

~~these departments. Out of 12,62,137 cases processed on e-SLA, there was delay in delivery of services in 23,714 cases in five departments (Drug Control Department, Directorate of Education, DJB, DT&T and Department of Excise), with the maximum delay being over 3 years (Annexure 3.3). Department's reply was awaited (February 2016). In terms of the Act, as worked out, an amount of ` 32.77 lakh should have been paid as compensatory cost to the citizens and the same should have been recovered from the defaulting government employees (Annexure 3.3). However, the departments neither paid any amount as cost to the citizens nor recovered it from the employees responsible for delay in delivery of services.~~

~~The matter was referred to the Government in December 2015, their reply is awaited (March 2016).~~

3.7 e-Procurement Mission Mode Project of GNCTD

e-Procurement Application of DoIT failed to obviate the need for manual intervention during the e-tendering process defeating the very purpose of the application. The application lacked required input controls and validation checks, resulting in incompleteness and inconsistencies in the database.

The Department of Information Technology (DoIT) of GNCTD envisaged e - Procurement to establish a one stop-shop for all services related to Government procurement, enhance efficiency and transparency, reduce cycle time and cost of procurement. It adopted the e-Procurement application developed by the National Informatics Centre (NIC) in May 2011. All departments of GNCTD were asked (May 2011) to follow NIC e-Procurement System for tenders having value above ` 2 lakh for procurement of goods, works and services. To participate in the bidding process, bidders were required to be registered as user of the application. The DoIT had earlier fixed the rate of registration fee at ` 6,000 per annum, which was increased to ` 7,000 from February 2012. However, the levy of registration charge and subsequent increase in it, had not been notified by the Government as of January 2016.

The audit of the e-Procurement system of GNCTD, covering the period from May 2011 to January 2015, was conducted to ascertain whether the project was implemented after due planning, whether the objectives as envisaged were achieved and whether manual intervention was avoided to enhance transparency and data was complete and reliable.

Audit examined database containing 74,939 tenders (of all departments) provided by DoIT, using Computer Assisted Audit Techniques (CAATs). For physical verification of observations noticed during data analysis, Audit

selected 22 out of 662 auditee units (using Monetary Unit Sampling) which were using e-procurement system. The selected units pertained to seven departments/agencies²⁰ from which 1983 tender files were requisitioned for this purpose, but only 1,847 tender files were made available to Audit.

3.7.1 Planning and Implementation of e-Procurement project

The e-Procurement solution of NIC was introduced as a mission mode project under National e-Governance Plan (NeGP). The NIC launched the e-Procurement website in April 2011 and the Delhi e-Governance Society (DeGS) was made the nodal agency for monitoring the project. DeGS collected ` 15.57 crore from the bidders as registration charges²¹ on behalf of DoIT which was not yet (January 2016) transferred to Government treasury. Audit observed following deficiencies:

- * The cost of NIC application was ` 329.50 lakh for initial three years (2011-14) and was increased to ` 387.07 lakh for the next three years (2014-17). However, DoIT did not have any formal Memorandum of Understanding (MoU) with the NIC for implementation of e-Procurement solution.
- * Some of the departments (*viz.* Delhi Transco Limited, Public Works Department, etc.) were charging tender fee which was contrary to the decision (July 2011) of DoIT, not to charge cost of tender document available online.
- * The onus of the data rests with the DoIT. However, it had neither any access to the database, nor got incorporated any Management Information System (MIS) module in the application. Disaster recovery plan was also not formulated.

3.7.2 Manual intervention at various stages defeated the purpose of e-Procurement

e-Procurement was envisaged to automate tender stages *viz.* publishing of tenders, bidding, technical evaluation, financial evaluation and award of contract. However, Audit noticed that manual intervention at various stages of procurement process reduced transparency defeating the very purpose of the application as detailed below:

- * In the absence of various parameters required for technical evaluation of bids submitted by bidders, they were required to upload requisite documents, which were subsequently downloaded by the respective

²⁰ Delhi State Industrial and Infrastructure Development Corporation, Delhi Transco Limited, Delhi Jal Board, Public Works Department, Irrigation and Flood Control Department, Department of Forests and Wild Life, and Department of Excise Entertainment and Luxury Tax.

²¹ ` 15.57 crore (` 3.54 crore in 2011-12, ` 3.74 crore in 2012-13, ` 3.93 crore in 2013-14 and ` 4.36 crore in 2014-15)

departments for manual evaluation and the result of such evaluation is then fed into the system.

- * The database even after award of the contract (AOC) showed tenders at various stages viz. 'Technical opened', 'Financial opened', 'Technical evaluation', 'Financial evaluation', etc. Audit observed that in 33,155 records, AOC was not updated. Physical verification of 1,227 out of 1,373 records provided to Audit showed that the departments were awarding tenders manually, after generating comparative statement from the system.

3.7.3 Absence of input controls and validation checks

Input controls and validation checks ensures that data is entered correctly and completely at the first place. However, Audit observed that these were absent in the application as below:

- * In 607 out of 5,132 records, 'contracted value' was above the value quoted by vendors. Physical verification of 10 out of 15 records provided to Audit, showed that the inconsistency was due to data entry mistake in online system.
- * The application had no utility to facilitate mapping of new Digital Signature Certificate²² (DSC) during the validity of the lost/corrupted DSC leading a vendor either to wait till the expiry of the previous DSC or to re-register himself by paying registration fee afresh. Further data analysis showed that in 62,821 out of 4,95,303 records of bids, the application did not captured DSC details.
- * The estimated cost was shown as zero in 23,141 out of 91,779 records of work items.
- * In 19,229 records (including 235 records where the 'tender submission-open date' and 'tender submission-close date' were the same), inadequate time was provided to bidders in contravention of provisions²³ of CPWD manual.
- * In 61 out of 76,941 records, the verification date was not captured, indicating that tender documents in these cases might have not been verified. In 815 out of 91,635 records, date of opening of financial bids was left blank.
- * In 7 out of 2,232 records, the field for date of birth was left blank. Age of the contractor was below 18 years in 44 records and 180 users registered more than once, leading to 403 duplicate records. It was also

²²Digital Signature Certificate (DSC) is needed by vendors to login and use the application.

²³As per CPWD manual, the time limits between the date of publication of tender and the date of receipt of the tenders are prescribed as 7 days, 10 days, and 14 days for works valuing up to ` 20 lakh, ` 2 crore, and more than ` 2 crore respectively.

observed that users were leaving half-filled pages during registration process, leading to redundant data accumulation.

- * Out of 4,95,303 records of bids; in 1,24,669 records bids were accepted financially but financial data was not captured; in 163 records, bid submission dates were beyond permissible range of dates; in 12,599 records, financial bids of those contractors were also found to have been opened, whose bids were rejected.

The matter was referred to the Government in February 2016, their reply is awaited (March 2016).

~~Irrigation and Flood Control Department~~

~~3.8 Unfruitful expenditure of ` 1.47 crore~~

~~Failure of the department to ensure hindrance free sites before awarding two works, resulted in non-achieving of intended purpose despite incurring ` 1.47 crore.~~

~~Para 4.2 of CPWD Manual (Volume II) stipulates that availability of the site should be ensured at the planning and designing stage of the work itself. Besides, para 3.3(2) of CPWD Manual (Volume II) stipulates that estimates should be sent to the client department after fully ascertaining the necessary site and topographical details, technical feasibility etc. However, scrutiny of records in Civil Division-I of Irrigation and Flood Control Department (IFCD) showed that two works had to be foreclosed due to non-availability of hindrance free sites. Cases are discussed below:~~

~~(i) The Executive Engineer (XEN.), Civil Division-I, IFCD, awarded (January 2013) a work of 'construction of outfall storm water drain along right side land boundary of Najafgarh Drain from RD-32,300M to 37,147M for connecting incoming drain from Hastsal and Rajapur Khurd village', at a tendered cost of ` 4.02 crore, to be completed by 28 October 2013. The purpose of the work was to mitigate the flooding problem in Nawada, Rajapur and Hastsal villages, caused by incomplete drainage system.~~

~~The contractor intimated (November 2013) that work at available part of site had been completed and further work was stopped due to hindrance at site. The residents of adjoining houses did not allow further execution of work as that might damage foundations of their houses. The work was finally foreclosed (August 2014) with retrospective effect from December 2013. At the time of foreclosure, only 20 per cent of the work valued at ` 0.89 crore, was completed. The partially completed work failed to serve the original purpose and was only catering to the drainage from adjoining colonies temporarily. Thus, despite incurring ` 0.89 crore, construction of outfall storm water drain could not be completed on full length along Najafgarh Drain and had to be abandoned midway due to hindrance on site, defeating the intended~~