

Document name : System Improvement
Suggestion date : Letter no. VO/PC/S/2018/12/02919 dated 17.04.2019
Implementation date : 21/06/2019
Implementing authority Letter No. : S.POLICY.75/SR/502/S.No.46/2019 dt 21.06.2019
Implementing Authority : PCMM/SR
Applicable to Department(s) : STORES
Subject/Title: : Acceptance of material Pre-inspected by RITES/RDSO

Background:

A Thrust area preventive check was conducted at receipt ward of ELSD/RPM (15 depot) on 13.12.2018 on the aspect of **irregularities in inspection of material by consignee / RITES**. Metalized carbon strips stocked under P.L.No.25881589 received by the depot against the Purchase order no.26/16/003605 dated 02.08.17 was subjected to check. Investigation has revealed that no evidence are available in the depot file/records for having checked and verified the hologram details available on material with that of relevant RITES inspection certificate by receipt ward DMS. Hence, the following system improvement was suggested to PCMM vide this office letter of even no. dated 17.04.2019 for implementation and to avoid possible malpractices.

- All stores depot officials to verify and confirm the receipt of inspected materials as per inspection certificate duly recording the hologram reference given in the inspection certificate in depot file so as to ensure that materials inspected by nominated inspection agency are received.”
- The practice of “FIRST IN FIRST OUT”(FIFO) shall be adopted and scrupulously followed by all Stores Depots to avoid possible malpractices.

Implemented System Improvement

- All stores depot officials to verify and confirm the receipt of inspected materials as per inspection certificate duly recording the hologram reference given in the inspection certificate in depot file so as to ensure that materials inspected by nominated inspection agency are received.
- The practice of “FIRST IN FIRST OUT”(FIFO) shall be adopted and scrupulously followed by all Stores Depots to avoid possible malpractices.

Benefits:

The system will avoid possible malpractices and also will be a evidence that the material received was passed against relevant RITES/RDSO certificate.

Document name : System Improvement
Suggestion date : VO/PC/S/2015/03/0018/W.PTJ dt 28.02.2019
Implementation date : 16.04.2019
Implementing authority letter no. : S.POLICY.75/SR/501/S.No.32/2019 dt 16.04.2019
Implementing Authority : PCMM/SR
Applicable to Department(s) : STORES
Subject/Title: : Handling Warranty claims of in service failures

Background:

A Surprise check was conducted by vigilance with regard to handling of defective DC Motor at S&T workshop, Podanur. Investigation has revealed that the Defective DC Motors got rectified by shop in charge directly from the supplier instead of invoking the warranty claim under warranty condition for the “in **service failure**” of items as per the guidelines laid down by the Railway Board vide letter no. 2000/RS (G)/379/2 dated 13.03.2009 and letter no. 2006/M(C)/137/20 Vol.I dated 21.04.2009 for dealing with the in-service failure of items under warranty claim. This has resulted in firm’s poor performance not being reflected in their history of performance thus the firm getting an undue advantage, non-conducting of Joint inspection of defective materials in consultation with Associated Stores Depot, and receipt of replacement supply without getting inspected by RITES apart from other aspects like non recovery of payment already made to the supplier. Hence, the following system improvement was suggested to PCMM and other PHODs vide this office letter of even no. dated 28.02.2019 for early implementation.

- **Wherever warranty condition is applicable, a copy of PO should be provided to the Officer in charge of the shop concerned by the Associate Stores Depot Officer with a specific advice that the failure of materials while in service should be dealt with as per warranty terms specified in PO, duly following the procedures laid down in Board’s letter no. 2000/RS(G)/379/2 dated 13.03.2009 and letter no. 2006/M(C)/137/20 Vol.I dated 21.04.2009.**

- **Whenever material covering warranty as per PO is issued to the user, the Associate Stores depot should provide relevant PO details with a specific mention of applicability of warranty to the user to enable them to deal with warranty rejections as per Board’s directives.**

Implemented System Improvement

PCMM was advised that

- **Wherever warranty condition is applicable, a copy of PO should be provided to the Officer in charge of the shop concerned by the Associate Stores Depot Officer with a specific advice that the failure of materials while in service should be dealt with as per warranty terms specified in PO, duly following the procedures laid down in**

Board's letter no. 2000/RS(G)/379/2 dated 13.03.2009 and letter no. 2006/M(C)/137/20 Vol.I dated 21.04.2009.

- **Whenever material covering warranty as per PO is issued to the user, the Associate Stores depot should provide relevant PO details with a specific mention of applicability of warranty to the user to enable them to deal with warranty rejections as per Board's directives.**

Benefits:

System will facilitate that information regarding availability of Warranty condition in POs for stock items is conveyed to the user department by Stores Depot.

Document name : System Improvement
Suggestion date : VO/PC/S/2018/05/02744/HQ dt 12.07.2019
Implementation date : 19.08.2019
Implementing authority letter no. : S.POLICY.75/SR/503/S.No.61/2019 dt 19.08.2019
Implementing Authority : PCMM/SR
Applicable to Department(s) : STORES
Subject/Title: : Procurement of Import Items

Background:

Railway board on investigation of a case, had advised all the Railways to conduct preventive checks where orders for imported items have been placed on importers to ensure that necessary import documents viz. Bill of entry etc are furnished along with supply of imported items by the Indian Agents/dealers so as to eliminate possible overcharging of prices by the importers and evasion of customs duty in connivance with overseas principals. Arising out of preventive checks conducted by Southern Railway Vigilance on this aspect, following system correction has been advised to PCMM for implementation.

- To incorporate suitable condition as **mandatory** emphasizing submission of bill of entry etc by the suppliers along with imported items supplies in the '**Condition master**' of IREPS portal [Mandatory field]. This makes the tenderers to confirm the same while bidding itself, thus facilitating incorporation of these conditions in PO binding on all concerned for effective implementation.

Implemented System Improvement

- The following conditions are incorporated in both Southern Railway Tender Conditions as well as Global Tender conditions and Purchase officers should accept the Tender cases accordingly
 - **“In case of imported goods, where the agent directly imports the goods in its own name or by the OEM on whom the order is placed, the submission of copies of import documents(Bill of Entry) is mandatory and same should accompany the supplies”**
- Purchase officer shall also ensure that the following clause ie. **“ the submission of copies of import documents viz Bill of Entry, etc is mandatory and same should accompany the supplies”** is incorporated invariably in all **Purchase Orders involving imports.**

Benefits:

System will avoid acceptance of high value tenders for import supplies and possible mal-practices during receipt & acceptance.

Document name : System Improvement
Suggestion date : VO/PC/S/2017/07/02685/TPJ dt 16.07.2019
Implementation date : 21.08.2019
Implementing authority letter no. : S.POLICY.75/SR/505/S.No.62/2019 dt 19.08.2019
Implementing Authority : PCMM/SR
Applicable to Department(s) : STORES
Subject/Title: : Incorporation of PVC clause in Tender/Purchase order

Background:

A surprise check was conducted at one of the Divisional Purchase office with regard to procurement of underground Copper Signaling Cable has revealed that no PVC Clause was incorporated in tender/purchase order despite the fact that the item is a copper material having a very volatile/ fluctuating market. Following system improvement was suggested to PCMM for implementation.

- To incorporate suitable price variation clause(PVC) in all tenders/purchase orders of Stores head quarters, depots and divisions for copper cables and wherever applicable.

Implemented System Improvement

- **Depot/Divisional/HQ Stores Officers are directed to incorporate suitable Price Variation Clause in all Tenders/Purchase Orders for Copper Cables and other such materials.**

Benefits:

System will take care of possible fluctuation in market rate of such high value non-ferrous items.