

Pr IFA Wing

Instruction No. 15 of 2008*

Dated 19.08.2008

No. PIFA/Navy /SNC/PC-1/AON

To

All PCsDA/CsDA/IFAs/PCDA (HRD) / RTCs

Sub: Processing of cases upto the stage of Expenditure Sanction/Supply Order/Contract in anticipation of Budget Allocation

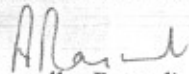
Reference is invited to this Wing I.O. No. 12 of 2007 issued under our number even dated 7th August 2007 regarding concurrence of cases at AON stage without linking to Budget Allocation.

2. It was clarified in the Instruction Order *ibid* that proposals for AON may be considered for concurrence in anticipation of funds becoming available subsequently but, in all such cases, financial concurrence for expenditure sanction/issue of supply order/conclusion of contract should be accorded subject to allocation being available under the concerned budget head.

3. It has been brought to the notice of this office that some of the IFAs have interpreted our I.O. *ibid* to the effect that while the proposals for AON can be cleared in anticipation of allocation of funds, however, action for issue of RFP, TEC, TPC/PNC, etc. can only be taken after availability of funds. In this context, it is clarified that the intention of issue of our *ibid* I.O. was that procurement action upto the stage of expenditure angle concurrence/ approval and issue of Supply Order/Contract can be taken in anticipation of budget allocation to avoid loss of time. This would include AON, Vendor Selection/issue of RFP, TEC, TPC/PNC, etc. However, concurrence for expenditure sanction/issue of supply order should be accorded only after funds have become available.

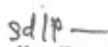
4. Further, as clarified *vide* our I.O. No.12 of 2007, cases of AON concurred by IFAs in anticipation of allocation of funds should be monitored with regard to progress of procurement. It should be watched in all such cases that the time frame suggested in Para 5.20 of DPM-2006 is adhered to so as to ensure that the bids are finalized within the validity period. Cases where bid validity has to be extended or retendering resorted to or procurement has to be dropped on the ground that funds have not become available subsequently, should be reviewed by the IFA with suitable advice to the CFA.

Pr. IFA has seen.


(Anuradha Prasad)
Jt CGDA (IFA)

Copy to:

- (1) Addl FA(A) & JS MoD(Fin)
- (2) Addl FA(D) & JS MoD(Fin)
- (3) Jt CGDA(AT-I), Jt. CGDA(AT-II), Jt. CGDA(AT-III), Jt.CGDA(A/c & Budget)
- (4) Jt.CGDA(Trg-I), Jt. CGDA(Trg-II)
- (5) Sr.Dy CGDA(EDPS) -With the request to place the circular on website
- (6) Hindi Cell - For Hindi version please.


(Anuradha Prasad)
Jt CGDA (IFA)

* Instruction Order no. 1 to 21 issued in 2007.