



स्पीड पोस्ट/गोपनीय
केन्द्रीय विद्यालय संगठन(मुख्यालय)
18 सांस्थागत क्षेत्र, शहीद जीत सिंह मार्ग,
नई दिल्ली-110016
KENDRIYA VIDYALAYA SANGATHAN(HQ)
18, Institutional Area,
Shaheed Jeet Singh Marg,
New Delhi-110016.
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Website: www.kvsangathan.nic.in
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F.11059/ii-1/2018-KVS(Vig)/10161-10168.

Dated 07 September, 2018

The Deputy Commissioner,
Kendriya Vidyalaya Sangathan,
All Regional Offices/ZIETs.

Subject:- Transparency in works/purchases/consultancy contracts awarded on nomination basis.

Sir/Madam,

Kindly find attached herewith the following circulars/office orders on the subject cited above, whereby guidelines are issued by CVC, New Delhi on transparency in works/purchases/ consultancy contracts awarded on nomination basis, duly forwarded by the Under Secretary (Vigilance), Ministry of HRD, Deptt. of Higher Education, Shastri Bhawan, New Delhi vide Letter No.C-34013/6/2018-Vig dated 16-8-2018:-

1. CVC Circular No.06/07/18 dated 11-7-2018
2. CVC Circular No.15/5/06 dated 9-5-2006
3. CVC Office Order No.23/7/07 dated 5-7-2007
4. CVC Office Order No.19/5/10 dated 19-5-2010.

By these circulars/office orders, it has been observed by CVC that the award of contracts/procurements/projects on nomination basis without adequate justification amounts to a restrictive practice eliminating competition, fairness and equity. It is, therefore, emphasized that award of contracts on nomination basis can be resorted to only in the exceptional circumstances viz.,

- i) during natural calamities and emergencies declared by the Government;
- ii) where the procurement is possible from a single source only;
- iii) where the supplier or contractor has exclusive rights in respect of the goods and services and no reasonable alternative or substitute exists
- iv) where the auction was held on several dates but there were no bidders or the bids offered were too low, etc.

The aforesaid guidelines issued by CVC are hereby circulated for your strict compliance as advised by the Commission. The said guidelines may also be brought to all the concerned officers/officials and Principals of Kendriya Vidyalayas functioning under your jurisdiction.

This issues with the approval of the Competent Authority.

Yours faithfully



(D.K. Dwivedi)

Assistant Commissioner(Vig)

Encl: As above

Copy to:-

1. The Under Secretary (Vigilance), Ministry of HRD, Deptt. of Higher Education, Shastri Bhawan, New Delhi.
2. Shri Gopal Ram, Section Officer, Ministry of HRD, UT-2 Section, Shastri Bhawan, New Delhi
3. The Joint Commissioner(Pers/Acad/Admn/Fin/Trg), KVS(HQ) for kind information and necessary action.
4. The Deputy Commissioner, EDP Cell to upload the circular on KVS website.
5. The Assistant Commissioner(Fin), KVS(HQ), New Delhi
6. The Section Officer, S&S Section, KVS(HQ), New Delhi
7. Guard file.

FTS-470634/2018

C.34013/6/2018-Vig.
Government of India
Ministry of Human Resource Development
Department of Higher Education
Vigilance Section

Shastri Bhawan, New Delhi.
Dated the 16th August, 2018

OFFICE MRMAORANDUM

Sub: Transparency in Works/Purchases/Consultancy contracts awarded on nomination basis- reg.

The undersigned is directed to enclose herewith a copy of Central Vigilance Commission's OM No.005/CRD/19-386121 dated 11.07.2018 on the above noted subject wherein Commission has emphasised the need for award of contracts in a transparent and open manner and invited attention to Commission's earlier circulars on the issue of transparency in works, purchase, consultancy contract awarded on nomination basis. It has been stated by the Commission that representations reporting instances of award of contracts and procurement in a non-transparent manner on nomination basis by several departments/CPSU are still received by the Commission.

2. It is stated that award of contracts/procurements/projects on nomination basis without adequate justification amounts to a restrictive practice eliminating competition fairness and equity and Commission has reiterated its earlier instructions, that award of contracts on nomination basis can be resorted to only in exceptional circumstances as laid down in Commission's office Order No.23/7/07 dated 05.07.2007. The Commission has advised all Ministries/departments/CPSU to apprise the aforesaid guidelines to the concerned offices for strict compliance. A copy each of circular dated 09.05.2006, 05.07.2007 and 19.05.2010 issued by the Commission in this regard is also attached herewith.

In view of the above, it is requested that aforesaid guidelines may kindly be circulated to the Institutions/organisations/subordinate offices under the administrative control of respective Bureau for strict compliance as advised by the Commission.

Sanjay Kumar
(Sanjay Kumar)

Under Secretary (Vigilance)
Tel. No.23386317

All Bureau Heads (Department of Higher Education and Department of School Education & Literacy.
CMIS Unit with the request to upload on the E-Office System.

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agents to
notice of
US/NVS for
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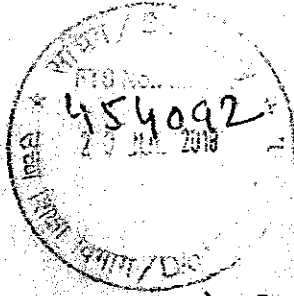
Telegraphic Address :
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E-Mail Address
cenvigil@nic.in

Website
www.cvc.nic.in

EPABX
24600200

फैक्स / Fax : 24651186



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
005/CRD/19-386121
सं./No.

दिनांक / Dated 11.07.2018

Circular No.06/07/18

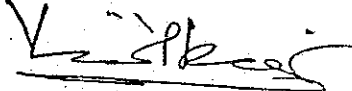
Subject: Transparency in Works/Purchases/Consultancy contracts awarded on nomination basis – reg.

- Reference:** (i) Commission's Circular No.15/5/06 dated 09.05.2006
(ii) Commission's Office Order No.23/7/07 dated 05.07.2007
(iii) Commission's Office Order No.19/05/10 dated 19.05.2010

Reference is invited to Commission's Circulars cited above wherein the need for award of contracts in a transparent and open manner has been emphasized. The Commission is still receiving representations reporting instances of award of contracts and procurements in a non-transparent manner on nomination basis by several Departments/CPSUs.

2. The award of contracts/procurements/projects on nomination basis without adequate justification amounts to a restrictive practice eliminating competition, fairness and equity. The Commission would reiterate its earlier instructions, that award of contracts on nomination basis can be resorted to only in exceptional circumstances as laid down in Commission's Office Order No.23/7/07 dated 05.07.2007.

3. All Ministries/Departments/CPSUs are therefore advised to apprise the aforementioned guidelines to the concerned officers for strict compliance.


(J. Vinod Kumar)
Director

To

- (i) The Secretaries of all Ministries/Departments of Govt.
(ii) All Chief Executives of CPSUs.
(iii) All CVOs of Ministries/Depts/CPSUs.

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27/7/18

No.005/CRD/19
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 9th May 2006

CIRCULAR No.15/5/06

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

The Commission had, in its OM No. 06-03-02-CTE-34 dated 20.10.2003 on back to back tie up by PSUs, desired that the practice of award of works to PSUs on nomination basis by Govt. of India/PSUs needed to be reviewed forthwith. It is observed that in a number of cases, Works/Purchase/Consultancy contracts are awarded on nomination basis. There is a need to bring greater transparency and accountability in award of such contracts. While open tendering is the most preferred mode of tendering, even in the case of limited tendering, the Commission has been insisting upon transparency in the preparation of panel.

2. In the circumstances, if sometimes award of contract on nomination basis by the PSUs become inevitable, the Commission strongly feels that the following points should be strictly observed.

- (i) All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post facto.
- (ii) The reports relating to such awards will be submitted to the Board every quarter.
- (iii) The audit committee may be required to check at least 10% of such cases.

3. This may be noted for strict compliance.

(V. Kannan)
Director

All Chief Vigilance Officers

Copy to:

- (i) All Secretaries of Govt. of India
- (ii) All CEOs/Head of the organisation

No.005/CRD/19
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110 023
Dated the 5th July 2007

Office Order No.23/7/07

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

Reference is invited to the Commission's circular No.15/5/06 (issued vide letter No.005/CRD/19 dated 9.5.2006), wherein the need for award of contracts in a transparent and open manner has been emphasized.

2. A perusal of the queries and references pertaining to this circular, received from various organizations, indicates that several of them believe that mere post-facto approval of the Board is sufficient to award a contracts on nomination basis rather than the **inevitability of the situation, as emphasized in the circular.**

3. It is needless to state that **tendering process or public auction** is a basic requirements for the award of contract by any Government agency as 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.

4. A relevant extract from the recent Supreme Court of India judgement in the case of Nagar Nigam, Meerut Vs A1 Fahem Meat Export Pvt. Ltd. [arising out of SLP(civil) No.10174 of 2006] is reproduced below to reinforce this point.

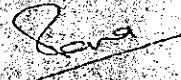
"The law is well-settled that contracts by the State, its corporations, instrumentalities and agencies must be normally granted through public auction/public tender by inviting tenders from eligible persons and the notifications of the public-auction or inviting tenders should be advertised in well known dailies having wide circulation in the locality with all relevant details such as date, time and place of auction, subject matter of auction, technical specifications, estimated cost, earnest money deposit, etc. The award of Government contracts through public-auction/public tender is to ensure transparency in the public procurement, to maximize economy and efficiency in Government procurement, to promote healthy competition among the tenderers, to provide for fair and equitable treatment of all tenderers, and to eliminate irregularities, interference and corrupt practices by the authorities concerned. This is required by Article 14 of the Constitution. However, 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 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 were 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'."

(Copy of the full judgement is available on the web-site of the Hon'ble Supreme Court of India, i.e., www.supremecourtfindia.nic.in)

5. The Commission advises all CVOs to formally apprise their respective Boards/managements of the above observations as well as the full judgement of the Hon'ble Supreme Court for necessary observance. A confirmation of the action taken in this regard may be reflected in the CVO's monthly report.

6. Further, all nomination/single tender contracts be posted on the web-site ex post-facto.



(Rajiv Verma)
Under Secretary

To

All Chief Vigilance Officers

No.005/CRD/19(part)
Government of India
Central Vigilance Commission

Satarkata Bhawan, GPO Complex,
INA, New Delhi,
Dated 13th May, 2010

OFFICE ORDER No. 19/05/10

**Sub: Transparency in Works/Purchase/Consultancy contracts awarded on
Nomination basis**

Commission vide Circular No 15/5/06 dated 09/05/2006 had prescribed certain measures to be followed on works/purchase/consultancy contracts awarded on nomination basis by PSUs. These instructions have since been reviewed in the Commission and the Commission is of the view that the Board of the PSU is not required to scrutinize or post facto vet the actions of the operational managers and their decisions to award work on nomination basis.

2. Therefore, the following amendment is being made in sub-para (i) of Para 2 of Commission's above circular:-

* All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post facto*

Read as

* All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for information**.



(Vineet Mathur)
Director

All Chief Vigilance Officers of CPSUs

Copy to:

- (i) All Secretaries of Govt. of India
- (ii) All CEOs/Heads of Organizations