



आधुनिक रेल डिब्बा कारखाना, रायबरेली  
MODERN COACH FACTORY, RAEBARELI

Office of the General Manager/Vig.  
Modern Coach Factory, Raebareli,  
Lalganj, Distt.- Raebareli-229120

Confidential

No: G/MCF/RBL/Vig./Stores/PC/2020/02

Date: 31.05.2023

PCMM/MCF

PCME/MCF

Subject: Issue of system improvements.

Brief history of the case-

1. PO No. 03190907101730 dated: 10.10.2019 was placed to M/s ACME India, New Delhi on behalf of M/s Milton Industries as principal firm against tender No.03190907 opened on: 29.08.2019 for the supply of 10800 Nos. of Composite Decorative Glass Fabric Reinforced Plastic (DGFRP) Sheet Size 1220 X 2440 IN 3 mm thickness (+/- .5) as per MDTs 46303 to PL No. 33981292.
2. In view of the extreme urgency of the subjected item for production as expressed by Production/ Planning and the discussions held in the chamber of GM on dated: 09.10.2019, the inspection clause was modified from 'M/s RITES to Consignee at MCF/RBL' with the consent of Dy.CME/MP/FUR vide MA No.003658 dated 10/10/19.
3. On receipt of the material by the furnishing depot against consignee inspection, the material was offered to Dy.CCMT on dated 22.10.2019 for the consignee inspection but the material was not inspected. Repeated reminders were also sent by Dy.CMM/D/FUR/MCF on dated: 07.11.2019 & dated: 16.11.2019 for the inspection of the received material. Material was lying with MCF lab for 24 days for want of inspection and after that on dated 16.11.2019, CMS has stated that as the item DGFRP sheet is in critical list, hence testing cannot be done as per remarks of the then CME/P dt. 13/11/19 on note of Dy.CMM/D/Fur dt. 06/11/19. The remarks of the then CME/P are reproduced below in verbatim: -  
*"It has been decided at GM/MCF level during reliability & Design meeting on 13/11/19, not to go for testing of critical items directly affecting production during this period, where asking rate has gone very high i.e. 9 to 10 coaches per day i.e. @ 228 per month"*
4. It is noted from the facts that no decision whatsoever has been taken in the above meeting for not inspecting the material of critical items as claimed by CME/P. Moreover, the gap of almost 1 month from the date of offering the material for inspection i.e. 22/10/19 till the grant of R/Note i.e. 23/11/19 also does not justify the stopping of inspection under the garb of urgency as during this period the inspection could have been carried out very well by the MCF Lab in normal fashion.
5. For acceptance of material, Dy.CME/FP has instructed to SSE/Carpentry 'please check and report'. After physical check SSE/Carpentry has accepted the material on dated: 19.11.2019 with recording the remarks which is also reproduced below in verbatim -  
*"Sample received and physically checked & cutting on circular saw machine found suitable and satisfactory & material accepted."*

6. On the basis of above acceptance report, check sheet had been prepared and accepted by depot officer on 22.11.2019 and R-Note has been cleared by depot officials on dated 23.11.2019.
7. A preventive check had been conducted by Railway Board/Vigilance at MCF/RBL on Dt. 23-24.01.2020 regarding quality of DGFRP sheet to PL No. 33981292. Sample of DGFRP sheets were seized and sent to MCF laboratory and RDSO/M&C/Lab for testing in terms of detailed PO specifications. DGFRP sheets were tested and found unacceptable by both laboratories.

### System Improvements-

During the course of investigation, some irregularities have been observed. The following are suggested for system improvements to avoid any future recurrence:-

- (i) The change of inspection authority for an item shall not be done to ensure the quality of the material except in case of urgency with the approval of competent authority.
- (ii) Proper accountal should be maintained for the quality/quantity of the material.
- (iii) A detailed procedure order to be issued by PCME in consultation with PCMM & PFA to deal with the cases of Consignee inspection, which must be bare minimum.
- (iv) A detailed procedure order to be issued by PCMM in consultation with PFA to deal with the procedure of rejected material particularly with respect to the safeguards to be followed before handing over to the outside firm to ensure that the same is not recycled. The best method should be the complete destroy or defacing of the rejected item (this would however require amendment in the tender conditions also).
- (v) The purpose of ground rent (GD) is to act as a deterrent. However it is seen that the GD specified in MCF is absurd and does not serve the purpose. Regarding the calculation of Ground Rent, it had been submitted that the same has been worked out on the basis of the instructions given on the overleaf of Form No. S-764 which is reproduced below: -

*"The rejected articles shall be removed within 21 days from the date of issue of this advise, failing which the Rly's responsibility will cease, and after that time they will remain at your entire risk, and ground rent will be charged at the following rates.*

*(i) Rejected lot valued below Rs. 500 - @Rs.1.00 per day or part thereof.*

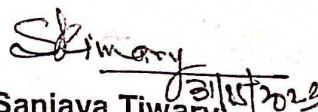
*(ii) Rejected lot valued Rs. 500 & above - @Rs.5.00 per day or part thereof."*

Thus, it is suggested that a detailed procedure order to be issued by PCMM in consultation with PFA regarding the amount of GD, which should be in line with the policy being followed in this regard at other neighbouring PUs viz. DLW or RCF.

- (vi) A system improvement may be issued by PCMM regarding the strict adherence of the Railway Board's letter no. 99/RS(G)/778/2(Vol.II) Dated:30.04.2019 regarding "splitting clause" in NIT of tenders.

Therefore, you are requested to issue suitable system improvements at your end as suggested above and also intimate to this office for the same.

This has been issued with the approval of CVO/MCF.

  
(Sanjaya Tiwary)  
SVO/MCF/RBL  
For GM (Vigilance)