

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Subject: Third Party Inspection of Works, Goods and Equipment

Preamble:

1. There are no specific provision regarding Inspection of Works in the Karnataka Public Works Department Manual, Clauses 12 (b) and (c) of the PWG 65. ... the approved tender document for works, lay down the Guidelines for Inspection of Works. The Contractor is primarily responsible to ensure that the works are executed as per Specifications and deliver the Works in sound condition. The Departmental Officers have to make periodical checks to ensure the quality of works. The Government is concerned over the deterioration in the quality of the works executed. To assist the Departmental Officers to ensure quality works, in some major projects separate in-house quality control organizations have been set up and in some other projects funded by International Donor Agencies, Supervision Consultants have been employed. However for most of the works under execution, the Departmental Officers (here-in-after called Employer) are responsible for ensuring the quality of the works.

2. Similar is the position in respect of procurement of goods and equipment. The inspection is mostly in-house. In some PSUs third party inspections are adopted on a case-by-case basis and there is no consistency and uniformity of approach.

3. Complaints regarding acceptance of poor quality of works and procurement of goods and equipment not conforming to stipulated specifications continue to be reported.

4. The Sub-Committee under the Chairmanship of Secretary PWD, constituted by Government vide No. PWD 122 SO/FC 2003, Bangalore dated 8/5/2003 to examine and make recommendations regarding various aspects of Procurement Reform in the State examined the measures to improve quality control of works, inspection of goods and equipment and has made recommendations for improvement of Quality Control. The Working Group constituted vide GO No. PWD 1359 SO/FC 2001 dated 14/8/2002 reviewed and endorsed the recommendations of Sub-Committee. The Standing Committee for Procurement Reforms Action Plan based on CPAR, Karnataka constituted vide GO No. PWD 1359 SO/FC 2001 dated 5/8/2002 examined the recommendations in detail.

5. Third Party Inspection of Works and Supplies would ensure adherence to quality standards, leading to value for money. This will also check corruptive practices and instill public confidence in the system.

Government Order No. FD 55 Pro. Cell 2004, Bangalore, Dated: 17.02.2005

Based on the recommendations of the Standing Committee the following orders are issued.

(a) The appointment of independent Third Party Inspectors designated Quality Supervision Consultants would go a long way in assisting the Departmental Officers to ensure adherence to quality standards in construction works and procurement of goods and equipment;

(b) Third Party Inspection shall be mandatory in respect of all works contracts of estimated value more than Rs.2 crore and all goods and equipment contracts estimated to cost more than Rs.25 lakhs for an item of goods and equipment;

(c) Reputed Quality Supervision Consultants (either Individual or Firm) known for integrity and professionalism should be appointed by following the procedures for procurement of Consultancy services issued vide GO No. PWD 121 SO/Fc 2003, Bangalore dated 26/9/2003 with amendments issued from time to time thereof. The Terms of Reference should be well defined. Detailed Checklists, to be completed by the Quality Supervision Consultants, should be prepared (with the assistance of experts if need be) to ensure that the Consultants perform their obligations satisfactorily;

(d) The employment of the Quality Supervision Consultants could be either for one or more contracts for works or procurement of goods and equipment or for procurement made in a term or stipulated period for a Procurement Entity;

(e) Heads of the Department of the Government Managing Directors of PSUs Boards/ Societies Local Bodies shall employ the Quality Supervision Consultants and order payments to them on satisfactory performance. The expenditure on the employment of the Quality Supervision Consultants shall be charged to the cost of the works and goods and equipment under procurement;

(f) The Quality Supervision Consultant shall inspect the works periodically, submit reports along with the prescribed checklists duly completed to the Employer for taking action with a copy to the Secretary to the Government Managing Director of the Corporation/Board/Society/Local body. who will be responsible for review of the Action Taken Reports of the Employer;

(g) The Quality Supervision Consultant shall inspect the goods and equipment during manufacture/before dispatch after receipt, assembly and commissioning as per the terms of the contract and submit reports along with prescribed checklists duly completed to the Purchaser with a copy to the Secretary to the Government/Managing Director of the Corporation Board Society/Local body who will be responsible for Review of the Action Taken Reports of the Purchaser;

(h) The employment of the Quality Supervision Consultant and the inspections conducted by them shall not absolve the primary responsibility of the Employer to ensure completion of works of sound quality as per stipulated specifications and of Purchasers for Procurement of goods and equipment of good quality as per stipulations in the specifications. The Quality Supervision Consultants are there to assist the Employer/Purchaser in discharging their primary responsibility.

(i) The Quality Supervision Consultants should not be employed in respect of works and goods and equipment contracts of projects, where a specialized in house Quality Control Organization exists is planned or a separate Supervision Consultant has been employed.

2. This order will apply prospectively and will not be applicable for contracts conclude in the past or for tenders already invited.

3. This order shall apply to all Procurement Entities as defined in Section 2(d) of Chapter I of the KTPP Act, 1999

4. This order shall be appropriately incorporated in the Special Conditions of Contract of the Tender documents.

5.The contents of this order be appropriately incorporated in the Karnataka Public Works Department and other Manuals.

By Order and in the name of
the Governor of Karnataka

(Sudhakar Rao)
Principal Secretary to the Government,
Finance Department.

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