

CONFIDENTIAL

DELHI JAL BOARD : GOVT. OF N.C.T. OF DELHI
OFFICE OF THE CHIEF VIGILANCE OFFICER
VARUNALAYA, PHASE-II, KAROL BAG, DELHI-05

No. DJB/CVO/2008/ 4983 to
4986

Dt. 23/9/08

During investigation of various complaints by the vigilance department, a number of problem areas which may lead to irregularities/malpractices have been identified. Similarly, various shortcomings have also been observed in NITs drafted for the works pertaining to DJB. The details of observation made are cited below for remedial action:

1. In the two bid system, the scope for appointment of sub-contractor by the main bidder/J.V. have been left unaddressed creating there by a situation where the agencies engage the semi-skilled or unskilled labour with no mechanism for proper supervision being incorporated either in the tender or in the contract.
2. It is necessary to put in place a mechanism by which antecedents of the international partner/contractors are scrutinized at the time of the scrutiny of the technical bid and the conditions laid down in the NIT are generally found silent about the submission of such documents duly verified by appropriate authorities or supported by documentation of authorities from whom similar work has been executed.
3. It is observed that contractors who have recently been registered and do not have enough capital to proceed with the DJB works have been allowed to form a joint venture mechanism with international firms.



However, the criteria for evaluation of the JV have not been outlined in the NIT on the basis of which the STC can evaluate the JV.

4. The NIT conditions are framed to allow the successful bidder to draft the joint venture arrangement/agreements after the acceptance of their bid technically and financially. This has led to the situation that the joint venture arrangements are not finalized before the award of work and sometimes are finalized after about six months of award of work. It is necessary that when work is proposed to be awarded to a JV, the JV should be in place before submission of bids. A model JV agreement may be prepared for consultation in such cases in consultation with legal dept.
5. It may not be adequate to merely state in the preamble that proposal is in conformity with CVC guidelines but it is necessary to specify which guideline of the CVC and how it is in conformity with that.

The aforesaid shortcomings are, therefore, being forwarded to immediately initiate remedial action and also to improve transparency in tendering procedure and content of this letter also be brought to the notice of all Chief Engineers, SEs and their Divisional Officers.



CHIEF VIGILANCE OFFICER

Member (Water Supply) / (Drainage)

Copy to :

- i. C.E.O., for kind information.
- ii. Member (Finance), for kind information and necessary action in the reference.



CHIEF VIGILANCE OFFICER