

भारत सरकार रक्षा मंत्रालय

Government of India Ministry of Defence रक्षा लेखा महानियंत्रक

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Instruction Order No. 02 of 2017

No. IFA/162

Dated: 30.05.2017

To

All PIFAs/IFAs (Dedicated & Nominated) (Through CGDA Website)

Sub: Inclusion of Option Clause & Repeat Order Clause in RFP/TE.

Reference is invited to HQrs. IFA Wing circular No 05 of 2012 issued vide HQrs office No.IFA/22 dated:-26.04.2012 wherein it was advised that while vetting the RFP/TE, the provisions with regard to inclusion of Repeat Order/Option clause in RFP/TE as a matter of routine may be kept in view and reasons for including these clauses in RFP/TE may be recorded.

- 2. However, during inspections of IFA offices carried out by Hqrs office recently and an analysis of the Quarterly Activity Report, it has been observed that both clauses are being included in the Tender Enquiry/Request for Proposal as a matter of routine. It is stated that inclusion of these clauses in the Tender Enquiry/Request for Proposal have financial implications as the vendor has to keep his rates constant for the additional quantities during the period of supply and/or six months thereafter without any certainty about the clauses being invoked.
- 3. Therefore, there are chances the vendor will necessarily build in the cost in his original order and the state stands to lose if, in fact, the clause is later not required to be used. Therefore, while vetting the RFP/TE, the above provisions regarding inclusion of Repeat order/Option Clause/Tolerance

Clause in RFP/TE need to be kept in view duly recording the reasons for including these clauses in RFP/TE.

4. All the PIFAs/IFAs are therefore, requested to ensure that the above directives are being scrupulously followed in their offices while vetting of RFP/TE/NIT.

(Hari Har Mishra) Jt. CGDA (Fin)