

Case Study-2

Irregularities in GeM Contract

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- 1- A preventive check was conducted against complaint received on Vigilance Helpline regarding irregularity in three GeM contract issued through the Gem portal. Scrutiny was done into the three supply contracts.
- 2- In two of the contracts it was found that a number of technical bids were received in the GeM e-bidding but only one bid in each of the tender was declared "qualified" by the purchaser while rest were declared "disqualified".
- 3- On the investigation it was found that out of the "disqualified" bidders many offers were identical to the offer declared "qualified". Technical comments were also not taken by the Purchasing Officer from indenters on the bids received. Proper reasons for disqualification of the various offers were also not recorded in the relevant column.
- 4- In the third tender although comments of the technical dept were taken by the purchasing officer nonetheless only single offer was declared "qualified" by the purchaser out of several offers technically found suitable by the technical dept.
- 5- Therefore, it is observed that purchaser adopted arbitrary approach in assessing the technical suitability of the offers received in GeM e-bidding. Rates in one of the purchase case were also found quite higher than the contemporary rates prevailing on GeM for the item. Rate reasonability was not established by the purchaser in any of the case.
- 6- Thus many of the qualified offers were disqualified which is against the principle of public purchase and economy of the purchase was compromised as a consequence.

Suggestions:-

- 1- Technical suitability of offers may be got examined by the technical dept/indenter in detail.
- 2- Careful examination of offers should be carried out while assessing the technical suitability of various offers received. Since a number of parameters are mentioned in the technical offer, there are chances of skipping of the parameters.
- 3- Proper reasons should be recorded for the disqualification of the offers.
- 4- Rate reasonability should be assessed by the purchaser before accepting the offers. Rate reasonability should be preferably recorded while accepting the offer.
