

ANNEXURE-II

**No. 3L – IRC 1
Government of India
Central Vigilance Commission**

**No. 3, Dr. Rajendera Prasad Road,
New Delhi, dt. 10-1-1983**

To,

**All Chief Vigilance Officers of all Public
Enterprises/National Banks.**

Sub: APPOINTMENT OF CONSULTANT.

Guidelines in connection with the selection of consultants by Public Sector Enterprises for preparation of project reports have been laid down by Bureau of Public Enterprises vide letter No. BPE/GL-025/78/Prodn./PCR/2/77/BPE/Prodn. dt. 15th July, 1978.

In brief the guidelines laid down are: -

- A. For any new projects, expansions, modernization/modification of the existing projects involving an expenditure of Rs.5 crores and above these guidelines are applicable.*
- B. The pre-qualifications public notice should be issued to enlist names of suitable consultants.*
- C. The pre-qualification bid should be screened by a scrutinising committee.*
- D. The final selection and commissioning of the consultant should be done with the approval of the board of public sector enterprises.*
- E. Based on the above guidelines each enterprise should prepare their own instructions and procedure duly approved by the board for the appointment of consultants to ensure that the selection is made with maximum attention to the suitability, competence and proven track record.*

The Chief Technical Engineer Organisation under the control of the Commission has had occasion to examine and comment upon works undertaken by public

sector undertakings. Common irregularities/lapses noticed in the construction works undertaken by the public sector undertakings/banks have already been

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brought to your notice vide engineering works, it was observed that consultants were appointed on ad-hoc basis without going through proper formalities as suggested by B.P.E. and/or the consultant was chosen from an old panel thereby restricting competition. In most of the cases public sector enterprises have not framed their own instructions and procedures duly approved by the Board.

Even though individually such works are less than Rs.5 crores, it is necessary that the appointment of consultant should not be made arbitrary or ad-hoc.

It is, therefore, necessary that urgent action is taken to formulate a rational policy for employment of consultants based on the broad outlines given by B.P.E.

This may be given priority and progress made in formulation of rules and procedure may be reported by 31-3-1983.

*Sd/-
(D.C. Gupta)
Director*