



114

South Eastern Railway
(Vigilance Branch)
11, Garden Reach Road,
Kolkata - 700043.

No.G.130/PC/2020/04/00010/V4/ PRA/1004

Date: 09/9/2021

To
The PCE, PCME, PCEE, PCSTE, CAO (CON) & PFA
South Eastern Railway
Garden Reach

Sub: -System improvement to eliminate the irregularities in closure of Contract agreements.

While investigating a thrust area PC case on the aspect of logical conclusion of contract agreements, it has been observed that a large no. of contracts are pending for closure despite DOC having been expired long back. In the course of vigilance check, concerned officials could not exhibit any satisfactory reason of such procrastination of contract agreements closure.

It is pertinent to note that the non closure of old expired contracts is prone to manipulation/fraudulent practices in the form of forged measurement of works and payment.

Therefore, with a view to eliminate the scope for corruption in this matter, the concerned executive authorities should adopt a definite/fixed timeline towards the closure of contracts preferably 90 days from the date of physical completion of the work. Responsibility should be fixed on officials in case of breach of aforesaid timeline and any administrative dereliction in this regard. In the event of non cooperation from concerned contractor, action should be taken in accordance with relevant clause of IRGCC.

Necessary steps taken towards the implementation of this system improvement should be communicated to this office.


09.09.2021
SANKARSAN NAYAK
S D G M



**South Eastern Railway
(Vigilance Branch)**

No. G. 130/PC/2020/12/00769/V6/N/KGP/1062

Dated: - 22.09.2021

To
The PCSJE
South Eastern Railway.

Sub: System Improvements related to record maintenance.

Some preventive vigilance investigations were conducted at various maintenance units of S&T department regarding accountability of repaired equipment. Instances have been found out where by mistake defective equipment had been sent to MW-Lab/KGP for repairing which were under warranty. After realizing the fact, the field units again called back the equipments sent for repairing.

It is observed that no proper document related to validity of Warranty/AMC is available with the maintenance units.

Some of the equipments are being repaired in house by Microwave-LAB/KGP for which again no record is being maintained by the concerned field unit.

In order to streamline receive and dispatch of defective equipments by field units and to avoid mistakes at the time of in house repair, the followings are recommended for incorporation:

- (i) Warranty certificate and AMC particulars, if any, should invariably be communicated to Maintenance unit by the procuring authority (Depot etc.).
- (ii) Record of repaired items must be maintained by the Maintenance unit for later accountability.
- (iii) Validity, period of Warranty/AMC must be marked on equipment concerned.


(Sanikarsan Nayak)
Sr. Deputy General Manager

दक्षिण पूर्व रेलवे
SOUTH EASTERN RAILWAY



कार्यालय office of the-
महाप्रबंधक (सतर्कता)
General Manager (Vigilance)
प्रशासनिक शाखा Administrative Branch
11th Garden Reach Road, Kol-43.
Ph: (033) 2439-6657
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No.GM/V/System Improvement/11/2020

Dt.05.07.2021

To
PCOM, PCCM, PCE, PCME
S.E.Railway, GRC

Sub: System Improvement: Dispensing load adjustment of overloaded wagons.

1. Overloading of wagons:

- 1.1 Between 01.01.2021 and 31.05.2021, 16856 rakes comprising of 959775 wagons have been weighed in different EIMWBs over S.E Railway at an average of about 112 rakes per day as per data collected from PCCM's office. Out of these, in 9882 rakes (58.6%), at an average of 65 rakes per day, one or more wagons are found overloaded as below with details at **Annexure-I**.

PERIOD FROM 01.01.2021 TO 31.05.2021 (151 DAYS)				
Rakes weighed	Wagons weighed	Average Rakes weighed per day.	Rakes found overloaded (%)	Average No. of Rakes found overloaded per day.
16856	959775	112	9882 (58.6%)	65

- 1.2 Of the above 9882 overloaded rakes, NBOX constitute 7790 rakes (78.8%), BOBRN/BOBSN/BOST/BOYEL constitute 1883 rakes (19%) & rest 209 rakes (2.2%) constitutes other type of rakes. Of these, about 9673 rakes (97.8%) carry iron ore and coal. This is summarized below with details at Annexure-I, Table-2 to 6)

Type and commodity wise distribution of overloaded rakes.

No. of overloaded Rakes	NBOX Rakes with %	BOBRN/BOBSN /BOYEL Rakes with %	Other rakes with %	Iron Ore + Coal Rakes with %
9882	7790 (78.8%)	1883 (19%)	209 (2.2 %)	9673 (97.8%)

Cont. at P/ 2

1.3 Of the 9673 Iron ore and Coal overloaded (O/L) rakes consisting of 557802 wagons, 86170 wagons are found overloaded **with an average of 9 wagons per rake**. The percentage of overloaded wagons are found to be 4.22 % & 0.48 % in the range of upto 1 Ton and >12 Ton overload respectively. The highest percentage of overloading being up to 1 ton (4.22%) followed by 2-4 Ton (3.49 %). (Ref: Annexure-IA, Table-5)

Distribution of overloaded wagons in 9673 rakes comprising of 55802 wagons

Rake	Wagon	Wagons found O/L (% of total wagons)	O/L wagons per rake	Predominant Range of overloading (as % of total wagons).		
				Up to 1Ton	2-4 Ton	>12 Ton
9673	557802	86170 (15.45%)	09	4.22%	3.49 %	0.48%

1.4 Based on re-weighment conducted by vigilance, the gross weight of the total wagons in 69.6% of rakes where overloading was detected in one or more wagons was found to be within the permissible total gross weight limit of the rake. The average gross overloading per rake in the rest 30.4% rakes was around 122.7 Ton. (Ref: Annexure-II)

Rakes re-weighed	Rakes within permissible total gross weight & %		Rakes exceeding permissible total gross weight & %		Extent of overloading	Average of 7 overloaded rakes
23	16	69.6%	7	30.4%	21.2 - 404 Ton	122.7 ton.

2. Punitive Overloading charges:

2.1 As per the provision of section 87 of Railway Act, 1989 as amended vide No.G.S.R.570(E),dt.17.07.2012 (Rate Circular 19/2012): (Ref: Annexure-IV)

(i) Provided that no punitive charges shall be levied if the customer carries out the load adjustments at the originating point. (Para:3)

(ii) In case of overloading in a NBOX/BOBSN/BOBRN etc. wagon beyond its permissible limit, punitive charges in the following manner shall be levied: (Part-I, Situation-A under Schedule)

Extent of overloading	Punitive charges leviable on the quantity of excess load
Up to 1 tonne	NIL
> 1 up to 4 tonne	2 times freight applicable
> 4 tonnes	4 times freight applicable

2.2 As per the provision of section 87 of Railway Act, 1989 as amended vide No.G.S.R.560(E),dt.16.09.2020(Para-2), on detection of overloading at other than the originating point, punitive charge shall be levied for the distance travelled from the originating point to the load adjustment point. (Ref: Annexure-V)

Cont.at P/3

2.3 In the context of SER where almost all rakes loaded with iron ore and coal are weighed at the originating station, there is hardly chance of collection of punitive overloading charges.

3. Load Adjustment:

3.1 As per Board's instructions issued vide letter No.TCI/2004/109/4, dt.04.11.2004 (Para No.4.0 & 10.0), load adjustment of wagons which are found to be overloaded, should be done by the consignors.(Ref: Annexure-III)

3.2 As per the practice followed, after weighment of a rake, a memo is served to the customer mentioning the details of wagons found overloaded for necessary load adjustment.

3.3 The customer after reportedly carrying out the necessary load adjustment certifies in writing that the load has been carried out. The responsibility of certifying the load adjustment in case of detected overloading lies entirely with the loading agency.

3.4 There is no system of witnessing or cross-checking the process of load adjustment either manually or through technology at present, except the provision of random re-weighment checks conducted by Vigilance and Commercial departments.

3.5 A punitive charge of Rs.1 lakh per wagon is collected for each wagon where overloading is again detected after the reported load adjustment. (Rate master Circular on Weighment,dt.11.07.2014)

4. Re-weighment conducted to check load adjustment:

4.1 As per extant provision, Vigilance department conducts some random re-weighment of N BOX rakes to check as to whether the load adjustment as declared by loading agencies for wagons found overloaded during the initial weighment have actually been done or not. For the period between 21.08.2018 to 18.05.2021, 28 rakes, mostly loaded with iron ore and a few with coal, have been detected. The summary of these rakes and their weighment details are included including the punitive charges collected is kept at **Annexure-II**

4.2 It is seen that in almost all cases, wagons which have been detected overloaded in the first weighment were again found overloaded in the re-weighment suggesting that the reported **load adjustment has not been actually done and the loading agencies have certified in paper that load adjustment has been done** knowing well that there is a rare chance of detection of these false declarations/certifications considering the ratio of the rakes which were ordered for re-weighment and the number of wagons found overloaded. To put things in perspective, the total average daily rakes with one or more overloaded wagons originate in SER is around 65 which translates to 1950 per month, whereas Vigilance conducts checks of just 2 rakes per month. The commercial department may be conducting similar number of checks per month.

5. Issues at stake:

It is practically impossible on the part of the customer to carry out the required load adjustment given the various infrastructural and operational constraints. This matter has already been highlighted by vigilance in its comprehensive report on weighment prepared by SER Vigilance and submitted to the CVC through Railway Board Vigilance (Case No.G.130/C/2014/07/0011/V1/V.- Con (PIDR).The impracticability of load adjustment as highlighted in the report (Para.8.4.2) is as follows:

a) After detection of overloading in a wagon at an EIMWB, the loading agency is asked to make necessary load adjustment at a station considered operationally convenient at the material time by Railway. The loading agency has to arrange and move required men and material to that particular station promptly after receipt of the message which may reach him anytime, often in odd hours which is a very difficult job.

b) Load adjustment works require switching 'Off' of the OHE for the purpose of safety of laborers which is next to impossible considering the volume and nature of traffic being dealt at loading areas in SER.

c) Disposal of unloaded material is also a major issue especially in case of iron ore given the present mining policy of respective state governments.

As such, in practice, rakes are detained for 1-3 hours in the name of load adjustment; the load adjustment is not actually done and trains run with the same overloaded wagons with a false presumption that there are no overloaded wagons in the train.

6. Financial implications:

6.1 From the analysis, the overloading in a rake ranges from 4 to 58 wagons which works out to an average of **9 wagons per rake**.

6.2 The overloading ranges from upto 1 Ton (4.22% of total wagons) to >12 Ton (0.48 % of total wagons); highest percentage of overloading incidences being up to 1 ton (4.22%) followed by 2-4 Ton (3.49 %).

6.3 All inclusive freight per ton of iron ore booked over SER varies from Rs.414.30 (BBN-PAPK 139 KM) to Rs.2009.22 (BBN-MGPV, 1076 KM). Assuming a mean freight of Rs.1000/- per ton, the amount of freight and applicable punitive charges as per rate circular No.19/2012 would be around Rs.86,200/- per rake. Considering 65 rakes per day on an average, the total amount would be Rs.56.03 lakh per day, **working out to Rs.204.5 Crores per anum.(Annexure-VI)**

6.4 At present, during the re-weighment of rakes, conducted by Vigilance, substantial punitive charges [Rs.1 lakh for each wagon where repetition of overloading detected in re-weighment] are collected. On average punitive charges of Rs. 28 lakhs per rake is collected. On average punitive charges of Rs. 28 lakhs per rake is collected. Considering at best 4 rakes (Vigilance-2 & Commercial 2) reweighed per month, the total punitive charges collected will be Rs.1.12 Cr monthly and Rs.13.44 Cr annually.

Cont.at P/5

P/5

6.5 Hence, in the present scheme of things, Railways suffer losses on two counts:

- i) Losing substantial freight and punitive overloading charges although substantial number of wagons practically runs on regular basis.
- ii) Detention of rakes for the sake of load adjustments for around 3 hrs, affecting turn-round of rakes is not adequately compensated by applicable demurrage charges collected from the loading agency.

7 Suggestions:

7.1 System of load adjustment may be dispensed with. Instead, rakes may be allowed to run with overloaded wagons by levying applicable punitive overloading charges against the customer.

7.2 It is true that running of overloaded wagons has safety implications as far as track structure and wagons are concerned. However, given the present scenario as explained in previous paragraphs the suggestion would not make any difference in this regard. Instead, it would generate additional revenue.

7.3 It is pertinent to mention in this regard that the actual extent of overloading done by the customer does not correctly reflect in the weighment sheets due to the following reasons:

- a) The accuracy of weighment in an EIMWB is not beyond doubt. It is seen that same rake when weighed in two different weighbridges, give different readings altogether.
- b) As the rake is not weighed in empty condition actual tare weight of wagons are not known.

7.4 There may be some residual/left over material stuck to the floor of the wagon in the previous unloading.

7.5 As the number of overloaded wagons exceeding gross weight of 100 ton constitutes only 1 wagon per each overloaded rake, apparently there may not be any problem to run these trains without load adjustment *atleast in 25T axle load routes.*

7.6 The applicable punitive charges for wagons exceeding gross weight of 100 T may be increased substantially to have deterrence effect so that the customer would be discouraged to resort such overloading.

It is requested that the suggestions may be examined and action as deemed fit may be taken on the implementable part of these under intimation to this office.

Encl: Annexure- I to VI (18 pages)


(Sankarsan Nayak)
Sr. Deputy General Manager

Copy :

1. PED/Vigilance/Railway Board- New Delhi - for kind information
2. Secretary to GM/GRC - for kind information of GM


(Sankarsan Nayak)
Sr. Deputy General Manager

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**SOUTH EASTERN RAILWAY
(VIGILANCE BRANCH)**

No. G.130/PC/2021/04/00928/V4/N/KGP/SAS/548 Date:28.04.2021

PCE,
S. E. Railway,
Garden Reach, Kolkata.

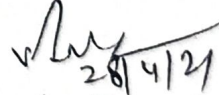
Sub: Proposal for system improvement for CE's stock rails in Port Trust Railway (PTR) siding.

It had come to the knowledge of this office in the last week of December'2020 that 50 nos of new 60 Kg rails were seized by RPF Post/SHM. During enquiry, it was revealed that these rails were loaded into truck from Port Trust Railway (PTR in short) siding adjacent to SHM without any authority, and seized from Girdhar Godown, PS-Domjur, Distt - Howrah. In this connection, a case was registered under RP(UP) Act and 4 persons including 2 Railway employees were arrested by RPF. It is has been found that PTR siding is being used for unloading of CE's Stock Rails and subsequent loading in trucks as per BIs. The issue of maintenance of CE's Stock Rails by SSE/P.Way/East/SRC (the stock holder) therefore, had been investigated by this office. During investigation, a number of irregularities are noticed and if not set right, may lead to further loss/pilferage of CE's Stock Rails. The irregularities noticed during investigation and corresponding system improvements for setting right the same are placed side-by-side in the tabular form for better appreciation:

Sl No	Irregularity	System Improvement
1	PTR siding is not falling under the jurisdiction of South Eastern Railway.	Though PTR siding located adjacent to Shalimar (SHM) yard, yet, it is not falling under the jurisdiction of South Eastern Railway. Erstwhile, PTR siding under the control of eastern Railway was connected with Howrah Station/Eastern Railway, but, after construction of Fore Shore Road, this link was dismantled and at present, there exists no direct link between Howrah Station and PTR siding. In order to protect the railway land, it is requested to approach Eastern Railway for taking over PTR siding by South Eastern Railway. Further, takeover of the PTR siding will enable utilisation of the siding by SEK enable its proper usage.

2	Stock Verification of CE's Stock Rails was never conducted.	During investigation, it has come to the knowledge that CE's stock rails were never verified during Departmental Verification by SSE/P.Way/East/SRC during handing over/taking over the charge. Moreover, these rails are not being offered by the SSE/P.Way/East/SRC to Stock Verifier for stock verification as per codal provisions. Therefore, the division should be directed to ensure that CE's Stock Rails are offered to stock verifier for stock verification as per codal provisions. Further, stock verification by stock verifier of CE's Stock Rails should be ordered forthwith.
3	Usage of self printed gate passes issue and transport of rails	At present, SSE/P.Way/East/SRC is using self printed gate passes for issue and transport of rails. For authenticity and to prevent possibility of fraud, Machine numbered book of gate passes should be used for issue and transport of rails.
4	Up keep/stocking of CE's Stock Rails	At present CE's Stock Rails are being unloaded in SHM goods shed siding and PTR siding. However, the same are scattered and lying in very haphazard manner and are not amenable for ready stock verification/counting/measurement. The division may be advised to get CE's Stock Rails properly stacked for ready stock verification/counting/measurement.

In view of the above, it is requested to issue necessary instructions in this regard with a copy to the undersigned.


 (Virendra Kumar)
 Chief Vigilance Officer(HQ)


 J.C. Sharma 28/04/21

204
28

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**SOUTH EASTERN RAILWAY
(VIGILANCE BRANCH)**

No. G.130/PC/2021/04/00928/V4/N/KGP/SAS/549 Date:28.04.2021

DRM,
S. E. Railway,
Kharagpur.

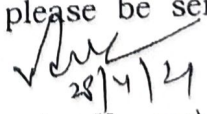
Sub: Proposal for system improvement for CE's stock rails in Port Trust Railway (PTR) siding.

It had come to the knowledge of this office in the last week of December'2020 that 50 nos of new 60 Kg rails were seized by RPF Post/SHM. During enquiry, it was revealed that these rails were loaded into truck from Port Trust Railway (PTR in short) siding adjacent to SHM without any authority, and seized from Girdhar Godown, PS-Domjur, Distt - Howrah. In this connection, a case was registered under RP(UP) Act and 4 persons including 2 Railway employees were arrested by RPF. PTR siding is being used for unloading of CE's Stock Rails and subsequent loading in trucks as per BIs. It has been found that PTR siding is being used for unloading of CE's Stock Rails and subsequent loading in trucks as per BIs. The issue of maintenance of CE's Stock Rails by SSE/P.Way/East/SRC (the stock holder) therefore, had been investigated by this office. It is found that before May'2018, intimation memos from SSE(P.Way)/East/SRC for loading of CE's stock rails from PTR siding into road vehicles were received by RPF Post/SHM and after September'2018, they denied to accept the intimation memo from SSE(P.Way)/East/SRC citing the reason that the PTR siding is beyond their jurisdiction.

As the PTR siding does not belong to SER, use of PTR siding for unloading of CE's stock rails is highly irregular for the reason that there is no RPF security for guarding the same against theft/pilferage. Therefore, no unloading of CE's stock rails should be done in PTR siding unless security/guard CE's stock rails in PTR siding by RPF is ensured. However, for time being RPF may be deputed to take over the security/guard of existing CE's stock rails in PTR siding against theft/pilferage as per extent procedure.

In this regard PCE/SER/GRC is being requested to process for taking over the PTR siding from Eastern Railway to protect the railway land.

Copy of instructions issued in this regard may please be sent to undersigned.


(Virendra Kumar)
Chief Vigilance Officer(HQ)

O/c 18/04/2021



South Eastern Railway
Vigilance Branch

Vigilance branch
Garden Reach,
Kolkata-700 043

Confidential

No.G.130/PC/2021/04/00928/V4/N/KGP/SAS/548

Date:28-04-2021

PCE,

S.E.Railway,

Garden Reach, Kolkata.

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45

2	Stock Verification of CE's Stock Rails was never conducted	During investigation, it has come to the knowledge that CE's stock rails were never verified during Departmental Verification by SSE/PWay/East/SRC during handing over/taking over the charge. Moreover, these rails are not being offered by the SSE/PWay/East/SRC to Stock Verifier for stock verification as per codal provisions. Therefore, the division should be directed to ensure that CE's Stock Rails are offered to stock verifier for stock verification as per codal provisions. Further, stock verification by stock verifier of CE's Stock Rails should be ordered forthwith.
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In view of the above, it is requested to issue necessary instructions in this regard with a copy to the undersigned.

Sd/-
(Virendra Kumar)
Chief Vigilance Officer(HQ)



South Eastern Railway
Vigilance Branch

Vigilance branch
Garden Reach,
Kolkata-700 043

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Date: 18-08-2021

No.G.130/PC/2019/07/00557/V-6/N/HQ/902

PCSTE,

S.E.Railway,

Garden Reach, Kolkata.

Sub: System improvement related to works tender.

A Vigilance investigation was conducted into a works tender floated by S&T deptt. of HQ/GRC for supply, installation, acceptance, testing, commissioning training of Server Based IP PBX system for replacement of Main and Intercom Telephone Exchanges (PCM-TDM Based) in SER HQ unit. On scrutiny of the tender file several irregularities/inconsistencies were noticed which are detailed below:-

The tender was floated for a total value of Rs.1.96 crores and comprised of three schedules viz. Schedule-A, B & C as shown in the following table:-

Schedule	Description	Departmental value (DV)
A.	Supply of (A) IP telephony system, (B) Phones and power adapters, (C) Software, (D) LAN switches, (E) Optical fiber cabling component (F) UTP cabling component, (G) other additional items, (H) UPS systems	Rs.187 lakh
B.	Execution/Installation charges of (A) Active components (B) Passive components	Rs.9.72 Lakh
C.	Comprehensive AMC & supervision charges of complete systems for 5 years after expiry of 1 year warranty period	DV was not mentioned. The bidders were advised to quote the value of 5 years AMC.

It is observed that the total departmental value of Schedule-A & Schedule -B of Rs.196 lakh was projected as value of the contract in the tender notice.

The tender had inter alia three governing special conditions which are mentioned below:-

(i) At item No.2.1B of "Special Condition of the Tender" it was stated "Bidder has to quote five years comprehensive AMC rate in Schedule-C along with breakup of AMC offer in Schedule-C. Without quoting AMC, tender will be summarily rejected".

(ii) At Item No.2.19 of "Special condition of the Tender" it was stated - "Evaluation of tender will be based on quoted tender offer in 'Annexure E' and average value of 5 years comprehensive AMC rate. Suppose value of tender is 'Z' ($=X+Y$) and value of 5 years comprehensive AMC offer is 'M' (say) then evaluation of tender 'Q' will be lowest of all $(Z+M)s$ ".

(iii) At Item No.18.1 of "Special condition of the Tender" it was stated - "For the purpose of relative ranking of offers, all inclusive price for the scope of work as defined above and quantity of equipment/Material/Services as specified in the Rate Schedule shall be taken into account with Average value of AMC for 5 years".

Again at note (ii) of Schedule 'C' it was stated - "One year average of 5 years AMC quoted rated will be taken for tender evaluation".

Against the tender value of Rs.1,96,81,890/- (Schedule A & B), three firms had offered their rates. The TC members recommended for L-1 bidder which quoted 3.27% below the DV (Sc -A + Sch-B) without AMC. The TC opined that the rate offered was reasonable and acceptable. Further, deliberation in the Minutes was done by stating that the said firm was the 1st lowest tenderer with an overall offered value of Rs.21246094.54 with average AMC charges and Rs.19038233.10 without AMC. The TC found the L-1 bidder as eligible, reasonable and technically suitable and recommended for acceptance of its offer at a value of Rs.19038233.00 (rounded) inclusive of all taxes and duties, without considering AMC charges.

Thereafter, the tender was accepted by Dy.CSTE/GRC (a JAG level officer) with the following modifications:-

(1) Cost of Tender is Rs.1,90,38,172.00 as calculated in tabulation sheet.

(2) AMC will be executed with the firm at a cost of Rs.2207861.00 per annum after expiry of warranty period as per Special condition of the tender.

(3)

(In lakhs of Rupees)

	Sch A	Sch B	Sch C	Value of tender w/o AMC	Av.AMC for 1 year	AMC for 5 years	Value of tender with AV. AMC of 1 year	Value of tender with for 5 years AMC
DV	187 Lakh	Rs.9.72 lakh	Nil	-	-	-	-	-
L1 Bidder (2.27% below DV)	181.59 lakh	Rs.8.78 lakh	"	Rs.190.38 lakh	Rs.22.07 lakh	Rs.110.39 lakh	Rs.212.46 lakh	Rs.300.77 lakh

Although the TC had recorded that it had considered the total value of the tender, in practice, it has not done so as it had not added up the sum total of all the three schedules. Instead, they had followed the instructions of note (ii) of Schedule 'C' & item No.18.1 of "Special condition of the Tender" and considered only the average value of the AMC (which

was for one year only) and hence the actual value of the tender as per the cumulative value of five years had not been worked out while arriving at the total value of the tender. As a result, it appeared that the tender was well within the powers of the TC to recommend and also the TAA to decide upon the tender.

In real terms, had the TC included the value of Schedule C (for 5 years) with the figures of Schedule A and Schedule-B then the total tender value would have crossed Rs.300 lakhs and would have gone beyond the purview of the level of TC and acceptance of the then Dy.CSTE/GRC who acted as TAA as per SOP in force at that time.

It is therefore clear that the instructions at note (ii) of Schedule 'C' and the special condition contained in Item No.2.19 of "Special condition of the Tender" are in contradiction with each other. If the TC followed the condition laid down in clause No.2.19 of "Special condition of the Tender", then the power to recommend/accept the offered value would have gone to the next higher level i.e. TC members of JAG level & TAA of SAG level.

In this case, the TAA was a JAG officer, who modified the recommendations of TC by incorporating the cost of 5 years comprehensive AMC at an annual rate of Rs.2207861.00/- thereby increasing the total cost of the work to Rupees Three Crore.

Furthermore, it can be seen that the PG for AMC was deposited by the firm subsequently although it was not mentioned the LOA & CA of main tender. Only a separate contract agreement for AMC was supposed to be executed before expiry of warranty period. On scrutiny of files and documents seized from the then Dy.CSTE(TN)/GRC, no agreement papers for AMC for 5 years (comprehensive) were found.

In view of the aforesaid irregularities/inconsistencies the following are recommended for incorporation and implementation while floating/finalizing tenders.

(a) If the main tender work for supply and execution is to be followed by AMC, then the proposed Departmental value of AMC should be calculated at the estimation stage and should be treated as a part of the main estimate.

(b) If a bid for AMC is sought in NIT, total bid value under consideration should be inclusive of AAMC for the whole period mentioned and accordingly members of TC and TAA should be nominated following SOP.

(c) It will be worthwhile to include AMC in the main contract agreement itself. Separate contract agreement may defeat the very purpose of AMC if the contractor resiles or defaults in executing the AMC contract at a later stage. The liability of the value of AMC should be the part of main LOA and contract agreement. The condition for depositing separate performance guarantee for AMC should be done away with in order to integrate contractors obligation with the original work.

Encl:Nil

Sd/-

(Sankarsan Nayak)

Sr.Dy.General Manager
S.E.Railway, Garden Reach



South Eastern Railway
Vigilance Branch

No.G130/PC/2013/09/0116/V5/N/CKP /936

Dated-30-08-2021

PCSTE,
S.E. Railway,
Garden Reach

Sub: Revision of old SOR - System improvement

A Vigilance investigation was conducted on the procurement of Universal Axle Counter - 4D Type done by SER through Stores contract and Works contract. The issue in question was the exorbitant price gap of the item procured through both the modes of procurement. In this regard two works contract of CKP Division were compared where Universal Axle Counter 4-D type were procured at higher rate in comparison to stores purchase of the same item from a RDSO Part-I supplier.

The Works contract mentioned above were for *Provision of Central panel with Electronic Interlocking at Noamundi Yard and for provision of panel interlocking at Bondamunda L&N (Combined) cabins & Bondamunda M Cabin of CKP Division* pertaining to the year 2008 and 2009. In both the works contracts, supply of signaling items (Schedule-B) constituted a part of the contract and supply of 74 different items was part of Schedule-B, of which Universal Axle Counter 4-D type was an item.

Although no irregularity was detected against any Railway official, the investigation was concluded by suggesting a system improvement. It was emphasized that procurement of high value S&T materials like Cable, IPS and battery mandates that such material should only be procured through Stores. In line with this, it was also advised to procure materials like relays of all types of data logger, axle counter, MSDAC, SSDAC, BPAC Panel & UFSBI through Stores department only for which Railway Board may be approached. However, in case of urgency or due to change in requirements/design, the same material can be procured through Works tender provided - (a) prior approval of PCSTE/CAO(Con), as the case may be, is obtained, (b) Same inspection authority as in Stores tender may be adhered to, (c) the above materials may be placed in a separate schedule in the Works tender so that discussion/negotiation on high value materials can be undertaken separately without affecting the other supply material, (d) departmental value may be arrived based on the average value of last three accepted rate of Stores tender and deletion of premium for this schedule only.

2. In the instant case, PHOD comments was sought before sending the case to Railway Board wherein the then PCSTE had inter alia observed (dated: 11-6-18) as follows:-

"Although there were some steps taken for making SOR updated, it has been observed that from zone to zone some deviation exists and till today no finalized SOR has been published from S&T Directorate. This railway is also taking up this project, i.e. finalising the SOR to avoid this rate problem and also trying to get this done at the earliest.

However, the Premium system which was followed earlier has been progressively phased out and the system in vogue in Engineering department is being followed, i.e. average of 3 LARs included in RBI index."

As hinted by PCSTE in his comments, Railway Board has advised to revise the old SOR on priority basis and has desired to know the progress of the same in SER.

In this context, your attention is drawn to the system improvement in Works contract for commissioning of Electronic Interlocking (EI) System issued by Executive Director (Signal)/Railway Board vide letter no. 2013/Sig/01(pt) Dup dt. 19-11-2020 (copy enclosed). It may also be noted that three zonal Railways (NWR, SECR, CR) have already updated their old SORs for S&T Works vide letter numbers given below (copies enclosed) :-

- a) CSTE/Planning/NWR's letter no. SG/SOR/S&T/NWR dt. 04-9-20,
- b) CSE/SECR's letter no. SECR/S&T/WC dt. 18-01-2021,
- c) Dy.CSTE (HQ)/CR's letter no. N.659/WM/CC/SOR/2021 dt. 05-01-21

In view of the above, it is requested to furnish the progress of revision of old SOR in SER expeditiously.

Encl: As above


 30.08.2021
(Sankarsan Nayak)
Sr. Deputy General Manager