



सत्यमेव जयते

भारत सरकार
Government of India

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Ministry of Defence

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Circular No.15 of 2015

No. IFA/02/DFP-2015/Clarification

Dated :-29.07.2015

To

All PIFAs / IFAs

Sub:- Clarification on the provisions of Delegation of Financial Powers under DFPDS-2015

References on various issues related to provisions of DFPDS-2015 received from the field PIFAs/IFAs, have been examined in consultation with MoD (Fin) and the clarifications thereof, received from the MoD (Fin) are annexed with this circular for your information and guidance please.

R.K. Karna

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Jt.CGDA (IFA)

Annexure to Circular No.14 of 2015

S. No	Nature of Doubt	Points referred for Clarification	Clarification issued by MoD (Fin)
1.	Formation of Procurement committee as per Para 5 Part B of DFPDS-2015	<p>1. PC is required to prepare and finalise the RFP, it needs to be clarified whether the draft RFP, CST is required to be vetted by IFA and approved by the CFA as being presently done in terms of Para 4.3.2 (RFP vetting) and Para 4.13.1 (CST vetting) of DPM-2009.</p> <p>2. Authority responsible for signing and issuing RFP on behalf of PC needs to be specified.</p> <p>3. The provisions relating to PC are silent about opening of Technical Bids and technical evaluation of Bids.</p> <p>4. Role of PC in case of re-tender and Resultant single tender also need to be specified.</p> <p>5. Circulation of Standard format for the report of PC will go a long way to maintain uniformity for PC report.</p>	<p>Formation of PC - As mentioned in para 5, Part-B of DFPDS-2015, the RFP vetting and CST vetting is to be done in a collegiate fashion. Requirement of going to IFA and CFA for these activities will emerge only in conditions as mentioned in para 5.3, Part -B of DFPDS-2015. RFP will be signed by an official as authorized by PC within its composition. Opening of technical bids and TEC report are not within purview of PC and the same will be done by TEC as per existing procedure. PC is only a recommendatory body and it can give its recommendations either of acceptance or re-tender. The decision in this regard will be taken by IFA/CFA, when PC recommendations are processed on file at Expenditure sanction stage. As regarding cases of Resultant Single Bidder situation, the cases have to be processed with IFA/CFA as per para 4.5 of DPM-2009, as PC mandate given in para 5.2, Part-B of DFPDS-2015 does not cover this issue.</p>
2.	Non provision of delegation of financial powers	<p>In the DFPDS-2015, Major & Minor Heads are mentioned but it starts from 105 while Territorial Army comes under Code Head 103.</p> <p>Whether Schedule-16 may be used for expenditure of ACG & ICG funds for TA battalions under Minor Head 103.</p>	<p>Non-provision of delegation of Financial Powers- It is clarified that Sch-16 of ASP-2015 may be used for expenditure of ACG & ICG funds for TA battalions under Minor Head 103</p>
3.	Discrepancies in the delegated financial powers to OIC in IDS schedule w.r.t. Naval schedule.	<p>Under the various items of IDS schedule like 3.1., 4.1. 6.1, 8.1,12,12 & 18.4 Powers of OIC have been shown as Nil whereas in Naval schedule like 4.1., 17.1, 18.1, 19.4, 19.1, 1.1 and 9.4, financial powers have been delegated to OICs. This requires consideration.</p>	<p>Discrepancies in the delegated financial powers to OIC in IDS schedule w.r.t. Naval schedule- Same had been addressed in SI 2 of Addendum-1L to DFPDS-2015.</p>
4.	D.P Extension (Para 8 of Part B of DFPDS-2015)	<p>As per DFPDS-2015, there is no cap on DP extension by CFA. However, Para 8 of Part B of DFPDS-2015 state that as regarding the applicability of Defence Financial regulations in procurement powers vis-a-vis DPM is concerned, the same will not be applicable and only DPM provision will be followed. This</p>	<p>D.P Extension (Para 8 of Part B of DFPDS-2015) - The opening sentence of Para 8, Part-B of DFPDS-2015 clearly states that DPM provisions are subject to provisions contained in DFPDS-2015. Therefore, there is no ambiguity in new order relating to removal of cap in DP extension cases.</p>

		has resulted in status quo situation making the provisions of DFDS 2015 insignificant vis-a-vis DPM-2009. Suitable clarification / amendment is required.	
5.	Work orders in respect of Returned Stores Sub Depot (RSSD)	Revised Delegation of financial powers is silent on placing of work orders on RSSD. This may be clarified.	Work orders in respect of Returned Stores Sub Depot (RSSD) - Procurement definition given at para 3, Part-B of DFPDS-2015 has been made as broad as possible to cater for any kinds or categories of procurement in a particular sub-schedule. Placing work orders on any authority, including RSSD, is automatically assumed in the powers given to concerned CFAs in relevant schedule. In particular, it is clarified that OD, Talegaon can place work orders on RSSD under powers delegated to them.
6.	Local procurement of ASC items (Sched.3)	Provision of schedule 3.4 relates to local Procurement of ASC items. It is for the clarification whether local procurement of FOL, Hyg. Chemicals and related equipments under schd.3.2 and fresh items etc under schd.3.3 would also be covered in schd.3.4 ii) As per GoI MoD letter PC/Raksha/63060/Q/ST/363 3/D(QS) dated 26.09.2006 there is a provision of constitution of Panel of officers (POOs) for processing of cases of ASC contracts for fresh items etc. It may be clarified whether the POOs will continue or the work to be done by POO will be replaced by PC as per provision of the MoD order dated 20.04.2015.	Local procurement of ASC items (Sch-3) - It is clarified that local procurement of FOL, Hyg, Chemicals and related equipments can be done, if the conditions fulfilled under para 3.4.2.1 and 3.4.2.2, Part-B of DFPDS-2015 are fulfilled for these items. It is clarified that POO will continue to do the work related to processing of ASC contracts for fresh cases in form of PC, with additional mandate as given to PC as per para 5.2, Part-B of DFPDS-2015.
7	Outsourcing of conservancy services in Non Cantt.Mil. Stations.	Schd 20 DFPDS-2015 gives power down to CO/OC of units but does not give any powers to station commanders who are normally responsible for conservancy at Military station. It is for the consideration to issue a policy letter as to which CFA can conclude contracts for conservancy services in Mily. Stations. ii) The ibid schedule makes no such mention of such a requirement of obtaining sanction of the GOC-in-C Command.	Outsourcing of conservancy services in Non Cantt. Mil. Stations. - The powers are given to CO/OC of units/ests, as demanded by SHQ reps. As regarding existing Govt instructions are concerned, the Note below SI 20.1 of ASP 2015 may be referred to, which is self-explanatory.

8	Overlapping coverage (Schd.10, IT and 18 Telecom)	Schedule 10 (Information Technology and 18 (Telecommunication) appear to have overlapping coverage such as in the case of internet connectivity. The delineation between an IT network and a Communication network needs more clarity.	Overlapping coverage (Sch-10 IT and Sch-18 Telecom - The Note 1 (b) under Sch-18 clearly states that all kinds of payment related to internet connectivity are to be processed under Sch -18.
9	Para 2 of DFPDS-2015 All cases, in which RFPs have been issued before 1.5.2015, will continue to be guided by powers vested vide Govt. letters issued in 2006.	In the case of retendering, fresh RFP is required to be issued although AON is not issued afresh normally. It is for the consideration whether the level of CFA to be determined in such proposals is as per DFP-2006 or DFPDS-2015.	Retendering - It is clarified that in case of retendering, the case is to be processed as per new powers given in DFPDS-2015.
10	Military Farms (DFPDS-2015 Schd.2)	The Director MF an appointment in the Command Hqrs is a lower CFA than Div/Sub Area Cdr and Corps/Area Cdr under schd.2, appear to anomalous. Further, in the chain of CFAs in MF, after Director MF (command) appears to be GOC-in-C and not Div. Cdr/Sub Area Cdr, Corps/Area Cdr, which may kindly be looked into. ii) Delegated powers with reference to regular contracts and short terms agreement not mentioned.	Military Farms (DFPDS-2015 Schd.2) - IHQ (Army) of MoD has not raised this issue. Therefore, there is no need to look into this issue. It is further clarified that whether shore term agreement of regular contracts, all kinds of cases fall into the same powers as definition of Procurement given in Part-B of DFPDS-2015 covers all scenarios of procurement for a particular sub-schedule, unless stated otherwise.
11	i) Sl No. 3.5 of schedule 3 of ASP 2015 ii)Schd.18 of ISP-2015	i)Comdt. FOL Depot (Col; level) has been omitted. ii) Expenditure on account of M.T.Stores is given as Major Head 2077, Minor Head 112-D. However, as per CHB the said expenditure is booked to major Head 2077, Minor Head 112-E, needs clarification.	i) SI. No. 3.5 of Sch- ASP 2015 - The same has been addressed in SI 3.4 of Addendum -1H to DFPDS-2015. ii) Sch-18 of ISP -2015 - The same has been addressed in SI 12 of Addendum 1L to DFPDS-2015.