

इस्टनेकोलफील्ड्सलिमिटेड
मुखा सतकेता अधिकारीका कार्यालय
बराचक हाउस, पोस्ट: सीतारामपुर,
जिला: बर्धमान, पिन-713359 (प.ब.)

सी.आर.एन - U10101WB1975G01030295
वेबसाइट - www.easterncoal.gov.in



Eastern Coalfields Limited
Office of the Chief Vigilance Officer
Barachak House, P.O. Sitarampur,
Dist: Burdwan, PIN - 713359 (W.B.)

CIN - U10101WB1975G01030295
Website - www.easterncoal.gov.in

Telefax: 0341 - 2250360

E-mail: cvoecl@gmail.com

Ref. No. ECL/CVO/ Syst. Imp /

Dated: - 07.02.2017

To
The Director Technical (OP)
E.C.L.

Sub:-System Improvement Proposal

Dear Sir,

During Vigilance Investigations of different outsourcing contracts, few irregularities were observed in management of the contracts both at pre tendering stage and execution stage. The report was put up before CMD, ECL and CMD, ECL ordered as " A System Improvement Measure / guideline to be issued for compliance at all areas / projects to avoid deviation from the norms. NIT should also be revised.

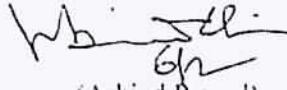
Accordingly, System Improvement Proposal was prepared, which was put up before CMD, ECL, wherein it has been ordered, " D.T. (OP) to take up necessary steps for system improvement." The system improvement proposal is attached herewith for further action.

The action taken in this regard may please be apprised to vigilance department for record.

Thanking you.

Encls:- As above.

Yours faithfully


(Arbind Prasad)
Chief Vigilance Officer

SYSTEM IMPROVEMENT PROPOSAL FOR MANAGEMENT OF DIFFERENT OUTSOURCING CONTRACTS LIKE EXTRACTION, CRUSHING AND TRANSPORTATION OF COAL ETC.

During vigilance investigations of different outsourcing contracts following irregularities were observed both in pre award tendering stage as well as post award execution of contract.

- 1) HEMM are being deployed in less no. and of lesser capacity compared to the no. and capacity specified in the NIT /Agreement and no penal deductions are being effected for less deployment of HEMM as the contractors are achieving target deploying less no. of HEMM and of less capacity also , as there is no specific provision in the NIT for such less deployment of HEMM both in in no. and capacity.
- 2) Labor payment certificates are being certified by the concerned authorities but the no. of labor paid do not match the actual requirement of labors to operate the deployed HEMM / equipments and much less no. of labor are being paid compared to actual requirement.
- 3) The contractors have achieved the target by deployment of about 50% of the HEMM specified in the agreement. In some cases the Contractor has achieved more than 250% of target deploying HEMM as per fleet deployment schedule specified in the agreement. So "the requirement of HEMM and other equipments to be deployed" assessed by concerned department have been established to be unrealistic even after considering 10% relaxation from CMPDI norms.
- 4) Time extensions are being granted without considering the hindrances on the part of contractor and acts of omission/commission beyond the control on the part of both ECL & the Contractor.

So, to check the above irregularities following system improvement measures may be adopted:-

- 1) There should be penal provision in the NIT, for deployment of HEMM of lesser capacity and lesser number compared to the fleet size specified in the NIT.
- 2) In the NIT, there should be provision for declaration of no. of labor matching with the operation and maintenance of the HEMM along with the Fleet size /HEMM. Also, there should be penal provision for lesser deployment of labor.
- 3) To assess the requirement of fleet actual deployment of equipments/HEMM by contractors like ICL at S.B.Area to achieve the target may be considered because the rates awarded to the contractors are justified by the capital investment required to own / hire the fleet/ equipments and to operate and maintain the fleet / equipment.
- 4) The hindrances due to the acts of omission/commission on the part of Contractor are to be defined explicitly in the NIT and the hindrance hours so defined will have to be considered only for the purpose of extension of date of completion/ exclusion from the events of contractor's failure, subject to 100% deployment of HEMM/ equipment as per agreement.
- 5) The extension of date of completion may be agreed in following conditions:-
 - i) There is no deviation in deployment of HEMM/equipment in capacity and in numbers.
 - ii) The manpower deployed is according to the actual requirement of manpower to operate the HEMM/equipment in capacity and in numbers as per agreement/NIT. and
 - iii) Hindrances due to acts of omission/commission beyond the control on the part of both ECL & the Contractor .
 - iv) Hindrances due to acts of omission/commission on the part of ECL .

[Handwritten Signature]
03/2/17

✓
(118)

SYSTEM IMPROVEMENT PROPOSAL FOR MANAGEMENT OF DIFFERENT OUTSOURCING CONTRACTS LIKE EXTRACTION, CRUSHING AND TRANSPORTATION OF COAL ETC.

During vigilance investigations following irregularities were observed both in pre award tendering stage as well as post award execution of contract.

- 1) During vigilance investigations it has been observed that, HEMM are being deployed in less no. and of lesser capacity compared to the no. and capacity specified in the NIT /Agreement and no penal deductions are being effected for less deployment of HEMM as the contractors are achieving target deploying less no. of HEMM and of less capacity also . as there is no specific provision in the NIT for such less deployment of HEMM both in in no. and capacity.

So, there should be penal provision in the NIT, for deployment of HEMM of lesser capacity and lesser number.

- 2) During vigilance investigation of different outsourcing contract it has been observed that, labour payment certificates are being certified by the concerned authorities but the no. of labours paid do not match the actual requirement of labours to operate the deployed HEMM / equipments and much less no. of labour are being paid compared to actual requirement.

So, in the NIT, there should be provision for declaration of no. of labour matching with the operation and maintenance of the HEMM along with the Fleet size /HEMM. Also, there should be penal provision for lesser deployment of labour.

- 3) During vigilance investigation of different outsourcing contract it has been observed that, the contractors have achieved the target by deployment of about 50% of the HEMM specified in the agreement. In some cases the Contractor has achieved more than 250% of target deploying HEMM as per fleet deployment schedule specified in the agreement.

So "the requirement of HEMM and other equipments to be deployed" assessed by concerned department have been established to be unrealistic even after considering 10% relaxation from CMPDI norms.

So to assess the requirement of fleet actual deployment of equipments/HEMM by contractors like ICL at S.B.Aren to achieve the target may be considered because the rates awarded to the contractors are justified by the capital investment required to own / hire the fleet/ equipments and to operate and maintain the fleet / equipment.

- 4) Under the head General Terms And Conditions (G.T.C.) of NIT the Clause no 6.3 states that. " The company may waive the payment of compensation, depending upon merit of the case, on request received from the contractor if the entire work is completed within the date as specified in the contract or as validity extended without stipulating any penalty."

So, to ensure the imposition of penalty provisions strictly,----- This clause to be reviewed because in most cases the penalty imposed are waved later on by the Engineer in Charges based on this clause.

5) Month wise Register of HEMM/equiments deployed , duly signed by both ECL representative and the representative of the contractor is to be maintained and submitted with the interim bills.

At the time of execution of agreement the labor license (in case of deployment of more than 20 manpower in a day) obtained by the contractor is to be submitted and to made the part of agreement.

- a) At the time of commencement of work one register is to be maintained containing the details of equipments to be deployed as per agreement vis-à-vis the list of equipments actually deployed by the contractor along with the details of the equipments and the list of manpower deployed to operate the equipments/machineries.
- b) The list of manpower to be deployed to operate the HEMM/equipments to be submitted by the contractor along with this register.
- c) The Labor payment certificate to be submitted by the contractor is to be signed by both the
 - a) Executive in charge of the operation and b) Executive of Personnel department.
- d) The no. of manpower deployed should be tallied with the no. of manpower actually required to operate the equipments/HEMM.
- e) in case of deployment of less no. of manpower, penalty should be specified in the NIT/agreement.

6) During vigilance investigations it has been observed that, Time extensions are being granted without considering the hindrances on the part of contractor and acts of omission/commission beyond the control on the part of both ECL & the Contractor .

Hindrance:

The hindrances are to be classified in following three Categories :-

- a) Hindrances due to acts of omission/commission on the part of Contractor
- b) Hindrances due to acts of omission/commission on the part of ECL.
- c) Hindrances due to acts of omission/commission beyond the control on the part of both ECL & the Contractor such as ,
 - (i) Abnormally bad weather ,
 - (ii) Serious loss or damage by fire ,
 - (iii) Civil commotion, strikes or lockout affecting any of the trades employed on the Works.
 - (iv) Delay on the part of the Contractors or tradesman engaged by the company not forming part of the contract, holding up further progress of the work.
 - (v) Any other causes, which at the sole discretion of the company, is beyond the control of the Contractor & ECL.

The hindrances under category (c) causing delay in execution will constitute hindrance for the purpose of extension of date of completion/ exclusion from the events of contractor's failure .subject to 100% deployment of equipment as per agreement and no penalty is to be imposed. Shortfall Penalty / imposition of L.D. will be applicable in case of hindrances under category (a) only.

Monthly target may be revised, considering the hindrance hours under category (b) only .during that particular month provided the deployment of equipments as per agreement is 100%.

If the deployment of equipments /machinaries is less than the equipments/machinaries to be deployed as per agreement the revision of target will not be applicable and full penalty will have to be deducted without considering hindrances.

So, The extension of date of completion may be agreed in following conditions:-

- a) There is no deviation in deployment of HEMM/equipment in capacity and in numbers.
- b) The manpower deployed is according to the actual requirement of manpower to operate the HEMM/equipment in capacity and in numbers as per agreement/NIT. and
- c) Hindrances due to acts of omission/commission beyond the control on the part of both ECL & the Contractor such as 5.c) above.
- d) Hindrances due to acts of omission/commission on the part of ECL as 6 b) above.