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केन्द्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



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सं./No.....005/CRD/19/480241

दिनांक / Dated.....06.04.2021.....

Circular No. 04/04/21

**Subject:** Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis.

**Reference:**

- |       |                                       |                  |
|-------|---------------------------------------|------------------|
| (i)   | Commission's Circular No.15/05/06     | dated 09.05.2006 |
| (ii)  | Commission's Office Order No.23/07/07 | dated 05.07.2007 |
| (iii) | Commission's Office Order No.19/05/10 | dated 19.05.2010 |
| (iv)  | Commission's Circular No.18/12/12     | dated 11.12.2012 |
| (v)   | Commission's Circular No.06/07/18     | dated 11.07.2018 |

Central Vigilance Commission, as part of its drive to ensure transparency, to promote healthy competition and to provide fair and equitable treatment to all interested parties in matters of public procurement, has issued guidelines from time to time emphasizing on the need to adopt tendering process as a basic requirement, before award of contract to any party.

2. Tendering process or public auction is a basic requirement for award of contract by any Government agency. Any other method, especially award of contract on nomination basis would amount to a breach of Article 14 of the Constitution guaranteeing right to equality which implies right to equality to all interested parties. The award of contracts/projects/procurements on nomination basis without adequate justification amounts to restrictive practice eliminating competition, fairness and equity. Hence, award of contracts through open competitive bids should remain the most preferred mode of tendering.

3. However, in some exceptional and inevitable circumstances, the contracts may be awarded on nomination basis; for instance, during natural calamities and emergencies declared by the Government; where procurement is possible from a single source only; where the supplier or contractor has the exclusive rights in respect of the goods or services and no reasonable alternative or substitute exists; where the auction was held on several dates but there were no bidders or the bids offered were too low etc.[Ref: SPL(Civil)No. 10174 of 2006 in case of Nagar Nigam, Meerut Vs A1 Faheem Meat Export Pvt Ltd.].

4. But, it has been observed that in some cases, the guidelines issued by the Commission are not being adhered to by the organizations. Therefore, the Commission would reiterate its earlier guidelines and direct that:

- (i) All works/purchase/consultancy contracts awarded on nomination basis should be brought to the notice of following authorities for information:
  - a) the Secretary, in case of the ministries/departments;
  - b) the Board of Directors or equivalent managing body, in case of Public Sector Undertakings, Public Sector Banks, Insurance Companies, etc.;
  - c) the Chief Executive of the organization where such a managing body is not in existence.
- (ii) The report relating to such awards on nomination basis shall be submitted to the Secretary/Board/Chief Executive/equivalent managing body, every quarter.
- (iii) The audit committee or similar unit in the organization may be required to check at least 10% of such cases.

5. Details of all tenders awarded on nomination basis shall be posted on website of the organization concerned, in public domain, along with brief reasons for doing so.

6. The above guidelines may be noted for strict compliance.



(Rajiv Varma)  
Officer on Special Duty

To

- (i) The Secretaries of all Ministries/Departments of GoI
- (ii) All Chief Executives of CPSUs/Public Sector Banks/Public Sector Insurance Companies/Autonomous Bodies etc.
- (iii) All CVOs of Ministries/Departments of GoI/CPSUs/Public Sector banks/ Public Sector Insurance Companies/Autonomous Bodies etc.
- (iv) Website of CVC