



# **KOLKATA PORT TRUST**

## **VIGILANCE DEPARTMENT**

**4, Fairlie Place (3<sup>rd</sup> Floor)**

**Kolkata- 700 001**

NO: Vig /38/A/730

Dated 30/06/2011

### **Circular**

On scrutinisation of some of the tenders, it has been noticed that:

1. there is clause for option of renewal regarding the duration of the contract e.g. a contract initially stated for a period of say, one year may be renewed for a further period of say, another year as per terms of the clause given in the contract. As there is flexibility in the duration of the contract i.e. it may be for a period of one year or for a period of two years, there will be doubts in the minds of the prospective bidders in quoting his rates for the bid. Moreover, there is a possibility that the option of the renewal of the contract may be renewed depending on the successful bidder and not on his performance in executing the work. Hence, it is felt to be raising doubts regarding the transparency in the process of awarding the renewal option to a successful bidder so far as the tender documents are concerned and are against CVC Guidelines.
2. while executing items of work as excess quantities in tender, the technical specifications of the items to be executed as excess has been altered/changed in contravention to the clauses in the tender leading to financial implications. This is also against CVC Guidelines.

In this context, you are requested:

- to execute the contract specifically, e.g. either for one year or for two years as per the example cited in SI No 1 above. If it is felt that the contract is to be operated depending upon the performance of the contract in the first year, then the tender initially may be floated for a period of one year. Then if it is observed that the contract is to be continued beyond one year, another tender may be initiated for the period as given in the renewal option i.e another year as per the example cited in SI No 1 above, and the process of tendering may be initiated prior to the completion of the contract in the first year in such a way so that the work in the second year can be immediately commenced just after completion of the contract in the first year with proper synchronisation. This will give transparency to the tendering process and also allow the prospective bidders to quote his rate with clarity. It may also be mentioned that the departments who are having contracts with renewal option at present may also explore the possibility of not renewing the contract on renewal option. Instead they may explore the possibility to invite fresh tender for the period of the renewal option defined in the present contract with proper synchronisation, if possible. This is with regard to SI No 1 above.
- to avoid executing items of work as excess quantities in tender with altered/changed technical specifications than that given in the items concerned in contravention to the clauses incorporated in the tender . This is with regard to SI No 2 above.

This issue with the approval of the Chairman.

**(S.K.Choudhary)**  
**Chief Vigilance Officer**

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