	WESTERN COALFIELDS LIMITED (A MINIRATNA COMPANY) (A Govt. of India Undertaking) OFFICE OF THE DIRECTOR (T)/OP/ P&P Phone & Fax.: (0712) 2510532
Regd. Off. : Coal Estate, Civil Lines, Nagpur – 440 001	

REF NO: WCL/VIG/D(T)/P&P/16/2205

DATED: 16/11/2016

GM (Systems)

CIRCULAR

1. During the course of investigation of vigilance complaints, It has been learnt that Areas of WCL are procuring spares from OEM or their authorized dealer for such model of equipment and machinery which have never been supplied in WCL and later complete machine/equipment were made from the spares procured/and or the complete unit is being supplied against the spares ordered.

It is obvious that the machines made from spares procured/and or complete machines supplied against the spares ordered are always multiple times higher than the cost of the complete Machines.

In view of above, it is advised that the indenter/concerned technical department/ (HoD) of Area should provide the details of Equipment's name, Make/Model No, Serial Number(in case of HEMM), Name of the Assembly/Sub assembly etc at the time of proposal (i.e. applicable both repairing and procurement against Emergent Indent/Material Budget, etc) to avoid higher procurement/repair cost. In addition to the above, the date wise (minimum last two years) expenditure incurred by Area/Unit for a particular Equipment/Machine or Assembly/Sub Assembly is also be indicated in the proposal.

The indenter/concerned technical department/(HoD) of Area should ensure that the spares procured is only for repair and maintenance of those Equipments/ machines already procured under Capital/P&M and not for making new complete Machine.

It is also observed that one Area of WCL is procuring Pump Spares/other machinery spares etc by normal tendering(i.e competitive bidding) and other Area is procuring the same spares from OEM on proprietary basis by single tender. This clearly indicates that there is no uniform guidelines in WCL for procurement of spares from OEM on proprietary basis. The Pump Spares/other machinery spares,etc which are/were procured by normal tendering (competitive bidding)/Rate Contract (other than OEM) and their performance was found to be satisfactory then those spares can not be treated as proprietary of OEM of that particular machine. Procurement of such spares from OEM increases overall procurement

costs since generally OEM rates are multiple times higher than the market prices. Therefore lists of such spares are to be identified and circulated to WCL Areas by GM(MM) and HoD of technical department of WCL, HQ to avoid procurement of proven spares from OEM.

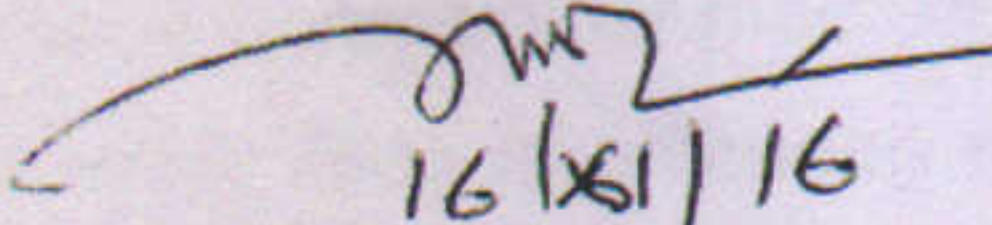
The Suppliers including OEM/and or their authorized dealer may be advised to submit excise gate pass for excisable items alongwith supply for the genuiness of the spares procured and also to avail CENVAT credit.

2. The Unit store/Charged off store of the Area should not keep spares or any other items in stock for more than 30 days from the date of receipt from Central Store and Regional Store of the Area. If the spares/items received are not used within 30 days, the same should be returned back to the Regional Store with proper documentation and Justifications. This will avoid multiple/further procurement of spares/items required for other mines/units of WCL.

3. A committee with approval of AGM may be formed at Area level involving Executives from Technical, Finance department and Depot Officer of the Area Store for proper checking of the quantity of bamboo matting as per supply order received by concerned Area Stores. However inspection with respect to quality will be carried out by concerned Technical department.

4. No procurement shall be made through Local purchase without computerized NA (not available) certificate from Area stores/Unit Stores. The rates of Area stores/Unit Stores are also to be considered at the time of procurement through local purchase of any items. It is the responsibility of Indentor/Purchaser to obtain the NA (not available) certificate from Area stores/Unit Stores and the member of local purchase committee is responsible for non compliance of above.

The above instructions are in addition to the existing system if any and should be strictly complied by all the tendering authorities/concerned authorities of HQ/Areas and Sub Areas of WCL.


16/11/16
Director (Tech)/P&P