

# GENERAL CONDUCT

## Dos

- ◆ Do always remember that you are a responsible employee of a PSU and you are answerable for all your activities.
- ◆ Do nothing which is unbecoming of an employee of your status.
- ◆ Do uphold the image of your Organization.
- ◆ Do always keep in your mind Corporation's Mission, Vision, Policies and Objectives.
- ◆ Do understand that the Corporation expects absolute integrity and devotion to duty from its employees at all times.
- ◆ Do remember that the NPCC Employees Service (Conduct) and NPCC (CC&A) rules keep the management informed about the employees.
- ◆ Do understand that conduct means the general & uniform orderly behaviour that is expected of an employee of the Organization.
- ◆ Do submit the periodical returns of immovable property as on first January , every year.
- ◆ Do remember to obtain permission /intimate the Corporation before purchase /sale of high priced movable/immovable assets.
- ◆ Do keep your and the image of your organization clear before the Client as well as before the General public.
- ◆ Do a periodical self assessment /self analysis of yourself as an employee, a good citizen and a vigilant official.

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***'Do not look back in anger or forward in fear, but around in awareness.'***

***James Thurber***

- ◆ Do keep in mind that you have to act in a judicious manner with due care and attention and not for self interest or to benefit a few with vested interest.
- ◆ Do remember that you are answerable for any suspected malafide action on your part.
- ◆ Do acquaint yourself with the civil laws of the area of your work and observe them scrupulously.
- ◆ Do remember that ignorance of law/rules / regulations/ guidelines of the Government/ Company are no excuse.
- ◆ Do make surprise and periodical visits to check the progress of the work and to have clear and first hand information of the problems being faced by the site employees.
- ◆ Do encourage your subordinates to do their best and take all possible steps to ensure their loyalty to the organization, integrity and devotion to duty.
- ◆ Do intensive monitoring of delays and disposal of your files that helps to curb corruption and projects better image of the Organization.
- ◆ Do settle issues promptly but without undue haste.
- ◆ Do take prompt action to redress the complaints / grievances as per laid down procedures otherwise it may take the form of resentment.
- ◆ Do have a designed mechanism for redress of grievances on the basis of existing rules/guidelines.

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***'It is better to wear out than to rust out.'***

***Richard Cumberland.***

- ◆ Do remember that any representation /letter to higher authorities should be addressed through proper channel.
- ◆ Do create a vigilance friendly environment in the Corporation through your own positive, transparent and timely action.
- ◆ Do remember that every employee is required to maintain absolute integrity at all times.
- ◆ Do groom a second man in your line of duty so that he may tackle the situation in your absence.
- ◆ Do plug all pilferages and wastages and be cost conscious and cost effective.
- ◆ Do inform to the Corporation if you are married/ going to marry a person other than of Indian nationality.
- ◆ Do inform to the Corporation if any member of your family is engaged in a trade or business or owns or manages an insurance agency or commission agency.

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***‘The only correct actions are those that demand no explanation and no apology.’***

***Red Auerbach***

## **Don'ts**

- ◆ Don't forget to do your duty as efficiently as you can.
- ◆ Don't yield to temptations or run after petty gains.
- ◆ Don't take any obligation in any form.
- ◆ Don't act in a manner prejudicial to the interest of the Corporation.
- ◆ Don't decide issues whimsically.
- ◆ Don't act in such a way so as to damage the property of the Corporation.
- ◆ Don't engage yourself or participate in any demonstration which involves incitement to an offence.
- ◆ Don't smoke where it is prohibited.
- ◆ Don't send any official document/information without approval of Competent Authority to any outsider.

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***'In the arena of human life the honours and rewards fall to those who show their good qualities in action.'***

***Aristotle***

## ESTIMATES

### Dos

- ◆ Do prepare preliminary estimates taking into account various factors for particular works, geographical location etc. as laid down.
- ◆ Do give the website address of the organization in the advertisement/NIT published in newspaper.
- ◆ Do prepare detailed estimates from drawings/sketches fully supported by calculations as far as practicable.
- ◆ Do prepare estimates in a realistic and objective manner.
- ◆ Do try to include items with standard specifications only. However, if inclusion of some items without standard specification becomes unavoidable, reasons for procuring such items must be recorded.
- ◆ Do prepare cost estimates based on CPWD/State PWD norms only and wherever the norms are not available, market rates with proper verifications be taken.
- ◆ Do take rates from the Standard schedule of rates, but add reasonable premium as per prevailing market conditions.

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***‘They always say time changes things, but you actually have to change them yourself.’***

***Andy Warhol***

- ◆ Do include in the estimates the basic price, fabrication charges, inspection fees, duties, packing, handling and transport charges, erection, testing, commissioning charges, contingency charges etc. as applicable at the time of conception of the project for preparation of estimates based on realistic market rates.
- ◆ Do include all commercial clauses including taxes, duties of all types and other statutory charges.
- ◆ Do clearly mention various conditions of contract such as “General conditions of contract (GCC)”, “Special conditions of Contract (SCC)” or “Conditions of Particular Application (COPA)” and “Technical specifications (TS)”.
- ◆ Do take approval of estimates from Competent Authority, before calling for tender.

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***‘Vision is the art of seeing things invisible.’***

***Jonathan Swift***

## **Don'ts**

- ◆ Don't make vague estimates without adequate details, which may lead to huge quantity variations and creation of extra and substituted items.
- ◆ Don't try to procure items without standard specifications.
- ◆ Don't make use of unspecified items to make estimate unrealistic.
- ◆ Don't take rates of previously awarded works for preparation of estimate.
- ◆ Don't mention conflicting conditions.
- ◆ Don't include such items or scope of work which are not needed in the work, which may unnecessarily load and vitiate the tender.
- ◆ Don't revise the estimates to justify the received L1 rates after opening of the price bids.

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***'Looking at small advantages prevents great affairs from being accomplished.'***

***Confucius***

## NOTICE INVITING TENDER

### Dos

- ◆ Do float press advertisements for open tender in local and National newspapers for wide circulation.
- ◆ Do give the organization website address in the advertisement/NIT published in the newspapers.
- ◆ Do display the NIT including all necessary details of the tender on the website of the organization.
- ◆ Do provide sufficient time to the bidder for preparation and submission of the bid.
- ◆ Do check the dates of sale and submission of tenders with respect of working days in order to avoid unnecessary corrigendum/ addendum at a later date.
- ◆ Do provide all the relevant information related to tender, its sale, submission and opening of bids like estimated cost, EMD, place and period of sale of tender date of submission and opening of tender .
- ◆ Do put Notices of all tenders (be it limited or open tender) on the respective web-site of the organization.

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***‘Start by doing what is necessary, then what is possible and suddenly you are doing the impossible.’***

***St. Francis of Assisi***



## **Don'ts**

- ◆ Don't reject any tender without assigning any reason as tender accepting authority is bound to record clear, logical reason for all actions of acceptance / rejection.
- ◆ Don't forget to intimate any corrigendum issued for extension of date or any other information individually to the parties by various means and also to publish in the media and display on organization web site and Notice Boards.
- ◆ No activity of the organization shall give an impression that it has special liking or disliking for a firm / company.

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***'You may be disappointed if you fail, but you will be doomed if you don't try.'***

***Beverley Sills***

## PRE-QUALIFICATION CRITERIA (PQ)

### Dos

- ◆ Do prepare the PQ criteria specific to the requirement of the work in clear terms.
- ◆ Do ensure that the PQ criteria are exhaustive, yet specific and there is fair competition.
- ◆ Do ensure that the PQ criteria are clearly stipulated in unambiguous terms in the bid document.
- ◆ Do keep in view the end purpose while framing prequalification criteria.
- ◆ Do fix in advance the minimum qualification, experience and number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution.
- ◆ Do keep the following points in view while fixing the eligibility criteria for civil/electrical works as per CVC guidelines issued vide Memorandum dated 17.12.02 :-
  - (a) Average annual financial turnover during the last three years ending 31<sup>st</sup> March of the previous financial year should be at least 30% of the estimated cost.
  - (b) Experience of having successfully completed similar works during last seven years ending last day of previous month should be either of the following:-

Three similar completed works costing not less than the amount equal to 40% of the estimated cost or two

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***'Any fact facing us is not as important as our attitude towards it, for that determines our success or failure.'***

***Norman Vincet Peale***

similar completed works costing not less than the amount equal to 50% of the estimated cost or one similar completed works costing not less than the amount equal to 80% of the estimated cost.

- ◆ Do incorporate the criteria regarding satisfactory performance of works, personnel, establishment, plant, equipment etc. according to the requirement of the project.
- ◆ Do re-tender if relaxation on PQ criteria is necessary.

### **Don'ts**

- ◆ Don't fix stringent PQ criteria as it results in poor competition.
- ◆ Don't relax the PQ criteria after issue of NIT.
- ◆ Don't deny participation to any bidder during pre qualification/post qualification for the reasons unrelated to its capability and resources to successfully perform the contract unless such parties are black listed.

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***'There are many things to do. Let each one of us choose our task and stick to it through thick and thin. Let us not think of the vastness but let us pick up that portion which we can handle best.'***

***Mahatma Gandhi***

## TENDER / BID DOCUMENT

### Dos

- ◆ Do update tender documents to suit the present contract requirements containing instructions to bidder, general and the special conditions of contract.
- ◆ Do fix reasonable amount of EMD on the basis of an estimated value of the proposed work particularly in the two bid system.
- ◆ Do mention the form in which EMD is acceptable clearly in the tender documents.
- ◆ Do incorporate in the bid documents detailed generic technical specifications along with a list of preferred makes of major equipments.
- ◆ Do mention the order of precedence in the tender documents to overcome some contradicting and conflicting specifications/conditions.
- ◆ Do specify the conditions for tender responsiveness.
- ◆ Do specify in unequivocal terms in the bidding documents, the performance parameters and the technical evaluation criterion, if any.
- ◆ Do issue tender document to eligible bidder under signature of authorized person.

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***'Far and away the best prize that life offers is the chance to work hard at something worth doing.'***

***Theodore Roosevelt***

## **Don'ts**

- ◆ Don't forget to mention important clauses pertaining to earnest money deposit, completion schedule, testing of equipments, performance bank guarantee, payment terms, penalty for delayed completion, comprehensive insurance cover, contractor's liability, safety arrangements, statutory requirements for labour welfare, arbitration clause etc. in a proper and explicit manner.
- ◆ Don't sub divide/split a bigger work into smaller work without its approval by Competent Authority.
- ◆ Don't provide rate only item in the bill of quantities without giving quantity against them.
- ◆ Don't provide unrealistic period of completion of work as unworkable period leads to frequent grant of extension of time and litigation.
- ◆ Don't alter specifications and conditions of contract if left out work of a rescinded contract is to be executed at the risk and cost of the defaulting agency.

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***'In matter of style, swim with the current; in matters of principle, stand like a rock. '***

***Thomas Jefferson***

# PMC WORKS

## Dos

- ◆ Do ensure that necessary approval from Client and Competent Authority exists for tendering based on sufficient details such as preliminary estimate/ DPR based on survey & drawings.
- ◆ Do ensure that work is carried out as per MOU/ Agreement entered with Client.
- ◆ Do first decide whether tender to be called is in two packets (Technical & Financial) system through open tendering or through PQ route.
- ◆ Do follow the conditions as specified by Clients, which supersedes the other conditions.
- ◆ Do mention the name of the Client in the NIT.
- ◆ Do ensure Client's participation in decision making for award of work, if provided in MOU.

## Don'ts

- ◆ Don't violate the terms of MOU/Agreement with Client.
- ◆ Don't divert fund of PMC Works to any other work.
- ◆ Don't forget to endorse copy of LOI/Work Order/ Agreement to Client for information.

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***'What lies behind us and what lies before us are tiny matters compared to what lies within us.'***

***Oliver Wendell Holmes***

## BACK TO BACK & TIE-UP

### Dos

- ◆ Do sign an MOU with the tie-up party before submission of tender to the Client so that his responsibilities are identified and agreed.
- ◆ Do ensure in the MOU that up to twenty percent of the work may be executed departmentally, if required.
- ◆ Do invite open tenders for post tender contractor's selection as far as possible.
- ◆ Do select the contractor by inviting limited tenders from the approved panel of contractors clearly specifying the eligibility criteria in case it is not possible to invite open tenders.
- ◆ Do prepare the panel of contractors for different categories, monetary limits, working regions in a transparent manner.
- ◆ Do maintain a register containing the names, addresses and other relevant details of pre-qualified contractors. The said panel should be updated every year.
- ◆ Do decide pre-tender tie-up contractors based on response from empanelled contractors.
- ◆ Do decide the margin in pre-tender tie-up based on estimate/rate justification.
- ◆ Do submit pre-tender tie-up tender confidentially to client through a high level committee to maintain the secrecy of rates, if required.
- ◆ Do maintain tender opening register confidentially duly signed by the officer/committee opening the tenders.

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***'You have a choice in life. You can either pay the price of discipline or regret.'***

***Tim Connor***

- ◆ Do make available the register of enlistment of contractors and tender opening register when demanded for scrutiny by CTEO as well as audit officials.
- ◆ Do strictly adhere to the terms and conditions of the contract of the client and all tender formalities before selecting the contractor especially those pertaining to subletting of the work.
- ◆ Deploy adequate qualified and experienced staff to ensure quality in construction as well as timely measurement of works in the MB's.
- ◆ Any relaxation /benefits given by the Client in the work interest can be passed on back to back agency provided it is mentioned in MOU entered by NPCC with the back to back agency.

### **Don'ts**

- ◆ Don't disclose NPCC margin to tie-up agency before quoting of rate by the agency.
- ◆ Don't accept quoted rate of tie-up agency for quoting without proper verification and analysis of rate.

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***'Success is the progressive realization of a worthy goal.'***

***Earl Nightingale***



## **STORE PROCUREMENT / SALE OF SCRAP**

### **Dos**

- ◆ Do prefer to go for rate contract for recurring type of consumable items rather than procuring the same in piecemeal manner.
- ◆ Do give a supply order with proper specifications, rate schedule, FOR, mode of dispatch, insurance clause or risk indemnity / liquidated damages.
- ◆ Do prepare proper systems for floating, receipt, storage and custody of tenders received.
- ◆ Do keep in view the quantity, delivery and value requirement while fixing the PQ criteria.
- ◆ Do fix PQ criteria based entirely upon the capabilities and resources of prospective bidders to perform the particular contract satisfactorily taking into account their experience and past performance on similar contracts for last two years, capabilities with respect to personnel, equipment and manufacturing facility and financial standing through latest ITCC and Annual Reports of last three years.
- ◆ Do accept materials strictly as per the specifications.
- ◆ Do ensure the consumption pattern of an item before procuring.
- ◆ Do ensure that store-receipt vouchers and indents are not manipulated in collusion with site indenting people.
- ◆ Do maintain bin card / ledger for every receipt/issue of item from stores.

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***‘We are all manufacturers – making good, making trouble or making excuses.’***

***A.V. Adolt***

- ◆ Do insist on stock verification of the store items at the time of taking over the charge.
- ◆ Do ascertain the type of scrap such as copper, steel, aluminum before fixing the scrap price.
- ◆ Do take all parameters into consideration while fixing the price of scrap items.
- ◆ Do mark separately the lot numbers for scrap materials.

### **Don'ts**

- ◆ Don't indent / procure in excess of normal annual consumption pattern to favour any party.
- ◆ Don't procure heavy cost equipment unless the same is actually required /desired.
- ◆ Don't accept imported propriety items such as spares/ accessories from the vendors with short expiry period.
- ◆ Don't forget to take financial approval/ concurrence from finance wing before any procurement.
- ◆ Don't create undue urgencies to enhance or affect the delivery schedule.
- ◆ Don't move any material out of the premises without valid gate pass. Don't postpone the posting of entries to a later date.
- ◆ Don't divulge to any firm that a particular lot contains a better quality of scrap.

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***'An excuse is worse and more terrible than a lie – for an excuse is a lie guarded.'***

***Pope***

# RECEIPT OF TENDERS

## Dos

- ◆ Do ensure suitable arrangements for receipt of sealed tenders at the scheduled date, time and locations through conspicuously located tender boxes.
- ◆ Do ensure that the tender notice should categorically contain the information regarding receipt of bids viz. designation and address of officer to whom the tender should be addressed and due date and time of opening of tenders .
- ◆ Do ensure that in case where the tenders are required to be submitted by hand, the names and designation of at least two officers are mentioned in the bid documents.
- ◆ Do display information about these officers at the entrance/ reception of the premises where tenders are to be deposited so as to ensure convenient approach for the bidders.
- ◆ Do strictly follow the instructions to receive quotation in sealed cover only.
- ◆ Do maintain transparency in receipt of tenders.
- ◆ Do ensure that the received tenders should be opened on the stipulated date and time.

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***‘There are risks and costs to a program of action but these are far less than long range risks and costs of comfortable inaction.’***

***John .F. Kennedy***

## **Don'ts**

- ◆ Don't accept unsealed tender.
- ◆ Don't accept tender without E.M.D. or proof of submission of E.M.D. along with tender.
- ◆ Don't accept tender received after due date and time to maintain the sanctity of tender system.
- ◆ Don't write or sign on tender cover till it is opened by tender opening committee.

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***'It is easy to make excuses when we ought to be making opportunities.'***

**Warren Wiersbe**

# POSTPONEMENT OF TENDER OPENING

## Dos

- ◆ Do record reasons for postponement of tender.
- ◆ Do notify to all the bidders any change in the tender terms and conditions, specification and tender opening date, etc., sufficiently in advance of the revised tender opening date.
- ◆ Do notify through the publication of corrigendum in the media and web site.
- ◆ Do extend tender sale date suitably so as to allow new participants in the bid in order to increase the competition, if technically possible.

## Don'ts

- ◆ Don't extend date of submission or opening of tender on verbal request of tenderer.
- ◆ Don't extend date of submission or opening without any genuine reason.
- ◆ Don't disclose new date of submission or opening till it is officially approved by the Competent Authority.

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***'Every truth has two sides; it is well to look at both, before we commit ourselves to either.'***

***Aesop***

## OPENING OF TENDERS

### Dos

- ◆ Do open tenders in presence of the bidders / representatives who chose to be present.
- ◆ Do maintain transparency in opening of tenders.
- ◆ Do ensure that while opening the tenders, each tender should be numbered serially, initialed and dated on the first page.
- ◆ Do ensure that the each page of tender, particularly the price and important terms and conditions should be closely encircled and initialed with the date by all tender opening committee members.
- ◆ Do also ensure that all tender opening committee members encircle any cutting/overwriting and initial in red ink.
- ◆ Do prepare a statement giving details of the quotations received and other particulars like the prices, taxes/duties, EMD, any rebate etc. as read out during the opening of tenders.
- ◆ Do maintain a proper tender opening register preferably in a printed format containing information viz. date of opening including extension, if any, names and signature of all the persons present to witness the tender opening which should include the bidder's representatives also.
- ◆ Do ensure in cases involving the two bid system that the tender opening committee members sign on the envelopes containing the price bid mentioning clearly the due date of opening of price bid. These envelopes should be kept in safe custody.

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***'Prefer a loss to a dishonest gain , one brings pain at the moment, the other for all time.'***

***Chilon***

## **Don'ts**

- ◆ Don't consider bids that are received after scheduled due date and time of receipt of tender.
- ◆ Don't accept unsealed bids.
- ◆ Don't consider bids without earnest money & other pre-requisite requirements.
- ◆ Don't entertain any unauthorized person during tender opening.

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***'Truth nourishes the soul, untruth corrodes it.'***

***Mahatma Gandhi***

## EVALUATION OF TENDER

### Dos

- ◆ Do ascertain whether bid is responsive as per laid down criteria.
- ◆ Do open price bid of only those bids which are responsive.
- ◆ Do evaluate tender as per the notified criteria.
- ◆ Do evaluate all pre-requisite criteria met by bidder before qualifying technical bid.
- ◆ Do finalize the acceptability of the bidding firms in respect of the qualifying criteria before or during holding technical negotiations with them.
- ◆ Do ask additional information only when it is mentioned in the tender or desired, otherwise avoid calling bidder. Call tender again, if it is unavoidable.
- ◆ Do complete the exercise of short listing of qualifying firms before opening of price bid/calling price bids.
- ◆ Do open price bids (in two bid system)/call price bids of only those bidders whose design and other technical proposals are as per tender requirements.
- ◆ Do verify credentials of agencies.
- ◆ Do finalize tenders within validity period.

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***‘There should always be the human touch, but behind the human touch one should give the feeling of firm decision.’***

***Jawahar Lal Nehru***



## **Don'ts**

- ◆ Don't relax tender conditions as it will create a discriminatory treatment to others.
- ◆ Don't qualify tenders to avoid situation of a single tender.
- ◆ Don't evaluate bids on the basis of information not furnished by bidder/tenderer in his bid.
- ◆ Don't entertain any new information/document after tender is opened and evaluated unless the same is called for.
- ◆ Don't disclose details of evaluation of tender till it is officially accepted/rejected.
- ◆ Don't deny any bidder pre-qualification/post-qualification for reasons unrelated to its capability and resources to successfully perform the contract.
- ◆ Don't reject/approve the tender sample at the time of bidding, if detailed specifications exist for the item. However, advance sample may be submitted by the successful bidder for clearance before giving bulk production of the supply.

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***'Being ignorant is not so much a shame as being unwilling to learn to do things the right way.'***

***Benjamin Franklin***

## POST TENDER NEGOTIATIONS

### Dos

- ◆ Do avoid post-tender negotiations with L-1 except in certain exceptional situations like procurement of proprietary items, items with limited source of supply and items where there is suspicion of a cartel formation.
- ◆ Do record and document without any loss of time, the justification and details of such negotiations, if any.
- ◆ Do negotiate with L-1 bidder[s] for the supply of a bare minimum quantity for the urgent requirement, if the re-tendering is unavoidable, but balance should be procured expeditiously through a re-tender, following the normal tendering process.
- ◆ Do indicate a definite time frame so that the time taken for according requisite approval for the entire process of award of tenders does not exceed one month from the date of submission of recommendation. In cases, where the proposal is to be approved at higher levels, a maximum of 15 days should be assigned for clearance at each level.
- ◆ Do ensure that tenders are invariably finalized within their validity period.
- ◆ Do ensure that L-1 is not ignored on flimsy grounds.
- ◆ Do go for a re-tender in case L-1 backs out.

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***‘Tough time never lasts but tough people do.’***

***Robert H Schuller***

- ◆ Do pre-disclose the ratio of splitting the supply in the tender itself in cases where the organization decides in advance to have more than one source of supply (due to critical or vital nature of the item).
- ◆ Do make counter-offer to L-2, L-3 etc., (at the accepted rates of L-1) in case of splitting of quantities, as pre-disclosed in the tender. This shall not be deemed to be a negotiation.
- ◆ Do distribute the quantity being finally ordered among the other bidders in a manner that is fair, transparent and equitable, if after due processing, it is discovered that the quantity to be ordered is far more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities.

### **Don'ts**

- ◆ Don't ask for counter-offers to L-1 in order to arrive at an acceptable price as it shall amount to negotiation.
- ◆ Don't conduct post tender negotiations, unless unavoidable, without recording valid reasons and approval of Competent Authority. Don't disclose gist of negotiation, if any, till tender is finalized.

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***'Man's most valuable trait is a judicious sense of what to believe.'***

***Euripides***

## **REASONABLENESS OF PRICE/ MARKET RATE JUSTIFICATION**

### **Dos**

- ◆ Do establish the reasonableness of rates on the basis of estimated rates and the prevailing market rates before acceptance of the offer.
- ◆ Do identify the abnormally high rate (AHR) and abnormally low rate (ALR) items and the officials/ agencies responsible for execution of work should be intimated to exercise appropriate control on such identified items to avoid vitiation.
- ◆ Do tender plus/minus percentage rate offer over identified estimated rate, if possible, to avoid getting AHR & ALR.

### **Don'ts**

- ◆ Don't prepare estimates at a later date of receiving tender in order to justify already received rates.
- ◆ Don't collect market rate from unauthorized sources.

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***'Truth exists. Only lies are invented.'***

***George Braque***

## **AWARD OF WORK AND SIGNING OF CONTRACT AGREEMENT**

### **Dos**

- ◆ Do ensure that once the offer is found techno-commercially acceptable, the work is awarded without any loss of time.
- ◆ Do issue letter of intent after approval of tender and take acceptance of tenderer before signing of agreement.
- ◆ Do keep all the necessary documents ready before hand and a formal contract agreement containing all the requisite documents forming part of the agreement should be signed within a reasonable time.
- ◆ Do ensure that the contract document is precise, definite and complete.
- ◆ Do make the important papers, such as copy of amendments subsequent to the issue of tender documents, a part of contract agreement.
- ◆ Do ensure that the detail of awarded contract is sent for posting on the web site.
- ◆ Do make the contractor sign the detailed agreement within the time frame to avoid any complication in the contract at later date.
- ◆ Do ensure that the agreement is well bound, page numbered, signed by both the parties and well secured.

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***‘The difference between the impossible and the possible lies in a person’s determination.’***

***Tommy Lasorda***

## **Don'ts**

- ◆ Don't keep a file pending for decision by the approving authority after the recommendation of the tender committee has been received.
- ◆ Don't award any contract on nomination basis as it would amount to a breach of Article 14 of the Constitution guaranteeing right to equality to all interested parties, except in rare and exceptional cases. For instance, during natural calamities and emergencies declared by the Government; where the procurement is possible from a single source only; where the supplier or the contractor has 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 was no bidders or the bids offered were too low, etc, this normal rule may be departed from and such contracts may be awarded through 'private negotiations'.

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***'Great minds have purposes, others have wishes.'***

***Washington Irving***

## MOBILIZATION ADVANCE

### Dos

- ◆ Provision of mobilization advance should essentially be need-based.
- ◆ Do clearly stipulate in the tender document if the management feels the necessity of interest free mobilization advance in specific cases. However, recovery of all such advances is time-based and not linked with progress of work.
- ◆ Take part 'Bank Guarantees' (BGs) against the mobilization advance in as many numbers as the proposed recovery instalments. Such guarantees should be equivalent to the amount of each instalment.
- ◆ Do properly examine Bank Guarantee in lieu of mobilization advance.
- ◆ Do clearly stipulate rate of interest to be charged on delayed recoveries either due to late submission of bill by the contractor or for any other reasons, besides the reason giving rise to the encashment of BG as stated above.
- ◆ Do clearly stipulate in the tender document, the amount of mobilization advance; interest to be charged, if any; its recovery schedule and any other relevant detail.
- ◆ Do provide relevant format for BG in the tender document.

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***'Truth fears no trial.'***

***Thomas Fuller***

- ◆ Do verify the authenticity of such BGs from the issuing bank, confidentially and independently from the organization side.
- ◆ Do ensure in case of ‘Machinery and Equipment advance’, insurance and hypothecation certificates are taken from the contractor.
- ◆ Do obtain Utilization certificate from the contractor for the mobilization advance.
- ◆ Do provide preferably, mobilization advance in instalments and subsequent instalments should be released after getting satisfactory utilization certificate from the contractor for the earlier instalments.

### **Don'ts**

- ◆ Don't forget to verify Bank Guarantee from the concerned bank regarding its genuineness before releasing of mobilization advance.

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***‘Power corrupts the few, while weakness corrupts the many.’***

***Eric Hoffer***



## **BANK GUARANTEE**

### **Dos**

- ◆ Do ensure that the bank Guarantee normally unconditional is prepared from a RBI scheduled Bank in the prescribed format or as specified in tender.
- ◆ Do provide prescribed format for acceptance of Bank Guarantee along with tender documents, if possible.
- ◆ Do ensure taking reasonable amount as unconditional Performance Bank Guarantee valid up to construction/ Defect Liability period depending on a particular case.
- ◆ Do ensure that whenever the time extension for contract is guaranteed, the extension of validity of BG should also be appropriately asked.
- ◆ Do clearly spell out the date of submission for the BG and adhere to it at the time of the execution of the contract.
- ◆ Do specify with clarity the clauses of invocation and revocation of BG.
- ◆ Do insist on the contractors/suppliers that BGs to be submitted by them should be sent to the Corporation by the issuing bank directly under registered post (A.D.).
- ◆ Do write to issuing bank (if BG is submitted by the agency directly) to send by registered post (A.D.), an unstamped duplicate copy of the Guarantee directly to the Corporation with a covering letter.

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***'We make our own fortunes and call them fate.'***

***Benjamin Disraeli***

- ◆ Do compare this with the original BG for confirming that the BG submitted by the agency is in order.
- ◆ Do assign the responsibility for verification, timely renewal and timely extension of BG.
- ◆ Do take timely action for revalidation/encashment of BGs.

### **Don'ts**

- ◆ Don't handover BG to supplier/contractor for getting its extension or verification but through speed/registered post only.
- ◆ Don't wait till last moment for extension and in such case ask for encashment well in advance.

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***'For a wrongdoer to be undetected is difficult; and for him to have confidence that his concealment will continue is impossible.'***

***Epicurus***

# INSURANCE

## Dos

- ◆ Do incorporate and implement a comprehensive all risks insurance clause for men, material and construction so as to meet any contingency arising on account of fire/ earthquake, mishap during execution etc.
- ◆ Do also take care that safety precautions are taken at site during execution irrespective of insurance.

## Don'ts

- ◆ Don't make RA payment until insurances as specified in the contract are submitted by the contractor.

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***'Darkness cannot drive out darkness; only light can do that.'***

***Martin Luther King Jr.***

## COMPLETION OF CONTRACT

### Dos

- ◆ Do stipulate milestones in the contract for the specific schedule of completion of contract in an unambiguous manner.
- ◆ Do monitor progress in accordance with such schedule.
- ◆ Do ensure that each and every contract, in case of big projects, should have its specific schedule of completion of intermediate milestone activities which inter-alia should be within the overall completion schedule of various activities in advance, if the work is broken into small contracts.
- ◆ Do specify the LD clause in case of delay in completion of intermediate milestone activities and overall project/contract.
- ◆ Do specify intermediate LD refunds in case overall completion target of the contract is achieved.
- ◆ Do take care that specialized work is executed through specialized agency.
- ◆ Do reconcile materials issued by department at various stages of work.
- ◆ Do ensure that materials are tested at proper frequency.
- ◆ Do ensure that the proper technical staff is employed by the contractor and work is executed qualitatively and timely.

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***'Rights that do not flow from duty well performed are not worth having.'***

***Mahatma Gandhi***

- ◆ Do ensure that the project is not delayed due to contractor's fault such as non-deployment of adequate plant and machinery, technical staff, material, labour, etc.

### **Don'ts**

- ◆ Don't forget to take built drawings on completion of any contract.
- ◆ Don't forget to adjust all advances before completion of project and release of final payment.
- ◆ Don't forget to record delays on the part of contractor and recover LD as per provision of contract.
- ◆ Don't forget to take Bank Guarantees for long term guarantee for specialized items, if specified in contract.
- ◆ Don't release retention money before due date.

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***'Nothing great is ever achieved without enthusiasm.'***

***Ralph Waldo Emerson***

## DEFECT LIABILITY PERIOD CLAUSE

### Dos

- ◆ Do incorporate in the bid documents and in the resultant contract detailed “Defect Liability Period” clause embodying all the safeguards.
- ◆ Do reckon defect liability period only from the date of taking over of work viz. installation/commissioning in the contract involving installations /commissioning of equipments.
- ◆ Do proceed in such a manner that the time gap between supply and commissioning is minimal, in case supply and installations have to be executed through separate contract due to some compelling reasons.
- ◆ Do maintain a proper record of hindrance.

### Don'ts

- ◆ Don't miss to provide this clause in all contracts.
- ◆ Don't fail to record date of completion in order to calculate defect liability period.

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***'If ever there was a country for which a man might work with pride, surely it is our own.'***

***Rajendra Prasad***

## **PAYMENT TERMS AND APPLICABILITY OF TAXES AND DUTIES**

### **Dos**

- ◆ Do make clear the applicability of various taxes/duties at the outset in the instruction to the bidder's part of the bid document in the case of a composite contract for supply and erection.
- ◆ Do define payment terms unequivocally.
- ◆ Do make the payment to the contractors based on the actual progress of the work.
- ◆ Do record the measurements of the item in the measurement book.
- ◆ Do attest the corrections in the MB, if any.
- ◆ Do get the test check of measurements by officer of a higher level.
- ◆ Do exercise appropriate check and control on the flow of funds while making the payments.
- ◆ Do pay the executed quantities beyond the stipulated time after deducting the LD as provided under the contract unless the valid time extension for the contract is given.
- ◆ Do reimburse taxes and duties, if applicable, only on the production of relevant documents.

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***'We want to have challenges so that we can prove that we are capable of over throwing them.'***

***Indira Gandhi***

## **Don'ts**

- ◆ Don't vary the quantities/amount under the contract. If unavoidable, it shall not be made/paid without approval of competent authority.
- ◆ Don't deviate from payment terms provided in the contract.
- ◆ Don't make escalation payment, if provided in the contract, on owner issue material like cement and steel.
- ◆ Don't ignore any new taxes and recovery on this account, whether provided in the contract or not.

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***'Those who corrupt the public mind are just as evil as those who steal from the public purse.'***

***Adlai Stevenson***



## **MODIFICATIONS OF CONTRACT CONDITIONS / SPECIFICATIONS**

### **Dos**

- ◆ Do discourage any relaxation in the contract terms/ specifications after conclusions of the contract.
- ◆ Do allow modifications/ amendments, only in exceptional cases which are considered absolutely essential but only after taking into account the financial implications.
- ◆ Do withhold a sufficient amount against the items received in an unfinished /incomplete condition so as to ensure that no extra payments are made against such items/ services.

### **Don'ts**

- ◆ Don't modify any condition of contract as it would vitiate the contract and give chance to other party to go to court for claim of damages.
- ◆ Don't make any modification in contract conditions without mutual consent and competent approval.
- ◆ Don't change the contract approved on percentage basis to item rate basis or vice-versa.
- ◆ Don't change the nature of the contract (viz. item rate/ lump sum/percentage basis) as approved by the Competent Authority except specifically allowed by the Competent Authority.

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***'Action should culminate in wisdom.'***

***Bhagavad Gita***

# ARBITRATION

## Dos

- ◆ Do ensure that payment to contractor is made promptly after measuring works executed as per contract as it is most critical and key for successful & timely execution of works to avoid litigation and arbitration.
- ◆ Do remember that every clause of a contract has its meaning and fulfilment of each contract condition is binding on both the parties to avoid arbitration.
- ◆ Do remain vigilant that no opportunity is given to contractor for making any undue claim. Letter indicating so should be promptly replied to avoid any claim from contractor at a later date.
- ◆ Do process the case for appointment of the arbitrator, if so provided in the tender documents, well before its stipulated time and follow up constantly with Competent Authority so that the arbitrator is appointed within the time schedule and litigation is settled expeditiously otherwise the contractor may get chance to get arbitrator appointed through court.
- ◆ Do remember that once a case is under arbitration, the correspondence with the agency should be done in consultation with Corporation legal expert.
- ◆ Do always keep in mind that a contractor always read in between the lines of the contract clause, hence one should be careful in dealing with the contract and the contractor.

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***'I not only use all the brains that I have, but all that I can borrow'.***

***Woodrow Wilson***

- ◆ Do ensure listing of priority issues in the contract document.
- ◆ Do ensure that the important points are mentioned in the highest priority documents to avoid litigation.
- ◆ Do remember to put Arbitration clause in contract to appoint permanent machinery of arbitration (PMA) in the contract between two PSUs, or PSU & Govt. as it is mandatory by DPE.
- ◆ Do remember that existence of a dispute is a pre condition for exercise of power by the arbitrator. The usual features of arbitration are the existence of a dispute between the parties and their agreement to refer it to the decision of a third person with the intention that he/she shall act judiciously.
- ◆ Do remember to consider all claims /receivable etc. beforehand so that claim/counterclaim is comprehensive.
- ◆ Do remember that the policy of the Arbitration & Conciliation Act, 1996 is to minimize the intervention of the court.
- ◆ Do remember when some claim referred to the Arbitrator is omitted from consideration in the Arbitral Award, a party can make a request to the Arbitrator or the Arbitrator Tribunal to make an additional award with respect to such claim with a notice to the other party but within thirty days of the receipt of the award.

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***'When we walk in faith that things will get better, they usually do.'***

***Skye Thomas***

## **Don'ts**

- ◆ Don't delay the rightful payment of executed works as per the contract to the agency to avoid unnecessary arbitration/court cases.
- ◆ Don't delay appointment of the arbitrator as per the contract. When one party raised a dispute and denied by the other, then the objections raised would be exclusively within the jurisdiction of the Arbitral Tribunal.
- ◆ Do not loose time to appoint arbitrator when it is asked by the aggrieved party.
- ◆ Don't forget to identify the type of dispute. The matter in dispute must be of civil nature for referring to the arbitration, though if a single act involves civil as well as criminal consequences and the injured party has either remedy at his disposal, he may agree to refer the matter to arbitration even if it has the effect of wiping out the crime.
- ◆ Don't forget to give reminders for appointment of arbitrator as per provision of law of contract.
- ◆ Don't forget to take action on the arbitration award under 1996 Arbitration Act unless disputable.

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***'An ounce of action is worth a ton of theory.'***

***Friedrich Engels***

# RECORD MANAGEMENT

## Dos

- ◆ Do remember that record constitutes compiled wisdom of an organization and the backbone of any system.
- ◆ Do remember to follow instructions for retention of records issued by GOI/PSUs.
- ◆ Do remember that as per RTI Act 2005 there is a penal provision for failure to furnish the information to the citizen on demand .
- ◆ Do maintain records in the record rooms designed for the purpose and also maintain current records electronically.
- ◆ Do make a list of the records kept in the record room for annual verification and destruction after completion of the life time of a particular record.
- ◆ Do remember to number all papers, including note sheets in green page and corresponding papers properly numbered before forwarding them to record room.
- ◆ Do ensure proper gist of each file in record room in electronic mode for easy reference.

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***‘The most important about motivation is goal setting. You should always have a goal.’***

***Francie Larrieu Smith***

- ◆ Do ensure quick retrieval of the information from the records.
- ◆ Do maintain all records in such a manner and form as is consistent with its operational requirements duly categorized and indexed.
- ◆ Do appoint a record officer to be in charge of all records as a custodian who would be appointed officially for any information/file for consultation and will remain vigilant for proper upkeep of files . The things to keep in mind are identification of records, measurement of their reference value, categorization and arrangement of records, deciding their retention period and periodically reviewing of the records and changing of their categorization/deciding to destroy the records as and when required.

### **Don'ts**

- ◆ Don't forget to number each page of the correspondence and note sheet of the file.
- ◆ Don't forget to categorize the file according to their importance.
- ◆ Don't forget to review the records and files for change of categories/decision to destroy etc.
- ◆ Don't delay in parting of information as and when required for replying under RTI.

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***'Whenever you are asked if you can do a job, tell them "Certainly I can!" Then get busy and find out how to do it.'***

***Theodore Roosevelt***

# RIGHT TO INFORMATION ACT 2005

## Dos

- ◆ Do remember that right to information as provided under the RTI Act means supply of information which is held by or under the control of any public authority and does not include obtaining information from other offices/ sources to reply a letter under RTI.
- ◆ Do keep in mind that subject to the provisions of the Act, all citizens have the right to information.
- ◆ Do remember that the PIO /APIO/or any other officer responsible for sending reply under section 6 is required to provide information to the applicant within thirty days of the receipt of valid application. If the information sought for concerns the life or liberty of a person, the information should be provided within forty-eight hours of the receipt of the request.
- ◆ Do note that the Public Authority under RTI Act is not suppose to create information or to interpret the information or to solve the problem raised by the applicants or to furnish reply to the hypothetical questions. Under the Act , only such information can be had which already exists with the Public Authority.
- ◆ Do provide information to the applicant in the form in which it is sought unless the supply of the information in that particular form would disproportionately divert the resources of the authority or may cause harm to the safety or preservation of the records.

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***‘Small opportunities are often the beginning of great enterprises.’***

***Demosthenes***

- ◆ Do inform to the applicant about the details of further fees along with the calculations, if an applicant is required to make payment for obtaining information in addition to the application fee. The concerned authority is under no obligation to make available the information if the applicant does not deposit the additional fee intimated by it.
- ◆ Do remember that as per RTI Act 2005, one is required to give information to the citizen of India and that there is a penal provision for failure to furnish the information to the citizen on demand.
- ◆ Do note that if the concerned authority fails to send decision on the request on the information within a period of thirty days or forty-eight hours of the receipt of a valid application as the case may be, the information may be deemed to have been refused.

### **Don'ts**

- ◆ Don't part the information which is protected under RTI Act and which is damaging to commercial interest/ secrets of the Corporation.
- ◆ Don't insist on any formal application form from the citizen asking for any information. The application should however have the name and complete postal address of the applicant and should be valid under the RTI Act.

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***'The world will still be okay if you take time to find out who you are and what you've been created for.'***

***Donna L Watkins***



- ◆ Don't ask any reason for the request for information since as per section 6(2) of the Act; no person seeking information shall be required to give any reason for his request.
- ◆ Don't take any fees if the applicant belongs to below poverty line (BPL) category. However the applicant should submit a proof in support of his claim of being in the below poverty level.
- ◆ Don't forget that the right to seek information from a public authority is not absolute. Section 8 and 9 of the Act enumerate the categories of information, which are exempt from disclosure.
- ◆ Don't forget to inform the applicant the reason for rejection of his request for information if the concerned authority is of the view that the information sought for cannot be supplied under the provision of the Act. The authority would also inform the particulars of the Appellate Authority and the period within which the appeal may be preferred.
- ◆ Don't hesitate to consult some of the important web-sites given below which contain substantial information relevant to the Right to Information Act:

Portal of the Government of India

**(<http://indiaimage.nic.in>).**

Portal on the Right to Information ([www.rti.gov.in](http://www.rti.gov.in)).

Portal of the Government of India (<http://cic.gov.in>).

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***'If I have the belief that I can do it, I will surely acquire the capacity to do it , even I may not have it at the beginning.'***

***Mahatma Gandhi***

# **GENDER BIAS AND HARASSMENT AT THE WORK PLACE**

## **Dos**

- ◆ Do ensure gender equality at the work place.
- ◆ Do ensure that all steps are taken to prevent any harassment of women in work place.
- ◆ Do form a Committee to decide any complaint received on such issues.
- ◆ Do adopt all measures to ensure healthy office environment without any gender bias.

## **Don'ts**

- ◆ Don't allow any employee to abuse any woman employee at the work place.
- ◆ Don't offer judgment/pass comments based on gender only without assessing performance /ability of particular official.

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***It is cruelty to the innocent, not to punish the guilty.***

## **ADD YOUR OWN DOS AND DON'TS**

## **ADD YOUR OWN DOS AND DON'TS**