



# VIGILANCE ALERT

No. : 08/2024

Date : 04.07.2024

## **Sub: Non-compliance with Manual Provisions regarding submission of Performance Security Deposit, execution of agreement & Closure of contract.**

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Recent findings have revealed significant inconsistencies in adhering to NIT and manual guidelines during the submission of Performance Security Deposits (PSD) and Additional Performance Security (APSD), as well as in the execution of agreements and the documentation of measurements. These discrepancies pose a serious threat to the integrity of our procurement processes, necessitating urgent corrective measures.

### **Key Observations:**

- A. **Acceptance of PSD & APSD Submitted After Stipulated Period:** It has been observed that a Staff Officer from a specific area of CCL accepted PSD & APSD amounts submitted by the successful bidder beyond the stipulated period defined in the Award of Work. As per clause no. 4.07.2 of MCEW 2023, subsidiary CFDs are authorized to accept Performance Security Deposit beyond 21 days by another 14 days with proper justification on a case-by-case basis. However, competent approval from CCL ECFD was not obtained for the acceptance of Performance Security.
- B. **Delay in Execution of Agreement:** As per clause no. 4.08.2, the agreement shall be executed within 30 days of issuance of LOA. Further, there is a provision for extension upon the written request of the contractor after obtaining due approval from the competent authority. However, it was observed that a Staff Officer from a specific area of CCL had not obtained competent approval for the execution of the agreement beyond the stipulated period.
- C. **Receipt of documents without entry in Receipt register:** It has been observed that documents submitted by external agencies, bidders, contractors or vendors are being placed in files without being recorded in the receipt register. These documents lack receipt numbers, which raises concerns about their authenticity. Additionally, in some cases, there are deadlines or restricted timelines for document submission and the absence of receipt dates may lead to disputes.
- D. **Delay in Closure of Contract:** Timelines and responsibilities for different activities for the closure of the contract are already defined in the SOP of the Civil Engineering Department. However, it has been observed that many cases are pending for the closure of contracts and the timeline defined in the SOP is not being adhered to.

To address these critical issues, the following measures are suggested:

1. **Acceptance of PSD in Adherence to Manual provisions:** Ensure consistent adherence to NIT, Manual provisions and SOP for Civil Engineering works circulated by CIL for acceptance of PSD & APSD.
2. **Execution of work in Adherence to Manual provisions:** Ensure consistent adherence to NIT, Manual provisions and SOP for Civil Engineering works circulated by CIL for execution of agreement.
3. **Proper recording of Receipt documents:** Ensure that all documents submitted by external agencies, bidders, contractors, or vendors are recorded in the receipt register along with the date of receipt.
4. **Closure of contract as per provisions of Manual & SOP:** The details of activities in closure of contract alongwith timeline & responsibility is mentioned at Chapter 5, SOP of Civil Engineering department. As such, Chapter-5 of SOP must be strictly adhered for closure of contract.
5. **Robust monitoring mechanism:** A robust monitoring mechanism must be developed to review the implementation of manual provisions.

Ch 4/7/24  
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Chief Vigilance Officer/CCL

Copy To:

1. Chairman cum Managing Director/CCL – For Kind Information
2. Director (T/OP.)/(T/P&P) - For Kind Information and Further Necessary Action
3. All Area General Managers – for necessary action
4. All Concerned – for necessary action