

**INSURANCE REGULATORY DEVELOPMENT AUTHORITY OF INDIA
HYDERABAD**

21st June 2016

Subject: Minutes of the 41st Procurement Committee meeting held on 21st June 2016

Present:

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| (i) Shri D.D.Singh, (Member-Distribution) | - Chairman |
| (ii) Shri M. Pulla Rao, (Sr. JD- General) | -Member |
| (iii) Smt J.Meena Kumari, (Sr.JD- Inspection) | - Member |
| (iv) Shri M.S.Jayakumar,(CAO) | - Member Convener |

User Department present:

- (v) Shri Deepak Khanna, (DD - Admn)

Leave of absence granted to Shri Randip singh Jagpal, Sr. JD. (Intermediaries)

Chairman and Members of the committee were apprised about the agenda item by Administration Department.


1. Purchase of Office car

The purchase of office car was discussed in the 39th Procurement Committee meeting held on 4th May 2016. The Committee suggested that regarding purchase of Office car, basic details like Models of car permitted, Maximum price, periodicity of replacement, applicability of DGS&D rates, tendering process etc. may be standardized and suggested that financial approval of competent authority may be obtained before placing the proposal before the procurement committee.

It was also suggested that reasons for replacement of existing vehicle may be supported with independent garage report, current running cost, repair and maintenance cost etc. approved by competent authority. It has been suggested by the Committee that the proposal may be placed after examining the above suggestions.

The Administration Department submitted the following information:

1	Details of the Present Office Car at Hyderabad	1. Model of the Present Office Car	Maruti Swift Dzire (Petrol Version)
		2. Date of Purchase of present Office Car	13 th May, 2010
		3. Purchase price of the present Office Car (in 2010)	Rs.7,69,787/- (inclusive of accessories purchased)
		4. Mileage run by the Present Office Car	59,501Kms as on 6 th June, 2016
		5. Book value of the car as on 31 st May 2016:	Rs. 2,21,313/-



2	Details of Garage Report for repairs of the present Office Car	<ol style="list-style-type: none"> Garage report obtained from Ms. R K S Motors Pvt Ltd dated 28.04.2016 Repair / Service Estimate as Rs 60,165/-(Sixty Thousand one hundred sixty five only) towards replacement of seventeen parts and labour charges. 														
3	Details of amount spent on repairs of the car since inception / purchase of car	<table border="1"> <tr> <td>Year 2010</td> <td>Details not available</td> </tr> <tr> <td>Year 2011</td> <td>9016/-</td> </tr> <tr> <td>Year 2012</td> <td>3,954/-</td> </tr> <tr> <td>Year 2013</td> <td>14,503/-</td> </tr> <tr> <td>Year 2014</td> <td>32,380/-</td> </tr> <tr> <td>Year 2015</td> <td>13,911/-</td> </tr> <tr> <td>Year 2016</td> <td>Estimate received for Rs 60,165/-</td> </tr> </table>	Year 2010	Details not available	Year 2011	9016/-	Year 2012	3,954/-	Year 2013	14,503/-	Year 2014	32,380/-	Year 2015	13,911/-	Year 2016	Estimate received for Rs 60,165/-
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4	Proposal for purchase of New Car	<ol style="list-style-type: none"> Purchase of the New Office Car has been approved vide Office Note dated 28.03.2016. Approval was granted by Member-Life vide Office Note dated 28.03.2016. 														
5	Competent Authority for granting sanction for purchase of New staff car	<ol style="list-style-type: none"> The following provision in the Office Procurement manual of IRDAI is applicable for Rate Contracts: 14.5 Conclusion of Rate Contracts on Net Dealer Price There will be certain items like Information Technology Products, Automobiles, Machine Tools, OEM & Ancillary Spares and similar products where the design feature, performance parameters etc. of such products/goods differ significantly among the products of different manufacturers and even between different models of the same manufacturer and where equitable comparison of prices of such products is not feasible. In such cases IRDA shall conclude Rate Contracts with the suppliers on the basis of discount on Net Dealer Price (NDP) Proposal for purchase of New Office Car is approved by the Competent authority vide note dated 28.03.2016. The Competent Authority for granting approval for purchase of New staff car is Member (Life) The reasons for adopting the procedure for purchase of the car is explained in the note dated 6/5/2016. The purchase of New Office Car ALTIS MODEL was approved by Member-Life in the Office Note dated 6th May, 2016. 														
6	Procedure outlined in the Office Purchase Manual for purchase of Office Car	<ol style="list-style-type: none"> Referred Comment in 5 The additional Procedures for Purchase of Office Car will be included when the manual is revised / updated 														
7	Model of cars permitted / approved for purchase of Office Car, as per procedure	<ol style="list-style-type: none"> Referred Comment in 5 The existing provisions of the Office Procurement Manual is silent on this matter, hence, approved Models for 'Office Car' will be included when the manual is revised / updated. 														
8	Maximum Price fixed for eligibility for purchase of Office Car as per procedure	<ol style="list-style-type: none"> Referred Comment in 5 The existing provisions of the Office Procurement Manual is silent on this matter, hence, Maximum Price fixed for eligibility for purchase of Office Car will be considered when the manual is revised / updated. 														

9	Periodicity of replacement for Office Car as per procedure	<ol style="list-style-type: none"> 1. Referred Comment in 5 2. The existing provisions of the Office Procurement Manual is silent on this matter, hence, the periodicity / minimum years to lapse before purchase of New Office Car will be mentioned when the manual is revised / updated
10	Purchase of Office Car @ DGS&D rates	<ol style="list-style-type: none"> 1. Car approved by Member-Life in the Office Note: Altis Model 2. DGS&D rates are not available for the Altis Model. 3. The information that DG&SD rates are NOT available for ALTIS model was found after verifying DGS&D in response to clarification required by PC. 4. The procedure as per 14.5 in 'Manual on procurement of goods- Conclusion of Rate Contracts as per Net Dealer Price' has been followed, as DGS&D rates are not available for the Altis Model.
11	Tender Process for purchase of Office Car	<ol style="list-style-type: none"> 1. Quotations were obtained by Administration Department from all THREE CAR DEALERS for ALTIS MODEL in the Hyderabad and a rate of Rs 18,15,913/- was finalized vide Office Note dated 12.04.2016.
12	Financial approval for purchase of Office Car	<ol style="list-style-type: none"> 1. An amount of Rs 18,15,913/-(Rupees Eighteen lakhs and fifteen thousand and nine hundred and thirteen only) has been sanctioned by Sr. J D (General) vide Office Note dated 06.05.2016. as per suggestion that financial approval of competent authority may be obtained before placing the proposal before PC.
13	Usage of car	<ol style="list-style-type: none"> 1. The Car is for the use of Office as already recorded in minutes of PC dated 4/5/2016..
14	Details of Office Car purchased in the last 5 years	<ol style="list-style-type: none"> 1. To a query raised in the last procurement Committee meeting, it is clarified that an Office car was purchased at Delhi two years back (2014) 2. The Office Car at Delhi was purchased in Delhi through tendering process and not placed to the Procurement Committee.

The Committee deliberated on the details submitted by the Administration Department. However, the Committee expressed that procedure with respect to the issues raised above are not explicitly mentioned in Procurement manual.


In this regard, Administration Department, considering the views expressed by the Committee, on the procedures and the requirement to revisit the Procurement Manual, has withdrawn its proposal subsequently. The Committee has noted the communication of the Administration Department.


CAO

Member-Convener


SJD (Inspection)
Member


Sr JD (Gen)
Member


Member (Distribution)
Chairman