सीए. नवीन एन. डी. गुप्ता
अध्यक्ष

CA. Naveen N.D. Gupta
President

दी इन्स्टीट्यूट ऑफ चार्टर्ड
एकाउन्टैन्ट्स ऑफ इन्डिया
(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

PD/A-40/2018

16th June, 2018

Shri K.V. Chowdary
Chief Vigilance Commissioner
Central Vigilance Commission
Satarkata Bhavan, A-Block
GPO Complex, INA
New Delhi - 110 023

Respected Sir,

We extend our kind courtesies for sparing your valuable time and giving us an opportunity to meet your goodself at your office on 29th May, 2018 to discuss ICAI various concerns and suggestions related to tendering process.

You may recall that we had met you on 15th March, 2018 also in this regard and thereafter as per your advice met Shri T.M. Bhasin, Vigilance Commissioner to express our concerns over the quality of the professional services which are hired through the tendering process . In this regard, we have submitted our letters dated 15th & 19th March 2018 of even number.

During the course of recent meeting, it was expressed that as per the present practice of tendering, the Least Cost Selection (LCS) Criteria are being adopted for awarding the work for professional services (audit service). Under the LCS criteria, the financial proposal is being ranked in terms of their total evaluated cost and the tender is awarded to the lowest bidder. However, the lowest cost does not guarantee the requisite level of quality of the work assigned.

While discussion, it was submitted that the process of selection requires modifications especially for hiring the professional services and to rectify and streamline the same, the ICAI is always ready to extend its support to Central Vigilance Commission to have the uniformity and devise a rationale in the entire process of tendering of services. We, therefore, suggest the following for doing the needful:

1. Adoption of Quality & Cost Based Selection (QCBS) uniformly giving due weightage to audit assignments. Evaluation of financial bids for professional services should be done through QCBS instead of LCS criteria. The same is being adopted internationally also as it provides fair chance to the technically qualified professionals of being awarded the tender.

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2. It has been observed that in as per point number 7.8 of the Manual for procurement of Consultancy & other Services 2017, the criteria of selection of the Auditor to be adopted is LCS system (refer point number 7.8) while it should be done through QCBS system and the Manual referred be amended accordingly.

3. Statutory Bodies like RBI and O/o C & AG adopt various parameters, eligibility criteria, norms & marks for selection, appointment & allocation of statutory Auditors of Public Sector Banks & Public Sector Undertakings for hiring professionals for various assignments.

4. ICAI offer itself to develop software based allocation process also for evaluation of tenders on certain fixed parameters / norms taking QCBS as base criteria.

5. Standardized formats for rendering given services should be laid down applicable uniformly for reporting of all Government Schemes considering their respective requirements.

We once again thank you for hearing our concerns.

With kind regards,

Yours sincerely,

CA. Naveen N. D. Gupta

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