

OFFICE OF THE CGDA WEST BLOCK-V RR PURAM NEW DELHI
(PRINCIPAL IFA WING)

INSTRUCTION No. 4 OF 2009

Dated 25/3/2009

No PIFA/Gen Corr/IFA MC

To

All PCsDA/CsDA/IFAs

Subject:- Holding of CNC in cases where the quoted price exceeds CFA's Financial Powers.

It has been reported by one of the AF Command IFAs, that while dealing with a case of PAC procurement, it came to light that the amount quoted by the vendor was marginally higher than the delegated power of Rs. 10 Crore available to AOC-in-C. Since CNC is to be mandatorily held in PAC cases in terms of para 5.6 of DPM 2006, the Command HQrs proposed that CNC may be held with the vendor and in case the negotiated cost came within Rs. 10 crore, sanction could be accorded by AOC-in-C in consultation with the IFA.

2. The matter has been examined and it is clarified that in case, the lowest bid is marginally beyond the financial powers of the CFA under whose aegis the RFP has been issued, and it is felt that rates are required to be negotiated in terms of chapter 13 of DPM 2006, the CFA may hold the CNC/PNC to negotiate the quoted price. If the negotiated price is still beyond the powers of the CFA, then the case may be referred to the next higher CFA under whose powers the negotiated cost falls. The higher CFA may decide whether to accord sanction based on action already taken by the lower CFA or to start the procurement process afresh or otherwise.

For IFA, MC: This disposes your letter No. IFAMC/001/CGDA/PrIFA/Corr/Vol-II dated 10-12-2008.

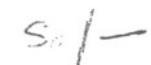
Pr. IFA has seen.


(R. K. Kaul)

Sr. AO

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