

V.O.CHIDAMBARANAR PORT TRUST
FINANCE DEPARTMENT

No: FIN-OFFCT-COD-GLACC-VI-18

Dated: .12.2018

CIRCULAR No. 16/18-19

Sub:- Scrutiny of Bill submitted by departments deficiency noticed-
Follow-up action requested to speed up the payment of bills –
Reg.

Based on the review of posting of bills for the past 3 months several deficiencies are noticed while scrutinizing the bills by Finance Department in submission of bills by the department concerned. The following are the said deficiencies noticed:

1. Works and Procurement bills:

- a. Standard clauses of period of completion, performance security, security deposit and LD clause for delayed completion and absence of deployed of manpower as applicable are not adhered to leading to differential regulation of the said clauses.
- b. Certificate required regarding period of completion and the Authority to give completion certificate issued vide note of Deputy Chairman No.Dy.CPT/Inst./2018 /D dated 19.04.2018 is not adhered to in many cases.
- c. Regarding imprest account and other procurements, the vouchers with GST claimed by the suppliers are being made without GST no. of the Port incorporated in the bill and the consignee name is furnished as Executive Engineer/AEE/ other designations with VOCPT. Because of this Port is deprived of input tax credit under GST. Hence the procurement vouchers shall bear the name of V.O.Chidambaranar Port Trust along with the GST No. printed in the invoices without any hand written details.
- d. Minimum third party insurance and insurance for works are not enforced in the works contract though tender conditions specify the same.
- e. Even the insurance for works taken in several big contracts have excepted risk clause which make risk specified excluded from the purview of the insurance coverage. E.g In a Capital Project, the insurance policy (all risks including third party insurance coverage) **the excepted risks listed among other things include risks due to**

the default on account of the contractor and hence excluded in the coverage of insurance policy . This defeats very purpose of third party risk and insurance of works. Therefore, the above are to be ensured by the department before commencement of the work on submission of agreement and performance security. Existing contract containing the above deficiency are to be restored to its full cover so as to comply with the tender conditions and compliances to be adhered to.

- f. In another Cleaning and Maintenance Contract, **the tender document prescribed the period of contract as six months subject to extension by another six months subject to satisfactory performance.** But **the work order** specified the **period of contract as twelve months.** Tender conditions and work order conditions are not matched and also the estimate.
- g. In EPC Contract and consultancy Contract with lumpsum quote split into various stages, **the stages are to be in line with deliverables and to be validated with respect to requirement for individual contracts before going in for Tender.**

2. Man power Bills:

- a) In manpower contracts certification regarding payment by Jan Dhan Yogana Account, details of EPF and ESI payment challans are not ensured. The compliance of labour laws is to be appropriately enforced and adequate deployment is to be ensured by the department.
- b) In respect of manpower contract for deployment of manpower involving of monthly payment of bills, there is no uniformity and timely submission of bills by the contractor. In many cases the bills are being submitted in bunches for more than 3 months and in some cases upto 12 months. This leads to scrutiny of the bills difficult leading to delay in payment of bills as other works and procurements bills are also received simultaneously.
- c) In respect of contract deployments including pilots remuneration the bills are submitted beyond the bench mark of 3 working days of the month and bunched arrival of the bills. This makes it difficult for the Finance Department to pay the remuneration on or before 7th of the following month. Therefore, the contract deployment bills with complete details of attendance, operation records as applicable shall be submitted by the department on or before 3rd working day of the following month so as to ensured the payment by 7th of the following month.

- d) The number of deployment of manpower is specified in the tender for 26 days in a month. The attendance register show the exact number of such deployment without any holiday once in seven days. Since the contract is for deployment of specified number per day for 26 days in a month on minimum wages, the statutory norms are not adhered to as per Labour Laws. This is to be avoided and compliance may be ensured.

2. It is requested that while submission of bills by the departments, the above deficiencies or deviation may be avoided and statutory compliances are ensured. All concerned may be informed of the above for appropriate corrective and preventive action. This will facilitate quick clearance of bills in Finance Department.


FINANCIAL ADVISER & CHIEF ACCOUNTS OFFICER

To

All Heads of Departments

Copy to

1. Deputy Chief Engineer, VOCPT
2. Deputy Chief Medical Officer, VOCPT
3. Senior Deputy Traffic Manager, VOCPT