

No.C.31011/05/2011-CVO  
GOVERNMENT OF PUDUCHERRY  
CONFIDENTIAL AND CABINET DEPARTMENT  
(CHIEF VIGILANCE OFFICE)

\*\*\*

Puducherry, the

29 AUG 2018

**I.D NOTE / OFFICE MEMORANDUM**

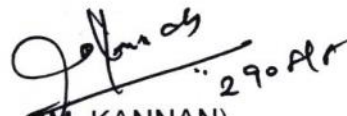
Sub: CVO, Chief Secretariat – Transparency in  
Works/Purchases/Consultancy Contracts  
awarded on Nomination basis - Reg.  
\*\*\*

A copy of the Circular No.06/07/18 dated 11/07/2018 alongwith its annexures issued by the Central Vigilance Commission, New Delhi regarding award of contract on "Nomination basis" is forwarded herewith for strict compliance.

2. The award of contracts/procurements/projects on nomination basis without adequate justification amounts to a restrictive practice eliminating competition, fairness and equity. The Commission has reiterated its earlier instructions that award of contracts on nomination basis can be resorted to only in exceptional circumstances as laid down in Commission's Officer Order No.23/7/07 dated 05/07/2007.

3. All the Departments/PSUs/Societies/Local bodies are therefore advised to take action for strict compliance.

/ By Order of the Chief Vigilance Officer /

  
(M. KANNAN)

UNDER SECRETARY TO GOVERNMENT

Encl: As above.

To

1. All Secretaries to Govt., Puducherry.
2. All Additional Secretaries/Deputy Secretaries/Under Secretaries to Govt., Puducherry.
3. All Heads of Departments, Puducherry.
4. All Heads of PSUs/Societies/Local Bodies, Puducherry.

Telegraphic Address  
SATARKTA: New Delhi  
E-Mail Address  
cenvigil@nic.in

Website  
www.cvc.nic.in

EPABX  
24600200

फैक्स / Fax : 24651186



केन्द्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,  
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023  
Satarkta Bhawan, G.P.O. Complex,  
Block A, INA, New Delhi-110023  
005/CRD/19-386121  
सं./No.....

दिनांक / Dated 11.07.2018

Circular No.06/07/18

*Al unvild*  
**Subject:** Transparency in Works/Purchases/Consultancy contracts awarded on nomination basis – reg.

*vs(vig)*  
**Reference:** (i) Commission's Circular No.15/5/06 dated 09.05.2006  
(ii) Commission's Office Order No.23/7/07 dated 05.07.2007  
(iii) Commission's Office Order No.19/05/10 dated 19.05.2010

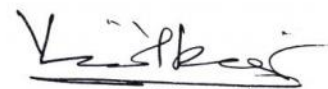
*2/27*  
Reference is invited to Commission's Circulars cited above wherein the need for award of contracts in a transparent and open manner has been emphasized. The Commission is still receiving representations reporting instances of award of contracts and procurements in a non-transparent manner on nomination basis by several Departments/CPSUs.

*2/27*  
2. The award of contracts/procurements/projects on nomination basis without adequate justification amounts to a restrictive practice eliminating competition, fairness and equity. The Commission would reiterate its earlier instructions, that award of contracts on nomination basis can be resorted to only in exceptional circumstances as laid down in Commission's Office Order No.23/7/07 dated 05.07.2007.

*2/27*  
3. All Ministries/Departments/CPSUs are therefore advised to apprise the aforementioned guidelines to the concerned officers for strict compliance.

*2/27*  
*A3*  
*pls discuss*  
To

OFFICE OF THE CHIEF SECRETARY PUDUCHERRY.
No. 3481/CS/2018/G
Received on 24/7/2018
Despatched on 26 JUL 2018

*2/27*  
*A3*  
*pls discuss*  
  
(J. Vinod Kumar)  
Director

- (i) The Secretaries of all Ministries/Departments of Govt.  
(ii) All Chief Executives of CPSUs.  
(iii) All CVOs of Ministries/Deptts/CPSUs.

CHIEF VIGILANCE OFFICE Chief Secretariat, Puducherry.
RECEIVED 3886.
No: 26 JUL 2018



No.005/CRD/19  
Government of India  
Central Vigilance Commission

\*\*\*\*\*

Satarkta Bhawan, Block 'A',  
GPO Complex, INA,  
New Delhi- 110 023  
Dated the 5<sup>th</sup> July 2007

**Office Order No.23/7/07**

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

Reference is invited to the Commission's circular No.15/5/06 (issued vide letter No.005/CRD/19 dated 9.5.2006), wherein the need for award of contracts in a transparent and open manner has been emphasized.

2. A perusal of the queries and references pertaining to this circular, received from various organizations, indicates that several of them believe that mere post-facto approval of the Board is sufficient to award a contracts on nomination basis rather than the **inevitability of the situation, as emphasized in the circular.**

3. It is needless to state that **tendering process or public auction** is a basic requirements for the award of contract by any Government agency as 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.

4. A relevant extract from the recent Supreme Court of India judgement in the case of Nagar Nigam, Meerut Vs A1 Faheem Meat Export Pvt. Ltd. [arising out of SLP(civil) No.10174 of 2006] is reproduced below to reinforce this point.

"The law is well-settled that contracts by the State, its corporations, instrumentalities and agencies must be normally granted through public auction/public tender by inviting tenders from eligible persons and the notifications of the public-auction or inviting tenders should be advertised in well known dailies having wide circulation in the locality with all relevant details such as date, time and place of auction, subject matter of auction, technical specifications, estimated cost, earnest money deposit, etc. The award of Government contracts through public-auction/public tender is to ensure transparency in the public procurement, to maximize economy and efficiency in Government procurement, to promote healthy competition among the tenderers, to provide for fair and equitable treatment of all tenderers, and to eliminate irregularities, interference and corrupt practices by the authorities concerned. This is required by Article 14 of the Constitution. However, in rare and exceptional cases, for instance, during natural

calamities and emergencies declared by the Government; where the procurement is possible from a single source only; where the supplier or contractor has 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., this normal rule may be departed from and such contracts may be awarded through 'private negotiations'."

(Copy of the full judgement is available on the web-site of the Hon'ble Supreme Court of India, i.e., [www.supremecourtindia.nic.in](http://www.supremecourtindia.nic.in) )

5. The Commission advises all CVOs to formally apprise their respective Boards/managements of the above observations as well as the full judgement of the Hon'ble Supreme Court for necessary observance. A confirmation of the action taken in this regard may be reflected in the CVO's monthly report.

6. Further, all nomination/single tender contracts be posted on the web-site ex post-facto.



(Rajiv Verma)  
Under Secretary

To

All Chief Vigilance Officers