

CONTROLLER GENERAL OF DEFENCE ACCOUNTS

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(IFA WING)

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Sub:- Financial Advice Cases

The financial advice cases as submitted by Pr IFA (IDS) Delhi & IFA (SWC) jaipur, are circulated herewith for information and guidance.

1. Proposal for Automation of Medical Store Supply Chain Management

HQ IDS (Medical Branch) submitted the proposal for AON concurrence for automation of Medical Store Supply Chain Management for an estimated amount of Rs 1.00 crore. Pr IFA had accorded the concurrence to the proposal for an amount of Rs 52.00 lacs at AON stage after thorough scrutiny of the proposal.

During the benchmarking meetings, it was advised that supply orders of automation of the inventory management in Armed Forces be obtained to get additional inputs before the finalization of the benchmarking. Based on the additional inputs and technical discussion, the price of the software application has been benchmarked as Rs 38,00,500/-.

The lowest quote received for Rs 45,84,983/-. During the price negotiation, the price was brought down to Rs 37.00 lacs with a warranty period of seven years. It was advised at financial stage that necessity of Annual Tech Support for four years after expiry of warranty of seven years may be reviewed as the application would have stabilized and users might have been acquainted with application in seven years of warranty.

Users have agreed to the advice rendered by Pr IFA office, thus, an amount of Rs 11.00 lacs has been saved i.e. cost on account of Annual Tech Support for four years and final cost of the project has come down to Rs 26.00 lacs as against the cost of Rs 52.00 lacs at AON stage. Hence, a saving of Rs 26.00 lacs was achieved.


2. Outsourcing of conservancy services for Mil Stations under SWC

A proposal was received for concurrence for the administrative sanction of GOC-in-C for conclusion of contract for outsourcing of conservancy services and hiring of tractor and trollies for lifting of garbage for various Mil stations under HQ SWC for the FY 2013-14. IFA observed following points while examining the proposal:-

1. The estimated financial effect was not worked out in accordance with the laid down rules viz non-inclusion of ESI, EPF etc/application of wrong rates.
2. The requirement of conservancy staff for sweeping of roads was considered on higher side by taking into the lower side of scale i.e. 650 Running Meter (650 to 750 running meter) for authorization of conservancy staff for sweeping of roads.
3. The no. of labourers deployed on tractor and trolley were projected on higher side.
4. The outsourcing of safaiwalas was projected 100% against the deficiency where as engagement could be 10 to 15% less as the posted strength never remains 100%.
5. Calculation of estimated cost was worked out on the basis on 30 days in a month. As per labour laws weekly off is to be given. Accordingly, the expenditure was required to be calculated for 26 days in a month instead of 30 days.

IFA returned the proposal to the Command HQrs with observations with an advice for compliance.

HQ SWC, Jaipur agreed to the above observations and accordingly, resubmitted the proposal for an amount of Rs 2.40 crore against the original proposal of Rs 2.92 crore. IFA accorded the concurrence for an amount of Rs 2.40 crore. Thus, a saving to the tune of Rs 51.78 lakh achieved.


(Rameshwar Dass)
Sr Accounts Officer