

A COMMON - SENSE APPROACH TO PUBLIC PROCUREMENT IN GOVERNMENT DEPARTMENTS AND PSUs

THE FEAR OF VIGILANCE:

The lurking fear of landing in vigilance cases, even amongst honest employees, withholds them from giving off their best to the organization. This fear arises out of the uncertainties about the view that would be taken by vigilance organization in case of an inadvertent mistake without any mala- fide intention. The numerous and ever changing rules also give rise to such fear.

LEARNING BY HARD WORK:

One can avoid this fear psychology by refreshing his knowledge of rules regularly, by frequent refresher trainings, self-study etc. This involves hard work and consumes time. In certain posts, one may not find enough time to keep his knowledge updated continuously.

A COMMON SENSE TOUCHSTONE:

The source of procedures, rules and regulations are fundamental principles- like the canons of financial propriety, which can be further distilled to four common keywords: Consistency, Equality, Prudence and Transparency (call it 'CEPT'). We can use 'CEPT' as a touchstone for judging our knowledge and application of rules.

As an example, the procurement process can be discussed from the point of view of CEPT, to understand how vigilance cases can be avoided.

THE CORRECT APPROACH:

At times, even honest persons who are conversant with the rules face vigilance cases because of attitudinal problems leading to lopsided decisions, which fail the test of CEPT. This paper shall discuss the application of commonsense words (CEPT) and a correct philosophy of life, which will help us avoid vigilance cases.

5-RIGHTS OF PROCUREMENT:

Public procurement should be based on CEPT, which enables each procurement to be done achieving the 5 Rights of procurement:

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| (i) Right Quality | (ii) Right Price | (iii) Right Time |
| (iv) Right Place | (v) Right Quantity | |

Note that the above 5 Rights can be achieved only if the procurement is done from the right source.

RIGHT QUALITY:

Ensure right **D**escription, right **D**rawings, right **S**pecifications and right **I**nspection (DDSI). CEPT in obtaining right quality would demand:

- (i) Description, Drawings, Specifications and Inspection should be bare minimum as per the ultimate use.
- (ii) DDSI should not suit only a particular firm or group of firms.
- (iii) DDSI should be complete by itself. There should be no ambiguity. All tenderers must get equal opportunity in getting all relevant details.
- (iv) Procurement of items 'as per sample' creates lack of transparency and should be avoided. In unavoidable cases (e.g. where feel and finish cannot be specified), stock samples should be displayed instead of inviting submission of samples.
- (v) No major deviations should be allowed to DDSI during finalization of tenders. While accepting the tender the passing over of offer or acceptance of any offer should be strictly as per the laid down DDSI. Arguments applied to offers, which are passed over, and those that are accepted should have uniformity.
- (vi) Modification of DDSI during contract execution should be discouraged.

RIGHT PRICE: CEPT can be ensured for right price, if:

- (i) Rate estimation/justification is based on tangible factors like last purchased rates, published maximum retail price, raw material cost, prices of similar or alternative products, prevalent industry unit rate price, etc.
- (ii) Negotiations or counter offer should be extremely rare and, if at all resorted to, these should be as per laid down guidelines, criteria and precautions. Remember, the tender system aims at obtaining the best possible price and not an unreasonably low price.
- (iii) Be diligent to look at all pages of all the offers received howsoever beyond the range of consideration. There are likely to be lurking price implications at unlikely places in the offer.
- (iv) Be extra alert in case of closely competitive tenders and in case of unhealthy cartel type of situations.

RIGHT TIME & PLACE: CEPT in this case will require:

- (i) The right time & place, which have a bearing on the price, should be specifically and exactly mentioned in the tender. The offer finally accepted should conform to specified time and place.
- (ii) Logistics of supply/mode of transport etc. should also be clearly specified.
- (iii) Payment terms, which are related to right place and time, should also be specified.

RIGHT QUANTITY: CEPT in this case will demand:

- (iv) Right quantity for procurement to be justified taking into consideration all the stocks available (including the quantity available in subsidiary stores/safe custody; the pending orders in hand; past pattern of consumption) tempered with operational charges. Club as many requirements for the same item as possible, duly taking into account the shelf life of items and lead time for procurement.
- (v) Major change in the tendered quantity creates lack of transparency.
- (vi) In case of distribution of quantities among more than one tenderer, CEPT needs to be maintained.

PREDISPOSING ATTITUDINAL PROBLEMS:

The following general attitudinal problems predispose people to vigilance cases:

- (i) A reputation for lack of balanced, non-controversial approach; Use of one-sided arguments in favour of or against a particular proposition attracts controversy. Employees involved in procurement process must consistently take decisions, which steer clear of controversy.
- (ii) Being too intellectual or getting swayed by smart arguments is often detrimental. Arguments of 'penny wise and pound foolish' often lead to questionable decisions. Do not use any criteria for judging offers, which are not advertised, in the tendered documents.
- (iii) Being too secretive may be seen as lack of openness or transparency. Lack of access to the Officer and failure to be good listener prevent relevant facts and inputs for decision making from reaching you. Maintaining a polite, balanced approach and equidistance towards all vendors helps you to avoid vigilance cases arising out of vindictiveness.
- (iv) Procedural shortcuts cannot be a substitute for proper planning and execution. Proper planning and action at the right time eliminates the need for urgent/emergency procurements using gutsy shortcuts. It is these shortcuts in working which may lead to vigilance cases.

CORRECTING ATTITUDINAL PROBLEMS:

The right approach for correcting attitudinal problems is:

- (i) Maintain innocence (as against a gossiping, extra talkative or all-knowing attitude) and a sense of enquiry-this increases your creativity and helps you remain non-controversial.
- (ii) Keep a strict watch on your ego, worries or fears-these give rise to attitudes, which lead to violations of CEPT. One should take himself lightly, develop a sense of humour and accept irony smilingly. Realise that each and every procurement is not the end of the world itself.
- (iii) It is essential to philosophically distance your 'self' from your office persona. Too close identification of 'self' with your official post leads to all ills. Remember, in any post you are only a temporary guest. Be alert and wary of greasy praise, as it may be a trap.

- (iv) Avoid partisan identity-follow your conduct rules and be free of controversy.
- (v) Develop an attitude of empathy with all those whom you come in contact. This will alert you if any of your actions tend to violate CEPT.
- (vi) Temper your own and your family's desire for wealth or expensive life-style. Please accept the fact that a Government job does not provide extravagant wealth or life style. If this is unacceptable, you are in a wrong job!
- (vii) Develop a positive attitude towards work, incorporating CEPT as a part of your personality. Such personality is the ultimate shield against vigilance cases.
