



PMC Cell – MM

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Sub: Dealing with business propositions and award of contracts on nomination basis.

Reference it invited to circular No. 10/2019 dated 12.06.2019, wherein *inter alia*, it has been advised that due diligence must be carried out on any business proposition. Reference is also invited to relevant provisions of IMMM and various guidelines issued from time to time for avoiding contracts on nomination basis and reporting of nomination cases.

Consequent to the investigation in a case, Vigilance division of MoPNG pointed out that an avoidable expenditure was incurred on account of hiring of drilling rig on nomination basis. As per the examination, the expenditure could have been avoided with strengthened planning inputs.

In view of the above and also to ensure adherence to CVC guidelines for keeping nomination cases bare minimum, following aspects under para 8.5.5 of IMMM, should be meticulously deliberated by the TC, while proposing for procurement on nomination basis:

- a) Reasons and justification for award on nomination basis instead of competitive bidding.
- b) Reasons and justification for recommending a particular vendor/service provider for nomination contract.
- c) Reasonability of rates to be explicitly ascertained/confirmed.

In this regard, it is also enjoined upon all concerned that planning needs to be strengthened and due diligence to be carried out before placing orders on nomination basis.


(Ashwini Nagia)
ED-Chief MM Services

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