

AP Engineers Hub
GOVERNMENT OF ANDHRA PRADESH
IRRIGATION & CAD (Ser.VII(V&E) DEPARTMENT

Memo.No.1224/Ser.VII(V&E)/2005- 1 Dt. 28-2-2005

Sub:- I&CAD Dept - V&E - Issue of experience certificates to the contractors - Irregularities - System improvement Note - Findings & Recommendations ov V&E furnished for necessary action - Reg.

Ref:- From the GA (V&E) Dept System Improvement Note No.12 (464/V&E/E2 /04, dt. 22.12.2004.

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The Engineer-in-Chief (A.W) /Engineer-in-Chief(Irrigation), all Chief Engineers of Irrigation & CAD Department and Commissioner, Commissionerate of Tenders, Hyderabad are informed that the Director General,(Vigilance and Enforcement) & Ex-Officio Principal Secretary to Govt., General Administration Department has furnished a System Improvement Note in the reference cited stated that during verification of tender/work records observed in many cases that the Contractors are submitting false experience certificates or certificates issued by Executive Engineers without relevance to actual work turned out in an year. This is resulting in ineligible Contractor becoming eligible and grabbing the works at the cost of genuine bidders. The modus operandi and various irregularities noticed are complied in the note so as to eliminate the fraud.

BACK GROUND:

2. As per GOMs.No.23, I&CAD dept dt.5.3.99 and G.O.Ms.No.94, I&CAD Dept dt. 1.7.03 for works costing more than Rs.10.lakhs are qualification of Contractor basing on his financial turnover, experience in execution of similar nature of work and execution of relevant quantities in an year etc. is being insisted. For works less than Rs.10. lakhs post qualification is followed.

3. The tenders are being received in 2 parts in difference sealed covered i.e. Cover A-Containing the qualification data and cover-B- containing financial bid for the work in question. First the cover-A 'Technical bid' is opened and then after evaluating various bids the financial bid (Cover-B) of those bidders whose bids are technically qualified only are opened.

4. Hence, the experience certificates, turnover details have become the basic in put for awarding a work. This is prompting some of the contractors resorting to unethical practices in collusion in departmental officers in some cases.

5. The DG(V&E) has furnished the following findings on the cases of false experience certificates produced by the Contractors.

- (1) i) The Contractor are submitting false/forged certificates or tampered certificates
ii) Executive Engineers are issuing certificates with increased quantities/amount without relevance to the quantum work as per M. Books.
iii) Executive Engineer are issuing certificates without year wise breakup.
- (2) Certificate issuing authority i.e. EE's or the counter signing authority the concerned S.E's are not maintaining any record of certificates issued. Even note file are not run on the subject. In some cases original certificates are also not available in EE office records.
- (3) As the year wise break up is not being given in the certificates, it is giving scope for the Contractor to tamper the same or manipulate the bid evaluation authorities.
- (4) The issue of certificates are being dealt in a very casual and careless manner though the experience certificate issued by the Engineer is a very important document base on which the Contractor would be eligible or ineligible for competing tenders. In many cases Executive Engineer readily issues the certificates without M.Book references payment details and without verification on the basis of certificate submitted by Department's Executive Engineer.
- (5) As per clause 9 of Annexure I of GOMs.No.94, I&CAD Dept dt. 1.7.2003 hereafter the Contractor should submit the details of experience with an affidavit before Commissioner of tenders who in turn would place their details on the web site. The objections if any, are to be filed on the same. All executive agencies in different departments shall update the information on the web site.

The Commissioner of Tenders would issue passbooks to each Contractor containing details of experience etc. and works awarded/cancelled should be entered in the pass book by an officer.

In spite of this detailed procedures it is possible that false certificates/information are put on web site based on certificates issued by various departments in collusion with Contractors. It is therefore not always possible for other Contractors to point out the fraud.

Moreover, though the GO is 1 ½ years old, the desired action is yet to be attained and many works are still being awarded on the previous procedure.

(6) Though the Vigilance & Endorsement Department had been pointing out the fraud committed by the Contractors, the concerned departments have not taken any action as per recommendations excepting in one or two cases holding the view that;

- (i) The Contractors cannot be faulted when the false certificate is issued by departmental Executive Engineer.
- (ii) Eligibility can be uphold if quantities indicated in m/book qualifies for eligibility even if the certificate is false.
- (iii) If one of the many certificates submitted makes the Contractor eligible and is genuine other Certificates even if false could be ignored.

Such a stand is perpetuating the fraud and irregularity and collusion between Contractors and Engineers to the detriment of interest of the Government.

(7) The departments are not taking action following correct procedure enabling Contractors to obtain favorable court orders. The departments are also not taking prompt follow up for criminal action for such frauds.

6. RECOMMENDATIONS:

- (1) The certificate issuing authority shall certify the quantities/amount year wise as per M-Book. The M-Book reference shall be indicated in the certificate. The sub divisional officer submitting the certificate and divisional officer issuing certificate

shall maintain proper record of the same in their office in a Register.

- (2) The counter signing authority, the Superintending Engineer shall also maintain records of certificates counter signed and in no case the certificate shall be counter signed in the absence of M-Book references and due verification.
- (3) Proper action to blacklist/suspend business as per guidelines issued vide GOMs.No.94, I&CAD Dept dt. 1.7.2003 and other circular shall be taken. Whenever a Contractor is found to have misled the government submitted a false/forged certificate, prompt action should be taken for imitating criminal action in all such cases.

7. The Engineer-in-Chief (A.W) /Engineer-In-Chief(Irrigation), Irrigation & CAD Department /Commissioner, Commissionerate of Tenders, Hyderabad and all Chief Engineers of Irrigation & CAD Department are therefore requested to take necessary immediate steps and issue necessary instructions to the concerned to curb the issue of false/forged certificates producing by the Contractors.

Dr.C.V.S.K.SARMA
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Engineer-In-Chief (AW), Irrigation & CAD Department, Hyderabad

The Engineer-in-Chief (Irrgn), Irrigation & CAD Department, Hyderabad.

The Commissioner, Commissionerate of Tenders, Hyderabad

All Chief Engineers - through Engineer-in-Chief (Irrgn), I&CAD Department.

Copy to the General Administration (V&E) Department.
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SECTION OFFICER.

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