

Annexure-“G”

Ref: Railway Board letter no 2017/Trans/01/Policy

New Delhi, dated:08.02.2018

1. Handling Vitiating during Variation in Contract Quantities

A contract shall be considered “vitiating” only when, the following percentage variation in contract value between tenderers are noticed to have been exceeded.

SN	Value of Contract	Percentage difference between present Contractor and new L-1 as a result of variation. (percentage shall be calculated with base as the revised contract quantities multiplied by the rates of the present contractor)
1	Small value contracts (Tender Value less than Rs.50 Lakh)	10
2	Other than small value contracts (Tender Value equal to or more than Rs.50 lakh)	5

When the percentage difference between present Contractor and new L-1 is noticed as becoming beyond the values specified above, the following action shall be taken.

The Railway shall immediately examine whether it is practicable to bring in a new agency to carry out the extra quantity of work keeping in view the progress of the work in accordance with the original contract and the nature and lay-out of the work. If it is found that there will be no serious practical difficulty in meeting the additional quantity of work done by another agency, then fresh tenders for the extra quantity may be invited otherwise negotiating the rate with the existing contractor for arriving at a reasonable rate for the additional quantities of work, may be adopted.

The above shall be regulated as under:

- The case shall be decided by the tender accepting authority (competent for the revised quantity) and shall not be treated as a case of single tender. The provision of Railway Board letter no 2007/CE.I/CT/18/Pt.XII dated 31.12.2010 hereby gets superseded.
- Executive while executing the work shall make all efforts to ensure that no vitiating takes place in normal circumstances. Vitiating should be an exception rather than a routine affair. Efforts should be made to invite bids on the basis of percentage above/below/at par.
- Vitiating should always be computed with respect to the items, rates, quantities and conditions as available at the time of Tender Opening and subsequent changes/additions by way of new items will not be counted for computing Vitiating.