

**Office of the CGDA, West Block-V, R.K.Puram, New Delhi-66
Pr. IFA Wing**

INSTRUCTION NO. 13 OF 2009

No. PIFA/Performance Target/2009

Dated: 28th August 2009

To

All PCsDA/CsDA/ PCDA HRD /IFAs(Dedicated and Nominated)/RTC

Sub: Check List – Tele Admin Grant.

Based on the feedback received from one of the IFAs, checklist for Tele Admin Grant for Amy has been prepared and enclosed herewith for information and guidance of all concerned.

2. The points involved at various stages of procurement on TAG indicated in the check-list are illustrative and not exhaustive and IFAs may apply additional checks depending upon the proposal. A copy of such additional checks/suggestions may also please be sent to Pr.IFA Wing to enable us to review the checklist.

[Encls. : as stated]

**sd/-
(Praveen Kumar)
Jt. CGDA (IFA)**

Copy to:

- | | | |
|---|---|-----------------------|
| 1. JS & Addl. FA (A), MoD(Fin.) N. Delhi 2. JS & Addl. FA (S), MoD (Fin.) N. Delhi . 3. Jt. CGDA (AT-I), 4. Jt. CGDA (AT-II), 5. Jt. CGDA (AT-III), 6. Jt. CGDA (A & B) 7. Jt. CGDA (Trg.-I), 8. Jt. CGDA (Trg.-II) | } | for kind information. |
| 9. Sr. Dy. CGDA (EDPS)- with the request to place the circular on the website. 10. ADG FP Army HQrs. General Staff Branch, New Delhi 11. ACAS (Fin-P) Dte. of Fin. Plg., Vayu Bhawan, New Delhi 12. ACNS (P&P) Navy, Naval HQrs., South Block, New Delhi | } | for kind information. |
| 13 Hindi Cell (Local)-for issuing Hindi version. | | |

**sd/-
(Praveen Kumar)
Jt. CGDA (IFA)**

Check-list for processing cases of Tele Adm Grant

Note: The following checks are to be exercised on the proposals on Tele Adm Grant. It may be ensured that provisions of DPM-2009 are to be strictly complied with.

A. ACCEPTANCE OF NECESSITY STAGE:

(a) List of Enclosures: Have the following docus been encl in the case file :-

1. Allotment letter of Budget Cell/ PPP sl. no., (Note: For AON, allotment is not mandatory).
2. S of C.
3. List of vendors.
4. BOO for Market Survey.
5. LPP (Last Procurement Price) (if available) as per para 13.5 of DPM-2009 and cost analysis on market survey.
6. Draft Tender Enquiry.
7. Recommendation of the penultimate CFAs (through Staff channel).

(b) General points

1. Whether 'need approval' in principle for procurement of stores/equipment out of Tele Adm grant during the financial year has been obtained and the proposed item is included in the Priority Procurement Plan (PPP) approved by DG Sigs and whether technical vetting has been carried out by CSO Command?
2. Whether the proposal is supported by a Statement of Case (SOC) justifying quantity and financial implications and distribution of proposed quantity, in addition to the details such as purchases of similar items with location thereof, if any, made in the past. Present holdings and deficiencies should be clearly brought out indicating, inter alia, whether the indents have been placed and items are likely to be received from central sources.
3. SOC&RFP for all P1 projects (CF& New) should cover present arrangement, drawbacks of present arrangement, proposed enhancement/ up gradation, cost analysis on market survey, LPP, expected advantage, estimated life cycle of equipment/item being procured, certificate of user unit that there are not upgrades planned/recently carried out on the existing system, discounting of old equipment (i) through condemnation (ii) by buy back option.
4. Compliance of Note below sl. 7 of schedule-xx of delegation of financial Powers needs to be ensured.
5. If replacement is proposed, cost and date of equipment already held needs to be indicated with estimated life and residual life and the feasibility of Buy-back provision should be explored
6. If upgradation is proposed, need justification should be given in detail. Normally, such a need should not arise within 4-5 years of the state-of-the-art equipment purchase.
7. It may be checked that the quantity proposed is minimum inescapable and that any surplus/redundant capacity is not being created under the purchase proposal.
8. The proposal should not contain equipment/items and spares, which have been rejected by other Command/Higher formation or objected to by Test Audit (CAG) authorities.
9. Whether GSQR have been finalized and attached with the proposal.
10. If the item is imported, the reasons for non acceptance of indigenous items need to be justified in the SOC. Further, it may be indicated whether the source of imported supply and their channels in India have been identified.
11. Whether estimate/budgetary quote is furnished and it is based on some basic data viz. market survey, previous purchase rate to support the reasonableness of prices.
12. The estimated financial effect of the project needs to be worked out realistically in terms of para 13.1.1 of DPM-2009. In support of estimated cost, the details of Market Survey carried out including quotes of vendors, the rates of DGS&D rate contract (if available), price list on Sig-7 website and rates available on internet need to be placed on file.
13. Whether correct budget head to which the expenditure relates is given in SOC/proposal and in the draft tender enquiry.
14. Whether method of procurement viz. Open Tender Enquiry, Limited Tender Enquiry, Single Tender Enquiry etc. is being followed scrupulously in compliance of DPM-2009 and GFR-2005. If the item is

- available on DGS&D rate contract, the procedure for procurement through rate contract provided in DPM-2009, needs to be followed accordingly.
15. Whether P.A.C. is furnished by the vendor and certified as such by the CFA in respect of proprietary article. Cost component break down is to be obtained from the vendor in respect of PAC cases.
 16. Whether in cases of AMC proposals, the essential details of TPC/PNC wherein the AMC rates were finalized, the Supply Order number and date through which the item was procured, the date of acceptance of equipment along with the date of expiry of warranty period etc. are furnished. It may also be seen that the AMC amount has not been worked out as a percentage of Installation charges/Taxes/Training cost etc.
 17. In proposals involving laying of cable, the ROW (Right of Way) clause is to be properly worded and these charges to be included in determining the L1 vendor and as per instructions from time to time. .
 18. In case of proposals for procurement and laying Jelly filled cable/optical fiber cable the requirement of cable and HDPE pipe is to be taken as 1:3times (i.e. 130%) of the actual route length – 120% for laying and 10% for maintenance.
 19. In respect of proposals containing AMC, has the necessity and reasonableness of AMC given in SOC and whether the cost of AMC will be considered as part of the project cost for evaluation of “ L1” vendor.
 20. In case of LTE, a credible approved list of vendors should be enclosed, giving basis of their selection and their status viz. OEM/Authorised Dealer etc. Such vendor list should normally include all suppliers who have responded to TEs or successfully completed supplies/contract for similar items in recent past. In case of “Authorised Dealers”, a copy of dealership certificate along with equipment for which authorisation has been made, issued by the principal OEM may be attached.
 21. Whether evaluation of vendors listed in the vendor list regarding their performance specially taking into the aspects of ‘Quality’, ‘Delivery’, ‘Price’, ‘Response’ and ‘Product Support’ have been made, preferably once a year, in terms of para 3.3 of DPM-2009 so as to ensure credibility of vendor list.
 22. The source of supplies of similar items purchased by other Formations/Civil agencies may also be included in the vendor list, after confirming their satisfactory performance from such Formations/Civil organisations.
 23. The approved vendor list should not contain any supplier who has been blacklisted or failed to perform to the satisfaction of the purchaser in normal circumstances.

(c) Draft Tender Enquiry

1. It should be submitted with the Statement of Case at AON Stage for vetting so as to save time and effort.
2. RFP/TE should be prepared incorporating standard conditions, as applicable, provided in Appendix ‘C’ of DPM-2009. In two bid system, separate Technical Bid and Commercial Bid need to be sought in formats to be prepared in terms of Annexure IV, V & VI of Appendix ‘G’ and enclosed with RFP/TE.
3. A structured format/matrix for Technical Bid covering all the required technical specifications in terms of para 4.6.3 of DPM-2009 needs to be prepared and enclosed with the draft TE to facilitate objective and meaningful technical evaluation of bids.
4. The following technical details may be essentially indicated in the technical bid, as applicable:
 - (i) Type of item/description of stores
 - (ii) Quantity required giving specific unit e.g. kg, mtr, No, etc.
 - (iii) Specifications/drawings as applicable
 - (iv) Technical details with technical parameters
 - (v) Requirement of training/on the job training
 - (vi) Requirement of installation/commissioning
 - (vii) Requirement of technical documentation
 - (viii) Type of assistance after warranty
 - (ix) Ultimate consignee and inspection
5. (a) No Brand name is to be mentioned in tender enquiry as per guidelines given in Min of Fin OM 8(1)/EII(A)/03 dated 20.5.2003. This vitiates the competition and deprives other brands including domestic manufacturers of an opportunity in the tender. In case of IT equipment, the problem of wide price variation between locally assembled computer hardware and good quality branded hardware

can be got over by inviting tenders only from the approved ISO 9002 or equivalent companies or purchase through DGS&D rate contracts.

- (b) However, Brand/Make/Model of the items offered by the vendors need to be sought in their technical bids.
6. Commercial Bids need to be prepared in standard format providing separate columns for various cost components viz. Basic Cost, CST/VAT, excise/custom duty, freight, installation charges etc. Commercial bid format needs to be enclosed with TE.
 7. Accordingly, vendors should be asked to quote the rates of each cost components separately in the standard commercial bid format enclosed including item-wise total cost and the total cost of the project. Item-wise total cost and the total cost of the project should be called for in figures as well as in words.
 8. In respect of imported items, if custom duty exemption is required by the vendor, the custom duty amount and the portion for which exemption is required by the vendor, need to be mentioned in clear terms separately. The exemption will be in consonance with latest Govt. notification on exemption percentage allowed on various items for which supporting documents (Govt. notification) will be provided by the vendor.
 9. All essential parameters/standard clauses like QRs, quantity, evaluation criteria for arriving at 'L1', delivery terms, place of delivery, delivery schedule, terms of payment, warranty/guarantee, LD, Repeat Order, Option Clause, Fall Clause, Inspection Clause/ATP, Performance Bank Guarantee, Arbitration Clause, after sales service/AMC, Termination of contract including right of the CFA to reject all bids/cancel the Tendering Process, etc should be included.
 10. EMD clause, if applicable in terms of para 4.7 of DPM-2009, needs to be incorporated in the draft TE, wherein vendors should be asked to provide EMD, in acceptable instrument as provided in ibid para of DPM, for the fixed and pre-decided amount (ranging between 2% to 5% of estimated cost), to be mentioned in EMD para of draft TE.
 11. The prospective vendors should be asked to submit an untempered copy of orders secured from Govt. agencies/reputed organizations in the recent past, say last one year, along with their commercial bids.

B. FINAL APPROVAL OF CFA:

(a) **List of Enclosures** . Have the following docus been encl in the case file :-

1. The entire case file upto AON stage incl Minute Sheets in original.
2. Response to IFA's advice at AON stage, duly addressing the issues raised.
3. Convening Order and Board Proceedings of BOO for TOB and TEC incl all related envelopes of bids received.
4. Convening Order and Board Proceedings of BOO for opening of Commercial Bids and PNC incl all related envelopes of bids received.
5. Copy of draft sanction of CFA in terms of Appendix-K to DPM-2009.
6. Draft Supply Order.
7. Draft Acceptance letter by vendor.

(b) **General Points:**

1. Was sanction of the appropriate CFA obtained at the AON stage?
2. Were the tenders issued to the vendors mentioned in the vendor list?
3. Were the tenders sought from addl vendors also? And if yes, whether the concurrence/ approval of IFA/CFA obtained.
4. In case of an amount upto Rs 25 lacs, was procedure for limited tendering followed?
5. In case of an amount over Rs 25 lacs, was open tendering procedure followed? If not, whether adequate justification in terms of para 4.3.2 of DPM-2009 has been furnished?
6. Were separate BOO constituted for TOB/TEC and opening of commercial bid/PNC?

(c) **Technical Evaluation Committee**

1. TEC should be duly constituted as per para 4.12.3 of DPM-2009.
2. Convening order for TEC and TPC should, inter alia, indicate the specific mandate of TEC/TPC.

3. It should be ensured that the bids, which have been taken for evaluation, have been received within the time schedule provided in TE for acceptance of bids.
4. Terms and Conditions of TE should be scrupulously complied with.
5. Tenders without valid Earnest Money Deposit (EMD) or in instruments other than those prescribed for EMD to be rejected. Be careful for 'cartel formation', if EMDs from competing bidders are from the same Branch/Bank/of the same date/in consecutive serial numbers.
6. TEC should satisfy themselves regarding genuineness of competition, inter alia, after scrutinizing the bids for 'cartel' formation and unethical/unhealthy practices of vendors involved in such activities.
7. Tenders should be scrutinized by TEC, inter-alia, in regard to validity of offer/QRs/Specifications adequacy etc and only technically acceptable offers clearly identified and short listed. The TEC may even seek a sample/demonstration of the equipment, on 'no cost no commitment basis' in addition to the technical offers, for their satisfaction. Such requirement may be indicated in the Tender Enquiry itself. Further Brochure and other related documents for technical specifications, if not enclosed by the vendors, need to be asked from the vendors and placed alongwith their technical bids.
8. In the procurement of sophisticated items, the provisions made in CVC Circular No.07/02/08 need to be complied with by the TEC and at ATP stage.
9. Details regarding number of vendors to whom TEs had been issued along with the number of vendors who responded to TEs, and accordingly, shortlisted/rejected by the TEC, need to be mentioned in the proceedings. If the vendors have not provided certificate regarding their status viz. OEM/authorized dealers of the OEM for the Brand/Make/Model of the items offered in their technical bids, same should be obtained and placed in file.
10. TEC should not give any inappropriate recommendations viz, preference to a particular vendor(s) on the ground of meeting ISI mark, brand specific purchase etc.

(d) Opening of Commercial Bids

1. Commercial bids of only those vendors should be opened and CST prepared, who were short-listed by TEC and approved by CFA in terms of para 4.11.2 of DPM-2009.
2. Check that the CST has been signed by all members of the BOO.
3. Has the CST been prepared in terms of para 13.3.4 of DPM-2009 to evaluate the quotes in a fair and equitable manner by the TPC?

(e) TPC/PNC

1. Check the validity of quotes submitted by the vendors.
2. If the validity of commercial quote of the vendors was extended, was it necessary and with the concurrence/approval of IFA/CFA?
3. Whether evaluation of Commercial Bids has been carried out in terms of para 4.13 of DPM-2009?
4. If the items are to be procured through DGS&D Rate Contract, PNC is not required, and direct orders may be placed after CFA sanction in consultation with CDA/IFA. This should be done as per existing Govt. orders.
5. CST should be accurately prepared on like to like parameters and commercially viable L-1 vendor correctly identified. While doing so, arithmetical calculations should be checked and landed cost to Govt. correctly worked out, including Taxes, Installation charges, Octroi, Transportation charges etc. In case the evaluation of L1 is to be carried out by excluding Taxes/Govt. duties or by loading the same, such criteria should be indicated clearly in Tender Enquiry itself. However, cost of AMC normally needs to be excluded, while deciding the 'L1' vendor and so reflected in TE beforehand.
6. CVC instructions are to be followed to ensure that negotiations, if necessary, are held with L1 vendor only. This should be indicated in Tender Enquiry also.
7. Negotiated final offer on each cost component as agreed by the 'L1' vendor during TPC/PNC needs to be obtained and placed in file.
8. TPC Minutes should record full details of deliberations and recommendations should be clearly summarized and duly signed by all members of TPC. The TPC proceedings should explicitly confirm reasonableness of rates recommended for sanction of CFA, in terms of para 13.4 of DPM-2009.

(f) Draft Supply Order

1. Draft Supply Order should be prepared as per terms and conditions of TE complying with DPM 2009 and as per terms and conditions agreed in TPC/PNC and the following will be highlighted:
Scope of project, items to be provided/services to be rendered, overall project cost, delivery period, date of installation and completion of the project, payment terms, accepted testing methodology, liquidated damages, warranty and maintenance cover during warranty period, bank guarantee details, AMC or maintenance of hardware/software if applicable and the payment terms for the AMC, uptime calculation if applicable, software updates/upgrades if applicable.
2. Any terms and conditions of supply order should not be disadvantageous to the interests of the state.
3. Changes, if any, from the terms and conditions of TE, should be agreed to in exceptional cases only, having no financial/legal repercussions to the disadvantage of State or leading to vitiation of tendering process. Such changes should be agreed to only with written consent of L-1 vendor.
4. Bill of materials i.e. quantity, cost components etc. need to be prepared correctly, indicating each cost component separately and enclosed with the draft supply order.
5. Brand/Make/Model of the item offered by 'L1' vendor and accepted by TEC need to be mentioned against the items in the supply order.
6. The L1 vendor should be instructed to acknowledge receipt of supply order placed immediately, as it has a bearing on the matter for granting extension of delivery period. A copy of supply order will be endorsed to signal-7, Dte of signals for their records.
7. Check for correctness of paying authority, payment terms, head of account, CFA, relevant Schedule of delegation of financial powers, IFA's concurrence no; inspecting authority, consignee, indenter and users, as applicable, and copy of supply order endorsed to all concerned, including IFA and paying PCDA/CDA.
8. Amount payable to the vendor would be the basic cost plus taxes but excluding custom duty element for which CDEC will be issued by the competent authority.
9. Have the copies of supply order and CFA sanction been correctly endorsed to all as per para 4.17.1 and para 7.8.4 of DPM-2009

(g) Expenditure Sanction

1. Necessary funds should be available under the relevant grant/head during the current financial year.
2. Quantity or items(s) should be as approved by CFA at AON stage and sanction sought for the amount as negotiated/agreed by TPC.

NOTE:- It should be ensured that expenditure in respect of Capital Projects under TAG, which is processed under delegated financial powers for revenue procurement is as per the directives of Govt. of India, Ministry of Defence letter No. PC-11(1)/Bud.I/2007 dated 25 September 2007 & 21st October 2008, is booked to Minor Head-103-Other Equipment and Service Hqrs has intimated the likely expenditure/cash out go on account of these projects to Capital Acquisition Wing.

(h) Draft Sanction Letter:

The following information should be incorporated in the draft Sanction Letter:

1. Title of sanction.
2. Ref. No. of Tender Enquiry & PNC.
3. Broad purpose of sanction.
4. Govt. Authority or Schedule / Sub-Schedule of Powers under which the sanction / order is being issued
5. Name of the item/items.
6. Quantum of item/items being sanctioned.
7. Cost of project including AMC & ROW charges and value of sanction should contain both per unit and total.
8. Major Head, Minor Head, Sub Head and Detailed Head under which booking will be done.
9. Code Head as mentioned in Classification Hand Book.
10. Balance funds available (taking into account all committed liabilities), should be kept in mind before the vetting of sanction letter.
11. Name of paying agency.

12. Name of the formation/unit concerned.
13. The name of the vendor from whom the procurement is to be made.
14. Approval of CFA given vide Note number ____ dated _____ in File number _____.
15. Whether being issued under inherent powers or with concurrence of IFA.
16. U.O. number allotted by IFA after the expenditure sanction of CFA, if IFA concurrence available.
17. Communication of sanction being signed by the undersigned under powers delegated by CFA to sign such financial documents vide CFA's letter number _____ dated _____(_____)
18. Cost and percentage of AMC to be mentioned in sanction letter if part of the supply order.

Serial number of sanction -

Date of issue –

File number –

- (i) A copy of CFA sanction and that of supply order issued to the 'L1' vendor should be forwarded to the paying CDA / PCDA and concerned IFA alongwith inspecting agency.

C. **Post Purchase Contract Management**

1. IFA is to be consulted in all matters having financial implications even after placement of contract/supply order.
2. Compliance of relevant provisions of DPM-2009 is to be ensured.
3. While imposing or granting waiver to liquidated damages (LD, extension of delivery etc.), the state interest are to be fully safeguarded. For illustration, a waiver to LD should not be granted as a matter of routine. Such a waiver should be granted only on specific request from the vendor on genuine grounds such as delay due to circumstances beyond the control of the vendor. Further, while deciding extension of DP, the purchase officer has to balance the time factor required for making repurchase and whether the supply can be arranged earlier than the period of extension sought for at cheaper rate from alternative sources.
4. Whether in respect of the proposals for Repeat Orders, the same is placed within the prescribed period and based on quantity of last purchase. Besides, whether a certificate exists to the effect that there is no downward trend of rates in the market.

X-X-X-X-X-X