



RAILTEL CASE STUDY

System Improvements

Implemented in

Procurement Process

Date: 18.12.2020

BACKGROUND

- RailTel was allotted the execution of video surveillance work at 983 stations of A-1, A, B & C category Railway stations under “Nirbhaya Fund” by Railway Board on 14.09.2016.
- The project was one of the largest of its kind taken up for implementation across Indian Railways involving integration of Railway and RailTel systems at Railway stations and involvement of multiple agencies within and outside Railways.
- The Tender document along with detailed cost estimates were shared with the Railway Board for their Suggestion on 25.11.2016.
- Final Tender document incorporating all suggestions sent on 18.12.2016 for approval of Railway Board. However, in the meantime NIT published in newspaper on 02.12.2016 comprising of 4 tenders (i.e. each for Northern, Eastern, Western & Southern regions of RailTel).
- Railway Board gave go ahead on 19.12.2016 and tender document was uploaded on Tender Portal and RailTel website on 22.12.2016.
- Total 6 corrigendum issued against each of the 4 tenders.

BACKGROUND

- Technical bids were opened on 31.03.2017 with 8 bids received for Northern & Western region tenders while 5 bids received for Eastern & Southern region tenders.
- Same Tender Committee (TC) members got nominated for all 4 tenders.
- First TC minutes submitted on 02.06.2017 with recommendations of TC including dissent of Finance member to Tender Acceptance Authority (TAA) through concerned Directors.
- Concerned Technical Director referred back the TC minutes thrice for comments of TC members on dissent of Finance member, Independent External Monitor's (IEMs) report and to give clear recommendations.
- Finally, on 13.07.2017 final TC minutes were submitted with changed recommendations vis-e-vis first TC minutes which was also recommended by concerned Technical Director. However, Director/Finance recommended discharge of tender on the ground that TC got influenced and guided by IEM's report.
- Hence, TAA formed an Appreciation Committee (AC) comprising all 3 Directors to give clear recommendation. Based on the report by AC, the tender was discharged by TAA due to divergent view in TC and no clear recommendation by AC.

PROCEDURAL LAPSES OBSERVED

- Certain conditions in tender document were found ambiguous. This was despite hiring a consultant for helping in drafting of the tender document. Later, with over 1400+ queries received from prospective bidders and replied by RailTel leading to more ambiguities in the document.
- The TC nomination was not strictly as per the prescribed Schedule of Powers (SoP).
- Issuing tender notice without tender document finalization and uploading the tender document without approval of the Competent Authority.
- The Tender Committee was found to be working beyond their jurisdiction on certain parameters viz. testing of some of the items like switches in the laboratory of the firm and that too without covering all parameters prescribed in the tender documents.
- Further Tender Committee sought various clarifications and made multiple references to the bidders during the evaluation process.
- Moreover, the overall supervision and control on the process was found to be lacking on the part of Board level officers.

SYSTEM IMPROVEMENTS

- Standard tender document for Rate Contract/Procurement has been issued with the approval of competent authority. While, standard tender document for Works Contract (Telecom) is under preparation.

This shall bring consistency in the Tender documents, removing ambiguities and minimize the discretionary powers of executive.

- Training has been arranged for RailTel executives on tendering and contracts through:
 - In-house training: Covering executives of all levels with 2000+ manhours of training done.
 - Training by Professionals: Covering 34 executives by outside experts.
 - Lecture by CTE: During Vigilance Awareness Week-2020 a lecture was arranged from CTE on the procurement & tender handling for all executives of RailTel.

Continuous training of executives in procurement matters will help in ensuring that executives at various levels are abreast with latest guidelines/procedures for dealing with tenders and procurement matters as well as in the latest Technologies.

SYSTEM IMPROVEMENTS

- Procurement Manual for RailTel has been prepared and issued with the approval of Competent Authority on 04.12.2020 for all type of procurement covering following aspects:

Definitions of various contracts	Material Management
Ethics on Purchase	Formulation of Specifications
Modes of Procurement & Bidding Systems	Process of Tendering
Evaluation of Bids & Award of Contracts	Type of Contracts and their Management

Due to non availability of in-house procurement manual, it was seen that the Executives were relying on their experience, knowledge or procedures as adopted by Railways or other PSUs for dealing with tenders. Now with in-house manual , it will help Executives at different levels to ensure consistency in procurement procedures & decisions, minimize the mistakes and help in timely completion of the process.

SYSTEM IMPROVEMENTS

In addition, following instructions have also been issued/reiterated for strict compliance:-

- TC should be nominated by Competent Authority (CA) as per Schedule of Power (SoP).

(Will ensure that TC of appropriate level evaluate the tender)

- Tender Committee (TC) should adhere to terms & conditions in the tender document and finalize in accordance with Tender conditions. Testing (wherever allowed) should be strictly as per specifications. TC should avoid making multiple references to the bidder.

(Will avoid discretionary powers of TC, ensure transparency & fairness of the process)

- Rate reasonability and technical suitability should be thoroughly analyzed and scrutinized by TC.

(The discussion of TC should be clearly recorded to show due application of mind)

- NIT and Tender document to be uploaded after due finance vetting and approval of CA.

(Will ensure removing of ambiguities in the document at the tender preparation stage itself)

THANK YOU

Lets stride together towards greater heights.



Batasia Loop of Darjeeling Himalayan Railways – A Heritage Railway under UNESCO