

**F 6/18/2019-PPD
Government of India
Ministry of Finance
Department of Expenditure**

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North Block, New Delhi

Dated: 27th March 2020

OFFICE MEMORANDUM

Special Instructions relating to relief operations for COVID-19 global pandemic

In its I.D.No.101/2/1/2020-CA.IV dated 26th March, 2020, the Cabinet Secretariat has asked the Department of Expenditure to facilitate the procurement and transportation of medical and other essential supplies for COVID-19 operations by issuing suitable guidelines or providing necessary relaxations, for the following Ministries/Departments:

- i) Department of Pharmaceuticals
- ii) Ministry of Health & Family Welfare
- iii) Ministry of Textiles
- iv) Department of Consumer Affairs
- v) Ministry of Civil Aviation.

The Cabinet Secretariat has pointed out that a Logistics Committee for COVID 19 operations has been constituted in this regard to coordinate transport and other logistics services. Accordingly, the following special instructions are hereby issued under Rule 6(1) of the General Financial Rules 2017 to facilitate procurement (Part I hereof) and incurring of expenditure (Part II).

2. These instructions apply to the following Ministries/Departments for procurement and transportation of medical and other essential supplies for COVID-19 operations:

- (i) Department of Pharmaceuticals
- (ii) Ministry of Health & Family Welfare(including Department of Health Research)
- (iii) Ministry of Textiles
- (iv) Department of Consumer Affairs
- (v) Ministry of Civil Aviation.

Part I: Procurement

3. The prevailing health emergency requires immediate procurement of certain items in quantities which may not be available with a single supplier and/or within the time frame in which they are needed. There is also a possibility that some items may not be available in the country in sufficient quantity within the time frame in which they are needed. Certain items of equipment are currently in global short supply and are effectively in a 'sellers' market'. There are also variations in specifications within the same category of item and hence price differences may sometimes reflect differences in specifications or quality. With the shutting down of international flights and surface

transport routes, international procurement may have to be done through Indian missions. Being a national health emergency of unprecedented and historic scale, delays in procurement will result in loss of lives of citizens. Hence there is a paramount public interest in ensuring that the necessary supplies are procured in the fastest possible manner and financial procedures have to adapt accordingly.

4. Rule 166 of the GFR provides *inter alia* as follows:

Single source procurement. Procurement from a single source may be resorted to in the following circumstances:

- (i) "It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods
- (ii) *In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained."*

This is in respect of procurement of goods.

5. Rule 204 of the GFR 2017 provides as follows:

"Procurement of Non-consulting services by nomination. Should it become necessary, in an exceptional of situation to procure a non-consulting service from a specifically chosen contractor, the Competent Authority in the Ministry or Department may do so in consultation with the Financial Adviser. In such cases the detailed justification, the circumstances leading to such procurement by choice and the special interest or purpose it shall serve, shall form an integral part of the proposal."

This is in respect of procurement of non-consulting services, including air and other transportation services.

6. Rule 149 provides that procurement of goods and services through Government e-Marketplace (GeM) will be mandatory for items available on GeM. In the present situation of lock down, vendors under GeM, even if orders are placed, may not always be able to effect deliveries of supplies on time and desired locations, due to closure of factories, stoppage of transportation services and general disruption of normal life.

7. In view of the urgency involved in the procurement of medical and other essential supplies, where time is of the essence and delay may result in loss of life, the following special instructions are issued for any emergent purchases related to COVID-19 operations: -

- (i) The provisions of Rule 149 will not be applicable to purchases made under Rule 166 or Rule 204 cited above.
- (ii) Procurement may be simultaneously undertaken under Rule 166 or Rule 204 from more than one source if the entire quantity required is not available, or is not

immediately available, from one source. Such procurement may, if unavoidable, be at different rates.

- (iii) Procurement may be undertaken through Indian Missions. In case of procurement through Indian missions abroad, the concerned Ministry/Department shall provide the necessary details including quantity, specifications etc. Prices shall be fixed by the Indian Mission in consultation with the Ministry/Department.
- (iv) If the entire quantity required is not immediately available from any one method of procurement, procurement may also be resorted to simultaneously by multiple methods, namely, procurement under Rule 166 / 204 (as the case may be), procurement through GeM, and procurement through other procurement methods (including through Indian missions) and such procurement may, if unavoidable, be at different rates.
- (v) Rates for transportation and logistics services shall be fixed by the Logistics Committee.

8. The term “essential supplies” will include any items deemed by the Ministry/Department, with the approval of the Secretary, to be essential supplies necessary for COVID 19 operations.

9. Secretaries, if they feel necessary, may constitute committees of officers to deal with and recommend and/or decide any of these matters.

10. These instructions will apply notwithstanding anything to the contrary provisions in the Delegation of Financial Powers.

Part II:Relaxation of Expenditure Guidelines in case of absence of sufficient budgetary allocation in the relevant Budget head


11. For expenditure to be incurred on or before 31.03.2020:-

- i) In the event the Ministry/Department has sufficient funds as per RE 2019-20 within their Demand, the Department shall utilise the savings for the expenditure requirements arising out of Relief Operations for COVID-19. Post-facto approval may be sought from DoE for the said expenditure by April 15, 2020.
- ii) In the event that the Ministry / Department does not have sufficient funds to proceed as per (i) above, it is hereby authorised to operate on the budget head, as indicated below, in Demand No 38- Transfer to States for the year 2019-2020 as a temporary measure:
 - 2245-Relief on Account of Natural Calamities (Major Head)
 - 80 – General (Sub Major Head)
 - 103-Assistance to State from National Disaster Response Fund (Minor Head)
 - 02-Assistance to State from NDRF for calamities of severe nature (Sub Head)
 - 02.00.31 Grant-in-aid (General) (Object Head)
- iii) **This authorisation shall be upto a limit of Rs.200 crore per Department/Ministry specified in para 2.**

- iv) In case the above authorisation is exhausted, the concerned Department may approach the Department of Expenditure. The DoE may then authorize excess expenditure as per Appendix 10 under Rule 61 & 69 of the GFR 2017.
12. For expenditure to be incurred on or after 01.04.2020:-
- i) The Financial Advisor with the approval of the Secretary of the Ministry/ Department may authorize expenditure in excess of appropriation as per BE 2020-21. The said authorization shall be under Rules 61& 69 read with Appendix 10 of GFR. **Within three working days of incurring of such expenditure**, the proposal shall be sent to DoE for post-facto approval.
- ii) The concerned Ministry /Department shall submit a Contingency Expenditure Plan by 10th April, 2020 to the Department of Expenditure outlining the expected amount and the heads under which the expenditure on account of Relief Operations for COVID-19.
- iii) The amount of excess expenditure authorized, however, shall not exceed the total amount indicated by the Ministry/Department in the Quarterly Expenditure Plan (QEP) submitted to Parliament for the entire first quarter (April to June) of the Financial Year 2020-2021.
- iv) For any requirement of the Ministry/Department to incur expenditure in excess of the expenditure indicated for Quarter 1 of 2020-21, prior approval of the Department of Expenditure shall be sought.

Validity of Special Instructions

13. These instructions, issued with the approval of Secretary (Expenditure), shall be in force for the period till 30th April, 2020 or till superseded by another order, whichever is earlier.



(Sanjay Prasad)
JS-PFC-II

Department of Expenditure
Tel: 23093382

To:

- i) The Secretary, Department of Pharmaceuticals
ii) The Secretary, Ministry of Health & Family Welfare
iii) The Secretary, Ministry of Textiles
iv) The Secretary, Department of Consumer Affairs
v) The Secretary, Ministry of Civil Aviation.

Copy to:

- i) PMO
ii) Additional Secretary, Cabinet Secretariat