

**CONTROLLER GENERAL OF DEFENCE ACCOUNTS,
ULAN BATAR ROAD, PALAM, DELHI CANTT – 110010.
(IFA wing)**

Ph No. 011 – 25665569 - 572, FAX No. 011- 25674779.

IFA Instruction No. 04 of 2012.

No. IFA/227

Dated :- 23--05—2012.

To

All Pr.IFAs/IFAs
(Dedicated and Nominated).

Sub :- Procurement of medical items/stores – regarding procedure to be followed/adopted.

As per extant practice some medical units/depots issue consolidated RFP (i.e RFP containing number of medicines/stores) to invite quotations for calling of rates from the local vendors/supplies without indicating the quantities for Local Purchase. Subsequently, CO/Comdt of the unit/depot accord sanction for expenditure on procurement of medicines on per item per transaction basis as per delegation of financial powers in consultation with IFA {Schedule XII (c) to DFPR (Army) – 2006 refers} to meet the two months requirement as per prescribed stocking norms for medical units/depots.

2. The on-going practice of issuing consolidated RFP for Local Purchase without indicating quantities and to issue fresh RFP for procurement of medicines/stores, every two months is not in conformity with the DPM provisions, therefore, the matter was referred to MoD (Fin) for clarification.

3. MoD (Fin) has observed that :-

(i) The LP powers are essentially intended to cover emergent situations when regular supply arrangements fail or when items are so petty and infrequently needed as not to warrant a regular supply system.

(ii) These LP powers are, as suggested by the heading of the schedule XII (c) to DFPR (Army) – 2006, for items not within the purview of Central Purchase Organization.

(iii) For regular consumption items, **rate contracts should be the norm** (or central contracts with distributed delivery, depending upon the nature of the item).

(iv) Practice to issue RFP without indicating the quantity and to issue per item sanction on the absis of a single RFP by medical authorities to meet two months requirement on regular basis is not in conformity with the DPM – 2009 provisions.

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

(i) 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.

(ii) 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 provisions contained in Chapter – 8 of DPM – 2009.

(iii) 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.

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

(v) Financial sanction could be accorded by CFAs for Rate Contract or for procurement proposal [Refer Sl No. (iii) above] on per item basis as per their delegated financial powers for medical stores.

The clarification mentioned in Note under para 147 of FR Part – I, Vol – I regarding 'similar articles' may be kept in view.

5. It is further advised that proposals for Local Purchase of Ordnance Stores may also be regulated as per instructions contained in Para 4 above.

—sd/—
(Arvind Kadyan)
Jt.CGDA (IFA)

Copy to :-

1. JS & Addl FA (S), MoD(Fin) - for kind information.
2. JS & Addl FA(V), MoD(Fin)- for kind information.
3. JS & Addl FA (P), MoD (Fin) – For Kind information.
4. ADGFP, AHQ.
5. ACNS (P & P), NHQ.
6. ACAS (Fin P), Air HQrs.
7. DGAFMS, New Delhi.
8. DDG, Coast Guard HQrs.
9. CC R&D, DRDO HQrs.
10. Border Roads Hqrs.
11. All Jt. CGsDA (Local).
12. All RTCs.
- ✓ 13. EDPS(Local) - for publishing on website.


(Arvind Kadyan)
Jt.CGDA (IFA)