भारत सरकार Government Of India
रेल मंत्रालय Ministry Of Railways
(रेलवे बोर्ड) (Railway Board)

No. 2015/CE-I/CT/AP/1(Pt.) New Delhi, dated 15.12.2017

The General Manager,
All Indian Railways

Sub: Audit Para No. Chapter-2 for the year 2013-14 (Railways) regarding "Management of Works Contract in Indian Railways".

During the audit of "Management of Works Contract in Indian Railways", Audit has observed at Para 2.3.3 regarding delay in finalization of re-tender of terminated contracts and highlighted as under:

"....265 contracts terminated in the Zonal Railways that were reviewed in audit revealed the following irregularities:

- In 163 cases, contracts initially awarded during the period from July 2006 to February 2014 at a value of ₹ 639.68 crore were terminated after incurring an expenditure of ₹ 99.85 crore. However, these were yet to be re-tendered (March 2014). The expenditure of ₹ 99.85 crore incurred on these works was rendered unfruitful.

- In respect of 102 terminated contracts which were re-tendered, the average time taken for retendering was 203 days and an extra expenditure of ₹ 83.44 crore was incurred due to higher rates accepted in retendering resulting in increasing the cost of works".

In view of the above, Railways are advised to review all the cases of terminated contracts and finalise the tenders of balanced works (if required) at the earliest and ensure a proper contract management system to avoid such exceptional delays.

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