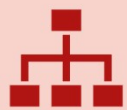




ENHANCING
COLLABORATION
& EFFICIENCY

Internal Stakeholder Synergy in the Procurement Process at CSIR

Introduction



Stakeholder synergy = collaborative energy



Focus on shared goals

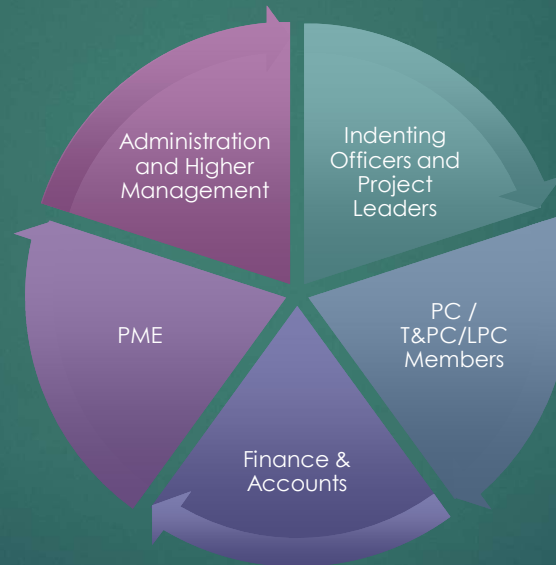


Improves efficiency & reduces conflict



Important in Work Breakdown Structures (WBS)

Key Stakeholders





Expectations

Expectations for a smooth, speedy and fruitful Procurement Process



A perfect indent

- Generic specifications and a set of just perfect qualification criteria
- A cost estimation based on prevalent market rates taking in to account all the factors impacting cost



Effective Involvement of Committees

- Proper review of indents
- Proper technical evaluation of bids
- Proper price reasonability assessment



Active participation of Project Monitoring Group

- Co-ordination with Scientific community for utilisation of funds
- Clubbing of indents
- Maintaining Transparency in preparation of Annual Procurement Plans
- Communication of project closure and subsequent asset management of ECF Projects

Expectations for a smooth, speedy and fruitful Procurement Process



Active support from Finance & Accounts

- Taking ownership of maintaining fiscal discipline
- Ensuring quick payments and communicating details of bill wise payments
- Updation of payment details on GeM portal



Support from Administration and Higher Management

- Review of diminishing cadre strength vis a vis exponential increase in workload
- Assessment of workload vs sanctioned cadre strength
- Rectifying huge stagnation at SPO and COSP levels
- Compensating for the voids created due to mass exodus to other cadres



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Where we must excel

Indenting
Officers /
Project
Leaders

Scope for greater
clarity and
precision in
technical
specifications and
eligibility criteria

Indenting Officers / Project Leaders

Cost Estimation & Evaluation Practices – Areas for Strengthening

- **Budget vs. Estimate Alignment**: Instances where allocated budget is reflected as the estimated cost
- **Market Benchmarking**: Limited use of structured market surveys aligned to specifications
- **Price Updating**: Prior procurement prices used without adequately factoring inflation, exchange rate variations, or statutory changes
- **Inclusion of Statutory Components**: Opportunities to comprehensively account for GST, customs duty, freight, clearance, and related charges
- **Specification Changes**: Upgrades during pre-bid stages not consistently reflected in revised cost estimates
- **Technical Evaluation**: Need for closer alignment with tender document provisions
- **Price Justification**: Scope to further strengthen robustness and documentation of price justification

PC/T&PC

Governance & Process
Strengthening Opportunities

Meeting Cadence: Opportunity to institutionalize regular (weekly) review meetings for improved coordination and oversight

- **Estimate Revisions:** Need to align cost estimates with updated technical specifications post pre-bid discussions

Committee Composition: Scope to proactively include domain experts for specialized equipment and technical evaluations

- **Pre-Installation Readiness:** Strengthen due diligence on space availability and other critical pre-installation requirements prior to approval

Fiscal Discipline: Reinforce adherence to budget allocations during approval processes

PC/T&PC

Governance & Process
Strengthening Opportunities

Price Reasonability Assessment: Opportunity to reinforce ownership and rigor in evaluating price reasonableness

- **Decision Documentation:** Need to ensure comprehensive recording of rationale supporting procurement decisions

Pre-Bid Conference Minutes: Scope to standardize documentation—capturing all queries, responses, and any specification changes with clear justification

- **Clarity in Tender Documents:** Emphasis on minimizing ambiguities in technical specifications and qualification criteria during tendering

Procurement Planning Alignment: Ensure due verification that items are included in the Annual Procurement Plan / relevant project approvals (ECF)

PME

Opportunity to further align procurement planning responsibilities across divisions.

Scope to strengthen maintenance of commitment registers and budget adherence during approvals

Potential to enhance consolidation of indents for improved efficiency

Communication with the scientific community can be further strengthened.

Greater transparency and broader stakeholder consultation may be incorporated in Annual Procurement Planning.

Finance & Accounts

Timely provision of UTR numbers post-payment can be strengthened

Inclusion of individual invoice details in combined bills may be ensured

Consistent maintenance of commitment registers (P-04 & P-06) can help avoid reprocessing of bills post-concurrence

Payment timelines may be streamlined across all stakeholders, including S&P

Regular updating of payment status on the GeM portal can be enhanced

AMS functionality may be optimized to enable return and reprocessing of bills

Administration and Higher Management

Workforce and Cadre
Management –

Areas for strengthening

Post-DTQ Talent Retention: Notable movement from S&P to General and F&A cadres; opportunity to enhance retention within S&P (No. of Outgoing S&P Personnel – 38, No. of Incoming Personnel- 18)

- **Career Progression:** Continued scope to address progression and reduce stagnation at SPO and COSP levels

Cadre Strength: Sanctioned strength of S&P cadre may be revisited to better align with expanding lab requirements

- **Augmenting Capacity:** Consider enabling engagement of skilled temporary manpower to bridge capability gaps

Tenure Stability: Reinforce adherence to TPC Guidelines (2019) to support completion of the prescribed 5-year tenure as a standard practice



Specialized Procurements Requiring Focused Oversight

Procurements through Local Purchase Committees

Key Areas for strengthening

Indent Initiation Sequence: Indents may be initiated prior to market surveys/quotation collection to ensure process integrity

- **Survey Benchmarking:** Scope to enhance rigor and comparability in market survey analysis

Vendor Quotation Practices: Reinforce fair procurement norms by ensuring independent quotations from distinct vendors

- **Price Reasonability Documentation:** Opportunity to strengthen availability and completeness of supporting justification records

Statutory Compliance: Ensure timely procurement of all mandatory statutory clearances (e.g., land-related approvals)

- **Indent Structuring:** Avoid fragmentation of indents for a single equipment to maintain transparency and compliance

Authorized Vendor Engagement: Encourage sourcing from authorized vendors to ensure competitive pricing and reliable service support

- **Lifecycle Costing:** Incorporate AMC/CMC/Warranty costs in estimates for robust techno-commercial evaluation and final price determination at PO stage

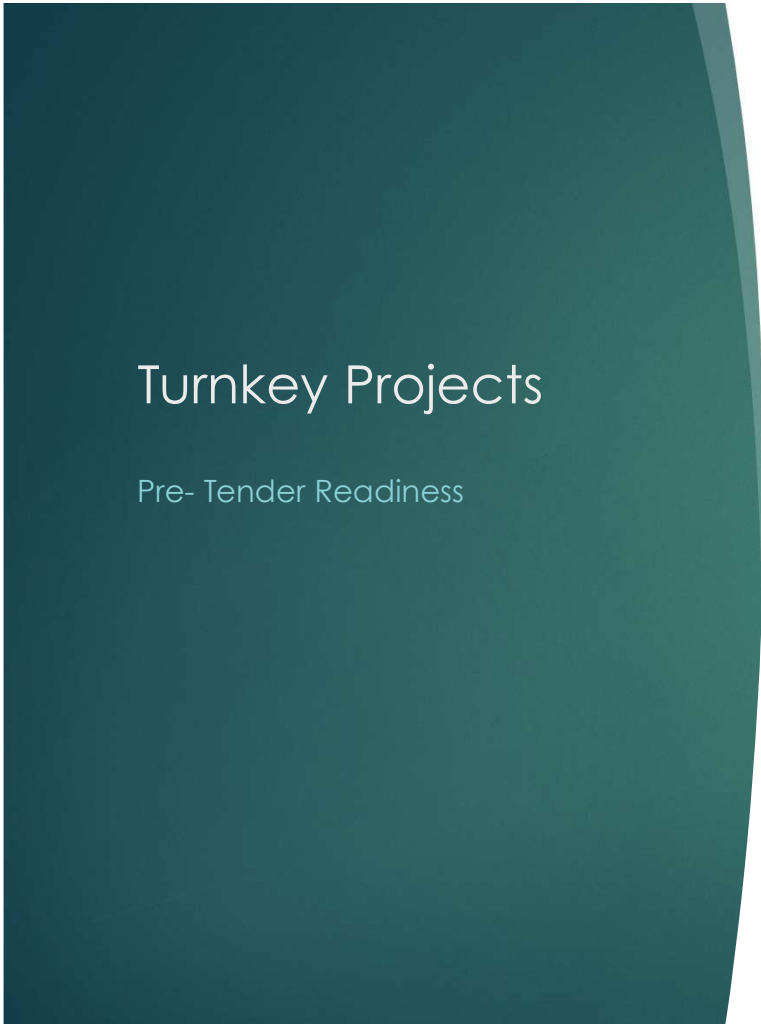
Performance Bank Guarantee (PBG): Consider appropriate safeguards, especially for high-value and service-oriented procurements, aligned with market practices

- **Record Retention:** Strengthen documentation and retention of survey records for audit readiness and compliance



Turnkey Projects

END-TO-END PROCUREMENT & PROJECT EXECUTION – AREAS FOR
STRENGTHENING



Specification Clarity: Enhance completeness and clarity of technical specifications, drawings, and designs prior to raising indents

- **Site Readiness:** Ensure installation sites are fully prepared before procurement initiation

Technical Expertise: Strengthen Technical Sub-Committee (TSC) with experienced domain experts for specification finalization and bid evaluation

- **Supplier Ecosystem:** Broaden access to experienced and authorized suppliers to improve quality and competition

Pre-Bid Engagement: Encourage greater vendor participation in pre-bid conferences for better alignment and query resolution

- **Tender Response:** Address factors impacting limited participation in floated tenders

Single-Bid Outcomes: Mitigate re-tendering risks through improved market outreach and bid conditions



Turnkey Projects

Tendering & Evaluation

Tender Response: Address factors impacting limited participation in floated tenders

- **Single-Bid Outcomes:** Mitigate re-tendering risks through improved market outreach and bid conditions

Price Reasonability: Reinforce ownership and structured methodologies for establishing price reasonableness

- **Controlled Flexibility:** Consider including provisions for minor specification refinements within overall project cost to ensure successful outcomes

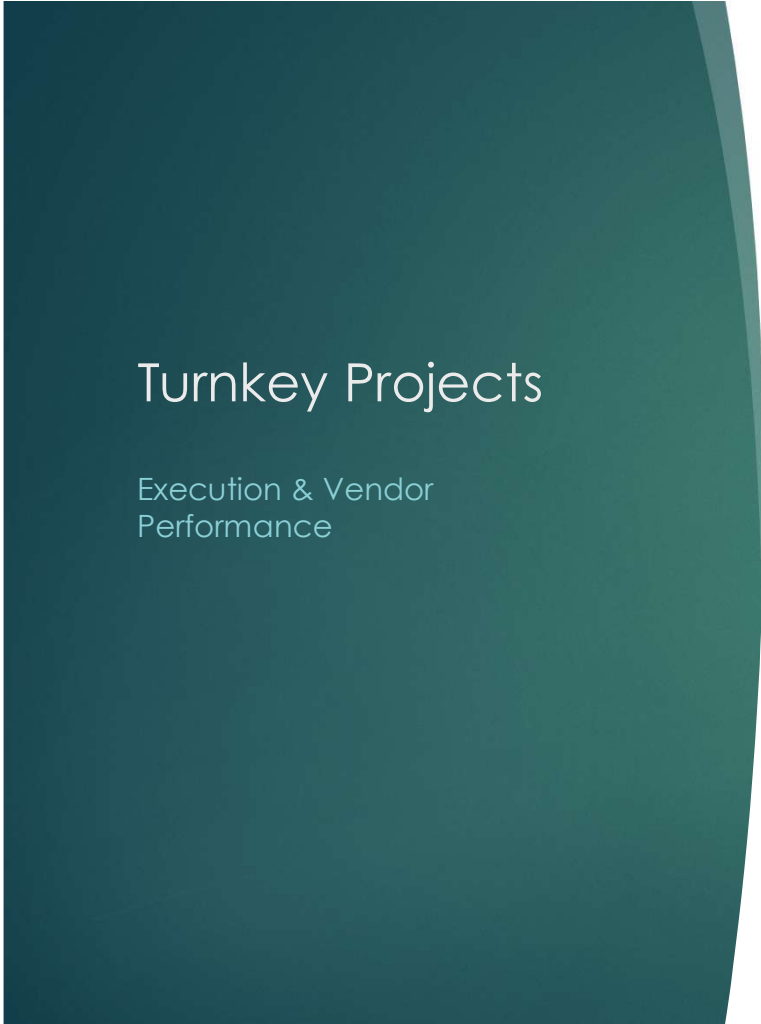
Turnkey Projects

Contract Structuring &
Payments

Milestone-Based Payments: Adopt balanced milestone payments to safeguard organizational interests while ensuring vendor liquidity

- **Performance Retention:** Retain adequate final payment, to be released post stabilization and successful commissioning

Lifecycle Costing: Mandate inclusion of AMC/CMC/extended warranty in cost estimates for comprehensive evaluation



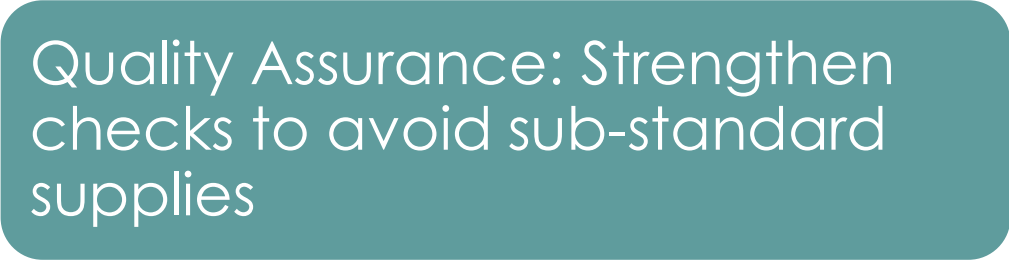
Turnkey Projects

Execution & Vendor
Performance



Delivery Integrity: Discourage piecemeal deliveries; ensure complete and integrated supply

- System Compatibility: Ensure compatibility of all supplied components



Quality Assurance: Strengthen checks to avoid sub-standard supplies

- Timely Commissioning: Improve adherence to timelines for installation, demonstration, and commissioning



Turnkey Projects

Change Management &
Flexibility

Guided Modifications:
Establish clear
guidelines to enable
minor
technical/design
changes during
execution for project
success



Turnkey Projects

Decision-Making

Timely Decisions: Encourage proactive and well-considered decision-making to avoid delays and cost escalations

- **Outcome Focus:** Reinforce successful project completion as the primary guiding principle

Balanced Oversight: Promote a facilitative audit and vigilance environment, especially for complex developmental/turnkey projects

- **Innovation Support:** Foster a supportive ecosystem that encourages scientific risk-taking and innovation

Leadership Alignment: Ensure strong alignment and synergy among CCOs to effectively support high-impact and complex projects



Policy Changes

FOR CONSIDERATION



Policy Changes

For Consideration

Lifecycle Costing: Adopt lifecycle costing for procurements; where AMC/CMC is tendered post-warranty, ensure open competition among qualified firms

- **RFP for LPCs:** Develop concise and well-structured RFP templates for Limited Purchase Committees (LPCs)

GeM Enablement: Enable limited tender enquiries on GeM for CSIR Labs and facilitate registration of quality vendors at the laboratory level

- **Role Clarity (PAC/Single Source):** Clearly delineate accountability, with committee decisions guiding PAC/Single Source procurements

Advance Payments: Consider permitting advance payments (without Bank Guarantee) for select cases such as diesel, OEM spare parts, and government testing/calibration services

- **SOP Handbook:** Develop a comprehensive SOP handbook covering PC, T&PC, and LPC processes

Turnkey Projects: Standardize RFP frameworks for turnkey projects to ensure consistency and clarity



Key Areas for Improvement

S&P



Key Areas for Improvement

Expenditure as an Efficiency Indicator: There is a need to balance expenditure with measurable outcomes to better reflect operational efficiency.

- **Clarity in Indenting Windows:** Indenting timelines should be clearly defined at the beginning of the financial year, with adherence to these timelines to ensure better planning and control.

Management of Spillovers: While some spillovers are unavoidable, coordinated efforts across teams can significantly minimize their occurrence.

- **Focus on Regular Disposals:** Greater emphasis is required on timely disposal activities to optimize inventory and resource utilization.

Leveraging Technology for Verification: Opportunities exist to enhance the use of technology in physical verification processes for improved accuracy and efficiency.

- **Documentation of Material Condition:** Recording the condition of materials during physical verification can strengthen accountability and decision-making.

End-User Support :Enhancing responsiveness and solution-oriented approaches for end users can improve overall service delivery.



Key Areas for Improvement

Procurement Decision Documentation: Maintaining comprehensive records of the rationale behind procurement decisions at all stages can improve transparency and audit readiness.

Capacity and Delays in Procurement: Some delays arise from capacity constraints, highlighting the need for additional training and resource strengthening.

- **Transparency and Trust Building :** Ensuring processes are transparent and perceived as such is essential to build confidence among stakeholders and decision-making bodies.

Vendor Accountability: Strengthening mechanisms to address vendor non-performance, including appropriate penalties and participation controls, can improve procurement outcomes.

- **Sourcing at Challenging Locations:** More robust strategies are needed to ensure effective sourcing, particularly in difficult or remote locations.

Price Reasonability Analysis : Greater collaboration with stakeholders is needed to ensure thorough and consistent price reasonability assessments.

- **Inventory Management Practices:** Inventory systems require improved objectivity, including defined reorder levels and order quantities, to prevent frequent stock-outs.



Thank You!

