

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:2892
ANSWERED ON:15.03.2010
SELECTION OF BIDDERS IN DEFENCE PROCUREMENT
Basavaraj Shri Gangasandra Siddappa

Will the Minister of DEFENCE be pleased to state:

- (a) the time by which the new defence procurement policy is likely to be functional;
- (b) whether under the new procurement policy the Government is likely to prefer bidders who have invested in development of indigenous design and production facility;
- (c) whether the lowest Indian bidder will get 60 per cent of the order and the second lowest the remaining 40 per cent;
- (d) whether the likely price variations between the lowest bidder and second lowest for the hardware of the same specification is admissible under the extant CVC guidelines laid down for a transparent procurement process; and
- (e) if so, the details thereof?

Answer

MINISTER OF DEFENCE(SHRI A.K. ANTONY)

(a) to (e): Defence Procurement Policy-2008 (DPP-2008) came into effect from 1st September, 2008. There is a provision for periodical review of this procedure. DPP-2008 was last reviewed in 2009 and certain amendments were promulgated which became effective from 1st November, 2009.