

Office of the Integrated Financial Adviser

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Visakhapatnam - 530 014.

No. IFA/166/DFPDS/Vol.-I

Dt. 30/12/2015.

To

Smt. Nirupama, IDAS
Jt. CGDA (IFA)
O/o the CGDA
Ulan Batar Road, Palam,
Delhi Cantt. - 110 010.

रक्षा लेखा संयुक्त महानियंत्रक (ए. वि. स.)
Jt. C G D A (IFA)
आपकी सं/सं. NO. 07
दि/Date: 08/01/2016

Madam,

Sub: Delegation of Financial Powers - NSP-2015
Ref: MoD Order - DFPDS - 2015.

I invite your kind attention to the above mentioned subject. The following issues are highlighted for kind perusal and for issue of clarifications:.

1. As per Sl.No.4 of annexure-I/annexure-II to NI 1/S/06 CFAs were delegated with powers for awarding PAC Status and Purchasing under PAC. As per Para-4 of Part-B to DFPDS-2015 "The powers for PAC bidding cases will be 50% of powers mentioned in each sub-schedule". However, there is no mention regarding PAC Status, i.e. it is not clear if CFAs can accord PAC Status. IHQ (N), MoD issued a letter vide No.PL/3109/NSP 15, Dt.15/09/2015 (copy enclosed), in which it is mentioned that the PAC status can be accorded as per provisions issued in supplement-2010 to DPM-2009 (copy enclosed) which stipulates that PAC status should be given by C-in-c/Corps Commander/Area Commander and Heads of Establishment/Formations or units not below the rank of Brigadier/Commodore/Air Commodore in the Command Hqrs. and below. As per para-4.5.1 of DPM-2009 PAC once accorded will be valid for 2 years and it implies that multiple procurements can be done using delegated powers of a CFA once a PAC has been accorded. It is therefore not clear whether the powers for according PAC status can

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be the same as that for approving PAC procurement under delegated powers (50% of CFA powers under DFPDS-2015). It is therefore requested that clarification may please be provided as to the Authorities who can accord PAC status.

2. As per Schedule-2 of NSP-2015 powers have been delegated for "Offloading Repairs and Refits of I.N. Ships / Submarines/ Yard craft/Vessels/ Floating Dry Dock **including their Machinery/ Equipment /Armament / Components**". As per Schedule-4 powers have been delegated for "Miscellaneous Repairs of **Items fitted / held in stock in Ships / Submarines**, Shore establishments, Dockyards, Repair Yards / Organizations / Facilities / Units". C-in-C has powers up to Rs.40 Crores under Schedule-2 and Rs.5 crores only under Schedule-4. Fleet Maintenance Unit (V) is proposing the case of Repairs/RCS/ AMC under Schedule-2 of NSP-2015 for the Machinery/Equipment fitted on board Ships/Submarines. The proposals from FMU (V) for repairs/maintenance are high value and at times are done using STE (OEM) or PAC. This office has been concurring such proposals using Schedule-2, NSP-2015 though similar provisions are contained in NSP-2015 Schedule - 4.1. It may please be confirmed if such proposals can be processed under NSP-2015 Schedule-2.


(M Srinivas, IDAS)
IFA, ENC

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No. IFA/02/DFP-2015

dated: 9th Mar, 2016

To

Sh. M Srinivas, IDAS
HQrs Eastern Naval Command
HQrs Building, 6th Floor
Naval Base
Visakhapatnam

Sub: Delegation of Financial Powers - NSP 2015

Ref: Letter No. IFA/166/DFPDS/Vol-I dated: 30.12.2015 *plg*

The issues referred to in your office above cited communication have been examined and following is stated:

1. With regard to Para - 1 of your letter, it is intimated that the matter relating to the "CFAs who are authorized to accord PAC Status" already stands referred to MoD (Fin) for issue of clarification. Further communication will follow on receipt of clarification from MoD (Fin).
2. With regard to Para - 2 of your above letter, it is stated that in Schedule 2 of NSP in DFPDS-2015, Financial Powers have been delegated to CFAs for offloading Refits & Repairs of IN Ships/ Submarines/ Yard Craft Vessels/ Floating Dry Dock including their machinery/equipment/Armament/ Components. These powers are to be exercised only when capacity of repairs is not available with Navy's workshop and Dockyards/ NSRY. These powers are to be utilized for refits as per the Refit Plan promulgated by IHQ, MoD (Navy).

Whereas in Schedule 4, Financial Powers have been delegated to the CFAs for Misc. Repairs - where it is not economical to get the stores/equipment repaired through the nearest Naval Repair Organisation or owing to limited capacity/expertise.

Hence, the delegations of powers under the above two schedules are not for similar purpose.

As such, processing/concurring the proposals received from FMUs for Repair/RCS/AMCs for machinery/equipments fitted on board ships/ submarines under Schedule 2 of NSP 2015, just because they are of "high value" cannot be considered appropriate. Such proposals needs to be examined and processed under the powers contained in Schedule 4.1 of NSP-2015.

3. Further, it is stated that if there is any doubt, clarification needs to be sought prior to processing/ concurring of proposals instead of after concurring the proposals.

Nirupama
9/3/2016
(Nirupama)
Jt. CGDA (FIA)