

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

INSTRUCTION No. 6 OF 2009

Dated: 26/5/2009

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.

Reference:- This office instruction bearing no. 4/2009 circulated vide IFA/Gen Corr/IFA MC dated 25/3/09

Please refer to this office I.O. No. 4/2009 under which it was 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.

2. However, Air HQrs has requested to clarify the term 'Marginally beyond the Financial Powers of CFA' and has further requested to specify the amount in percentage to treat it as marginally higher for facilitating the CFA to hold the CNC/PNC to negotiate the quoted price.

3. Keeping in view of the fact that nature of procurement in Services is vast and fixing of a general limit for such margin may not be prudent, the issue has been examined de-novo and it is clarified that :

Such cases, may be referred to the CFA under whose delegated financial powers the case falls post receipt of quotes. In case the appropriate CFA so desires, he can ask the lower CFA to hold the CNC and intimate the outcome thereof. If subsequent to the CNC, the revised offer falls within the powers of the lower CFA, the same may be sanctioned by him and in case of the negotiated price falls

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2. JS & Addl. FA (S), MoD (Fin) N. Delhi }
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5. Jt.CGDA(AT-III) }
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9. Sr. Dy.CGDA (EDPS) - with the request to place the circular on the website.
10. ADG FP Army HQrs, South Block New Delhi }
11. ACNS (P&P) Navy, NHQ, Sena Bhawan New Delhi }
12. DGBR, Delhi Cantt. } - For kind information
13. Coast Guard HQrs, National Stadium, New Delhi }
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(B. Vikraman)
Dy.IFA