

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:4168
ANSWERED ON:03.08.2009
PROCUREMENT OF ITEMS FOR DRDO
Majhi Shri Pradeep Kumar

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government procures various items from private sector enterprises in the country for the DRDO;
- (b) if so, the details thereof during the last three years and the current year;
- (c) the criteria fixed for selection of private sector enterprises under 'Make' and 'Buy' procedure; and
- (d) the steps taken by the Government to bring transparency in procurement of such items?

Answer

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

(a) & (b): Yes, Madam. The details of expenditure on indigenously procured items for the last three years and current year is given below:

(Rupees in crore)

Year(s)	Indigenous Stores (Rev)	Indigenous Stores (Cap)	Total	Total
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2006-2007	1130	993	2123	
2007-2008	1196	1446	2642	
2008-2009	1137	2119	3256	
2009-2010	198	279	477	

(upto June 2009)

(c) In 'Buy' and 'Buy & Make' categories under the Defence Procurement Procedure (DPP)-2008, determination of lowest tenderer (L1) is done by the Contract Negotiation Committee (CNC) on the basis of comparison of commercial offers of all technically accepted vendors, who could be the Original Equipment Manufacturers (OEMs)/Authorised Vendors/Government Sponsored Export Agencies (applicable in the case of countries where domestic laws do not permit direct export by OEMs)/ Public Sector Undertaking/Defence Public Sector Undertaking.

(d) The following provisions have been made in DPP-2008 to bring transparency in defence procurements:-

(i) Vendors have to be given advance information before the issue of Request for Proposal (RFP) in all procurement cases except those for security sensitive products. This information given on MoD website would provide them a lead time for preparation of their offers in response to the RFP.

(ii) All verbal communications with the vendors during the course of trials have to be confirmed in writing.

(iii) The result of technical/trial evaluations along with reason(s) for disqualification has also to be intimated to vendors after the acceptance of technical/staff evaluation reports.

(iv) A trial methodology has to be given in the RFP for advance information of the vendors. Trial directive framed by the Services has to be issued in conformity with the trial methodology.

(v) A more broad based and multi-disciplinary trial team has been proposed in DPP-2008 for cases where equipment is being procured for more than one Service or if it involves transfer of technology.

(vi) Technical Oversight Committee has also been mandated to provide oversight on the adopted trial methodology during trials vis-à-vis trial methodology given in the RFP and the trial directives.