



## Inside ...

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*from CVO's Desk.....*

In the Corruption Perception Index Survey conducted by Transparency International for the year 2009, in a scale of zero to ten, our country's score is 3.4. We are at the same position as that of last year. However, India inched up one place to 84 in the anti corruption watchdog's annual list. The index provides a snapshot of the views of business people and country analysts. Corruption ruins the economy and has a deleterious effect on its overall performance. Central Vigilance Commission (CVC) is putting its best efforts to bring in probity in public life. Towards this, emphasis is laid on having adequate checks and balances through proper systems and procedures and also on increased awareness about the evil effects of corruption. Every employee of RINL can lend support to the above efforts by becoming whistle blowers in exposing corruption. Under the Government of India's resolution on Public Interest Disclosure and Protection of Informer, the identity of the whistle blower is protected. Unless, we resolve to fight corruption resolutely, our nation will continue to suffer.

It is observed that certain common irregularities continue to plague the system of procurement in a large number of organizations. Any mismanagement in the award and execution of works / contracts not only results in heavy leakages of revenue but also adversely affects the image and profitability of the organization. With a view to containing malpractices and making the process of contract management more transparent and efficient, CTE released a booklet some time back, in the form of a ready reckoner. Considering its relevance, the same is being reproduced for the benefit of all those who deal with tenders and contracts.

In this issue we are also reproducing the text of the speech delivered by Shri Pratyush Sinha, CVC, at the inauguration of the seminar on Implementation of Integrity Pact in CPSUs at Vishakhapatnam on 12<sup>th</sup> Aug 2009.

  
(K. Vidyasagar, IAS)

## HONOURING THE UNSUNG HEROES OF THE FIGHT AGAINST CORRUPTION

**Integrity Award Winners for the year 2008 (Awarded by Transparency International)**



David Leigh

David Leigh's extensive reporting on foreign bribery in business, his exposure of corruption in projects guaranteed by the UK's Export Credit Guarantees Department as well as political corruption in the UK, underline his dedication to a multi-faceted problem. Since 2004, Leigh's landmark investigations into alleged bribery by British Aerospace Systems (BAES) in relation to the UK-Saudi Al Yamamah

arms deal, as well as deals with other countries, has laid bare how developed countries may be complicit in fuelling corruption in developing nations.

His untiring pursuit of the truth has also helped journalists in other countries to report on accusations involving BAES and their own governments.



Roman Shleynov

From embezzlement by a former Russian nuclear energy minister to billions of black market cigarettes en route to Europe, Roman Shleynov focuses almost exclusively on exposing the corrupt bonds between business and politics.

Roman Shleynov's independent reporting and investigative expertise at Novaya Gazeta has brought Shleynov

to the attention of Russia's Federal Security Service (the former KGB) on several occasions.

Since 2000, Novaya Gazeta has seen four of its journalists brutally murdered, including three who worked on corruption stories. The well-respected paper is known for its independent, investigative reporting, and has exposed incidences of high-level corruption in Russia, where the majority of the media is state controlled.



## SHORTCOMINGS OF GENERAL NATURE OBSERVED DURING INTENSIVE EXAMINATION OF WORKS / CONTRACTS

*The Chief Technical Examiner's organisation of Central Vigilance Commission had released a booklet on "SHORTCOMINGS OF GENERAL NATURE OBSERVED DURING INTENSIVE EXAMINATION OF WORKS / CONTRACTS" in April 2004. Considering its relevance, the same is being reproduced for information and guidance of our readers. This is the first part and subsequent issues of Spandana will cover the remaining part of this booklet.*

### PROJECT GENESIS

Formulation of a project proposal generally forms the first step in the process of undertaking a work. Organisations, as has been noticed undertake works, at times without clearly examining the need and viability for this. Modern management techniques like pay back period, discounted cash flow, NPV, IRR, technical and market analysis, etc. are not utilized. With the opening up of the Indian economy to national and global competition, failure to examine the fluid market scenario can result in wasteful and infertuous expenditure which may adversely affect the viability of the project and bleed the balance sheet.

- ❖ A steel PSU processed a case for supply & installation of certain equipments for upgradation of their plant. After having finalized the tenders, the contractor was allowed to supply the equipments. In the meantime the PSU dropped the original proposal to upgrade the plant resulting in the junking of material worth several crores of rupees. Thus before acting on a proposal, the requirements need to be thoroughly examined taking the long term aspects into consideration.
- ❖ In another case, a Port Trust, while replacing the existing wharf cranes of 3 tonne and 6 tonne capacity, decided to go in for 10 tonne capacity cranes. On analysing the cargo handled in the preceding years as also the future projections, it was revealed that the majority of the cargo was within 3 tonne capacity. Thus the procurement of 10 tonne cranes turned out to be a case of gross over-provisioning. Ironically, the cargo handling efficiency of the port was also affected considerably due to the sluggish operation of the larger cranes in comparison with the lighter 3 tonne cranes. Thus the upgradation, conceptualised without an objective and comprehensive study resulted in gross under-utilisation of the capacity of the port.
- ❖ In a recent inspection, it was noticed that a shipyard PSU initially quoted US \$ 24.5 million for the construction of tugs to a foreign client and then scaled down the bid to US \$ 18.5 million on request from the clients. The total cost of tugs to the PSU itself worked out to Rs 114.50 crores. After considering 30 % subsidy likely to be available from the government, the realization at their quoted price worked out to Rs 115.45 crores indicating a measly profit of Rs.0.95 crores. However, on reassessment, the PSU found that the contract would result in a loss of Rs 6.39 crores due to fluctuations in foreign exchange rates. Presently the supply of tugs is being made to the foreign client at a substantial loss even after considering the likely subsidy of 30 % from the government.
- ❖ As per the cost benefit analysis done by one of the banks, a minimum of 200 financial transactions per day per ATM were required to make them economically viable. However, during inspection it was noted that in several branches of the Bank even after expiry of one year of installation of ATMs, there were hardly any transactions.

### ROLE OF CONSULTANT

The Commission through its OM no OFF 1 CTE 1 dated 25<sup>th</sup> Nov, 2002 issued a detailed guideline on appointment of consultants along with certain irregularities noticed during the intensive examinations. However, consultants continue to be appointed either without a genuine need or in an arbitrary and non-transparent manner. Once the consultant is appointed all the responsibilities are abdicated to him. Some times even multiple consultants are appointed without well defined responsibilities. The proposals of the consultants are accepted without question and even considered deemed approved without any scrutiny. The payment terms also remain lax and open ended leading to undue advantage to the consultant.

- ❖ A consultancy PSU, which had provided consultancy for hundreds of projects to other public sector/private organisations, appointed a consultant for the construction of their own office building.
- ❖ In another case, a power sector PSU, in addition to appointing a project consultant and a project management consultant, appointed one 'inspection & expediting' consultant, inspite of having an elaborate engineering set up in their own organisation.
- ❖ A public sector bank appointed a consultant in Aug 2000 on retainership basis at a fee of Rs 45000/- per month for 5 days in a month up to a period of one year without following established procedures of selection. In addition, the expenses on travel, boarding and lodging were to be reimbursed by the bank on actual basis. The contract was repeatedly extended up to February, 2004 at a monthly fee of Rs 27000/pm (for putting in 3 man days a month). The payments to the consultant were not linked to any work progress and no penalty clauses were kept in the agreement for safeguarding against defaults by the consultant.
- ❖ In a case of rehabilitation of a sick fertiliser PSU, the consultancy contract for the revamp project was awarded on a single tender basis to a consortium of a PSU and their foreign associates at Rs.22.5 crores against the approved estimated cost of Rs.10.58 crores
- In a classic case, a PSU consultant submitted detailed estimate and invited tenders for an electrical job in an Oil PSU suiting 11 KV supply, but after award of the work, it was found that only 22 KV supply was available at the site. Major modifications had therefore to be carried out in the contract. Strangely, the consultant was also permitted to quote for the same work for which they had themselves estimated the rates: More bewildering is the fact that the consultant quoted 20% above their own estimated rates (on the basis of which NIT was floated), as against the awarded rates which were 20% below the estimated cost. Such over-dependence on the consultant can lead to wasteful and infertuous expenditure which the organisation regrets in the long run. Meticulous and intelligent examination of the consultant's proposal is therefore essential for successful and viable completion of the project.

(to be continued...)

## SYSTEM IMPROVEMENTS SUGGESTED

### 1. Stipulation of PQC in tenders

In a study undertaken, it was noted that in one of the tenders, submission of copy of PF registration certificate was stipulated as a vital clause. However, according to various judgments pronounced by Hon'ble Courts, stipulation of submission of copy of PF Certificate as a part of the Bid shall not be insisted. Accordingly, the concerned Department was advised to review the said condition. Based on the same, terms and conditions were reviewed and corrigendum was issued amending the said condition by stating that "Attested copies of PF certificate and ESI registration, valid for at least two months before tender opening date, shall be submitted. In case PF and ESI registration certificate are not available, they should submit an undertaking to submit the same after award of the work."

### 2. Stipulation of tender clauses

In one of tenders, the following infirmities were noticed:

- (a) Submission of copy of PF registration certificate was stipulated as a vital clause.
- (b) While the tender envisages splitting the work, a clause was incorporated in the tender reserving the right to split the same.
- (c) Evaluation criteria was not brought out.
- (d) It is observed that higher amount to the approved slabs towards EMD was stipulated against the tender.

When the above observations were forwarded to the concerned Division, terms and conditions were reviewed and the concerned department decided to cancel the tender and issue a fresh tender.

### 3. Internal stock transfer of steel

Procedure pertaining to stock transfer of steel to internal stock yards was studied. The study revealed the following:

- i) Multiple original challans can be printed with the same number
- ii) Loading of vehicles is possible at loading points other than mentioned in the challan
- iii) Loading against the 2<sup>nd</sup> challan of the same vehicle without completing the 1<sup>st</sup> cycle of Tare/Gross weight against 1<sup>st</sup> challan is possible. The study also revealed that the cancelled challans amount to 13.20% of the total challans issued.
- iv) Incorrect documentation of loading and receipt status at loading points and stockyards was noticed.

These observations were communicated to concerned department for taking necessary corrective actions.

### 4. Clubbing of tender notices

Examination of tender notices issued for appointment of dealers revealed that applications in respect of different locations were called with two different dates. However, a single notice was issued. It is noted that after expiry of the tender opening date in respect of one location, the tender notice disappeared from the active tenders and appeared under "expired tenders". To correct the discrepancy noticed, the concerned Department was advised to upload the tender notice immediately. Further, it was also suggested that tender notices may be issued separately instead of clubbing them. The same was considered and action was taken by the concerned Department.

### 5. Placement of orders on nomination

Certain items are procured either on single tender basis or proprietary basis. As per Purchase procedure, single tender is a tender where one technically and commercially acceptable offer is available or where enquiry is restricted to one party out of the available registered vendors. Examination of DOP revealed that officers of E-4 grade and above have the delegation of powers to approve placement of purchase orders on single tender basis. These cases which fall under the category of Nomination cases were not put up to BOD, as per CVC guidelines, since there is no definition of nomination in the Purchase Procedure. Considering the same, the Department was advised to review the DOP, redefine single tender and put up the cases of nomination to BOD. Further, the Department was advised to consider all the Registered Vendors under the category in the subsequent procurement.



# Seminar on Implementation of Integrity Pact



**Inaugural Speech of Shri Pratyush Sinha Central Vigilance Commissioner, delivered during the inauguration of Seminar on implementation of Integrity Pact in CPSUs held on 12<sup>th</sup> August, 2009 at Visakhapatnam**

Shri Pratyush Sinha, CVC, in his inaugural address, congratulated S/Shri P.K. Bishnoi, CMD-RINL and K Vidyasagar, CVO-RINL for organizing the Seminar and opined that this was the right time to review the progress of Integrity Pact. He suggested that IP should not become a ritual but should be used as a tool to eradicate corruption in public life.

Thirty-eight Organizations have so far opted for IP. While many have gone full steam on this, many are in the process of setting up the systems and procedures. There are three vital components for IP to succeed. First is the terms and conditions of the Contract, which have been made more or less uniform, for all Organizations. Second is the choice of Independent External Monitors (IEMs) who should not only have domain knowledge but also in whom others can have trust. They should also inspire confidence among the parties who are the signatories to the IP. Third is the extent of coverage of the IP in terms of number of Contracts. Ideally, it should cover about 90% of the tenders, in value terms, floated by an Organization. He felt that overarching all these three components is the vital concern of trust in the system.

CVC raised a concern that on many Contracts, the Commission has received several complaints, while the IEMs have not received any complaints. There could be various reasons for this. In majority of the cases, the bidders are afraid to come out openly and make a complaint, exception being those coming under the Whistle Blower's Resolution where anonymity is maintained. The second reason is that perhaps the idea of Integrity Pact and the role of IEM has not sunk in. Finally, it is credibility of the IEM which is crucial for the success of the Integrity Pact. The third reason could be that the system of IP has not been put in place properly. Where a proper system is in place, generally, people are encouraged to come to IEMs, in case they have a complaint about a tender. Therefore, there is a need for adequate publicity of the system and proper education

of everyone who is involved in this concept.

IEMs have a very defined role. So, companies should refrain from referring issues to IEMs which are not exactly in their domain like how to define PQ criteria.

On the cases referred to them, IEMs make their recommendations and CEO of the respective organizations have to take a call. It is generally assumed that if the IEMs have been chosen carefully, they would give their advice after much thought and analysis.

While, all the names of IEMs need not be indicated in the tender/contract, references may be made to all the IEMs, so that a uniform and comprehensive view is taken.

Shri Sinha underscored the point that neither the IEM nor the CVO has an adversarial relationship with the management. Vigilance is a Management tool and the entire purpose of Vigilance is to help in making management more transparent and accountable. That is how the Integrity Pact should be seen.

Three things are very important for IP to become an effective management tool.

- i. Whenever a reference is made, scrutiny and recommendations by the IEM must come within the specified time frame.
- ii. IEMs should be unhesitatingly given whatever papers and documents they seek.
- iii. There should not be any attempt to divert or dilute the complaints that are received.

IP intends to create a trust in the system so that the organizations can be efficient and transparent and that is the reason why independent persons are chosen as IEMs.

This has been a novel initiative adopted worldwide. So, obviously, people have found value in this. If things can be improved, it should always be supported. But, if there are certain flaws, certain deficits, then they need to be attended to, so that, later they do not subvert the whole system.

Finally, Shri Sinha exhorted the participants attending the Seminar to promote better understanding and greater appreciation of the IP concept.



*Representatives of different CPSUs making presentations at RINL on implementation of Integrity Pact in their organisations*



Shri K. Vidyasagar, IAS, CVO, RINL making presentation on IP



Shri N.V. Rajasekhar, IFS, CVO, NMDC making presentation on IP



Representative from ONGC making presentation on IP



Representative from IOC making presentation on IP



Representative from HPCL making presentation on IP



Representative from CIL making presentation on IP



Delegates from other organizations participating in the seminar

## CORRUPTION PERCEPTION INDEX (CPI) - 2009

- The Corruption Perception Index (CPI) table shows a country's ranking and score, the number of surveys used to determine the score, and the confidence range of the scoring.
- The rank shows how one country compares to others included in the index. The CPI score indicates the perceived level of public-sector corruption in a country/territory.
- The CPI is based on 13 independent surveys. However, not all surveys include all countries. The surveys used column indicates how many surveys were relied upon to determine the score for that country.
- The confidence range indicates the reliability of the CPI scores and tells us that allowing for a margin of error, we can be 90% confident that the true score for this country lies within this range.

Rank	Country/ Territory	CPI 2009 Score	Surveys Used	Confidence Range	Rank	Country/ Territory	CPI 2009 Score	Surveys Used	Confidence Range
1	New Zealand	9.4	6	9.1 - 9.5	39	Oman	5.5	5	4.4 - 6.5
2	Denmark	9.3	6	9.1 - 9.5	39	Korea (South)	5.5	9	5.3 - 5.7
3	Singapore	9.2	9	9.0 - 9.4	42	Mauritius	5.4	6	5.0 - 5.9
3	Sweden	9.2	6	9.0 - 9.3	43	Costa Rica	5.3	5	4.7 - 5.9
5	Switzerland	9.0	6	8.9 - 9.1	43	Macau	5.3	3	3.3 - 6.9
6	Finland	8.9	6	8.4 - 9.4	45	Malta	5.2	4	4.0 - 6.2
6	Netherlands	8.9	6	8.7 - 9.0	46	Bahrain	5.1	5	4.2 - 5.8
8	Australia	8.7	8	8.3 - 9.0	46	Cape Verde	5.1	3	3.3 - 7.0
8	Canada	8.7	6	8.5 - 9.0	46	Hungary	5.1	8	4.6 - 5.7
8	Iceland	8.7	4	7.5 - 9.4	49	Bhutan	5.0	4	4.3 - 5.6
11	Norway	8.6	6	8.2 - 9.1	49	Jordan	5.0	7	3.9 - 6.1
12	Hong Kong	8.2	8	7.9 - 8.5	49	Poland	5.0	8	4.5 - 5.5
12	Luxembourg	8.2	6	7.6 - 8.8	52	Czech Republic	4.9	8	4.3 - 5.6
14	Germany	8.0	6	7.7 - 8.3	52	Lithuania	4.9	8	4.4 - 5.4
14	Ireland	8.0	6	7.8 - 8.4	54	Seychelles	4.8	3	3.0 - 6.7
16	Austria	7.9	6	7.4 - 8.3	55	South Africa	4.7	8	4.3 - 4.9
17	Japan	7.7	8	7.4 - 8.0	56	Latvia	4.5	6	4.1 - 4.9
17	United Kingdom	7.7	6	7.3 - 8.2	56	Malaysia	4.5	9	4.0 - 5.1
19	United States	7.5	8	6.9 - 8.0	56	Namibia	4.5	6	3.9 - 5.1
20	Barbados	7.4	4	6.6 - 8.2	56	Samoa	4.5	3	3.3 - 5.3
21	Belgium	7.1	6	6.9 - 7.3	56	Slovakia	4.5	8	4.1 - 4.9
22	Qatar	7.0	6	5.8 - 8.1	61	Cuba	4.4	3	3.5 - 5.1
22	Saint Lucia	7.0	3	6.7 - 7.5	61	Turkey	4.4	7	3.9 - 4.9
24	France	6.9	6	6.5 - 7.3	63	Italy	4.3	6	3.8 - 4.9
25	Chile	6.7	7	6.5 - 6.9	63	Saudi Arabia	4.3	5	3.1 - 5.3
25	Uruguay	6.7	5	6.4 - 7.1	65	Tunisia	4.2	6	3.0 - 5.5
27	Cyprus	6.6	4	6.1 - 7.1	66	Croatia	4.1	8	3.7 - 4.5
27	Estonia	6.6	8	6.1 - 6.9	66	Georgia	4.1	7	3.4 - 4.7
27	Slovenia	6.6	8	6.3 - 6.9	66	Kuwait	4.1	5	3.2 - 5.1
30	United Arab Emirates	6.5	5	5.5 - 7.5	69	Ghana	3.9	7	3.2 - 4.6
31	Saint Vincent and the Grenadines	6.4	3	4.9 - 7.5	69	Montenegro	3.9	5	3.5 - 4.4
32	Israel	6.1	6	5.4 - 6.7	71	Bulgaria	3.8	8	3.2 - 4.5
32	Spain	6.1	6	5.5 - 6.6	71	FYR Macedonia	3.8	6	3.4 - 4.2
34	Dominica	5.9	3	4.9 - 6.7	71	Greece	3.8	6	3.2 - 4.3
35	Portugal	5.8	6	5.5 - 6.2	71	Romania	3.8	8	3.2 - 4.3
35	Puerto Rico	5.8	4	5.2 - 6.3	75	Brazil	3.7	7	3.3 - 4.3
37	Botswana	5.6	6	5.1 - 6.3	75	Colombia	3.7	7	3.1 - 4.3
37	Taiwan	5.6	9	5.4 - 5.9	75	Peru	3.7	7	3.4 - 4.1
39	Brunei Darussalam	5.5	4	4.7 - 6.4	75	Suriname	3.7	3	3.0 - 4.7
					79	Burkina Faso	3.6	7	2.8 - 4.4




Rank	Country/ Territory	CPI 2009 Score	Surveys Used	Confidence Range
79	China	3.6	9	3.0-4.2
79	Swaziland	3.6	3	3.0-4.7
79	Trinidad and Tobago	3.6	4	3.0-4.3
83	Serbia	3.5	6	3.3-3.9
84	El Salvador	3.4	5	3.0-3.8
84	Guatemala	3.4	5	3.0-3.9
84	India	3.4	10	3.2-3.6
84	Panama	3.4	5	3.1-3.7
84	Thailand	3.4	9	3.0-3.8
89	Lesotho	3.3	6	2.8-3.8
89	Malawi	3.3	7	2.7-3.9
89	Mexico	3.3	7	3.2-3.5
89	Moldova	3.3	6	2.7-4.0
89	Morocco	3.3	6	2.8-3.9
89	Rwanda	3.3	4	2.9-3.7
95	Albania	3.2	6	3.0-3.3
95	Vanuatu	3.2	3	2.3-4.7
97	Liberia	3.1	3	1.9-3.8
97	Sri Lanka	3.1	7	2.8-3.4
99	Bosnia and Herzegovina	3.0	7	2.6-3.4
99	Dominican Republic	3.0	5	2.9-3.2
99	Jamaica	3.0	5	2.8-3.3
99	Madagascar	3.0	7	2.8-3.2
99	Senegal	3.0	7	2.5-3.6
99	Tonga	3.0	3	2.6-3.3
99	Zambia	3.0	7	2.8-3.2
106	Argentina	2.9	7	2.6-3.1
106	Benin	2.9	6	2.3-3.4
106	Gabon	2.9	3	2.6-3.1
106	Gambia	2.9	5	1.6-4.0
106	Niger	2.9	5	2.7-3.0
111	Algeria	2.8	6	2.5-3.1
111	Djibouti	2.8	4	2.3-3.2
111	Egypt	2.8	6	2.6-3.1
111	Indonesia	2.8	9	2.4-3.2
111	Kiribati	2.8	3	2.3-3.3
111	Mali	2.8	6	2.4-3.2
111	Sao Tome and Principe	2.8	3	2.4-3.3
111	Solomon Islands	2.8	3	2.3-3.3
111	Togo	2.8	5	1.9-3.9
120	Armenia	2.7	7	2.6-2.8
120	Bolivia	2.7	6	2.4-3.1
120	Ethiopia	2.7	7	2.4-2.9
120	Kazakhstan	2.7	7	2.1-3.3
120	Mongolia	2.7	7	2.4-3.0
120	Vietnam	2.7	9	2.4-3.1
126	Eritrea	2.6	4	1.6-3.8
126	Guyana	2.6	4	2.5-2.7
126	Syria	2.6	5	2.2-2.9

Rank	Country/ Territory	CPI 2009 Score	Surveys Used	Confidence Range
126	Tanzania	2.6	7	2.4-2.9
130	Honduras	2.5	6	2.2-2.8
130	Lebanon	2.5	3	1.9-3.1
130	Libya	2.5	6	2.2-2.8
130	Maldives	2.5	4	1.8-3.2
130	Mauritania	2.5	7	2.0-3.3
130	Mozambique	2.5	7	2.3-2.8
130	Nicaragua	2.5	6	2.3-2.7
130	Nigeria	2.5	7	2.2-2.7
130	Uganda	2.5	7	2.1-2.8
139	Bangladesh	2.4	7	2.0-2.8
139	Belarus	2.4	4	2.0-2.8
139	Pakistan	2.4	7	2.1-2.7
139	Philippines	2.4	9	2.1-2.7
143	Azerbaijan	2.3	7	2.0-2.6
143	Comoros	2.3	3	1.6-3.3
143	Nepal	2.3	6	2.0-2.6
146	Cameroon	2.2	7	1.9-2.6
146	Ecuador	2.2	5	2.0-2.5
146	Kenya	2.2	7	1.9-2.5
146	Russia	2.2	8	1.9-2.4
146	Sierra Leone	2.2	5	1.9-2.4
146	Timor-Leste	2.2	5	1.8-2.6
146	Ukraine	2.2	8	2.0-2.6
146	Zimbabwe	2.2	7	1.7-2.8
154	Côte d'Ivoire	2.1	7	1.8-2.4
154	Papua New Guinea	2.1	5	1.7-2.5
154	Paraguay	2.1	5	1.7-2.5
154	Yemen	2.1	4	1.6-2.5
158	Cambodia	2.0	8	1.8-2.2
158	Central African Republic	2.0	4	1.9-2.2
158	Laos	2.0	4	1.6-2.6
158	Tajikistan	2.0	8	1.6-2.5
162	Angola	1.9	5	1.8-1.9
162	Congo Brazzaville	1.9	5	1.6-2.1
162	Democratic Republic of Congo	1.9	5	1.7-2.1
162	Guinea-Bissau	1.9	3	1.8-2.0
162	Kyrgyzstan	1.9	7	1.8-2.1
162	Venezuela	1.9	7	1.8-2.0
168	Burundi	1.8	6	1.6-2.0
168	Equatorial Guinea	1.8	3	1.6-1.9
168	Guinea	1.8	5	1.7-1.8
168	Haiti	1.8	3	1.4-2.3
168	Iran	1.8	3	1.7-1.9
168	Turkmenistan	1.8	4	1.7-1.9
174	Uzbekistan	1.7	6	1.5-1.8
175	Chad	1.6	6	1.5-1.7
176	Iraq	1.5	3	1.2-1.8
176	Sudan	1.5	5	1.4-1.7
178	Myanmar	1.4	3	0.9-1.8
179	Afghanistan	1.3	4	1.0-1.5
180	Somalia	1.1	3	0.9-1.4

\*This index was downloaded from Transparency International's website - [www.transparency.org](http://www.transparency.org)

S.No.	Subject	CVC Circular No. & Date
1.	<p><b>Commission's circular No. 4/3/07 dated 3.3.07 on the issue of "Tendering Process -Negotiations with LI".</b></p> <p>In the said circular it has, among other things, been stated "As post tender negotiations could often be a source of corruption, it is directed that there should be no post tender negotiations with L I except in certain exceptional situations". It has come to Commission's notice that this has been interpreted to mean that there is a ban on post tender negotiations with L-1 only and there could be post tender negotiations with other than L1 i.e. L2, L3 etc. This is not correct.</p> <p>It is clarified to all concerned that - there should normally be no post tender negotiations. If at all negotiations are warranted under exceptional circumstances, then it can be with LI (Lowest tenderer) only if the tender pertains to the award of work/supply orders etc. where the Government or the Government Company has to make payment. However, if the tender is for sale of material by the Government or the Govt. Company, the post tender negotiations are not to be held except with H I (i.e. Highest tenderer) if required.</p> <p>2. All other instructions as contained in the circular of 3.3.2007 remain unchanged.</p> <p>3. These instructions issue with the approval of the Commission and may please be noted for immediate compliance.</p>	<p><b>No. 01/01/10</b>  <b>Dated :</b>  <b>20<sup>th</sup> Jan 2010</b></p>
2.	<p><b>Definition of term stiff/severe penalty- reg.</b></p> <p><b>Reference: (i) Commission's circular No. 99/DSP/1 dated 05.02.1999</b>  <b>(ii) Commission's circular No. 99/DSP/1 dated 20.06.2003</b></p> <p>The Commission has reviewed its earlier instructions referred above on the term stiff/severe minor/major penalty and has decided to withdraw the same. Accordingly, circulars dated 05.02.1999 and 20.06.2003 are hereby Withdrawn / cancelled with immediate effect.</p>	<p><b>No. 99 / DSP / 1</b>  <b>Dated :</b>  <b>3<sup>rd</sup> March 2010</b></p>

 Note: For complete circular, please visit CVC website - [www.cvc.nic.in](http://www.cvc.nic.in)

### Vigilance Checks carried out during January - March 2010

Sl.No	Description	Total
1	Surveillance checks	42
2	Road re-weighments	11
3	Rake re-weighments	02
4	Quality checks	10
5	Stores checking	02
	<b>TOTAL:</b>	<b>67</b>

### NEWS & EVENTS

- 1) CVC held the Annual zonal review meeting on 26<sup>th</sup> March 2010 at Hyderabad, wherein CVO-RINL participated. Vigilance activities of RINL were reviewed by CVC in the meeting.
- 2) User friendly Kiosk with touch screen and keyboard facility has been installed at reception centre of Main Administration Building for lodging complaints by employees and general public.

**Editorial Board: P.S.N. Murty, AGM (Vigilance), A.D.Chincholkar, Manager (Vigilance)**

**Note:** Spandana can be viewed at <http://www1.vpsite.org/vigilance/spandana/tabid/70/default.aspx>

Feedback for improvement is welcome and may be sent to [spandana@vizagsteel.com](mailto:spandana@vizagsteel.com)

Views and Opinions published in this Newsletter do not necessarily reflect the Management's thinking and Policy.