

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:809
ANSWERED ON:22.11.2001
TENDER SYSTEM
ARUN KUMAR

Will the Minister of RAILWAYS be pleased to state:

- (a) whether his Ministry invite tenders in respect of many items and in many a case lowest offer is not accepted;
- (b) if so, the reasons therefor alongwith the cases in which counter offer was given;
- (c) whether C&AG in their report 9 of 1999 – pages 178 to 192 had brought to the notice of such a case;
- (d) if so, the details thereof; and
- (e) the steps taken to streamline the tender system?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS AND MINISTRY OF PARLIAMENTARY AFFAIRS (SH RAJAGOPAL)

(a) and (b): It is true that many tenders are invited in respect of many items by zonal railways and production units under this ministry and lowest offer is generally accepted subject to meeting the tender requirement as per terms and conditions, specifications, and reasonability of the rates. In case lowest offer is not accepted, the reason thereof are to be recorded as per rules. Lowest offer may not be acceptable in certain tender cases when the same is not either as per specifications, terms and conditions, past available credential of tenderer or unreasonable rates etc.

(c) to (e): Report 9 of 1999 – pages 178 to 192 refers to various subjects as given below:

- (a) Para 4.3.5 – Railway Board –
Sub: Loss on procurement of High Tensile Steel wire.
- (b) Para 4.3.6 – South Central, Northeast Frontier, Southern and Western Railways –
Sub: Loss due to detention to locomotives.
- (c) Para 4.3.7 – Southern Railway –
Sub: Non-recovery of reclamation charges of wheel-sets from wagon builders.
- (d) Para 4.3.8 – South Eastern Railway –
Sub: Avoidable loss on procurement of pre-stressed concrete sleepers.
- (e) Para 4.3.9 – Diesel Component Works, Patiala.
Sub: Injudicious rejection of lowest tenders.
- (f) Para 4.3.10 – Northern Railway –
Sub: Avoidable expenditure on bulk production of twin block Reinforced Concrete (RCC) sleepers.

Para 4.3.9 above refers to injudicious rejection of lowest tenderer.

The case pertains to procurement of various sizes of Kapton Insulated electrolytic copper Conductors procured by Diesel Component Works, Patiala. This Audit Para refers to ignoring the lowest offer which was in Foreign Exchange on import basis made from Dutch firm. The offer was ignored by DCW for the reason of no adequate experience of quality supply by this Dutch firm. The orders were placed on the lowest indigenous tenderers. In fact all four tenders referred in Audit Para were advertised tenders for procurement in India on Rupee Payment Terms through indigenous sources. Audit Para has already been replied through Action Taken Note as per procedure.

