

The Sport Functional Area was responsible for organisation of sporting events, maintenance of results records, and presentation ceremonies; it was also assigned the responsibility of purchase of sporting equipment.

There were several deficiencies in the procurement of sports equipment, such as not following global tendering procedures and purchases on single tender basis. We also found purchase of a boxing ring with older specifications, half the badminton shuttlecocks crossing the shelf life even before the events, and huge quantities of procured equipment lying unused in stores, raising doubts on the reasonableness of the assessment of requirements (in particular, trampoline sets procured for an event not scheduled in the Games).

The procedures followed for hiring Shri Greg Bowman and his company, Great Big Events (GBE), for a multiplicity of contracts relating to sports presentation ceremonies were questionable. One contract was, in effect, de-activated in September 2010, and re-awarded at exorbitant rates to GBE. We also noticed fraudulent payments to GBE for false claims of personnel assignments (when they did not even visit India), which were certified by OC officials.

Audio video equipment for sports presentations were hired at exorbitant rates, through a highly flawed process. Our enquiries revealed that the quoted prices for purchase of the same equipment was about half the hiring cost.

13.1 Overview

During the Games, 272 events in 17 sporting disciplines were to be organized. The Sports Functional Area was responsible for organisation of each event including its regulations and conduct; maintenance of the timing, scoring and results records; the presentation ceremonies and announcements.

13.2 Procurement of Sports Equipment

13.2.1 Overview

After venue owners indicated their lack of expertise in procurement of sporting equipment, MYAS assigned the overall responsibility for procuring sports equipment for both competition and training venues in October 2009 to OC and released a budget of Rs. 25 crores in May 2010, in addition to OC's existing sanctioned budget of Rs. 5.42 crores.



We do not find sufficient evidence that requirement assessment for sports equipment was done with due diligence. Although OC stated that after initial listing of items, comments were invited from the national sports federations, we found that most federations did not make any comments. Thus, the procurements – both the items and brands, as well as quantities - were effectively decided by the OC, which apparently had no expertise in this area.

OC awarded 93 contracts for procurement of sports equipments between February 2010 to September 2010 for a total amount of Rs 27.22 crore. We found several deficiencies in the procurement:

- Global tendering procedure was not followed at all;
- Performance guarantee was not obtained from the successful bidders in any case;

- In 5 cases, supply orders of Rs 3.95 crore were issued even before approval of the competent authority(EMC);
- In 19 cases, purchases worth Rs. 3.17 crore were made on single tender basis. Interestingly, in 14 such cases, the single tenderer was the same agency i.e. Swatantra Stores, Patiala¹. In cases where only one tender was received /found eligible, the option of re-tendering was not exercised by OC, despite reasonable time being available.
- While processing the award for purchase of boxing equipment, OC irregularly shifted from item wise processing of bids to processing the procurement as a single package after technical qualifications of the bidders had been evaluated and commercial

¹ Which is essentially a sports equipment store and not manufacturer

bids opened. Consequently, the purchase order was placed to a party who was not the L1 bidder for all items.

Selected instances of irregularities in procurement are detailed below:



13.2.2 Purchase of Athletic Equipment

Out of the five IAAF² approved companies who bid for this work, three did not submit the usage certificates³ from the international federation as required in the RFQ and the only qualified bid of DIMA Sports was opened in March 2010. After an inexplicable delay of 3 months, the supply order was issued in June 2010 to the firm at a cost of Rs. 2.78 crore. In July 2010 DIMA

² International Association of Athletic Federations

³ Usage certificate is given by the International Federation for the usage of any equipment in any previous international event.

expressed their inability to deliver the items in time due to vacations in Europe. OC maintained that the delays were on account of their waiting for other bidders to give the required usage certificates. We, however, noticed that in August 2010, after cancelling the earlier supply order, OC divided the order and procured the equipment at higher rates from UCS Inc(USA) and Nordic Sports AB(Sweden) which resulted in additional expenditure of Rs. 0.95 crore. Surprisingly, both the companies never submitted any usage certificate.

13.2.3 Purchase of Boxing Equipment



The International Boxing Federation changed its boxing ring specifications in January 2010 from 7.5 m x 7.5 m to 7.8 m x 7.8 m for all AIBA approved events⁴. OC, however, ordered 2 competition boxing

⁴ The new specifications were notified 2 years in advance; existing rings with old specifications were considered valid only till December 2010.

rings for Rs. 0.18 crore in February and June 2010 with the old specification. Significantly, the evaluation committee dealing with the purchase of boxing rings did not have any member from the national boxing federation, or sportspersons associated with boxing. OC stated that though their specifications were incorrect, in one case the supplier changed it to new specification. The other boxing ring is however, unfit for use in AIBA-approved events.

13.2.4 Purchase of shuttlecocks

Of the 2000 dozen shuttlecocks purchased for badminton events, 1000 dozen shuttlecocks had crossed the shelf life⁵ even before the events were held. Significantly, 1392 dozen shuttlecocks (i.e. 68 per cent of the procurement, including the ones which had crossed the shelf life) valuing Rs 0.16 crore remained unutilised.

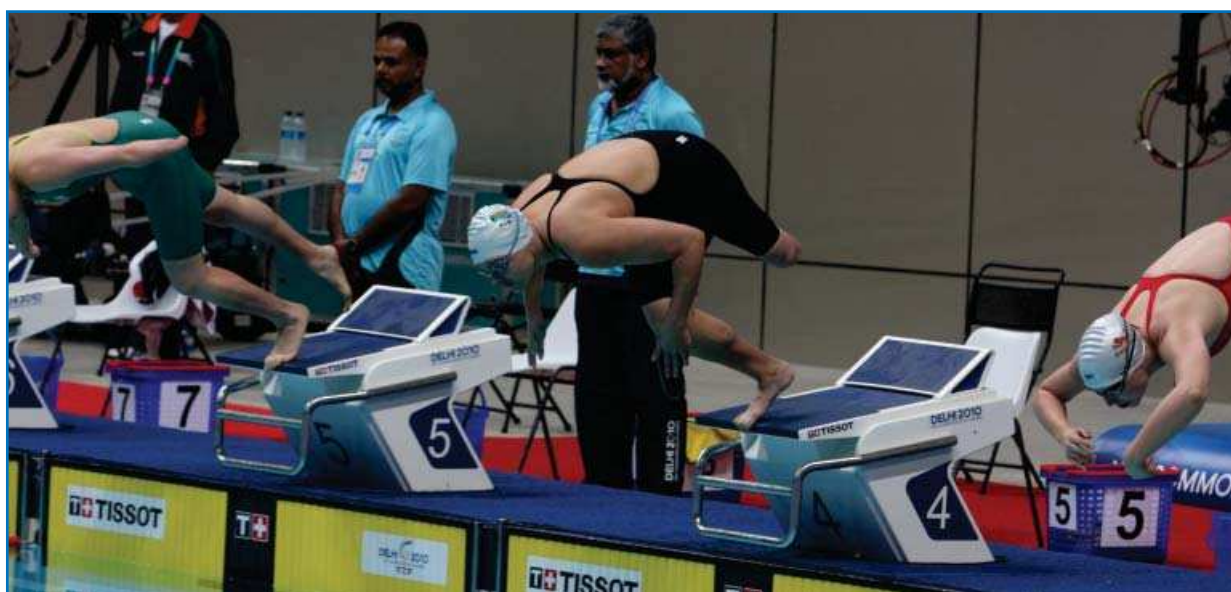
Further, while OC placed an order with Sunrise & Company for providing 300 dozen of Speed-1, 400 dozen of Speed-2 & 300 dozen of Speed-3 i.e. total 1000 dozen

Yonex shuttle cocks, the vendor supplied 1000 dozen of shuttle cocks of only two speeds i.e. speed 1 & 2. OC accepted the supply, though it was at variance with the supply order.

13.2.5 Delayed supply of equipment for test events and training

Imported sporting equipment for gymnastics and aquatics worth Rs. 4.56 crore and Rs.1.08 crore respectively was required to be delivered before the test events scheduled in July-August 2010, but was delivered only in August-September 2010. This led to cancellation of test events in the disciplines of synchronised swimming and high board diving. Also, in the absence of the new equipment, some equipment had to be transported from Pune and Ranchi⁶.

Four training boxing rings (Rs 0.35 crore) ordered for the practice session of the Indian team scheduled from 23 September to 3 October 2010, were received only on 29 September 2010 and could be installed just one day before the events began.



⁵ as prescribed under the standards of the IBF

⁶ Out of the equipment procured for CYG-2008,Pune and National Games 2011, Ranchi

13.3 Procured equipment lying unused

We found huge quantities of sports equipment lying unused at various locations even after the Games had concluded, raising doubts on the reasonableness of the assessment of requirements. Some instances are given below:

- Sports equipment worth Rs 1.35 crore (Details in Annex 14.1), was lying unpacked in the ITPO store as of November 2010;



Non-use of trampoline during CWG 2010



Use of trampoline during Beijing Olympic 2008

- 16 storage trolleys, which were neither in the list approved by MYAS nor requested by the Sporting Federation, were procured at a cost of Rs. 0.25 crore as part of aquatic equipment, but were never made available at the Dr. SPM Aquatics Complex, the aquatics venue. Eight of these trolleys were kept at the Games Village and the rest remained in the store.

- Out of 17 venues, equipment usage records of only 7 venues were received. In these venues, sports equipment worth Rs 0.93 crore (Details in Annex 14.2) was lying fully unused.
- 10 trampoline sets procured for aquatics at a cost of Rs 0.34 crore were kept unused at the ITPO store.
- 2 trampoline sets procured for gymnastics at a cost of Rs 0.11 crore were procured wastefully, as there was no trampoline event scheduled in the Games. These were lying packed in the IG Stadium store throughout the Games.

13.4 Sports Presentation Ceremonies

13.4.1 Overview

Sports presentation is the showcasing of a sport for venue spectators and broadcast audiences. This is the ceremony where the medal winners are presented with medals in recognition of their achievement and their countries are honoured by raising their national flags and playing the national anthem of the gold medal winners.



OC incurred a total expenditure of Rs. 13.62 crore for sports presentation:

- Rs 5.68 crore on Shri Greg Bowman/ Great Big Events (GBE);
- Rs 6.75 crore on hiring of audio video equipment;

- Rs 0.19 crore on hiring of sports presentation managers and announcers; and
- Rs 1.00 crore for miscellaneous expenses on GBE consultants.

OC awarded several contracts to Shri Greg Bowman and his company, Great Big Events (GBE), as summarised below.

Table 13.1 – Contracts awarded to Shri Greg Bowman and Great Big Events

Timeline	Vendor	Work	Contract Amount	Actually Paid (Rs. in Crore)
October 2009	Greg Bowman	Sports presentation consultant	USD 17,200 per month	0.77
January 2010	Great Big Events	Sports presentation core team	USD 502,000	1.47
July 2010	Great Big Events	Supply of sports presentation managers (17) and victory ceremony producers (3)		Bidding cancelled
September 2010	Great Big Events	Sports presentation workshop & Basic Music/Video Pack Service Agreement	USD 850,000	3.44



We found that these contracts were awarded and managed by OC in complete disregard of the norms of propriety and without safeguarding its financial interests.

13.4.2 Hiring of Greg Bowman and Great Big Events

In October 2009, OC hired Shri Greg Bowman as consultant for sports presentation on nomination basis. He was overall in-charge for the delivery of the sports presentation programme across all competition Venues.

Shri Bowman was also responsible for selecting the Sports Presentation Team. Accordingly, he hired his own company, Great Big Events (GBE) on nomination basis in January 2010 for a period of 10 months at a cost of USD 502000 (Rs. 2.26 crore) for assisting the consultant (Shri Bowman) and for the creation, deployment and delivery of the Sports Presentation programmes for the Games.

In July 2010, OC advertised for the “supply of sports presentation manager (17) and victory ceremony producers (3).” The two tenders received were from Great Big Events and Fun and Games Limited, which was submitted by Shri Radley Foxon, an

employee of GBE. Shri Greg Bowman did not inform OC of this interconnection and advised OC to accept the bid of GBE. This bid was however cancelled as both bids were found to be unsealed.

Seven months into the January 2010 contract and after receiving payments of Rs 1.47 crore (65 per cent), GBE sent a notice of termination in August 2010 to OC. OC did not terminate this contract, but initiated an EOI for a new contract for “supply of sport presentation managers and victory ceremony producer”, although the contract was awarded for a different scope of work⁷. The entire process of bidding was miraculously completed within 16 days as follows:

Table 13.2 – Award of second contract to GBE

1 September 2010	Issue of EOI (in newspaper)
7 September 2010	Last date of receiving EOI
7 September 2010	Opening of single bid from GBE
12 September 2010	Negotiations with GBE
13 September 2010	Approval of Fast Track Committee
16 September 2010	New contract signed between OC and GBE

After hurried negotiations and approvals of the Fast Track Committee on 13 September 2010, on 16 September 2010 OC once again entered into an agreement with GBE at a

⁷ Sports Presentation Workshop and Basic Music/Video Pack Service Agreement

total fee of US\$ 850000 for 29 days. The cost of this contract was absolutely unjustified as it essentially amounted to an enormous upward revision of rates, after paying Rs 1.47 crore under the earlier contract.

Further, till August 2010, despite progressing 70 percent on timeline and release of 65 percent of the amount contracted earlier, GBE had neither assisted in the recruitment of sports personnel nor trained them before the test events as was required under the January 2010 contract. We find that, OC's negotiations for the re-hiring of GBE were highly questionable, as, besides the exorbitant rates, the scope of work included items already done under the initial contract by GBE or by OC on their own e.g.

- **Conducting interviews for Indian announcers** - 42 of the 55 announcers finally selected were engaged prior to signing of the second contract.
- **Hiring of presentation personnel** - 30 sports presentation personnel were already engaged directly by OC.

OC also failed to utilise the services of GBE as per the contract. In early September 2010, OC was processing the award of tender for hiring of audio/video equipment and even before GBE could finalise the venue wise requirements, tendering was already done. It would appear that the OC officials handling the award of the contract allowed unwarranted expansion of scope of work to justify payments of substantial sums of Government money.

Fraudulent payment to Great Big Events (GBE)

As per the January 2010 contract, GBE was to assign 9 personnel for contract related activities. While three of them were to stay in India for the entire duration of 10 months, the other six had to stay for specified number of days. Fees were accordingly prescribed on monthly and daily basis for these two categories.

We ascertained that the three GBE executives required to stay in India did not do so for the entire stipulated period as one executive did not even visit India and was paid @ 7500 USD per month for 7 months. OC officials actively colluded by duly certifying their payment invoices and work, despite their absence from India. Shri ASV Prasad, JDG (Sports) even certified⁸ the presence of one executive Ms. Kate Campbell⁹, who never visited India.

The entire claim for the periods that the executives were not available in India could be termed as fraudulent. However, even on a proportionate basis, such fraudulent payments amounted to Rs 40.13 lakh (USD 89186).

While OC indicated that they would make deductions from the remaining 10 percent payment, the balance with OC would not cover the excess payment.

⁸ The attendance sheet for the month of May and June 2010 was authenticated by DDG (Sports) and countersigned by JDG (Sports) stating that Kate Campbell was present full time in India.

⁹ Incidentally, we found a draft agreement signed by Greg Bowmen (for GBE) where in place of Kate Campbell, the name of Ms. Kavita Sontakay (who was an employee of OC till 2 weeks after this contract was signed with GBE) is mentioned.

GBE's performance under the contract entered in September 2010 was also deficient:

- Against a commitment to conduct at least six training workshops with sports presentation managers/ assistants and announcer, GBE conducted only four workshops.
- GBE was to provide audio systems, audio production systems, video production equipment and communication equipment at all venues, including nine Instant Replay machines at cost of USD 25953¹⁰. While the advance payment to GBE was increased to 50 percent on this pretext, there was no evidence that they provided these equipments. Instead, OC hired these equipments separately at a cost of Rs 6.75 crore.

13.4.3 Exorbitant Hiring of Audio video Equipment for Sports presentation:

Despite hiring expensive consultants for sports presentation, OC realised its requirement for renting of audio and video equipment only on 4 September 2010, when a tender was floated. The contract was awarded to Modern Stage Pvt. Ltd at a cost of Rs 6.75 crore. We found the award process to be flawed:

- The newspaper advertisement only gave notice of a detailed advertisement on the OC's website which was not available till 9 September 2010. The website advertisement was available only for one day (10 September 2010) and the technical bid was opened on 11

September 2010. Interestingly, the newspaper advertisement did not even mention whether the equipments are to be hired or purchased.

- OC added a restrictive clause of experience of CWG, Asian, Olympics or World Mega Sports Competition, thus ensuring even less competition.
- Only two responses were received; after negotiations, the contract was awarded at a total cost of Rs 6.75 crore.

Further, the vendor raised an additional bill for Rs 1.28 crore, on account of a claim of supplying additional equipment (after keeping GBE informed); OC had no knowledge of this additional supply.

To evaluate the reasonableness of the hire charges, we invited quotations for purchase of the audio, video equipments hired by the OC from the Modern Stage Pvt. Ltd. In response, two quotations were received. The quoted price for purchase was around Rs. 3.5 crore, as opposed the hire charges of Rs 6.75 crore paid by OC. Clearly, the hiring process was non-transparent and the charges exorbitant.



¹⁰ For this, freight charges @ USD 15000 were also paid to them.

