
IFA SARANSH

A Quarterly Newsletter of Integrated Financial Advisors in Defence

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Foreword

It is a pleasure to see the fifth issue of the e-news letter IFA SARANSH. Within its pages are to be found information about the developments taking place in the field of finance and the activities of Integrated Financial Advisors in Defence.

One of the aims of the IFA SARANSH is to stimulate interest in IFA affairs, and it is satisfying to note that more and more IFAs are taking keen interest by sharing their experiences and information about developments and activities taking place in their organisation.

I thank each one of you for the continued success of the publication. It is encouraging to see IFA SARANSH bringing more and more IFA activities under its umbrella. Highlighting the latest orders is the fulcrum of the publication, which is appreciated by IFAs in the field.

I feel that the IFA SARANSH should be given wide publicity, especially in the field, by the IFAs so that intricacies involved in the IFA System percolates down the line enabling a more aware and transparent financial system to be established.



(Arunava Dutt)

New Delhi

Dated : 02 -07-2012

Additional Controller General of Defence Accounts

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Guidelines for Outsourcing in Defence Issued

Ministry of Defence has issued guidelines for Outsourcing of goods and services in Defence Sector vide GOI, MoD letter No 10(4)/2007/D (Mov) dated 13-04-2012.

The outsourcing of activities will be done in a phased manner to optimize defence expenditure both on manpower and logistics, at the same time enhancing the operational preparedness without compromising security. It is to be adopted in non-critical activities/non-field formations/units and static establishments. As per the Ministry guidelines outsourcing is to be resorted to in public interest and with accountability, efficiency, cost effectiveness and transparency.

Some of the salient features of the scheme of outsourcing are as follows:-

- General Contracts (legally vetted) is to be formulated for all set of activities to be outsourced and should include all points which have been specified in Part-VII of the report of the Committee.
- Necessary safeguards are taken with regard to security aspects involved in outsourcing the activities.
- Provision of Police verification for antecedents of personnel involved/employed is to be provided.
- Organizations owned by Ex-servicemen may also be considered for outsourcing activities as far as possible.
- Outsourcing is to be done from the budget provisions made for this purpose during the particular year and necessary code head is to be got allotted from MoD (Fin)/Budget.

Standard Operating Procedure (SOP)

- Respective Services/ Organizations will formulate Standard Operating Procedure (SOPs) for each service/activity in consultation with the CGDA.
- Respective Services i.e EME, AMC, MES, etc will be the agencies for service specific and system specific outsourcing of activities and will be responsible for formulation of SOPs for each activity/service.

Coast Guard Celebrate Raising day

The 35th raising day of Indian Coast Guard was celebrated on 1st February 2012. On this occasion, the DG Coast Guard awarded commendation certificate to the officers of IFA (HQrs CG).



(R to L) Hon'ble Raksha Mantri Shri A.K.Antony, Dy. Director General ICG Rajendra Singh, PTM, TM, COAS, General V.K. Singh and R.K.Singh, IDAS, IFA (HQrs ICG) at Coast Guard Raising Day

- HQ IDS will formulate guidelines for outsourcing in respect of security of core areas for three services that are core in nature and have security, strategic implications are not open.

Important Points on outsourcing

- For the first year, outsourcing proposals should be approved by CFAs at Service HQrs.
- Outsourcing warranted in any area other than specified in Annexure-III to GOI, MoD letter No 10(4)/2007/D (Mov) dated 13-04-2012, can be considered for outsourcing by the respective Administrative Wing of the Ministry with the approval of Raksha Mantri.
- For monitoring of outsourcing activities, yearly report during the last quarter of the financial year will be submitted through HQ IDS indicating formation wise each activity along with cost to MoD/MoD (Fin)
- In a nutshell outsourcing is of services, not that of staff/posts/manpower.

Permanence, perseverance and persistence in spite of all obstacles, discouragement, and impossibilities: It is this, that in all things distinguishes the strong soul from the weak.
~ Thomas Carlyle

Ministries/Depts. of Central Govt. to go for E-procurement

Ministry of Finance has issued instructions on e-procurement by Ministries/Departments of Central Government and sub-offices vide letter no. 10/3/2012-PPC dt. 30th March, 2012.

As per MoF instructions e-procurement in respect of all procurements with estimated value of Rs 10 lakhs or more is to commence in a phased manner and as per month wise schedule enclosed with the instructions. The R&D, Department of Ex-Servicemen welfare, Department of Defence Production, Department of Defence are required to commence e-procurement by May 2012 and for their sub-offices by Feb-2013, Mar-2013, Apr-2013 & May-2013.

Ministries/Departments which do not have a large volume of procurement and also not initiated e-procurement through e-procurement solution provider may use the solution developed by NIC.

Ministries/Departments should draw a time frame for implementing e-procurement in their attached sub-offices and issue instructions for implementation in all units/offices.

Ministries/Departments should ensure that attached sub-offices under them to commence e-procurement with in a period of six months from the commencement by the Ministry/ Department.

E-publishing of tender enquiries on the CPP Portal is Mandatory .Ministries/Departments may tie up with NIC for training and support, where solution adopted by NIC is adopted and request may be sent to cpp-nic@nic.in

These instructions will not apply to procurements made through DGS&D rate contracts/Kendriya Bhandar and NCCF. However, award details in such cases are to be published mandatorily on the CPP Portal under e-publishing module

Ministries/Departments may exempt cases where national security and strategic considerations demand confidentiality after seeking approval of the Secretary of the Ministry/ Department with the concurrence of IFAs. However, Qtlly reports of such cases are to be forwarded to Min of Finance, Deptt of Exp at the email id ppc-exp@nic.in.

Additional CGDA's visit to Gandhi Nagar

Shri Arunava Dutt, Additional CGDA held discussion with Air Marshal, A K Gogoi, PVSM, AVSM, VSM, ADC AOC-in-C, SWAC regarding issues arising from IFAs interaction with executives, during his visit to HQrs SWAC on June 15, 2012. The issue concerning IFA coverage to AF stations located at Jamnagar, Bhuj and Naliya was also discussed. It was decided that the units located at these stations may use AFNET facility to obtain financial advice from IFA (HQr SWAC).



Addl CGDA, Shri Arunava Dutt, IDAS with Air Marshal, A K Gogoi, PVSM, AVSM, VSM, ADC, AOC-in-C (SWAC)

The Additional CGDA also visited Regional HQ (NW) of Coast Guard. During discussions DIG, B.S.Yadav, Commandant highlighted the problems being faced by CG due to non-positioning of IFAs on Gujarat Coastal areas and requested for positioning of an IFA at Porbandar. The Coast Guard authorities and IFA agreed to examine the feasibility of using intranet facility for submission of cases to IFA at HQCG (NW).



Shri Arunava Dutt, IDAS, Addl CGDA addressing the officers of HQrs Coast Guard Region (NW)

E-Concurrence in Air Force

To discuss the feasibility of introducing e-concurrence of procurement proposals of Air Force a discussion was held in the office of Principal IFA, Air HQrs. on April 24, 2012. Shri Arunava Dutt, Adtl CGDA was present on the occasion. The PD (Sigs & IT) of Air HQrs gave a presentation depicting the various features of AFNET including security aspects

It was decided to workout the following aspects before starting the proposed process:-

- All the files including Work cases, Adm cases should move on IMMOLS system on AFNET.
- There should be mutually exclusive group of PIFA/IFA functionaries within the IMMOLS system to record the views of various functionaries within PIFA/IFA to analyse the proposals of Air HQrs/Units. These notings should be available for viewing within PIFA/IFA and cannot be erased by anybody within IFA or outside agency so as to give sanctity to the various functionaries of PIFA/IFA allowing them to express their views freely. All notings, documents in the IMMOLS system should be created permanently not to be deleted or tempered by anyone.
- There should be a provision of digital signature.

If the experiment is successful, various Air Force units can be brought on the structure of command, if considered necessary.

Jt. CGDA visit

HQrs Coast Guard Region (W)

Arvind Kadyan, IDAS, Jt CGDA (IFA) visited IFA, COMCG (W) office on June 07, 2012. He also held discussion with Dy IG. M.V. Baadkar, COS, Regional HQrs, CG, Mumbai about the functioning of IFA system in the organisation.



Workshop on Procurement issues organised at Mhow

IFA (Mhow) Roopwant Soni, IDAS organised a workshop on application of DPM-2009 provisions for the officers of Infantry School on May 21, 2012. Lt. Gen. J S Bajwa, UYSM, SM, Commandant, Infantry School addressing the participants emphasised on adherence to DPM provisions scrupulously.



Roopwant Soni, IFA (Mhow) making a presentation



Infantry School, Mhow officers engrossed in the presentation made by IFA (Mhow)

Defence Financial Management Course at Delhi

The Training Division of CGDA organised a DFMC at CENTRAD Brar Square Delhi Cantt from 29th May 2012 to 31st May 2012. The Army officers in the rank of Col/Lt.Col from Army units/establishments located at Delhi attended the course.

Wishing Happy Birthday to:

A. K. Trion, Dy.IFA (CG HQrs)	1 st July
Santosh Kumar, IDAS, IFA (Army/Q)	6 th July
Dharam Chnad, Dy.IFA COD Agra	8 th July
Devi Ram Negi, IDAS, IFA (WC)	10 th July
V. K. Bakre, Dy.IFA COMCG (W)	13 th July
Vinod Anand, Dy.IFA (Army/Ord)	14 th July
M. L. Gupta, Dy.IFA (WAC)	20 th July
K. L. Agarawal, IFA HQrs 1 Corps	20 th July
Arvind Khare, Jt.IFA (Army/M)	28 th July
L. Z Bansod, IFA COD Allahabad	3 rd Aug
S. K. Mukopadhyay, FA to ASD (V)	5 th Aug
Ramesh Kumar, Dy.IFA (Army/Q)	12 th Aug
Gyanedra Kumar Jain Dy.IFA (WC)	15 th Aug
S. A. Pokharnikar, IFA HQrs MG&G Area	15 th Aug
C.K.Venugopal, IFA Jabalpur	16 th Aug
Shyam Kumar, IFA Jamnagar	20 th Aug
H.K. Basavaraja, IFA 9 BRD	30 th Aug
Roopwant Soni, IFA Mhow	1 st Sept
K. K. Kannan, Dy.IFA (HQrs SNC)	1 st Sept
A. K. Sharma, Dy.IFA (HQrs EAC)	1 st Sept
Pritam Dutta, Dy.IFA (PIFA/NHQ)	5 th Sept
B. Narayanan, IFA 8 BRD	7 th Sept
Bhupinder Singh, IFA, HQrs 2 Corps	8 th Sept
Anil Kumar, Dy.IFA HQrs 10 Corps	10 th Sept
Naval Kishore, IDAS, IFA (NC)	11 th Sept
S. K. Kansra, IFA 7 BRD	16 th Sept
D. N. Mondal, IFA Dehu Road	16 th Sept
K. K. Nand Kumar, IFA 5 BRD	18 th Sept

IDAS Officers joined IFA organization on Promotion / Posting

Suhas Banerjee, IDAS,	Pr.IFA (CIDS)
Jacob David, IDAS,	IFA (SNC)
DCS Negi, IDAS	IFA (WAC)
P.K.Singh, IDAS	IFA (MAP)
Ambarish Barman, IDAS, Sr.Dy.IFA,	PIFA (Air HQ)
Smt Lali Chandra, Sr.Dy.IFA	FA to ASD

IDAS Officers Superannuated

Wishing you a happy Retired life

Harish Kothari, Dy.IFA (SWAC)
T. K. Sumbly, Sr Dy.IFA (Air HQrs)
V. S. Pillai, IFA , Ezhimala
A. S Datar, Dy.IFA (WNC)
W. N. Alexander, Dy.IFA (SAC)
R. L. Hingani, IFA COD Kandivilli (E)

Commendations / Appreciation

Ashok Kumar Trion, IDAS, Dy.IFA (Coast Guard HQrs) has been awarded Commendation certificate and badge by Vice Admiral, MP Muralidharan, AVSM, NM, Director General, Indian Coast Guard. The award has been given for the exemplary dedication and professional competence shown by the officer in discharge of duty.



Vishrut Abhinna, IDAS, Addl CDA of PAO (ORS) Arty, Nasik and his team of officers Bachhav, AO, K. Nagaraju, AAO and Sukumar Kar, AAO were given appreciation letters by the Commandant, Combat Army Aviation Training School in March 2012. The appreciation was issued for their commitment and positive attitude towards the work and the constant support and financial advice provided by them.



Case Study : AON stage concurrence

A proposal for setting up of modern SPA (Modern Fitness Centre) consisting of 5 items at an estimated cost of Rs 22.65 lakhs was submitted for AON concurrence to IFA.

IFA observed that executives did not mention specific authority under which SPA (Modern Fitness Centre) has been authorized, no RFP had been formulated for SPA centre and specifications were found to be vendor based. Air HQ/MoD had also not issued any guidelines for setting up of modern SPA, neither SOA 2009 mentions about its authorization.

Executives mentioned that Rs 2.00 crore have been allotted for development of sports infrastructure under code head 795/01 and accordingly, proposal was submitted for concurrence.

The justification given to support the proposal was not considered satisfactory by the IFA for concurrence as there is no provision to allow setting up of modern SPA facility at BRDs.

(Contributed by IFA HQrs MC)

Case Study : Post Contract Management

A supply order for establishment of Campus Wide Area Network by Army War College at an amount of Rs 160.29 lakh was placed on the firm with a delivery period (DP) of 12 weeks to be completed by 9th March 2011. The project could not be completed within DP.

The executives proposed extension of DP by six weeks without levying liquidated damages on the vendor. The IFA advised executives to enforce LD clause as per RFP.

Consequently, the executives proposed LD amounting to Rs 4, 77,440/- for extension of DP up to 5th July 2011 considering only the cost of delayed stores for calculation of LD instead of full amount of supply order.

IFA again advised the executives to impose LD on total value of supply order instead of cost of delayed stores, as per the condition of supply order. Finally, executives imposed

Case Study : AE vetting

A proposal for widening/improvement of the Joshimath - Malari road from 55.675 Km to 62.669 Km to NHDL (National Highway double lane) specifications with an approximate estimate (AE) of Rs 2459.34 lacs, with all the surfacing work is to be completed through outsourcing, was submitted to IFA for financial concurrence.

IFA observed that clear status of land acquisition was not mentioned, escalation of 6% was not approved by Sectt. BRDB, rate was not compared with last accepted rate; contract action plan was not submitted.

IFA advised the executives that (i) since the entire work has been planned through outsourcing, physical contingency charges may be deleted (ii) NOC from civil authority be obtained. (iii) Cost of work may be amended in AWP according to revised cost.

Accordingly, executives re-submitted the AE to IFA with 'No Objection Certificate' from civil authority and deleted the physical contingency charges but amendment of cost in AWP was not furnished.

IFA observed that difference between approved cost and estimated cost is huge (i.e. 106%). IFA again advised executives to amend AWP and for correction of rate.

Executives accepted the advice of IFA and submitted the revised AE amounting to Rs 2068.12 lacs for financial concurrence as against previous AE for Rs 2459.34 lacs. It resulted in reduction of AE amount to the tune of Rs 391.22 lacs.

(Contributed by IFA Border Roads)

READERS COMMENTS

"...the News letter gives mid level logisticians great knowledge on the coming trends in policy making and also the latest updates on existing orders relating to financial matters."

Lt Col Poonish Singh, OC, 503 SS &TC (GREF)

LD of Rs 8, 01,451/- on total value of supply order and vendor agreed to it.

(Contributed by IFA HQrs ARTRAC)

Instructions/ Orders

Inclusion of Option Clause & Repeat Order clause in RFP/TE

“ As per Para 7.13.1 of DPM-2009, provision for repeat order and option clause should not be made as a matter of course in the RFPs as these clauses have an impact on price. Either or both these clauses may be provided in the RFP only in exceptional circumstances, where the consumption pattern is not predictable, with the stipulation that while exercising one or both these clauses the overall ceiling of fifty percent of the originally contracted quantity will not be exceeded.....”.

(CGDA, IFA Wing Circular No 05 dated 26-04-2012)

Procurement of medical items/ stores - regarding procedure to be followed

“..... MoD (Fin) advised following course of action for procurement of medicines/ stores by medical units/Hospitals/depots:

1. For items of regular consumption, estimates for annual demand may be worked out and proposal may be submitted to the IFA and CFA for AON/Quantity approval according to the financial effect of the proposal and issue of RFP.

2. On the basis of estimated annual demand a Rate Contract for one year may be concluded by the medical units/depots for items of regular consumption as per provision contained in chapter-8 of DPM-2009.

3. Items which are not frequently required, requirement is very small or for which RC is yet to be concluded, LP could be made as per requirement.’

4. RFP could be issued for single item or contain multiple items (consolidated RFP) having common source of supply.

5. Financial sanction could be accorded by CFAs for rate contract or for procurement proposal (Refer SI No (3) above) on per item basis as per their delegated financial powers for medical stores.

6. The clarifications mentioned in Note under Para 147 of FR Part-I, Vol-I regarding similar articles may be kept in view.

Joint Seminar at HQrs CAC

A seminar was organized on 07th May 2012 at HQ CAC Bamrauli, to discuss the issues faced by units/formations in implementation of DPM-2009 & recently introduced CMS (Cash Management System).

The seminar was attended by 35 Air Force Officers and 8 officers from IFA setup within Central Air Command.

Air Marshal Arup Raha, AVSM, VSM, AOC-in-C in his inaugural address emphasized for improvement in procurement process to keep pace with requirement of operations. He further elaborated that any equipment, if not provided in time, full value for money cannot be derived, besides the operations getting adversely affected.

S. K. Choudhary, IFA, HQ CAC gave a presentation on issues relating to DPM-2009. Air Vice Marshal Mathew George, AVSM, VSM, ACAS (Fin P) Air HQrs New Delhi Guest gave an “Overview of the Air Force Budget”.

Metro-Plus Playwright Award to IFA (SNC)

The play “The Last Journey” written by Satish Pendharkar, IDAS, IFA SNC Kochi, has been shortlisted for Metro-Plus Playwright Award.

THE HINDU

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The end of civility

SHALINI SHAH

INTERVIEW With Satish Pendharkar, whose play “The Last Journey” has been shortlisted for the MetroPlus Playwright Award

Satish Pendharkar's 11-act play, “The Last Journey”, is a satirical take on how even death becomes an opportunity when politics enters the fray. As news of the death of a popular writer, Dushyant Singh, spreads, a few politicians decide that a “public figure” must be honoured with a State funeral. What follows, of course, is a series of unfortunate events. As people take personal grief and spread it thin in the public domain, the play also becomes a commentary on the callousness that results when posthumous recognition is necessitated by political greed.

The Kochi-based government employee talks about “The Last Journey”.

7 Proposals for Local Purchase of Ordnance Stores may also be regulated as per instructions contained in Para-4 above.

(CGDA IFA Wing Instruction No 04 dated 23-05-012)