

No. PIFA/Gen Corr/IFA SC/Vol.II (PC)

To
All PCsDA/CsDA/ PCDA HRD /IFAs(Dedicated and Nominated)/RTC

Sub: Clarification for procurement of Stores/Equipments/Projects.

One of the IFAs had raised an issue related to the authority to give the Normative Life Certificate to assess the life span of the equipment as well to assess whether the equipment is a capital asset or revenue item. The matter regarding acceptance of normative life certificate of the equipment from the vendor/authorised dealer instead of OEM has been examined in consultation with various IFAs and the position is clarified as under:

- (i) The normative life of any equipment is fixed by the original equipment manufacturer based on technical parameters fixed for the product and is therefore to be given by the OEM. Such a certificate should be obtained at the time of initial procurement of an item / equipment. However, often the OEMs do not quote directly and instead operate through authorised dealers/vendors. There may be occasions also where it may not be feasible to obtain such a certificate from the OEM. In such cases, the normative life of the equipment so fixed by the OEM can be certified by the vendor who is authorised by the OEM to operate on behalf of the OEM or by a Technical Authority / Board specifically appointed by the CFA for this purpose, to avoid delays in defence procurement. Further, such requirement of indicating normative life span of the equipment as per OEM's assessment certification should invariably be incorporated in Tender Enquiry itself.
- (ii) Further, in addition to the life/cost criteria, IFAs are also requested to rely on the provisions of the GFRs and the DPM in regard to clarification of an item as revenue/capital.

For IFA SC Pune: This disposes your letter No.IFA/SC/Ref.-CGDA/Pr.IFA/08-09 dated 1.10.08.

Pr.IFA has seen.


(B. Vikraman)
Dy.IFA

Copy to:

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5. Jt. CGDA (AT-III), 6. Jt. CGDA (A & B)
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12. ACNS (P&P) Navy, Naval HQrs., Sena Bhawan, New Delhi
- 13 Hindi Cell (Local)- for issuing Hindi version.

for kind information.

with the request to place the circular on the website.

for kind information.


(B. Vikraman)
Dy.IFA

¹ Instruction No.1 to 24 issued in 2008