

IFA CONCURRENCE FOR WORKS PROPOSALS

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INTRODUCTION

There are a number of Orders, books of regulations Instructions which are to be reckoned while performing the Role of IFA. As far as Works is concerned there are no instant and complete references like the one for Stores procurement or capital procurement for which the DPM 2006 and DPP 2006 serve as useful aid. Over a period of time CVC has issued a number of guidelines regarding Govt. contracts and more specifically on Tendering procedures which are important yardsticks while evaluating proposals for concurrence. Some of these have not been synchronized with the RMES / DWP /FR etc. The MES Contract Manual has given much clarity to many of the areas in Contract Management which have not been adequately covered in other literature. Therefore for our effective functioning, an assimilation of various orders concerning MES works is felt necessary so that in the process, the Contradictions/ incompatibilities existing if any, can be ironed out. This write up is an effort in this regard.

CHAPTER I

SCOPE OF IFA'S ROLE IN MES WORKS

1.0 SCOPE FOR IFA CONCURRENCE FOR WORKS PROPOSALS

The role of IFA in Defence Works can be brought under three different categories namely

- (a) Acceptance of Necessity
- (b) Concurrence for Admin Approval / Revised Administrative Approval
- (c) Financial Concurrence Cases under para 2(h) of DWP 2007

1.1 As per PIFA Instruction No. 6 of 2008 issued under their No. PIFA/Works / Policy dated 27/2/2008, with effect from 01/04/2008, the Acceptance of Necessity, Vetting of AE s and Financial Concurrence will be done by the Regional PCsDA/CsDA/ Command IFA in the case of Army Works, and in the case of Navy and Air Force, the Acceptance of Necessity, Vetting of AE s and Financial Concurrence will be done by the IFA Command Navy and IFA Command Air Force respectively. This Single window system has replaced the erstwhile system of Acceptance of Necessity being approved by the respective IFAs and Vetting of AE s getting done by the Regional PCDA/CDA.

CHAPTER II
TYPE OF WORKS COVERED UNDER RMES:

2.0 As per Para 3 of Defence Works Procedure 2007, for the purpose of budgeting and control of the operations, Defence Works are divided into (a) Original Works and (b) Repairs.

2.1 ORIGINAL WORKS: The term “Original Work has been defined in Para 4 of DWP 2007. The significant aspect of this Definition is that all Additions and those alterations which are necessitated by Administrative or Technical Reasons will also be treated as Original Work. As per Para 5 of DWP 2007, For Administrative purposes Original Works are divided into the following categories:-

- (i) Major Capital Works i.e., Original Works costing Rs. 15 lakhs or more
- (ii) Low Budgeted Capital Works i.e., Original Works costing more than Rs. 2 lakhs but less than Rs. 15 lakhs.
- (iii) Revenue Works i.e., Original Works costing more than Rs. 1 lakhs but less than Rs. 2 lakhs ; and
- (iv) Minor Works: Original Works costing not more than rs. 1 lakhs

2.11 Major Capital Works and Low Budgeted Capital Works will be budgeted under Capital Heads. Revenue Works and Minor Works will be budgeted under Revenue Heads.

2.12 As per Para 6 of DWP, the **Original Works** are further sub-divided into Authorized and Special Works. It must noted that the Authorized Work may include special items of work, in which case it continues to be Authorized Work, but has a different implication in terms of the CFA for the work.

2.13 Authorized Works are those for which Scales exists and Special Works are those for which there are no scales (Ex: Provision of Synthetic Surface to Badminton Court). The two conditions governing Sanction of Special Works are that (i) it should not result in introduction of new practice and (ii) it can be approved only when exceptional local conditions justify (for example climatic or terrain factors). It is permitted for CFAs for Special Works to accord sanction in cases where it is customary or technically essential to provide the same provided such provision is not expressly prohibited under any Rules.

2.2 REPAIRS: The term “Repairs” has been defined in Para 7 of DWP. Alterations due to Technical Reasons has been included in the Definitions of both “Original Works” and “Repairs”. Repairs can be (i) Ordinary repairs and (ii) Special repairs. Ordinary Repairs includes Petty Repairs, Periodical Services and Replacement and renewals costing upto Rs. 150000 for each item, Repairs,

renewals and replacement of E/M Installations and other external utilities costing upto Rs. 2 lakhs in each case, Replacement of furniture upto 50% of annual allotment for maintenance of furniture subject to a ceiling of Rs. 4 lakhs per annum (for condemned / BER furnitures.), **Special Repairs** consists of renewals and replacements as well as alterations and improvements costing beyond the monetary ceiling for ordinary repairs in each case and replacement of furniture beyond the limits as laid down for replacement of furniture under Ordinary Repairs. The GE will be the Competent authority for grouping of buildings for the purpose of Special Repairs. Special Repairs will be treated as Original Works but irrespective of the cost all Special Repairs will be budgeted for under Revenue Head.

2.3 DEFINITION OF TEMPORARY AND PERMANENT CONSTRUCTION:

(Para 12(a) and 12(b) of DWP 2007)

2.3.1 All works catering to short term requirements ie., accommodation not expected to be required for a period of over five years from the anticipated date of completion of the work will be temporary construction and built to specifications of the lowest possible type having regard to availability of material and the purpose of the facility of the service. The Temporary specifications will be laid down by the Zonal Chief Engineers on individual basis in accordance with the general guidelines issued by the E-in-C Branch.

2.3.2 All works catering to long term requirements i.e., accommodation expected to be required for a period of more than five years from the anticipated date of completion of work will be built to permanent specifications.

2.3.3 The above mentioned period of five years is only a guide for the CFA and in special cases, the CFA may take use their judgment and record the reasons thereof in the Admin approval.

2.4 PLANNING FOR NEW WORKS: (Para 16 of DWP 2007): Major Capital Works costing Rs. 15 lakhs or more must be included in the Annual Major Works Programme (AMWP) of the concerned Service/ Organization for the relevant financial year. Low Budgeted Capital Works must be included in the Low Budgeted Capital Works Program of the concerned Command duly approved by the GOC-in-C or equivalent. **As per Hqrs Office letter No. 18184/AT-X/Vol.X dated 28/6/2007, cases of Low Budgeted Works / Special repairs should be examined and concurred by the PCsDA/CsDA/IFAs even if these are not part of MWP/AWP.**

2.41 If during the current financial year any new works project not included in that year's Annual Works Program, has to be subsequently approved and/or commenced for extraordinary reasons separate approval of the Govt. should be taken for revision of the Annual Works Program. (Para 18(c) of DWP).

2.42 The MWP/AWP as approved by MOD in consultation with MOD(Fin) will be communicated interalia to IFAs/CsDA for information. (Para 19.1(a) of IFA Manual)

2.43 The completed Board Proceedings for the Works as ordered by the Command Hqrs along with detailed Engineer appreciation and Rough Cost Estimates will be required to be submitted within three months of the approval of Annual Works Program by GOC-in-C and equivalent.

2.44 Within 45 days of submission of the above and after settling any observations thereof the approval of the Board Proceedings is to be communicated to the Engineering Authorities concerned for submission of AE s within four weeks from the receipt of the Approved Board Proceedings from respective CFAs. The time limit for Acceptance of Necessity is a matter of interest for the IFA as the concurrence has to be given within this period.

CHAPTER III

3.0 IFA CONCURRENCE FOR ACCEPTANCE OF NECESSITY FOR WORK.

The Powers of Administrative Authorities for Acceptance of Necessity and Admin Approval for Works are laid down in Table A of RMES (also in Appendix D of DWP 2007 and Appendix II Part I Army Schedule XVIII) which lays down the Powers to be exercised without and with Consultation of IFA separately, further sub-divided into Authorized and Special works for each of the above two categories. A separate delegation of powers on similar lines have been made in respect of Joint Staff Organizations under Annexure 5 to GOI MOD letter No. FP/20135/HQIDS/2350/2006/D(GS-I) dated 8/9/2006. The powers for Administrative Approval in respect of Coast Guard Organization are contained in Govt. of India, Ministry of Defence letter No. PF/0104/CGHQ/115/DO(T)/D(N-II) dated 19/1/2004.

3.1 In cases where the project includes both authorized and special items of work the criterion shall not be the financial powers for the authorized items of work alone. In such a case, therefore if the estimated cost of the total of the special items of work exceeds the financial powers of the CFA, for those items, the administrative approval shall be issued by the CFA under whose powers the Special items of work fall.

3.2 Acceptance of Necessity is based on Rough Estimates except when the case is dealt with at Ministry Level. Before according approval for Acceptance of Necessity, the CFA will ascertain that funds will be made available at the appropriate time for carrying out the works before passing such orders. (Para 25 of DWP 2007)

3.3 Some Important Points regarding Acceptance of Necessity have been clarified vide Hqrs Office letter No. 18184/AT-X dated 30/12/98.

(a) Inclusion of a project in MWP/AWP is indicative of the priority requirement of the project while examination of the necessity is a matter of details to be gone into by the IFA s such as no. of houses built supportive facilities available, need for special items etc., Therefore even if a project is included in the MWP/AWP it is essential for the IFA to examine the necessity for work.

(b) Projects are included in the MWP/AWP after examination of its necessity at various levels at Command and Army Hqrs. Prima Facie the question of rejection of proposals included in the MWP/AWP by the IFA should not arise. However in case the supporting details are inadequate for approving the works, IFAs can disagree with the proposals.

3.4 Some Important Analysis generally carried out during the processing of

cases from Acceptance of Necessity Angle are:

(a) As per PIFA Instruction No. 16 of 2008 (No. PIFA/13381/Army/2008 dated 3/9/2008) except in the case of proposals involving sanction of GOC-in-C ARTRAC Command, the Proposals for IFA concurrence will be processed only by the IFA to the CFA and in such cases the IFAs of the Authorities below the CFA level will not be involved. Therefore the primary scrutiny should be to see whether the proposal has been split up to bring it within the powers of the lower CFA. As per Para 2(j) of DWP 2007, No project or works services will be split up to bring it within the powers of a CFA at a lower level. In every case the CFA must be determined with reference to the Cost of the Measure. If the Cost of the measure involves higher CFA then the proposal must be returned to the unit advising them to take up the matter directly with the higher CFA. A typical case of splitting up could come in the case of Special Repairs. As per para 10(b) of DWP 2007 GE will be the competent Authority for grouping of buildings for the purpose of Special Repairs. The point for consideration would be whether the GE has infact surveyed similar buildings for grouping or has approached the Building in question in an isolated manner. Another Paradigm could be carrying out the Works in two phases in two different years under the powers of the lower CFA with reference to the split up amount in each of the years. Further, as per Para 131 of RMES, where a number of services in a station or area are necessitated by a change of plan or policy or location of units or portions thereof, all the services to which the Govt. is thus committed will be considered as one project.

(b) As per Para 2(a) of DWP 2007, No new works should be sanctioned without careful attention to the assets or facilities already available and the time and cost required to complete the new work. In the case of Original Work for Construction of accommodation, it must be examined as to whether the category of persons for whom the accommodation is planned is as per the PE and the proposal caters for deficient accommodation only.

(c) The primary reference warranted to be made in the case of considering proposals from AON Angle is whether the proposal is as per the Scales of Accommodation for Defence Services 1983. Deviations from the scales prescribed therein constitute "Special Work". The SOC should contain adequate details to satisfy that the proposal is in accordance with the Scales. For Example, Para 3.7 of Scales of Accommodation for Defence Services 1983 provides that Sheds for parking of bicycles and scooters will be authorized for Administrative Buildings, Defence Establishments Depots and other similar Military Buildings where parking of bicycles and scooters is required. The scale prescribed is 0.84 SM per cycle and 2 SM per scooter. Therefore the SOC should contain details of the No of Cycles/Scooters which would be parked to

justify the area of construction, with details of facilities already available.

(d) While considering IFA concurrence for Special Works it must be seen that with reference to Para 6 (b) of DWP 2007, these works can be approved only when exceptional local conditions justify or as an experimental measure. Special Works should not be approved if the effect would be to introduce a new practice or change in Scales. In helping to interpret this provision the note thereunder provides that where no scales have so far been laid down and there are no orders prohibiting the undertaking of such works the CFA for "SPECIAL WORKS" may sanction such works if it is customary or technically essential to provide the same. (Examples : Air Conditioning of Squash Court, Synthetic Surfacing for Badminton Court, Flood lighting for Basket Ball Court etc.,)

(e) As reiterated earlier in cases where the project includes both authorized and special items of work the criterion shall not be the financial powers for the authorized items of work alone. In such a case, therefore if the estimated cost of the total of the special items of work exceeds the financial powers of the CFA, for those items, the administrative approval shall be issued by the CFA under whose powers the Special items of work fall. As per para 6(c) of DWP 2007, Engineering Authorities will not be asked to undertake preparation of estimates of a project which includes special items of work unless the CFA has accorded formal approval in principle of such items. As a general rule and more so in the above cases IFA concurrence should not precede AON concurrence by CFA. If a building or service required is categorized as "Special" all connected items thereto will be termed as "Special" and sanctioned as such under the powers of the CFA. Superior specifications to those on which approved / sanctioned plinth area rates are based will be termed "special". Their incorporation in works at any stage during planning or execution without prior approval of CFA is not permitted. **As per Hqrs Office letter No.o/18527/AT-S dated 4/2/87 in all cases of Special Repairs which do not fall within the definition of Authorized Work and which are not in accordance with the Scales or Regulations will be treated as Special Work and should be sanctioned as such by the appropriate CFA to whom the powers have been delegated under "Special Works" in Table A of RMES.**

(f) All Schemes of electric, and water supply installation, sewage disposal fire fighting and central air conditioning will be submitted to the following Engineer Authorities for prior technical scrutiny. Vetting of Central Sewage System and central air conditioning system by PG qualified Officers of the respective field of specialization and vetting of the fire fighting schemes by the Fire Adviser of Ministry of Defence must be ensured wherever applicable. (Para 60.7 of E-in-C's Standing Orders)

SLNO	VALUE	COMPETENT AUTHORITY
1	Schemes costing upto Rs. 22 lakhs	CWE
2	Schemes costing from Rs. 22 lakhs upto Rs. 120 lakhs	CE (Zone)
3	Schemes costing over Rs. 120 lakhs	E-in-C

(g) Where the proposal involves taking bulk supplies of electric energy or water from outside sources, the competent authority will be determined with reference to Item No. 10 of Table B of RMES (with reference to the amount of annual payment). As per para 850 of RMES when it is proposed to take bulk supply of water from an outside source and the supply cannot be arranged by the CWE/CE within his powers (Table B of RMES) the proposal together with an approximate estimate of cost and a report bringing out the following points will be submitted to the E-in-C for consideration.

- (a) Source of supply of water and the reasons for considering a separate MES source undesirable.
- (b) The comparative estimated all-in-working cost per 1000 gallons with details.
- (c) The proposed conditions of supply
- (d) Reasons for taking a bulk in preference to a distributed supply.

A report from the medical authorities that the source of supply has been inspected and that chemical and bacteriological tests have been carried out will accompany the proposal.

(h) As per para 858 of RMES when it is proposed to take bulk supply of power from an outside source and the supply cannot be arranged by the CWE/CE within his powers (Table B of RMES) the proposal together with an approximate estimate of cost and a report bringing out the following points will be submitted to the E-in-C for consideration.

- (a) Source of supply of power and why an MES power station is not considered desirable.
- (b) The comparative estimated all-in-working cost per kilowatt hour with details.
- (c) The proposed conditions of supply
- (d) Whether any company's licence covers the area concerned if so, a copy of the licence must be sent with the proposal.
- (e) Reasons for taking a bulk supply in preference to distributed supply.

(i) **As per AHQ QMG Branch DHQ PO New Delhi letter No. 90691/Q3(Policy) dated 22/7/71**, cost of repairs upto 50% of the cost of semi-permanent/permanent construction is deemed to be economical. Projects for

special repairs to temporary buildings should not be sanctioned as a matter of course. In all such cases, Engineers should be asked to furnish rough cost of Special Repairs and new construction. Where rough cost of special repairs given by the Engineers is more than 50% of the cost of new construction, special repairs should not be sanctioned and the building will be considered for demolition.

(j) When framing estimates for special repairs, all the items of repairs should be taken into account and **the proposal should be based on engineer appreciation after detailed examination at site.**

(Auth : E-in-C's Branch letter No 35415/E2A dated 27 Jun 62).

3.5 POINTS TO BE SEEN DURING SCRUTINY OF BOARD PROCEEDINGS

It should be seen that the board proceedings outlining the detailed justification in terms of necessity/requirement of the proposed work and that the BPs has considered following points/aspects:

1. Accn Statement Part I & II - These statements are the most important documents for arriving at the requirement of proposed accommodation. Therefore, adequate emphasis is required in preparation of these documents. Standard format should be followed and all the columns filled correctly.

(a) Accn Statement Part I This should be prepared by the user unit/formation with the authority of PE and should be forwarded duly signed by a responsible officer of the unit concerned and Station Cdr/Adm Comdt.

(b) Accn Statement Part II Based on Accn part I, Accn authorised, available, deficient etc needs to be clearly indicated in Accn Part II and this should be signed by GE concerned.

2. Zonal Plan - Siting of Accn should be in accordance with the approved Zonal Plan. However in exceptional cases, if it is not in accordance with the Zonal Plan, the justification to this effect should be covered in the BPs and a certificate from the Stn Cdr be made part of the BPs stating that the proposed siting is being catered in the revision of Zonal Plan.

3. Disposal of Old Bldgs - If new Accn is being proposed against the existing Accn, the justification of the same should be given in the BPs as also the final disposal of such Accn whether by demolition or subsequent reappropriation for some other purpose needs to be clearly indicated in the BP itself. In case the existing Accn is to be utilized against the deficiency of some other unit at the station, a certificate to this effect is also required from the Stn Cdr.

4. Tree Cutting - All the trees falling within the proposed siting of building should be identified in the BOO and a certificate duly signed by the Stn Cdr shall be made part of the BPs stating that the clear site will be handed over to the MES before commencement of the work.

5. Special Items - As far as possible, special items should be avoided and, if at

all considered necessary, be kept at minimum level. Inclusion of special items needs to be justified in the BPs and the cost effect is to be considered separately in the RIC. All items of external services related to a special Accn should be treated as special items. While giving the recommendation, the BOO must highlight the cost of the special items and the same should also be covered in the recommendations of the Cdrs in chain.

6. Air Conditioning - Air Conditioning shall be provided as per the chapter 53 of SOA. Whenever Air Conditioning is recommended, which is not covered under SOA, adequate justification should be given in the BPs. The requirement of temperature, humidity and other parameters should be specified in the BPs correctly based on user requirement.

7. Cooling Appliances - These shall be provided as per the authorized scales. The existing cooling appliances should be considered in BPs to work out the deficiency and details of the same must be included in the BPs giving location of each item.

8. Standby Gen Sets - DG Set is authorized for certain locations as per the chapter 57 of SOA. For all other standby requirements, prior Govt sanction is necessary. Hence any work in the latter category where DG set(s) is included, even as special item needs to be sanctioned by the Govt of India.

9. Prestigious Bldgs - An extra percentage subject to a maximum of 10% of the total cost can be added for special architectural features etc for the buildings which have been declared prestigious by the Govt of India. Therefore, for the work other than the Govt of India power work, this provision is not to be considered unless the bldg has been declared prestigious by Govt of India. For the declaration of a prestigious bldg, a statement of case in support is enclosed to justify the requirement.

10. Furniture - It has been authorized for various Accn in the scale of furniture. While finalizing the BPs, the existing furniture has to be accounted for to work out deficient items. In case complete new furniture is recommended for any work, the existing furniture needs to be adjusted against station deficiency of furniture and certificate to this effect duly signed by the Stn Cdr and GE should be attached with the BPs apart from covering justification in the body of BPs for the same.

11. Adherence to Ceiling Specified in MWP - Ceiling for each work is specified in the MWP. The same should be followed scrupulously. If the ceiling is being exceeded, the same shall be immediately brought to the notice of the Comd HQrs along with the reasons for the same. It is, therefore, essential that rough cost be assessed at the time of projection of work as accurately as feasible through user and engineers interaction. Wherever phasing is considered for a work in the MWP, the excess over ceiling for the current year should be adjusted in subsequent phases.

12. Certificate From Engineers - Following documents are to be signed by Engineer Auth only:

(a) Accn Statement Part II - By GE

(b) Engineer appreciation - By GE

(c) RIC - By GE

(d) Water & electricity availability certificate - By GE

(e) Non-availability of furniture certificate - By GE

13. Water Supply/Electric Supply - Wherever augmentation of water supply/electric supply is required, such as new transformer, sub station, OHR, tube well, additional load sanction from the state electricity board/water supply organization etc, the requirement should be justified in the BPs and the cost be considered accordingly in RIC and not as percentage of the cost of bldg.

14. Land - The Accn is to be planned on A-1 Defence land only. A certificate to this effect duly signed by the DEO and the Stn Cdr should be included in the BPs.

CHAPTER IV
FINANCIAL CONCURRENCE BY IFA FOR ISSUE OF ADMIN APPROVAL /
REVISED APPROVAL

4.0 The financial powers of CFAs for Acceptance of Necessity (See Chapter III) and Administrative Approval are the same. The Concurrence of IFA is sought for the Administrative Approval Amount after the Acceptance of Necessity has been obtained. As per Para 130 of RMES AE s cannot be prepared until Acceptance of Necessity by CFA. **As per PIFA Instruction No. 6 of 2008 (No. PIFA/Works/Policy dated 27/2/2008) the vetting of AEs would be done by the Regional PCsDA/CsDA/ IFA Command in the case of Army Units, by IFA Command Navy in the case of Naval Units and by IFA Command Air Force in the case of Air Force Units.** This is in amendment to the previous position where the Regional PCsDA/CsDA/IFA Command were responsible for vetting of AEs.

4.1 As per para 129 of RMES where the approximate estimate exceeds by more than 10% of the amount for which necessity was accepted revised acceptance of necessity by CFA will be necessary. This tolerance is however not intended to cover any additional requirements of the users or to enrich the specifications already sanctioned.

4.2 DOCUMENTS TO ACCOMPANY FINANCIAL CONCURRENCE FOR ADMINISTRATIVE APPROVAL OR REVISED ADMINISTRATIVE APPROVAL.

4.21 The proposal should be submitted through regular noting on file. The following documents must be made available for giving concurrence.

- (a) AE s Part I and Part II signed by the Competent Engineer Authorities. with supporting documents for MR, MV/DCS etc., The responsibility for preparation and Scrutiny of Engineer Documents are listed in APPENDIX I.
- (b) Fund Availability Certificate in the Prescribed Format.
- (c) Concurrence of CFA Accepting Necessity for Work

4.3 GUIDELINES FOR SCURITINY OF APPROXIMATE ESTIMATES:

4.31 The AE s will be prepared in the prescribed proforma as per the lines indicated in the approved SOC and / or Board Proceedings/DPR. However Office and domestic requirements for MES constructional staff, consultancy charges, if any, necessary external services and other requirements of technical nature will be included in the Approximate Estimates, even if no specific recommendation of the Board of officers is existing (Para 29(a) of DWP 2007).

4.32 Contingencies will be provided at 3% of the estimates. Establishment Charges duly recording reasons and not exceeding 2% will be provided for Deposit Works, but will not be provided for MOD establishments (Para 29(c) of DWP 2007)

4.33 No Special items of works or superior specifications will be included without specific approval of the CFA. Variations in specifications from those included in approved plinth area rates but considered essential to suit peculiar local conditions due to technical reasons will be highlighted. (Para 29(d) of DWP 2007)

4.34 Approximate Estimates will be prepared by the Competent Engineer Authorities and will be checked by the next higher Engineer Authorities (Para 29(f) DWP 2007)

4.35 As per Appendix "F" of DWP 2007 the AE s have to be prepared within 6 weeks after Acceptance of Necessity.

4.36 In the case of Married Accommodation, CEA will place on record a certificate to the effect that the Land is available for construction before submission of the case to CFA for Sanction. (E-in-C Branch letter No. 95533/POL/E2 dated 19/1/90 quoted in MES Compendium of Orders)

4.37 Arboriculture works should be sanctioned as a separate project and not as integral part of the Capital Work. It could be sanctioned by the Army Commanders on selective basis keeping in view the economy. (E-in-C Branch letter No. 86225/E2(WPC) dated 4/1/78 quoted in MES Compendium of Orders)

4.38 Proposals for Special repairs should be based on Engineer appreciation after detailed examination at site. (E-in-C Branch letter No. 66449/E2(WPC) dated 1/2/82 quoted in MES Compendium of Orders)

4.4 **PLINTH AREA RATES:** Plinth area for the building and the services as authorized are provided as per the Compendium of Scales of Accommodation 1983. In the case of hospitals, scales of accommodation for Armed Forces Hospitals 1997, will be adopted. Plinth area rates as approved by Govt. of India will be included in the AE s. If richer specifications are adopted, basis for adding the costs for the same to the Plinth Area rates should be indicated including clearance from associated finance (E-in-C Branch letter No. 96624/E2A dated 28/7/71 – quoted in MES Compendium of Orders) Plinth area rates for married accommodation are issued by E-in-C. Specifications are as per E-in-C's Technical Instructions. Cost of E/M Services will be based on the rates

obtained from the **Estimating Data (ED Rates)** issued from time to time. Cost of Furniture items is provided on the basis of Area Rate Lists. Furniture authorized and required will be provided as per the Scales of Furniture for Defence Services 1989. In case of furniture for Hospitals, Scales of Furniture for Armed Forces 1990 Hospitals will be adopted.

4.5 MARKET VARIATION AND DIFFERENCE IN COST OF STORES (MV &DCS) : Market variation is the amount by which the basic cost of work service priced on SSR/ED rates is enhanced to bring the cost at par with current market rate while submitting the estimates. The additional percentage to be applied is based on accepted rates of Contracts by Zonal CEs/ similar works under execution in the area as approved by Chief Engineers. They will be corrected if necessary by the appropriate Engineer Authority at the time of issue of Administrative Approval and shall also include variation in cost of stores between the actual and issue rates of the contract on percentage basis.

4.6 GENERAL DRAWBACKS OBSERVED IN AES/RAES

1. Wrong adoption of Plinth Area authorized as per scale of Accommodation for Defence Services, 1983
2. Variation in Accommodation Statement vetted by user's directorate and accommodation catered in AE part II
3. Wrong adoption of rates as per SSR/ED Rates etc and non-quoting of correct items of SSR/ED Rates in AE part II
4. Rates Analysis for assessed rates being adopted are not placed on file for verification.
5. Copy of Jobs from where rates being adopted are not placed on file for verification.
6. Price lists/ Quotations etc for Market rates not being placed on file for verification of rates of valuable items exceeding Rs. 50,000/- & above.
7. Certain items of works, which are not, authorized being provided in AEs such as Geysers, Air conditioning etc.
8. Wrong adoption of scales of furniture held on charge not deducted from authorized furniture.
9. Non updation of AEs on current MV/DCS percentages and nonplacement of copies of MV/DCS percentage Return.
10. Non updation of rates of furniture on latest Area Furniture Rate list and no placement of copies on file for verification of rates.
11. Plinth area for garages of vehicle are not taken in accordance with standard size of garages issued by E-in-C's Branch.
12. Fire fighting provisions catered in the AEs are not approved by Fire Advisor, Ministry of Defence.
13. Separate provision is made for soil investigations where as the same

should be met out of contingency separately.

14. Special items of works are required to be approved by Associate Finance of user's Directorate.

15. MV/DCS applied on assessed/ market/contract rates/ furniture rates are not admissible.

16. Provision for temporary DMES storage and office ACC is being made in the AEs, which is chargeable to Contingencies of Arg acts.

17. Items catered for in AEs are not as per recommendation of BP and quantities in BPs & AEs are at large variance.

18. Credit for cost of demolished/dismantled materials are not being accounted for in the AEs (both B/R & E/M portion).

19. Plinth area rates are not being quoted as per rates published by E-INC's Branch letter No 83975/OTM/E2W (PPC).

20. AEs are not being checked by the next higher engineer authority as provided for in Rule 334 RMES.

21. Establishment charges @2% are being charged in the AE Part I in all the cases of lower CFA. This is required to be charged in case of deposit work only.

22. Calculation/casting errors in the AEs/RAEs.

4.7 DOCUMENTS REQUIRED FOR VETTING THE AES/RAES

- a) Scales of Accommodation (DS), 1983
- b) Scales of Accommodation for Armed Forces Hospitals, 1982.
- c) Scales of Furniture (DS) 1989
- d) Plinth Area Rates at Par SSR 2004 for MD Accommodation
- e) Plinth Area Rates at Par SSR 2004 for OTM Accommodation
- f) MES SSR 2004 Rates for all items of works.
- g) ED, 1996 Rates for External Services
- h) Area Furniture Rates List
- i) MVs & DCS Return is (Zone-Wise)

4.8 TIME SCHEDULE FOR COMPLETION OF WORKS

4.81. Pre-admin Approval

Total time period prescribed from initiation of Major Works Programme by Command HQ to be implemented two years later and forwarding them to QMG's Br to receipt of Admin Approval/release of work is 78 weeks. For repetitive works lesser timings may be achieved.

4.82. Post Admin Approval

Total time prescribed from issue of works operational order to period of physical execution is as under :-

Md Accn / OTM Accn

(a) Chief Engineer Contracts - 95 Weeks to 102 Weeks

(b) CWE Contracts - 78 Weeks to 88 Weeks

(c) GEs Contract - 49 Weeks to 56 Weeks

Notes :-

(i) Works of site development including soil investigation and approval of line plans by the users to be dovetailed in to pre-admin Approval stage.

(ii) Time period for design of Multistoreyed Md Accn to be dovetailed with pre-admin approval time schedule, after acceptance of necessity and sanction of work.

(iii) For complex structure of OTM Accn add 33% more time.

(iv) External Services design and planning in developed areas/zones, the time is concurrent with the bldg works.

(v) 6 to 8 more weeks for financial concurrence cases.

(vi) For multistoreyed construction add 25% extra time.

(Auth : MOD letter No 95533/Pol/CSS/E2 WPC/472/DO-I/D(W-I) dt 24 Apr 86 circulated vide E-in-C's Br letter No 39349/E2 WPC dt 12 Jun 86.)

4.9 ADMISSIBILITY OF ESCALATION : As per Para 29(e) of DWP 2007, in case of works scheduled to be completed within two years, no escalation except statutory increases will be allowed in the contracts for execution of such works. Approximate Estimates for such works will be prepared accordingly. **It is therefore evident from the above provision that the escalation element should not be included in works to be completed within two years.** There is no legal definition as to how many weeks would constitute two years. However as can be seen from the above mentioned time schedule for completion of works, even in respect of OTM or Married Accommodation the completion period prescribed by E-in-C is 95 weeks to 102 weeks. For other works, the completion period must be relatively lesser. This aspect must be carefully analysed during scrutiny of Approximate Estimates.

The instructions issued by E-in-C vide their letter No. 95533/DWP/Pol/E2W(PPC) dated 7/11/2007 permitting inclusion of escalation in the Approximate Estimates for works to be completed within two years is apparently contradictory to Para 29(e) of DWP 2007 and would require suitable amendment.

**CHAPTER V
FINANCIAL CONCURRENCE CASES (FC CASE)**

5.0 DEFINITION OF FINANCIAL CONCURRENCE: Financial Concurrence means acceptance by the CFA to incur expenditure more than the amount catered for in the Admin Approval based on the rates quoted by the Lowest Tenderer to avoid time and cost over run of the full part of the project. Thus once the Tenders are issued the case should be processed as FC case and not one for Revised Administrative Approval.

5.1 REVISED ADMIN APPROVAL/ CORRIGENDUM/ FINANCIAL CONCURRENCE:

The final cost of any Service may exceed the amount of Administrative Approval by not more than 10 %. An Officer will take no action which will commit Govt to expenditure beyond 10 % of Administrative Approval without obtaining prior sanction of CFA in the form of Financial Concurrence (FC)/Corrigendum or revised administrative approval. By exceeding the estimates by the above tolerance limits, the CFA's powers themselves will not be exceeded. (Auth : Para 2(h) of DWP 2007).

5.2 STANDARD OPERATING PROCEDURE :

SOP for progressing Financial Concurrence Cases has been laid down and the same has been amended from time to time. This must be strictly followed by all concerned while dealing with FC Cases. (Auth : E-in-C's Br letter No 80223/Pol/E2 (WPC) dt 30 Nov 90 as amended.)

5.3 INSTRUCTION ON SOP

Instructions on the SOP to be adopted for processing FC cases as laid down in E-in-C's Branch letter DT 30 Nov 90 should continue to be followed. All financial concurrence cases be prepared as per details circulated vide E-in-C's Br letter No 80223/Pol/E2 (WPC) dt 11 Apr 88. (Auth : E-in-C's Br letter No 80223/Pol/E2W (PPC) dt 22 Jul 91).

5.4 TOLERANCE LIMIT IN FC CASES :

As per para 22(c) DWP-86 (corresponds to Para 32(c) of DWP 2007), a statement of case for financial concurrence should include a revised estimate for part/parts of the work included in the tender in the form of the work included in the tender in the form of Appx 'C' to DWP-86 (Appendix "G" of DWP 2007). Following the financial concurrence the revised Admin Approval is to be accorded by Competent Authority in the shape of Corrigendum. The tolerance limit of 10% is applicable to the revised Admin Approval based on such

Corrigendum. The lower formations allowing expenditure beyond amount of financial concurrence issued is irregular and should not be allowed.
(Auth : E-in-C's Br letter No 95533/Pol/E2W (PPC) dt 28 April 98.)

5.5 LIST OF DOCUMENTS TO BE ENCLOSED FOR FC CASES

Abstract in duplicate for the buildings/works for which market analysis is submitted.

1. Comparative Statement of Rates/Lumpsum amounts
2. Confirmation that the market rates for materials are those at which materials are being procured by contractors on on going works or independently verified from the manufacturers or their authorized dealers whichever is less.
3. Confirmation that the market wages for labour are those actually being paid by the Contractors presently on ongoing works verified from Contractors wage books and wage sheets and at the time of disbursements
4. Confirmation that the take off and pricing is counter checked with reference to tender provisions including drawings by AE(QS &C) /Asst Dir (C)/Dy.Dir (C) / Jt. Dir (C).
5. CTC of tender documents duly amended
6. 15 Point proforma as per format given in Appendix 3.14 of MES Manual on Contracts.
7. Market analysis of building/works including services.
8. Certificate under signature of CE that the lowest tender is reasonable and re-tendering is not likely to reduce the rates.

(AUTHORITY: PARA 3.23 OF MES MANUAL OF CONTRACTS)

5.6 CHECK LIST OF FINANCIAL CONCURRENCE FOR WORKS

The following points/documents have to be checked during the scrutiny of the FC cases:

1. The date on which the Administrative Approval was accorded and the work was released for execution is clearly indicated. If the work could not be released within one month from the date of sanction, reasons thereof are given.
2. A copy of the Administrative Approval and technical sanction are placed on the File.
3. Other documents listed in Annexure-A to this checklist have also been submitted along with the FC case.
4. The tender action has been taken within the stipulated time or at least within 18 months from the issue of Administrative Approval and six months from the date of release of the work.
5. In case of delay in tender action beyond three months from the date of Adm. Approval, reasons for delay have been furnished.
6. The sanctioned scope of work and specifications has been adhered to.
7. FC cases involving change in scope of work, adoption of specifications

higher than those indicated in Administrative Approval, large variation in the quantities of external services, adoption of Plinth Area rates of the costed schedule in excess of the authorized Plinth Area rates, inclusion of items of work(s) not initially included in the sanctioned work are not to be entertained.

8. In cases of unavoidable change in scope/specifications, change of site etc. detailed reasons has been furnished in a statement of case along with a draft Corrigendum.

9. Plinth Area rates for married accommodation reflected in FC cases are conforming to those approved by E-in-C's Branch from time to time. If not, whether the reasons for increase in Plinth Area rates are clearly brought out.

10. The pre-pricing of tender has been kept within the sanctioned plinth area rates.

11. The particulars of SSR and ED (Estimated Data) on which the rates of Administrative Approval are based are given while explaining the reasons for escalation.

12. Variations between the rates on market analysis and rates as per prevailing MV and DCS are explained.

13. In the case of furniture contracts, comparison of rates of Administrative Approval, tender and latest area furniture rate list has been given.

14. In the case of E/M contracts like water supply, electrification, sewage disposal, refrigeration and air-conditioning etc. comparison of tendered rates with ED rates and reasons for variation have been given.

15. In the case of proposals for accepting other than the lowest tender reasons for the same are specifically highlighted.

16. Reasons for not tendering any item(s) such as furniture, air-conditioning, etc. along with main tender are given.

17. Works sanctioned by different CFAs are not clubbed together for tendering.

18. The amount of contingencies available is being spent judiciously and proportionately.

19. Abnormal delay in planning and finalization of tenders resulting in time and cost overruns have been explained and justified.

20. Sufficient period of validity of the tender is available for processing the FC case by Ministry of Defence and Defence (Finance).

21. Reasons for increase in cost over the Administrative Approval amount (including tolerance) have been categorically brought out. To this end, each contributory factor should be separately explained indicating the financial implications of each factor.

22. The FC proposal has been cleared by the Ministry at appropriate level taking the total estimated completion cost of the work into account. In case of FC cases relating to Air Force, Navy, Factories works, the proposal has also been cleared by the Integrated Finance at appropriate level.

Following certificates must be furnished in support of the FC cases: -

1. The rates quoted are reasonable on ruling market price.
2. Re-tendering is not likely to lead to reduction in rates/total cost of tendered item.
3. The excess is not due to change in the scope of work.
4. The excess on the contract cannot be met from any other savings.
5. Any savings from the amount concurred will not be diverted to other running contracts.
6. Scope of work tendered is as per Administrative Approval.
7. No superior specifications have been adopted.
8. In case of any deviation in respect of (f) and (g) above, detailed Statement of Case and Draft Corrigendum have been furnished.
9. Complete tender documents including notice of tender.
10. Comparative Statement of tenders.
11. Financial Statement to show the amount available, details of DCs and details of items to be issued free for fixing.
12. Statement showing financial position of the whole project along with liabilities incurred against each item and amount required for the balance work yet to be contracted.
13. Statement of case for inclusion, if any item/items not covered in Administrative Approval.
14. Details of work signed by Accepting Officer.
15. Market Analysis.
16. Delay Report.
17. In case of married accommodation comparison of Plinth Area rates as given in the Administrative Approval and as included in the tender.
18. In case of OTM Accommodation, comparison of floor area and plinth area provided in the Administrative Approval and that included in the tender indicating in the remarks whether proportionate decrease in amount calculated or not.
19. In case of furniture contracts, comparison of rates in Administrative Approval, tender and latest area rate list.
20. In case of water supply and external electrification, comparison of Administrative Approval rates with ED rates.

APPENDIX 1
RESPONSIBILITY FOR PREPARATION AND SCRUTINY OF
ENGINEER DOCUMENTS

S N O	CFA	WITHOUT IFA CONCURRENCE (RS. IN LAKHS)		WITH IFA CONCURRENCE (RS. IN LAKHS)		ROUGH COST		AE s		ENGNR APPRECI ATION	REMA RKS
		3	4	5	6	7	8	9	10		
1	GOVT OF INDIA	FP	FP	FP	FP	ZONAL CE	DGW	ZONAL CE	DGW	ZONAL CE	
2	COAS / CNS / CAS	120	20	1500	75	ZONAL CE	DGW	ZONAL CE	DGW	ZONAL CE	
3	GOC-IN-C EQUIVAL ENT IN NAVY / AIR FORCE	75	7	500	30	ZONAL CE	Comd CE	ZONAL CE	Comd CE	ZONAL CE	
4	CORPS CDR	37	3.75	300	15	CWE	ZONAL CE	CWE	ZONAL CE	ZONAL CE	
5	CDR OF AREA / INDEP SUB AREA / G.OsC OF A DIVISION /CIFRR /INDEP BDE GP / EQUIVAL ENT IN NAVY AND AIR FORCE	22	0.75	200	8	GE / AGE(i)	CWE	GE / AGE(i)	CWE	CWE	
6	CDR OF A SUB AREA / BDE GP / RR SECTORS / EQUIVAL ENT IN NAVY AND AIR FORCE	150	0.5	100	2	AGE GE / AGE (I)	GE CWE	AGE GE / AGE(I)	GE CWE	GE CWE	For cases without IFA concurr ence for cases with IFA's concurr ence

S N O	CFA	WITHOUT IFA CONCURRENCE (RS. IN LAKHS)		WITH IFA CONCURRENCE (RS. IN LAKHS)		ROUGH COST		AE s		ENGNR APPRECI ATION	REMA RKS
7	STATION CDRS OF ALL RANKS IN ARMY / NAVY / AIR FORCE	5	0.5	0	0	SUPD T GDE I	AGE(I)	SUPDT GDE I	AGE(I)	AGE(i)	UPTO RS. 2. 5 LAKHS
						AGE	GE	AGE	/GE	GE	UPTO RS. 5. 0 LAKHS

NOTE : At sl no. 3 preparation of Rough cost /Approximate Estimates/Engineer Appreciation for works belonging to Navy and Air Force will devolve upon CWE and these documents will be scrutinized by Zonal CE.

AUTHORITY: GOI MOD LETTER NO. A/89591/FP-1/693/2002/D (GS-1) DATED 22/4/2002 AND APPENDIX A TO E-IN-C BRANCH LETTER NO. 95533/POL/E2W (PPC) DATED 1/11/2002 & GOI MOD LETTER NO. A/89591/FP-1/1974/2006/D (GS-1) DATED 26/7/2006 (REPRODUCED AS ANNEXURE "E" TO E-IN-C'S STANDING ORDERS)

NOTE: THE POWERS FOR ACCEPTANCE OF NECESSITY AND ADMIN APPROVAL IN RESPECT OF JOINT STAFF ORGANIZATIONS ARE SEPARATELY LAID DOWN AS ANNEXURE 5 TO ENCL/OSURE 2 OF GOI MOD LETTER NO. FP/20135/HQ/DS/2350/2006/D(GS-I) DT 8/9/06.

CISC/C-in-C SFC has the same powers as in sl. no. 2 above.

C-in-C has the same powers as in Sl. No. 3 above

Cmdts/TSlS/ISOs Major Gen and above have the same powers as in Sl. No. 4 above.

Component Cdr Army, Navy and Air Force, Orgs /Ests / Cmdts/TSlS/ISOs of the rank of Brig and below DDG SI/DSI (Zones) /NOIC/Cdr Sub Area /Bde Cdr /AOC have the same powers as in Sl. No. 6 above

Station Commanders/COs of the rank of Col. and above or below have the same powers as in Sl. No. 7 above.