

PIFA/Gen Corr/IFA EC/Vol. II

Dated :- 29 --05--2009.

To

**All PcsDA/CsDA/IFAs(Dedicated and Nominated)/RTC**

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**Sub :- Procurement of Ordnance Stores by Comdts ODs/FODs etc.**

As per line of delegation for procurement of Ordnance Stores under Schedule XII (A) of delegation of financial powers (Army) dt 26.07.2006, no specific powers for local purchase of stores has been given to Comdt. Ods/FODs/ABODs, however as per Schedule XII (C) of delegation of financial powers – 2006, the local purchase can be invoked by the Comdt ODs/FODs/ABODs for items which are not within the purview of Central Purchase Organisation and Comdts ODs do not have power for LP for any scaled item. The Comdts ODs/FODs have also not been delegated any power towards purchases based on approved scales and authorized by Provision Reviews vide Schedule XIV. One of the nominated IFAs has pointed out that they are receiving proposals for concurrence under SI No. 37 of Schedule XII (C) to GoI, MoD letter dt. 26.07.2006 from Ordnance Depots for procurement of Ordnance Stores locally supported with NAC from dependent COD, based on urgent requirement projected by dependent Units/Formations, otherwise the articles would have been purchased by COD authorities under delegated powers vide Schedule XII (B) for direct purchases.


2. As reported by different IFA's offices, divergent practices are being followed. Some IFAs have reported that ODs are procuring the Ordnance Stores by resorting to Local Purchase under delegated powers vide SI No. 37 of Schedule XII (C) after obtaining NAC from concerned COD. In some Commands, the Army Units are mostly dependent on FOD/OD in remote areas or far flung areas and therefore, the proposals are being processed after obtaining NAC from COD under the said schedule to obviate the delay in procurement of essential items so as not to disrupt the operational requirements. Further, it has also come to notice that regular budget allocation is also being provided to ODs for LP under the relevant service heads.

3. The IFAs, generally are of the view that as local purchase is normally resorted to due to emergent/op-immediate requirement of Units, such purchases can be invoked by ODs under Schedule XII (C), as no other specific option has been given to ODs/FODs under other Schedules to cope up with the situation and to meet the urgent requirements of dependent Units/Formations. However, Audit Wing (CGDA) are of the view that if the need is felt to provide for procurement of scaled items in Op Immediate/Urgent requirements, provision should be sought by amendment to RDFP-2006, as the intention does not appear to be conveyed by SI No. 37 of Schedule XII (C). They have further opined that from Audit view point, such procurement will, prone to objection at the bill passing stage and audit of sanctions.

4. Hence, the matter was referred to MoD (Fin) for clarification. MoD (Fin) vide ID No. 1885/Addl FA (A)/09 dt. 26.05.2009 has clarified that considering the **urgent and Op immediate** requirement of dependent Units/Formations and to meet their urgent and inescapable requirements, the Comdt ODs/FODs may resort to Local Purchase of Ordnance Stores (for scaled items also) by following the laid down procedure for LP by exercising the powers delegated vide SI No. 37 of Schedule XII (C) to GoI, MoD letter dt. 26.07.2006, based on NAC from dependent COD and on firm availability of funds for the said procurements, pending incorporation of amendments to the above effect in revised Delegation of Financial Powers 2006 which is under consideration with MoD. The LP may be carried out to meet the minimum inescapable requirements and not for the stocking purposes. The Comdt OD/FODs will also inform the concerned COD about the quantity procured to reduce the same from the dues out of COD for the OD/FOD to avoid over provisioning.


5. MoD (Fin) has also mentioned that matter regarding formal amendment or inclusion of above aspects in Delegation of Financial Powers may be included in the approach paper for review of Delegation of Financial Powers.

Pr.IFA has seen.

  
(Praveen Kumar)  
Jt.CGDA (IFA)

Copy to :-

1. JS & Addl. FA (A), MoD (F), N Delhi – w.r.to MoD (Fin) ID No. 1885/Addl FA (A)/09 dt. 26.05.2009.
2. JS & Addl. FA (S), MoD (F), N Delhi
3. Jt. CGDA (AT-I)
4. Jt. CGDA (AT-II)
5. Jt. CGDA (AT-III)
6. Jt. CGDA (Trg.-I)
7. Jt. CGDA (Trg.-II)
8. Sr. Dy. GDA (EDPS) - with a request to place the IO on the website
9. ADG FP, Army HQrs., GS Branch, N Delhi.
- 10.ACAS (Fin.-P) Dte. of Fin. Plg., Vayu Bhawan, New Delhi
- 11.ACNS (P&P) Naval HQrs. South Block, New Delhi
- 12.Coast Guard HQrs. New Delhi
- 13.Hindi Cell (Local) - For issuing Hindi version
- 14.Sr Dy.CGDA (AT-IX local) For information and necessary action, please.
- 15.Inst Order File.

  
(B Vikraman)  
Dy.IFA