

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:2083

ANSWERED ON:20.07.2009

DELAY IN DEFENCE PROCUREMENT

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Meinya Dr. Thokchom

Will the Minister of DEFENCE be pleased to state:

- (a) whether there is inordinate delay in defence procurements despite a fast-track system for procurement being in place;
- (b) if so, the reasons therefor;
- (c) the impact thereof on defence capabilities of the country; and
- (d) the steps taken by the Government to accelerate the defence procurements?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 2083 FOR ANSWER ON 20.7.2009

Procurement for approved requirements of Armed Forces in terms of capability sought within the timeframes prescribed, is done by optimally utilizing allocated budgetary resources. This is a continuous process undertaken in accordance with the Defence Procurement Procedure (DPP). Delays, however, do occur due to several reasons such as insufficient and limited vendor base, non conformity of the offers to the Request for Proposal (RFP) conditions, field trials, complexities in contract negotiations, etc. The Fast Track Procedure covers only urgent operational requirements foreseen as imminent or for a situation in which a crisis emerges without prior warning. Armed Forces of the country are fully equipped to meet any eventuality.

On the basis of experience gained during implementation, the DPP-2006 was reviewed and the DPP-2008 has incorporated important provisions to expedite the procurement procedure. These measures are: (i) Maximum time stipulation has been incorporated for issuance of RFP within two years of acceptance of Acceptance of Necessity (AON). (ii) Extension of time for submission of offers has been restricted to eight weeks; (iii) Once L-1 vendor has been identified, normally there would be no need for any further price negotiations; and (iv) Increased delegation of financial powers has been accorded to Services Headquarters. DPP-2008 has come into effect from 1.9.2008.