

Procurement of cement through TANCEM – Payment of third party inspection charges in addition to the margin money of Rs.2/- per bag of cement – Sanctioned

Rural Development & Panchayat Raj (CGS-1) Department

G.O.(2D) No.29

Dated. 15.4.2008.

Read:

1. G.O.(2D) No.37, Rural Development & Panchayat Raj Department, dated 6.6.2007.
2. G.O.(2D) No.62, Rural Development & Panchayat Raj Department, dated 4.10.2007.
3. From the Chairman & Managing Director, TANCEM, D.O.Lr.No.35/CMD/ TANCEM/2007, dated 10.12.2007.
4. From the Director of Rural Development and Panchayat Raj D.O.Lr.No. 92716/ 2007/TU3, dated 27.12.2007.
5. From the Chairman & Managing Director, TANCEM, D.O.Lr. No. 45/CMD/TANCEM/2008, dated 5.3.2008.

ORDER:

In G.O. first read above while issuing orders for supply of cement through procuring the required cement from other cement manufacturers, it was ordered that Tamil Nadu Cements Corporation Limited, (TANCEM) should ensure better quality controls & checks over the cement to be supplied to the District Rural Development Agencies. Accordingly, the Chairman & Managing Director, TANCEM has sent a plan of action for quality checks of cement in the letter 3rd read above. He has also requested to reimburse the sampling and testing expenditure in addition to the margin money of Rs.2/- per bag.

2. The Director of Rural Development and Panchayat Raj has suggested to pass orders to undertake 790 inspections of cement available in block godowns at the rate of 80 inspections per month and 40 pre-dispatch inspections (@ 4 inspections per month) at delivery points for ensuring the quality of cement.

3. The Chairman and Managing Director, TANCEM has stated that, TANCEM is attending to extra works in order to ensure supply from private cement companies to Rural Development Department. TANCEM has played a key role in finalizing the tender initially at Rs.230/- per bag of 43 Grade OPC and subsequently in reduction of price to Rs.220/- per bag with retrospective effect which will benefit Rural Development Department substantially.

4. He has also stated that the frequency of inspection has been increased as detailed below:

- (i) Pre dispatch Inspection from 4 Inspections per month to 20 Inspections per month.
- (ii) Inspection at Godowns from 40 Inspections per month to 76 Inspections per month.

He has further stated that the total cost of Third Party Inspection will be approximately Rs.10/- lakhs per month and requested to accept the proposal so as to submit the claim charges to Director of Rural Development and Panchayat Raj on a quarterly basis for reimbursement. Taking into account all the above factors, he has requested the Government to reimburse the Third Party Inspection Charges in addition to the margin money of Rs.2/- per bag to TANCEM.

5. The Government after taking into consideration the justification put forth by TANCEM and the fact that even after paying for Third Party Inspections the total service charges being paid to TANCEM will remain less than 1% of the price of the cement, the Government accept the proposal of the Chairman & Managing Director, TANCEM and accordingly issue the following orders:

- 1) TANCEM shall be paid the Third Party Inspection charges in addition to the margin money of Rs.2/- per bag of cement. The claim shall be submitted to the Director of Rural Development and Panchayat Raj on quarterly basis with details of number of inspections carried out.
- 2) The Inspection Schedule shall be as follows:
 - (i) 20 Pre dispatch Inspections.
 - (ii) 76 Godown Inspections per month.

6. This order issues with the concurrence of Finance Department vide its U.O.No.1016/FS/P/08, dated 30.3.2008.

(By order of the Governor)

K. ASHOK VARDHAN SHETTY
SPECIAL COMMISSIONER &
SECRETARY TO GOVERNMENT