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# सचेतक

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# Sachetak

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## Value for Money

—Shri K. Rajeswara Rao, IAS, Chief Vigilance Officer, Container Corporation of India, New Delhi



Towards ensuring implementation of contractual provisions - Steps initiated in CONCOR.

Container Corporation of India (CONCOR) was incorporated in March 1988 with the objective of developing multimodal logistics support for India's international and domestic containerized cargo and trade. CONCOR began operations in November 1989. Government of India, Ministry of Railways being the major shareholder, CONCOR is a Public Sector Undertaking. Today, CONCOR is the lifeline of the country's EXIM trade, providing containerized freight transportation by rail in India. CONCOR is also providing containerized freight transportation for Domestic cargo. Though more than 90 per cent of its inland transport service is by rail, road and coastal shipping services are also provided according to market demand.

CONCOR's Network across India consists of 59 terminals (18 pure EXIM container terminals, 31 combined EXIM cum domestic container terminals and 10 pure domestic terminals) under control of eight Regions, one Fresh and Healthy Enterprises Ltd. (subsidiary of CONCOR) and 10 Joint ventures including one at Beerguj, Nepal.

One of the main activities in the terminal is related to Handling & Transportation (H&T) of containers. The main equipments that are used for the purpose of handling and transportation of containers in terminals are Reach stackers, trailers, fork lift sling cranes etc. The throughput for the financial year 2009-10 was 2421247 TEUS and the contract expenditure against handling and transportation is approximately 230 crores. The monthly expenditure on H&T in the terminals varies from 2 crores to 1 lakhs the methodology for selection of terminal for preventive check is based on the expenditure on H&T and throughput handled by the terminal.

Once the terminal is selected, the information in respect of the throughput, financial performance, contractual documents etc... are collected and discussion held among the vigilance team regarding the area to be focused in the

preventive check. In the terminal, compliance of the following points is examined.

- Physical availability of equipments and trailers as per contract.
- Original Registration Certificate (RC) of equipments
- Penalties as per contract provisions.
- Gate in Gate out registers
- Waiver granted and
- Compliance of various contract provisions and circulars issued from time to time.

In the years 2009-10 & 2010-11 (up to Nov), 22 preventive / surprise checks and 06 CTE type intensive examinations were conducted by the vigilance division and a recovery of 1.19 Crore was made due to various deficiencies in management of H&T and civil contracts. During various preventive checks, the following deficiencies / short coming were noticed:

- The manufacturing year of trailers as mentioned in the RCs and insurance certificate was different.
- The original RCs in respect of leased trailers and Reach stackers were not available at the terminal. On verification of the photocopies of RCs provided, it was found that the vehicles were registered with the State of Nagaland. On verification of the RCs with the Transport Commissioner, Nagaland it was found some vehicles having certain registration series were found to be forged.
- Under deployment of equipments and trailers.
- Private use of trailers committed for CONCOR movements.

In the Vigilance Awareness Period held during 25<sup>th</sup> October to 1<sup>st</sup> November 2010 all regional heads and terminal officials were advised to review all contracts, tenders and compliances of all the contractual provisions of the contract. In this context, a seminar was organized on and "Perception of customers and their expectations from CONCOR" and an interactive session was also held with representatives of contractors, customers etc and discuss their problems and offer solution by taking corrective action.

*Power corrupts few while weakness corrupts many.*



During the interactions with vigilance officials of other PSUs the short coming faced by them are discussed and it was felt that the other PSUs also facing similar short comings as highlighted above i.e., under deployment, vintage year etc.

In order to overcome the above short-comings, following instructions were issued as a system improvement.

- (i) A signed copy of all the contracts must be available at the terminal.
- (ii) Every terminal must check before commencement of the contract that the eligibility criteria/deployment as mentioned in the contract, namely, w.r.t. vintage year, number of vehicles/equipment etc. are being complied and verification to the effect should be carried and report in this regard be prepared. An undertaking from the responsible officials in a structured Proforma about the fulfillment of provision in the contract should be obtained.
- (iii) Proper records should be maintained for non-deployment of required vehicles by the contractors, vehicles getting out of order and penalties imposed, log book related to the repairs of vehicles, providing of relevant registration documents.
- (iv) Job orders must be issued for every activity for which the H&T contractor is to be paid. Bills should be cleared on the basis of job orders issued and compliance reports received thereof.
- (v) Conditions relating to performance parameters laid down in the H&T contracts should be strictly implemented. Records with respect to the same should be maintained in a proper format.

In case, it is observed that it has become very difficult to implement the performance parameters laid down on account of changed circumstances / constraints like road restrictions, abnormal increase

in volumes vis-à-vis the volumes indicated in the contract and such other changes in the situations which could not be anticipated at the time of awarding of contract, the terminal should immediately process for suitable amendment in the contract clause duly obtaining the approval of Competent Authority instead of relaxing performance parameters informally.

- (vi) In the event of any doubt about interpretation of a particular clause / SOR, the terminal will refrain from making any interpretation on their own and refer the matter to the C.O. with their recommendations. This would be applicable to all contracts, which have been accepted by the Competent Authority.
- (vii) The terminals have been instructed to maintain the Proforma with respect to the following:
  - Details of equipments and vehicles/trailers for containers
  - Proforma related to deployment of equipment/ vehicles.
  - List of registers to be maintained in the terminal. i.e.,
    - Records related to non-deployment of required vehicles / equipments
    - Details of shift wise break down of vehicles and equipments
    - Log book related to repairs of vehicles
    - Copies of RCs of vehicles / equipments deployed in the terminal
    - Details of job order issued and its compliance date wise

Systemic improvements and improving the quality of functioning is a regular and continuous effort, to bring value for money.

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