

## **AMENDMENTS TO DPP 2016**

**(BPR IV Amendments to DPP 2016 issued vide MoD ID dated 20.03.2019)**

<b><u>Ser No</u></b>	<b><u>Amendment</u></b>	<b><u>MoD ID No</u></b>	<b><u>Date of Issue</u></b>
1.	Approval of Ab-initio Single Vendor Cases by AoN according authority.	1(13)/D(Acq)/16-Vol.III	20 Mar 2019
2.	Incorporation of revised delegated financial powers of SHQ and Defence Secretary.	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.

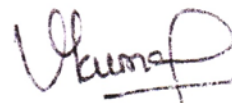
With reference to the MoD IDs under reference, it is stated that in the first three phases of Business Process Re-engineering in Defence Capital procurements, 39 amendments to DPP-2016 were approved by DAC on 22.05.2018, 25.09.2018 and 31.01.2019 which were notified vide these IDs by the Ministry. In 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 27<sup>th</sup> 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



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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)	

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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.

**APPROVAL OF AB-INITIO SINGLE VENDOR CASES BY  
AoN ACCORDING AUTHORITY**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Para 101, Chapter II (Page 30)	101. <b><u>Ab-initio Single Vendor Cases.</u></b> If certain state-of-the-art equipment being manufactured by only one vendor, which may not necessarily be a DPSU, is to be procured to attain qualitative edge over our adversary, then such cases should be discussed, deliberated and decided by DAC, after proper technology scan is carried out by HQ IDS, in consultation with DRDO.	101. <b><u>Ab-initio Single Vendor Cases.</u></b> If certain state-of-the-art equipment being manufactured by only one vendor, which may not necessarily be a DPSU, is to be procured to attain qualitative edge over our adversary, then such cases should be discussed, deliberated and decided by <b>the AoN granting authority</b> , after proper technology scan is carried out by HQ IDS, in consultation with DRDO.

**INCORPORATION OF REVISED DELEGATED FINANCIAL POWERS OF  
SHQ AND DEFENCE SECRETARY**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Para 18, Chapter II (Page 14)	18. After evaluating the recommendations of the SHQs/initiating departments, the SCAPCC will refer the cases for according AoN to SCAPCHC for an estimated cost (including all taxes and duties) up to ₹150 Crores. For cases beyond ₹ 150 Crores, the SHQs/initiating departments will refer cases to the SCAPCHC, which will carry out categorisation, based on the recommendations of SHQs/initiating departments and refer the cases upto ₹ 300 Crores to the DPB and beyond ₹ 300 Crores to the DAC for accord of AoN.	18. After evaluating the recommendations of the SHQs/initiating departments, the SCAPCC will refer the cases for according AoN to SCAPCHC for an estimated cost (including all taxes and duties) up to <b>₹300 Crores</b> . For cases beyond <b>₹ 300 Crores</b> , the SHQs/initiating departments will refer cases to the SCAPCHC, which will carry out categorisation, based on the recommendations of SHQs/initiating departments and refer the cases upto <b>₹ 500 Crores</b> to the DPB and beyond <b>₹ 500 Crores</b> to the DAC for accord of AoN.
Para 96, Chapter II (Page 29)	96. For equipment/systems/ platforms already inducted into service, it may be necessary to go back to the OEM/vendors for placing repeat orders. AoN for repeat orders must be obtained within five years of date of completion of warranty on final delivery against the previous contract. In such cases it may be ensured that the SQRs of the equipment are as per the previous order. All such cases would not be construed as single vendor cases. In such cases, after seeking AoN, a commercial RFP would be issued to the vendor, for quantity not exceeding 100% of the previous order. Specific approval of DPB (in acquisition cases up to ₹ 300 Crores) or DAC (in acquisition cases excess of ₹300 Crores) as the case may be, would be obtained for Repeat Order of quantity exceeding 100% of previous order. Such restriction in Repeat Order would not be applicable for cases categorised as 'Buy and Make'/'Make'/'Design & Development' cases. Repeat order cases may fall .....	96. For equipment/systems/ platforms already inducted into service, it may be necessary to go back to the OEM/vendors for placing repeat orders. AoN for repeat orders must be obtained within five years of date of completion of warranty on final delivery against the previous contract. In such cases it may be ensured that the SQRs of the equipment are as per the previous order. All such cases would not be construed as single vendor cases. In such cases, after seeking AoN, a commercial RFP would be issued to the vendor, for quantity not exceeding 100% of the previous order. Specific approval of DPB (in acquisition cases up to <b>₹ 500 Crores</b> ) or DAC (in acquisition cases excess of <b>₹ 500 Crores</b> ) as the case may be, would be obtained for Repeat Order of quantity exceeding 100% of previous order. Such restriction in Repeat Order would not be applicable for cases categorised as 'Buy and Make'/'Make'/'Design & Development' cases. Repeat order cases may fall .....

<p>Appendix G, Chapter II (Page 94)</p>	<p><b>A. <u>FOR SERVICES &amp; COAST GUARD-ABOVE ₹ 150 CRORE</u></b> .....</p> <p><b>B. <u>FOR SERVICES &amp; COAST GUARD-UP TO ₹ 150 CRORE</u></b></p> <p>1. Officer nominated by VCOAS/VCNS/DCAS/CISC/DG ICG (as per under mentioned norms)<sup>10</sup> - Chairman</p> <p>(a) Cases above Rs 50 Crore and upto Rs 150 Crore to be chaired by Major General / Equivalent.<sup>10</sup></p> <p>(b) Cases upto Rs 50 Crore to be chaired by officer not below the Rank of Brigadier / Equivalent.<sup>10</sup></p> <p>2. IFA(Capital) in respect of Army/Navy/Air Force/CG for CNCs above ₹ 50 Crore and upto ₹ 150 Crore and reps of IFAs for CNCs upto ₹ 50 Crores; Rep of PIFA(IDS) and IFA(CG) or their representative not below the rank of Deputy Secretary in respect of HQ IDS and CGHQ respectively.</p>	<p><b>A. <u>FOR SERVICES &amp; COAST GUARD-ABOVE ₹ 300 CRORE</u></b> .....</p> <p><b>B. <u>FOR SERVICES &amp; COAST GUARD-UP TO ₹ 300 CRORE</u></b></p> <p>1. Officer nominated by VCOAS/VCNS/DCAS/CISC/DG ICG (as per under mentioned norms)<sup>10</sup> - Chairman</p> <p>(a) Cases above Rs 50 Crore and upto <b>Rs 300 Crore</b> to be chaired by Major General / Equivalent.<sup>10</sup></p> <p>(b) Cases upto Rs 50 Crore to be chaired by officer not below the Rank of Brigadier / Equivalent.<sup>10</sup></p> <p>2. <b>PIFA / IFA(Capital)</b> in respect of Army/Navy/Air Force/CG for CNCs above ₹ 50 Crore and upto <b>₹ 300 Crore</b> and reps of <b>PIFA / IFAs</b> for CNCs upto ₹ 50 Crores; Rep of PIFA / IFA not to be below the rank of Deputy Secretary.</p>
<p>Para 21, Chapter III (Page 195)</p>	<p>21. After reviewing the comments of the HQ IDS on aspects of inter-operability, the SHQs/initiating departments, will refer the cases to SCAPCC/SCAPCHC as the case may be. The SCAPCC will refer the SoC for according AoN to SCAPCHC for an estimated cost up to ₹ 150 Crores. For cases beyond ₹ 150 Crores the SHQs/initiating departments will refer cases to the SCAPCHC, which will carry out the task of categorisation, based on the recommendations of SHQs/initiating departments and refer the cases between ₹ 150 Crores to ₹ 300 Crores to the DPB and refer cases beyond ₹ 300 Crores to DAC for accord of AoN. However, incase three DAs are to be selected for the project, approval of DAC will be required irrespective of the estimated project cost.</p>	<p>21. After reviewing the comments of the HQ IDS on aspects of inter-operability, the SHQs/initiating departments, will refer the cases to SCAPCC/SCAPCHC as the case may be. The SCAPCC will refer the SoC for according AoN to SCAPCHC for an estimated cost up to <b>₹ 300 Crores</b>. For cases beyond <b>₹ 300 Crores</b> the SHQs/initiating departments will refer cases to the SCAPCHC, which will carry out the task of categorisation, based on the recommendations of SHQs/initiating departments and refer the cases between <b>₹ 300 Crores</b> to <b>₹ 500 Crores</b> to the DPB and refer cases beyond <b>₹ 500 Crores</b> to DAC for accord of AoN. However, incase three DAs are to be selected for the project, approval of DAC will be required irrespective of the estimated project cost.</p>

<p>2<sup>nd</sup> Page of Appendix J, Chapter III (Page 240)</p>	<p><b>DAC</b></p> <ol style="list-style-type: none"> <li>1. Accord of AoN for 'Make' Projects for Cases above ₹ 300 Crore and for all cases where three DAs are to be shortlisted.</li> <li>2. Approval of Foreclosure of project on recommendations of DPrB.</li> <li>3. Approval of any deviation on recommendation of DPrB.</li> </ol>	<p><b>DAC</b></p> <ol style="list-style-type: none"> <li>1. Accord of AoN for 'Make' Projects for Cases above <b>₹ 500 Crore</b> and for all cases where three DAs are to be shortlisted.</li> <li>2. Approval of Foreclosure of project on recommendations of DPrB.</li> <li>3. Approval of any deviation on recommendation of DPrB.</li> </ol>
<p>Para 13, Chapter III (Page 243)</p>	<p>13. The Make-II project having AoN value less than ₹150 Crore will deem to be automatically included in AAP, after accord of AoN. However, the Make-II project having AoN value more than ₹150 Crore, shall be included in Annual Acquisition Plan (AAP) prepared for Make Projects as outlined at para 13 of Chapter III of DPP-2016.</p>	<p>13. The Make-II project having AoN value less than <b>₹ 300 Crores</b> will deem to be automatically included in AAP, after accord of AoN. However, the Make-II project having AoN value more than <b>₹ 300 Crores</b>, shall be included in Annual Acquisition Plan (AAP) prepared for Make Projects as outlined at para 13 of Chapter III of DPP-2016.</p>
<p>Para 19, Chapter III (Page 244)</p>	<p>19. SHQ shall prepare the Statement of Case (SoC) and will refer the cases to SCAPCC/SCAPCHC as per Para 16 to 19, Chapter II of DPP - 16. Cases up to ₹150 Crores will be referred to SCAPCC. After evaluating the recommendations of the SHQs/initiating departments, the SCAPCC will recommend the SoC for accord of AoN to SCAPCHC. For cases beyond ₹150 Crores the SHQs/initiating departments will refer cases to the SCAPCHC, which will carry out the task of categorisation, based on the recommendations of SHQs/initiating departments and refer the cases between ₹150 Crores to ₹300 Crores to the DPB and refer cases beyond ₹300 Crores to DAC for accord of AoN. PSQRs and Draft EoI shall be enclosed with SoC.</p>	<p>19. SHQ shall prepare the Statement of Case (SoC) and will refer the cases to SCAPCC/SCAPCHC as per Para 16 to 19, Chapter II of DPP - 16. Cases up to <b>₹ 300 Crores</b> will be referred to SCAPCC. After evaluating the recommendations of the SHQs/initiating departments, the SCAPCC will recommend the SoC for accord of AoN to SCAPCHC. For cases beyond <b>₹ 300 Crores</b> the SHQs/initiating departments will refer cases to the SCAPCHC, which will carry out the task of categorisation, based on the recommendations of SHQs/initiating departments and refer the cases between <b>₹ 300 Crores to ₹ 500 Crores</b> to the DPB and refer cases beyond <b>₹ 500 Crores</b> to DAC for accord of AoN. PSQRs and Draft EoI shall be enclosed with SoC.</p>