

AMENDMENTS TO DPP 2016

(Applicability of all Amendments to DPP 2016 issued upto 31 Mar 2019)

<u>Ser No</u>	<u>Amendment</u>	<u>MoD ID No</u>	<u>Date of Issue</u>
1.	Applicability of Business Process Re-engineering amendments to DPP-2016, approved till date on the ongoing / future cases.	1(13)/D(Acq)/16-Vol.III	20 Mar 2019

Ministry of Defence
[Acquisition Wing Secretariat]

Subject: Amendment to Defence Procurement Procedure (DPP) 2016.

Ref: MoD ID Nos.1(13)/D(Acq)/16-Vol.III dated 23.07.2018, 06.12.2018,
07.03.2019 and 07.03.2019.


With reference to the MoD IDs under reference, it is stated that in the first three phases of Business Process Re-engineering in Defence Capital procurements, 39 amendments to DPP-2016 were approved by DAC on 22.05.2018, 25.09.2018 and 31.01.2019 which were notified vide these IDs by the Ministry. In the fourth phase, the following three amendments were proposed to further enhance efficiency and reduce timelines in Defence Capital procurements:-

- (a) Approval of Ab-Initio Single Vendor Cases by AoN according authority.
- (b) Incorporation of enhanced financial powers for Capital Acquisition proposals, issued vide MoD Acquisition Wing (Land Systems) Office Memorandum No. 20(11)/2015-D(GS-IV) dated 19 Feb 2019.
- (c) Applicability of Business Process Re-engineering amendments to DPP-2016, approved till date on the ongoing/ future cases.

2. The above amendments have been considered and approved by DAC in its meeting held on 27th February 2019. The approved amendments are attached as Enclosures 'A' to 'C' for information and compliance by all concerned.

3. The above amendments will come into force with immediate effect and as envisaged in the instant Enclosure 'C'.

Encl. As above



(V. K. Adhana)
Director (Acq)

Tele/Fax: 23792865

CISC	VCOAS	VCNS VCAS	DG(CG)
AS(SC)	AS(JN)	AS(DP)	AS&FA(Acq) CGDA
JS&AM(LS)	JS&AM(MS)	JS&AM(Air)	
FM(LS)	FM(MS)	FM(Air)	
TM(LS)	TM(MS)	TM(Air)	

MoD ID No.1(13)/D(Acq)/16-Vol.III dated 20.03.2019

Copy to: Director, RM Office/ PS to RRM /SO to Defence Secretary/ PPS to Secretary(DP) / PPS to Secretary(R&D) / PPS to FA(DS) / PS to DG(Acq)

Copy also to: US, D(IT), Room No.217, 'B' Wing, Sena Bhavan for uploading this ID on MoD website immediately.

STAGE OF APPLICABILITY OF AMENDMENTS TO DPP 2016: BUSINESS PROCESS RE-ENGINEERING (BPR)

<u>Ser No</u>	<u>Amendment</u>	<u>Stage Applicable From</u>	<u>Justification</u>
<u>BPR Phase I</u>			
1.	<p><u>Authority for Retraction of RFP.</u></p> <p>(a) Retractions & foreclosures due to change in operational philosophy, change in prioritisation for procurement and budgetary constraints to be approved by AoN according authority.</p> <p>(b) Retractions & foreclosures for reasons other than above including those at GS Evaluation stage to be approved by DG(Acq) & Vice Chiefs for MoD and Delegated powers cases respectively.</p> <p>(c) Cases for retraction need not be fielded in SCAP cycle, but directly in the committee which accorded AoN initially.</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN for retractions & foreclosures cases processed but yet to be approved by the competent authority.	Will help simplify and expedite ongoing as well as future retractions & foreclosures thereby facilitating subsequent actions / procurements.
2.	<p><u>Vetting of Draft Contract Document Concurrently with CNC.</u> CNC to finalise contract before seeking CFA approval taking into consideration any other issues that may arise during the course of CNC. This draft vetted contract is proposed to be attached with the CNC file while taking approval of the CFA.</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where CNC has not been concluded.	
3.	<p><u>Standard Composition of CNC in Delegated Power Cases.</u> Serial 1 of Para B of Appendix G to Chapter II of DPP-2016 be amended such that CNCs of cases above Rs 50 Crore and upto Rs 150 Crore are chaired by Major General / Equivalent whereas cases upto Rs 50 Crore are chaired by officers not below the rank of Brigadier / Equivalent.</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where CNC has not commenced.	
4.	<p><u>TOC not to be Mandatory for Cases Valued Above Rs 300 Crores.</u> Mandatory TOC for cases above Rs 300 Cr be done away with and decision to institute a TOC be vested with DG(Acq). The TOC is to be carried out in such Multivendor cases where a complaint has been received and not for Single Vendor Cases and cases where only DPSU(s) and OFB are participating.</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where TOC has not commenced.	

<u>Ser No</u>	<u>Amendment</u>	<u>Stage Applicable From</u>	<u>Justification</u>										
5.	<p><u>Technical Evaluation (TEC) Report to be Approved by SHQ.</u></p> <p>(a) Approval of all TEC reports for Delegated Power Cases and for such Non Delegated Power Cases where all vendors are compliant to be done within SHQ.</p> <p>(b) TEC reports for Non Delegated Power Cases where vendor(s) is found non-compliant at TEC stage will continue to be approved by DG(Acq).</p> <p>(c) Acceptance of GS Evaluation to remain unchanged.</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where TEC Report has not been accepted by the competent authority.											
6.	<p><u>Approval of Grace Period upto 45 days to Vendor(s) for Producing Equipment for Trials.</u></p> <p>(a) Grace period to vendors for Producing Equipment for Trials upto 45 days to be accorded within SHQ.</p> <p>(b) Approval beyond 45 days to be accorded by DG(Acq).</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where equipment for conduct of trials is yet to be deposited by the vendors and trials have not commenced.											
7.	<p><u>Issue of Commercial RFP before Trials in all Design & Development Cases.</u> In all Design & Development cases under Para 72, Chapter II of DPP-16, the Commercial RFP to be issued prior to commencement of User Trials, akin to the Revised Make II procedure.</p>	<p>In all cases irrespective of governing DPP where AoN has not been accorded. However, not applicable to cases where AoN accorded with special instructions to the contrary</p> <table border="1" data-bbox="1234 997 1848 1412"> <thead> <tr> <th data-bbox="1234 997 1608 1034"><u>Stage</u></th> <th data-bbox="1612 997 1848 1034"><u>Applicability</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="1234 1037 1608 1136">All stages prior to issue of AoN</td> <td data-bbox="1612 1037 1848 1136">Yes, RFP formulated accordingly</td> </tr> <tr> <td data-bbox="1234 1139 1608 1238">AoN issued but does not have condition preventing applicability of this clause</td> <td data-bbox="1612 1139 1848 1238">Yes, until prior to issue of RFP</td> </tr> <tr> <td data-bbox="1234 1241 1608 1340">AoN issued with condition preventing applicability of this clause</td> <td data-bbox="1612 1241 1848 1340">No</td> </tr> <tr> <td data-bbox="1234 1343 1608 1412">All stages post issue of RFP</td> <td data-bbox="1612 1343 1848 1412">No</td> </tr> </tbody> </table>	<u>Stage</u>	<u>Applicability</u>	All stages prior to issue of AoN	Yes, RFP formulated accordingly	AoN issued but does not have condition preventing applicability of this clause	Yes, until prior to issue of RFP	AoN issued with condition preventing applicability of this clause	No	All stages post issue of RFP	No	Applicability to cases where AoN has already been taken may corrupt the spirit of the AoN & hence may require review by AoN granting authority.
<u>Stage</u>	<u>Applicability</u>												
All stages prior to issue of AoN	Yes, RFP formulated accordingly												
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8.	<u>Inclusion of Beneficiary Bank Details for Bank Guarantee (BG) in RFP.</u> RFP format at Schedule I to Chapter II of DPP 2016 to be amended to incorporate Beneficiary Bank Details (IFSC Code & Address).	In all ongoing cases where RFP is yet to be issued.	Will facilitate such cases as this is an essential input required for processing BGs.								
9.	<u>Incorporation of GST in Price Bid Format and Evaluation Criteria.</u> Price Bid format and Evaluation Criteria in DPP 2016 to be amended to cater for GST.	In all ongoing cases where RFP is yet to be issued.	Would have to be incorporated in the RFP.								
10.	<p><u>Change in Approving Authority.</u> Following amendments to approving authority in respect of under mentioned three issues:-</p> <table border="1" data-bbox="277 576 1196 954"> <thead> <tr> <th data-bbox="277 576 696 619"><u>Issue</u></th> <th data-bbox="696 576 1196 619"><u>Amended Approving Authority</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="277 619 696 727">Extension in time for Bid Submission in response to RFP</td> <td data-bbox="696 619 1196 727">Upto 4 weeks by SHQ and additional 4 weeks by DG(Acq).</td> </tr> <tr> <td data-bbox="277 727 696 836">Permission for FET validations to be carried out abroad</td> <td data-bbox="696 727 1196 836">DG(Acq)</td> </tr> <tr> <td data-bbox="277 836 696 954">Delay in Signing of Contract while concluding Contract with the Shipyard</td> <td data-bbox="696 836 1196 954">DG(Acq)</td> </tr> </tbody> </table>	<u>Issue</u>	<u>Amended Approving Authority</u>	Extension in time for Bid Submission in response to RFP	Upto 4 weeks by SHQ and additional 4 weeks by DG(Acq).	Permission for FET validations to be carried out abroad	DG(Acq)	Delay in Signing of Contract while concluding Contract with the Shipyard	DG(Acq)	In all ongoing cases irrespective of governing DPP and date of accord of AoN where such approvals are required but have not yet been accorded.	Will simplify and expedite procedure in all such cases thereby telescoping timelines for subsequent actions.
<u>Issue</u>	<u>Amended Approving Authority</u>										
Extension in time for Bid Submission in response to RFP	Upto 4 weeks by SHQ and additional 4 weeks by DG(Acq).										
Permission for FET validations to be carried out abroad	DG(Acq)										
Delay in Signing of Contract while concluding Contract with the Shipyard	DG(Acq)										
11.	<u>Permitting Confirmation of BG Provided by a Foreign Bank & Issuance of BG by Private Sector Banks Authorised by Ministry of Finance.</u> Necessary amendments in the DPP wherein confirmation of BG provided by a Foreign Bank & issuance of BG by Private Sector Banks Authorised by Ministry of Finance, may also be permitted.	In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.	(i) In cases where RFP has already been issued, this may be issued as an addendum /input in pre bid reply. (ii) Amendments subsequent to pre-bid replies may vitiate level playing field.								
12.	<u>Incorporation of Arbitration and Conciliation (Amendment) Bill 2018.</u> References to Indian Arbitration and Conciliation Act, 1996 in	In all ongoing cases irrespective of governing DPP and date of accord of AoN	Will clarify applicability of								

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	DPP 2016 be amended to read Indian Arbitration and Conciliation Act, 1996 (as amended from time to time).	where RFP is yet to be issued.	subsequent amendments to Indian Arbitration and Conciliation Act, 1996.
13.	<u>Commencement of AoN Validity from Date of Issue of Minutes of Meeting of Concerned Categorisation Committee.</u> Clause to be inserted in the DPP 2016 formalising commencement of AoN validity from date of issue of Minutes of Meeting of concerned Categorisation Committee.	In all ongoing cases.	Already in vogue although this was not formally mandated in the DPP 2016.
<u>BPR Phase II</u>			
14.	<u>Amendment to Repeat Order Clause.</u> (a) A five-year time restriction from date of completion of warranty on final delivery of the previous contract for exercising the Repeat Order clause to be incorporated in the DPP. (b) If equipment proposed to be procured has already been procured by a sister service, BRO, other MoD agencies, PMF or CAPF after following due process, then such cases would also be treated as Repeat Order. Upto 100 percent quantity of equipment procured by the concerned sister service, BRO, other MoD agencies, PMF or CAPF in their last successful contract may be procured within the time restriction given in preceding sub para.	In all ongoing cases where AoN is yet to be accorded. In all ongoing cases where AoN is yet to be accorded.	Due to possibility that in ongoing cases this timeline may have already lapsed or about to lapse.
15.	<u>Reassessment of AoN Cost in 'Make' Cases on Receipt of Detailed Project Reports (DPRs) from Development Agencies (DAs).</u> Clause to be inserted in DPP mandating reassessment of AoN cost by SHQ in 'Make' cases upon receipt of DPR(s) from DA(s) and apprising the same to AoN granting authority.	In all ongoing 'Make' cases irrespective of governing DPP and date of accord of AoN where DPRs are yet to be approved.	
16.	<u>Incorporation of Denial Clause in RFP and Standard Contract Document.</u> Denial Clause to be included in the RFP format alongside the LD clause along with the format of the denial clause on	In all ongoing cases irrespective of governing DPP and date of accord of AoN cases where RFP is yet to be issued.	

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	lines of that available in Annexure 19 of the Manual for Procurement of Goods 2017 issued by Ministry of Finance. Such Denial clause to be applicable in the event of delay in delivery being attributable to the seller or a non force majeure event.		
17.	<u>Conduct of Benchmarking on Receipt of Trial Report by SHQ.</u> On receipt of Trial Report by SHQ, concurrent benchmarking be carried out by a Costing Committee headed by the Advisor (Cost) and reps of concerned SHQ Directorates. SHQ will also provide Advisor (Cost) with details of reps of SHQ Directorates nominated as members of the concerned Costing Committee. The recommendations of the costing committee may be accepted as such / deliberated upon by the CNC post approval of GS Evaluation and promulgation of CNC. Till then, the Costing Committee benchmark model and costing data may be kept in a sealed cover. In cases where no field evaluation is to be undertaken, the CNC would be constituted within a week of acceptance of TEC Report by the competent authority.	In all ongoing cases irrespective of governing DPP and date of accord of AoN where CNC is yet to be constituted.	Some advantage in terms of time may be accrued in such ongoing cases also.
18.	<u>Reckoning Date of ERV for Option Clause to be the Last Date of Submission of Commercial Bids in Original Case.</u> In cases where Option Clause is exercised, the date of reckoning of ERV will be the last date of submission of bids for the RFP of the Original Procurement Case.	In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.	
19.	<u>Inclusion of Details of Independent Monitors (IMs) in RFP.</u> The names and addresses of nominated IMs at the time of issue of RFP to be included in the RFP alongwith the statement that the vendor may refer to the MoD website to confirm if there are any changes to these details. In addition, Designation and Contact details of Dir(Vig) may also be given with the statement that all communications to IMs will be copied to Dir(Vig).	In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.	This additional information will facilitate redressing of issues raised by the vendor.

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20.	<p><u>Amendments to bring Clarity on Imposition of LD & Constitution of POVs in Contract Amendment Cases.</u></p> <p>(a) <u>Guidelines for Imposition of LD Clause in Upgradation/ Alteration Cases.</u> DPP 2016 to be appended to include Guidelines (as given in SoC) for imposition of LD Clause in upgradation/ alteration cases. These would be applicable to all cases in which Seller offers to carry out upgradation/ alteration in the specifications of equipment as concluded in the contract.</p> <p>(b) <u>POV only in Contract Amendment Cases involving Change in Equipment or Component.</u> Since all contract amendment cases may not involve major financial implications, POV to be restricted to contract amendment cases involving change of equipment / component or its modification.</p>	<p>In all ongoing cases where RFP is yet to be issued.</p> <p>In all ongoing cases irrespective of governing DPP and date of accord of AoN where contract amendment is being considered but POV is yet to be initiated.</p>	<p>May not be feasible in cases after RFP has been issued and bids received.</p> <p>Will help cut procurement timelines.</p>
21.	<p><u>Doing Away with BG for EPB in case EPB are Trial Evaluated During FET.</u> Permit evaluation during FET of EPB in respect of such vendors who claim compliance of their equipment to EPB and are willing to field their equipment for EPB trials during FET. Should such a vendor emerge compliant in FET in respect of EPB in addition to Essential Parameters A and subsequently emerge as the L1 vendor, the vendor will not need to furnish an additional BG in respect of EPB.</p>	<p>In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.</p>	<p>Incorporation of such clause post issue of RFP may vitiate level playing field for vendors & may be legally untenable.</p>
22.	<p><u>Amendment to Para 5(c) of Appx A of Chapter II (Defining Attributes of Buy and Make Category) in View of Promulgation of Strategic Partnership Model.</u> Para 5(c) of Appx A of Chapter II (Defining Attributes of Buy and Make Category) to be amended to make it congruent with Chapter VII of DPP 2016 (Strategic Partnership Model).</p>	<p>In all cases.</p>	<p>Post accord of categorisation & grant of AoN this amendment is not visualised to have any material effect unless re-categorisation of case is later undertaken.</p>

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23.	<u>Amendment to Para 5(a)(ii) of Appendix F to Schedule-I of Chapter IV.</u> Amendment to Para 5(a)(ii) of Appendix F to Schedule-I of Chapter IV to delete the term “of the ship” from the first sentence to bring greater clarity to this clause.	In all ongoing cases where RFP is yet to be issued.	
24.	<u>Amendment to Incorporate Applicability of Latest Legislation or Change or Amendment or Enforcement of any Act or Law, Rules or Regulations.</u> The scope of DPP 2016 at Para 2, Chapter I of DPP 2016 be amended to mandate that in the event of enactment of any new legislation or any change or amendment or enforcement of any Act or Law, rules or regulations of Government of India or Public body such as CVC, which becomes effective after the date of last amendment to this DPP, the same will automatically be deemed as replacement to the one referred to in this DPP.	In all ongoing cases where RFP is yet to be issued.	
<u>Phase-III</u>			
25.	<u>Revision of Evaluation Criteria and Price Bid Format (L1 Determination).</u> The existing “Evaluation Criteria and Price Bid Format” at Appendix ‘O’ to Schedule I of Chapter II, DPP 2016 to be revised to take into account the requirements of latest government policies on taxation and duties (GST, Custom Duties, etc) and requirements to incorporate additional details in the existing “Evaluation Criteria and Price Bid Format”.	In all ongoing cases where RFP is yet to be issued.	
26.	<u>Permitting LC Payment Through all Banks Authorized for Government Transactions by RBI.</u> LC payments to vendors (both Global and Indian) to be permitted by opening LC in all Public and Private Sector Indian banks authorized for government transactions by RBI.	In all ongoing cases where RFP is yet to be issued.	
27.	<u>Date of Delivery to be Reckoned from Date of Release of Advance Payment.</u> The date of delivery in the RFP & Contract Document would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T ₀), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45 th day and actual submission of documents will be excluded from the actual date of advance payment	In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.	

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	to arrive at the delivery date. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of signing of contract will be date for reckoning date of delivery. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. The above will apply to Fast Track Procedure (FTP) cases also.		
28.	<p><u>Provisional Acceptance of Vendor's Letter of Application to their Government for Export License in lieu of Export License for Release of Advance Payment in Buy(Global) and Buy & Make Cases.</u></p> <p>Provision to permit provisional acceptance in lieu of export license for release of Advance Payment, of a copy of vendor's application for export license to their government with the caveat that the vendor should submit the requisite Export License prior to release of next payment from the Buyer. The RFP & Contract documents also to be modified to incorporate this change.</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.	
29.	<p><u>Exclusion of Cost of Buyer Nominated Equipment (BNE) Sourced from Single Vendor while Determining L1 Vendor.</u></p> <p>Provisions of Para 84, Chapter II of DPP 2016 to be extended to all cases where BNE is to be sourced by participating vendors from a common single source, whether OFB, DPSU or private vendor with a caveat that the BNE rate would also be separately negotiated.</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.	

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30.	<p><u>Amendment to Integrity Pact Bank Guarantee (IPBG) Amount.</u> IPBG amount to be revised as below:-</p> <table border="1" data-bbox="300 277 1111 810"> <thead> <tr> <th colspan="2" data-bbox="300 277 875 389"><u>Estimated Cost of Procurement Scheme (Crore Rs)</u></th> <th data-bbox="875 277 1111 389"><u>IPBG Amount (Rs)</u></th> </tr> <tr> <th data-bbox="300 389 607 464"><u>Above (Not including)</u></th> <th data-bbox="607 389 875 464"><u>To (Including)</u></th> <th data-bbox="875 389 1111 464"></th> </tr> </thead> <tbody> <tr> <td data-bbox="300 464 607 501">-</td> <td data-bbox="607 464 875 501">20</td> <td data-bbox="875 464 1111 501">Nil</td> </tr> <tr> <td data-bbox="300 501 607 537">20</td> <td data-bbox="607 501 875 537">50</td> <td data-bbox="875 501 1111 537">10 Lakh</td> </tr> <tr> <td data-bbox="300 537 607 574">50</td> <td data-bbox="607 537 875 574">150</td> <td data-bbox="875 537 1111 574">30 Lakh</td> </tr> <tr> <td data-bbox="300 574 607 611">150</td> <td data-bbox="607 574 875 611">300</td> <td data-bbox="875 574 1111 611">70 Lakh</td> </tr> <tr> <td data-bbox="300 611 607 647">300</td> <td data-bbox="607 611 875 647">1000</td> <td data-bbox="875 611 1111 647">2 Crore</td> </tr> <tr> <td data-bbox="300 647 607 684">1000</td> <td data-bbox="607 647 875 684">2000</td> <td data-bbox="875 647 1111 684">5 Crore</td> </tr> <tr> <td data-bbox="300 684 607 721">2000</td> <td data-bbox="607 684 875 721">3000</td> <td data-bbox="875 684 1111 721">10 Crore</td> </tr> <tr> <td data-bbox="300 721 607 758">3000</td> <td data-bbox="607 721 875 758">5000</td> <td data-bbox="875 721 1111 758">15 Crore</td> </tr> <tr> <td data-bbox="300 758 607 794">5000</td> <td data-bbox="607 758 875 794">-</td> <td data-bbox="875 758 1111 794">25 Crore</td> </tr> </tbody> </table>	<u>Estimated Cost of Procurement Scheme (Crore Rs)</u>		<u>IPBG Amount (Rs)</u>	<u>Above (Not including)</u>	<u>To (Including)</u>		-	20	Nil	20	50	10 Lakh	50	150	30 Lakh	150	300	70 Lakh	300	1000	2 Crore	1000	2000	5 Crore	2000	3000	10 Crore	3000	5000	15 Crore	5000	-	25 Crore	In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.	Such changes may not be subsequently feasible as they have financial implications and may affect vendor bids.
<u>Estimated Cost of Procurement Scheme (Crore Rs)</u>		<u>IPBG Amount (Rs)</u>																																		
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31.	<p><u>Amendments to Fast Track Procedure.</u></p> <p>(a) <u>BG from Private / PSU Banks.</u> In line with the amendment to DPP 2016 issued vide MoD ID No 1(13)/D(Acq)/16-Vol.III dated 23 Jul 2018, PBG in FTP cases, in addition to first class international banks to be also permitted from all Public Sector & Private Sector banks authorized for government transactions by RBI.</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.																																		

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	<p>(b) <u>TEC Acceptance within SHQ.</u> In line with the amendment to DPP 2016 issued vide MoD ID No 1(13)/D(Acq)/16-Vol.III dated 23 Jul 2018, only such TEC reports in respect of FTP case where one or more participating vendors are found non-compliant will require acceptance by DG(Acq). TEC reports wherein all participating vendors are found compliant, could be accepted within SHQ and not need acceptance of DG(Acq).</p> <p>(c) <u>Constitution of CNC based on Report of Empowered Committee not Empowered to Negotiate & Conclude Contract.</u> Para 15, Chapter V, DPP 2016 to be amended to mandate that in cases where Empowered Committee is not empowered to negotiate & conclude contract, CNC may be constituted on receipt of the Reports of such Empowered Committee.</p> <p>(d) <u>Revision in Constitution & Time Limit of Oversight Committee to Facilitate Scrutiny from Procedural Angle.</u> The constitution of Oversight Committees be revised to be chaired by Secretary (Defence R&D) with officer not below ADG level (preferably DG) from SHQ, Nominee of Defence Secretary not below Joint Secretary level and representative of Financial Advisor (Defence Service) as members, which will check whether the process of FTP as per DPP has been followed and bring out deviations, if any. The committee will also review and bring out the status of grievances or complaints in the case. The Committee will submit the report to Defence Secretary within 10 days of its constitution. Secretarial support will be provided by the Acquisition Wing MoD.</p>	<p>In all ongoing cases irrespective of governing DPP and date of accord of AoN where TEC Report has not been accepted by the competent authority.</p> <p>In all ongoing cases where CNC is yet to be constituted.</p> <p>In all ongoing cases where Oversight Committee is yet to be constituted.</p>	

<u>Ser No</u>	<u>Amendment</u>	<u>Stage Applicable From</u>	<u>Justification</u>								
32.	<p><u>Amplification / Amendment to Para 72 of Chapter II, DPP 2016.</u></p> <p>(a) <u>Validity of AoN.</u> Validity of AoN in all cases governed by Para 72 of Chapter II of DPP 2016 to be restricted to six months from date of approval of SQR (post freezing of PSQR after successful developmental trials / UATT) by relevant SEPC.</p> <p>(b) <u>Conduct of User Trials Post Receipt of Commercial Bids.</u> Para 72 (d) of Chapter II, DPP 2016 to be amended, to mandate that the User Trials on the prototype in Design and Development cases may be conducted by SHQ post receipt of commercial bids from participating vendors.</p>	<p>In all ongoing cases irrespective of governing DPP and date of accord of AoN where</p> <table border="1" data-bbox="1234 400 1856 1038"> <thead> <tr> <th data-bbox="1234 400 1641 477"><u>Condition</u></th> <th data-bbox="1641 400 1856 477"><u>Applicability</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="1234 477 1641 663">Initial AoN accorded and PSQR frozen after UATT and Commercial RFP is to be issued as per revised procedure.</td> <td data-bbox="1641 477 1856 663">Yes</td> </tr> <tr> <td data-bbox="1234 663 1641 775">AoN has not been taken and ex-post facto approval is to be processed.</td> <td data-bbox="1641 663 1856 775">Yes</td> </tr> <tr> <td data-bbox="1234 775 1641 1038">PSQR has been frozen and User Trials are scheduled / under progress and Commercial RFP is to be issued after completion of User Trials as per earlier procedure.</td> <td data-bbox="1641 775 1856 1038">No</td> </tr> </tbody> </table> <p>In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP has been issued but user trials not commenced.</p>	<u>Condition</u>	<u>Applicability</u>	Initial AoN accorded and PSQR frozen after UATT and Commercial RFP is to be issued as per revised procedure.	Yes	AoN has not been taken and ex-post facto approval is to be processed.	Yes	PSQR has been frozen and User Trials are scheduled / under progress and Commercial RFP is to be issued after completion of User Trials as per earlier procedure.	No	
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33.	<p><u>Approval of Extension upto 15 Days for Submission of Technical Oversight Committee (TOC) Report by DG(Acquisition).</u> The authority to extend period of TOC by 15 days beyond the initial 30 day TOC period to be vested in DG(Acq) instead of the Defence Secretary.</p>	<p>In all ongoing cases irrespective of governing DPP and date of accord of AoN where TOC has not been concluded.</p>	<p>Will simplify and expedite procedure in all such cases thereby telescoping timelines.</p>								

Ser No	<u>Amendment</u>	<u>Stage Applicable From</u>	<u>Justification</u>
34.	<p><u>Exemption of CNC from Furnishing Reasonability of Cost Certificate for DPSU Equipment Already Priced by Committee Constituted Under Orders of RM.</u> An exception in respect of Nomination & Single vendor cases to be included in DPP 2016 to exclude DPSU equipment already priced by Committee for Pricing of DPSU equipment constituted under orders of RM from the scope of establishment of reasonableness of price by CNC. Such pricing by said Committee for Pricing shall take into account economies of scales and shall have validity of three years from its date of promulgation.</p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where CNC has not been concluded.	Where CNC has been concluded, such certificate would have been furnished.
35.	<p><u>Amendment to Undertaking from Vendor on Never Being Debarred in Past.</u> The wordings of undertaking from Vendor on Never Being Debarred in Past to be modified as under and included in the RFP format at Schedule I to Chapter II and Schedule I to Chapter IV of DPP 2016:-</p> <p><i>“The Firm / Company / Vendor will submit an undertaking that they are currently not banned / debarred / suspended from doing business dealings with Government of India / any other government organisation and that there is no enquiry going on by CBI / ED / any other government agencies against them. In case of ever having been banned / debarred / suspended from doing business dealings with Government of India / any other government organisation, in the past, the Firm / Company / Vendor will furnish details of such ban / debarment alongwith copy of government letter under which this ban / debarment / suspension was lifted / revoked.”</i></p>	In all ongoing cases irrespective of governing DPP and date of accord of AoN where RFP is yet to be issued.	An addendum in such cases could be issued.
36.	<p><u>Estimated Cost of Proposal in AoN to Include all Taxes & Duties.</u> In all cases, the estimated cost of proposal in AoN is to be inclusive of all taxes and duties.</p>	In all cases where AoN is yet to be accorded.	

<u>Ser No</u>	<u>Amendment</u>	<u>Stage Applicable From</u>	<u>Justification</u>
37.	<p><u>Alignment of Period of Payment of Guaranteed Sum by Bank in Pre Contract Integrity Pact (PCIP) & Integrity Pact Bank Guarantee (IPBG).</u> The period within which the bank is to pay IPBG amount on demand to the Buyer on demand to be revised in Para 8.1 of Annexure I (PCIP) to Appendix M of Schedule I to Chapter II of DPP 2016 from three days to five days to align it with the revised IPBG format.</p>	In all cases where RFP is yet to be issued.	
38.	<p><u>Incorporating Full form of Additional Abbreviations.</u> Full forms of additional Abbreviations & Acronyms to be included in the List of Abbreviations and Acronyms given at the end of DPP 2016 (Pages 448 to 455).</p>		
39.	<p><u>Amendment to Increase Effectiveness of LD Clause.</u> The LD Clause to be amended so that rate of LD is commensurate to percentage of delay, minimum period of delay goes unpenalised while simultaneously incentivising the vendor. The amended formulation is as follows:-</p> <p><i>“In the event of the SELLER’s failure to submit the Bonds, Guarantees and Documents, supply the stores/ goods, perform services, conduct trials, installation of equipment, training and MET as per schedule specified in this contract, the BUYER may, at his discretion withhold any payment until the completion of the contract. The BUYER may also deduct from the SELLER as agreed, liquidated damages to the sum of 1/100 of the delay percentage {Delay percentage = (Period of Delay in Delivery in Weeks) x 100 / (Delivery Period in weeks as per contract)} of the contract price of the delayed/ undelivered stores/ services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than 10% of the contract price of the value of delayed stores/ services (Any extension given by the buyer for delay attributable to buyer or Force Majure Clause to be factored in delivery period)”.</i></p>	In all cases where RFP is yet to be issued.	

<u>Ser No</u>	<u>Amendment</u>	<u>Stage Applicable From</u>	<u>Justification</u>								
<u>BPR - IV</u>											
40.	<u>Approval of Ab-initio Single Vendor Cases by AoN According Authority.</u> Para 101 Chapter II of DPP 2016 be amended to permit AoN granting authorities to take decisions on Ab-initio Single Vendor Cases without referring them to DAC.	In all cases where AoN has not yet been accorded.									
41.	<u>Incorporation of Revised Delegated Financial Powers of SHQ and Defence Secretary.</u> Powers to accord AoN in respect of SCAPCHC and DPB be amended in DPP 2016 to “cases upto Rs 300 Crore” and “Above Rs 300 Crore and upto Rs 500 Crore” respectively while cases beyond Rs 500 Crore be referred to DAC for accord of AoN”. Additionally, concomitant changes to various clauses in the DPP on account of revision in said financial powers to be carried out.	<table border="1"> <thead> <tr> <th data-bbox="1232 424 1561 456"><u>Condition</u></th> <th data-bbox="1565 424 1863 456"><u>Applicability</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="1232 459 1561 531">AoN not yet accorded</td> <td data-bbox="1565 459 1863 531">Yes</td> </tr> <tr> <td data-bbox="1232 534 1561 606">AoN accorded but CNC not constituted</td> <td data-bbox="1565 534 1863 606">Yes</td> </tr> <tr> <td data-bbox="1232 609 1561 793">CNC in progress & CFA approval not yet obtained for delegated power cases</td> <td data-bbox="1565 609 1863 793">No</td> </tr> </tbody> </table>	<u>Condition</u>	<u>Applicability</u>	AoN not yet accorded	Yes	AoN accorded but CNC not constituted	Yes	CNC in progress & CFA approval not yet obtained for delegated power cases	No	
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