

Financial Advice Circular No-3 of 2012

CONTROLLER GENERAL OF DEFENCE ACCOUNTS

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IFA/65

Dated 10/05/2012

To

All PIFAs / IFAs

Subject :- Financial Advice Cases

The cases of financial advice rendered by IFA (BR) and IFA HQ MC (AF), Nagpur are circulated herewith for information and guidance .

(1) Topic:- Widening/ improvement of the Joshimath Malari road

IFA (BR) received a proposal from HQ DGBR for widening/improvement of the Joshimath Malari road from 55.675 Km to 62.669 Km to NHDL (National Highway double lane) specifications with an approximate estimate (AE) of Rs 2459.34 lacs for financial concurrence. It was proposed that the all surfacing work is to be completed through outsourcing.

IFA observed that clear status of land acquisition was not mentioned, escalation of 6% was not approved by Sectt. BRDB, rate was not compared with last accepted rate, contract action plan was not submitted.

IFA advised to HQ DGBR that (i) since the entire work has been planned through outsourcing, physical contingency charges may be deleted (ii) NOC from civil authority be obtained. (iii) Cost of work may be amended in AWP according to revised cost.

Accordingly, HQ DGBR re-submitted the AE to IFA with 'No Objection Certificate' from civil authority and deleted the physical contingency charges but amendment of cost in AWP was not furnished. IFA observed that difference between approved cost and estimated cost is huge (i.e. 106%). IFA again advised HQ DGBR to amend AWP and for correction of rate.

HQ DGBR accepted the advice of IFA and submitted the revised AE amounting to Rs 2068.12 lacs for financial concurrence as against previous AE for Rs 2459.34 lacs. It resulted in reduction of AE amount to the tune of Rs 391.22 lacs.

(2) Topic:- Setting up of MODERN SPA (MODERN FITNESS CENTRE)

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HQ MC (AF) Nagpur submitted a proposal for setting up of Modern SPA (Modern Fitness Centre) at 3 BRD Chandigarh consisting of 5 items at an estimated cost of Rs 22.65 lakhs to IFA for AON concurrence.

IFA observed that HQ MC Nagpur did not mention specific authority under which SPA (Modern Fitness Centre) has been authorized, No RFP had been formulated for SPA centre and specifications were found to be vendor based. Air HQ/MoD had also not issued any guidelines for setting up of Modern SPA, neither SOA 2009 mentions about its authorization.

HQ MC Nagpur mentioned that Air HQ allotted Rs 2.00 crore for development of sports infrastructure under code head 795/01 and accordingly, proposal was submitted for concurrence.

The justification given to support the proposal was not considered satisfactory by the IFA for concurrence as there is no provision to allow setting up of Modern SPA facility at BRDs.

(3) Topic:- Procurement of MOVABLE BASKETBALL POLE

IFA HQ MC Nagpur submitted a proposal for procurement of one pair Movable Basketball Pole at 7 BRD at an estimated cost of Rs 8,70,850 lakhs under schedule XVI (E) of FR Part-I Vol-I to IFA for AON concurrence with justification that funds of Rs 2.00 crore have been allotted under Code Head 795/01 for development of sports infrastructure. The provision of Movable Basketball Pole will enhance the quality of infrastructure and the existing locally made poles have outlived their life and need replacement.

IFA observed that HQ MC Nagpur did not mention specific authority under which Movable Basketball Poles has been authorized. Air HQ/MoD had also not issued any guidelines for procurement of Movable Basket Ball Poles, neither SOA 2009 mentions about its authorization. IFA returned the proposal to HQ MC Nagpur with the observation that "Availability of the fund should not be reason to procure something" and advised that if the existing poles at 7BRD are in poor condition then it will be appropriate/economical to get the same replaced instead of making provision of Movable Basketbali pole.

(4) Topic:- Procurement of LED FLOOD LIGHT FOR SPORTS GROUND

HQ MC Nagpur submitted a procurement proposal of LED Flood Light for sports ground at an estimated cost of Rs 4.95 lacs under schedule of XVI (E) of FR Part-I Vol-I

to IFA for AON concurrence with justification that funds of Rs 2.00 crore have been allotted under Code Head 795/01 for development of sports infrastructure and the provision of Led Flood Light at sport complex will enhance the quality of infrastructure and provide better facilities to air warriors and their families.

IFA observed that HQ MC Nagpur did not mention specific authority under which Procurement of Led Flood Light has been authorized. Air HQ/MoD had also not issued any guidelines for Procurement of LED flood Light for sports ground. The specifications mentioned in the proposal were found to be vendor based.

The proposal was not concurred by the IFA as there was nothing to suggest that the existing arrangement of flood light at basket ball and volley ball court was not sufficient.


Sr Accounts Officer (IFA)

Copy to

1. JS & Addl FA (S) MoD (Fin), N Delhi
2. JS & Addl FA (VP) MoD (Fin) ,N Delhi
3. Jt CGDA (AT-I)
4. Jt CGDA (AT-II)
5. Jt CGDA (Trg)
6. Sr Dy CGDA (EDP) with request to place the matter on website
7. Hindi Cell with a request for issuing in Hindi version
8. IFA BR for information w.r.t his letter No. IF/IFA SYSTEMS/INST/VI dated 03.02.2012 & IFA HQ MC (AF), Nagpur w.r.t letter No. IFAMC/015/Target/Corr/Vol-III dated 01/03/2012.


Sr Accounts Officer (IFA)