

CONTROLLER GENERAL OF DEFENCE ACCOUNTS

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(IFA WING)

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Subject:- Financial Advice Cases.

The cases of financial advice rendered by IFA (ENC) Visakhapatnam & IFA COMCG (NW), Gandhinagar, are circulated herewith for information and guidance.

(i) Procurement of 18 critical spares and one set of OB spares

MO (V) submitted a case for 'Procurement of 18 critical spares and one set of OB spares' from M/s B.E.L on PAC basis with estimated value of Rs 4.73 crore. IFA observed that some spares were given on loan to other ships. IFA enquired whether the loan items were given to other ships on permanent basis or these will come back to original ship. In case these were given on permanent basis, then the necessary action for regularization is required to be taken, else the quantity proposed is required to be reduced. Accordingly, MO (V) again scrutinized the proposal and collected back 05 loaned items, worth Rs 2.36 crore, from other ships and resubmitted the case for 13 critical spares as against previous 18 items for Rs 2.37 crore. As a result, a saving to the tune of Rs 2.36 crore was achieved.

(ii) Re-engining of main propulsion system for STBD and centre main engine on board LCU-38

IFA (ENC) received a proposal for 'Re-engining of main propulsion system for STBD and centre main engine on board LCU-38' for an amount of Rs 5.08 crore. A PNC was constituted and negotiation was carried out with L1 firm. The committee carried out the negotiation with reference to the price achieved in respect of similar work undertaken in August 2008. After prolonged negotiation over two sittings, the firm agreed to bring down the quote to Rs 2.57 crore as against previous quote of Rs 5.08 crore. This led to a saving of Rs 2.51 crore to the state.

(iii) Outsourcing of Security Service

IFA received a proposal for "Outsourcing of security service" for Regional HQ (RHQ HQ) and Indian Coast Guard Station (ICGS), Gandhinagar at an estimated cost of Rs 40,84,596 through LTE basis for concurrence, IFA observed that the estimated cost for the proposal was more than 25 lakhs and advised the unit to process the proposal through OTE in terms of under Para

4.2.5 of DPM - 2009. The unit agreed to the advice of the IFA and the proposal was processed through OTE. In the OTE, it was found that L-1 vendor has quoted a price of Rs 25.20 lakh for providing the security services. IFA observed that the price quoted by the L-1 vendor is still higher than the benchmark price of Rs 21.6 lakh per annum and suggested for conducting PNC. After negotiating in PNC, the vendor agreed to reduce the price and finally, the contract was concluded for Rs 22,20,000/- per annum with L-1 bidder. Thus, a saving to the tune of Rs 3.00 lakh (as compared to price originally quoted by L-1 vendor) was achieved as a result of financial advice rendered by IFA.

21/5/21
SAO (IFA Wing)