

रक्षा लेखा महानियंत्रक

उलन बटार मार्ग, पालम, दिल्ली छावनी-110010

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संख्या आई.एफ.ए./65

दिनांक :- 17.08.2015

सेवा में

सभी PIFAs/IFAs

विषय - वित्तीय सलाह मामले।

Sub - Financial Advice Cases

वित्तीय सलाह संबंधी परिपत्र सं.-04 – वर्ष 2015-16 का दिनांक 17.08.2015 सूचना एवं मार्गदर्शन हेतु प्रेषित किया जाता है।

Financial Advice Circular No.-04 of 2015-16 dated 17.08.2015 is forwarded herewith for information and guidance please.

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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 (प्रशिक्षण)
6. रक्षा लेखा संयुक्त महानियंत्रक (ले.प. समन्वय)
- ✓ 7. रक्षा लेखा व. उप महानियंत्रक (ईडीपी)-कृपया परिपत्र IFA Home Page वेबसाइट पर डालवाने का कष्ट करें।



ले.अ. (आई.एफ.ए. विंग)

Financial Advice Circular No. 04 of 2015-16



सत्यमेव जयते

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Dated: 17.08.2015

Subject:- Financial Advice Cases.

The financial advice cases as submitted by IFA (ARTRAC), Shimla, IFA (HQTC), AF Bangalore, IFA (SWAC), Gandhinagar, Gujrat, IFA (HQ SC), Pune, IFA (WC), Chandimandir & IFA (Indian Coast Guard), New Delhi are circulated herewith for information and guidance.

1. IFA (ARTRAC), Shimla: Proposal for printing of GS publication ex-trade by Infantry School, Mhow :-

1.1 IFA received a proposal for printing of GS publication ex-trade by Infantry School Mhow out of P&D Grant for the FY-2014-15 for a total cost of Rs. 14,32,950/-.

1.2 Case was concurred from AON angle on the basis of Single bid system. Case was submitted for final approval from EAC angle and following observation were made:-

- Budgetary Allotment was made for 15,85,200/-
- Budgetary quote was given by 4 vendors and finalized on basis of lowest rate given by Ms universal stationery mart @ Rs. 14,32,950 on 01.09.2014.
- Benchmark rate was fixed again taking quote from 03 vendor and decided as 14,32,950 as quoted by M/s Swastik Printer.
- In TPC L1 vendor M/s Neminath also quoted price exactly for Rs. 14,32,950/-
- During analysis it was found that Allotment was done for this purpose on 27.01.2015 for Rs. 15,85,200/-. However as BQ was 14,32,950/- rest of money was surrendered i.e. even before finalization of procurement process. So Budgetary Allotment become same as BQ & final L1 price.
- It is seen that three different vendors quoted exactly the same price Rs. 14,32,950/- at 3 different stage, and surprisingly allotment of money was also

retained exactly as quoted primarily at AON stage. Even items wise rate at three stages by three different vendors were exactly same.

1.3 M/s Shri Neminath Printers with same cost Rs. 14,32,950/- has been declared L1 vendor by the TPC held on 21.01.2015 in presence of IFA rep.

1.4 In the instant case, replies submitted by establishment were not found satisfactory. It was decided that there is too much of co-incidence and it seems that bidding has not been competitive so case was recommended for retendering by IFA.

1.5 **Conclusion:-** This case becomes peculiar and shows that the whole procedure is being followed just to dovetail the procurement on pre decided lines, otherwise how cost of procurement could remain exactly same when on paper its being by quoted 3 different vendors and that too at three different stages, even the unit surrenders that exact money even before finalization of proceedings. Case is a demonstration regarding importance of IFA inputs and it clearly shows that if IFA is not involved, it will be difficult to ensure competitive bidding.

2. IFA (HQTC), AF, Bangalore: Improvement to certain OMQ's (Phase-II) at AFA, Hyderabad:-

2.1 Dy.IFA received a proposal for Improvement to 82 Officers Married Quarters in Phase – II initiated by the AF Station at an estimated cost of Rs. 490.29 lakh. Provision of a number of items of work e.g., floor tiling, kitchen cabin, kota stone, tiling in kitchen and toilets, hardware fittings, plinth protection etc was catered by the AF station only to those quarters among the 82 OMQs found deficient in each item of work.

2.2 IFA examined the proposal as per BOO survey report and found that all the OMQs were not deficient of all items of work provisioned and survey report clearly showed the items of work required for each quarter. However, it was seen from AEs that all items of work were provisioned for all 82 OMQs which is contrary to BOO report. Hence, it was advised to reduce the works services as per actual requirement.

2.3 As a result, the estimated cost of the project was reduced from Rs. 490.29 lakh to Rs. 316.82 lakh. Hence, **saving to the tune of Rs 173.47 lakh was achieved.**

3. IFA (HQTC), AF, Bangalore: Provision of Eight additional Classrooms for WTI at AFS, Tambaram:-

3.1 Dy.IFA received a proposal for WTI entrusted to deliver training to Mod I, ab-initio and Mod II, in-service trainees of Workshop Fitter, met Asst and ESSA trade. As Mod III trainees are expected in the year 2017, AF Station has stated that the present infrastructure would be insufficient to train the additional trainees. Hence, it was

proposed to provision for eight additional classroom alongwith all other infrastructure as per scales authorized for Educational building.

3.2 IFA examined the proposal and pointed out that the subject works has been approved in AMWP 2014-15 for Rs. 190 lakh, whereas work has been projected for Rs. 385.02 lakh, which is 102.64% more than the AMWP amount. There would be no sanctity to AMWP approval accorded by MoD with such huge escalation in cost. Moreover, it was pointed out that AFS, Tambaram already has an Educational building and also the basic requirement is of eight additional classrooms to cater for increased trainees, hence provisioning of Science/Computer Lab, Book store, Staff rooms, Officers room, Conference room, Training aids room, assembly, Examination hall meant for a full fledged Education Building needs to be removed from the works services. As such, provision of 8 classrooms with toilets could only be considered in the works services. It was also advised to change the specification of Bicycle shed from permanent specification to Galvalume sheet.

3.3 As a result, the estimated cost of the project was reduced from Rs. 385.02 lakh to Rs. 122.78 lakh. Hence, **saving to the tune of Rs 262.24 lakh was achieved.**

4. IFA (HQSWAC), IAF, Gandhinagar, Gujarat: Provision of Chair with Cushion at Auditorium cum Lecture Hall at Makarpura and Darjipura at AFS Baroda.

4.1. IFA (NC) received the proposal for provision of Chair with Cushion at Auditorium cum Lecture Hall at Makarpura and Darjipura at AFS Baroda, initiated by CWks O, HQ SWAC, AF, Gandhinagar. The ibid work service was included in the Approved list of AMWP 2014-15 with RIC of Rs. 50 Lakh. The unit had further submitted that provision of chair with cushion at Auditorium cum lecture Hall was a basic and mandatory requirement for conducting various types of events as the ibid Hall had no such facility available till date.

4.2 IFA scrutinized the proposal and C Wks O was advised to review the proposal as proposed works provision is not authorized under SOF 1989.

4.3 It was observed by the IFA that Since Provison of Cushion Chairs in Community Hall is not authorized under Scale of Furniture 1989, the same would lead to change in scale and hence the certificate issued by the CFA stating that the ibid work will not lead to any change in scale was not appropriate and at variance with Para 6(b) of DWP 2007.

4.4 Due to careful scrutiny by IFA, the estimated cost of the proposal was reduced to Rs. 18.75 lakh from Rs. 48.74 lakh and **saving to the tune of Rs. 29.99 lakh** was achieved.

5. IFA (HQSWAC), IAF, Gandhinagar, Gujarat: Provision of OTM Accommodation for 609 Garud Flt at AF Station, Naliya :-

5.1 IFA received a proposal for Provision of OTM Accommodation for 609 Garud Flt at AF Station Naliya at the estimated cost of Rs. 407.16/- lakhs, which was included in AMWP 14-15.

IFA advised as under:-

(a) Attached Toilet for office of Commanding Officer (Flight Lieutenant) as included in Scope of work at Sl. No. 9 (b) of ADM Block was not authorized.

(b) Qty-28 Single Living Accommodation had been catered in the AEs in lieu of Duty Clerk Rest Room which was not authorized as per SOA' 2009.

(c) Plinth Area catered in AEs for MT Garages are at variance with the PA authorized under Table 7.1 of SOA 2009.

(d) Rates taken in AE Part-II for the items mentioned at SL.No. 3 of MT Garages, Sl.No. 2 & 3 of Obstacle Course, Sl. No. 1 of Sewage Disposal, Sl. No. 1 of Area Drainage)Item No. 5 of Rate Analysis, Annex 'J'), Sl. No. 1&2 of Water Harvesting and Sl. No. 5 of Hard Standing do not match with SSR Rates.

(e) It was noticed that Rate for RCC Framed Construction super structure in lieu of Load Bearing Construction had been taken for the items based on plinth area rate, whereas cost of load bearing foundation i.e. Rs. 421/- has not been deducted from the ibid rates.

(f) Furniture items catered in AEs were at variance with the authorization stipulated in scale of furniture 1989.

5.2 Accordingly, the advise rendered by their office was considered by the Engineer Authorities and cost of work project was reduced to Rs. 382.17 Lakhs. **Hence, savings of Rs. 24.99 lakhs was achieved.**

6. IFA (HQSC), Pune: Outsourcing of conservancy services at Non-Cantonment Mil Stn Bhuj and Gandhidham for FY 2015-16 :-

6.1 IFA received a proposal for outsourcing of conservancy service at Military Stations Bhuj & Gandhidham for FY 2015-16 with 187 conservancy staff and 06 trips per day for garbage lifting and disposal at an estimated cost of Rs. 1,54,77,201/- for concurrence of Administrative Sanction.

6.2 IFA scrutinized the case and following observation were made:-

(a) The quantum of Open Space projected (1495990 Sq Mtrs) had increased by 210% compared to the quantum of open space in the proposal for FY 2014-15 (47113 Sq Mtrs).

(b) The length of Nallah projected (7.93 Km) had increased by 72 % over that mentioned in the proposal from 2014-15 (4.6 Km)

(c) 77 nos of conservancy staff were assessed for roads by considering the 'area' of road and not by considering length of road as per scale given in GoI MoD letter No. 6(2)/2011/D(Q&C) dated 18 March 2011.

(d) 24 nos of conservancy staff were estimated for married accommodation which was not authorized as per ibid letter dated 18 March 2011.

(e) While assessing requirement of conservancy staff, the required frequency of sweeping & cleaning of roads & open areas was not assessed.

6.3 IFA advised that the proposal should be reviewed holistically and realistic requirement be projected. The proposal was reviewed by the Stn HQrs, Bhuj and the requirement was reduced to 51 Nos and 05 trips per day for garbage lifting and disposal, at an estimated cost of Rs. 65,20,000/-, a **savings of Rs. 89,57,201/- lakhs was achieved.**

7. IFA (HQSC), Pune: Provision of OTM accommodation including provision for Dining Hall and cook house for 01 x JCO and 55 Ors in respect of DSC PL at JL Wing, Belgaum :-

7.1 IFA received a proposal for provision of OTM accommodation including provision for Dining Hall and Cook House for 1 DSC Platoon (01 x JCO and 55 Ors) at JL Wing, Belgaum at an estimated cost of Rs. 257.73 lakh, listed in AMWP.

7.2 IFA scrutinized in the instant case that single living accommodation was planned for 100% of the DSC PI strength. It was also pointed out that since a certain proportion of DSC strength would be authorized married accommodation or permitted to stay outside, the OTM accommodation should be planned only for those expected to stay without family.

7.3 JL Wing clarified that the married accommodation for DSC PI had already been included in MAP Phase – III and as per extant orders 35% married accommodation was authorized. The provisioning of 100% Single living accommodation was justified on the ground that in addition to the existing 1 DSC Platoon, ½ DSC PI would be sanctioned to JL Wing in the near future which should also be covered by the proposed work.

7.4 IFA observed in the instant case that the construction of married accommodation @ 35 % was underway in MAP Phase III. Therefore, going ahead with the construction of 100% Single living accommodation on the ground that ½ DSC PI would be sanctioned in near future, would not be appropriate. IFA return this case and suggested to review the proposal.

7.5 Again JL Wing projected the case for provision of OTM accommodation for 65% of the ORs strength (01xJCO and 36 ORs) in respect of DSC PI at JL Wing, Belgaum at an estimated cost of Rs 185.38 lakh and the same was concurred for acceptance of necessity and Admin Approval by the CFA. **Hence, savings of Rs. 72.35 lakhs was achieved.**

8. IFA (HQ SC), Pune : Procurement of Security Related Equipment for Ops Rooms :-

8.1 Dy.IFA received a proposal for procurement of Security Related Equipment for Ops Rooms, HQSC at an estimated cost of Rs. 91,02,206/- Dy.IFA scrutinized the proposal and the following were observed :

(a) In the F.Y 2015-16, similar equipment were purchased in HQSC and other formations of HQSC. However, the costs of equipments were estimated on the basis of fresh market survey which was substantially higher as compared to LPP.

(b) The proposal for security related equipment was initiated under capital head whereas certain items like Mirror Trolley for under Vehicle scanning, Search light, Biometric System etc were not qualifying the criteria of capital procurement.

(c) It was also noticed that the estimated cost of non-capital item was very less compared to the estimated cost of whole project, which may restrict the participation of smaller firms which only deal in these items.

8.2 Further, on scrutiny of the proposal IFA advised as under:-

(a) The items which did not fulfill the criteria of capital expenditure may be purchased out of Revenue grant through separate proposal.

(b) The cost of proposal may be estimated by considering LPP of similar items.

8.3 Accordingly, the proposal was split into two proposals; one out of Capital grant at an estimated cost of Rs. 53,69,220/- and other of Revenue grant at an estimated cost of Rs. 5,49,900/-. Total cost of both the proposals was Rs. 59,19,120/-, **saving at AON stage Rs. 31,83,086/-.**

9. IFA (WC), Chandimandir: Proposal for Quantity Vetting for procurement of High Turn Over Consumables required for General Surgery out of DGLP Funds in Command Hospital Western Command :-

9.1 IFA received a proposal for Quantity Vetting for procurement of High Turn Over Consumables required for General Surgery out of DGLP Funds in Command Hospital Western Command at the estimated cost of Rs. 21,02,117/- .

9.2 IFA examined the instant case and observed that as per Note 8(d) below Item S.No.62 of Schedule XII (c) to Gol. MoD letter No. A/89591/FP-1/1974/2006/D(GS-I) dated 26.07.2006, hospitals can stock upto two months' requirement as calculated by their MMR. Accordingly, it was advised to work out approximate requirement correctly on the basis of MMF? **Instead of working out approximate requirements again, MMF was amended by the executive authorities and adjusted as per the requirement calculated last time and the proposal was re-submitted to IFA (WC), Chandimandir, for quantity vetting. It was advice to place on the file a copy of Board Proceedings under which MMR for the items have been determined. The proposal was again submitted on 06.01.2015 with no satisfactory reply. It was again advised by the IFA, to place on file a copy of Board Proceedings for better appreciation of the case.**

9.3 As a result, it was requested by CH (WC) to treat the proposal as cancelled. **savings of Rs. 21,02,117/- was achieved.**

10. IFA (Indian Coast Guard), New Delhi: Procurement of clothing items for CGHQ, on LTE basis against NAC under Sl.7 of Schedule VI to DFPR 2010 (Code Head: 0/041/09) object Head "Material & Supplies":-

10.1 (i) A case was initiated for AoN at an estimated cost & Rs. 8,19,000/ by ICGS, Delhi for procurement of clothing items for CGHQ on LTE basis against NAC dated 22.09.2014, issued by CGSD, Mumbai.

(ii) Meanwhile 2nd case (ii) was initiated for AoN at an estimated cost of Rs. 2,09,518/- for procurement of clothing items against NAC, dated 23.09.2014.

10.2 IFA examined the proposals and advised the following, in addition to other observations :-

(i) Both proposals pertaining to procurement of clothing, falling under Annual Review of Demand, to be clubbed.

(ii) Current position regarding availability of items may be ascertained from CGSD, Mumbai.

(iii) Due to part availability of proposed clothing at CGSD (Mumbai), IFA advised to resort to Normal Purchase in place of procurement against NAC.

10.3 The executive authority conceded to the IFA's advice and clubbed both the ibid proposals, deducted the items from the proposed quantity of items, which were purchased under by Directorate of Logistic, CGHQ under ARD and available at CGSD (Mumbai). AoN at an estimated cost of Rs. 2,21,541/- for remaining items not procured under ARD was concurred by Dy.IFA and approved by CO-ICGS, Delhi.

10.4 Thus a net **saving of Rs. 8,06,977/- (Rupees eight lakh six thousand nine hundred seventy seven only) was achieved.**



(Chitra Ramanuja)
AO, IFA Wing