

रक्षा लेखा महानियंत्रक

उलन बटार मार्ग, पालम, दिल्ली छावनी-110010

(आई.एफ.ए. विंग)

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संख्या आई.एफ.ए./65

दिनांक 24/ 6/2014

सेवा में

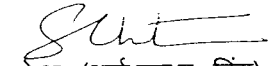
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विषय - वित्तीय सलाह मामले।

Sub - Financial Advice Cases

वित्तीय सलाह संबंधी परिपत्र सं.- 02 - वर्ष 2014-15 का दिनांक 24/6/2014, सूचना एवं मार्गदर्शन हेतु प्रेषित किया जाता है।

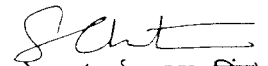
Financial Advice Circular No.-02 of 2014-15 dated 24/6/2014, is forwarded herewith for information and guidance please.


ले.अ. (आई.एफ.ए. विंग)

प्रतिलिपि

1. संयुक्त सचिव एवं अपर वित्तीय सलाहकार(एस.),रक्षा मंत्रालय(वित्त), नई दिल्ली
2. संयुक्त सचिव एवं अपर वित्तीय सलाहकार(वी.पी.),रक्षा मंत्रालय(वित्त), नई दिल्ली
3. रक्षा लेखा संयुक्त महानियंत्रक (ले.प.-I)
4. रक्षा लेखा संयुक्त महानियंत्रक (ले.प.-II)
5. रक्षा लेखा संयुक्त महानियंत्रक (ले.प. समन्वय)
6. रक्षा लेखा संयुक्त महानियंत्रक (प्रशिक्षण)
7. रक्षा लेखा व. उप महानियंत्रक (ईडीपी)-कृपया परिपत्र वेबसाइट पर डलवाने का कष्ट करें।

← (FA home page)


ले.अ. (आई.एफ.ए. विंग)

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Dated 24/6/2014

Subject:- Financial Advice Cases.

The financial advice cases as submitted by IFA (Coast Guard) New Delhi, IFA (WNC), Mumbai, IFA (SWAC) Gandhinagar, IFA (TC) Bangalore, IFA (CC) Lucknow & IFA (MC), Nagpur, are circulated herewith for information and guidance.

1. A proposal for Conclusion of AIAMC for 18 Nos of Raytheon Radars

IFA (CG) received a proposal for Conclusion of AIAMC for 18 Nos. of Raytheon Radars (14 Radars for 3 years and 4 Radars for one year). CFA accorded the AON concurrence for Rs 1.30 crore. RFP was issued to the PAC firm. The Benchmark price was fixed as Rs 2.40 lakh per radar per annum. The firm quoted Rs 2.83 lakh per radar per annum which was 17.86% higher than Benchmark price. During CNC negotiation, the firm agreed to reduce the price to Rs 2.60 lakh. Thus, total quoted price came down to Rs 1.19 crore as against earlier amount of Rs 1.30 crore. Thus, a saving of Rs 10.87 lakh was achieved.

IFA received the ibid proposal for financial concurrence. During examination, IFA observed that initially, the case was processed for 14 Radars which were at later stage increased to 18 Radars. Further, IFA also observed that AIAMC had also been concluded for radars of ships namely Naikidevi, Laxmibai, Akkadevi and Gangadevi for which MoD had already approved de-commissioning and the process of de-commissioning was in progress. IFA advised to reconcile the de-commissioning schedule of other ships also before entering the AIAMC of the Radars.

Accordingly, the Directorate agreed to reduce radars fitted on five ships. Thus, no. of radars reduced from 18 to 13 which helped in further reducing the financial implications from Rs 1.19 crore to 1.01 crore. Thus, a saving of Rs 18.21 lakhs was achieved to Gol.

In the instant case, total savings of Rs 29.08 lakhs was achieved (Rs 10.87 lakhs in CNC meeting and Rs 18.21 lakhs by the observation of IFA in concluding AIAMC).

2. Proposal relating to hiring of Air Conditioned high speed passenger shuttle (IFA WNC)

Two proposals for "Hiring of 250 men Air Conditioned high speed passenger launch shuttle" for Rs 9.12 crore in August 2013 and another proposal for "Hiring of 120 men ferry" for Rs 1.37 crore were received in September 2013. Hence, the total expenditure proposed to be incurred on both proposals for hiring of ferries during the current FY worked out to be Rs 10.49 crore which was 727.85% higher than the expenditure incurred in the previous for Rs 1.26 crore.

In view of the above, it was stated that the above proposals could not be considered since both the proposals related to hiring of ferries for transportation of Naval officers/sailors and their families and Naval stores from Naval Dockyard Mumbai to Karanja and back in terms of Para 2.2.3 of DPM-2009, floating two above proposals would tantamount to splitting of expenditure to avoid the necessity for obtaining the sanction of higher authority because the total expenditure on the two proposals for Rs 10.49 crore which was beyond the financial powers of FOC-in-C. Besides, it was stated that there appeared to be neither any authority nor justification for introducing a new practice of hiring of 250 men high speed (16 knots), Air Conditioned Ferry entailing expenditure to Rs 9.12 crore.

Further, it was stated that the proposal for hiring of 250 men Air Conditioned High Speed Craft had been dropped and was no longer being processed. Hence, a saving of Rs 9.13 crore was achieved by dropping the proposal due to financial advice rendered by IFA.

3. Proposal relating to conduct of online examination for recruitment of Store Keeper and Asst Store Keeper

IFA (WNC) received a proposal for conducting of online examination for recruitment of Store Keeper and Asst Store Keeper for Rs 81.04 lakhs. IFA examined the proposal and observed that IHQ MoD (N) had directed HQ WNC to "Conduct Written Examination". Therefore, IFA sought for clarification as to what basis it was proposing to conduct online examination. Further, in the advertisement published in the Employment News, nowhere against the pattern/mode of examination, it was mentioned that the examination will be conducted online. In this context, IFA queried that it was not understood as to how it was proposed to conduct online examination without advertising and informing the candidates.

In view of the above, IFA advised that since necessity of the proposal for conducting of online examination did not appear to have been adequately justified, CFA may kindly consider ensuring that necessary action would be taken as per the directives issued by IHQ, MoD (N). Accordingly, the proposal was taken up by HQ WNC with IHQ, MoD (N) who agreed with the views of IFA and directed that written exam may be conducted.

Accordingly, a new proposal for conducting written examination was received for according concurrence for Rs 5.20 lakh. Proposal was concurred for AON. LTE was carried out wherein L1 quoted an amount of Rs 4.84 lakh. After negotiations with L1 firm, the expenditure was brought down to Rs 4.27 lakh inclusive of taxes for which financial concurrence was accorded. Hence, a saving of Rs 76.77 lakhs was achieved.

4. Proposal for Procurement of PTZ IP Camera (Indoor)

IFA (SWAC) received a proposal for AON concurrence for procurement of PTZ IP Camera Qty-38 at an estimated cost of Rs 23.56 lakhs. IFA accorded AON concurrence to the proposal for the ibid amount. Quotations were invited from 16 firms through LTE. Out of which, 06 firms had responded wherein M/s Jin Tech Solutions, Ahmedabad was declared as L1 by CLPC for placing order at a total cost of Rs 23.86 lakhs.

The case was submitted for EAS concurrence to the IFA. During detailed examination of all the commercial bids attached in the case file, IFA observed that the printed rate of the vendor i.e, M/s Jintech Solutions was Rs 40,700 per unit and the rate was altered manually to Rs 58,300 per unit. IFA office was of the view that if rate had been amended by the vendor at the time of submission of the price quotation, the same would have been amended in the computerized printed format only at the initial stage itself and the manually corrected figure created doubts that the rates had been altered to minimize the difference of rates between L1 and L2 vendors (L2 rate being Rs 64,600 per unit in ibid case).

Further, IFA observed that the quotation of one vendor i.e., M/s Pace Computer Consultants Pvt Ltd was submitted for two types of cameras i.e., Indoor and Outdoor Camera exist in this category and IFA was of the opinion that indoor cameras would serve the purpose of conducting the exams under OTES project as the same would be held in the examination halls and the cost of indoor camera was quoted @ Rs 39,800 per unit and it was 23% cheaper than L1 rates. Hence, the Command IT was advised to opt for re-tendering under two bid systems with revised specifications and a fresh RFP to be floated to all the eligible vendors to avoid any legal complications at a later stage and there was also scope to achieve better economics.

The executive authorities agreed to the advice and floated re-tendering wherein the ibid proposal was finalized at a total cost of Rs 13.27 lakhs as against earlier amount of Rs 23.86 lakhs. Thus, a saving of Rs 10.58 lakh was achieved.

5. Provision of Station Briefing Hall at AFS Utarlai

IFA (SWAC) received a proposal for "Provision of Station Briefing Hall at AFS Utarlai" at a cost of Rs 299.55 lakhs for vetting of AE and issue of Administrative Approval. The work was approved in the AMWP 2013-14. IFA examined the proposal and observed following shortcomings:-

- As per Accommodation Statement attached, the strength of the officers at AFS Utarlai was 127 only, whereas, the AEs were prepared for area authorized for 200 officers as per SOA 2009.
- Additional B/R items (Wooden Paneling, false ceiling, vitrified tiles) amounting to Rs 39.07 lakhs were not authorized as per the SOA 2009 and the unit was advised to review the same.
- Further, in the SoC, the requirement of the Sofas was projected for AOC and other appointment holders only whereas Qty-20 sofas were catered in the AEs. Further, no specific authority for the Sofas was endorsed in the AEs Part II and the same was advised to be treated as special item of work.
- The unit was advised to review the provision of Qty-14 AC as the briefing hall was not authorized for ACs in terms of Para 53.5 of SOA 2009.

The executive authorities agreed to the advice rendered by the IFA and accordingly, following amendments were carried out in the Board Proceedings/AEs:-

- Area of the briefing hall was worked out as per the strength of the units and the total plinth area was reduced from 1057 SM to 712 SM.
- Requirement of Wooden paneling, false ceiling and vitrified tiles were removed from scope of work and instead of vitrified tiles, ceramic tiles were projected.
- Instead of 20 sofas, only 02 sofas were considered for AOC and other appointment holders.
- Air Conditioners were projected by the unit due to extreme climatic conditions of AFS Utarlai as a special item of work with the prior approval of CFA i.e., SOA and the quantity was reduced from 14 to 09 ACs.

As a result, the total cost of the proposal was reduced from Rs 299.55 lakhs to Rs 182.87 lakhs resulting to a savings of Rs 116.68 lakhs.

6. Provision of BWSSB main water supply to Challaghatta camp at IAM Bangalore. IFA (TC)

The Vayu Vihar complex at challaghatta is located in an isolated area and houses accommodation for Officers, Airmen and Civilians. It is spread over 14 acres and 35 guntas and houses 43 OMQs for officers, 26 SMQs for PBORs and 10 Civilian married accommodation. The water requirement of the camp is being met through bore wells. Over a period of time, ground water has reduced and has got increasingly contaminated. To address this problem, state water supply board BWSSB was approached for supply of water. BWSSB gave approval for the same. In addition, provision of one underground sump of 1.5 lakh litres for storing water was included in the scope of work. Therefore, IFA received the ibid proposal at a cost of Rs 423.51 lakhs from Institute of Aerospace Medicine (IAM) Bangalore. IFA examined the proposal and following observations were noticed:-

- It was stated to intimate the exact number of Officers quarters married and single, ORs quarters and civilian quarters available in Challaghatta camps since no. of quarters mentioned in SOC, requirement and Accommodation statement Pt I and II did not match.
- The provision of UG sump of 1.5 lakh litres in addition to the existing sump of 1.5 lakh litre capacity is considered an infructuous expenditure when it is seen that KLP requirement per day is less than 1.05 lakh ltr per day excluding garden and future requirements planned, hence, a sump of 50,000-75,000 ltrs could be planned which would take in the BWSSB water initially and thereafter the same could be pumped to the existing sump of 1.5 lakh ltr capacity for onward supply to the quarters. This would ensure that existing sump is put to optimum use along with its pumps and distribution pipes already laid which otherwise would be rendered infructuous.
- Since the existing sump could be utilized for distribution of water, the connected items of PVC pipes, pump sets and other works to be reviewed and revised.
- The necessity of decrin-dosing pump and Altoch dosing system when treated BWSSB water is taken is not justified in the findings of BOO or SOC.
- The findings of BOO did not bring out the existing system of distribution of water from the existing 1.5 lakh ltr sump and no. of borewells, yield of each borewell and what would be done with the borewells and its pumps etc when BWSSB started the water supply.
- It was stated to place a legible and full sketch of the services proposed.
- It was seen from the estimates supplied by BWSSB that there was an existing 450 mm dia pipeline running in the northern side of old airport road. To please liaise with BWSSB and find out whether the requirement

of IAM of about 1 lakh ltr per day could be met from this pipe line so as to reduce the cost of laying a new line.

- It was also seen from the BWSSB estimates that the 600 mm dia MS line is included in estimates to meet future demand from Defence and NAL authorities buildings coming in Challaghatta, Belur and Kempapura areas. In this connection to please intimate why IAM should bear the cost of such future expansion of other departments/offices.

Due to advice rendered by IFA, the provision of underground sump was reduced from 1.5 lakh to 75,000 ltrs and provision of dosing pumps and connected PVC items was deleted. Due to this, the cost came down to Rs 410.59 lakhs as against earlier cost of Rs 423.51 lakhs. As a result, a saving of Rs 12.92 lakhs was achieved.

7. Procurement of one high definition thermal video camera system

IFA (TC) received a proposal for "Procurement of one high definition thermal video camera system" at an estimated cost of Rs 2.04 crore including AMC charges (Rs 1.38 crore). IFA examined the proposal and observed following:-

- Since the subject item is very costly, the normal warranty required is for 3 years as against the warranty of 1 year as offered by the firm.
- Procurement should be on global tender or OTE under two bid system.
- To confirm whether the subject item is technically the best from security point of view.
- The comprehensive maintenance proposed @ 22% (Rs 30.56 lakhs) for 2nd to 4th year. Thereafter at the rate of 25% for 5 to 7th year (Rs 34.73 lakhs) which amounted to more than 50% of the value of the item. The life of the equipment as stated was 7 years and the depreciation in general would be 14% per year. Such a commitment was not warranted considering the fact that such major technology was upgraded in 6 months time in these items. Accordingly, warranty should be keeping in view of the wear and tear and actual performance of the machine.

Accordingly, AFS Yalahanka reviewed the proposal and submitted a fresh proposal for Rs 1.80 crore as against the original proposal for Rs 2.04 crore, leading to a saving of Rs 23.62 lakhs.

8. Procurement of Moving Multi functional target System

IFA (TC) received a proposal for "Procurement of Moving Multi functional target System and multi functional electronic target system" at an estimated cost of Rs 25 lakhs. IFA examined the proposal in the light of orders and the latest directives from Air HQrs and the possibility of procuring from OFB. IFA accorded AON concurrence to the proposal for the same amount quoted by M/s Zen Technologies. IFA advised to go for OTE under two bid system as against LTE with a view to explore the possibilities of getting wide publicity. As a result, 05

bidders participated and L1 had quoted for Rs 9.99 lakh whose bid was technically also qualified.

Accordingly, the proposal was processed through OTE instead of LTE as advice rendered by IFA. Thus, a saving of Rs 15.01 lakh was achieved.

9. Construction of Residential accommodation at Gopalpur Military Station for MG and above

IFA (CC) received a proposal for concurrence for Construction of Residential accommodation for Major General and above at Gopalpur Military Station for an amount of Rs 98.85 lakhs. IFA examined the proposal and found that additional amount for mosquito proofing for garage, latest MV percentage had not been catered for, considering of AC without specifically authorized to ibid accommodation, consideration of furniture whereas it would be separately projected and consideration of project contingency @ 3% instead of 1.758%. In this regard, IFA sought for clarifications from executive authorities.

Accordingly, the executive authorities agreed to the advice rendered by IFA and deleted above issues from the project cost, resulting in savings of Rs 7.16 lakhs to the state.

10 Upgradation of AC plant at Signal Centre

IFA (CC) received a proposal for concurrence for up gradation of AC plant including Addn/Altn to Signal centre at Agra for an amount of Rs 44.62 lakhs. IFA examined the proposal and observed that the project cost to the tune of Rs 27.48% had been enhanced from the approved monitory ceiling by IHQ branch of MoD which needed further approval of IHQ. IFA raised this issue with executive authorities.

Accordingly, the executives reduced the project cost, resulting in a saving of Rs 7.62 lakh was achieved.

11. Proposal for Procurement of Toners and cartridges

IFA (CC) received a proposal for procurement of various types of Toners and Cartridges at an estimated cost of Rs 9.86 lakh for AON concurrence. IFA examined the proposal and noticed that proposed quantity and the corresponding estimated financial effect did not match with the consumption pattern of the subject items in previous quarters (i.e. three months). The expenditure proposed for last one quarter was nearly equal to the sum total of the previous three quarters.

Keeping in view the wide variation between the proposed quantity and the previous consumption pattern, IFA advised to reduce the proposed quantity to bare minimum inescapable requirement with due regard to economy of scales in terms of Para 5.4 of DPM-2009. Accordingly, the requirement of Toners and Cartridges were reduced and revised estimated cost of Rs 5.99 lakh resulted in saving of Rs 3.87 lakh.

12. Procurement of Battery Pack 24 VAH Qty 400

IFA (MC) received a proposal for Procurement of Battery Pack 24 VAH Qty 400 @ Rs 8,150/- for Rs 32.60 lakhs for vetting of RFP on PAC basis to BEL, Panchkula. While vetting RFP, IFA observed that the subject item was supplied by some local vendors earlier. Therefore, IFA advised that RFP may be floated on LTE basis.

After opening the tenders, L1 vendor quoted the cost of Rs 5,490/-. IFA received the proposal for EAC along with CSQ. IFA requested the unit to furnish the details of dues-in, dues-out, present stock status and consumption pattern.

After receiving the reply from the unit, IFA found that the total consumption of the subject item from April 2010 to March 2013 was only 240 and the present stock available was 121 which would be sufficient for the ensuing financial year. Therefore, IFA advised for short closure of the subject item as the present stock could easily be utilized for one year and also the battery pack had a shelf life. The unit accepted the advice, thereby, resulting in a saving of Rs 32.60 lakhs.

13. Procurement of 31 lines of SSCVR (Consumable) Spares

IFA (MC) received a proposal for Procurement of 31 lines of SSCVR (Consumable) Spares on PAC basis from M/s ECIL Hyderabad. IFA vetted the RFP and recommended to be uploaded on CPP. The quotes were received for Rs 34.42 lakhs (inclusive of taxes). Being PAC procurement, IFA recommended for conducting PNC. During examination of the proposal, it was observed that the repair facility to the subject item did not exist in the depot and whenever a need for repair arose, the items were sent to M/s ECIL Hyderabad by raising an LRO. IFA advised 9 BRD to review the requirement of procurement of spares in absence of repair facility.

The unit agreed to the advice rendered by IFA and reviewed the requirement, dropping 19 lines as against 31 lines. Thus, the cost came down to Rs 1.86 lakh/- (inclusive of taxes). As a result, a total saving of Rs 32.55 lacs was achieved.



(Chitra Ramanuja)
Accounts Officer