2.0 Procurement of Items & Equipments on Repeat Order basis.

2.1 Brief Introduction:

A CTE Type examination was conducted on Procurement of items/equipments on repeat order basis for Shipbuilding project.

2.2 Background:

During the examination, it was observed that total 30 items/equipments have been placed on “Repeat order” basis for the ongoing shipbuilding project.

Further, it has been noted that the existing directives issued by CMD on repeat ordering has not been complied fully, since no effort was put in to carry out market research for identifying any cheaper source of supply and understanding the prevailing market rates prior to placement of orders on Repeat order basis.

2.3 Implementation:

The following Systemic improvements were suggested by Vigilance Department and accordingly suitable directives have been issued by CMD/GSL for compliance by all concerned.

a) A detailed internal market research based on factual data has to be carried out prior to deriving the estimated value so as to have a fair idea about prevailing market rates.

b) To the extent possible, GSL shall resort to open e-tendering instead of repeat order to ensure fairness, better transparency and wider competition unless and until the item is very critical due to pressing timelines from customer.

c) The placement of repeat order is to be in line with the GFR / CVC guidelines / procurement Manual.

d) The previous order should have been placed on competitive basis and the order value was within the estimate.

2.4 Impact and Benefits:

With the implementation of the above systemic improvements, the guidelines for Repeat Ordering have been streamlined in line with the principle of transparency & fairness during the procurement process.