



आधुनिक रेल डिब्बा कारखाना, रायबरेली
MODERN COACH FACTORY,
RAEBARELI

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

Confidential

No. G/MCF/RBL/Vig./2020/Sys. Improvement

Date: 03.11.2020

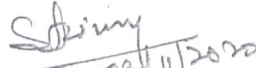
PCME/MCF/RBL.

Sub: Procurement of items with changed specification.

1. In few of the cases recently investigated by MCF Vigilance, it is noticed that the specification of the item involved was modified/changed locally by Design without any cost benefit analysis in financial terms. During its subsequent procurement with revised specification, TC had no basis to assess its rate reasonability other than the LPR which, in turn, was based on the earlier specification. Although TC had conducted negotiation with the lowest eligible firm and assessed the rate reasonability in fair and transparent manner by working out the financial implication of the change of specification but this was again based on the data made available by the negotiating firm which, of-course, was analysed and endorsed by the TC. While no irregularity was found during investigation, it is noticed that this rate analysis, which formed the corner-stone of rate reasonability, had been done at the post tender stage which is objectionable per se.
2. Therefore, it is suggested that in all such cases involving the change of specification, a detailed & proper **Work Instructions**, if not already available, may kindly be issued. It is also suggested that a proper cost benefit analysis or the net financial implication of the proposed change in specification may also be worked out objectively/conservatively to enable TC to have a benchmark rate beforehand. Similarly the actual cut-in of the modified item may be decided only after considering all the relevant factors viz. WIP, existing stock, dues and the lead time involved etc.

The action taken in this regard may kindly be communicated to this office.

This has the approval of CVO/MCF.


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

Copy: (i) Secy. to GM for the kind information of GM.

(ii) PCMM, PFA, CDE, CEDE, CPLE