

PIFA/Gen Corr/IFA (O)/Vol. II

To

All PcsDA/CsDA/IFAs(Dedicated and Nominated)/RTC

- Sub:** (i) Local Purchase of Ordnance Stores.
(ii) Civil Hired Transportation of Ordnance Stores.

1 LOCAL PURCHASE OF ORDNANCE STORES.

A view was taken by DGOS regarding local purchase of Ordnance Stores by various depot CFAs that the powers delegated vide Sl No. 41 of Schedule XII (C) have to be considered in the light of single transaction of a particular item. DGOS TI No. 014 & 038 stipulates that financial powers will be for LP of any one article or a number of similar articles purchased at the same time. Further as per Note 5 under Schedule XII (C) the limit for direct purchase applies to the value of each article or class of similar articles purchased at any one time. However, Para 13 of GoI, MoD letter dt. 26.07.2006 stipulates that the financial powers contained in the Schedules are in respect of each transaction and may cover procurement of one or more items within the financial powers specified. Thus, the provisions of DGOS TI and Note 5 under Schedule XII (C) have apparent contradictions with Para 13 of Govt letter on revised Delegation of Financial Powers dt. 26.07.2006.

Hence, the matter was referred to MoD (Fin) for clarification. MoD (Fin) vide ID No. 1655/Addl FA(A)/09 dt. 08.05.2009 that considering the rule positions stipulated in Rule 147 of FR Pt - I, 1983 & Note (i) and (ii) thereunder and Note (4) under Schedule XII (C) to GoI, MoD letter dt. 26.07.2006, the monetary limits at Sl No. 35-41 of Schedule XII (C) will apply to purchase of an item or any number of similar items at one time.

2. Civil Hired Transportation of Ordnance Stores.

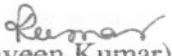
(a) In the case of CHT for transportation of Stores, the Comdt COD/OD/FAD etc have been delegated powers to order dispatch of Stores by road through CHT/Container/Dozer/Tipper & FLT vide Sl No. 4 of Schedule XXII to GoI, MoD letter dt. 26.07.2006 and it is mentioned at Note (ii) under Sl No. 4 that these powers are to be exercised once periodic contract on six monthly/yearly basis has been concluded in consultation with respective IFA.

(b) The main point of doubt was that whether the term Periodic Contract used in Note (ii) below item 4 of Schedule XXII means a Periodic Rate Contract or Periodic Value Contract and in the absence of specific powers for conclusion of rate/value contract who will be the Competent sanctioning authority (CFAs) for these periodic Rate/Value Contract or Whether Competent authorities of Ordnance side can also conclude the Contracts for the depots within their jurisdiction.

MoD (Fin) has now clarified that practice prevailing in CODs/ODs/FADs etc may be continued and the term "PERIODIC CONTRACT" referred in Note (ii) below Sl No. 4 of Schedule XXII means a "PERIODIC RATE CONTRACT" and the said contract will be sanctioned by Comdt COD/OD/FAD etc in consultation with IFA/CDA under the said schedule.

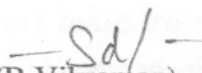
3. MoD (Fin) has further intimated that matter regarding formal amendment or inclusion of above aspects in Delegation of Financial Powers may be included in the approach paper for review of Delegation of Financial Powers.

Pr.IFA has seen.


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