

CIRCULAR

Sub:- Compliance of Internal Quality Control Cell (IQCC) observations/Third Party Quality Audit (TPQA) observations.

It is observed that the various observations reports generated by Internal Quality Control Cell or Third Party quality auditors are not complied within prescribed time limit.

Hence to improve the compliance to the observations raised by Internal Quality Control Cell or Third party Quality auditor, actions as under should be initiated.:-

i) The observations should indicate whether it is related with contractor or CIDCO.

A. Observations related to **contractor** such as non compliance of various contractual conditions related directly to the works or various tender clauses :- Action should be initiated as under for observations related to contractors

Sr. No	Observations	Period allowed for compliance	Action to be taken in case of non compliance	Remarks
1	Observations related to actual work-quality/quantity etc	The compliance should be made within seven working days or within reasonable time required to complete the process whichever is higher	Action should be initiated as per tender conditions.	In case of non compliance regarding quality within prescribed time limit If similar observations are recorded for more than two works in CIDCO of the same

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				agency, the agency should be warned and further proposal should be initiated to restrict the agency for six months from participating in bidding process.
2	Observations related to permits/ insurance which are dependent on third party	The permits/ insurance etc should be provided within 15 days or within reasonable time (justifiable limit to be approved by higher authority) after receipt of observations	Equivalent amount should be deducted from the subsequent RA bill plus Rs. 10000/- should be deducted as penalty (non refundable) for each default	
3	Miscellaneous Observations related to other contractual conditions like vehicle /site office, site laboratory etc	The compliance should be made within fifteen working days or within minimum time required to complete the process whichever is higher	Recoveries equivalent to cost for fulfilling the obligation should be recovered for non compliance of such observations plus Rs. 10000/- should be	If similar observations are recorded for more than three works in CIDCO of the same agency, the agency should be warned and further proposal should be

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deducted as initiated to restrict
 penalty (non the agency for six
 refundable) for months from
 each default. participating in
 bidding process.

B. Observations related to **CIDCO** like inadequate paper work/ non issuance of drawings/or required permission from CIDCO etc. :-
 For observations related to CIDCO, the concerned EE should submit the reply within 15 working days. The reply should include reasons/ justification for the observations raised and period required to mitigate the same.

2) To avoid undue delay for compliance of the observations additional controls as under should be adopted :-

A. The response in terms of time period taken by the contractor for compliance' should be reflected in his Work performance report. Action should be initiated if poor response is found as tendency of the contractor.

B. In case of non submission of 'timely reply to the observations/ action initiated against agency' explanation should be called of the concerned EE. Annual performance of EE should also be evaluated based on the nature of observations raised on the project/ its response time for reply/ and explanation to non submission of the reply within time frame.

C. The performance of third party quality auditor should also be evaluated based on observation report of actual work/ contractual conditions/ other issues and evaluation of the compliance report submitted by the concern EE for the same. Penalty equivalent to 25% of each visit fee should be imposed on third party quality

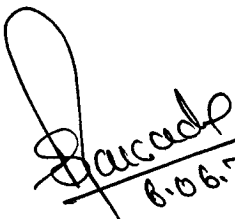
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auditor for not submitting the initial report and evaluation of compliance report within prescribed time limit. The third party quality auditor having poor record and having recovered penalty for minimum three works should be removed from empanelled list of agencies.

- 3) Henceforth the compliance file of TPQA shall be routed through EE(QC) to review the compliance and its acceptance as per detail process attached as Annexure-A with this circular.
- 4) The checklist to be placed in compliance report file by EE of concerned site is enclosed as Annexure-B herewith.

This is issued as approved by CE(NM)

Encl. a/a


 6.06.2016
 SE(HQ)
 S.G.Rokade/22783

Separately to:

All EEs /All SEs

CC to:

ACE(I)/ACE(II)	}	For information Pl.
CE(NM)/CE(NMIA)/CE(SP)		

b

Annexure - A

THIRD PARTY QUALITY AUDIT


DETAIL PROCESS DESCRIPTION (Revision No. 3 As per approval of CE (NM))

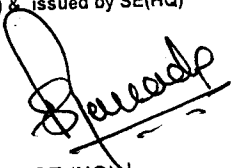
S No.	Process steps	Responsibility	Time Schedule		Remarks
			1st Instance	2nd Instance	
1	Preparation of list of works to be taken up for Third Party Quality Audit (list includes the works for which administrative approval and award of work is accorded by MD or Board and those works which are directed by CE or MD)	SE(Concerned Office) & EE(Concerned Office) & SE(Concerned Site)	Within 1 month of work order		
2	Finalisation of TPQA for particular through approved process	SE(Concerned Office) & EE(Concerned Office)	31 days from Process No. 1 or finalization of TPQA		
3	Appointment of Third Party Quality Auditor	SE(Concerned Office) & EE(Concerned Office)	14 days from Process No. 2		
4	Preparation of schedule for the site visits of Third Party Quality Auditors	Committee of SE(Concerned Office), EE(Concerned Office), EE(QC) and SE(D&QC)	Within 7 days after process No. 3		
5	visit of site and submit observation memo in the form of report (6 Copies) TPQA should hand over two copies to concerned SE(Site) & Four copies to CE's office	TPQA	Within 10 days after visit (As per contract)		
6	Forward of report to SE(Concerned Site) for further needful and one copy to EE(QC), SE(HQ) & SE(D&QC) for needful.	EE(Concerned office)	Within 7 days		
7	Forward of report to EE(Concerned Site) for Compliance	SE(Concerned Site)	3 Days		
8	Preparation of proposal file of compliance and forward it to SE(Concerned Site)	EE(Concerned site)	Period allowed for compliance	Action to be taken in case of non compliance	As per Circular No. CIDCO/SE(HQ)/2016/ Dtd. 06.06.2016
a.	Observation related to actual work - Quality/ Quantity etc.		Within 7 working days or within reasonable time (to be decided by ACE/CE) required to complete the process whichever is higher.	In case of non compliance regarding quality within prescribed time limit If similar observations are recorded for more than two works in CIDCO of the same agency, the agency should be warned and further proposal should be initiated to restrict the agency for six months for participating in bidding process.	Action should be initiated as per tender conditions.
b.	Observation related to permits/ insurance which are dependent on third party.		Within 15 days or within reasonable time (justifiable time limit to be approved by higher authority i.e. ACE/CE) after receipt of observations.		Equivalent amount should be deducted from the subsequent RA bill plus Rs. 10000/- should be deducted as penalty (non refundable) for each default.
c.	Miscellaneous observations related to other contractual conditions like vehicle/ site office, site laboratory etc.		Within 15 working days or within minimum time required to complete the process whichever is higher. (to be decided by ACE/CE)	If similar observations are recorded for more than three works in CIDCO of the same agency, the agency should be warned and further proposal should be initiated to restrict the agency for six months for participating in bidding process.	Recoveries equivalent to cost for fulfilling the obligation should be recovered for non compliance of such observations plus Rs. 10000/- should be deducted as penalty (non refundable) for each default.

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Process steps	Responsibility	Time Schedule		Remarks	
		1st Instance	2nd Instance		
9	Perusal of compliance after site visit and give recommendations and forward the copy of compliace report to TPQA if satisfactory otherwise send back to concerned EE for needful.	SE(Concerned Site)	5 Days	2 Days	If process No. 8 & 9 are not completed within time, then KPI of concerned Engineer as well as of contractor shall be evaluated. It shall be recorded in CR of Concerned Engineer & Penalty for delay from contractor for compliance shall be imposed as per contract conditions.
10	Verification of the Compliance and forward the verification report to SE(Concern site) with remarks.	TQPA	Within 14 days from the receipt of compliance report from SE(Concerned Site)		
11	Perusal of compliance and recommendations along with pointwise review of TPQA and forward the file to EE(QC) otherwise send back to concerned EE for needful. Otherwise	SE(Concerned Site)	5 Days	2 Days	As per Cirular No. CIDCO/SE(HQ)/2016/ Dtd. 06.06.2016
12	Perusal of compliance/ recommendations and if not satisfactory send back to concerned EE for needful. If satisfactory forward the file to SE(D&QC).	EE (QC)	5 Days	2 Days	As per Cirular No. CIDCO/SE(HQ)/2016/ Dtd. 06.06.2016
13	Verification of the compliance submitted by EE(QC). if not acceptable forward to SE(Concerned Site) otherwise to CE(Concerned) for acceptance.	SE(D&QC)	5 Days	2 Days	i) If not acceptable, then process No. 8 to 12 will repea
14	Acceptance of compliance report file & forward to SE(Concerned office) through SE(D&QC)	CE(Concerned)	7 Days		If not acceptable process No. to 13 will repeat.
15	Forward the file to EE(Concerned office) for issue of closure certificate	SE(Concerned Office)	3 Days		
16	Issue of Closure Certificate	EE(Concerned office)	3 Days		
17	Forward file with closure certificate to EE(QC) for record.	EE(Concerned office)	3 Days		
18	Preparation of Quaterly review report summay	EE (QC)	Quarterly		In the approved Format

* Note- Sr.No.8 a,b,c is as per the circular approved by CE(NM) & issued by SE(HQ)


EE (PA & REGI)


SE (HQ)


06/06/16
SE (D&QC)

Annexure - B

THIRD PARTY QUALITY AUDIT.

Check List to be placed in compliance report file by EE (Concerned site)

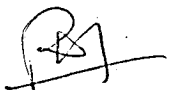
DETAIL PROCESS DESCRIPTION (Revision No. 3 As per approval of CE (NM))

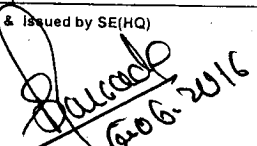
Sl. No.	Process steps	Responsibility	Time Schedule		Remarks	Planned Date of Compln. of this Process.	Actual Date of Compln. of this process	Reasons for Delay (if any)
			1st Instance	2nd Instance				
1	Preparation of list of works to be taken up for Third Party Quality Audit (list includes the works for which administrative approval and award of work is accorded by MD or Board and those works which are directed by CE or I/D)	SE(Concerned Office) & EE(Concerned Office) & SE(Concerned Site)	Within 1 month of work order					
2	Finalisation of TPQA for particular through approved process	SE(Concerned Office) & EE(Concerned Office)	31 days from Process No. 1 or finalization of TPQA					
3	Appointment of Third Party Quality Auditor	SE(Concerned Office) & EE(Concerned Office)	14 days from Process No. 2					
4	Preparation of schedule for the site visits of Third Party Quality Auditors	Committee of SE(Concerned Office), EE(Concerned Office), EE(QC) and SE(D&QC)	Within 7 days after process No. 3					
5	Visit of site and submit observation memo in the form of report (6 Copies) TPQA should hand over two copies to concerned SE(Site) & Four copies to CE's office	TPQA	Within 10 days after visit (As per contract)					
6	Forward of report to SE(Concerned Site) for further needful and one copy to EE(QC), SE(HQ) & SE(D&QC) for needful.	EE(Concerned office)	Within 7 days					
7	Forward of report to EE(Concerned Site) for Compliance	SE(Concerned Site)	3 Days					
8	Preparation of proposal file of compliance and forward it to SE(Concerned Site)	EE(Concerned site)	Period allowed for compliance	Action to be taken in case of non compliance	As per Circular No. CIDCO/SE(HQ)/2016/99 Dtd. 06.06.2016			
a.	Observation related to actual work - Quality/ Quantity etc.		Within 7 working days or within reasonable time (to be decided by ACE/CE) required to complete the process whichever is higher.	In case of non compliance regarding quality within prescribed time limit if similar observations are recorded for more than two works in CIDCO of the same agency, the agency should be warned and further proposal should be initiated to restrict the agency for six months for participating in bidding process.	Action should be initiated as per tender conditions.			
b.	Observation related to permits/ insurance which are dependent on third party.		Within 15 days or within reasonable time (justifiable time limit to be approved by higher authority i.e. ACE/CE) after receipt of observations.		Equivalent amount should be deducted from the subsequent RA bill plus Rs. 10000/- should be deducted as penalty (non refundable) for each default.			
c.	Miscellaneous observations related to other contractual conditions like vehical/ site office, site laboratory etc.		Within 15 working days or within minimum time required to complete the process whichever is higher. (to be decided by ACE/CE)	If similiar observations are recorded for more than three works in CIDCO of the same agency, the agency should be warned and further proposal should be initiated to restrict the agency for six months for participating in bidding process.	Recoveries equivalent to cost for fulfilling the obligation should be recovered for non compliance of such observations plus Rs. 10000/- should be deducted as penalty (non refundable) for each default.			
9	Perusal of compliance after site visit and give recommendations and forward the copy of compliance report to TPQA if satisfactory otherwise send back to concerned EE for needful.	SE(Concerned Site)	5 Days	2 Days	If process No. 8 & 9 are not completed within time, then KPI of concerned Engineer as well as of contractor shall be evaluated. It shall be recorded in CR of Concerned Engineer & Penalty for delay from contractor for compliance shall be imposed as per contract conditions.			


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Process steps	Responsibility	Time Schedule		Remarks	Planned Date of Compln. of this Process.	Actual Date of Compln. of this process
		1st Instance	2nd Instance			
10	Verification of the Compliance and forward the verification report to SE(Concern site) with remarks.	TQPA	Within 14 days from the receipt of compliance report from SE(Concerned Site)			
11	Perusal of compliance and recommendations along with pointwise review of TPQA and forward the file to EE(QC) otherwise send back to concerned EE for needful. Otherwise	SE(Concerned Site)	5 Days	2 Days	As per Cirular No. CIDCO/SE(HQ)/2016/99 Dtd. 06.06.2016	
12	Perusal of compliance/ recommendations and if not satisfactory send back to concerned EE for needful. If satisfactory forward the file to SE(D&QC).	EE (QC)	5 Days	2 Days	As per Cirular No. CIDCO/SE(HQ)/2016/99 Dtd. 06.06.2016	
13	Verification of the compliance submitted by EE(QC). if not acceptable forward to SE(Concerned Site) otherwise to CE(Concerned) for acceptance.	SE(D&QC)	5 Days	2 Days	i) If not acceptable, then process No. 8 to 12 will repeat.	
14	Acceptance of compliance report file & forward to SE(Concerned office) through SE(D&QC)	CE(Concerned)	7 Days		If not acceptable process No. 8 to 13 will repeat.	
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