

CHAPTER X

INSPECTION OF STORES

10.1. Rule 22 of Stores Purchase Rule lay down that (i) all articles purchase through the Director Supplies & Disposals, Haryana shall, before acceptance be subject to inspection by Inspecting Officer or such other officer as may be authorised by the Director Supplies & Disposals, (ii) No payment for stores supplied shall be made unless the stores have been inspected and passed for acceptance as per terms of each contract, and (iii) the Inspecting Officer shall certify that the stores inspected conform to the prescribed specifications or test or quality and are correct in No. and weight etc. as the case may be.

10.2. Clause 8 of the Conditions of Contract (Schedule B) provides that the officer duly authorised in writing by the Director, Supplies & Disposals, shall have the power to inspect the stores before, during or after manufacture, collection, despatch, transit or arrival and to reject the same or any part or portion thereof if he is not satisfied with the quality of the same or they are not equal or according to the sample submitted by the contractor.

10.3. The inspection of stores may be carried out by :—

- (a) the officers of the Indenting Department or the Directorate of Supplies & Disposals
- (b) Jointly by the officers of Directorate, Supplies & Disposals, Indenting Department and other experts nominated for this purpose.
- (c) The consignee on receipt of stores at destination
- (d) Independent officers nominated by the Director Supplies & Disposals in case of complaint against inspecting officers of the Indenting and other Department

10.4. A stipulation regarding inspection is invariably inserted in the supply order in accordance with the decision of competent authority indicating amongst other things; (i) who would carry out the inspection, (2) where and when the stores would be offered for inspection; (3) Whether the samples would be drawn and got tested from the Government/Government approved laboratory, etc.

10.5. Inspection of Stores by Officers of Indenting Department or Joint Inspection of Stores.

(a) The inspection of stores is usually entrusted to the officers of Indenting Department. At times the officers of Directorate of Supplies & Disposals and other technical experts are also associated. Where, as per supply order, the inspection is to be arranged by the Indenting Officer or his representative exclusively or jointly with the representative of any other Department, and a request for inspection is received from the contractor, the inspection of stores should be arranged immediately but positively within 15 days from the date of receipt of such request, and only in exceptional circumstances a longer date not exceeding 21 days may be fixed. In case the stores are to be inspected jointly with officers of other department the Indenting Officer should immediately get into touch with the concerned Officers of the other Departments at personal level instead of carrying on routine corres-

pendence for taking a decision about date of inspection and associating the representative for joint inspection. In case the representative of Directorate is to be associated in joint inspection, the orders of Director should be obtained, at the time of placement of supply order as to who would be deputed for this purpose, and the officer so nominated shall join the inspection team as soon as a request is received from I.O. in this behalf.

(b) Quite often the firms represent to the Directorate that the I.O. is not responding to their call for inspection, and as such they would not be responsible for the delay in supplies. In such cases, the I.O. should be advised demi officially to expedite the inspection and if the I.O. still fails to respond a meeting should be fixed with I.O. and firm to sort out the issue involved.

(c) All calls made for inspection by the contractor within the delivery period originally stipulated in the contract must be answered by I.O. A request for inspection cannot be declined simply because the lot earlier offered by the contractor had been once rejected. Vide LR's advice sought in a case reproduced in Annexure to this Chapter, a contractor is well within his rights to offer fresh stores again in place of the rejected lot before the expiry of the original delivery period and the Indenting Officer is legally bound to inspect them. The I.O. should be categorically informed that he would be responsible for the legal consequences if he did not discharge his contractual obligation. However, if the contractor repeatedly offers sub standard stores for inspection, the inspection may be refused and matter referred to this Directorate for penal action against the contractor.

10.6. Even though the request for inspection is made after the expiry of the delivery period and stores are still required by the Indenting Officer, the same should be inspected subject to imposition of penalty or extension of delivery period. A request for inspection should not be put off simply because the delivery period has since expired when the call was made. The inspection should be carried out after obtaining an undertaking from the contractor that he agrees to the inspection subject to the imposition of penalty/extension of delivery period by the Director on merits. Whenever such a case comes to the notice of the Directorate, the I.O. should be immediately asked to carry out the inspection after obtaining an undertaking to the above effect from the firm and refer the case to the Directorate regarding extension of delivery period etc. for decision. But it shall be impressed upon him that pending such decision, he shall deduct the amount recoverable on account of delayed supplies, and release the same only after the delivery period has been extended by the Director.

10.7. In case the call is made after the expiry of the delivery period, when the stores are not required by I.O. the inspection may be refused by I.O. under advice to the Directorate. If the contractor represents against such refusal, the comments of the I.O. be obtained and case decided on merit.

10.8. Once the stores have been inspected and accepted the delivery can not be refused simply because it has been made after the expiry of the delivery period.

10.9. Technically qualified and experienced officers of unquestionable integrity should be deputed for inspection. They should be fully acquainted with the procedure of inspection as indicated below.

10.10. The Inspecting Officer shall bear in mind the following points :—

- (i) He should ordinarily give the contractor at least seven clear days advance notice of his visit so that he is ready with the stores and testing facilities, except where the stores are urgently required and the delivery period is very short.
- (ii) He must carry official seal alongwith a copy of the supply order and relevant I.S.S. booklet and also collect the approved sample wherever required from the Directorate before proceeding for inspection.
- (iii) In the case of rate contract and purchase orders where the number of consignees is quite large, a counter sample duly approved is entrusted to the contractor to facilitate comparison of stores offered for inspection. He should also ask for the counter sample, satisfy himself about its genuineness and carefully compare the stores under inspection with it.
- (iv) He should draw the samples from the lots, wherever required, in the presence of authorised representative of the firm. Samples should be drawn as provided in relevant I.S.S. If there are no I.S.S., the Inspecting Officer should draw the samples at random out of the lot to ensure effective inspection.
- (v) He should put his own seal and also have the seal of representative of the firm put on such samples in his presence.
- (vi) He should take all possible precautions to see that the rejected stores are not mixed up with accepted stores or uninspected stores.
- (vii) He should have such sealed samples despatched right from the premises of the firm to the Laboratory concerned either by registered post or post parcel or through special messenger as may be considered expedient.
- (viii) He should direct the contractor to pay testing fee to the concerned laboratory, on receipt of their bill or in advance, as the case may be.
- (ix) He shall prepare the inspection note in form SP 22 on the very day of inspection and get it signed from the representative of the firm and put his signatures and seal thereon.
- (x) In the inspection notes, he must categorically mention the following facts :—
 - (a) Whether the stores were offered for inspection. If not it should be mentioned as such.
 - (b) Whether stores were not found to be according to the required specifications and hence rejected. The detailed reasons for rejection should be clearly spelt out.
 - (c) Where the samples have been drawn for the test and sent to laboratory, it should be clearly mentioned as to how many samples have been taken and to which laboratory they have been sent for

testing indicating the manner in which the samples have been sealed and marks/details given on the sample. The particulars of the seal and a specimen facsimile shall also be printed.

- (d) Whether the stores have been accepted as conforming to specifications on visual/physical testing. It should be mentioned that seals have been put on the inspected/accepted stores.
- (xi) He should prepare an adequate number of copies of such inspection note and send/supply copies to :—
- (a) The contractor (equal to number of consignees plus two.)
 - (b) Indenting Officer (one).
 - (c) All consignees concerned (one each) and
 - (d) Directorate (2 copies).
- (xii) On receipt of test reports from the laboratory he shall supply a certified copy of such report to the firm immediately. In case the test reports are found to be satisfactory, he will issue a direction to the firm to despatch the material to the consignees but in the event of unsatisfactory report, he shall ask the firm to offer fresh stores as per specifications. He will endorse copies to all concerned as mentioned in (xi) above.
- (xiii) He shall not pass stores which don't exactly conform to the specifications.

10.11. He shall be fully responsible for the quality of stores inspected and accepted by him.

10.12. Scrutiny of Inspection Note Received in the Directorate.

When a copy of Inspection note is received in this Directorate from the Inspecting Officer it should be put up to officer incharge of purchase section with relevant file with special remarks as to (1) delay in carrying out inspection with reference to copy of letter of offering stores for inspection, (2) whether the specifications of stores given in inspection note conform to those given in supply order (3) the reasons for rejection of stores have been recorded, (4) whether the stores have been accepted as per terms given in supply order/Rate contract. Whenever, it is found that the inspection has not been carried out properly or correct procedure has not been followed, the matter should be brought at once to the notice of the Director who will pass orders as he thinks fit. Cases of undue delay in carrying out the inspection should invariably be brought to the notice of Director.

10.13. Inspection of stores at consignees end—Responsibility of Consignee.

- (i) Immediately after the receipt of the stores, the consignees shall verify that the same are in satisfactory condition. Wherever he finds that the stores are short or have been damaged in transit he should immediately send a detailed report to this Directorate and I.O. and simultaneously issue a notice to the contractor to make up the shortage or replace the damaged stores within 10 days from the date of notice.

In case the consignee reports non compliance with the notice by the contractor, the Directorate will issue a notice to the contractor to make up the shortage within 15 days of notice to the satisfaction, of consignee. If the contractor does not comply with the notice the I.O./consignee may be asked to withhold the pending payment upto the extent of the price of the damaged or short stores. In case there is no amount available with him or the amount available is less than the amount recoverable, the matter may be referred to this Directorate for recovery of the amount from security of the contractor or taking the matter to arbitration or taking penal action and or procure the stores at the risk and cost of the contractor.

- (ii) Where the stores found short/damaged are received under insurance cover or at Railway risk, the consignee will in addition immediately obtain a certificate from railway authorities regarding such shortages/damages and will lodge claim with Insurance Company or the railways as the case may be either himself or through the contractor under advice to the Indenting Officer and this Directorate.
- (iii) Where the consignee finds that the stores received are sub standard or do not conform to the specifications, he should immediately inform the contractor, Indenting Officer, Inspecting Officer and this Directorate pointing out the defects in detail and await orders. On receipt of such a report from the consignee, the contractor will be issued a notice to set right the defects, if these are of minor nature, to the satisfaction of the consignee, otherwise to replace the stores within 10 days from the date of issue of notice. The stores shall lie at the risk and cost of contractor. In case the contractor does not comply with the notice the matter may be referred to the Arbitration. Any other penal action may also be taken.

In case I.O. is of the opinion that sub standard material was supplied due to negligence of duties on the part of the Inspecting Officer, he will initiate suitable departmental/Legal action against the Inspecting Officer under advice to this Directorate.

- (iv) Where any defective stores are removed by the contractor with the assurance that he would replace the same or return them duly rectified, but he neither replaces them nor returns the stores despite repeated requests of the Indenting Officer/Consignee, the matter should be reported to this Directorate for taking further legal action. While handing over such stores to the Contractor, the Indenting Officer/Consignee should obtain proper receipt from the contractor and also suitable security in the form of Bank Guarantee equivalent to the value of stores so returned and an undertaking on a non-judicial stamp paper of Rs. 3/- that he would replace or return the stores as the case may be within the specified period. In case the contractor fails to honour his commitment, the Indenting Officer/Consignees should proceed to have recourse against the bank guarantee and/or take legal action against him for the breach of trust under advice to this Directorate.
- (v) Where the stores are purchased in terms of weight, the net weight shall be taken into account after excluding the weight of the packing material and containers.

10.14. Super Inspection of Stores.

Super inspection of stores can be ordered by D.S. & D by deputing independent officer either alongwith the previous Inspecting Officer or otherwise, in the following cases :—

- (i) When the contractor reports that the Inspecting Officer has been partial or prejudiced in carrying out inspection of stores or has erred in carrying out inspection of stores.
- (ii) When there has been a complaint from any quarter that the Inspecting Officer has acted to the detriment of Govt. interests in accepting the stores.
- (iii) When the consignee finds at destination that the stores are not as per specification.

Before ordering such inspection the D.S. & D will normally ask the I.O. to depute senior officer for immediate enquiry and send the report, and if as a result the Director is satisfied that there are grounds for believing that the allegations are prima facie true, he will order for super inspection by deputing experts of Industries Department and such other officer/s as he thinks fit. Where the super inspection is to be carried out on complaint that the stores are sub standard, the contractor should also be given an opportunity to depute his representative. However, it should be made clear to him that in case his representative does not turn up at the appointed date, time & place, the super inspection shall be completed and he will have no right to question the result of super inspection.

10.15. Complaint against Inspecting Officers.

Complaint against inspection of stores whether received from contractor, consignee or any other source should be referred to the I.O. by this Directorate for immediate investigations and report. Malpractices and misconduct coming to the notice should be taken serious note of and the matter referred to Government for orders.

ANNEXURE

(referred to in para 10.5(c))

It is obligatory on the part of the Indenting Department to carry out inspection of material offered by the firm within the stipulated delivery period even though the material earlier offered for inspection did not conform to the specifications.

Order for the supply of Dyed Khaddar of certain specifications was placed on M/s. Adarsh Dying & Proofing Works, Ambala Cantt. The firm offered the first lot of cloth well within the delivery period, but it was rejected by the Indenting Department as not conforming to the specifications. The firm offered another lot afterwards within the stipulated delivery period, but the Indenting Department was reluctant to carry out the inspection on the ground that this firm had forfeited their confidence by offering substandard material earlier.

The advice of the L.R. was sought by office vide U.O. No. 95 dated 21-7-83. L.R. advised as under, vide his U.O. No. 13205 C(1)-OP-83/1427, dated 25-7-83.

- (1) It is obligatory on the part of the Indenting Department to carry out the inspection of the material offered on 1-4-83 which was within the stipulated delivery period which expired on 29-4-83.
- (2) The Indenting Department cannot refuse to carry out the inspection of the second lot on the plea that the first lot did not conform to the specifications.
- (3) As a dispute has arisen, the matter has to be referred to the Arbitrator in terms of clause 18 of the contract agreement and as such, there is no point in resisting the application for appointment of Arbitrator.

File No. GL/Misc/1097/82-83).