

**GOVERNMENT OF INDIA
ATOMIC ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:2765
ANSWERED ON:29.08.2012
PROCUREMENTS BY NUCLEAR PLANTS
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Will the Minister of ATOMIC ENERGY be pleased to state:

- (a) whether the Comptroller and Auditor General (CAG) has recently found that most of the procurements made by nuclear plants were given out to a single or limited vendors;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the CAG has asked the Department of Atomic Energy to stop such secretive purchases; and
- (d) if so, the steps that are being taken to make the procurement process more fair and transparent in the nuclear energy sector?

Answer

MINISTER OF STATE FOR PERSONNEL, PUBLIC GRIEVANCES & PENSIONS AND PRIME MINISTER'S OFFICE (SHRI V. NARAYANASAMY)

(a) The Comptroller and Auditor General of India (CAG) conducted Performance Audit of procurement of stores and inventory management of the units of Department of Atomic Energy and has submitted a report (No. 13 of 2010-11). The report does not cover procurement relating to nuclear power plants. The report has, inter-alia, pointed out that 94% of procurements made by the Department of Atomic Energy were based on restrictive mode of tendering (single/limited tenders) and as such could achieve only limited competition.

(b) The research organizations of the Department of Atomic Energy (DAE) like Bhabha Atomic Research Centre (BARC), Indira Gandhi Centre for Atomic Research (IGCAR), Raja Ramanna Centre for Advanced Technology (RRCAT), etc. have many small projects for carrying out research and development work. The value of indents raised for such small projects is quite often less than Rs 25 lakhs and to give statistics around 94% to 97% indents raised from such organizations are of value less than ?25 lakhs. Therefore, in line with the provisions of Rule 151 of General Financial Rules, 2005 (GFR 2005) they are processed by way of limited tenders.

The indents with estimated value of above 25 lakhs are regularly processed through public tenders except in some specific cases wherein sensitivity of data in the specifications for the indents for secret and sensitive projects are involved or in case of urgency which are duly approved by the Competent Authority. Although the number of indents processed through public tender is 3 to 6%, the total value of indents processed by public tender was about 60% during the period from 2002 -03 to 2007-08 from Central Purchase Unit (Mumbai) of Directorate of Purchase and Stores (DPS).

(c) No, Sir

(d) The procurements of nuclear energy sector are handled by Nuclear Power Corporation of India Limited (NPCIL). For the procurements by the Department, instructions have been issued to Directorate of Purchase & Stores to review all related issues to reduce number of single /limited tenders. Instructions have also been issued to expedite e-procurement wherever feasible to ensure transparency, competitiveness and efficiency in procurements.

Consequently, Directorate of Purchase and Stores has stopped granting of public tender dispensation based on urgency and all tenders above Rs. 25 lakhs are issued as public tenders except those for sensitive and secretive items. DPS puts all its public tenders on the DPS website. DPS website is linked to Central Public Procurement Portal (CPP Portal) through DAE website. DPS commenced e-tendering from one of its units (Madras Regional Purchase Unit, Chennai) from January 2010 and expanded it to other regional units and Head Quarters. As of now more than 11,000 tenders have been floated by way of e-tendering from DPS Head Quarters and its Regional Units.