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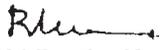
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Free India emerged out of various struggles against exploitation and oppression restoring order amidst chaos. The values that have been enshrined by our forefathers are not merely verbal expressions. They were always towards bestowing true Education because Education brings out the wealth of Morality and Character. The application of thoughts in business enterprises ensure that the public funds and resources are utilized optimally, economically. In this direction, VSP wants education of its employees by which character is formed, the mind is strengthened, Intellectuality is expanded to take forward "Vizag Steel" along with its business processes to stand out as "The Pride of Steel". Towards this goal, Vigilance Department is presenting "Spandana" as a useful instrument of spreading knowledge and awareness.

The recent National Vigilance Excellence Award, 2014 conferred for VSPs Vigilance initiatives consecutively for the third time, stands testimony for good governance promoting transparency, awareness responsibility, accountability and leveraging technology. I take this opportunity to laud the efforts of the Vigilance team and wish them to take forward this Journey of Excellence in the days to come.

With best wishes,


(B Siddhartha Kumar)

PRESENTATION ON ASPECTS OF VIGILANCE IN RINL AT VSC WORKSHOP, HYDERABAD



Sri B Siddhartha Kumar, IFS, CVO, RINL made a focused presentation on aspects of Vigilance in RINL for spreading the vigilance awareness among stake holders in the workshop held on 07/07/2014 at Vigilance Study Circle (VSC), Hyderabad.

Toll free number for lodging complaints with Vigilance Department

1800 425 8878

(available from 09.00 -17.30 on all working days)



राष्ट्रीय इस्पात निगम लिमिटेड
Rashtriya Ispat Nigam Limited



A focused presentation on the topic of “Strategies to spread Vigilance Awareness among public” was made by Sri B Siddhartha Kumar, IFS, CVO, RINL in the workshop held on 07/07/2014 at Vigilance Study Circle (VSC), Hyderabad. It is reproduced here for benefit of our readers.

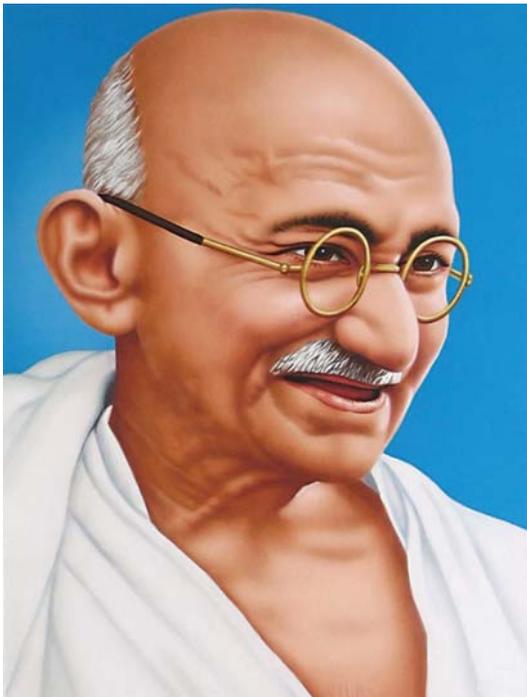
The Workshop is apt in content and all will agree that today’s stakeholder was a member of the general public of yesteryears and would not be a silent spectator any more.

Coming to the present day generation, vigilance leaders can spot opportunities and threats and facilitate the team of management to act on early warning signals of troubles or opportunities because the Business for today’s Business is to be in Business, which means that the vigilance official has to be aware like a watchtower, alert and always have an eye for identifying vulnerable spots in the systems and unanticipated threats. With the above foreground, a model on the topic will be presented here.

MODEL:

Before we attempt to understand the model, we may emphatically say that the level playing field i.e., the quality of a leader and that too a vigilance leader is as follows:

- to strive for operational efficiency
- to focus externally
- to apply strategic foresight
- to facilitate to create an environment of creativity

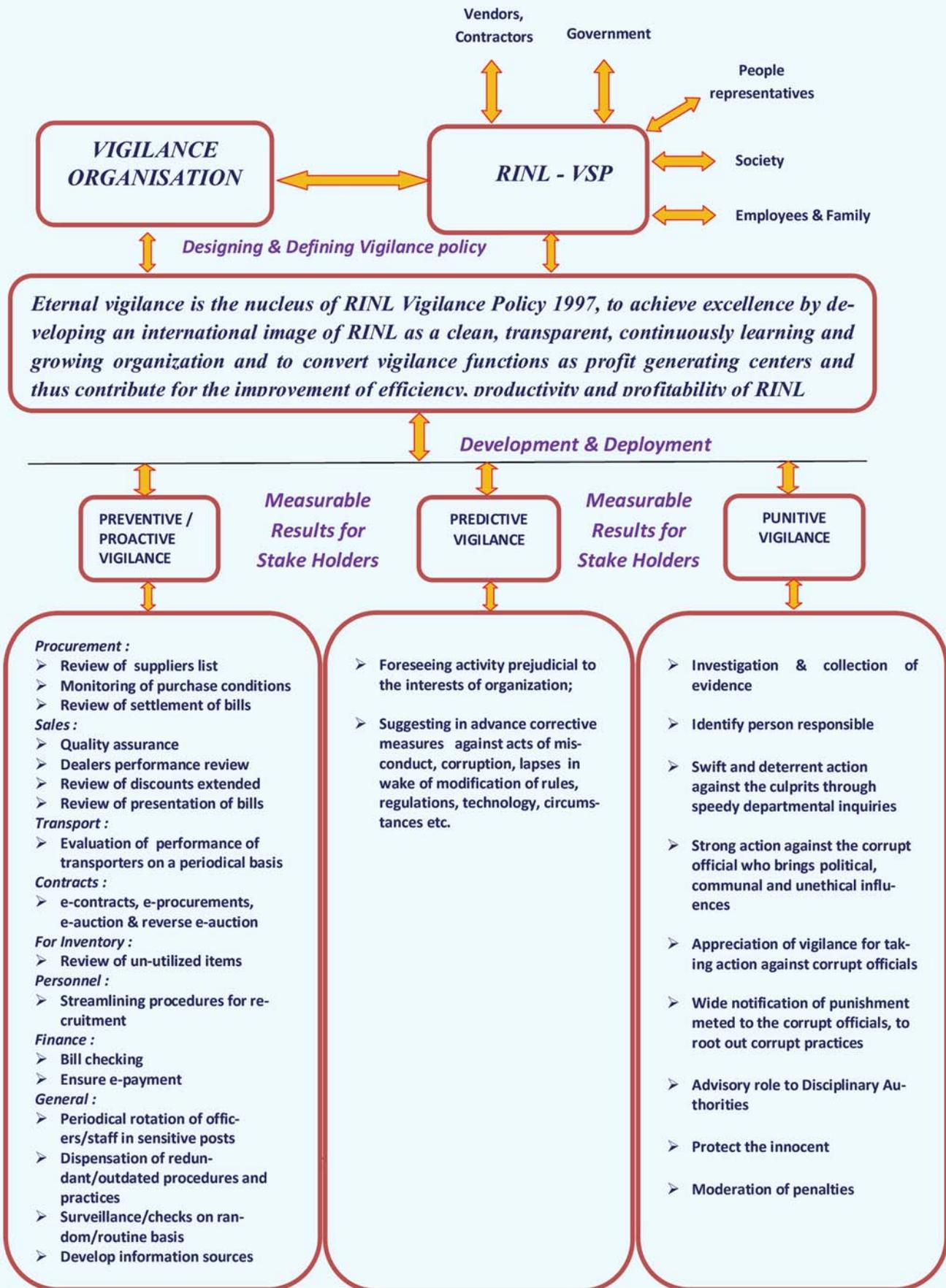


“Many people, especially, ignorant people, want to punish you for speaking the truth, for being correct, for being you.

Never apologize for being correct, or for being years ahead of your time”

~ Mahatma Gandhi

Vigilance Model in RINL - VSP



The various initiatives undertaken at VSP Vigilance:

- ❖ Vigilance Policy has been designed well. “Eternal vigilance is the nucleus of RINL Vigilance Policy 1997, to achieve excellence by developing an international image of RINL as a clean, transparent, continuously learning and growing organization and to convert vigilance functions as profit generating centers and thus contribute for the improvement of efficiency, productivity and profitability of RINL”.
- ❖ The aspects of Vigilance mainly include - Preventive / Proactive, Predictive and Punitive.
 - ▶ Development & Deployment Stage of strategies are required to be proved as deliverables and each aspect mentioned in the model have been put in place. For instance, preventive vigilance includes Checks and Scrutiny, Surprise checks on Random / select basis.
 - ▶ Coming to Predictive Vigilance, our investigations are of various types and sometimes bordering on the CBI / CVC patterns wherein the evidence is adduced by examining the individuals, the situation pertinent records of the case in question.
 - ▶ The Punitive aspect of vigilance has been kept in place implemented by Personnel Department both in letter and spirit. The Regular Departmental Action, the Proceedings and hard options of Inquiry culminating in award of punishment are pursued vigorously and appropriate Delegation of Powers for timely completion of proceedings also been deployed by the organization. A stabilized approach, applying Principles of Natural Justice, are quite evident in the organization. Collaborative efforts are undertaken with external agencies and the Governmental agencies like CVC, CBI and MoS.
- ❖ Present techniques deployed for spreading awareness among different stakeholders:
 - ▶ Awareness through Journals / Magazines and special sessions:
 - i) The concept of vigilance can percolate and include issuance of Guidelines, Circulars, Notifications and Memoranda etc.
 - ii) Our In-House quarterly magazine SPANDANA has also been giving ample opportunities and is a virtual window to the outside world in capturing the right and best practices as the philosophy of VSP is “to Do good Be good”. The Magazine is also circulated among Govt. Officials and fellow Organizations for spreading the awareness.
 - iii) For the benefit of the employees, the Awareness Campaigns, by way of Workshops, Speeches by Eminent Personalities are conducted.
 - iv) Coming to Awareness / Sensitization programmes, VSP has gone to the extent of empowering the youth and young minds in schools / high schools to practice ethics in day to day life.
 - ▶ Case study presentations are a sure way of learning from past practices. So as to spread awareness, these are presented in different meetings.
 - ▶ Facilitating the employees to raise their concerns:
 - i) The Whistle Blower Policy named in VSP as ‘Vigil Mechanism Policy’ has been recently ushered in duly approved by Board of Directors of RINL.
 - ii) While protecting the interest of the Complainant from reprisals or victimization, an opportunity is provided to raise concerns so as to maintain standards of ethical, moral and legal business conduct and transparency. This will act as an effective deterrent against corruption.
 - ▶ Enterprise Risk Management and examination of risks to eliminate scope for corruption:
 - i) The latest deployment of ERM alongside the QMS, ISO have enhanced the status of our organization to rightly call itself “Vizag Steel-Pride of Steel”.

- ii) In compliance to the guidelines on Corporate Governance issued by DPE, Enterprise Risk Management (ERM) initiative has been taken up in the Organization.
- iii) Risk profiling of the high impact identified risks containing vital information about the Risk Contributing Factors, Risk Ranking, Risk Treatment Plan, Responsibilities and Targets are deployed. VSP also has taken the help of Institutions like Confederation of Indian Industry (CII) to explore risks pertaining to Project Execution, Internal Logistics, Procurement and sales. About 187 risks were identified with mitigation plans and a number of them have also been addressed and mitigated.
- iv) The identified Risks are also examined to mitigate the scope for corruption.
- ▶ Making Integrity Pact as a mandatory requirement for the tenders beyond a threshold value:
 - i) IP is a tool to check corruption in public contracting and procurement. 39 public sector companies have already adopted it and are using it in their procurement process. The IP was introduced in India by Transparency International with the support of the CVC. VSP is the 2nd Organization to adopt/implement IP.
 - ii) At present, IP is included in all the tenders of VSP with a minimum threshold value of Rs. 1 Crore.
- ▶ Spreading awareness among the business partners:
 - i) Complaint Drop Boxes were provided at sensitive locations across the Organization. The aggrieved parties can lodge the complaints at their convenience and these boxes are attended to by Vigilance at periodic intervals.
 - ii) Toll Free Number mechanism has been provided enabling all the aggrieved parties for lodging the Complaints.
 - iii) Online Complaint Handling System was provided on Company's website facilitating the complainant to lodge the Complaint from any part of the world. The status of the Complaint is updated for the benefit of the Complainant.
- ▶ Culture and values can be enriched by education. Ethics education --- Right to Information Act, Social Audit and Citizens' Charters are the other important endeavors in this direction.
- ❖ Future strategies to increase vigilance awareness:
 - ▶ The IP mechanism needs to be strengthened further. The job of effective monitoring and implementation of IP can be assigned to a 3rd party like NGOs, Audit Companies etc., The recommendations of IEMs and the final outcome/decision against the same can be displayed on the Organization's website.
 - ▶ Role of the Media:
 - i) The media has a critical role to play in the national Anti-Corruption strategy. Under conducive circumstances it can seek out information, build public awareness, change social attitudes and provide 'voice' to citizens in demanding an accountable and transparent government.
 - ii) The media has the power to investigate, expose and track cases of corruption and act as a deterrent and a monitoring and combating tool. Thus the "fourth estate" can be an important limb of the Governance structure and Anti-Corruption measures.

Conclusion:

All the above form part of the various strategies which institutionalize Vigilance in VSP. The tone for eternal vigilance is always set by the management and if we are alert, corruption can be prevented at 'all'/'any' level(s) so as to have a deterrent effect. Mid course Corrections, Corrective Action, Removing Corruption in the system and Removing Weaknesses in the system will tone up a vigilant organization. The quintessence of today's thought

process in the workshop is to value vigilance as Education and all will agree that the purpose of education is to build a character for the individual and thereby character to the nation.

Vigilance provides the right weaponry and can be used like armor to ward away troubles, illnesses that can occur in any organization and the existence of a vibrant vigilance organization will go a long way in establishing a corruption-free, clean environment / society with proper awareness among the public.

COMMON IRREGULARITIES / LAPSES OBSERVED IN AWARD AND EXECUTION OF ELECTRICAL, MECHANICAL AND OTHER ALLIED CONTRACTS AND GUIDELINES FOR IMPROVEMENTS THEREOF

*Chief Technical Examiner's organisation of Central Vigilance Commission (CTE of CVC) had earlier released a booklet on "Common irregularities/lapses observed in award and execution of Electrical, Mechanical and other allied contracts and guidelines for improvement thereof". It is being reproduced for information and guidance of our readers. This is the **Third part** of the same and the subsequent issues of Spandana will carry the remaining parts of the booklet.*

- In order to give an equal opportunity to all the bidders and to maintain the sanctity of tendering system, it is of paramount importance that any change in the tender terms and conditions, specifications and tender opening date, etc. be notified to all the bidders sufficiently in advance of the revised tender opening date. In case of the advertised tenders, such notifications should invariably be through the publication of corrigenda in the media and also through individual information of those firms who had purchased the tender documents within the original tender sale date. However, in case the extension is regarding submission of first bid like pre-qualification documents in case of single bid system and techno-commercial bid in case of two-bid system, the tender sale date should also be extended suitably so as to allow new participants in the bid, in order to increase the competition.

8. Opening of Tenders

8.1 In some organisations, the tenders are not opened in the

presence of the bidders' representatives on the plea of maintaining absolute secrecy. Such a practice of not opening tenders in public and of not disclosing the rates quoted by all bidders to other firms is against the sanctity of the tendering system, and is a non-transparent method of handling tenders. The possibility of tampering and interpolation of offers, after opening of tenders, in such cases cannot be ruled out. Some organisations do not even maintain tender opening registers. The rates at times are not quoted both in figures and words, cuttings/overwritings are not attested by bidders.

- The opening of tenders in presence of the bidders' representatives needs to be scrupulously followed. While opening the tenders it needs to be ensured that each page of tender, particularly the price and important terms and conditions should be encircled and initialled with the date. Any cutting/overwriting should be encircled and initialled in red ink by the tender opening officer/committee.

The tender opening officer / committee should also prepare an 'on the spot statement' giving details of the quotations received and other particulars like the prices, taxes/duties, EMD, any rebates etc. as read out during the opening of tenders. A proper tender opening register in a printed format should be maintained containing information viz. date of opening including extensions, if any, names and signatures of all the persons present to witness the tender opening which should include the bidders representatives also.

8.2 In cases involving the two bid system, it has been noticed that after opening of the technical bids, the price bids, which are to be opened subsequently, are kept as loose envelopes. In such cases, the possibility of tampering of bids prior to tender opening cannot be ruled out.

- In order to make the system fool-proof, it needs to be ensured that the tender opening officer/committee should sign on the envelopes containing the price bids

and the due date of opening of price bids should be clearly mentioned on the envelopes and should again be placed in the tender box.

9. Techno-Commercial evaluation of tenders

9.1 Open / Advertised tenders:

9.1.1 There have been some cases in which the tenders were issued to the technically pre-qualified firms and, after receiving their offers on single bid basis, the offer of lowest bidder was rejected on technical grounds. In a case of supply and installation of Local Area Networking (LAN) system by a PSU bank in Delhi, the offers were asked in a single bid

and the firms were required to enter their rates against the formatted BOQ (Bill of Quantities) sheet. Six offers were received. Five firms had quoted their rates against each item of BOQ. But one firm, in addition to furnishing rates against the pre-existing BOQ items, also added some more items and quoted against them, with the plea to equip the system with state-of-the-art technology. The bank officials, while evaluating the offers, not only considered the bid of the sixth firm which was the highest bidder but also awarded the work to them on the grounds that the offer given by the firm is technically superior to their own

specifications.

- The single bid system is normally resorted to when the specifications are adequately defined and also the items being procured are standard equipments, designed and manufactured as per general industry standards. However, even for such items, there may be certain deviations in tender specifications vis-a-vis bidders' offers. In order to compensate for such deviations, a loading criteria, to be adopted, for evaluation purpose should invariably be indicated in the bid documents.

--- to be continued

CVC CIRCULARS

Circulars were issued by CVC during the quarter ending 30.06.2014:

S.No	Subject	Circular No. & Date
1.	Short-Comings in bid documents	98/ORD/1 (Viii) & 29 th April 2014
2.	Need for self-contained speaking and reasoned order to be issued by the authorities exercising disciplinary power	003/DSP/3 & 19 th May 2014

For complete text of the Circulars, please visit www.cvc.nic.in

SYSTEM / CASE STUDIES

1. Study on allotment of Gurajada Kalakshetram

In respect of allotment of Gurajada Kalakshetram to employees/ outsiders, it was suggested to immediately stop allotment of the venue to non-dependent (outsiders) against cancellation of bookings by employees, except with specific approval of Director (Personnel).

2. Examination of tenders issued for appointment of Consignment Agents

Examination by Vigilance revealed that in respect of certain tenders issued for appointment of Consignment Agents, incomplete/dummy offers are being submitted by the tenderers to make it appear on the tender opening date as if there exists competition. In view of the same, the Department was advised to devise possible checks and balances to avoid submission of incomplete and dummy offers and prevent formation of cartel.

3. Examination of Contract executed by the TA department

During examination of one of the maintenance contracts, it was found that the certain amounts were deducted arbitrarily from the RA bills of the contractor, beyond the provisions of the said contract. Hence, vigilance recommended suitable action against the engineer.

NEWS AND EVENTS

NATIONAL VIGILANCE EXCELLENCE AWARD



11th Anniversary Celebrations of Vigilance Study Circle (VSC), Hyderabad were held on 07.07.2014 at Hyderabad. Chief Guest of the function was Sri Pradeep Kumar, Central Vigilance Commissioner, CVC.

As part of this, VSC presented 'National Vigilance Excellence Award - 2014' to eight (08) Vigilance Officers, working in organisations across the country. These awards were presented to vigilance professionals, selected by a panel of eminent persons in the field of vigilance, based on case studies submitted to VSC by vigilance functionaries of member PSUs, Banks, Ministries and Departments.

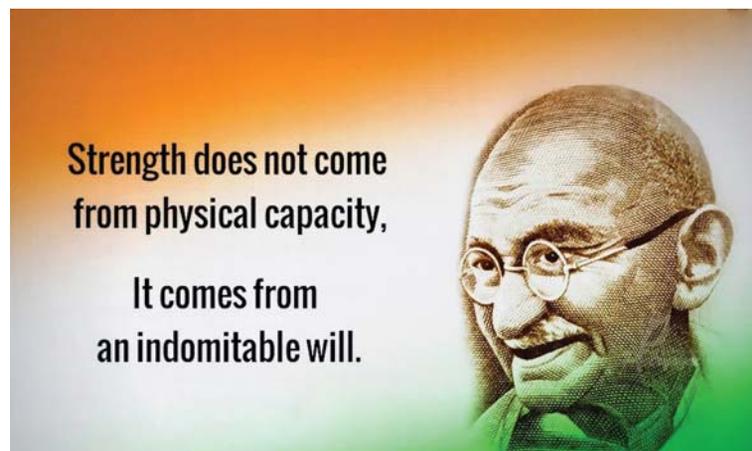
It is a matter of pride to RINL, Vigilance Department that Sri A Ashok, DGM (Vigilance) and Sri P Pallamraju,

Sr. Mgr (Vigilance), Vigilance Department, Visakhapatnam Steel Plant received the coveted award this year. The awards were given away by the Chief Guest of the function Sri Pradeep Kumar, Central Vigilance Commissioner, CVC in the presence of Shri B. Siddhartha Kumar, IFS, Chief Vigilance Officer, RINL.

Spandana extends hearty congratulations to Sri A Ashok, DGM (Vigilance) and Sri P Pallamraju, Sr. Mgr (Vigilance) on this commendable achievement.

CHECKS CARRIED OUT BY VIGILANCE DEPARTMENT DURING APRIL - JUNE 2014

Activity	Numbers
1. Surveillance / checks	44
2. Road/Rail Re-Weighments	11
3. Quality checks	15
Total	70



Editorial Board: **Raju Isaac, DGM(Vig) ; A Ashok, DGM(Vig); AGK Murthy, AGM (Vig) and GY Rama Mohana Rao, Sr. Mgr (Vig.)**

Please visit <http://comatvsp.vpsite.org/vigilance/Spandana/tabid/70/Default.aspx> to read Spandana online.

Feedback for improvement is welcome and may be sent to spandana@vizagsteel.com