar works carried out in the likelihood places since there exists no specific yardstick with respect to the quantity of dredging operation in the data book which left to adopt the criteria followed on such nature of work done in past times. The out turn adopted as general measures for dredging was 40 to 60m³/hour. Hence the average out turn was arrived at 50m³/hour. Also the details of work done at Purappilly Kavu bund by the M.I. Wing was taken as pieces of guideline. But when the work was carried out at site, the out-turn of the dredger anticipated in the original estimate varied. Efficiency of the out turn of dredger at the anticipated point depends upon many parameters and these parameters were most favourable while executing the dredging work in the above mentioned reaches. The dredger engaged at the work was with high efficiency and the out-turn of 50m³/hour proposed in the estimate varied and increased as observed in the audit.

Present position of the case

22. The audit points out that Rs.8.08 lakhs is receivable towards the avoidable payment, effected with regard in the execution of the work. It is noted that the amount is computed by adopting the rate of Rs.20.4m³. (34-13.60) that is rate admissible for payment as per the Accountant General's objection included the tender excess of 35% above E/R for the total quantity of earth dredged in the work for 29339.61m³. On communication of the Accountant General's objection, action has been initiated to recover the undue benefit effected to the contractor. He was addressed to remit back the excess payment received by him up to CCI & part bill of the work and the F.C.C. was kept pending settlement. Instead of complying with the Departmental instruction, the contractor moved the Honourable High Court and filed OP No.6898/96 praying for directions to pay an amount of Rs. 210938 towards the final settlement. As per judgment dated 31-1-1997 in the above O.P., the Court directed to finalise the claim preferred by the petitioner within a period of 2 months from the date of delivery of the judgment.

23. Accordingly the Department examined the dispute. The applicability of the rate of Rs. 34/m³ provided for Earth work item on the total dredged quantity of 29339.61m³ was analyzed as follows.

1. Total out turn of work	:	29339m ³
2. Agreed rate	:	34/m ³
3. Probable out turn as per estimate and log :		
book 217hrs at the rate of 6 hours per		
day gives 36 1/6 say-37 days so the		
out turn is taken as 37x300m ³ taken as	:	11100m ³
4. Difference between estimated out turn		
and actual out turn 29339m ³ -11100 m ³	:	18239 m ³
5. Rent value for one m ³ of out turn		
Rs. 6702.50 day (Rent for a day) 300 m ³		
quantity estimated	:	22.34/m ³
6. Work value for one m ³ of out turn		
(Rs. 34.00 - Rs. 22.34)	:	11.66/m ³

I. *Calculation for the claims :*

1. The claims made by the Agency at agreed		
rate for 29339 m ³ @ 34.00	:	Rs. 9,97,526
Work value for 29339 m ³ @ Rs. 11.66 per m ³	:	Rs. 3,42,093

Rent value to be realized normally for
 29339m³ @ Rs. 22.34 : Rs. 6,55,443

Note: 1. Had the dredger been given to contractor free of cost the value of work alone is entitled to the contractor, that is Rs.3,42,093.

2. The dredger was made available to the contractor due to his failure to procure the same. Hence the part of rent value claimed by the contractor is totally irregular.

II. *Calculation of Actual Eligibility :*

(a) The Contractor is entitled to get the full rate of Rs.34/m³ for the estimated out-turn quantity of 11100m³ (11100x34.00) : Rs. 3,77,400 (A)

(The rent value for 11100m³ is 11100 x 22.34 =2,47,974 and the work value for 11100m³ is 11100x11.66 = Rs.1,29,426)

(b) As the remaining quantity of (29339-11100 m³) -18239 m³ is gained due to efficiency of vessel and other parameters, Government alone is entitled for the benefit as the contractor could not bring the vessel. So the claim preferred is irregular and he is entitled to get the work value for this quantity (18239 m³) alone. Work value of 18239 m³ @ Rs. 11.66 : Rs. 2,12,667 (B)

(C) The Contractor is entitled to get a sum of Rs. 2,12,667 + 3,77,400 : Rs. 5,90,067(C)

2. The excess amount claimed by the Contractor excluding tender excess (Rs. 9,97,526 - 5,90,067) : Rs. 4,07,459(D)

3. Add Tender Excess of 35% to this amount (Rs. 4,07,459 + 1,42,611) : Rs. 5,49,070

4. The amount with-held from the bill : Rs. 2,11,375

5. The amount to be realized from the contractor being excess payment (Rs. 5,49,070 - Rs. 2,11,375) : Rs. 3,37,705

24. Based on the above computation of the rates undue benefits received by the contractor was arrived at Rs. 4,07,459 (Excluding Tender excess). This was approved and finalized in Chief Engineer's Order No. F2-31305/96 dated

25-6-1997 with a detailed calculation and notice was issued by Chief Engineer to the contractor to repay the overpayment received. The Contractor's response was not favourable. Instead he again approached the Hon'ble Court and filed another O.P.No.16669/97 challenging the contention of the notice served to him. The Hon'ble Court in the judgment delivered on 14-7-1998 in the above said O.P. quashed the Chief Engineer's notice and directed the Chief Engineer to pass appropriate orders after issuing detailed Show Cause Notice to the petitioner. Based on the government direction Show Cause Notice was issued to the contractor to remit the excess amount. Since he did not remit the amount, his final bill of the works pending in the Division office was closed and the sum of Rs. 4,07,459 worked out by the Chief Engineer (excluding tender excess 35%) was recovered being the excess amount claimed by him. While closing the bill a sum of Rs. 3,27,739 was found short and this amount was also recovered from his bill for another work.

25. Meanwhile the Contractor had filed O.P. No.4439/03 before the Honourable High Court. The court stayed the recovery proceedings. But before receipt of the stay order of the Court the bill was closed and excess amount recovered. Government have already forwarded the statement of facts in the OP to the Advocate General. The case is still pending before the Hon'ble High Court.

In the above circumstances further action may be dropped.

Recommendation

(Sl. No. 9, Para No.23)

26. The contention of the witnesses that the staff being employees of Government had to be paid whether they were deployed or not was not tenable to the Committee. The Committee urges that the Government should issue instructions to observe the Government Orders scrupulously to avoid unproductive establishment expenditure.

Action Taken

27. Referring to the Audit Para 4.2 contained in the report of the C& AG for the year ended 31-3-1996, No. 3 (Civil), the Committee have made enquiries about the unproductive expenditure due to the retention of the Mechanical Sub Division under the Chimony Dam Project Division and maintained the skeleton staff in violation of Government Orders sanctioning the shifting of the

Sub Division to MVIP Division No.1, Thodupuzha. During the enquiry, the witness admitted that the Government Order empowered for abolishing the Sub Division was issued in 1991 and the skeleton of staff were paid pay and allowances till 12/1995. The Committee disapproved of the plea that the skeleton staff being employees of Government had to be paid whether such staff were deployed or not. Hence the Committee recommended to issue instructions to observe the Government Orders scrupulously. Accordingly, as per Government letter No.19345/A3/05/WRD dated 1-10-2005 Government have instructed Chief Engineer (I&A) to observe Government Orders scrupulously to avoid unproductive establishment expenditure in future.

Recommendation

(Sl.10, Para No.25)

28. The Committee notes that the advantage of purchase of cement through tender for completion of the Chimony Dam Project during 1994-95 from M/s. Cement Corporation of India, has been overlooked while arranging cement locally at a higher rate in view of the limited stock of cement. The Committee points out that the action of the officers and undue delay in acceptance of tender by the High Level Committee within the expiry of the validity period shows the reprehensible laxity and lack of prudence while dealing with such matters. The Committee recommends, to issue guidelines for the efficient and prudent working of the High Level Committee so as to check the recurrence of such losses.

Action Taken

29. The tenders were considered by the Departmental Purchase Committee in Water Resources Department and not by the High Level Committee. Therefore the observations of the PAC has been brought to the notice of the Store Purchase Department for framing guidelines for the efficient and prudent working of Departmental Purchase Committee (DPC), so as to check recurrence of such losses. (A copy of the circular No. 653/B1/04/SPD dated 11-3-2004 issued by Store Purchase Department in this regard is also enclosed as appendix –II).

Thiruvananthapuram,
15-7-2008.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.

APPENDIX I

Government of Kerala

No. 26619/IR3/2003/WRD
Water Resources (IR) Department
Thiruvananthapuram, Dt: 18-11-2004

CIRCULAR

Sub : PAC (2001-2004) 50th Report Recommendation—Provision for Protective Measures at the time of preparation of estimate—Direction issued.

Ref : Letter No. Rep/PAC/5-L/2001-04/222 dated 27-9-2004 of the Accountant General (Audit) Thiruvananthapuram.

The Public Accounts Committee in its recommendation in the 50th report of the year 2001-2004 pointed out that extra payments were made for earthwork excavation for KIP works on the ground that protective measures had been taken during blasting. The Committees, therefore suggested that provision should be made for protective measures at the time of preparation of the estimate itself. Government have considered the recommendation of the PAC and hereby direct to include provision for protective measures at the time of preparation of the original estimate itself.

ALOK SHEEL

Secretary to Government.

To

The Chief Engineer, Irrigation & Admn, Thiruvananthapuram

The Chief Engineer, Project-I, Kozhikode

The Chief Engineer, Project-II, Thiruvananthapuram

The Chief Engineer, KIP, Kottarakkara

The Accountant General (Audit) Thiruvananthapuram

Stock File

APPENDIX II

GOVERNMENT OF KERALA

Stores Purchase (B) Department

CIRCULAR

No. 653/BI/04/SPD.

Dated, Thiruvananthapuram 11th March, 2004.

*Sub:—Stores Purchase Department—Departmental Purchase Committee Meeting—
Notes, Tabulation Statement and Minutes—Preparation reg.*

Ref:—Circular No. 4681/B1/95/SPD dated 16th November, 1995.

Many instance have come to notice that where the minutes of the D.P.C. are incomplete and do not convey the full text of the reasoning on which decision were based. Many of the notes sent by the purchasing officers are incomplete. As a consequence quick scrutiny and further processing of purchase files at the higher levels become difficult. In this circumstance Administrative Department as well as purchasing officers are requested to follow a common format while preparing notes, tabulation statement and minutes of the Departmental Purchase Committee as detailed below:

- (i) Details of the publicity given to the tender notices;
- (ii) Number of tender notices taken by prospective bidders;
- (iii) Number of tenders received;
- (iv) Number of bids received in proper order;
- (v) Number of bids rejected and reason therefor (reason for rejection of each bid may be given separately);
- (vi) Among the valid bidders the details of the lowest quotation received, bidder details and the quoted amount;
- (vii) Whether lowest quotation/tender has been accepted;
- (viii) If not, the reasons for rejecting the lowest quotation (and other quotations lower than the one ultimately accepted by the Departmental Purchase Committee);
- (ix) Details of bidder and quotation ultimately accepted and the difference between the lowest quotation and the accepted quotation;

- (x) Views of the Departmental Purchase Committee as to whether retender is desirable and could lead to substantially lower bids;
- (xi) Specific Remarks on Guarantee/Warranty/Annual Maintenance Contract etc.;
- (xii) Any other relevant facts.

In addition to the above the Administrative Department/Purchasing Officer should take care of the following points also:

1. The D.P.C. Meeting Notes must be in full satisfaction of all the points mentioned above.
2. Ensure the availability of the Officer from Stores Purchase Department and Finance Department before deciding the date and time of the meeting.
3. Notes for the DPC meeting must reach SPD atleast three days before the meeting for scrutiny. Otherwise it will be difficult to attend the DPC meeting.
4. Copy of the Administrative Sanction should be furnished.
5. Copy of the Tender Notification both English and Malayalam should be made available.
6. Post tender, negotiation may be made only with the LI Tenderer.

The notes for the Departmental Purchase Committee may also Inter alia, contain information of the following:—

- (i) Whether Purchasing Officer has compared the existing prevalent market rates of the Stores/items for which the quotation/tender has been floated and if so, whether it is economical when compared with the bid amount;
- (ii) Whether samples have been insisted in the tender schedule and if not, the reasons therefore;
- (iii) If the item/store to be procured is of a sophisticated technical nature or needs technical evaluation, whether a technical committee for evaluating the articles/stores has been constituted? If so, whether the specific report of the committee has been made available for consideration by the Departmental Purchase Committee;

- (iv) Whether the Purchasing Officer has recorded the absolute necessity for procurement of the store/item particularly taking into account the average consumption use of the items/stores for the past 3 years;
- (v) Whether the Purchasing Officer has taken necessary steps to forecast the requirements in full for a definite period of 3 months, 6 months, one year and so on a avoid piece meal purchases and to observe Stores Purchase Rules strictly ;
- (vi) Action taken by the Purchasing Officer to keep open the firmness period, if the same has not been kept open for acceptance and confirmation;
- (vii) Whether the Purchasing Officer has made any attempt to inspect and satisfy himself about the working of the unit/items/store which has been supplied by the bidder if any, on earlier occasion;
- (viii) Whether the Purchasing Officer has made any specific recommendation for consideration of the Departmental Purchase Committee; and
- (ix) Whether the tabulation statement containing full essential data/details of the tenders/quotations received vis-a-vis the evaluation report of the Purchasing Officer authenticated by the Purchasing Officer has been enclosed with the notes for the Departmental Purchase Committee.

SUDHA PLLLAI,

Principal Secretary (Fin. and SPD).

To,

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