

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1139
ANSWERED ON:04.03.2013
ACQUISITION OF BTA
Deo Shri Kalikesh Narayan Singh

Will the Minister of DEFENCE be pleased to state:

- (a) whether Basic Training Aircraft (BTA) tender was evaluated and signed on the basis of Direct Acquisition cost or on the basis of Life Cycle Cost (LCC);
- (b) if so, the details thereof;
- (c) whether Request for proposal (RFP) was issued on the basis of using the LCC model of the Direct Acquisition model;
- (d) if so, the details thereof;
- (e) whether there was a deviation from the conditions in the RFP; and
- (f) if so, the details thereof along with the reasons therefor?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) & (b):The Basic Trainer Aircraft (BTA) bids were evaluated on the basis of the Total Cost of Acquisition for determining the L1 vendor, as stipulated in the Request for Proposal (RFP) and the contract was signed for the Direct Acquisition cost elements as specified in the RFP. The contract was signed on 24th May 2012 at a total cost of Rs.2895.63 Crore for procurement of 75 Aircrafts & associated equipments.

(c) & (d):The Request for Proposal (RFP) was issued on the basis of Total Cost of Acquisition for determining the L1 vendor. The Total Cost of Acquisition included the following five elements:-

- (i) Direct Acquisition Cost.
 - (ii) Cost of Total Technical Life (TTL) based reserves.
 - (iii)Cost of Intermediate level servicing.
 - (iv) Cost of Depot level servicing.
 - (v) Operating Cost.
- (e) & (f): There was no deviation to the conditions of the RFP.