

F 6/18/2019-PPD
Government of India
Ministry of Finance
Department of Expenditure

North Block, New Delhi
Dated: 07th May 2021

OFFICE MEMORANDUM

Subject: Relaxation of certain provisions to meet emergency purchases-reg

Reference – D.O. Letter of Chief Secretary, Andaman and Nicobar Administration no. CS/SPS/05/2021 dated 06th May 2021

The undersigned is directed to refer to the above referred letter received from the Chief Secretary of Andaman and Nicobar Administration (A&N Administration) wherein it has been stated that presently there is an acute shortage of essential COVID related supplies, particularly of medical oxygen with the A&N Administration which is facing tremendous challenges in procuring supplies due to its unique geographical location.

2. In view of all the challenges faced and to enable the A&N Administration to make emergency procurement in this time of acute shortages and surge in prices, certain flexibilities, as listed below, in the operation of General Financial Rules for least one month in respect of the UT of Andaman and Nicobar Islands, have been requested: -

1. that relaxations as contained in para 10 of the OM of Department of Expenditure No. 6/18/2019-PPD dated 24.04.2021 under Rule 6 of GFR allowing certain Ministries/ Departments listed therein to allow simultaneous procurement from different sources at different rates through different procurement methods may also be extended to the UT Administration of Andamans.
2. that a specific relaxation may also be given to enable procurement of essential supplies on the basis of work orders issued by different State Governments / UT Administrations from the same suppliers and at the same rates.
3. that further since the requirement of essential supplies is not likely to be fulfilled in time through single order by a single supplier and multiple orders might need to be placed, the provisions of Rule 157 of GFR may be relaxed for the essential supplies to allow multiple piece-meal purchases at this time of crisis.
4. that in view of the obvious surge in prices, the requirements of GFR 144(vii) regarding reasonability of prices may need to be relaxed for essential COVID related supplies.

5. to ensure timely supply of goods ordered, flexibility on GeM Portal may be given to place part order on L1 and L2 (at the rate of the L1).
6. to relax the powers for direct emergency purchase/negotiated contract as per delegation of powers vide MHA letter No. 15039/150/2018-UT (Coord.) dated 28.01.2019 of the Hon'ble Lt. Governor from the current limit of Rs.10 Crore.

3. The requests made by A & N Administration has been examined. Considering the unique geography of the A&N islands and also that essential medical supplies have to be made available on all inhabited islands in quick time, it is acknowledged that the UT administration must be finding it very challenging to make procurement and deliver it to the place where such supplies would be needed. The difficulty for the UT Administration to make such procurement in terms of price, availability and timely delivery has also been considered. Being a national health emergency of unprecedented and historic scale, delays in procurement will result in loss of lives of citizens. Hence there is a paramount public interest in ensuring that the necessary supplies are procured in the fastest possible manner and financial procedures have to adapt accordingly.

4. It is also noted that the UT Administration has already put in place the following checks and balances with regard to public procurement for COVID-19 medical relief operations:-

- a. to ensure transparency, objectivity and expeditious action, a committee of 04 Secretaries including Secretary (Finance), Secretary (Health), Secretary (Disaster Management) and Secretary (Vigilance) to talk to various vendors/sources for procurement has been constituted.
- b. this Committee would also assess the requirement of items as per the approved Contingency plan and the dynamic assessment of the Health Department.
- c. these senior officers would talk to the vendors who have got direct orders of other Governments like GNCT of Delhi for these products. A record of the gist of their discussion would be kept and they would try to secure timely purchases at the rates ordered by other Governments.
- d. no advance payment will be allowed and only after the actual physical procurement, payment will be made.
- e. the utilisation certificate of the items received will be given by the Secretary (Health) and Secretary (DM) based on the distribution/allocation and/or utilization depending on the nature of goods.

5. Considering the above, the following requests as stated in para 2 above are dealt with hereinbelow:-

- i. Relaxations as contained in para 10 of the OM of Department of Expenditure No. 6/18/2019-PPD dated 24.04.2021 *pari passu* are allowed (except para 10(iii)).
- ii. the A&N Administration is hereby given relaxation to make procurement of essential supplies on the basis of purchase orders issued by the Union Government and UT Administrations from the same suppliers and at the same rates. However, it must be ensured that these purchase orders are of FY 2021-22 and relate to COVID-19 procurement. This must be vetted by the Committee of four Secretaries of UT of A&N Administration.
- iii. The provisions of Rule 157 of GFR are hereby relaxed for the essential supplies to allow multiple purchases specifically for COVID-19 medical supplies and relief with the condition that the Committee of Secretaries must make post facto vetting as soon as possible of these purchases.
- iv. The waiver in terms of requirements of GFR 144(vii) regarding reasonability of prices for essential COVID related supplies may not be required in view of 5 (i) above.
- v. A&N Administration is permitted to place part order on L1 and L2 (at the rate of the L1) for procurements made on GeM Portal.

6. With regard to the request to relax the powers for direct emergency purchase/negotiated contract of the Hon'ble Lt. Governor from the current limit of Rs.10 Crore, the A&N Administration is requested to place this before the Competent Authority in MHA for consideration.

Validity of Special Instructions

7. These instructions, issued with the approval of Secretary (Expenditure) in terms of Rule 6 of GFRs 2017, **shall be in force for the period of one month**(to be counted from the day subsequent to the issue of the letter) or till superseded by another order, whichever is earlier.


(Kotluru Narayana Reddy)
Deputy Secretary to the Govt. of India
Telfax:-24621305
Email:- kn.reddy@gov.in

To:

The Chief Secretary, Andaman and Nicobar Administration

Copy to:

- i) Home Secretary, Ministry of Home Affairs
- ii) Secretary (Health), Ministry of Health and Family Welfare
- iii) Additional Secretary (UT), Ministry of Home Affairs
- iv) Sri Raghuraj Rajendran, Director, Prime Ministers' Office
- v) Sri Saurabh Shukla, Director, Prime Ministers' Office