



आजादी का
अमृत महोत्सव



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION
(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



भारत 2023



No. CWC CO-ED0TC/11/2023-Tender Cell-CO-Part(1)

Date: - 18.07.2023

Tender Cell Circular – 2

Sub.-: Transparency in works/purchase/consultancy contracts awarded on nomination basisreg.

Ref.-:

- a) Circular No. 04/04/21 issued by CVC; dated 06.04.2021.
 - b) DOP circulated vide letter dated 26.04.2021.
1. Apropos, it is mandatory to comply the guidelines/ instructions issued by CVC, GFR or Govt. of India, aiming to enhance transparency in the public procurement process.
 2. **As per the procurement manual of Goods, Services & Works, Nomination/Single Source selection/Single Tender Enquiry with/without PAC, is permissible in following cases:**
 - A. **For Procurement of Goods on Nomination Basis**
 - a. Single Tender Enquiry (STE) with a Proprietary Article Certificate (PAC): As per the procurement manual for Goods, certain items are procured only from Original Equipment Manufacturers (OEMs) or manufacturers having proprietary rights (or their authorized dealers/stockists) against a Proprietary Article Certificate (PAC) signed by the appropriate authority. Once a PAC is signed at the designated level as per Schedule of Procurement Powers, the powers of procurement are the same as in normal conditions as per the delegation of powers. This mode may be shortest but since it may provide lesser Value for money as compared to Open Tender/Limited Tender and also strains the transparency principle, it should be used only in justifiable situations.
 - b. Single Tender Enquiry (STE) without a Proprietary Article Certificate (PAC): A tender invitation to one firm only without a PAC certificate is called a single tender. This mode may be shortest but since it may provide lesser value for money as compared to Open Tender/Limited Tender and may also strain the transparency principle, it should be resorted to only under following conditions:
 - i. In a case of existing or prospective emergency relating to operational or technical requirements to be certified by the indenter, the required goods are necessarily to be purchased from a particular source subject to the reason for such decision being recorded and approval of the competent authority obtained.
 - ii. For standardization of machinery or components or spare parts to be compatible to the existing sets of machinery/equipment (on the advice of a competent technical expert and approved by the competent authority), the required goods are to be purchased only from a selected firm.
 - B. **For Procurement of Services on Nomination Basis:** Under some special circumstances, it may become necessary to select a particular consultant/ service provider where adequate justification is available for such single-source selection (SSS) in the context of the overall interest of CWC. The selection by SSS/ nomination is permissible under exceptional circumstance such as:
 - a. tasks that represent a natural continuation of previous work carried out by the firm;
 - b. in case of an emergency situation, situations arising after natural disasters, situations where timely completion of the assignment is of utmost importance;
 - c. situations where execution of the assignment may involve use of proprietary techniques or only one consultant has requisite expertise;
 - d. At times, other PSUs or Government Organizations are used to provide technical expertise. It is possible to use the expertise of such institutions on a SSS basis;

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e. Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Corporation. Full justification for single source selection should be recorded in the file and approval of the competent authority obtained before resorting to such single-source selection.

C. Procurement of Works on Nomination Basis: The selection by direct negotiation/ nomination is called a single tender. This mode may be shortest but since it may provide lesser value for money (VfM) as compared to LTE/ OTE and may also strain the transparency principle, it should be resorted to only under following conditions:

- a. There is an urgent need for the work and engaging in competitive tendering process would, therefore, be impractical, provided that the circumstances giving rise to the urgency were neither foreseeable by procuring entity nor the result of dilatory conduct on its part.
- b. Works that represent a natural continuation of previous work carried out by the firm when considering the limited size of the additional work in relation to the original procurement and the reasonableness of the price it will be cost effective to resort to single source procurement. However, the incremental work should not be more than 25 (twenty-five) percent of the original contract value;
- c. In case of an emergency situation, situations arising after natural disasters, situations where timely completion of the work is of utmost importance subject to the reason for such decision being recorded and approval of the competent authority obtained.
- d. Situations where execution of the work may involve use of proprietary techniques or only one contractor has requisite expertise.
- e. The procurement entity engages in procurement involving national defence or national security and determines that single source procurement is the most appropriate method of procurement.
- f. Under some special circumstances, it may become necessary to select a particular Agency where adequate justification is available for such single-source selection in the context of the overall interest of the Ministry or Department.

3. Accordingly, i.r.o. contracts awarded on nomination basis, the following shall be ensured:

- a. Details of all such works/purchase/consultancy awarded shall be brought to the notice of Board of Directors for information on quarterly basis.
 - b. Details of all such works/purchase/consultancy awarded shall be posted on website of the Corporation, in public domain, alongwith brief reasons for doing so.
4. As such, all HoDs and RMs may ensure to provide the details of the contracts awarded on nomination basis to MIS Division, CO as and when any contract is awarded, for publishing the details under the tab Tenders/Public Notices > Contracts Awarded On Nomination Basis. The format in which details are to be provided is attached at **Annexure-I**.
5. Tender Cell, Corporate Office shall ensure to compile these details for reporting to the Board of Directors on quarterly basis in compliance to the CVC guidelines.

This issues with the approval of Managing Director.

Encl.: As above.

(Sachin Gupta)
Manager (A/c), Tender Cell
For Chief Engineer

To:-

1. All HoDs, CO, CWC.
2. All RMs, CWC.
3. GGM (System), MIS division for making necessary changes in the Website to accommodate the information as per Annexure-I.

Copy to:-

1. PS to MD/ Sr. PA to DIR (Fin)/ PPS to DIR (Pers.) CWC for information please.
2. GM, MIS Division, CWC, CO New Delhi for uploading on Website of the corporation in Circular Tab- Tender Cell and Notice board of E-office.
3. DGM (Vigilance), CWC, CO New Delhi for information please.

Format for updating the details of Works awarded ON NOMINATION BASIS

Sr. No.	Particulars	Details
1	Description of work/ item /service	
2	Name of Center & Regional Office	
3	Reference of DoP	
4	Name & Designation of Awarding authority	
5	Brief Reasons for awarding on nomination basis (minimum 200 words)	
6	Value of the contract (Inc. GST)	
7	Name of the agency to whom contract has been awarded	
8	Date of issuance of LOA/ WO	
9	Period of the contract	

Telegraphic Address :
"SATARKTA: New Delhi

E-Mail Address
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Website
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EPABX
24600200

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सत्यमेव जयते

केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023
Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi 110023

सं./No.....005/CRD/19/480241

दिनांक / Dated.....06.04.2021.....

Circular No. 04/04/21

Subject: Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis.

Reference:

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| (i) | Commission's Circular No.15/05/06 | dated 09.05.2006 |
| (ii) | Commission's Office Order No.23/07/07 | dated 05.07.2007 |
| (iii) | Commission's Office Order No.19/05/10 | dated 19.05.2010 |
| (iv) | Commission's Circular No.18/12/12 | dated 11.12.2012 |
| (v) | Commission's Circular No.06/07/18 | dated 11.07.2018 |

Central Vigilance Commission, as part of its drive to ensure transparency, to promote healthy competition and to provide fair and equitable treatment to all interested parties in matters of public procurement, has issued guidelines from time to time emphasizing on the need to adopt tendering process as a basic requirement, before award of contract to any party.

2. Tendering process or public auction is a basic requirement for award of contract by any Government agency. Any other method, especially award of contract on nomination basis would amount to a breach of Article 14 of the Constitution guaranteeing right to equality which implies right to equality to all interested parties. The award of contracts/projects/procurements on nomination basis without adequate justification amounts to restrictive practice eliminating competition, fairness and equity. Hence, award of contracts through open competitive bids should remain the most preferred mode of tendering.

3. However, in some exceptional and inevitable circumstances, the contracts may be awarded on nomination basis; for instance, during natural calamities and emergencies declared by the Government; where procurement is possible from a single source only; where the supplier or contractor has the exclusive rights in respect of the goods or services and no reasonable alternative or substitute exists; where the auction was held on several dates but there were no bidders or the bids offered were too low etc.[Ref: SPL(Civil)No. 10174 of 2006 in case of Nagar Nigam, Meerut Vs AI Faheem Meat Export Pvt Ltd.].

4. But, it has been observed that in some cases, the guidelines issued by the Commission are not being adhered to by the organizations. Therefore, the Commission would reiterate its earlier guidelines and direct that:

- (i) All works/purchase/consultancy contracts awarded on nomination basis should be brought to the notice of following authorities for information:
 - a) the Secretary, in case of the ministries/departments;
 - b) the Board of Directors or equivalent managing body, in case of Public Sector Undertakings, Public Sector Banks, Insurance Companies, etc.;
 - c) the Chief Executive of the organization where such a managing body is not in existence.
- (ii) The report relating to such awards on nomination basis shall be submitted to the Secretary/Board/Chief Executive/equivalent managing body, every quarter.
- (iii) The audit committee or similar unit in the organization may be required to check at least 10% of such cases.

5. Details of all tenders awarded on nomination basis shall be posted on website of the organization concerned, in public domain, along with brief reasons for doing so.

6. The above guidelines may be noted for strict compliance.


(Rajiv Varma)
Officer on Special Duty

To

- (i) The Secretaries of all Ministries/Departments of GoI
- (ii) All Chief Executives of CPSUs/Public Sector Banks/Public Sector Insurance Companies/Autonomous Bodies etc.
- (iii) All CVOs of Ministries/Departments of GoI/CPSUs/Public Sector banks/ Public Sector Insurance Companies/Autonomous Bodies etc.
- (iv) Website of CVC