

**BID DOCUMENT OF METRO RAILWAY KOLKATA
FOR STORES TENDERS**

VERSION 1.0

**(VALID FOR TENDERS PUBLISHED ON OR AFTER
3RD SEPTEMBER 2024)**

Issued by

**The Office of the Principal Chief Materials Manager
5th floor, Metro Rail Bhawan, 33/1, J.L.Nehru
Road, Kolkata-700071**



Website for e-tenders: www.ireps.gov.in

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1. GENERAL

- 1.1.** The Principal Chief Materials Manager, Metro Railway, Kolkata having its office at 5th floor, Metro Rail Bhawan, 33/1, J.L.Nehru Road, Kolkata-700071 on behalf of The President of India (hereinafter referred to as the Purchaser), invites e- tenders for supply of item(s) as mentioned in the Tender Document of e-tender uploaded on the website of IREPS: www.ireps.gov.in .
- 1.2.** These conditions will be applicable for the Tenders published on or after the date of uploading of this bid document on IREPS website until unless specified otherwise.
- 1.3.** All firms who get themselves registered on the IREPS website through an online registration process and who are authorized to bid against a tender can submit their bid against the tender through the IREPS application.
- 1.4.** Firms are advised to ensure that address furnished by them for getting digital signature from accredited agencies are same as that furnished to and available with the centralized source approving authorities such as RDSO/PUs/Zonal Railways etc. They are further advised that while registering themselves in the IREPS website for participation in E-procurement system, the same address as above is filled up, to avoid any vitiation of information and consequent impairment in their credentials.
- 1.5.** Tenderers can download the e-tender document from the website- www.ireps.gov.in free of cost. CRIS (Centre for Railway Information Systems) or the Purchaser will not be responsible for any delay in downloading of tender documents from the website. In case of any problem related to CRIS or downloading e-tender document or bid submission, the tenderer should immediately contact HELP DESK of CRIS.
- 1.6.** Purchaser reserves the right to issue corrigenda to the e-tender document till the closing date of the tender. Additional time for closing of the tender, if warranted, may be given for such corrigenda. It is the responsibility of the tenderer to regularly check any correction or modifications to the e-tender documents published through corrigendum on the website of IREPS and download the same and such corrigendum should invariably be taken into account while submitting the offer. Tenderer should submit revised offer after considering the effect of corrigendum, in case he/she has already submitted offer prior to publication of the corrigendum.
- 1.7.** Please read carefully this bid document, IRS Conditions of Contract (latest version as on tender closing date), Terms & Conditions of NIT (Notice Inviting Tender)/tender document, specifications, drawing and any other document attached to E-tender etc.
- 1.8.** The IRS Conditions of Contract are included with this bid document as Annexure 'F'. However, the latest version of the IRS Conditions of Contract, as available on the official Indian Railways website (<https://indianrailways.gov.in>) on the tender closing date, will be applicable.
- 1.9.** In case of any contradiction in the terms and conditions appearing in IRS Conditions of Contract and this bid document, the latter will prevail. In case of any contradiction between T&C of bid document and T&C of tender document, the latter will prevail.
- 1.10.** In case, any clarification is required by the tenderers for submitting offers, same should be sought for from the Purchaser well before the tender closing date.

2. BID SUBMISSION

- 2.1.** E-bid along with the relevant documents must be uploaded and digitally signed with the digital signature of the pre-authorized personnel of the tenderer already registered with the IREPS web site. Digital signature used must be “Class III with Company Name” obtained from G.O.I. approved Certifying Authority.
- 2.2.** Tenderers must look out for NIT as soon as it is available in IREPS website and upload their offer well in advance without waiting for closing date and time, to avoid last minute hassles in their own computer system or communication line. Metro Railway is not responsible for non-participation of vendors due to any technical problems on the day of tender closing time.
- 2.3.** Tenderers are required to submit their offers by filling up the Techno-Commercial Offer form and Financial Offer form on the website after making payment of requisite amount of Earnest Money (EMD) as detailed in para 6.0, unless exempted. Offers of firms/tenderers who are not exempted from paying EMD, if received without EMD (if required as per tender) in prescribed/required manner/amount will be summarily rejected. Tenders should be duly filled in (on the assigned space), duly signed with the digital signature and submitted online. All mandatory fields marked with (*) have to be filled by the tenderers.
- 2.4.** The vendors should quote financial terms and conditions in the nominated fields of financial rate page only. Any financial terms and conditions mentioned in the fields other than the nominated fields will be ignored. Similarly, any financial terms and conditions enclosed as attachments will be ignored.
- 2.5.** Only bids received in the Electronic tender box available on the web site www.ireps.gov.in will be considered. The e-procurement system does not permit submission of any offer after the closing date and time of that e-Tender. Hence there is no scope of any Late / Delayed offers in the online bidding process.
- 2.6.** The Principal Chief Materials Manager or any other officer authorized on behalf of the President of India is not bound to accept the lowest or any tender or to assign any reason for doing so and reserves himself the right to cancel the tender, to reduce or divide the contract or to accept any tender in respect of the whole or any portion of the items specified in the e-tender and the successful tenderer shall be required to supply the same at the rate quoted.
- 2.7.** Railways reserves the right to cancel the tender for full or part quantity tendered without assigning any reason.
- 2.8.** Bidder's digital signature on the E-Tender form will be considered as bidder's confirmation that they have read and accepted all the conditions laid down in the bid documents as well as schedule of tender, consisting of techno-commercial offer form (including special conditions attached to E-Tender) and Financial offer form, unless specific deviation is quoted in the techno commercial offer form.
- 2.9.** Tenderers should show discount in the rate schedule only, instead of anywhere else in the offer. Discounts not shown at designated place will be summarily ignored for assigning inter-se ranking of offers. Conditional discount will not be considered for adjudging the inter-se position i.e. rate quoted without any conditions attached will only be considered for evaluation purpose. In other words, discounted rates linked to quantities, prompt payment etc. will be ignored for determining inter-se position. Purchaser, however reserves the right to use the discounted rate / rates considered workable and appropriate, for counter offer to the successful tenderers.
- 2.10.** Tenderers are required to quote in the same rate unit (i.e. Number, set etc.) as given in the tender schedule. Any deviation in this aspect will make the offer liable to be ignored.

- 2.11.** No Manual offers sent by post/Fax or in person shall be accepted against such E-tenders even if these are submitted on the Firm's letter head and received in time. All such manual offers shall be considered as invalid offers and shall be rejected summarily without any consideration.
- 2.12.** The tenderers must fill in the techno-commercial offer form (consisting of eligibility criteria, terms & conditions, deviation statement, check list & special conditions etc.), financial offer form and attach scanned copy of
- i. Tender specific Authorization letter from OEM in case of an agent/dealer.
 - ii. Documents in support of proven supply performance like copies of I/Cs, R/Notes, Consignee Receipt Note, Consignee Receipt and acceptance certificate etc.
 - iii. Manufacturing capacity and details of technical & non-technical man power employed by the vendor.
 - iv. Details of machinery and plant in their manufacturing unit.
 - v. Quality assurance plan (QAP) and details of testing equipment's including details of technical man power engaged in testing of inward and outward material.
- 2.13.** If tenderers happen to quote with their own Drawing No. / Part No./ Specification/catalogue etc., then they shall have to necessarily upload copies of all such drawings/part no./specifications/catalogues etc. and all the requisite documents and information as part of their offer to support that it is in conformity with the tendered drawings/specifications, failing which the offer will be liable to be rejected.
- 2.14.** The vendors can submit a revised commercial offer any time before the stipulated date and time of submission of bid and in such a case, the last revised offer submitted shall be considered valid. Tenderers must note that only last Revised offer, which is deemed to supersede all previous offers shall be tabulated.
- 2.15.** The tenderers can also submit "Alternate Offer". An Alternate offer will be so considered by the system, tabulated and placed at its appropriate position in the tabulation statement. Tenderers must note that "Alternate Offer" and "Earlier Offers" shall be tabulated.

3. CLAUSES OF RESPONSIVENESS

- 3.1.** Tenderers are advised to quote for minimum 50% of the Tender Quantity, failing which their offers shall be summarily rejected.
- 3.2.** Tenderers must keep validity of their offer open for a minimum period as mentioned in tender document. Offers with validity period of shorter duration shall be taken as unresponsive to Railway's requirements and will be summarily rejected.
- 3.3.** In case where no price variation clause has been incorporated by Railway in the tender schedule, tenderers must quote on fixed price basis only. Offers from tenderers quoting with PVC Clause in such cases will be summarily ignored.
- 3.4.** For the tenders with Price Variation Clause (PVC), tenderers are advised to quote as per the specific Price Variation Formula given in the tender Schedule. Offers with deviation in the PVC formula and base date of prices of input raw Material than as prescribed in the tender schedule will be summarily rejected. Offers from Tenderers quoting with fixed price where Railway has incorporated pre-defined PVC will be summarily rejected.
- 3.5.** In cases of procurement for a value more than Rs. 10 crores, the 'Class-I local supplier' / 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content in the material being offered failing which offer will be summarily rejected. [Note : Please Refer Para 13.0 Public Procurement (Preference to Make in India)]
- 3.6.** All tenderers must quote in Indian Rupees (INR) only in indigenous tenders failing which their offers will be summarily rejected.

4. TENDER OPENING

- 4.1.** Electronic tender boxes will be opened only after stipulated closing date and time of the tender as shown on the IREPS Website.
- 4.2.** Vendor shall not be required to be present in the Railways office for any e-Tender opening process. They can obtain totally transparent bid tabulation statement by logging on to the IREPS website after tender opening.
- 4.3.** All the participating vendors who have submitted valid electronic offers can view their own offer details as well as the tender tabulation statement, after tender opening, from any remote location using internet access by visiting and login into the web site www.ireps.gov.in instantly after opening of the electronic tender box, by clicking on the icon.
- 4.4.** Railway does not guarantee opening of the tenders immediately after the closing date and time due to reasons beyond its control and hence tenders can be opened after the due date and time also. It is ensured by the system that no offers are submitted after tender closing date and time. Vendors cannot submit / modify any offer or attach any file to it after the closing date and time as stipulated in the tender notice. System does not permit any alteration, modification, deletion of any entry or condition, offered by the tenderer in the e-tender, after closure of the electronic tender box.

5. ELIGIBILITY

The Railway reserves the right to procure materials from firms that meet the eligibility criteria specified below, as pre-decided or otherwise outlined in the tender documents.

5.1. Procurement of items reserved to be procured from approved sources (RDSO/BLW/CLW/ICF/CORE/RCF/MCF etc.)

- (A) The Railway reserves the right to order bulk quantity on the approved sources, and the offers of unapproved sources may be considered only for developmental order of small quantity. The status of approval of tenderer shall be reckoned as on the date of tender opening and not thereafter, unless it is a case of downgrading/removal/suspension/banning. Minimum 80% of Net Procurable quantity shall be ordered on approved vendors.
- (B) If the tendering firm(s) has been placed as developmental source in vendor directory, then offers from these firms may be considered for developmental order up-to maximum of 20% of the Net Procurable Qty. However, if the firm's approval is conditional and is linked with Prototype approval, Field Trials, Type Test etc., the firm's offer may be considered for Max. 5% of Net Procurable Quantity unless otherwise specified in tender.
- (C) (Even if, the tendering firm(s) is not approved by Source Approving Authority, then such untried/unapproved vendors must submit their credential details i.e. Machinery and plant, testing facilities, QAP, Technical Manpower, etc. as an attachment to their e-bid. Offers from these firms may be considered for developmental order up to a maximum of 5 % of the net procurable quantity about whom Railway is prima facie satisfied that they are capable of executing the order and only after confirmation of their capacities/capabilities by Source Approving Authority. Failure to furnish and attach such requisite credentials as mentioned above will make their offer liable to be ignored.
- (D) "Where there are not more than three Indian Suppliers categorized as Approved Vendor for a particular item, developmental vendors can be considered for placement of bulk order without any quantity restrictions. However, while considering such vendors, factors including past performance, capacity, delivery requirements, quantity under procurement, nature of item, outstanding order load etc. shall be considered in a transparent manner, subject to rates being reasonable. Quantity allocation among eligible vendors shall be based on pre decided tender criteria. Such orders shall be treated as bulk orders. A supplier or bidder shall be considered to be from India if:-
 - (i) The entity is incorporated in India, or
 - (ii) A majority of its shareholding or effective control of the entity is exercised from India, or
 - (iii) More than 50% of the value of the item being supplied has been added in India.

- 5.2. Materials to be procured from sources having satisfactory past performance of same/similar items**
- 5.2.1. “Bulk Order”:** The Railway reserves the right to place orders for entire or bulk quantity on firms having proven satisfactory past performance of supply of same/similar items for at least 20% of tender quantity in preceding three years (current year and last three financial year) against single order.
- 5.2.2. “Developmental Orders”:**
- (I) Firms having satisfactory past supply performance for supply of same/similar items for less than 20% of tender quantity in preceding three years (current year and last three financial year) against single order, as per criteria at (c) below, shall be considered for developmental order upto 20% of NPQ subject to their rates being lower than those applicable for regular and bulk order.
 - (II) Other firms who have no past supply performance but are capable of manufacturing and supplying the item can be considered for developmental order subject to submission of their technical and financial capabilities/ capacities i.e. Machinery and Plant, Testing Facilities, QAP, Technical Manpower, Balance Sheet, Turn Over etc. along with their offer and subject to their rates being lower than those applicable for regular and bulk order.
- 5.2.3. Documentation Requirements for Offer Submission**
- Firms must upload the following supply credentials along with their offer: Consignee Receipt Note, Consignee Receipt and Acceptance Certificate, Receipt Note, Inspection Certificate, Receipted Challan, Payment Receipt Particulars, etc. These documents should verify the supplies made by the firm for the same or similar items to this Railway, other Railways, Production Units (PUs), and Public Sector Units (PSUs). Failure to submit these documents will be interpreted as a lack of past performance, and their offers will be evaluated accordingly without further reference. However, the Railway reserves the right to review the firm’s past performance with Metro Railway.
- 5.2.4.** In case tenderer participates as an authorized agent, then the performance as required above shall be that of principal authorizing the agent.
- 5.3. Procurement of items reserved to be procured from Micro & Small Enterprises (MSEs):**
- (A) For items reserved to be procured from Micro & Small Enterprises (MSEs), the MSE tenderers must enclose with their offer a copy of Udyam Registration Certificate only. MSE benefits will not be admissible based on any other document.
 - (B) Bulk order will be placed on MSEs having past performance for a minimum of 20 percent of total tendered quantity as per Para 5.2 above. Other MSEs may be considered for Developmental Order for up to 20% of the Net Procurable Quantity.
 - (C) Regarding submission of requisite documents in support of supply performance, Para 5.2.3 above is also applicable.
- 5.4. Procurement from Manufacturers authorized agents/ Distributors:**
- 5.4.1.** Only Manufacturers or their authorized dealers can quote.
- 5.4.2.** Any firm quoting on behalf of OEM must submit valid & tender specific authorization certificate from their OEM along with their offer and agree for inspection by the nominated agency (as the case may be) at the premises of their principal, failing which their offer is liable to be rejected.
- 5.4.3.** The authorised agents/distributors price will not exceed that which the manufacturer would have quoted.
- 5.4.4.** Following would be preferred in case of offer from authorized dealers.
- (i) Inspection by RITES/RDSO/TPI/Nominated agency at the manufacturing premises of the relevant manufacturer. RITES/RDSO/TPI/Nominated agency shall categorically confirm in the Inspection Certificate, that inspection of the material has been actually made in the manufacturing premises of the manufacturers and not in the ware house/ Go-down / Shop of the dealer.
 - (ii) Direct dispatch from the premises of the manufacturer to the Railways consignee after

inspection and acceptance by RITES/RDSO/TPINominated agency.

(iii) Submission of Manufacturer's Test and Guarantee Certificate with each lot of supply.

5.4.5. In a tender, either the authorized agent/dealer on behalf of the Principal/OEM or Principal/OEM itself can bid but both cannot bid simultaneously for the same item/Product in the same tender. In such case, both the offers shall be considered ineligible and will be summarily rejected.

5.4.6. If an authorized agent/dealer submits bid on behalf of the Principal/OEM, the same agent shall not submit a bid on behalf of another Principal/OEM in the same tender for the same item/product. In such case, both the offers shall be considered ineligible and will be summarily rejected.

5.5. Special conditions for stores required to BIS specification

5.5.1. If the specification of material used to manufacture the tendered item comes under the mandatory certification of BIS(the details of mandatory certification are indicated on the Bureau of Indian standards(BIS) website-www.bis.org.in under "Product Certification" _ Mandatory Certification" the firm will ensure the purchase of material from the sources which are having BIS License and with ISI mark. The necessary related documents will be required to be submitted by the firm if the same is asked for by inspecting agency or any third party. The firm will produce the trail of documents and test certificates to show that the said item has been sourced from BIS license and with ISI mark. This will be applicable to individual item and/ or a part in the assembly/ Fabricated item. ISI stamp should be demonstrated by the vendor/supplier/ Contractor on the item or its salvage, which should be available in vendor's Premises.

5.5.2. Contract as a result of such tender enquiry will be entered into only for stores having ISI marking. In case ISI marked stores, are not available, stores strictly conforming to BIS specifications are required.

5.5.3. Tenderers offering stores with ISI marking must indicate BIS specification number along with following:

- (a) Details of BIS license held by them with its validity period.
- (b) Must enclose a soft copy of BIS license with their quotation.
- (c) Must enclose a list of stores for which they are authorized to put ISI mark.

5.5.4. Tenderers must confirm clearly in their quotations whether the offered stores will bear ISI mark or not. Offers for ISI marked stores should invariably be supported by soft copy of valid BIS license showing stores specifications number failing which such offers will be liable to be ignored. Registration status shall be taken with reference to date of tender opening.

5.5.5. In case a product is available with 'ISI' mark and purchase order is placed on ISI certified manufacturer, the material can be accepted on firm's WTC instead of 3rd party inspection.

6. EARNEST MONEY DEPOSIT (EMD)

6.1. EMD SUBMISSION FOR STORES TENDERS

6.1.1. Earnest Money Deposit is taken to prove the earnestness of the offer on the part of the tenderer. An amount as indicated in the tender is required to be deposited.

6.1.2. Earnest money should be paid only through payment gateway link (on-line mode) before the closing date and time of the e-tender.

6.1.3. Offer will be summarily rejected in the case of non-deposit of Earnest Money or it being deposited by the tenderer in any form other than the one mentioned above, unless exempted.

6.1.4. Cash / Bank Guarantee / FDR /CDR etc. are no more the acceptable mode of submission of Earnest Money Deposit.

6.2. EXEMPTION FROM SUBMITTING EMD

EMD amount shall be mentioned in all the tenders. There shall be no exemption from submission of EMD for any tender or by any tenderer except the followings.

- (i) EMD shall normally not be called against tenders with estimated value up to Rs. 25 Lakhs. If

considered necessary, authority competent to issue tender may call for EMD in any tenders, on case to case basis.

- (ii) Micro and Small Enterprises (MSEs) having “Udyam Registration” as per MSME Notification No. S.O.2119(E); Dated: 26/06/2020 and as amended from time to time. MSEs, who are interested in availing themselves of these benefits, will enclose with their offer a copy of Udyam Registration Certificate only. MSE benefits will not be admissible based on any other document.
- (iii) Other Railways and Government Departments in terms of Railway Board’s letter No – 2004/RS(G)/779/11 dated 24/07/2007 as amended from time to time.
- (iv) Indian Ordnance Factories in terms of Railway Board’s letter No – 92/RSS(G)/363/1 dated 08/04/1993 as amended from time to time.
- (v) PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them in terms of Railway Board’s letter No – 2003/RS(G)/779/5 dated 10/09/2004 as amended from time to time.
- (vi) Vendors registered with Railways for the trade group (Mentioned in the tender) of the item tendered.
- (vii) Vendors appearing in the approved vendor lists of approving agencies viz. RDSO/PUs/CORE/Railways, subject to approval status being valid on the date of tender closing.
- (viii) Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of EMD for these items.
- (ix) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting EMD.
- (x) KVIC and ACASH shall be exempted from EMD for items supplied by them.

Note : Authorized agent/dealer quoting on behalf of a manufacturer shall not be exempted from remitting EMD, owing to any of the above exemptions.

6.3. APPLICABLE EMD AMOUNT

Estimated Value of Tender	EMD [rounded off to nearest, Higher Rs.10(Ten)]
Above Rs.25 lakh and Upto Rs.50 Cr.	@ 2% of the estimated value of the tender subject to Max. Rs.20 Lakh.
Above Rs.50 Cr.	Rs.50 lakh

6.4. MODE OF EMD PAYMENT

6.4.1. Tenderers other than those who are exempted from paying Earnest Money or in whose favour Earnest Money Payment may be waived as detailed in the earlier paragraphs shall be required to pay Earnest Money online through Payment Gateway facility provided on the site (using debit/credit card or Internet banking), failing which, their offers shall be summarily rejected.

6.4.2. However, in case of global tender, EMD can be paid either online through Payment Gateway facility provided on the side (using debit/credit card or Internet banking), or offline i.e. manually, through BG as per Annexure ‘C’ only. In case of manual payment, details of payment instrument i.e. Bank Guarantee, should be submitted on the payment page of the site and scanned copy of instrument should be uploaded along with the offer. EMD should remain valid for a period of 45 days beyond the final bid validity period, which should also be extended whenever bid validity is extended.

6.4.3. Vendors themselves will be responsible and liable for wrong classification in claiming exemption, if any.

6.5. Tenderers seeking waiver of exemption from payment of Earnest Money shall have to attach scanned

copy of requisite documentary evidence in support of their claim. For the other tenderers, Earnest Money as stipulated in the Notice for Invitation of Tenders (NIT) will have to be paid online through Payment Gateway link available on IREPS website.

- 6.6.** All vendors, exempted from submitting EMD, irrespective of type of tender, i.e. Single, limited or open, shall be required to sign a bid securing declaration as per format given below:-

I/we certify that my/our offer is eligible for exemption from submission of bid security/Earnest Money Deposit, in terms of the tender conditions.

In case my/our claim to exemption from submission of bid security/Earnest Money Deposit is not found valid as per terms of the tender, I/we understand and accept that Railways has unquestionable right to summarily reject my bid and my offer shall not be considered for ordering. Further, I/we hereby understand and accept that if I/we withdraw or modify my/our bids during the period of validity, or if I/we are awarded the contract and on being called upon to submit the performance security/ Security Deposit, fail to submit the performance security/Security Deposit before the deadline defined in the request for bid document/ Notice Inviting Tender, I/we shall be debarred from exemption of submitting Bid Security/ Earnest Money Deposit and performance security/ Security Deposit for a period of 6 (six) months, from the date I/we are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period.

6.7. Debarment from exemption of submitting Earnest Money Deposit

The bidders who withdraw or modify the bids during the period of validity, or on award of the contract and on being called upon to submit the performance security/ Security Deposit, fail to submit the performance security/ Security Deposit before the deadline defined in the request for bid document/ Notice Inviting Tender/Tender document shall be debarred from exemption of submitting Bid Security/ Earnest Money Deposit and performance security/ Security Deposit for a period of 6 (six) months from the date they are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period.

- 6.8.** Provisions for debarment from exemption of submitting Bid security/Earnest Money Deposit under above para 6.7 shall not be applicable for Govt. Departments/ordnance factories/ other Railways/ Railway PSUs/ KVIC/ ACASH and matter shall be taken up with them departmentally/ administratively.

6.9. FORFEITURE OF EARNEST MONEY:

Railways have the right to forfeit the Earnest Money Deposit if the tenderer withdraws or revises his offer within its validity period.

6.10. RELEASE OF EMD

6.10.1. EMD shall be refunded when any one of the following conditions is satisfied.

- (i) After finalization of tender, the bidder is an unsuccessful bidder.
- (ii) Validity of offer expires and validity extension is not sought.
- (iii) Validity of offer expires and bidder refuses to extend validity of offer.
- (iv) After finalization of the tender successful bidder submits required SD.

6.10.2. EMD of bidders or tenderers shall be released after it is due for release as per above criterion. System for online release of EMD has been rolled out by CRIS. The Purchaser shall initiate the process of release after the EMD if due for release.

6.10.3. If the tender is cancelled by the Railway Administration before tender opening, any EMD paid shall be refunded to the tenderer.

- 6.11.** No interest shall be payable on the Earnest Money deposited/submitted.

7. SECURITY DEPOSIT(SD)/PERFORMANCE SECURITY FOR STORES CONTRACTS EXCEPT M&P

7.1. There shall be no exemption from submission of Security Deposit (SD) for any tender or by any tenderer except following:

- (i) The Store contract cases of value upto Rs.25 (Twenty five) lakhs.
- (ii) Other Railways and Government Departments.
- (iii) Indian Ordinance Factories.
- (iv) PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them.
- (v) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting SD.
- (vi) KVIC and ACASH shall be exempted from SD for items supplied by them.
- (vii) Vendors registered with Railways for the trade group of the item tendered shall be exempted from SD for orders valued upto their monetary limit of registration.
- (viii) Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing.
- (ix) Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of SD for these items.

Note: Authorized agent/dealer quoting on behalf of a manufacturer shall not be exempted from submitting SD, owing to any of the above exemptions.

7.2. Amount of Security Deposit(SD)

Security Deposit (SD) amount to be submitted by successful tenderer shall be as below:-

Contract value	SD [rounded off to nearest Higher Rs.10(Ten)]
Above Rs.25 lakh and UptoRs.50 Cr.	@ 5% of contract value subject to Max. Rs.50 Lakh.
Above Rs.50 Cr.	Rs.1 cr.

7.3. Time for deposit of SD :

7.3.1. Security Deposit (SD) from successful tenderer should be received in purchase office within 21 days from the date of communication of acceptance with respect to the purchaser.

7.3.2. Authority competent to condone delay in submission of SD shall be SAG for cases upto acceptance power of SAG. PHOD/CHOD shall have full power for such condonation. Condonation shall be on case to case basis.

7.4. **Security Deposit (SD)** should remain valid for a Period of 60 days beyond the date of completion of all the contractual obligations.

7.5. In the event of successful tender(s) failing to deposit/submit SD in acceptable form within the prescribed period as aforesaid, the EMD submitted by such successful tenderer(s) shall be automatically adjusted towards SD in view of the fact that in most of the cases, EMD amount would be adequate to meet the SD amount. In case where available EMD amount is less than required SD and the successful tenderer does not deposit the balance SD amount within stipulated time, then EMD shall be forfeited and case will be dealt with as that of withdrawal of offer by the tenderer as per extant instructions.

7.6. Bidders seeking waiver of security deposit will have to submit requisite documentary evidence by uploading the same while submitting online bids.

7.7. General Damage (GD):Wherever SD has been exempted, for any reason, and the supplier fails to

supply goods as per conditions of contract, as amended from time to time, Purchaser have right to levy damages from the supplier for failing to comply with the contractual conditions, not by way of penalty, an amount equal to SD amount, as would have been applicable if the contract was with a non-exempted vendor. These damages shall be treated as recoveries outstanding against the vendor and dealt with accordingly.

7.8. Security deposit is to be paid in any of the manner prescribed below:

- i. Government securities.
- ii. Fixed Deposit Receipts (FDR), Pay Orders, Demand Drafts and Bank Guarantee Bonds (**as per annexure 'B'**) of the State Bank of India or any of the Nationalized Bank/Scheduled Commercial Bank.
- iii. Deposit Receipts of the Post Office Saving Bank.
- iv. The Bond of Indian Railway Finance Corporation (in case of bonds issued under non-cumulative interest scheme, postdated interest warrants should be submitted along with the bonds and the interest warrants could be given back as and when the interest becomes due) and KRCL Bonds of Rs.1000 each. Payment of Security Deposit and Earnest Money in the form of Pay Order/Demand Draft should be drawn in favour of FA&CAO, Metro Railway, Kolkata only.
- v. If SD is submitted under structured Financial Management system (SFMS) the Bank account details of Metro Railway are as following:

Name of the Bank	State Bank of India
Place	Samriddhi Bhawan, 1, Strand Road Branch, Kolkata-700001.
Account Number	32744775770
Bank Code	00001
IFSC Code	SBIN0000001
Name of the Railway Account	e-Auction PAO-1 FA&CAO/ Metropolitan Transport Project/Calcutta.

- 7.9. Return of Security Deposit:** The Security deposit will be refunded to the contractor on due fulfillment and satisfactory completion of the contract within a reasonable time and on submission of a Clearance Certificate by the Contractor to the effect that the Contractor has received all dues arising out of this contract and that he has no claim whatsoever on the President, against the contract.

8. NON EXEMPTION FROM SUBMITTING EMD AND SD

- 8.1.** There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are so disqualified as per the declaration signed by them.
- 8.2.** This para shall not be applicable for Govt. Departments/ordnance factories/other Railways/Railway PSUs/KVIC/ACASH and matter shall be taken up with them departmentally/administratively.

9. GOODS AND SERVICES TAX:

- 9.1.** All the bidders/tenders should ensure that they are GST compliant and their quoted tax structure/rates are as per GST Law. Tenderers will examine the various provisions of the Central Goods and Services Tax Act,2017(CGST)/Integrated Goods and Services Tax Act,2017(IGST)/Union Territory Goods and Services Tax Act, 2017 (UTGST)/respective state's State Goods and Services Tax Act (SGST) also, as notified by Central/State Govt. & as amended from Time to time and applicable taxes before bidding. Tenderers will ensure that full benefit of Input Tax Credit(ITC) likely to be availed by them is duly considered while quoting Rates.
- 9.2.** The successful tenderer who is liable to be registered under CGST/IGST/UTGST/SGST Act shall submit GSTIN along with other details required Under CGST/IGST/UTGST/SGST Act to Railway at the time of submission of offer/ After conclusion contract, without which no payment shall be released to the tenderer.
- 9.3.** In case the successful tenderer is not liable to be registered under CGST/IGST/ UTGST/SGST Act, the railway shall deduct the applicable GST from his/their bills under reverse charge mechanism (RCM) and

deposit the same to the concerned Authority.

9.4. Tenderers are requested to refrain from quoting vague terms like “GST as applicable” They will have to clearly quote the current percentage rate of GST extra as applicable with HSN No.

9.5. The offers will be evaluated based on the GST rate quoted by bidders. While quoting it is the responsibility of the bidders to ensure that they are quoting correct GST rate and HSN No. If they quote erroneous GST rate and HSN No. then the liability for payment of the difference in GST amount if any, at a later date will lie with the bidders only and no increase in rate of GST rate will be allowed subsequently unless or until the same is changed by statute after the opening of tender and within the original delivery period.

9.6. The tenderers in their bids shall indicate the details of their Jurisdictional Assessing Officers (Designation, address & email id). In case of a contract award, a copy of the LOA/Purchase Order shall be immediately forwarded by Purchaser to the Jurisdictional Assessing Officer mentioned in the Tenderer's bid

9.7. EVALUATION OF OFFERS UNDER GST REGIME:

- a) Purchaser may incorporate HSN number in the tender document. However it shall be the responsibility of the bidders to quote correct HSN number and corresponding GST rate.
- b) The offers shall be evaluated based on the GST rate as quoted by each bidder and same will be used for determining the inter se ranking. While submitting offer, it shall be the responsibility of the bidder to ensure that they quote correct GST rate and HSN number. Purchaser shall not be responsible for any misclassification of HSN number or incorrect GST rate if quoted by the bidder.
- c) Wherever the successful bidder invoices the goods at GST rate or HSN number which is different from that incorporated in the purchase order, payment shall be made as per GST rate incorporated in the purchase order.
- d) Vendor is informed that she/he would be required to adjust her/his basic price to the extent required by higher tax billed as per invoice to match the all-inclusive price as mentioned in the Purchase order.
- e) Any amendment to GST rate or HSN number in the contract shall be as per the contractual conditions and statutory amendments in the quoted GST rate and HSN number under SVC.

9.8. Payment of GST:

- a) Onus of correct classification and rate is on the firm.
- b) GST will be paid on production of documentary proof. All input credits should be passed on to Railways by the supplier. To this effect, the firm should give declaration that all input credits has been passed on to Railways while submitting the bills.
- c) The firm shall pass on (as per section 17(1) of CGST/SGST Act) any reduction in tax rate on supply of goods or any benefit of input tax credit to the Railway through a commensurate reduction in price without any undue delay. To the above effect the firm should give declaration that all the benefits accruing on account of change in tax rate and any additional input tax credit (ITC benefit) shall be passed on to the Railway.
- d) Any kind of reduction in prices obtained by the supplier due to implementation of GST is to be passed on to the purchaser as per Anti Profiteering clauses of GST Act at any point of time during the period of the contract.
- e) The claim for GST on each bill should be supported by following certificate.
 - (i) Certified that the GST charged on this bill is not more than that is legally leviable and payable under the provision of the relevant act or rules made there under.
 - (ii) Certified that the amount of Rs. claimed as GST in this bill is in accordance with the provision of the rules in all respects and the same has been actually paid to the authorities concerned in respect of the stores covered by the bills.
 - (iii) Addition: GST will be paid on production of documentary proof. All input credits should be passed on to Railways by the supplier. To this effect, the firm should give declaration that all input credits has been passed on to Railways while submitting the bills. We further agree to

pass on such additional duties and set off as may become available in Future in respect of all the inputs used for the manufacture of the final product, on the Date of the supply by way of reduction in price and advise the purchaser accordingly.

10. PRICE VARIATION CLAUSE:

- 10.1.** Unless otherwise specified, wherever no price variation clause is specified in Tender Document, tenderers must submit their offers/ bids on Fixed Price Basis only that is the quoted prices should be firm and not subject to any variation, otherwise the offer shall be summarily rejected. Ambiguous conditions, such as, “Price Variation Clause applicable”, will not be acceptable and such offers will be summarily rejected.
- 10.2.** There may be cases of procurement of stores, wherein the Tender Document will indicate the Price Variation formula. Tenderers are advised to quote as per specific Price Variation (PV) formulae and base date for prices/ indices of Raw Material/ other commodities given in the Tender Document. Offers with deviation in the PV formula and/or base date of prices/ indices of input raw materials/ other commodities other than as specified in the Tender Document, will be summarily rejected. Offers of bidders quoting fixed price where Tender Documents incorporates PVC will be summarily rejected.
- 10.3.** In the cases where PVC is applicable, the contract prices upward/ downward will be regulated with reference to the date of inspection of stores and will be applicable to the stores tendered for inspection after one month from the date of variation in the price of relevant input material by the specified agencies like SAIL, HZL, HCL, IEEMA etc. The date on which stores are offered for inspection will be treated as the date of supply for the purpose of Price Variation Clause. Furthermore, the base month for such input materials will be one month prior to that of tender opening. Admission of any claim in this regard will be subject to the suppliers furnishing all the supporting documents.
- 10.4.** Tenderers who quote with price escalation on account of raw material in the tenders will please note that such escalation claims will be subject to verification by the Financial Adviser and Chief Accounts Officer of the Railways with reference to the records that may be called for from them. Successful tenderer will be required to produce complete records including position of ground stocks available at the time of submission of tender for verification / examination of their claims under price escalation before their claims are accepted. If the tenderer fails to establish his claim by producing satisfactory records before the FA & CAO of the concerned Railway, their claim will be disallowed and/ or proportionately reduced.

11. FORCE MAJEURE CLAUSE:

- 11.1.** A Force Majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, riots, crimes (but not including negligence or wrongdoing, predictable/seasonal rain and any other events specifically excluded in the clause). An FM clause in the contract frees both parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. An FM clause does not excuse a party's non-performance entirely, but only suspends it for the duration of the FM. The firm has to give notice of FM as soon as it occurs and it cannot be claimed ex-post facto. There may be a FM situation affecting the purchase organisation only. In such a situation, the purchase organisation is to communicate with the supplier along similar lines as above for further necessary action. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of FM for a period exceeding 90 (ninety) days, either party may at its option terminate the contract without any financial repercussion on either side. Notwithstanding the punitive provisions contained in the contract for delay or breach of contract, the supplier would not be liable for imposition of any such sanction so long as the delay and/or failure of the supplier in fulfilling its obligations under the contract is the result of an event covered in the FM clause.
- 11.2.** Force Majeure Clause will not be used by any party to effectively escape liability for bad performance and Contractor/supplier shall seek all reasonable alternative means for performance not prevented by Force Majeure events.
- 11.3.** There may be a Force Majeure situation affecting the Purchaser's Organization and in such a situation, Force Majeure Clause shall be available and applicable to the Purchaser also and

Purchaser shall be entitled to cancel the contract without any financial repercussions on either side.

12. TERMS OF DELIVERY AND DELIVERY SCHEDULE:

- 12.1.** Delivery is required to be made at the place as stated. Any deviation from the same may be considered as commercially unresponsive and the offer is liable to be ignored.
- 12.2.** The purchaser prefers free delivery by road at consignee's end and tenderers may indicate freight / delivery charges in their offers. In case an offer is submitted on the basis indicating freight / delivery charges, the supplier shall agree to dispatch the stores by road on free delivery to consignee on freight pre-paid basis. Offers with remarks like 'freight extra' or 'at actuals' shall be treated as commercially incomplete offer and shall be liable to be rejected.
- 12.3.** The tenderer should note that generally the supplier are supposed to quote delivery by road (only in exceptional cases, delivery by Rail will be accepted by Metro Railway) and that too on FOR destination basis for each consignee as given in the eTender (NIT).
- 12.4.** FOR destination means Total Unit Rate including all cost elements totalling upto destination i.e. cost of materials + Taxes & duties + Freight upto destination + other charges (if, any).
- 12.5.** Suppliers should clearly quote the FOR Conditions - whether station of dispatch or destination. If firm's offer is not FOR Destination, then applicable freight charges should invariably be indicated under the 'Freight' column in the rate page. In the event, any Tenderer does not specifically indicate anything about the place of delivery in his offer, it will be assumed that the offer is for delivery at the destination and the Tenderer will bear the freight on pre-paid basis. This assumption will be final and binding on the Tenderer and will not be subject to any legal dispute or arbitration in future.
- 12.6.** Tenderers should invariably quote firm delivery period as stipulated in NIT. Bidders may note that their offers are likely to be ignored or may not be considered for placement of order if their offered Delivery period is in variation from Delivery Period as specified in tender documents (NIT). Thus, while quoting the DP, this aspect may be kept in view by the tenderer.
- 12.7.** The tenderers are to note the Railway's required delivery schedule given in the Tender schedule/ Offer Form and quote accordingly. Vague Delivery terms like 2/ 32 weeks etc. must be avoided.
- 12.8. Liquidated Damage (LD) on delayed supply:**
- Recovery of Liquidated shall be levied @1/2%(half percent) of the price of the delayed supplied store per week or part of the week during which delivery is accepted and the upper limit for recovery of LD in supply contracts is 10%(ten percent) of the value of contract irrespective of delays, unless otherwise provided, specifically in the contract.

13. PUBLIC PROCUREMENT (PREFERENCE TO MAKE IN INDIA):

- 13.1.** The Public Procurement (Preference to Make in India) Order, 2017 - Revision (latest) issued by Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Government of India shall be applicable. This order is issued pursuant to Rule 153(iii) of General Financial Rule 2017.
- 13.2.** For the purpose of this Order, the definitions are as under.
- (i) 'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

Explanatory notes for calculation of local content given above

- a. Imported items sourced locally from resellers/distributors shall be excluded from calculation of local content.

- b. The license fees/royalties paid/ technical charges paid out of India shall be excluded from local content calculation.
 - c. Procurement/Supply of repackaged/refurbished/rebranded imported products as understood commonly shall be treated as reselling of imported products and shall be excluded from calculation of local content. The definition of repackaged/refurbished/rebranded imported products is as follows;

'Refurbishing' means repair or reconditioning of an imported product does not amount to manufacture because no new goods come into existence.

'Repackaging' means repacking of imported goods from bulk pack to smaller packs would not ordinarily amount to manufacture of a new item.

'Rebranding' means relabeling or renaming or change in symbol or logo/makes or corporate image of a company/organization/ firm for an imported product would amount to rebranding.
 - d. To ensure that imported items sourced locally from resellers/distributors are excluded from calculation of local content, procuring entities to obtain from bidders, the cost of such locally-sourced imported items (Inclusive of taxes) along with break-up on license/royalties paid/technical expertise cost etc. sourced from outside India. For items sold by bidder as reseller, OEM certificate for country of origin to be submitted.
 - e. For contracts involving supply of multiple items, weighted average of all items to be taken while calculating the local content.
- (ii) 'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement meets the minimum local content as prescribed for 'Class-I local supplier' under this order.
 - (iii) 'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement meets the minimum local content as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' under this order.
 - (iv) Non-Local supplier means a supplier or service provider, whose goods, services or works offered for procurement has local content less than that prescribed for 'Class-II local supplier' under this order.
 - (v) 'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.
 - (vi) Margin of Purchase Preference: The maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.
 - (vii) Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.
 - (viii) 'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.
 - (ix) 'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

13.3. Special treatment for items covered under PLI Scheme

The manufacturers manufacturing an item under PLI scheme shall be treated as deemed Class II local supplier for that item unless they have minimum local content equal to or higher than that notified for Class-I local supplier for that item, provided the manufacturer has received incentive from the concerned PLI Ministry for the item. The above shall be applicable for the specific time period only, as notified by concerned PLI Ministry.

13.4. Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local suppliers' for different types of procurement

13.4.1. In procurement of all goods, services or works in respect of which the Nodal Ministry/Department has communicated that there is sufficient local capacity and local

competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

13.4.2. Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by above para, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161 (iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.

13.4.3. For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

13.5. Mandatory sourcing of items, with sufficient local capacity and competition, from Class-I local suppliers in SI/EPC/Turnkey Contracts/Service Tenders

- a. The items, notified as having sufficient local capacity and competition, shall mandatory be sourced from Class-I local suppliers in SI/EPC/Turnkey Contracts/ Services tenders. This provision will be applicable only for those items which have been notified by the Nodal Ministry as Class I i.e. having sufficient local capacity and competition, with specific HSN codes.
- b. Notwithstanding above, if in any project, it is considered that it is not practically feasible to source such items from Class I local suppliers, it may take relaxation from such stipulation with the approval of Secretary of the administrative Ministry/ Department concerned or with the approval of the Competent Authority specified by the Administrative Ministry/Department, on case-specific basis.

13.6. PurchasePreference:

13.6.1. Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this order, purchase preference shall be given to 'Class-I local supplier' in procurement undertaken by procuring entities in the manner specified hereunder:

13.6.2. In the procurement of goods or works, which are covered by para 13.4.(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per the following procedure

- (i) Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- (ii) If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

13.6.3. In the procurements of goods or works, which are covered by para 13.4.(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- (i) Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- (ii) If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to

such 'Class-I local supplier' subject to matching the L1 price.

- (iii) In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

13.6.4. "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

13.7. Applicability in tenders where contract is to be awarded to multiple bidders –

In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- (a) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class I Local suppliers'.
- (b) In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of this Order.
- (c) If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/ 'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.
- (d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.
- (e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub-paras above.

13.8. Exemption of small purchases: Notwithstanding anything contained in paragraph 13.4, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

13.9. Exemption in sourcing of spares and consumables of closed systems:

Procurement of spare parts, consumables for closed systems and Maintenance/ Service contracts with Original Equipment Manufacturer/Original Equipment Supplier/Original Part Manufacturer shall be exempted from this Order.

13.10. Minimum local content: The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier'

respectively.

13.11. Margin of Purchase Preference: The margin of purchase preference shall be 20%.

13.12. Requirement for specification in advance: The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

13.13. Government E-marketplace: In respect of procurement through the Government E- marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.

13.14. Verification of local content:

- (a) The 'Class-I local supplier'/'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
- (b) In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- (c) The bidder shall give self-certification for local content in the quoted item (goods/works/services) at the time of tendering. However, at the time of execution of the project, for all contracts above INR 10 Crore, the contractor/ supplier shall be required to give local content certification duly certified by cost/ chartered accountant in practice. For cases where it is not possible to provide certification by Cost/Chartered Accountant at the time of execution of project, the supplier shall be permitted to provide the certificate for local content from Cost/Chartered Accountant after completion of the contract, within time limit acceptable to the procuring entity. In case the contractor/ supplier does not meet the stipulated local content requirement and the category of the supplier changes from Class-I to Class-II/ Non-local or from Class-II to Non-local, a penalty upto 10% of the contract value may be imposed. However, contract once awarded shall not be terminated on this account.
- (d) Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
- (e) Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
- (f) Nodal Ministries and procuring entities may prescribe fees for such complaints.
- (g) False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- (h) A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph (i) below.
- (i) The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);

- iii. In respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

13.15. Specifications in Tenders and other procurement solicitations:

- (a) Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- (b) Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- (c) Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs a' and 'b' above.
- (d) **Reciprocity Clause**
 - (i) When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.
 - (ii) Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.
 - (iii) The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.
 - (iv) State Governments should be encouraged to incorporate similar provisions in their respective tenders.
 - (v) The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
- (e) Specifying foreign certifications/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.
- (f) "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

13.16. Action for non-compliance of the Provisions of the Order: In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

13.17. Assessment of supply base by Nodal Ministries: The Nodal Ministry shall keep in view the domestic manufacturing I supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

13.18. Increase in minimum local content: The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with

adequate quality.

13.19. Manufacture under license/ technology collaboration agreements with phased indigenization:

While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

13.20. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

13.21. Powers to grant exemption and to reduce minimum local content: The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

- (a) reduce the minimum local content below the prescribed level; or
- (b) reduce the margin of purchase preference below 20%; or
- (c) exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

The Administrative Department, while seeking exemption under this para, shall certify that such an item(s) has not been notified by Nodal Ministry/ Department concerned under para 13.4 (a) of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry/Department concerned will continue to have the power to vary its notification on Minimum Local Content.

13.22. Directions to Government companies: In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

13.23. Standing Committee: A standing committee is hereby constituted with the following membership: Secretary, Department for Promotion of Industry and Internal Trade—Chairman Secretary, Commerce—Member Secretary, Ministry of Electronics and Information Technology—Member Joint Secretary (Public Procurement), Department of Expenditure—Member Joint Secretary (DPIIT)—Member-Convenor. The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

13.24. Functions of the Standing Committee: The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

- (a) shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
- (b) shall annually assess and periodically monitor compliance with this Order
- (c) shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
- (d) may require furnishing of details or returns regarding compliance with this Order and related matters
- (e) may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
- (f) may examine cases covered by paragraph 13.19 above relating to manufacture under license/

technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization

(g) may consider any other issue relating to this Order which may arise.

13.25. Removal of difficulties: Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

13.26. Ministries having existing policies: Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

13.27. Transitional provision: This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.

14. SHARING LAND BORDER WITH INDIA CLAUSE:

14.1. Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Competent Authority. Further, any bidder (including bidder from India) having specified Transfer of Technology (TOT) arrangement with an entity from a country which shares a land border with India, shall also require to be registered with the same competent authority.

14.2. DEFINITION

(A) **“Bidder”** (including the term ‘tenderer’, ‘consultant’ or ‘service provider’ in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.

(B) **“Bidder from a country which shares a land border with India”** for the purpose of para (A) above means: -

- a. An entity incorporated, established or registered in such a country; or
- b. A subsidiary of an entity incorporated, established or registered in such a country; or
- c. An entity substantially controlled through entities incorporated, established or registered in such a country; or
- d. An entity whose beneficial owner is situated in such a country; or
- e. An Indian (or other) agent of such an entity; or
- f. A natural person who is a citizen of such a country; or
- g. A consortium or joint venture where any member of the consortium or joint venture falls under any of the above; or
- h. A System Integrator which is offering products/services from entities falling under any of the above.

(C) **The beneficial owner for the purpose of para (B).d above will be as under:**

- a. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.
- i. “Controlling ownership interest” means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;

- ii. “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
 - b. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;
 - c. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
 - d. Where no natural person is identified under (i) or (ii) or (iii) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
 - e. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.
- (D) An **Agent** is a person employed to do any act for another, or to represent another in dealings with third person.
- 14.3.** The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.
- 14.4.** Bidders may please note that in the event of acceptance of their bid on the certificate for compliance given by them and if the same is found to be false at any stage, the false certificate would be a ground for immediate termination of contract and further legal action in accordance with the Law.
- 14.5.** The registration shall be valid at the time of submission of bid and at the time of acceptance of bid.
- 14.6.** If the bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution
- 14.7. Certificate regarding compliance:** Bidder must submit a certificate as per Annexure- D along with the bid. If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law.
- 14.8. Validity of Registration:**
- In respect of tenders, registration should be valid at the time of submission of bids and at the time of acceptance of bids. In respect of supply otherwise than by tender, registration should be valid at the time of placement of order. If the bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution.
- 14.9.** Notwithstanding anything contained therein, it is hereby clarified that the above provisions will not apply to bidders from those countries (even if sharing a land border with India) to which the Government of India has extended lines of credit or in which the Government of India is engaged in development projects. Updated lists of countries to which lines of credit have been extended or in which development projects are undertaken are given in the website of the Ministry of External Affairs.

15. SPLITTING OF TENDERED QUANTITY:

15.1. Case of no prior decision to split the order –

- 15.1.1.** Normally full order should be placed on L-1 firm. However, if after due processing, it is discovered that the quantity to be ordered is more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then this aspect should be recorded in TC Minutes / acceptance in direct acceptance cases. The quantity being finally ordered will be distributed among the other bidders in a manner that will be fair, transparent and equitable. The manner of splitting will take specific note of the following parameters

- (i) Past Performance of bidders

- (ii) Capacity of bidders
- (iii) Delivery requirements in the tender
- (iv) Quantity under procurement
- (v) Vital / Safety nature of the items.

15.1.2. In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 15.2 below.

15.2. Case of pre-decided split ordering –

15.2.1. Railway may decide in advance to have more than one source of supply on account of delivery requirement in tender, past performance and capability of bidders, quantity under procurement and vital/safety nature of items.

15.2.2. Following provisions shall be applicable in all such cases of pre-decided split ordering –

- (A) The Purchaser reserves the right to distribute the procurable quantity on one or more of the eligible tenderers. Zone of consideration of such eligible tenderers will be the right of the Purchaser. The zone of consideration will be a dynamic mix of inter-se position of firms, supply performance of the firms, quantity being procured, critically of and lead time of supply of the item, number of established suppliers, their capacity etc.
- (B) Whenever such splitting of the procurable quantity is made, the quantity distribution will depend (in an inverse manner) upon the differential of rates quoted by the tenderers (other aspects i.e. adequate capacity-cum-capability, satisfactory past performance of the tenderers, outstanding orders load for the Railway making the procurement, quoted delivery schedule vis -a -vis the delivery schedule incorporated in the tender enquiry etc., being same/similar) in the manner detailed in the table below:

Price differential between L1 and L2	Quantity distribution ratio between L1 and L2
Upto 3%	60: 40
More than 3% and upto 5%	65:35
More than 5%	At least 65% on the L1 tenderer. For the quantity to be ordered on the L2 tenderer, TC/TAA shall decide.

It should be noted that L-1 will be the bidder who is technically suitable for bulk quantity regular order. In the phrase ‘differential rates quoted by the tenderer’, the quoted rate would mean

- i. When no price negotiation has been called for, the original rates as obtained at the time of tender opening. However, the rate of the highest eligible tenderer within the zone of consideration has to be per se reasonable
- ii. When price negotiation has been called for, the reference L1 rate for assessment of ratio will be the original rate of L1 firm (suitable for bulk quantity) – say firm “A” - as obtained at the time of tender opening
- (C) If splitting of quantity is required to be done by ordering on tenderers higher than the L2 tenderer, then the quantity distribution proportion amongst the tenderers will be decided by transparent/logical/equity based extrapolation of the model as indicated in above Para.
- (D) In cases of pre-decided splitting if the purchaser decides not to split the ordered quantity, the reason for the same should be recorded in TC minutes/acceptance in direct acceptance cases.

15.2.3. In the cases of inadequate Capacity-cum-capability, dissatisfactory past performance, large quantity of outstanding orders (liquidation of which will take very long time) etc., the Purchaser shall have the right to distribute the procurable quantity amongst tenderers with due consideration to these constraints and in such a manner that would ensure timely supply of material in requisite quantity to meet the needs of operation, maintenance, safety etc., of the Railways, regardless of inter-se-ranking of the tenderers and in a fair and transparent manner

with due conformity to the Principles of Natural Justice and Equity.

- 15.2.4.** For cases where the Rlys/PUs had entered into ToT/JV agreements, the following clause should be stipulated as tender conditions.

“As the Rly. has entered into ToT/JV agreement with.....no.of firms, they reserve the right to place orders on all such ToT/JV agreement partners. However, for ratio/proportion of quantity distribution among such agreement partners, conditions as detailed in Para 15.2.2 (b) shall apply with the exception that the aspect of ‘per-se reasonability’ will not be applicable”

- 15.2.5.** Notwithstanding the above, there can be exceptional situations where Purchaser may come to a conclusion that splitting is neither possible nor feasible and/or not desirable in the administrative interest. In such exceptional situations, Purchaser reserves the right not to split the quantity despite pre-decided splitting clause in the tender condition.

16. QUANTITY OPTION CLAUSE –

For tenders valuing Rs.1.5 Crore and above, the purchaser shall have the right to increase the ordered quantity by a quantity not exceeding 30% of the ordered quantity on the same price and terms and conditions during the currency of the contract, with suitable delivery schedule for the enhanced quantity. The purchaser can vary the order quantity by exercising the option clause during the currency of the contract giving reasonable time / notice for executing such increase. Option clause can be exercised up to last date of scheduled DP Mentioned in purchase order, even if the supply of original ordered quantity is completed before the last date of scheduled delivery.

17. PAYMENT TERMS:

- 17.1.** Unless otherwise agreed upon, 100% payment shall be made after receipt and acceptance of stores by the consignee. Payment will be made on submission of bills in the prescribed format, accompanied with the required documents and in accordance with the instructions given in the purchase order.
- 17.2.** In deserving cases, payment upto 95% against Physical Receipt Certificate duly signed/counter signed by a Gazetted Officer physically or digitally, and original copy of the Inspection Certificate may be considered as per IRS Conditions of Contract. In such cases, balance payment will be made after receipt and acceptance of stores by the consignee.
- 17.3.** In exceptional cases, 98% and 2% payment can also be considered within the framework of extant rules and procedures.
- 17.4.** For Machinery & Plant items: 80% payment will be allowed after receipt of the machine in good and acceptable condition at consignee's end against inspection certificate and the supplier's challan certified by the consignee Gazetted Officer. Balance 20% payment will be made on successful installation, commissioning, testing and proving test of the machine and also furnishing of a Bank Guarantee towards warranty obligations for 10% of the value of the machinery or plant. However, percentage of the payment (i.e. 80% & 20%) may vary depending on the nature of Machinery & Plant as declared by the purchaser in the NIT.
- 17.5.** Mode of payment through Letter of Credit(LC) as option in Supply/Works contracts
- 17.5.1.** Ministry of Railways has decided that henceforth, all Tenders invited by Zonal Railways and Production Units, both for Supplies/ Works (including all service and maintenance contracts), having estimated value of Rs 10 lakhs and above, shall include in tender conditions, an option for the supplier/contractor to take payment from Railways through a letter of credit (LC) arrangement. This would be subject to the following:
- (i) The bidder, at the time of bidding itself, shall exercise an option in writing, in favour of taking payment due against the said tender, through LC arrangement.
 - (ii) The option so exercised, shall be an integral part of the bidder's offer. Option once exercised shall be final and no change shall be permitted, thereafter, during the course of execution of contract.
 - (iii) The incidental cost towards issue of LC and operation thereof (LC operating charges,

including bank charges for opening of LC) shall be borne by the supplier/contractor.

(iv) The above arrangement should be made a part of the Tender conditions and Contract conditions.

(v) The LC will be a sight LC.

17.5.2. The Banker for Railways for the ensuing one year, for opening domestic letters of credit shall be State Bank of India through its branches. The arrangement would cover all such contracts finalized against tender issued in the said year and shall extend till final execution of these contracts.

17.5.3. The schedule of payment liability arising in the contract shall be established by the Railways based on the prescribed delivery schedule/stages of supply/work, in consultation with supplier/contractor. The Railway's Banker should also be involved in the process to assess value of LC and terms and conditions of LC.

17.5.4. The LC condition of Railways shall inter-alia provide that Railways will issue a Document of Authorization on claims preferred by supplier/contractor, for completed Work/Supply to enable them to claim the authorized amount from their Banker. The Document of Authorization will be issued against each Bill submitted for payment by supplier/contractor, after exercising laid down checks as per Railways' Codes and Manuals, in executive and accounts branches. The Accounts Officer responsible for passing the claim will issue the Document of Authorization. Issue of Document of Authorization will be captured in IPAS and IREPS to ensure that there is no duplicate payment against the said Bill and also to enable the supplier/contractor to view status of the claim. The Letter of credit signed between the bank and Railway should specifically mention that any excess/wrong payment made by the bank and later detected by the Railways, will be recovered from the bank.

17.5.5. The Railways will ensure that Document of Authorization is generated well within the time prescribed. Non-issue of Document of Authorization must be communicated, with reasons thereof, to concerned supplier / contractor electronically.

17.5.6. The supplier/contractor will present the Document of Authorization to his/her Banker for necessary payments as per LC terms and condition. After release of payment to the supplier, the banker of the supplier/Contractor will send this Document to the Railways' Banker for release of payment to them (supplier's Banker). The Railway's Banker will reimburse, claim made by Banker of supplier/contractor, against original Document of Authorization after verifying signatures of authorized signatory of Railways and Bill of Exchange issued by contractor/supplier.

17.5.7. The LC charges paid by the Railways for opening and operation of LC shall be charged to the relevant expenditure head:

Misc Advance (LC charges paid to bank) Dr.
Misc. Adv GST (IGST/CGST/ SGST)Dr
Cheques & BillsCr

The amount of GST paid shall be available for set off against output liability.

17.5.8. On issue of Document of Authorization, following accounting entries shall be made:-

Relevant Expenditure headDr.
Misc. Adv.Cr.

(Clearance of LC charges paid to bank from LC operating charges collected from party GST on incidental charges shall be paid by the party on reverse charge basis)

Sundry Other Earnings - Cr

(Amount recovered over and above LC charges paid to Bank)

Demands Payable/ Misc Advance Cap*Cr.

(As the case may be- as per letter authorization - *Demands Payable for Revenue and Misc Advance Cap for capital transaction)

An invoice shall be issued against party for collecting the incidental charges at the

time of issue of Document of Authorization.

17.5.9. The reimbursement procedure in case of accredited banks selected as Railways' banker will be directly debiting the amount to the government account through scrolls. In case of non-accredited banks, the Accounts Officer concerned while authorizing a non-accredited bank to open LC will send copy of their letter to RBI/ Public Accounts Department / Mumbai and after verification/checks regarding authorization, RBI/ PAD will forward the papers to RBI/ CAS/ Nagpur with appropriate instructions for debiting Govt. account and make reimbursement to the paying bank on demand. After making the payment, the non-accredited bank authorized to open LC will send documents and also Accounts Officer's letter in original to RBI/CAS /Nagpur for debiting Govt account and getting reimbursement. After making payment to the party, the paying bank will also send a copy of the scrolls/documents to the PAO who issued the authorization for opening of LC. A copy of the scroll will also be sent to Local Point Branch of the bank for settlement and reporting as per extant system in vogue. The scroll should contain LCDA no. on scroll to facilitate reconciliation. Daily MIS thereof shall also be sent to CRIS.

17.5.10. On receipt of debit scrolls /documents, the Accounts Office will conduct necessary checks and debit Demands Payable /Misc. Advance (Cap) by credit to suspense head 8660-PSB Suspense. This suspense will be cleared by the Accounts Officer on receipt of the clearance memo from CAS/Nagpur.

17.5.11. The Railways will get confirmation from their Banker once the payment is released to supplier's/contractor's Banker. Acknowledgment will be placed in Purchase Order/Contract file and Contractors ledger and works Register/ Purchase Suspense Ledger will be updated accordingly.

17.5.12. Instructions for tenderers on LC mode of Payments:-

Scheme of Letter of Credit for Domestic Supplies (including all service and maintenance Contracts) tenders, having estimated value of Rs.10 lakhs and above.

- a. All Tenders invited by Zonal Railways and Production Units, having estimated value of Rs.10 lakhs and above.
- b. The LC will be a sight LC.
- c. The bidder, at the time of bidding itself, shall exercise an option, in favour of taking Payment due against the said tender, through LC arrangement, the option so exercised, shall be an integral part of the bidders offer.
- d. Option once exercised shall be final and no change shall be permitted, thereafter, during execution of contract.
- e. The incidental cost @0.15% of LC value, towards issue of LC and operation thereof shall be borne by the supplier/contractor and shall be recovered from their bills.
- f. State Bank of India through its branches shall be the Banker for Railways for opening domestic letters of credit for ensuing year. The arrangement would cover all such contracts finalized against tender issued during the said period and shall extend till final execution of these contracts.
- g. The schedule of payment liability arising in the contract shall be established by the Railways based on the prescribed delivery schedule/stages of supply.
- h. The acceptable, agreed upon document for payments to be released under the LC so opened shall be a Document of Authorization.
- i. The supplier/contractor shall submit their bills for completed supply to the bill processing authority mentioned in supply/contract agreement to issue Document of Authorization to enable supplier/contractor to claim the authorized amount from their Banker.
- j. Accounts officer responsible for passing the claim will issue the Document of Authorization.
- k. The supplier/contractor shall take print out of the Document of Authorization available on IREPS portal and present his claim to his banker(advising bank) for necessary payments as per LC terms and conditions. The claim shall comprise LC Document of Authorization,

Bill of Exchange and invoice.

- l. The bank shall also recover any amount as may be advised by Railway against the contractor/supplier.
- m. The contractor/vendor shall indemnify and save harmless the railway from and against all losses, claims and demands of every nature and description brought or recovered against the Railways by reason of any act or omission of the Contractor/Vendor, his agents or employees, in relation to the letter of Credit(LC). All sums payable/borne by Railways on this account shall be considered as reasonable compensation and paid by Contractor/vendor.

18. MODE AND PROCEDURE OF STORES BILL PAYMENT:

- 18.1.** Payment of the bills of suppliers will be done through ELECTRONIC FUND TRANSFERS only like NEFT, RTGS etc. For this, firms will submit their Bills online in IREPS. Firms must ensure that they submit Tax Invoice; complete in all respects. Firms will also ensure that their Account Details in IREPS System remains updated all the time, as payment of bills will be done in that Account only. Separate Mandate Form/NEFT Bank Mandate Form giving Bank Account details is not required now during the submission of bills
- 18.2.** Payment is also made through a letter of credit (LC), provided such an option is exercised by the tenderers. Further, option once exercised, shall be final and no change shall be permitted, thereafter, during execution of contract.
- 18.3.** The payment shall be subject to recoveries, if any, under the liquidated damages clause and denial clause of the IRS Conditions of Contract or deduction of any amounts for which the Contractor may be liable under the contract against this tender or any other contract in respect of which the President of India is the Purchaser.
- 18.4.** Payment for the stores or each consignment thereof will be made to the Contractor on submission of bill accompanied with the prescribed documents mentioned in the contract. In cases where Price Variation Clause (PVC) is part of the contract, a working sheet along with documents in support of the PVC must be submitted at the time of claiming payment.
- 18.5.** Discounts / rebates linked with early payment and / or early granting of Receipt Note etc within specified days will not be considered for determination of inter-se ranking of the offers. However, the Railways reserves the rights to avail themselves of such rebates / discounts during payment.
- 18.6.** The payment shall be subject to recoveries, if any, under the liquidated damages clause of the IRS Conditions of Contract or deduction of any amounts for which the Contractor may be liable under the contract against this tender or any other contract in respect of which the President of India is the Purchaser.

19. INSPECTION CLAUSE:

19.1. Inspecting Agencies.

The inspection of stores will be conducted by the agency nominated by the Purchaser, such as Consignee/TPI agency/DRDO/others as specified in the contract at the manufacturer's premises and/or on receipt of the stores at the destination. The tenderer's acceptance of the same will be implied unless his offer stipulates inspection clause to the contrary. The tenderers shall indicate the place of manufacture and inspection in their offers.

- 19.2.** In case the purchase order is placed on the traders/agents for items which are peculiar to the railways, the Purchaser reserves the right to carry out the inspection at the manufacturer's premises. Authorised dealers/agents of manufacturers should indicate the details of manufacturer in their quotation and confirm inspection of stores at the manufacturer's

premises.

- 19.3.** Stores shall be dispatched directly from the premises of the manufacturer to the consignee after inspection and acceptance by the nominated inspection agency. Manufacturer's Test and Guarantee Certificate, wherever applicable, will be submitted with each lot of supplies.
- 19.4.** In case of pre-dispatch inspection by third party (e.g TPI agency/DRDO/ as mentioned in P.O.), wherever testing of material is involved, relevant test certificate/test reports/lab reports should be submitted, duly endorsed by the authority nominated to conduct inspection, along with supply apart from inspection certificate. This shall also be applicable in cases of inspection by nominated third party against Manufacturer's test certificate.
- 19.5.** Wherever the inspecting authority is specified in the tender documents, tenderers are requested to quote accordingly. At a later date, any request for change in inspection clause will not be considered, except in exceptional circumstances to be decided by the Purchaser.
- 19.6.** Material particular to railways, such as, parts and fittings of rolling stock except raw materials, which have been found rejected by the inspecting agency and could not be rectified during inspection, are required to be defaced by the inspection authority to avoid recycling of such rejected material. All such rejected materials peculiar to railways will be mechanically defaced to prevent sale to Railways again.
- 19.7.** In case items which are to be purchased to IS specification and where ISI certified manufacturers exist, the purchase of such items will be made for ISI marked product only if tenderer's offers are technically suitable and licence acceptable. In the case of placement of purchase order directly on an ISI licensed manufacturer for ISI marked product, the material can be accepted on firm's WTC, without any third party inspection. In such cases, the tenderers shall submit copy of valid ISI/BIS licence along with the offers, failing which their offers are liable to be passed over. The Work Test Certificate (WTC) should contain the following details:
- i) Details and types of tests that are prescribed to be conducted for the material.
 - ii) Certification to the effect that all relevant tests have been carried out and that the material supplied qualifies and satisfies the relevant parameters and values assigned for such tests.
 - iii) Name and capacity / designation (stamp) of the authorised signatory who has conducted such test(s) and passed the material.
- 19.8.** In case the firms fail to offer the material for inspection against inspection call issued to inspecting agency or if the materials have to be re-inspected due to rejection of the material at firm's premises by inspecting agency or due to non-dispatch of material within validity of inspection certificate, then the inspection charges applicable for the offered quantity and actual test charges incurred will be paid by the supplier to inspecting agency.
- 19.9.** Traders/ authorized agents are required to offer material for inspection preferably at manufacturer's premises only.
- 19.10.** Final inspection and acceptance of the supplied material will be done by the Consignee after receipt of the material.
- 20. HANDLING OF REJECTIONS OF PRE-INSPECTED ITEM AND WARRANTY REJECTIONS:**
- 20.1.** Two kinds of rejections occur in case of pre-inspected supplies made by vendors:
- A. Pre-inspected material rejected by consignee at the time of receipt
 - B. Material rejected in warranty
- The methodology of handling these rejections will be as under:

A. Pre-inspected material rejected by consignee at the time of receipt-

- i. In case of rejection of pre-inspected goods at consignee end, the material rejection advice/rejection memo should be sent by consignee to all concerned: i.e. Firm/Supplier, Purchaser, Pre-inspecting agency, Paying authority as per the contract without fail.
- ii. In case payment has been made to the firm for the material, the concerned paying authority as per contract should note the rejection advice details in its recovery register for effecting recovery of payments made, as the case may be.
- iii. Joint inspection of rejected material will be held with pre-inspecting agency and the firm. The ultimate authority for decision to conduct joint inspection will be consignee. However, if the firm does not desire to have/to attend joint inspection or in case of failure of either of the two parties (inspecting agency and the firm/supplier) to associate with joint inspection, the joint inspection should be held by the consignee with whichever of the two parties comes for joint inspection. Irrespective of whether the party(ies) attends joint inspection or not, the modality of joint inspection will have to be completed within 21 days of communication of rejection advice to the supplier (in line with IRS conditions of contract). For imported material, the time limit will be 45 days.
- iv. Firm may be permitted to collect the rejected goods only after the firm has deposited the payments already made by Railway/Purchaser (if any) to the firm or equivalent amount has been recovered for this purpose.

B. Material rejected in warranty :

Handling of warranty rejections will be governed by Railway Board Letter No. 2022/RS(G)/779/7(3390005) dated 17.10.2022 and 26.10.2023, along with any subsequent amendments available on the official Indian Railways website (<https://indianrailways.gov.in>) as on the tender closing date. These letters are included in this bid document as Annexure 'E'.

21. STATUTORY VARIATION CLAUSE:

- (i) Statutory Variation in taxes and duties, or fresh imposition of taxes and duties by State/ Central Governments in respect of the items stipulated in the contract (and not the raw materials thereof), within the original delivery period stipulated in the contract, or last unconditionally extended delivery period shall be to Railways' account. Only such variation shall be admissible which takes place after the submission of bid. No claim on account of statutory variation in respect of existing tax/duty will be accepted unless the tenderer has clearly indicated in his offer the rate of tax/duty considered in his quoted rate. No claim on account of statutory variation shall be admissible on account of misclassification by the supplier/ contractor.
- (ii) However, in case of misclassification of GST rates for the tendered item by firm in their offer, the extra expenditure on account of GST will be borne by the firm and benefits under SVC will not be applicable in case of misclassification.
- (iii) Whenever the successful bidder invoices the goods at GST rates or HSN No. which is different from that incorporated in the purchase order, payment shall be made as per GST rate which is lower of the GST rate incorporated in the purchase order.

22. CARTEL FORMATION:

- 22.1.** The Tenderers are expected to quote most competitive prices.
- 22.2.** The firms who quote in cartel are warned that their names may be deleted from list of approved sources in addition of referring the matter to The Competition Commission of India (CCI).
- 22.3.** Wherever all or most of the approved firms quote equal rates and cartel formation is suspected, the purchaser reserves the right to place order on one or more firms with exclusion of the rest, without assigning any reasons thereof.

- 22.4.** Offers of the firms are liable to be rejected in case Cartel Formation is suspected. Railways however reserve the right to order on one or more firms any quantity.
- 22.5.** Whenever tender is floated with purchase restriction from sources approved by nominated authorities and there exists a suspected Cartel situation by approved sources or the rates available from approved source/sources are adjudged unreasonably high, despite fair efforts as permissible, the purchaser reserves the right to place orders on firms outside the approved vendors list, without any restrictions.

23. WARRANTY BANK GUARANTEE (WBG):

For items like machinery and Plant, Costly equipment, capital Spares etc., WBG (As per annexure 'A') has to be decided as detailed below, as decided by the purchaser stipulating in NIT/Purchaser order/etc.

FIRM HAS TO DEPOSIT WARRANTY BANK GUARANTEE FOR 10% OF VALUE OF THE CONTRACT (for supplies) TO THE CONSIGNEE COVERING THE GUARANTEE/WARRANTY OBLIGATION. WARRANTY B.G. TO BE SUBMITTED AS PER TERMS AND CONDITIONS OF THE CONTRACT AND SHALL BE VALID BEYOND 2 MONTHS FROM THE EXPIRY OF WARRANTY OBLIGATION. PART WARRANTY BG FOR PART SUPPLY/PAYMENT IS PERMITTED.

24. PACKING AND MARKING OF MATERIALS SUPPLIED:

The tenderer should agree to indicate the Manufacture's Name or Trademark, Month and Year of manufacturing by casting/ stamping/ etching/ embossing etc. on the material or the packing of the material as per drawing/specification or feasibility, as the case may be, without affecting the functional utility and structural stability of the components/material.

Material should be packed in environmentally accepted desirable packing suitable for shipments so as to reach the consignee in factory fresh conditions.

25. PUBLICPROCUREMENT POLICY FOR GOODS PRODUCED AND SERVICES RENDERED BY MICRO AND SMALL ENTERPRISES (MSES)

- 25.1.** Criteria for classification of enterprises based on investment and turnover and other related aspects has been issued vide Gazette Notification no. 1875 dated 26.06.2020 by Ministry of Micro, Small and Medium Enterprises. The same as amended from time to time is applicable in the tenders. In case, conditions contained in the above notification contradict with any of the tender conditions, conditions contained in the above notification as amended will prevail.

As per above notifications, following criteria for classification of Micro, Small and Medium Enterprises has come into effect from 01.07.2020:

- (a) A Micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one crores rupees and turnover does not exceed five crores rupees;
- (b) A Small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten crores rupees and turnover does not exceed fifty crores rupees;
- (c) A Medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty crores rupees and turnover does not exceed two hundred and fifty crores rupees.

Note: In case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise shall continue to avail of all non-tax benefits of the category (micro or small or medium) it was in before the reclassification, for a period of three years from the date of such upward change. Firms claiming to avail such benefits must submit documentary evidence indicating date of upward reclassification along with the offer.

- 25.2.** As per the extant Public Procurement Policy of the Government of India, Micro and Small Enterprises (MSEs) having current and valid UDYAM registration are entitled for benefits and purchase preferences extended to them. MSEs who are interested in availing themselves of these benefits must upload UDYAM registration certificate with their offer. Note: Trading enterprises/authorized dealers of manufacturers are not covered under the definition of Micro and Small Enterprises.

25.3. MSEs having UDYAM registration certificate as mentioned at para 25.1 are entitled for the following benefits:

- i) MSEs having UDYAM registration certificate will be exempted from payment of Earnest Money.
- ii) In tenders, participating MSEs whose bids are technically suitable and quote a price within price band of L1 + 15% shall be allowed to supply a portion of the requirement by bringing down their price to L1 price, in a situation where L1 price is from other than a MSE. Such MSEs can be together ordered up to 25% of net procurable quantity.
- iii) A minimum of 4% of the net procurable quantity within the 25% of quantity earmarked for MSEs will be from MSEs owned by Scheduled Caste/ Scheduled Tribe (SC/ST) Entrepreneurs. In the event of failure of such MSEs to participate in the tender process or meet tender requirements and L-1 price, 4% of procurable quantity earmarked from MSEs owned by Scheduled Caste/ Scheduled Tribe (SC/ST) Entrepreneurs will be met from other MSEs.
- iv) A minimum of 3% of net procurable quantity, within the 25% of procurable quantity earmarked for MSEs will be procured from women owned MSEs.
- v) In case tendered item is non-splittable/non-divisible, Purchaser may award the full net procurable quantity to MSE quoting price within price band L1+15%, considering spirit of policy for enhancing the Govt. procurement from MSE.

In case of non-compliance of requirements of para 25.1 above, such offers will not be liable for consideration of benefits detailed in para 25.2 given above.

25.4. Traders and authorized agents of manufacturers are not eligible to avail the benefits extended under the Public Procurement Policy for MSEs.

25.5. An MSE shall be considered as that owned by SC/ST in following cases:

- a) In case of proprietary MSE, proprietor(s) shall be SC/ST.
- b) In case of partnership MSE, the SC/ST partners shall be holding at least 51% shares in the unit.
- c) In case of Private Limited Companies, at least 51% share shall be held by SC/ST promoters.

25.6. In case, the tenderer is a Micro or Small Enterprises (MSE), the tenderer shall also furnish the following details in their offer:

- (i) The category of the tenderer:
 - a) Whether vendor is Micro Enterprise or
 - b) Whether vendor is Small Enterprise.
- (ii) Each of the above categories must further mention the sub-classification that whether the tenderer is an enterprise
 - a) Owned by Scheduled Castes(SC)
 - b) Owned by Scheduled Tribes(ST)
 - c) Owned by women entrepreneurs
 - d) Owned by other than the above three categories.
- (iii) Confirmation that whether documentary proof of UDYAM registration indicated in Para 25.1 above has been attached with the offer, is required to be submitted with Bid.

25.7. In case, the tendered item is restricted for placement of bulk orders on approved sources, then the criteria for placement of orders on MSEs under the Public Procurement Policy for MSEs will additionally require that the MSE firms are one of the approved sources for the tendered item.

26. GUIDELINES FOR ELECTRONIC REVERSE AUCTION (eRA)

26.1. Bidder will be simultaneously required to submit a Technical & Commercial Bid and Initial Price Offer.

Offers found eligible for bulk order shall be categorized as “Qualified for Bulk Order for the purpose of RA” and offers found eligible for developmental order shall be categorized as “Qualified for Development Order for the purpose of RA”.

26.2. Offers not complying with essential technical and commercial requirements of the tender shall be declared as ineligible for award of contract.

26.3. Technical and commercial evaluation of bids shall be done by a tender committee, as per extant guidelines, delegation and the estimated value of tender. Recommendations of tender committee shall be considered by tender accepting authority, as per existing guidelines.

26.4. Financial bid:

Financial bid shall comprise of final price offer obtained through reverse auction. Following conditions and procedure shall be followed in selection of bidders for conduct of reverse auction.

26.4.1. Selection of vendors for reverse auction for award of contract in bulk ordering in stores tenders:

Number of tenders qualified for award of contract/bulk order	Number of tenderers to be selected for reverse auction	Remarks
<3	Nil *	The bids disallowed from participating in the reverse auction shall be the highest bidder(s) in the tabulation of initial price offer. In case the highest bidders quote the same rate, the initial price offer received last, as per time log of IREPS, shall be removed first, on the principle of last in first out, by IREPS system itself.
3 to 6	3	
More than 6	50% of vendors qualified for bulk order/award of contract (rounded off to next higher integer).	

Note

- i. *If the number of tenderers qualified for bulk order/award of contract is less than 3, RA shall not be done and tender may be decided on the basis of initial price offer(s).
- ii. In case of stores tender selection of vendors for Reverse Auction for developmental ordering : Offers qualified for Developmental order with initial price offer lower than the highest initial price offer of a vendor qualified for Bulk Order and selected for Reverse Auction after elimination, shall be allowed to participate in RA.
- iii. MSE criteria : All MSEs (Micro and Small Enterprises) found Qualified for Bulk /Developmental Orders/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in para 26.4.1 and 26.4.1 Note (ii) above, but are within the range of 15% of lowest initial price offer of the bidder qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of initial Price Offer. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per in Para 26.4.1 and 26.4.1 Note (ii) above. In case of Stores tenders , lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order. However, in case of all the bidders qualifying for bulk as well as for Developmental order (before applying elimination criteria) are within MSE Category, this clause shall not apply.
- iv. Make in India criteria: All bidders eligible for benefits under Public Procurement (Preference to make in India) Order-2017, found qualified for Bulk /Developmental Order/Award of Contract and are within the specified range of price preference under the Make in India Policy, of lowest initial Price Offer of the vendor qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of initial price offer. Such bidders shall be over and above the number of vendors selected for Reverse Auction as per in para 26.4.1 and 26.4.1 Note (ii) above. However, if all the bids qualified for bulk order as well as for Developmental order (before applying elimination criteria) also qualify under “Make in India Order, 2017” criteria, this clause shall not apply.

26.4.2. During reverse auction process, bidders shall not be allowed to bid a rate higher than the lowest

initial price offer.

- 26.5.** Reverse Auction among bidders categorized as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders. Qualified Bidders shall be able to see both the auction screens i.e. auction screen of Reverse Auction amongst bidders qualified for bulk order and auction screen of reverse auction amongst bidders qualified for developmental order. However bidders shall only be permitted to bid on the respective screens relevant to them as per their qualification. Purchaser shall not be permitted to see any of the auction screens. Purchaser should only be intimated on website about the status of reverse auction i.e. when the auction will start/ had started, whether the auction is live or whether the auction has closed.
- 26.6.** After obtaining the final price offers through Reverse Auction, the lowest bid of only those bidders who had participated in the Reverse Auction shall be tabulated and considered for ordering. The offers of the bidders which were eliminated from Reverse Auction in terms of Para 26.4.1 above shall be tabulated separately and shall not be considered for any ordering. All the relevant policies of Government of India at the relevant time shall be applicable.
- 26.7.** Two packet single stage system of tendering through e-R.A will be followed normally for all tenders above Rs. 5 crore.
- 26.8.** MSME criteria of considering offers from MSEs quoting within L-1 + 15% for 25% of NPQ is to be followed for all goods and services tenders. Details are given in GCC. (c) Make in India preference order is to be followed for all goods, services and works tenders wherever applicable as per guidelines. Details are given in GCC. (d) Withdrawal of L-1 offer: In case of withdrawal of offer of L-1 bidder, the tender need not necessarily be discharged in case of tenders for procurement of goods and services.
- 26.9. Procedure for conduct and Reporting of R.A.**

- (i) Convener of the tender committee shall fix the following on case to case basis, depending upon the nature of item/work/service and complexity of case on hand. These shall be indicated in the tender for e-RA itself. (a) Initial e-RA period: this shall be the initial time interval for e-RA, e-RA shall be open for this duration. (b) Auto extension period: in case any offer is received in the time period equal to auto extension period before close of initial e-Ra period, the e-Ra shall be extended for time equal to auto extension period from the time of last bid. There shall be no upper limit on number of auto extensions. When no offer is received in the last auto extension period, e-RA shall close. (c) Minimum decrement in percentage of value of the last successful bid.
- (ii) Date and time for start of e-RA shall be communicated to qualified tenderers by the convener after evaluation of the technical bids.
- (iii) After submission of initial price bid, tenderers will not be allowed to revise the taxes and other levies.
- (iv) During auction period, identities of the participating tenderers will be kept hidden.
- (v) Minimum admissible bid value will be last bid value minus minimum decrement as specified by the tendering authority before starting of reverse auction. Starting point for reverse auction shall be the lowest initial price bid of the tenderer eligible for award of contract.
- (vi) After close of the RA, tabulation of last (minimum) bids received from all the tenderers will be generated and made visible to railways and participating tenders.
- (vii) Railway users can also view the bidding history in chronological order.
- (viii) Bidders not be allowed to withdraw their last offer.
- (ix) L-1 will be defined as the lowest bid obtained after the closure of RA session for goods, works and services tenders.

27. IMPORTED ITEMS AND GLOBAL TENDERS:

27.1. Quotations in Foreign Currency:

- (i) Please note that, in case of Quotations in Foreign Exchange the firms should quote on CFR basis only.
- (ii) Any additional expenditure incurred by the purchaser on account of increased Custom Duty, Freight charges as also extra cost which may arise on account of Variation in Exchange rate during the extended delivery schedules, shall be borne by the Contractor.

27.2. Manual payment option will be available to Foreign firms (and Indian firms) in Global tenders, for depositing EMD amount, till online Payment Gateway facility is enabled. The earnest money should be submitted along with the tender in any of the following forms :-

- (a) Fixed deposit receipts, Pay orders, Demand drafts of Nationalized Banks/ SBI/Scheduled Banks of India approved by RBI, drawn in favor of FA&CAO Metro Railway, Kolkata
- (b) through Bank guarantee from any Nationalized Banks/ SBI/Scheduled Bank in the prescribed form as per Annexure 'C'

27.3. Imported Stores offered by Indian Agents in Indian Currency:

Any authorized dealer / agent / recognized industrial distributor quoting on behalf of their foreign principal in Indian Rupees shall have to comply with the following:-

- (A) To quote with authorization from the foreign manufacturer.
- (B) While quoting on behalf of foreign principals, tenderers are required to furnish the principal's invoice/ proforma invoice along with their quotation. Proforma invoices however, may be accepted in exceptional cases where, it is not possible to obtain the invoices before the contract is placed.
- (C) The tenderer shall have to undertake in the tender to comply with the following
 - (i) Consent to furnish copy of customs out passed bill of entry for the goods, relevant to each consignment Manufacturer's Test and Guarantee certificate issued by the manufacturer, Copy of Bill of Lading/AWB relevant to the consignment; Copy of commercial invoice of the foreign manufacturer/principals relevant to each consignment.
 - (ii) Current and valid authorization/dealership certificate of foreign manufacturer/principal.
 - (iii) Compliance of sea/air worthy packing condition in manufacturer's original packing with manufacturer's tamper proof seal and compliance of the Packing condition as laid down in IRS Conditions of Contract Para- 1800. Failure to comply with any of the aforesaid conditions as referred above will make the offer liable to be rejected.
- (D) Tenderer has to indicate the following while submitting the offer:
 - (i) The precise relationship between the foreign manufacturer/principal and their agents/associates.
 - (ii) The mutual interest which the manufacturer/principal and the Indian agent/associates have in business of each other is to be indicated.
 - (iii) Indian agent's Permanent Account Number is to be indicated.
- (E) Any additional expenditure incurred on account of Customs Duty and exchange rate variation during pendency of the Contract will be on contractor's account.
- (F) For bearings manufactured in foreign countries, Visual inspection by RITES inside India after receipt is acceptable with import documents and original manufacturer's test and Warranty/ Guarantee certificate. Firm should consent to deposit security money as per IRS conditions for due execution of the contract if asked to do so. This is irrespective of the fact whether the firm is registered with this Railway or not.

Annexure 'A'

PROFORM FOR WARRANTY BANK GAURANTEE (WBG)

These lines
should not be
printed on BG
Bond

Following points to be noted and adhered to in preparation of Bank Guarantee

1. Bank Guarantee should be prepared on the minimum Rs. 100/- non judicial stamp paper.
2. Non Judicial stamp paper should be purchased in the name of beneficiary bank.
3. BG Bond no., date, amount and expiry dated should be mentioned on the top of the each and every pages of the instrument.
4. All italicized texts in the format are indicative only and should not be printed in the BG bond. These italicized texts should be replaced with appropriate information as indicated
5. All the text above and including this line should not be part of the bank guarantee.

WARRANTY BANK GUARANTEE

To
President of India,
Acting through the FA&CAO
Metro Railway, Kolkata - 700071

Bank Guarantee Bond No:.....
For Rs.

Date:.....
Valid upto:.....

1. In consideration of the President of India (hereinafter called "the Government") having agreed to exempt name and address of the firm (hereinafter called "the said Contractor(s)") from the demand under the terms and conditions of an Agreement dated PO date with purchase order No. PO number made between name of the firm and PO signing authority (Only designation of the of authority, not the name of PO signing officer) for Brief description of items as per PO (hereinafter called "the said Agreement"), of Guarantee for the due fulfillment by the said Contractor (s) of the terms and conditions contained in the said Agreement on production of a bank Guarantee for Rs BG amount in figure and words. We name and address of the issuing bank (hereinafter referred to as "the Bank") at the request of contractor(s) do hereby undertake to pay to the Government an amount not exceeding Rs. BG amount in figures and words against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said agreement.

2. We name of the issuing bank do hereby undertake to pay the amounts due and payable under this Guarantee without any demur, merely on a demand from the Government stating that the amount claimed is due by way of loss or damages caused to or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the Contractor(s) failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs BG amount in figures and words

3. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s)/Supplier(s) in any suit or proceeding pending before any Court or tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this Bond shall be a valid discharge of our liability for payment there under and the Contractor(s)/ Supplier(s) shall have no claim against us for making such payment.

4. We name of the issuing bank further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till PO Signing authority, Office of PCMM, Metro Railway, Kolkata, Ministry of Railway certifies that the terms and conditions of the said Agreement has been fully and properly carried out by the said Contractor(s) and accordingly discharges this Guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the claim date of the BG, we shall be discharged from all liability under this Guarantee thereafter.

5. We name of the issuing bank further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/ Supplier(s).

7. We name of the issuing bank lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing.

Expiry Date : Expiry Date

Claim Date : Claim Date

Date : Date of Issue of BG

Place : Place

For : Name of the bank

(Bank's common seal)

Signature of the authorized signatory

Name of the officer

Designation of the officer

For name and address of the bank

&Stamp

Annexure 'B'

PROFORM FOR BANK GUARANTEE TOWARDS SECURITY DEPOSITE (SD)

These lines
should not be
printed on BG
Bond

- Following points to be noted and adhered to in preparation of Bank Guarantee
1. Bank Guarantee should be prepared on the minimum Rs. 100/- non judicial stamp paper.
 2. Non Judicial stamp paper should be purchased in the name of beneficiary bank.
 3. BG Bond no., date, amount and expiry dated should be mentioned on the top of the each and every pages of the instrument.
 4. All italicized texts in the format are indicative only and should not be printed in the BG bond. These italicized texts should be replaced with appropriate information as indicated.

BANK GUARANTEE TOWARDS SECURITY DEPOSITE

To
President of India,
Acting through the FA&CAO
Metro Railway, Kolkata - 700071

Bank Guarantee Bond No:.....

Date:.....

For Rs.

Valid upto:.....

1. In consideration of the President of India (hereinafter called "the Government") having agreed to exempt name and address of the firm (hereinafter called "the said Contractor(s)") from the demand under the terms and conditions of an Agreement dated LOA date with LOA letter No. LOA number made between name of the firm and LOA signing authority for Brief description of items as per LOA (hereinafter called "the said Agreement"), of security deposit for due fulfillment by the said Contractor (s) of the terms and conditions contained in the said Agreement on production of a bank Guarantee for Rs BG amount in figure and words. We name and address of the issuing bank (hereinafter referred to as "the Bank") at the request of contractor(s) do hereby undertake to pay to the Government an amount not exceeding Rs. BG amount in figures and words against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said agreement.

2. We name of the issuing bank do hereby undertake to pay the amounts due and payable under this Guarantee without any demur, merely on a demand from the Government stating that the amount claimed is due by way of loss or damages caused to or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the Contractor(s) failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs BG amount in figures and words

3. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s)/Supplier(s) in any suit or proceeding pending before any Court or tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this Bond shall be a valid discharge of our liability for payment there under and the Contractor(s)/ Supplier(s) shall have no claim against us for making such payment.

4. We name of the issuing bank further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till LOA Signing authority, Office of PCMM, Metro Railway, Kolkata, Ministry of Railway certifies that the terms and conditions of the said Agreement has been fully and properly carried out by the said Contractor(s) and accordingly discharges this Guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the claim date of the BG, we shall be discharged from all liability under this Guarantee thereafter.

5. We name of the issuing bank further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/ Supplier(s).

7. We name of the issuing bank lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing.

Expiry Date : Expiry Date

Claim Date : Claim Date

Date : Date of Issue of BG

Place : Place

For : Name of the bank

(Bank's common seal)

Signature of the authorized signatory

Name of the officer

Designation of the officer

For name and address of the bank

&Stamp

Annexure 'C'

PROFORM FOR BANK GAURANTEE TOWARDS EMD AGAINST GLOBAL TENDER

These lines
should not be
printed on BG
Bond

- Following points to be noted and adhered to in preparation of Bank Guarantee
5. Bank Guarantee should be prepared on the minimum Rs. 100/- non judicial stamp paper.
 6. Non Judicial stamp paper should be purchased in the name of beneficiary bank.
 7. BG Bond no., date, amount and expiry dated should be mentioned on the top of the each and every pages of the instrument.
 8. All italicized texts in the format are indicative only and should not be printed in the BG bond. These italicized texts should be replaced with appropriate information as indicated.

BANK GUARANTEE TOWARDS EARNEST MONEY DEPOSIT

To
President of India,
Acting through the FA&CAO
Metro Railway, Kolkata - 700071

Bank Guarantee Bond No:.....
For Rs.

Date:.....
Valid upto:.....

1. In consideration of the President of India (hereinafter called "the Government") having agreed to accept Earnest Money from name and address of the firm (hereinafter called "the said tenderer(s)") in the form of Bank Guarantee, under the terms and conditions of tender Tender Number due on tender closing date issued from the office of Principal Chief Materials Manager, Metro Railway, Kolkata in connection with procurement of title of the tender/brief description of the tendered item for the due observance, by the said Tenderer, of the stipulation to keep the offer open for acceptance for a period of offer validity, to deposit security Money (if applicable) upon request, We name and address of the issuing bank (hereinafter referred to as "the Bank") at the request of tenderer(s) do hereby undertake to pay to the Government an amount not exceeding Rs. BG amount in figure and words on the demand under the terms and conditions of the said tender, for due fulfillment by the said tenderer (s) of the terms and conditions contained in the said tender on production of a bank Guarantee for Rs BG amount in figure and words.

2. We name of the issuing bank do hereby undertake to pay the amounts due and payable under this Guarantee without any demur, merely on a demand from the Government stating that the amount claimed is due for breach, by the said Tenderer(s), of any of the terms or conditions contained in the said Tender. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs BG amount in figures and words. Unless a demand or claim under this guarantee is made on us in writing on or before the claim date of the BG, we shall be discharged from all liability under this Guarantee thereafter.

3. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Tenderer(s) in any suit or proceeding pending before any Court or tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this Bond shall be a valid discharge of our liability for payment there under and the Tenderer(s) shall have no claim against us for making such payment.

4. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Tenderer(s).

5. We name of the issuing bank lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing.

Expiry Date : Expiry Date
Claim Date : Claim Date

Date : Date of Issue of BG

Place : Place

For : Name of the bank

(Bank's common seal)

Signature of the authorized signatory

Name of the officer

Designation of the officer

For name and address of the bank

&Stamp

LAND BORDER SHARING POLICY

Certificate from Bidder for compliance

(To be uploaded/attached along with their Bid/Offer)

I have read the clause/Para regarding restrictions on procurement from a bidder of a country which shares a land border with India or bidder who has a specified Transfer of Technology (T.O.T) arrangement with an entity from a country which shares a land border with India and on sub-contracting to contractors from such countries.

A. I certify that M/s..... (Name of Bidder) is neither from such a country nor have a specified Transfer of Technology (T.O.T) arrangement with such an entity from a country which shares a land border with India and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority. I also certify that M/s..... will not offer any products/services of entity from such countries unless such entity is registered with the Competent Authority.

OR

B. I certify that M/s..... (Name of Bidder) is from such a country or have a specified Transfer of Technology (T.O.T) arrangement with such an entity from a country which shares a land border with India and has been registered with the Competent Authority. I also certify that M/s..... has products/services of entity from such countries and these entity/entities are also registered with the Competent Authority. I also certify that M/s..... has sub-contracted some work to a contractor from such countries and that such contractor is registered with the Competent Authority.

I hereby certify that M/s..... (Name of Bidder) fulfils all requirements in this regard and is eligible to be considered. I hereby acknowledge that in the event of acceptance of my bid on above certificate and if the certificate is found to be false at any stage, the false certificate would be a ground for immediate termination of contract and further legal action in accordance with the Law.

(Signature & Name of Authorized person of the Bidder)
Name & address of the Bidders with Stamp

Note:

1. Bidders to give certificate for either A or B as per their status.
2. Where applicable, evidence of valid registration by the Competent Authority shall be attached/uploaded along with the bid/offer.
3. Bidders are advised to attach/upload the certificate duly signed by authorized person of the Bidder and duly stamped along with their Bid/Offer.



भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
रेलवे बोर्ड (Railway Board)



No. 2022/RS(G)/779/7(3390005)

Dated: 17.10.2022

The General Managers, All Indian Railways/PU, NF(C), CORE
DG, RDSO/Lucknow, NAIR/Madodara
PCAO, PLW/Patiala, COFMOW
CAO, WPO/Patna, RWP/Bela

Sub: Handling of Warranty Rejections

Ref: Railway Board's letter No.2000/RS(G)/379/2 dated 07.08.2015 and 18.01.2018.

Background

Consolidated instructions on handling of warranty rejections were issued vide Railway Board's letter no.2000/RS(G)/379/2 dated 07.08.2015 and 18-01-2018. These instructions primarily stipulate linking of warranty rejections to the concerned supplying stores depot and relevant purchase orders by the user and arrange for warranty replacements duly conducting joint inspections with pre-inspection agency and the firm.

Review of Warranty Management system indicated practical difficulties in efficient handling of several of warranty issues, centralized database, monitoring of warranty settlement, resultant deterrent actions and system improvements. The system of handling warranty rejections is largely manual and whatever computerization is there, it is on separate systems which are not fully equipped to handle warranty rejections end-to-end, and are not integrated. Also, the policy did not cater for many scenarios which are encountered while dealing with the warranty rejections e.g. warranty rejections of components of Rolling Stocks supplied by Private/Govt/Railway units, cases where PO/stores depot/User depot is not linked, epidemic failures, inefficient marking on the items for linking of items to vendor/purchase orders, warranty claims by users, communication of warranty period to end user etc.

Under this background, the consolidated policy instructions on warranty rejection handling including an Online Integrated Warranty Management System over IR, covering entire warranty management landscape to include all types of warranty failures, including epidemic failures, keeping in view practical field conditions for implementation are being issued in this circular. This circular supersedes earlier circulars on the subject.

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1. **Digitisation of Warranty Management System**
 - i. The entire Warranty Management System shall be digitized and made paperless.
 - ii. The existing maintenance Applications viz CMM, FMM, WISE, SLAM, PUs local system, etc. shall be integrated with UDM/ IMMS/REPS for seamless transfer of required data. A provision shall be made on these platforms to facilitate end users to register warranty complaints. Duplicate feeding on UDM is to be avoided. All systems dealing with warranty rejection of vendor and their response should have provision of uploading/attaching documents.
 - iii. Provision shall be made on iREPS for the vendors to input dispatch details such as batch number, serial number, major sub-component of the item, date of manufacturing (in MM/YYYY), expiry date (wherever applicable), manufacturer's marking, make/Brand, etc. against the Purchase Orders for each consignee. These details would be passed to IMMS/UDM and reflected in DRR/R-Note/CRN generated on IMMS/UDM and for indicating the same while issuing the materials through Issue Notes. Inspecting Agencies shall also indicate these details explicitly in the Inspection Certificate. End Consignee receiving the material from the vendor will verify these details at the time of receipt of material and explicitly indicate the same in IMMS/UDM.
 - iv. Warranty period shall be captured in digital form as stated in Para 4 of this letter.
 - v. Centralized Recovery Register shall be digitized & maintained in IPAS and linked with IMMS/UDM for seamless both-ways data flow between these applications for recovery.
 - vi. The Warranty Rejections of vendors and their responses shall be linked with Unified Vendor Approval Module (UVAM). Cognizance of these warranty rejections of vendors shall be taken for reviewing the Approval of vendors by vendor approving authorities.
 - vii. Cognizance of these warranty rejections of vendors shall be taken by the procuring authorities in deciding the tender cases.
2. Materials are rejected under warranty in the following situations:
 - (A) Material rejected was issued to the user (shop/shed etc) from its attached Stores Depot or attached User Depot (both Stock & Non-stock).
 - (B) Material rejected was received from a PU or a Stores Depot or a User Depot which is not the attached depot of the end user including that received directly through centralized procurement (both Stock & Non-stock).
 - (C) Material was rejected in the field and was fitted at some other Workshop/Shed/Depot. Material either received or fitted through Supply Contract, Works Contract or Service Contract or any other type of contracts (both Stock & Non-stock).
 - (D) Failure of components of Rolling Stocks received from Railway PUs/ PSUs/ Workshops/ Private Manufacturers

The Methodology of handling these rejections are dealt with below:

- (A) **For Warranty rejection in Shop/Shed etc where rejected material was issued from its attached Stores Depot or attached User Depot (both Stock and Non-stock Items)-**
 - i. In case the material was accounted for in Stores Depot in IMMS after receipt from vendor, end-user shall register the warranty complaints with reasons and other details, as required, on the

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systems like CMM/FMMWISE/SLAMMU etc. available with them & electronically transfer such data to UDM through integrated system or shall register the warranty complaints directly in UDM (as convenient and practical for the end-user) and issue "Advice Note" of returned stores on UDM with the approval of competent authority (Gazetted Officer) to return the rejected material to attached Stores Depot for issuing "Warranty Rejection Advice" (i.e. warranty claims lodging) by attached Stores Depot.

However, in case the material was accounted for in User Depot in UDM after receipt from the vendor, there is no need for issuing "Advice Note" & to return the rejected material to attached Stores Depot.

"Warranty Rejection Advice" (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end consignee of attached Stores Depot/ User Depot (depending upon where rejected material was accounted for after receipt from vendor) on IMMS/UDM after getting the warranty rejected material from end-user.

Before issuing the "Warranty Rejection Advice", the concerned user of IMMS/UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO (Purchase Order) and applicability of warranty period and ensure that other details including reason(s) for warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract. This should be decided within 15 days.

- ii. Rejected material shall be taken out from the ledger of Stock-Holder in IMMS/UDM (as the case may be). The "Warranty Rejection Advice" shall be issued on IMMS/UDM by attached Stores Depot/ User Depot to all concerned i.e. firm, purchaser, pre-inspecting agency, vendor approving agency, paying authority etc. as per the contract- without fail.
- iii. In the Warranty Rejection Advice, the vendor shall be called upon for replacement of rejected stores or for deposition of equivalent amount of rejected material, within a period of 60 days from the date of Warranty Rejection Advice. Date of issue of Warranty Rejection Advice by gazetted officer to be taken as date of Warranty Rejection Advice.
- iv. It shall be ensured that initiation of warranty complaint by user and issue of Warranty Rejection Advice in UDM/IMMS is not delayed by concerned officials/officers and warranty rejection advice should be issued within 15 days of detection of warranty complaint. However, if the warranty complaint is detected within warranty period, the "Warranty Rejection Advice" must be issued within warranty period.

On issue of "Warranty Rejection Advice", the "Warranty Rejection Register" should automatically get updated.

- v. On getting the "Warranty Rejection Advice", the inspecting agency shall take suitable action against the inspecting officials and ensure necessary corrective actions; duly informing the Officer who has approved the "Warranty Rejection Advice". Recovery of inspection charges from the concerned inspecting agency for the rejected item(s) shall be made by any Bill Paying Authority across IR on pro-rata basis for the quantity and as per the rate of inspection charges for the inspection agency. Claim for recovery of inspection charges against the concerned 3rd party inspecting agency (like RITES etc.) shall automatically get noted into "Centralized Recovery Register" maintained in IPAS on the basis of "Warranty Rejection Advice", which shall specifically mention the name of inspecting agency. After recovery of inspection charges by any Bill Paying

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Authority, "Centralized Recovery Register" w.r.t. recovery of inspection charges to be automatically updated in IPAS to that extent so as to avoid multiple recoveries of inspection charges by different Railways and communicate the recovered amount to IMMS/ UDM.

- vi. Any Bill Paying Authority across IR shall withhold the payment of equivalent amount of rejected material through "Centralized Recovery Register" from firm's Bill(s) at the earliest, till the full amount is withheld and the same shall be released only after disposal/closure/settlement of the warranty claim or deposition of equivalent amount of rejected material or after recovery, whichever is earlier. After withholding of amount by any Bill Paying Authority, "Centralized Recovery Register" to be automatically updated in IPAS to that extent so as to avoid multiple withholdings by different Railways and communicate the withheld amount to IMMS/ UDM.
- vii. Firm shall be allowed to collect the rejected materials only after deposition of payments already made by Railway (if any) to them or after recovery of equivalent amount by Accounts or against replacement quantity. Rejected material should be suitably defaced before handing-over to the firm to avoid re-use and necessary provision about digital capturing in respective modules may be done.
- viii. Warranty Quantity Replacement-
 - a. Replacement of rejected quantity shall be made to the end consignee at the Stores Depot/User Depot which received the original supply from the firm.
 - b. The warranty quantity replacement will be supplied and accounted for in IMMS through R/Note & RO if "Warranty Rejection Advice" has been issued through IMMS. However, where "Warranty Rejection Advice" has been issued through UDM, the warranty quantity replacement will be supplied and accounted for in UDM through CRN. R-Note/CRN should be clearly marked as "Warranty Replacement CRN/R-Note. Not for Payment".
- ix. Replaced/rectified material shall have warranty for the replaced/rectified goods till the original warranty period plus the time from the warranty rejection advice to material replacement/rectification.
- x. Vendor would be permitted to lift the rejected material (subject to clause 2(A)(vi) above) "free of cost" within the period mentioned in Para 2(A)(ii) above. After this time, ground rent shall be applicable.

In cases where firm fails to lift the rejected material within the time period mentioned in para 3203 of IRS Condition of Contract, at the expiry of the period, no claim whatsoever shall lie against the Purchaser in respect of the said goods, which may be disposed of by the Purchaser in such manner as he thinks fit. Without prejudice to the generality of the foregoing, all the provisions in the Indian Railways Standard Conditions of Contract relating to the 'rejection of goods' and 'failure' and 'termination' add and Clause 3100-02 shall apply.

- xi. In case disposal/closure/settlement of the Warranty Rejection Advice is not done by firm within the period of 60 days, Recovery Advice of equivalent amount of rejected material for which Warranty Claim has not been disposed/closed/settled shall be automatically sent from IMMS/UDM (depending upon from where Warranty Rejection Advice has been issued) to IPAS and the "Centralized Recovery Register" of IPAS shall be automatically updated for recovery. If any amount is already withheld against the "Warranty Rejection Advice", the same shall be treated as recovered amount and adjusted accordingly. For balance amount, any Bill Paying Authority across IR shall recover the amount mentioned in "Centralized Recovery Register" from firm's

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Bill(s), if any. Paying Authorities should not delay the recovery and ensure recovery expeditiously. Even if the payable amount against a Bill and withheld amount are not enough for the full recovery against a Warranty Claim, the Paying Authority should proceed with partial recovery to the extent of payable amount against that Bill and balance recovery amount will remain in the "Centralized Recovery Register" for further recoveries from other Bill(s).

After recovery, the "Centralized Recovery Register" should be automatically updated immediately to avoid multiple recoveries by different Railways and communicate the recovered amount to IMMS/ UDM.

- xii. Generally, no rejected quantity replacement/rectification should be allowed once recovery has been made by Accounts or the recovery amount has been deposited by vendor. While receiving fresh replacement supplies/allowing Re-inspection/Rectification/Amount deposition by vendor against Warranty Rejection Advice after the period of 60 days, user in IMMS/UDM must ensure that these activities are allowed only to the extent the Claim amount has not been recovered by Railways. Once recovery of the warranty claim amount is made in IPAS/deposition by the firm, user will not be allowed to initiate process of receipt of fresh replacement supplies / Re-inspection / Rectification to the extent recovery of the Warranty Claim amount has been completed in IPAS/deposited by firm against Warranty Rejection Advice.

However, there may be some cases against a Warranty Rejection Advice like:

- a. Fresh replacement supplies have been received before recovery but material taken into Ledger by user after recovery
- b. Re-inspection or Rectification allowed before recovery but material taken into Ledger by user after recovery
- c. Amount deposited by vendor before recovery but details of such deposition entered by user after recovery
- d. Warranty Rejection Advice withdrawn altogether after recovery
- e. Any other incidence like Court /Arbitration Judgement/Order etc. after recovery

In such cases, in all fairness; equivalent amount recovered has to be refunded to the vendor in case of (a) to (e) above, recovered inspection charges shall also be refunded to the inspection agency.

For such cases, the officer approving the Warranty Rejection Advice, with the approval of his officer next in hierarchy (minimum JA grade officer), can issue "Recovery Refund Letter" on IMMS/UDM on advice of the Stock Holder which shall be visible to all stake-holders including IPAS as well as vendor. Vendor may submit his Supplementary Bill on the basis of "Recovery Refund Letter" to the concerned Paying Authority which has deducted the refundable amount on-line or off-line; depending upon the case whether the Bill against which recovery has been made was submitted on-line or off-line. IPAS will pass-on information of all such refunds against a "Warranty Rejection Advice" to IMMS/UDM so that this information can be made available to all stake-holders. Necessary checks & balances should be provided in IPAS to ensure that vendor is not refunded the recovered amount more than the actual recovered amount or the amount mentioned in "Recovery Refund Letter".

- xiii. **Inspection of Replacement Supply-** In line with IRS Conditions of Contract clause 0703, Vendor shall bear all cost of such replacement including freight, cost of inspection and inspection charges to inspecting agency, if any, on such replacing and replaced stores but without being entitled to any extra payment on that or any other account.

The replacement supply shall normally be inspected by the same inspection agency which inspected and passed the original supply. However, inspection clause for replacement of quantity rejected under warranty can be changed from 3rd Party Inspection (RITES/RDSO etc.) to Consignee Inspection with the approval of minimum JA grade level officer of the office issuing Warranty Rejection Advice, duly considering practicability of the case due to low quantity/value, criticality of the item, quality issues involved etc.

(B) For Warranty rejection in Shop/Shed etc of the material received from a PU or a Stores Depot or User Depot which is not the attached Depot of the end user including that received directly through centralized procurement (both Stock and Non-stock items)-

- i. In such cases it may not be convenient for the end user to either return the material or communicate to the Stores Depot/User Depot (where the accountal of supply received from vendor was originally made). Thus, in all such cases, the warranty rejected material shall be kept in safe custody of the end user. End User shall register the warranty complaints with reasons and other details, as required, on the system like CMM/FMM/WISE/SLAM/MU etc. available with them and electronically transfer such data to UDM through integrated system or shall register the warranty rejections directly in UDM (as convenient and practical for the end-user). "Warranty Rejection Advice" (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end user on UDM after linking with PO, R/Note/CRN/Accountal Details.

Before, issuing the "Warranty Rejection Advice", the concerned user of UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO and applicability of warranty period and ensure that other details including reason(s) of warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract.

- ii. The "Warranty Rejection Advice" shall be issued on UDM by End User to all concerned i.e. firm, purchaser, pre-inspecting agency (if known), vendor approving agency, paying authority etc. without fail.
- iii. **Warranty Quantity Replacement-**
- a. Replacement of rejected quantity shall be made at the end of end user.
- b. The warranty quantity replacement will be supplied and accounted for in UDM through CRN. The CRN should be clearly marked as "Warranty Replacement CRN, Not for Payment".
- iv. Other provision shall be as per sub-Para (iii) to (xiv) of Para 2(A) above, except Para (viii) of 2(A)

(C) For Warranty rejections in the field where material rejected was fitted at some other Workshop/Shed/Depot- Material either received or fitted through Supply Contract or Works Contract or Service Contract (both Stock and Non-stock items)-

- i. In such cases it may not be convenient for the end user to either return the material or communicate to the Stores Depot/User Depot (where the account of supply received from vendor was originally made) or to the concerned Workshop where items were fitted.
- ii. Such case shall also be dealt as per Para 2(B) above.

(D) Warranty rejections of Rolling Stocks received from Railway PUs/PSUs/Workshops/Private Manufacturers and their components -

- i. Rolling Stocks are manufactured by following agencies:

SN	Type of Rolling Stocks	Manufactured by
1	Wagons	Private Manufacturers, Railway PSU, Railway Workshop
2	Coaches	Railway PUs/PSUs/Private Manufacturers
3	Locomotives	
4	Train-Sets	
5	MEMU, DEMU, EMU etc.	

- ii. Manufacturing Units of Rolling Stocks should provide the following details of all components/sub-assemblies used/fitted in that rolling stock to inspecting agency as well as consignee railway/end user. Inspecting agency, during inspection of Rolling Stock shall ensure digital capture/entry of this data into the respective digital platform.
 - a. Rolling Stock Number
 - b. Name of the Rolling Stock supplier
 - c. Contract number & Date against which Rolling stock supplied to Railway
 - d. Contact details of Rolling Stock Supplier
 - e. Name and address of component manufacturer and/or supplier.
 - f. Date of manufacture of component (MM/YYYY).
 - g. Inspecting agency for the component.
 - h. Inspection details of component
 - i. Warranty of component in months.
 - j. Vendor Approving agency of the component.
 - k. Batch/Product Marking, serial number etc of component.
 - l. Any further details to facilitate complete identification of the supplier of component by end user
- iii. For individual components, all Rolling Stock Manufacturers/Suppliers shall be responsible to honour the warranty claims on the basis of warranty period of individual components instead of the entire rolling stock.
- iv. The warranty settlement will be processed as per procedure as under:
 - a. Rolling stock is supplied by a private manufacturer or Railway/other PSUs-

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Warranty claim shall be lodged against Rolling Stock supplier.

This shall be same case as 2(B) above except that in case of items appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agencies.

Rolling Stock Supplier shall be the interface between Railway and component supplier. He has to organize the complete warranty settlement. Any action by the component supplier shall be at the specific direction and authority of Rolling Stock supplier.

b. Rolling stock supplied by Railway PUs, Workshop-

In all such cases, the warranty rejected material shall be kept in safe custody of the end user. End User shall register the warranty rejections with reasons of rejection and other details, as required, on the system like CMM/FMM/WISE/SLAM/MU etc. available with them & transfer such data to UDM or shall register the warranty rejections directly in UDM (as convenient and practical for the end- user).

The concerned Railway PU or Workshop shall replace the rejected component within 60 days from warranty rejection registration date at the end of concerned end User registering the warranty rejection either as a fresh supply by Railway PU/workshop or get it replaced/rectified through the component manufacturer/supplier whose supplies have been rejected.

Simultaneously, the Railway PU/Workshop shall raise the warranty claim by issuing "Warranty Rejection Advice" on UDM on concerned component manufacturer/supplier separately from their end as per the process detailed in Para 2(B) above.

3. Rectification of the rejected stores-

- i. In case the vendor requests for rectification/repair of rejected stores in terms of Para 2, rectification/repair to be permitted in exceptional circumstances and only if the item can be effectively rectified/repared at the user end and with specific prior approval of the officer next in hierarchy (minimum JA grade officer) to the gazetted officer issuing Warranty Rejection Advice. At the option of the Depot Officer/ officer of end-user (depending upon who has issued the "Warranty Rejection Advice"), rectification/repair of rejected stores by the firm shall be permitted within railway premises only.
- ii. If firm requests to rectify/repair the rejected stores at its own premises, same shall be allowed only if the item has unique traceability to ensure that the rejected item cannot be supplied to any other consignee/user and if supplied, it can be traced. For taking out the rejected quantity for rectification/repair, equivalent value of rejected item shall be deposited by the firm.
- iii. However, the rectification activity shall have to be completed within timelines given in sub-Para ii of case 2(A) from the date of issue of "Warranty Rejection Advice." After this, process for recovery shall be initiated.

4. Linking the rejected stores with PO, R/note, warranty period etc -

- i. Marking of stores has been mandated as per Clauses 1103, 1302, and 2704 of IRS Condition of Contract, which must be ensured.

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- ii. Specification/drawing of the item should include conditions for marking of the item for establishing unique traceability of the item, accountability and performance monitoring of the item/supplier. Marking should be with manufacturer's name, lot/batch number, serial number, month and year of manufacture (in MM/YY format). If possible, Railways' purchase order number and date, consignee code, suppliers' IREPS vendor code and warranty period in number of months may also be included to have complete traceability. Drawing/specification must specifically indicate the types of acceptable marking mechanism/method. Marking method selection should be based on factors like item function, item geometry, type of surface, item size, operating environment, age/ life, criticality, cost, etc. Marking method prescribed in the drawing/specification should be good enough to ensure that unique traceability is possible for the lifecycle of the product and if not possible, at least up to the warranty period of the item.
- iii. Direct Part Marking (DPM) for items shall be done based upon the criticality/cost/feasibility to have DPM of the item. The criticality/cost/feasibility shall be decided by the concerned Railway Board Directorates depending upon the nature of the item or/and its end use. This scheme will help in pin-pointing the responsibility, shall improve traceability, accountability and performance monitoring of the item and that of the supplier. Part Marking should be part of specification and should at least indicate manufacturer's name, lot/batch/item No., month, and year of manufacture in MM/YY format. If possible, Purchase Order number and date, consignee code, IREPS vendor code and warranty period in number of months may also be included. It shall be responsibility of the firm to develop a unique coding scheme/mechanism for ensuring traceability of its product. The firm shall intimate the same to the purchaser at the time of supply. In case it is not possible to have these details as part marking on the item, alternate marking scheme and its implementation may be decided by the concerned Directorates.
- iv. Onus of marking and traceability as per purchase order shall be on vendor
- v. The record of fitment of item shall be captured digitally on UDM and/or other applications / Maintenance Modules like CMM/FMM/SLAMWISE/MU etc.
- vi. Capturing Warranty Period digitally in unambiguous terms:
 - a. In terms of RB letter No. 78/RS(G)/777/1 dated 07/05/2004:
 - (i) Warranty Clause specified in the tenders should normally be same as that in IRS conditions of contract.
 - (ii) Wherever it is considered necessary to have Warranty Clause in technical specifications at variance with Warranty Clause in IRS conditions of contract, then technical department, while submitting the indents, and while providing the specifications, will advise clearly about applicable Warranty Clause for procurement to avoid problems at post contract stage.
 - (iii) While procuring the material, it should be ensured that the applicable Warranty Clause is specified in tender documents clearly and in unambiguous terms.
 - b. Warranty clause if at variance with IRS conditions of contract shall be a specific clause in the tender/PO and shall supersede warranty clause of IRS conditions of contract.

- Else it should be mentioned in tender conditions that warranty as per IRS conditions of contract is applicable. Both should never be included in the tender.
- c. A field of Warranty period for the item under procurement may also be indicated on REPS while floating tender for the same
 - d. Data of warranty period should be captured in digital form in terms of number of months and should get reflected in tender, contract, Inspection Certificate and R/Note in digital form and should be known to the end-user.
 - e. During inspection/receipt of the item, inspecting Agency and material accepting authority shall ensure marking as per purchase order.
- vii. While issuing the stores, "Issue Note" should be linked with warranty period in months, RO number, PO number/date and Depot Code as well, so that supply details and exact warranty period is known to consignee/end user.
 - viii. IMMS and UDM systems should be able to provide the complete supply details i.e. PO No./ Date, Vendor Name, Challan No./Date, warranty period etc. for the consignment to be rejected.
 - ix. Online provision shall be made for entering the complete details of item as per Para 1 (iii) above by the vendor at the time of dispatch and that should be captured on IMMS/UDM while accepting the material.
5. All efforts should be made to link the warranty rejected item with P.O. However, if it is not possible to link the PO, warranty period mentioned in drawing/specification shall be taken into consideration or if not mentioned therein, it shall be as per IRS conditions of Contract. In such cases the warranty period shall be applicable from the end of month next to manufacturing month mentioned on material (assuming that stores are supplied after inspection after 30/45 days from the actual date of manufacture).
- 5.1 The Warranty settlement in such cases shall be as per para 2(B) above, except following-
- a. As PO details shall not be available, details of PO, R Note, CRN etc may not be included in Warranty Rejection Advice and other communications.
 - b. The value of rejected materials shall be decided on the basis of rate of component as per latest PO available.
 - c. If Inspecting Agency of the rejected store is not known, warranty rejection advice shall not be sent to inspecting agency and para 2(A)(v) shall not be applicable.
 - d. If Inspecting Agency of the rejected store is not known, the inspecting agency for the replacement supplies shall generally be as per the inspection policy followed for normal procurement or as per Para 2 (A-xii) above.
6. **Authority to adjudicate the disputed warranty cases and authority to decide appeal-**
- i. For all warranty rejection cases, the controlling officer of minimum JAG level of the office issuing "Warranty Rejection Advice" shall be adjudicating the disputed cases. His decision shall be binding on all the parties.

- ii. All the disputes, legal matters, etc. arising out of warranty claim shall be handled directly by the office issuing the "Warranty Rejection Advice".

7. Handling Epidemic Failures-

Any recurring/large scale rejections from a particular lot will lead to epidemic failure.

- i. Whenever the quantity rejected anytime during the warranty period exceeds 5% of the total supplied lot against a particular contract, it will be considered as Epidemic Failure. However, in case of failures related to items which are extremely critical from safety consideration (like critical components or sub-parts of air brake system, wheel discs, axles, propulsion system etc.), RDSO/PU may pre-define a lower percentage for considering the occurrence of epidemic failure. This condition should be declared in the tender document for procurement of such items.
 - ii. Same steps as mentioned at para 2, as applicable, to be followed. However, instead of rejecting only defected quantity, entire lot should be rejected. Even if some quantity of such lot has been used/fitted, the same may also be identified and called back from service, to the extent possible, by the concerned technical department for issuing warranty rejection.
 - iii. Joint inspection shall be conducted as per extant provisions.
 - iv. In case warranty rejection is established in joint inspection, the vendor shall replace entire lot (as available, refer point ii above) duly inspected by inspecting agency as per contract on his own expenses.
 - v. Replacement supply should be inspected by the same agency which has previously inspected the supplies.
 - vi. Epidemic failure is essentially considered as very poor quality performance and should be reflected on the performance of vendor/inspecting agency accordingly.
 - vii. Concerned Inspection /Quality monitoring/Vendor approving agencies should conduct root cause/failure analysis of the failure and QAP of vendor shall have to be re-validated. They should also suggest improvement in inspection methodology/Quality Assurance Plan to avoid failures.
8. In case the vendor disputes the Warranty Rejection as per Warranty Rejection Advice, representation from vendor should be sent through IREPS system to the officer issuing Warranty Rejection Advice within 7 days from the issue of Warranty Rejection Advice. In such case a joint inspection shall be organised by the officer issuing Warranty Rejection Advice for the grounds of warranty rejections mentioned in the Warranty Rejection Advice.
9. In all cases of warranty rejections where items are appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agency as per Para 1 (vi) above for performance monitoring and capability/capacity assessment/delisting/down gradation of the vendor and review of the design/specifications/STR if required. If required, based on merit of the case, Vendor approving agencies may take appropriate decision on suspension of inspection

10. Data of the warranty rejections shall be analysed item-wise and vendor-wise by the Quality monitoring/vendor approving agency to identify the areas for improvements in systems, processes and design/specification.
11. The recovered amount from the vendor should be credited in the same allocation of the end use in which the item was originally procured.
12. Since complete process is being considered for digitisation, procurements (including Railway Board procurements) which are not being done through IMMS, should also be done through IMMS and Contracts issued through IMMS.

NOTE:

For ease of understanding, a sample flow chart for case 2(A) is enclosed. Other cases (Case 2(B) to 2(D)) involve only minor modifications of the same. In case of any difference between this circular paras and flow chart, the circular para shall prevail.

CHANDAN KUMAR

2022.10.17 17:17:51 +05'30'

(Chandan Kumar)

Director Railway Stores/IC
Railway Board

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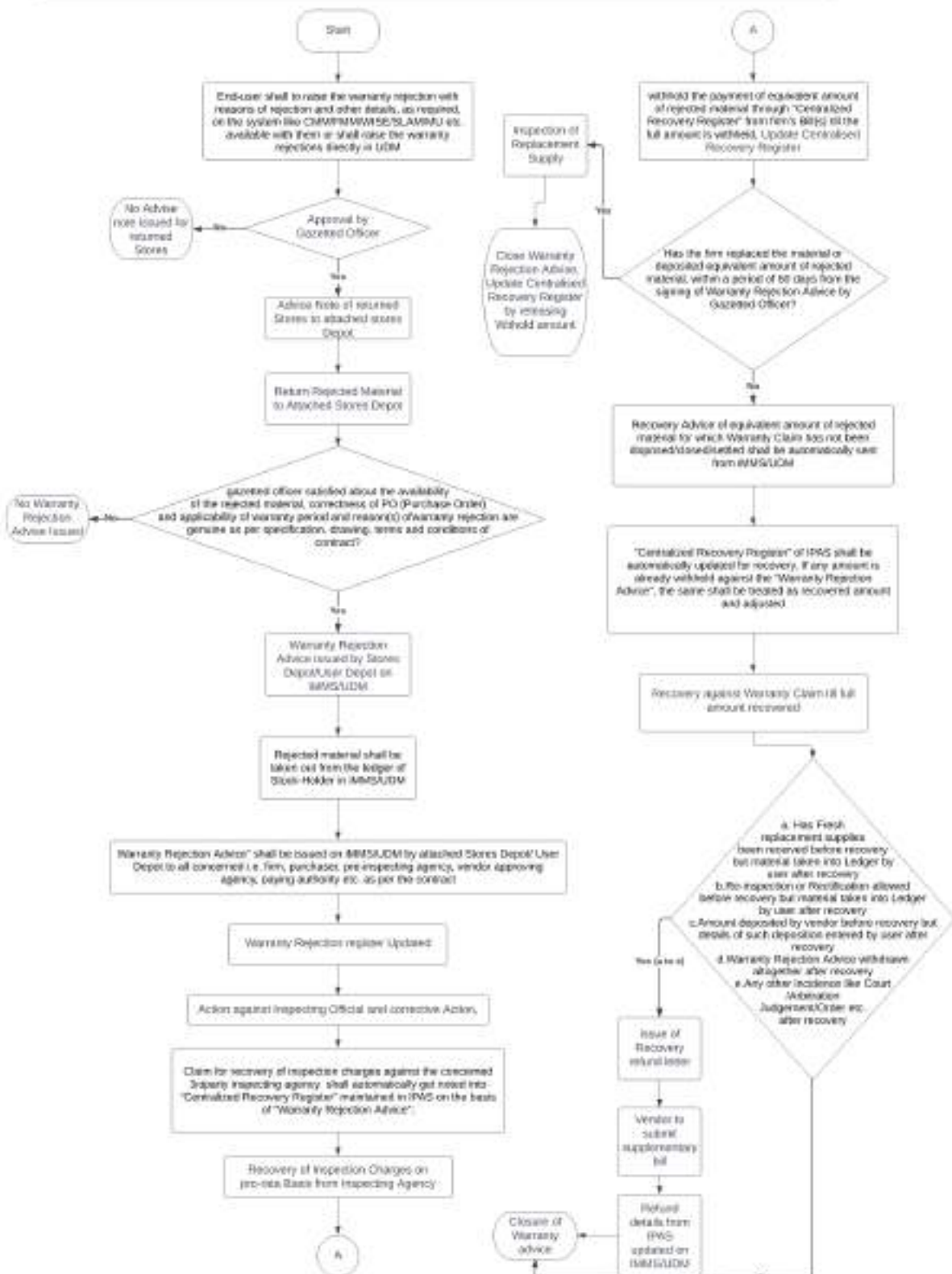
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E3390005

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Flowchart for the processes (Case 2(A) of the circular) involved in Warranty policy: For Warranty rejection in Shop/Store etc where rejected material was issued from its attached Stores Depot or attached User Depot (both Stock and Non-stock items).
(OTHER CASES INVOLVE ONLY MINOR MODIFICATION)





भारत सरकार
रेल मंत्रालय (रेलवे बोर्ड)
Government of India
Ministry of Railways
(Railway Board)



No. 2022/RS(G)/779/7 (E3390005)

नई दिल्ली New Delhi Dated: 26.10.2023

The General Managers, All Indian Railways/PUs, NF(C), CORE
DG/RDSO/Lucknow, NAIIR/Vadodara,
PCAO, DMW/Patiala, COFMOW
CAO, WPO/Patna, RWP/ Bela.

Sub.: Handling of Warranty Rejections

Ref: Railway Board's letter of even number dated 17.10.2022

Vide letter under reference, the consolidated policy instructions on warranty rejection handling including an Online Integrated Warranty Management System over IR was issued for implementation.

In view of the experience gained with the implementation of the policy, it is decided to make amendments in the above referred policy circular as enclosed at Annexure-I.

CRIS shall make the system ready accordingly. Necessary action may be taken in this regard.

Encl: As above


(Chandan Kumar)
Director Railway Stores (IC)
Railway Board

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(RPF), DG(HR), DG(Safety)
Advisor/MR, EDPG/MR, OSD/MR, OSD/Coord/MR and Addl PS/MR
All AMs, PEDs & Executive Directors of Railway Board

Para	Existing	Changed to
2(A)(v).	On getting the "Warranty Rejection Advice", the inspecting agency shall take suitable action against the inspecting officials and ensure necessary corrective actions; duly informing the Officer who has approved the "Warranty Rejection Advice". Recovery of inspection charges from the concerned inspecting agency for the rejected item(s) shall be made by any Bill Paying Authority across IR on pro-rata basis for the quantity and as per the rate of inspection charges for the inspection agency. Claim for recovery of inspection charges against the concerned 3rd party inspecting agency (like RITES etc.) shall automatically get noted into "Centralized Recovery Register" maintained in IPAS on the basis of "Warranty Rejection Advice"; which shall specifically mention the name of inspecting agency. After recovery of inspection charges by any Bill Paying Authority, "Centralized Recovery Register" w.r.t. recovery of inspection charges to be automatically updated in IPAS to that extent so as to avoid multiple recoveries of inspection charges by different Railways and communicate the recovered amount to IMMS/ UDM.	On getting "warranty rejection advice", inspection agency shall take suitable action for any system improvements required to improve inspection process. Recovery of inspection charges from the concerned inspecting agency for the rejected item(s) shall be made by any Bill Paying Authority across IR only in case of Epidemic Failures after holding Joint Inspection when it is established that such rejection has taken place due to failure attributable to the inspecting Agency as per its role under the Purchase Order. In such cases, after joint inspection, "Inspection Charges Recovery Advice" shall be issued by officer issuing "warranty rejection advice". Claim for recovery of inspection charges against the concerned 3rd party inspecting agency (like RITES etc.) shall automatically get noted into "Centralized Recovery Register" maintained in IPAS on the basis of "Inspection Charges Recovery Advice"; which shall specifically mention the name of inspecting agency and rate of inspection charges on pro-rata basis for the quantity rejected. After recovery of inspection charges by any Bill Paying Authority, "Centralized Recovery Register" w.r.t. recovery of inspection charges to be automatically updated in IPAS to that extent so as to avoid multiple recoveries of inspection charges by different Railways and communicate the recovered amount to IMMS/ UDM.
2(A)(vi).	Any Bill Paying Authority across IR shall withhold the payment of equivalent amount of rejected material through "Centralized Recovery Register" from firm's Bill(s) at the earliest, till the full amount is withheld and the same shall be released only after disposal/closure/settlement of the warranty claim or deposition of	Deleted

	equivalent amount of rejected material or after recovery, whichever is earlier. After withholding of amount by any Bill Paying Authority, "Centralized Recovery Register" to be automatically updated in IPAS to that extent so as to avoid multiple withholdings by different Railways and communicate the withheld amount to iMMS/ UDM.	
2(A)(viii) (c)	New Para	Item/equipment supplied against a particular warranty claim should be used to close that warranty claim only. Any alternate use of the material can be done only with the written consent of the firm.
2(A)(ix).	Replaced/rectified material shall have warranty for the replaced/rectified goods till the original warranty period plus the time from the warranty rejection advice to material replacement/rectification.	Replaced/rectified material shall have warranty for the replaced/rectified goods till the original warranty period plus the time from the warranty rejection advice to material replacement/rectification. Record for the same shall be maintained by the system.
2(A)(x).	<p>Vendor would be permitted to lift the rejected material (subject to clause 2(A)(vii) above) "free of cost" within the period mentioned in Para 2(A)(iii) above. After this time, ground rent shall be applicable.</p> <p>In cases where firm fails to lift the rejected material within the time period mentioned in para 3203 of IRS Conditions of Contract, at the expiry of the period, no claim whatsoever shall lie against the Purchaser in respect of the said goods, which may be disposed of by the Purchaser in such manner as he thinks fit. Without prejudice to the generality of the foregoing, all the provisions in the Indian Railways Standard Conditions of Contract relating to the 'rejection of goods' and 'failure' and 'termination' add and Clause 3100-02</p>	<p>Vendor would be permitted to lift the rejected material (subject to clause 2(A)(vii) above) "free of cost" within the period mentioned in Para 2(A)(iii) above (i.e. 60 days from the date of Warranty Rejection Advice). After this time, ground rent shall be applicable.</p> <p>In cases where firm fails to lift the warranty rejected material within the time period mentioned in para 3203 of IRS Conditions of Contract (i.e. 3 months from the date of issue of warranty rejection advice by the gazetted officer), at the expiry of the period, no claim whatsoever shall lie against the purchaser in respect of the said goods, which may be disposed of by the Purchaser in such manner as he thinks fit. Without prejudice to the</p>

	shall apply.	generality of the foregoing, all the provisions in the Indian Railways Standard Conditions of Contract relating to the 'rejection of goods' and 'failure' and 'termination' add and Clause 3100-02 shall apply. However, in case the material under warranty rejection is not lying in Railway premises but is running online or being actively used by Railways, this clause shall not be applicable.
2(A)(xi).	In case disposal/closure/settlement of the Warranty Rejection Advice is not done by firm within the period of 60 days, Recovery Advice of equivalent amount of rejected material for which Warranty Claim has not been disposed/closed/settled shall be automatically sent from IMMS/UDM (depending upon from where Warranty Rejection Advice has been issued) to IPAS and the "Centralized Recovery Register" of IPAS shall be automatically updated for recovery. If any amount is already withheld against the "Warranty Rejection Advice", the same shall be treated as recovered amount and adjusted accordingly. For balance amount, any Bill Paying Authority across IR shall recover the amount mentioned in "Centralized Recovery Register" from firm's Bill(s), if any. Paying Authorities should not delay the recovery and ensure recovery expeditiously. Even if the payable amount against a Bill and withheld amount are not enough for the full recovery against a Warranty Claim, the Paying Authority should proceed with partial recovery to the extent of payable amount against that Bill and balance recovery amount will remain	In case disposal/closure/settlement of the Warranty Rejection Advice is not done by firm within the period of 60 days, Recovery Advice of equivalent amount of rejected material for which Warranty Claim has not been disposed/closed/settled shall be automatically sent from IMMS/UDM (depending upon from where Warranty Rejection Advice has been issued) to IPAS and the "Centralized Recovery Register" of IPAS shall be automatically updated for recovery. Any Bill Paying Authority across IR shall recover the amount mentioned in "Centralized Recovery Register" from firm's Bill(s), if any. Paying Authorities should not delay the recovery and ensure recovery expeditiously. Even if the payable amount against a Bill are not enough for the full recovery against a Warranty Claim, the Paying Authority should proceed with partial recovery to the extent of payable amount against that Bill and balance recovery amount will remain in the "Centralized Recovery Register" for further recoveries from other Bill(s). After recovery, the "Centralized Recovery Register" should be automatically updated immediately to avoid multiple recoveries by different Railways and communicate the recovered amount to IMMS/ UDM.

	<p>in the "Centralized Recovery Register" for further recoveries from other Bill(s).</p> <p>After recovery, the "Centralized Recovery Register" should be automatically updated immediately to avoid multiple recoveries by different Railways and communicate the recovered amount to IMMS/UDM.</p>	
2(A) (xii).	<p>Generally, no rejected quantity replacement/rectification should be allowed once recovery has been made by Accounts or the recovery amount has been deposited by vendor. While receiving fresh replacement supplies/allowing Re-inspection/Rectification/Amount deposition by vendor against Warranty Rejection Advice after the period of 60 days, user in IMMS/UDM must ensure that these activities are allowed only to the extent the Claim amount has not been recovered by Railways. Once recovery of the warranty claim amount is made in IPAS/deposition by the firm, user will not be allowed to initiate process of receipt of fresh replacement supplies / Re-inspection / Rectification to the extent recovery of the Warranty Claim amount has been completed in IPAS/deposited by firm against Warranty Rejection Advice.</p> <p>However, there may be some cases against a Warranty Rejection Advice like:</p> <p>a. Fresh replacement supplies have been received before recovery but material taken into Ledger by user after recovery</p> <p>b. Re-inspection or Rectification allowed before recovery but material taken into Ledger by user after recovery</p>	<p>(a) Generally, there should not be any cases where warranty rejection is not disposed/settled/closed by the vendor within a period of 60 days. R-Note/CRN should be promptly issued in such cases within 60 days period only. Even if warranty is closed/disposed/settled at the fag end of 60 day period, efforts should be made to issue R-Note/CRN within 60 days period only so that no recovery is done.</p> <p>(b) Once recovery has been made by Accounts or the recovery amount has been deposited by vendor, replacement/rectification/re-inspection of the warranty rejected quantity should not be allowed after period of 60 days from date of issue of warranty rejection advice. While receiving fresh replacement supplies/allowing Re-inspection/Rectification by vendor against Warranty Rejection Advice after the period of 60 days, user in IMMS/UDM must ensure that these activities are allowed only to the extent the Claim amount has not been recovered by Railways. Once recovery of the warranty claim amount is made in IPAS/deposition by the firm, user will not be allowed to initiate process of receipt of fresh replacement supplies / Re-inspection / Rectification to the extent recovery of the Warranty Claim amount has been completed in IPAS/deposited by firm against Warranty Rejection Advice.</p> <p>(c) However, cases where due to extreme urgency affecting out-turn, operation etc it is in Railways' own interest to allow replacement/rectification/re-</p>

<p>c. Amount deposited by vendor before recovery but details of such deposition entered by user after recovery</p> <p>d. Warranty Rejection Advice withdrawn altogether after recovery</p> <p>e. Any other incidence like Court /Arbitration Judgement/Order etc. after recovery</p> <p>In such cases, in all fairness; equivalent amount recovered has to be refunded to the vendor in case of (a) to (e) above, recovered inspection charges shall also be refunded to the inspection agency.</p> <p>For such cases, the officer approving the Warranty Rejection Advice, with the approval of his officer next in hierarchy (minimum JA grade officer), can issue "Recovery Refund Letter" on IMMS/UDM on advice of the Stock Holder which shall be visible to all stake-holders including IPAS as well as vendor. Vendor may submit his Supplementary Bill on the basis of "Recovery Refund Letter" to the concerned Paying Authority which has deducted the refundable amount on-line or off-line; depending upon the case whether the Bill against which recovery has been made was submitted on-line or off-line. IPAS will pass-on information of all such refunds against a "Warranty Rejection Advice" to IMMS/UDM so that this information can be made available to all stake-holders. Necessary checks & balances should be provided in IPAS to ensure that vendor is not refunded the recovered amount more than the actual recovered amount or the amount mentioned in "Recovery Refund Letter".</p>	<p>inspection after a period of 60 days from issue of warranty rejection advice; it may be permitted with the approval of SAG level officer of the officer issuing warranty rejection advice. In such cases "Recovery Refund Letter" should be issued by minimum JA Grade Officer of the office issuing Warranty Rejection Advice to the extent permission is granted and warranty rejection is disposed/settled/closed by the vendor. However, ground rent as per clause 2(A) (ix) above shall be applicable in such cases also.</p> <p>(d) "Recovery Refund Letter" shall also be issued by minimum JA Grade Officer of the office issuing Warranty Rejection Advice in the following cases:</p> <ol style="list-style-type: none"> If warranty is closed/disposed/settled within 60 day period and R-Note/CRN is issued after 60 day period Amount deposited by vendor before recovery but details of such deposit entered by user after recovery; Warranty rejection advice withdrawn altogether after recovery; and In other instances like court/arbitration judgment/order, etc. after recovery. cases where, inspite of issue of warranty rejection advice, the item under warranty rejection has been actively running online or being actively used by Railways due to practical considerations. However, firm should be advised to close the warranty as early as possible. In the normal course, such situations should not arise and should be exception only. <p>(e) The vendor may submit his supplementary bill on the basis of "Recovery Refund Letter" to the concerned paying authority which has deducted the refundable amount online or offline depending upon the case whether the bill against which recovery has been made was submitted online or offline.</p> <p>(f) IPAS shall pass on information of such refunds against recovery refund order and</p>
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		<p>warranty rejection advice to IMMS/UDM so that this information can be made available to all stakeholders. Necessary checks and balances should be provided in IPAS to ensure that vendor is not refunded a recovery amount more than recovery amount or the amount mentioned in recovery refund order.</p> <p>(g) However, if the recovery amount has been transferred by recovering railway to the Railway issuing warranty rejection advice, such information shall be passed on to all stakeholders by IPAS including to the vendor also to claim his refund. In such cases Supplementary bill shall be submitted to the railway where amount has been transferred.</p>
2(A) xiv (a)	New para	<p>Warranty Rejection Advice (Claim) Withdrawal:</p> <p>In case Claim issued for incorrect quantity/value or issued on some other vendor incorrectly or when Warranty is not admissible due to any reason, warranty rejection claim shall be withdrawn and "Warranty Rejection Advice (Claim) Withdrawal Letter" by minimum JA Grade Officer of the office issuing Warranty Rejection Advice, shall be issued for withdrawal of Warranty Claim.</p>
2(A) xiv (b)	New Para	<p>The status of lodged warranty claims due to failures not admissible as warranty claim due to any reason must be reviewed by Zonal Railways (JAG level officer as per para 6(i)) regularly for early resolution and withdrawal.</p>
2(A) xiv (c)	New Para	<p>Zonal Railways/PUs shall nominate a SAG level officer from each of the concerned user departments to regularly monitor the status of pending warranty claims , timely closure of warranty claims in cases where user has already confirmed the closure and disputed warranty rejection cases and ensure that these disputes are decided timely.</p>

VERSION 1.0



भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
रेलवे बोर्ड (Railway Board)

INDIAN RAILWAYS
STANDARD CONDITIONS OF CONTRACT
2022

(REVISED SEPTEMBER 2022)



भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
रेलवे बोर्ड (Railway Board)



INDIAN RAILWAYS STANDARD CONDITIONS OF CONTRACT

- 0100 Definitions and Interpretations
- 0101 In the Contract, unless the context otherwise requires;
- 0102 "Acceptance of Tender" means the letter of memorandum communicating to the Contractor the acceptance of his tender and includes an advance acceptance or letter of acceptance of his tender;
- 0102A "Agent" is a person employed to do any act for another or represent another in dealings with a third person. In the context of public procurement, an Agent is a representative participating in the Tender Process or Execution of a Contract for and on behalf of its principals,
- 0102B "Authorized e-procurement portal" is a web-based portal, being used by the Parties for exchanging online documents during the course of the formation of contract.
- 0103 "Consignee" means where the goods are required by the acceptance of tender to be dispatched by rail, road, air or steamer, the person specified in the Acceptance of Tender to whom they are to be delivered at the destination ; Where the Goods are required by the acceptance of tender to be delivered to a person as an interim consignee for the purpose of dispatch to another person, such other persons; and in any other case the person to whom the goods are required by the acceptance of tender to be delivered in the manner therein specified ;
- 0104 "Contract" means and includes the invitation to tender, instructions to tenderers, tender, acceptance of tender, Standard Conditions of Contract, Special Conditions of Contract, particulars and the other conditions specified in the acceptance of tender and includes a repeat order which has been accepted or acted upon by the contractor and a formal agreement if executed;

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- 0105 The "Contractor" means the person, firm or company with whom the order for the supply is placed and shall be deemed to include the contractor's successors (approved by the Purchaser), representatives, heirs, executors and administrators as the case may be, unless excluded by the terms of the contract. The words "Contractor" and "Supplier" shall be used interchangeably;
- 0106 "The Sub-contractor" means any person, firm or company from whom the Contractor may obtain any material or fittings to be used in the supply or manufacture of the goods;
- 0106A "Year" shall mean calendar year (unless reference to financial year is clear from the context). "Week" shall mean a period of 7 days, "Month", a period of 30 days
- 0107 "Drawing" means the drawing or drawings specified in or annexed to the Schedule or Specifications;
- 0107A "Goods" (including the terms 'Stores', 'Material(s)' in specific contexts) includes all articles, material, commodity, livestock, medicines, furniture, fixtures, raw material, consumables, spare parts, instruments, machinery, equipment, industrial plant, vehicles, aircrafts, ships, railway rolling stock assemblies, sub-assemblies, accessories, Modules or a set of Modules, Knocked Down Unit (KDU), a group of machines comprising an integrated production process or such other categories of goods or intangible, products like technology transfer, licenses, Computer Software (with licence), Information Technology Systems, patents or other intellectual properties (but excludes books, publications, periodicals, etc., for a library) under specific context), procured or otherwise acquired by a Purchaser. Any reference to Goods shall be deemed to include specific small work or some services that are incidental or consequential to the supply of such goods such as transportation, insurance, installation, commissioning, training and maintenance.
- 0108 "Government" means the Central Government or a State Government, as the case may be;
- 0109 "The Inspecting Officer" means the person specified in the contract for the purpose of Inspection of goods or work under the contract and includes his authorised representative;
- 0109A "Intellectual Property Rights" (IPR) means the rights of the intellectual property owner concerning a tangible or intangible possession/ exploitation of such property by others. It includes rights to Patents, Copyrights, Trademarks, Industrial Designs, Geographical indications (GI).
- 0110 "Material" means anything used in the manufacture or fabrication of the goods;
- 0111 "Particulars" include-

- (a) Specifications;
 - (b) Drawings;
 - (c) Pattern bearing the seal and signature of the Inspecting Officer (hereinafter called the sealed pattern) which shall include also a certified copy thereof sealed by the Purchaser for the guidance of the Inspecting Officer;
 - (d) Sample sealed by the Purchaser for guidance of the Inspecting Officer (hereinafter called the certified sample) which shall include a certified copy thereof sealed by the Purchaser for the guidance of the Inspecting Officer;
 - (e) Trade pattern, that is to say, a pattern, goods conforming to which are obtainable in the open market and which denotes a standard of the Indian Standard Institute or other standardising authority or a general standard of the industry;
 - (f) 'Proprietary mark' or 'brand' means the mark or brand of a product which is owned by an industrial firm;
 - (g) Any other details governing the construction, manufacture or supply of goods as may be prescribed by the contract;
- 0112 "Purchase Officer" means the officer signing the acceptance of tender and includes any officer who has authority to execute the relevant contract on behalf of the Purchaser;
- 0113 "The Purchaser" means the President of India in the case of goods ordered for the Indian Government Railways and includes his successors and assignees;
- 0114 "Signed" means ink signed or Digitally signed with a valid Digital Signature Certificate as per IT Act 2000 (as amended from time to time). It also includes stamped, except in the case of an acceptance of tender or amendment thereof.
- 0115 "Site" means the place specified in the contract at which any work is required to be executed by the contractor under the contract or any other place approved by the Purchaser for the purpose;
- 0116 Deleted
- 0117 "Supply Order" means an order for supply of goods and includes an order for performance of service;
- 0118 "Test" means such test as is prescribed by the particulars or considered necessary by the Inspecting Officer whether performed or made by the Inspecting Officer or any agency acting under the direction of the Inspecting Officer;

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- 0119 "Unit" and "Quantity" means the unit and quantity specified in the contract;
- 0120 "Writing" or "Written" includes matter either in whole or in part, in manuscript, type-written, lithographed, cyclostyled, photographed or printed under or over signature or seal or digitally signed document in electronic form, as the case may be;
- 0121 The delivery of the goods shall be deemed to take place on delivery of the goods, accompanied with the inspection certificate and any other requisite documents and in accordance with the terms and conditions of the contract, after approval by the Inspecting Officer if so, provided in the contract, to: —
- (a) The consignee at his premises; or
 - (b) Where so provided the interim consignee at his premises; or
 - (c) A carrier or other person named in the contract for the purpose of transmission to the consignee, or
 - (d) The consignee at the destination station in case of contract stipulating for delivery of goods at destination station.
- 0122 Words in the singular include the plural and vice versa;
- 0123 Words importing the masculine gender shall be taken to include the feminine gender and words importing persons shall include any company or association or body of individuals, whether incorporated or not;
- 0124 The heading of these conditions shall not affect the interpretation or construction thereof;
- 0125 Terms and expression not herein defined shall have the meanings assigned to them in the Indian Sale of Goods Act, 1930 (as amended), or the Indian Contract Act, 1872 (as amended) or the General Clauses Act, 1897 (as amended) as the case may be.
- 0200 Parties
- The parties to the contract are the Contractor and the Purchaser, as defined in Clauses 0105 and 0113.
- 0201 Authority of person signing the Contract on behalf of the Contractor
- A person signing the tender or any other document in respect of the Contract on behalf of the Contractor without disclosing his authority to do so shall be deemed to warrant that he has authority to bind the Contractor. If it is discovered at any time that the person so signing has no authority to do so, the

VERSION 1.0

Purchaser may, without prejudice to any other right or remedy of the Purchaser, cancel the contract and hold such person liable to the Purchaser for all costs and damages arising from the cancellation of the contract. The provisions of Clause 0702(b) shall apply for calculating the liability of the person at default.

0202 Address and e-mail of the Contractor and notices and communications on behalf of the Purchaser: -

(a) For all purposes of the contract, including arbitration thereunder, the address & e-mail of the Contractor mentioned in the tender shall be the address & e-mail to which all communications addressed to the Contractor shall be sent, unless the Contractor has notified change by a separate letter containing no other communication and sent by registered post acknowledgement due to the Purchaser. The Contractor shall be solely responsible for the consequence of an omission to notify a change of address in the manner aforesaid.

(b) Any communication or notice on behalf of the Purchaser in relation to the contract may be issued to the Contractor by the Purchase Officer and all such communications and notices may be served on the Contractor either by registered posts or under certificate of posting or by ordinary post or by hand delivery or through online mode at the option of such officer. The communication through online mode may be made either through email or authorized e-procurement portal of the purchaser, if the said portal provides for the functionalities to make desired communication between the Parties.

0300 (a) The price quoted by the Contractor shall not be higher than the controlled price fixed by law for the goods or where there is no controlled price, it shall not exceed the prices or contravene the norms for fixation of prices laid down by Government or where no such prices or norms have been fixed by the Government, it shall not exceed the price appearing in any agreement relating to price regulation by any industry in consultation with the Government or the MRP of the item

(b) If the price quoted is higher than the controlled price, the Contractor will specifically mention this fact in his tender giving reasons for quoting higher price (s). If he fails to do so or makes any mis-statement, it shall be lawful for the Purchaser, (i) to revise the price at any stage so as to bring it in conformity with the Sub-clause (a) above or (ii) to terminate the contract and apply provisions as per clause 702(b) and 0702(c) on such termination.

0400 Contract:

- 0401 This contract is for the supply of the goods of the description, specifications and drawings, and in the quantities set forth in the contract on the date or dates specified therein. Unless otherwise specified, the goods shall be entirely brand new and of the best quality and workmanship to the satisfaction of the Inspecting Officer. The goods shall further be in all respects acceptable to the Inspecting Officer.
- 0402 Any request for variation or amendment of the contract shall not be binding on the Purchaser unless and until the same is duly endorsed on the contract incorporated in a formal instrument or in exchange of letters and signed by the purchaser.
- 0403 Severability:
- If any provision or condition of this Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of this Contract.
- 0404 Contract Documents and their Precedence:
- The following conditions and documents in indicated order of precedence (higher to lower) shall be considered an integral part of the contract, irrespective of whether these are not appended/ referred to in it. Any generic reference to 'Contract' shall imply reference to all these documents as well:
- (a) Valid and authorized Amendments issued to the contract.
 - (b) The contract document, The Letter of Award (LoA)
 - (c) Special Tender conditions
 - (d) Technical Specifications as given in tender documents
 - (e) Drawings
 - (f) IRS Conditions of contract
 - (g) General Tender Conditions/ Instructions to tenderers
 - (h) Contractor's bid
- 0500 Security Deposit.
- 0501 Unless otherwise agreed between the Purchaser and the contractor or otherwise mentioned in the tender document, the contractor shall, within 21 days of posting of written notice of acceptance of the offer to the contractor, deposit with the Railway concerned (in cash or the equivalent in Government Securities or approved Banker's Guarantee Bond or any other approved form as stipulated in the tender document) a sum as stipulated in the tender document, towards Security Deposit.
- Unless otherwise specified in the tender document, Security Deposit should remain valid for a minimum period of 60 days beyond the date of completion of all the contractual obligations of the supplier, including warranty obligations.

- 0502 If the Contractor, having been called upon by the Purchaser to furnish security deposit, fails to make a security deposit within the specified period, it shall be lawful for the Purchaser to cancel the Letter of Award and to recover from the Contractor the amount of such security deposit by deducting the amount from the pending bills of the Contractor under any other contract with the Purchaser or the Government or any person contracting through the Purchaser or otherwise howsoever, duly adjusting the Earnest Money deposit, if any, made by the contractor.
- 0502A If the contractor during the currency of the Contract fails to maintain the requisite security deposit, it shall be lawful for the purchaser at its discretion
- (a) to terminate the Contract for Default besides availing any or all contractual remedies provided for breaches/ default, or
 - (b) without terminating the Contract:
 - (i) to recover from the Contractor the amount of such security deposit by deducting the amount from the pending bills of the Contractor under the contract or any other contract with the Purchaser or the Government or any person contracting through the Purchaser or otherwise howsoever, or
 - (ii) treat it as a breach of contract and avail any or all contractual remedies provided for breaches/ default,
- 0502B In the event of any amendment issued to the contract, the contractor shall furnish suitably amended value and validity of the Performance Security deposit in terms of the amended contract within fourteen days of issue of the amendment.
- 0503 No claim shall lie against the Purchaser in respect of interest on cash deposits or Government Securities or depreciation thereof. No interest shall be payable upon the Bid Security and Security Deposit or amounts payable to the Contractor under the Contract.
- 0504 The Purchaser shall be entitled and it shall be lawful on his part to forfeit the said security deposit in whole or in part in the event of any default, failure or neglect on the part of the Contractor in the fulfilment or performance in all respect of the contract under reference or any other contract with the Purchaser or any part thereof to the satisfaction of the Purchaser and the Purchaser shall also be entitled to deduct from the said deposits any loss or damage which the Purchaser may suffer or be put by reason of or due to any act or other default, recoverable by the Purchaser from the Contractor in respect of the contract under reference or any other contract and in either of the events aforesaid to call upon the Contractor to maintain the said security deposit at its original limit by making further deposits, provided further that

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- the Purchaser shall be entitled to recover any such claim from any sum then due or which at any time thereafter may become due to the Contractor under this or any other contracts with the Purchaser.
- 0505 Subject to the above, the purchaser shall release the security deposit without any interest to the contractor on completing all contractual obligations, including the warranty obligations, if any. Alternatively, for the duration of Warranty obligations, upon the contractor submitting a suitable separate Warranty Security deposit, the original Performance Guarantee Security shall be released mutatis mutandis.
- 0600 Delivery
- 0601 The Contractor shall as may be required by the Purchaser either deliver free or FOR or CIF or as per the delivery terms provided in the contract at the place/places detailed in the contract, the quantities of the goods detailed therein and the goods shall be delivered or despatched not later than the dates specified in the contract. The delivery will not be deemed to be complete until and unless the goods are inspected and accepted by the Inspecting Officer as provided in the contract.
- 0602 The Purchaser shall not be liable to render assistance to the Contractor in securing or to arrange for or provide transport to the Contractor unless it is so specifically stated in the contract, notwithstanding that transport of the goods, is controlled by or under the orders of the Government.
- 0603 Notwithstanding any inspection and approval by the Inspecting Officer on the Contractor's premises, property in the goods shall not pass on to the Purchaser until the goods have been received, inspected and accepted by the consignee.
- 0604 No goods shall be deliverable to the consignee's depots on Sundays and public holidays or beyond normal office hours without the written permission of the consignee.
- 0605 Perishable Goods:
For Goods with a limited shelf life, the contractor shall ensure that at least 75% (or any other percentage stipulated in the contract) of shelf life remains balance on delivery date. The Purchaser reserves its rights to reject expired or products with less than such specified shelf life.
- 0700 Time for and Date of Delivery; the Essence of the Contract -The time for and the date specified in the contract or as extended for the delivery of the goods shall be deemed to be of the essence of the contract and delivery must be completed not later than the date(s) so specified or extended.

0701 Progressing of Deliveries -

The Contractor shall allow reasonable facilities and free access to his works and records to the Inspecting Officer, Progress Officer or such other Officer as may be nominated by the Purchaser for the purpose of ascertaining the progress of the deliveries under the contract.

0702 Failure and Termination -

If the Contractor fails to deliver the goods or any instalment thereof within the period fixed for such delivery in the contract or as extended or at any time repudiates the contract before the expiry of such period the Purchaser may without prejudice to his other rights: -

(a) recover from the Contractor as agreed liquidated damages and not by way of penalty a sum equivalent to $\frac{1}{2}$ (half) per cent of the price of any goods (including elements of taxes, duties, freight, etc.) which the Contractor has failed to deliver within the period fixed for delivery in the contract for each week or part of a week during which the delivery of such goods may be in arrears where delivery thereof is accepted after expiry of the aforesaid period. Upper limit for recovery of liquidated damages in Supply Contracts will be 10 % (Ten Per cent) of value of delayed supplies irrespective of delays, unless otherwise provided, specifically in the contract, or

(b) without prejudice to the Purchaser's right to record adverse performance of the contractor for taking appropriate administrative action, cancel the contract or a portion thereof and forfeit the security deposit.

(c) Wherever Security deposit has been exempted for any reason, levy damages from the supplier, not by way of penalty, an amount equal to Security Deposit amount, as would have been applicable had he not been an exempted vendor. These damages shall be treated as recoveries outstanding against the Contractor and dealt with accordingly.

0703 Consequence of Rejection -

If on the goods being rejected by the Inspecting Officer or Interim Consignee or Consignee at the destination, the Contractor fails to make satisfactory supplies within the stipulated period of delivery, the Purchaser shall be at liberty to:

1. require the Contractor to replace the rejected goods forthwith but in any event not later than a period of 21 days from the date of rejection and the Contractor shall bear all cost of such replacement including freight, if any, on such replacing and replaced goods but without being entitled to any extra payment

on that or any other account, or

ii. cancel the contract for the rejected quantity and take further action as per the provision of Clause 702(b) and 702(c).

iii. Where under the contract some price is paid to the contractor for the goods so rejected, the Contractor shall be liable, in addition to his other liabilities, to refund of price recoverable in respect of the such rejected goods and to reimburse to the Purchaser the freight and all other expenses incurred by the Purchaser in this regard. The above said liability on the contractor shall arise immediately after the issue of the communication of such rejection to him.

0800 Extension of Time for Delivery

If such failure as aforesaid shall have arisen from any cause which the Purchaser may admit as reasonable ground for extension of time, the Purchaser shall allow such additional time as he considers to be justified by the circumstance of the case, and shall forgo the whole or such part, as he may consider reasonable, of his claim for such loss or damage as aforesaid. Any failure or delay on the part of sub-contractor, though their employment may have been sanctioned under Condition 1500 hereof, shall not be admitted as a reasonable ground for any extension of time or for exempting the Contractor from liability for any such loss or damage as aforesaid.

0801 If extension of time for delivery period is allowed by the purchaser (in cases other than refixation of Delivery period), the amendment giving such an extension shall be subject to the following conditions:

(a) Levy of liquidated damages as per Clause 0702(a)

(b) Denial clause as under:

(i) No increases in price on account of any statutory increase in or fresh Imposition of GST, customs duty or on account of any other taxes/ duty/ cess/ levy), leviable in respect of the Goods and incidental Works/ Services stipulated in the said contract which takes place after the original delivery date, shall be admissible on such of the said Goods, as are delivered after the said date; and

(ii) Notwithstanding any stipulation in the contract for an increase in price on any other ground, including price variation clause or foreign exchange rate variation, or any other variation clause, no such increase after the original delivery date shall be admissible on such goods delivered