

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

No: 2021/RS(G)/779/7

Date: 01/04/2025

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

**Sub.:** Vendor approval Process

**Ref.:** (i) Railway Board letter no.: 99/RS(G)/709/1/Pt. dated 13/01/2015.  
(ii) Railway Board letter no.: 2021/RS(G)/779/21 dated 13/12/2021.  
(iii) Railway Board letter no.: 2021/RS(G)/779/7 dated 18/01/2022.  
(iv) Railway Board letter no.: 2021/RS(G)/779/7 dated 06/09/2024.

Railway Board had issued comprehensive instructions, dated 18/01/2022 [ref. (iii)], regarding the system of approval of vendors for items restricted to be procured from approved sources. Clarifications on the instructions had been issued by Railway Board, vide letter dated 06/09/2024 [ref. (iv)]. Instructions have also been issued for issue of developmental tenders, especially ref.(i) and (ii).

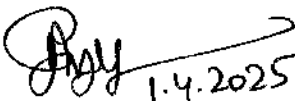
2. Railway Board has reviewed difficulties being faced by vendor approving agencies, specifically with regard to developmental tenders. It has been decided to amend the existing instruction dated 18/01/2022 [ref. (iii)] as follows:

Para No.	Existing Clause	Revised Clause
16.2 (i)	Issue Developmental Tenders and placement of Developmental Orders, upto quantity required for <u>upgrading vendors to approved category</u> , for items being approved by RDSO. It should be possible for RDSO to place developmental order on multiple vendors for qualifying quantity to fast track the process of increase of number of vendors.	Issue Developmental Tenders and placement of Developmental Orders, upto quantity required for <u>listing vendors in the category of developmental vendors</u> , for items being approved by RDSO. It should be possible for RDSO to place developmental order on multiple vendors for qualifying quantity to fast track the process of increase of number of vendors.
16.3	While placing developmental order the quantity should be sufficient enough for <u>upgradation to approved category</u> . Milestones/ delivery periods/scheduling should be done for very critical items.	While placing developmental order the quantity should be sufficient enough for <u>listing vendors in the category of developmental vendors</u> . Milestones/ delivery periods/ scheduling should be done for very critical items.

3. Following had also been decided, only for developmental tenders in terms of the Railway Board letter dated 18/01/2022 [ref.(iii)] and these instructions are reiterated for guidance and due compliance:

- (a) Developmental Tenders can be processed by vendor approving agencies (including RDSO), for those items the agency has been nominated as the vendor approving agency.
- (b) Such developmental tenders and placement of developmental orders on eligible vendors may also be processed on single tender basis (if required), as per delegation, by vendor approving agencies, only after conducting due Capacity and Capability Assessment (CCA).
- (c) In such cases, it is considered advisable even to permit differential rates (both for items under development and items already having approved list of vendors) within reasonable limits to different firms, as it is in Railways interest to develop multi-sources.
- (d) Additionally, where ever it is considered essential to go for placement of such developmental orders on vendors whose received rates are higher than the rate at which the item is being procured by Railways from sources eligible for bulk order (in case of items already having approved list of vendors), such offers can also be considered for placement of developmental order.
- (e) Reasonability of rates in all such cases should be thoroughly assessed.

4. This is issued with the concurrence of Finance Directorate of Railway Board and approval of Railway Board (MTRS, MF and CRB & CEO).

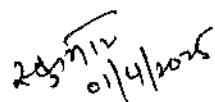
  
1.4.2025

(S.Natarajan)  
Director Railway Stores/IC  
Railway Board  
Email drsic@rb.railnet.gov.in  
Tel. No. 011 23047518

**No. 2021/RS(G)/779/7**

**Date:01/04/2025**

- 1. PFAs, All Indian Railways& Production Units.
- 2. The ADAI (Railways), New Delhi.
- 3. The Directors of Audit, All Indian Railways.

  
20/3/25  
01/4/2025

For Member Finance,  
Railway Board

#### **LIST FOR DISTRIBUTION**

Directors of all CTIs,  
CMDs /MDs of all Railway PSUs/ autonomous bodies/ societies,  
PCMMs, PCEs, PCMEs, PCEEs, PCSTEs, All Indian Railways & PUs, COFMOW,  
CORE, WPO/Patna and RWP/Bela

Sr. Prof. (Material Management), NAIR, Vadodara, ED (Stores), RDSO, Lucknow  
Chief Commissioner, Railway Safety, Lucknow  
Zonal Railway Training Institute, Sukadia Circle, Udaipur

**Copy to:**

The Genl. Secy., AIRF, Room No. 248, & NFIR Room No. 256-C, Rail Bhavan  
The Secy. Genl., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPOA, Room  
No. 256-D Rail Bhavan.

**Copy to:**

PSOs/Sr. PPSs/PPSs/ PSs to:

MR, MoSR(S), MoSR(R)

CRB&CEO, M(TRS), M(Infra), M(O&BD), M(F), Secretary/RB, DG (RHS), DG (RPF),  
DG (HR), DG(Safety)

EDPG/MR, EDPG/MoSR(R), JDPG/MoSR(S)

All AMs, PEDs & Executive Directors of Railway Board.

\*\*\*

**Government of India  
Ministry of Railways  
(Railway Board)**

**No. 99/RS(G)/709/1/Pt.**

**New Delhi, 13.1.2015**

The General Manager, All Indian Railways & PUs including NF(C).  
The General Manager, CORE, Allahabad.  
The General Manager, Metro Railway, Kolkata.  
The Director General, RDSO, Lucknow & NAIR, Vadodara.  
CAO/Workshop Projects organisation, 1<sup>st</sup> Floor, Chamber Bhawan, J.C. Road,  
Patna -800001.  
CAOs of DMW, Patiala, COFMOW, New Delhi, RCF/RBL and RWP/Patna.

**Subject: Development of vendors.**

- Ref:** (i) Railway Board's letter No.68/Dev. Cell/IGRI/48 dated 01.07.1969.
- (ii) Railway Board's letter No.77/RS(G)/779/17 dt. 23/27-1-1979.
- (iii) Railway Board's letter No.99/RS(G)/709/1 dt. 6.9.99.
- (iv) Railway Board's letter No. 99/RS(G)/709/1 dated 16.9.99
- (v) Railway Board's letter No.2001/RS(G)/779/4 dated 5.8.2002
- (vi) Railway Board's letter No.99/RS(G)/709/1 dt. 3.5.2005
- (vii) Railway Board's letter No.2005/RS(G)/709/1 dt. 17/11/2006
- (viii) Railway Board's letter No.99/RS(G)/709/Pt.1 dated 29.6.2007.

1. Indigenisation and economy in purchase have been emphasised in Railway Budget 14-15. Both necessitate a re-look at the current policy norms for development of vendors. Accordingly the following will be the policy for development of vendors in supercession of all previous instructions on the subject.
2. **Placement of development order should be considered only -**
  - (i) where the approved sources are not adequate and it is desirable to develop more sources for bringing in more competition or improvement in quality or indigenisation.
  - (ii) Where the rates received from new sources are lower than those applicable to approved sources and where new source are having potential for supply of quality material and are having infrastructure of plant and machinery and testing equipment.
3. **Developmental orders can be categorized in two broad categories as indicated (A and B) below:-**

*AM*

**A. Placement of developmental order in regular tenders-**

- (i) When the vendor approving/registering agency grades vendors in Part-I and Part-II firms:
- (a) The developmental order quantity on a firm in such cases can be upto 5% of the net procurable quantity (NPQ). The quantity ordered as developmental order can be within or outside NPQ.
  - (b) However, for such items, where the number of sources is considered inadequate or for developing indigenous sources for imported items, the quantity restriction of 5% will not apply. For such items, the total quantity to be ordered on new sources can exceed 5% limit (outside NPQ). For this, a special condition will be incorporated in the tender document indicating the quantity which can be considered for placement as developmental order. This special condition will be incorporated after the quantity to be specified has been duly justified and the proposal has been concurred by Finance. As a guideline, the quantity which can be ordered as a developmental order on a vendor may be the minimum quantity required for approval of a vendor as part I / part II status.
- (ii) When the vendor approving/registering agency grades vendors only as registered/approved vendor (i.e. there is no system of dividing the firms into Part-I and Part-II categories):
- Developmental order can be given upto 20% of the NPQ on unregistered/untried firms about whom Railway is prima facie satisfied that they are capable of executing the order. This 20 % quantity will be within the NPQ. However, there may be some cases of procurement of materials where Railways may not be willing to undertake the risk of the failure on the part of the supplier on whom the developmental orders have been placed. In such cases, Railway may go in for increased purchase quantity in consultation with Finance and keeping in view budgetary and other aspects so that 100 percent order could be placed on registered/approved suppliers and quantity not more than 20% of NPQ could be placed as a developmental order outside the NPQ.
- (iii) It is considered advisable even to permit differential rates within reasonable limits to different firms, as it is in the railways interest to develop multi sources.

**B Placement of developmental order through developmental tender:**

- (i) This is done where the number of sources is considered inadequate or for developing indigenous sources for imported items or for new product development.
- (ii) In such cases, it is considered advisable even to permit differential rates within reasonable limits to different firms, as it is in the railways interest to develop multi sources.
- (iii) The quantity ordered in a developmental tender should be enough for an entrepreneur to acquire or develop the know-how and also to absorb the expenses of making investment in M&P. The facility of pre-bid conference can be used to get an understanding of such quantity.

A special condition will be incorporated in the tender document with Finance concurrence indicating the quantity which can be considered for placement as a developmental order.

AM

- (iv) To ensure that only capable vendors participate, a suitable eligibility criteria will be incorporated in the bid documents. The facility of pre-bid conference can aid in the understanding of adequacy of eligibility criteria.
- (v) Approved vendors for an item will not be permitted to quote in developmental tender of that item.

**4. Procedure for identification of firms for development:**

- (i) The system of open tendering followed on Indian Railways provides an opportunity towards development of new sources. Wherever offers from new sources are received and such sources are prima-facie suitable to develop a particular item, they should be developed in a time bound manner. The source approving authority should ascertain the capacity/capability of such sources in shortest possible time say within 6 months of advice from purchase authority.
- (ii) For issue of developmental tender, Railways may call for expression of interest by giving wide publicity for development of sources.
- (iii) The approval of sources should be done after ensuring acceptable Quality Assurance Programme, technical capability, adequate testing equipment for maintaining quality standards, adequate capacity and financial status. The approving agency should also lay down the process of manufacture, requirement of stage inspection, inspection procedure and the facilities necessary to maintain the quality level.

**5. Upgradation:-**

Vendor approving authorities are advised to ensure that transparent procedure, time frame and criteria for upgradation are laid down. After a firm has executed developmental order(s) fulfilling the required criteria and with satisfactory performance, it should be upgraded as approved vendor.

**6. Nomenclature:**

It is clarified that trial/developmental/educational orders have been interchangeably used in past. To avoid ambiguity, the term 'developmental order' should be used for all such orders and should be written on all such purchase orders.

This is issued with the concurrence of Finance Directorate.

  
(J.C. Taneja)

Dy. Director Railway Stores (G)-I,  
Railway Board

No. 99/RS(G)/709/1/Pt.

New Delhi, 13.1.2015

1. FA&CAOs, All Indian Railways & Production Units
2. PCEs, All Indian Railways & PUs, WPO/Patna, RCF/RBL, COFMOW, DMW
3. The ADAI(Railways), New Delhi (with 10 spares copies)
4. The Director of Audit, All Indian Railways



for Financial Commissioner / Railways

No. 99/RS(G)/709/1/Pt.

New Delhi, 13.1.2015

1. COSs, CMEs, CEEs, CSTEs, All Indian Railways & PUs, RCF/RBL/NDLS, COFMOW, CORE, WPO and RWP/Bela
2. The Directors—
  - (a) Indian Railway Institute of Sig. Engg. & Telecom, Secunderabad
  - (b) Indian Railway Institute of Mech. & Elec. Engg., Jamalpur
  - (c) Indian Railway Institute of Elect. Engg., Nasik
  - (d) Sr. Prof. (Material Management), NAIR, Vadodara
  - (e) Indian Railway Institute of Civil Engg., Pune
  - (f) Indian Railway Institute of Traffic Management, Lucknow
3. Director, Iron & Steel, 3, Koila Ghat Street, Kolkata
4. Executive Director (Stores), RDSO, Lucknow
5. Chief Commissioner, Railway Safety, Lucknow
6. Zonal Railway Training Institute, Sukadia Circle, Udaipur

*J. C. Taneja*

(J.C. Taneja)

Dy. Director Railway Stores (G)-I,  
Railway Board

No. 99/RS(G)/709/1/Pt.

New Delhi, 13.1.2015

Copy to :

1. The Genl. Secy., AIRF, Room No. 248, & NFIR Room No. 256-C, Rail Bhavan
2. The Secy. Genl., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPFA, Room No. 256-D Rail Bhavan

*J. C. Taneja*

(J.C. Taneja)

Dy. Director Railway Stores (G)-I,  
Railway Board

Copy to:- Sr. PPSs / PPS / PS to :

1. MR, MOS(R)
2. CRB, FC, ME, ML, MM, MS, MT, SECY., DG (RHS), DG (RPF)
3. All AMs, Advisors & Executive Directors of Railway Board

दिनांक 13-1-2015 को  
बोर्ड द्वारा जारी किए गए समसंख्यक पत्र का हिन्दी अनुवाद

भारत सरकार  
रेल मंत्रालय  
(रेलवे बोर्ड)

सं. 99/आरएस(जी)/709/1/पार्ट

नई दिल्ली, दिनांक 22.01.2015

महाप्रबंधक, सभी भारतीय रेलें एवं उत्पादन इकाइयां, पूर्वोत्तर सीमा(निर्माण) सहित।

महाप्रबंधक, कोर, इलाहाबाद।

महाप्रबंधक, मेट्रो रेलवे, कोलकाता।

महानिदेशक, अ.अ.मा.सं. लखनऊ एवं भारतीय रेल राष्ट्रीय अकादमी, वडोदरा।

मुख्य प्रशासनिक अधिकारी/ वर्कशाप परियोजना संगठन, प्रथम तल, चैम्बर भवन, जे. सी. रोड, पटना-800001.

मुख्य प्रशासनिक अधिकारी, डीएमडब्ल्यू, पटियाला, कॉफ़मो, नई दिल्ली, आरसीएफ/रायबरेली और आरडब्ल्यूपी/पटना

विषय:- वेंडरों का विकास।

- संदर्भ: 1. बोर्ड का दिनांक 01.07.1969 का पत्र सं. 68/डेव.सेल/आईजीआरआई/48.  
2. बोर्ड का दिनांक 23/27-1-1979 का पत्र सं. 77/आरएस(जी)/779/17.  
3. बोर्ड का दिनांक 6.9.99 का पत्र सं. 99/आरएस(जी)/709/1.  
4. बोर्ड का दिनांक 16.9.99 का पत्र सं. 99/आरएस(जी)/709/1.  
5. बोर्ड का दिनांक 5.8.2002 का पत्र सं. 2001/आरएस(जी)/779/4.  
6. बोर्ड का दिनांक 3.5.2005 का पत्र सं. 99/आरएस(जी)/709/1.  
7. बोर्ड का दिनांक 17/11/2006 का पत्र सं. 2005/आरएस(जी)/709/1.  
8. बोर्ड का दिनांक 29.06.2007 का पत्र सं. 99/आरएस(जी)/709/पार्ट.1.

1. रेल बजट 14-15 में स्वदेशीकरण और खरीद में मितव्ययिता पर जोर दिया गया है। इन दोनों उद्देश्यों के लिए वेंडरों के विकास की वर्तमान नीतिगत मानदण्डों की समीक्षा करना आवश्यक है। तदनुसार, इस विषय से संबंधित पूर्ववर्ती सभी अनुदेशों का अधिक्रमण करते हुए वेंडरों के विकास की नीति निम्नानुसार होगी:
2. विकासात्मक आदेश प्रस्तुत करने के संबंध में निम्नलिखित पर ही विचार किया जाना चाहिए:-
  - (i) जहां अनुमोदित स्रोत पर्याप्त नहीं हैं और अधिक प्रतिस्पर्धा लाने के लिए या गुणवत्ता में सुधार अथवा देशीकरण लाने की आवश्यकता को देखते हुए अधिक स्रोतों का विकास करना वांछनीय हो।
  - (ii) जहां नए स्रोतों से प्राप्त दर अनुमोदित स्रोतों के लिए लागू दर से कम हो और नए स्रोत के पास गुणवत्तापरक सामग्री आपूर्ति करने की संभावना हो और जिनके पास संयंत्र एवं मशीनरी संबंधी अवसंरचना तथा गुणवत्ता आश्वासन कार्यक्रम के अनुसार जांच करने के उपकरण हों।
3. विकासात्मक आदेशों को नीचे दी गई दो व्यापक कोटियाँ (क और ख) में कोटिबद्ध किया जा सकता है:-

क. नियमित निविदाओं में विकासात्मक आदेश प्रस्तुत करना :-

- (i) जब वेंडर का अनुमोदन/पंजीकरण करने वाली एजेंसी, वेंडरों को पार्ट-A और पार्ट-II में श्रेणीबद्ध करती है:

सन्तोष मिश्र

अशोक

- (क) ऐसे मामलों में किसी फर्म को दी जाने वाली विकासात्मक आदेश की मात्रा शुद्ध खरीद मात्रा (एनपीक्यू) का 5% तक हो सकती है। विकासात्मक आदेश के रूप में आदेश दी गई मात्रा एनपीक्यू के भीतर या बाहर हो सकती है।
- (ख) बहरहाल, ऐसे मर्दों जहां स्रोतों की संख्या अपर्याप्त समझी जाती है या आयातित मर्दों की स्वदेशी स्रोतों का विकास करने के लिए, 5% की मात्रा सीमा लागू नहीं होगी। ऐसे मर्दों के लिए, नए स्रोतों को दी जाने वाली कुल आदेश की मात्रा 5% सीमा से अधिक (एनपीक्यू के बाहर) हो सकती है। इसके लिए मात्रा, जिसपर आदेशात्मक आदेश के रूप में प्रस्तुत करने के लिए विचार किया जा सकता है, को दर्शाते हुए निविदा दस्तावेज में एक विशेष शर्त शामिल की जाएगी। इस विशेष शर्त को तभी शामिल किया जाएगा जब विनिर्दिष्ट की जाने वाली मात्रा के संबंध में विधिवत रूप से औचित्य सिद्ध हो जाए और प्रस्ताव को वित्त द्वारा सहमति दे दी जाए। दिशानिर्देश के रूप में, किसी वेंडर को विकासात्मक आदेश के रूप में दी जा सकने वाली मात्रा को भाग I/भाग II स्थिति के रूप में किसी वेंडर के अनुमोदन के लिए अपेक्षित न्यूनतम मात्रा हो सकती है।
- (ii) जब वेंडर का अनुमोदन/पंजीकरण करने वाली एजेंसी, वेंडरों को केवल पंजीकृत/अनुमोदित वेंडर के रूप में श्रेणीबद्ध करता है (अर्थात् फर्मों को पार्ट-I और पार्ट-II कोटियों में विभाजित करने की कोई प्रणाली नहीं है):
- अपंजीकृत/पहली बार सेवा ली जाने वाली ऐसी फर्मों, जिनके बारे में रेलवे प्रथम दृष्टया संतुष्ट हो कि वे आदेश निष्पादित करने में सक्षम हैं, को एनपीक्यू का 20% तक विकासात्मक आदेश दिया जा सकता है। यह 20% मात्रा एनपीक्यू के भीतर होगी। बहरहाल, सामग्रियों की खरीद के कुछ ऐसे मामले हो सकते हैं जहां रेलें उस आपूर्तिकर्ता जिसे विकासात्मक आदेश दिए गए हैं, की ओर से होने वाली विफलता का जोखिम नहीं उठाना चाहेंगी। ऐसे मामलों में, बजटीय एवं अन्य पहलुओं को ध्यान में रखते हुए रेलवे द्वारा वित्त विभाग के परामर्श से ज्यादा खरीद मात्रा के लिए निर्णय लिया जा सकता है ताकि पंजीकृत/अनुमोदित आपूर्तिकर्ताओं को 100 प्रतिशत आदेश दिए जा सकें और एनपीक्यू का अधिक-से-अधिक 20% मात्रा विकासात्मक आदेश के रूप में एनपीक्यू के बाहर दिया जा सके।
- (iii) विभिन्न फर्मों को यथोचित सीमा के भीतर अलग-अलग दरों की अनुमति देना भी उचित समझा गया है, क्योंकि विविध स्रोतों का विकास करना रेलवे के हित में है।



**विकासात्मक निविदा के माध्यम से विकासात्मक आदेश प्रस्तुत करना:**

- (i) यह वहां किया जाता है जहां स्रोतों की संख्या अपर्याप्त समझी जाती है या जहां आयातित मर्दों के लिए स्वदेशी स्रोतों को विकसित किया जाना होता है अथवा ऐसे नए उत्पादों का विकास करने के लिए किया जाता है।
- (ii) ऐसे मामलों में, अलग-अलग फर्मों को उपयुक्त सीमा के भीतर अलग-अलग दर की अनुमति दिया जाना भी उचित समझा जाता है, क्योंकि अनेक स्रोतों का विकास करना रेलवे के हित में है।
- (iii) विकासात्मक आदेश में आदेश दी गई मात्रा किसी व्यवसायी को अनुभव या जानकारी प्राप्त करने अथवा उससे विकसित करने और एम एण्ड पी में निवेश करने के लिए व्यय को समाहित करने के लिए पर्याप्त होनी चाहिए। इस प्रकार की मात्रा की जानकारी प्राप्त करने के लिए बोलीपूर्व विचार-विमर्श की सुविधा का प्रयोग किया जा सकता है।

अंशिक

संतोष मिश्रा

वित्त विभाग की सहमति से निविदा दस्तावेज में मात्रा को दर्शाने के संबंध में एक विशेष शर्त शामिल की जाएगी जिसपर विकासात्मक आदेश के रूप में आदेश प्रस्तुत करने के लिए विचार किया जा सकता है।

- (iv) यह सुनिश्चित करने के लिए कि केवल सक्षम वेंडर ही भाग लें, बोली दस्तावेजों में एक उपयुक्त योग्यता मानदण्ड शामिल किया जाएगा। बोलीपूर्व विचार-विमर्श की सुविधा, योग्यता मानदण्ड की उपयुक्तता समझने में सहायक हो सकती हैं।
- (v) किसी मद के लिए स्वीकृत वेंडर को उस मद को विकासात्मक आदेश में उद्धृत करने की अनुमति नहीं दी जाएगी।

4. विकास के लिए फर्मों की पहचान करने की प्रक्रिया:

- (i) भारतीय रेल पर अपनाई जा रही खुली निविदा की प्रणाली नए स्रोतों के विकास के लिए अवसर मुहैया कराती है। जहां कहीं नए स्रोतों से प्रस्ताव प्राप्त होते हैं और ऐसे स्रोत प्रथम दृष्टया किसी विशेष मद के विकास के लिए उपयुक्त पाए जाते हैं, तो उनका विकास समयबद्ध तरीके से किया जाना चाहिए। स्रोत का अनुमोदन करने वाले प्राधिकारी को न्यूनतम संभव समयसीमा उदाहरण के लिए खरीद प्राधिकारी से सुझाव प्राप्त होने के 6 माह के भीतर, ऐसे स्रोतों की क्षमता सुनिश्चित करनी चाहिए।
- (ii) विकासात्मक निविदा जारी करने के लिए, रेलें स्रोतों के विकास के बारे में व्यापक प्रचार करके रुचि की अभिव्यक्ति आमंत्रित कर सकती हैं।
- (iii) स्वीकार्य मात्रा आश्वासन कार्यक्रम, तकनीकी योग्यता, गुणवत्ता मानक बनाए रखने के लिए पर्याप्त जांच उपकरण, पर्याप्त क्षमता और वित्तीय स्थिति सुनिश्चित करने के बाद ही स्रोतों का अनुमोदन किया जाना चाहिए। अनुमोदन करने वाली एजेंसी को गुणवत्ता स्तर बनाए रखने के लिए निर्माण की प्रक्रिया, चरणबद्ध आधार पर निरीक्षण की आवश्यकता, निरीक्षण प्रक्रिया और आवश्यक सुविधाएं भी निर्धारित करनी चाहिए।

5. अपग्रेडेशन :-

वेंडर स्वीकृत करने वाले प्राधिकारियों को सलाह दी जाती है कि वे यह सुनिश्चित करें कि अपग्रेडेशन के लिए पारदर्शी प्रक्रिया, समय-सीमा और मानदण्ड निर्धारित किए गए हैं। किसी फर्म द्वारा अपेक्षित मानदण्ड को पूरा करके और संतोषजनक कार्य-निष्पादन के साथ विकासात्मक आदेशों को निष्पादित किए जाने के बाद ही उसे स्वीकृत वेंडर के रूप में अपग्रेड करना चाहिए।

6. नामावली :-

यह स्पष्ट किया जाता है कि विगत में परीक्षण/विकासात्मक/शैक्षणिक आदेशों का अंतर-बदल करके प्रयोग किया जाता रहा है। अस्पष्टता से बचने के लिए, ऐसे सभी आदेशों के लिए "विकासात्मक आदेशों" शब्दों का प्रयोग किया जाना चाहिए और इसे ऐसे सभी खरीद आदेशों पर स्पष्ट रूप से लिखा जाना चाहिए।

इसे वित्त निदेशालय की सहमति से जारी किया जाता है।

अशोक

संतोष मिश्रा  
(संतोष मिश्रा)

उप निदेशक रेल भण्डार (सा.)-I

रेलवे बोर्ड

सं. 99/आरएस(जी)/709/1/पार्ट

नई दिल्ली, दिनांक 22.01.2015

**प्रतिलिपि प्रेषित:**

1. वित्त सलाहकार एवं मुख्य लेखाधिकारी, सभी भारतीय रेलें एवं उत्पादन इकाइयां।
2. पीसीई, सभी भारतीय रेलें और उत्पादन इकाइयां, डब्ल्यूपीओ/पटना, आरसीएफ/आरबीएल, कॉफमो, डीएमडब्ल्यू।
3. एडीआई (रेलें), नई दिल्ली (10 अतिरिक्त प्रतियां सहित)।
4. लेखा निदेशक, सभी भारतीय रेलें।

अशोक

कृते वित्त आयुक्त/रेलें

सं. 99/आरएस(जी)/709/1/पार्ट

नई दिल्ली, दिनांक 22.1.2015

सीओएस, सीएमई, सीसीई, सीएसटीई, सभी भारतीय रेलें एवं उत्पादन इकाइयां, आरसीएफ/आरबीएल/नई दिल्ली, कॉफमो, कोर, डब्ल्यूपीओ और आरडब्ल्यूपी/बेला।

**2. निदेशक:-**

- क. भारतीय रेल सिग्नल इंजीनियरी एवं दूरसंचार संस्थान, सिकंदराबाद।
  - ख. भारतीय रेल यांत्रिक एवं बिजली इंजीनियरी संस्थान, जमालपुर।
  - ग. भारतीय रेल बिजली इंजीनियरी संस्थान, नासिक।
  - घ. वरिष्ठ प्रो. (सामग्री प्रबंधन), रेलवे स्टाफ कॉलेज, वडोदरा।
  - ड. भारतीय रेल सिविल इंजीनियरी संस्थान, पुणे।
  - च. भारतीय रेल यातायात प्रबंधन संस्थान, लखनऊ।
3. निदेशक, लौह एवं इस्पात, 3, कोयला घाट स्ट्रीट, कोलकाता।
  4. कार्यपालक निदेशक (भंडार), अ.अ.मा.सं., लखनऊ।
  5. मुख्य रेल संरक्षा आयुक्त, लखनऊ।
  6. क्षेत्रीय रेल प्रशिक्षण संस्थान, सुकाडिया सर्कल, उदयपुर।

संतोष मिश्रा  
(संतोष मिश्रा)

उप निदेशक रेल भंडार (सा.)।

रेलवे बोर्ड

सं. 99/आरएस(जी)/709/1/पार्ट

नई दिल्ली, दिनांक 22.1.2015

**प्रतिलिपि प्रेषित:**

1. जनरल सेक्रेटरी, एआईआरफ, कमरा नं. 248, एवं एनएफआईआर, कमरा नं. 256-सी, रेल भवन।
2. सेक्रेटरी जनरल, इरपोफ, कमरा नं. 268, फ़ोआ, कमरा नं. 256-डी और एआईआरपीएफ, कमरा नं. 256-डी, रेल भवन।

संतोष मिश्रा  
(संतोष मिश्रा)

उप निदेशक रेल भंडार (सा.)-।

रेलवे बोर्ड

भारत सरकार GOVERNMENT OF INDIA  
रेल मंत्रालय MINISTRY OF RAILWAYS  
(रेलवे बोर्ड) (Railway Board)

No. 2021/RS(G)/779/21

dated 13-12-2021

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

**Subject:** Development of vendors

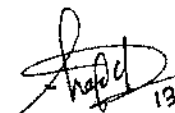
**Ref:** Railway Bd letter no 99/RS(G)/709/1/Pt dated 13-01-2015

The subject of development of vendors has been reviewed in Board. To give further impetus to the development efforts para 2 (ii) of the circular dated 13-01-2015 (ref above) is amended as follows-

**Para 2 (ii)**

From	To
Where the rates received from new sources are lower than those applicable to approved sources and where new source are having potential for supply of quality material and are having infrastructure of plant and machinery and testing equipment.	Where the rates received from new sources are lower than those applicable to approved sources for regular order / suitable for bulk supply based on eligibility criteria where there is no approved list, and where new source are having potential for supply of quality material and are having infrastructure of plant and machinery and testing equipment.  However, for the items where it is considered essential to go for placement of development orders on vendors whose received rates are higher than the rate applicable for approved sources for regular order/ suitable for bulk supply based on eligibility criteria where there is no approved list, such offers can also be considered for placement of developmental order(s). Reasonability of rates in such cases should be thoroughly assessed.

This is issued with the concurrence of Finance Directorate of Railway Board.

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

No. 2021/RS(G)/779/21

dated 13-12-2021

1. PFAs, All Indian Railways & Production Units
2. The ADAI(Railways), New Delhi
3. The Directors of Audit, All Indian Railways

  
For Member Finance/Railways

### **LIST FOR DISTRIBUTION**

Directors of all CTIs,

CMDs /MDs of all Railway PSUs/ autonomous bodies/ societies,

PCMMs, PCEs, PCMEs, PCEEs, PCSTEs, All Indian Railways & PUs, COFMOW, CORE, WPO/Patna and RWP/Bela

Sr. Prof. (Material Management), NAIR, Vadodara, PED (Stores), RDSO, Lucknow

Chief Commissioner, Railway Safety, Lucknow

Zonal Railway Training Institute, Sukadia Circle, Udaipur

### **Copy to:**

Genl. Secy., AIRF, & NFIR, Rail Bhavan; Secy. Genl., IRPOF, FROA, AIRPOA, Rail Bhavan.

### **Copy to:- PSOs/Sr. PPSs / PPSs / PSs/APS to :**

MR, MOSR(D), MOSR(J)

CRB&CEO, M(TRS), M(Infra), M(O&BD), M(F), Secretary/RB, DG (RHS), DG (RPF), DG(HR), DG (Safety)

All AMs, PEDs & Executive Directors of Railway Board



**भारत सरकार GOVERNMENT OF INDIA**  
**रेल मंत्रालय MINISTRY OF RAILWAYS**  
**(रेलवे बोर्ड) (Railway Board)**

No. 2021/RS(G)/779/7

नई दिल्ली New Delhi Dated: 18/01/2022.

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

**Sub.: Vendor approval process - ensuring transparency and competition.**

\*\*\*

1. As per the accepted recommendations of an AM/level Committee in Board to look into the existing systems and procedures of vendor registration at RDSO and production Units for enhancing transparency thereof, following instructions are issued for implementation.
2. These instructions are issued with the approval of Railway Board. These instructions supersede all previous instructions on the matters decided herein.
3. Standardization of list of safety items only from Railway Board shall be done and same shall be issued from Railway Board for uniformity. Railway Units, including RDSO and PUs, shall not have authority to categorize any item as safety item.
4. Items in the existing approved vendor list/directory shall be reviewed and standard list of items for approved vendor list/directory shall be issued by Railway Board.
5. **Coordinating Agencies:**
  - 5.1 Once the standard list of items for approved vendor list/directory is issued by Board (as per para 4 above), subsequent additions/deletions/changes in the standard list may be proposed by the Coordinating agencies to Board for consideration, as listed in para 5.2 below
  - 5.2 Coordinating agencies for proposing subsequent additions/deletions/changes in the standard list for consideration of Board and publishing the combined approved vendor list/ directory shall be as under:
    - a. RDSO: All S&T, TRD, wagon, Track/Engg Department items, other items identified and allotted by Railway Board
    - b. RCF: All LHB coach items (Except items identified for RDSO)
    - c. ICF: All EMU and non-LHB coach items (Except items identified for RDSO)
    - d. CLW: All Electric Loco Items (Except items identified for RDSO)
    - e. BLW: All diesel loco items (Except items identified for RDSO)
    - f. CORE: All RE related items (Except items identified for RDSO).
  - 5.3 Other agencies/units will route their proposals for additions/deletions/changes in standard list of items for approved vendor list/directory through these coordinating agencies only.
  - 5.4 Coordinating agencies will be nodal agencies for publishing combined vendor directory for the items in the standard list of items for approved vendor list/directory only, as finalized by Railway Board.
  - 5.5 A vendor, approved by one agency (nominated or otherwise) for an item, shall be deemed as approved vendor for that item for procurement by entire Indian Railways. Coordinating agency will ensure to



update vendor directory accordingly. The nominated RDSO/Railway/PU/Unit is the final authority in approval of vendors.

- 5.6 Coordinating agency shall propose detailed justification for each item for additions/deletions/changes in standard list of items for approved vendor list/directory. If any item is proposed for inclusion in the standard list, the justification shall also include reasons why the item cannot be procured on the basis of generic eligibility criteria and specifications/drawing.
- 5.7 Procurement of only these items (listed by Railway Board in standard list of items for approved vendor list/directory (refer para 4 above)), shall be limited to be done through the approved vendors in combined vendor directory, published by coordinating agencies. Procurement of items, except these limited items, shall be through the process of competitive bidding on the basis of predefined eligibility criteria and specification.
- 5.8 Coordinating agencies shall conduct a yearly review for removing items from the "standard list of items for approved vendor list/directory", for procurement on the basis of generic eligibility criteria, particularly for items with more than five active sources, i.e. those items where technology/ quality has stabilized. Such items shall be notified by Railway Board on 1<sup>st</sup> July every year, based on review, and upon such notification, nominated vendor approving agencies (coordinating agencies) shall remove the notified items from their combined vendor directories. The items so removed from the list shall be procured on the basis of generic eligibility criteria.

**6. Grouping of items:**

To fast track approval process, coordinating agencies shall propose, to Railway Board, grouping of items reserved to be procured from approved sources. Grouping shall be based on requirement of manufacturing process, M&P and other facilities for production of the item. Common vendor approval shall be granted for a group of items so identified.

Vendors already approved for some of the group items should be encouraged, by all agencies; to get approved for the remaining items of the group also by making them eligible for developmental order. This should be started immediately after approval of grouping of items.

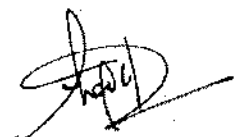
**7. Category of Developmental vendors in vendor directory**

System of vendor categorization adopted for RDSO shall be followed for all the vendor approving agencies to bring uniformity. All the policies for ordering in procurement of items reserved to be procured from vendors approved by RDSO shall apply, as it is and as amended by Railway Board from time to time, on procurement of items reserved to be procured from vendors approved by other vendor approving agencies also.

Railway Board letter no 2001/RS(G)/779/7 Pt 2 (1) dated 06-11-2018 for consideration of developmental vendors for placement of bulk order without any quantity restriction in case of items where there are not more than three approved vendors, shall also apply for all items approved by all vendor approving agencies.

**8. Uniform Criteria for upgradation of vendor to approved category for an item/group of items of a Rolling stock/Asset**

- 8.1 For field trial period, there should be very few selected items requiring more than 06 months trial and only rare items under category requiring trial for 01 year or more. There should not be any item which takes more than 02 years for approval as approved vendor from the date of application by vendor, except the time taken by vendor side.
- 8.2 All such cases where the field trial is considered necessary beyond one year the justification shall be furnished and Railway Board's approval obtained, by coordinating agency.



**9. Infrastructure requirements:**

9.1 To increase the vendor base, infrastructure required for production of item is to be reviewed by all Vendor approving agencies within 6 months for each item with a view to relax the criteria to bare minimum considered absolutely essential requirement. Outsourcing of processes should be permitted as far as possible. Assessment/ verification of Schedule for Technical Requirement (STR) should be objective and transparent. Facility to which the process is being outsourced should also be part of vendor assessment process. This exercise should be completed by coordinating agencies (Para 5) within 6 months of issue of this letter.

9.2 Requirements in the STR should be performance/accuracy/output criteria based and vendor should comply with these criteria. Insistence on a particular infrastructure should be avoided and objective should be to attain the desired output. Vendors should be allowed to offer alternate process/ infrastructure with justification/ evidence to establish that the same can provide consistent output to desired level

For each operation/performance/process/accuracy etc., output value/ accuracy level/ performance level to be achieved and recommended infrastructure/ process etc. should be specified in the STR and vendor should be asked to give compliance by giving details of offered infrastructure/ process etc. and level of output/ accuracy/ performance of the offered solution vis-à-vis specified in STR

**10. Revision of Technical Documents**

Any change in STR/specification/drawing should be regulated in a way that most of the vendors (80 %) do not go out of vendor directory. All vendors should be given minimum six months' time to augment capacity as per the revised STR/Specification/drawing depending upon the complexity.

Else, all existing approved vendors may be made eligible to participate in tenders as per their existing approval status. However, vendors should be eligible for ordering as per their existing approval status subject to their confirmation in tender for compliance to revised specification/STR/Drgs along with the condition in the tender/contract that supply against the order shall start only after approval/passing of prototype.

In case neither of the above two options, are selected then approval of the concerned Railway Board Member shall be taken.

**11. Online Availability of Technical Documents**

All Vendor approving agencies within 3 months shall ensure that there is permanent display of items with details like clear photograph of the item, STR, specifications, drawings, QAP (Quality Assurance Plan), major processes and raw materials for manufacture of the item etc., in searchable and downloadable format on web site of Vendor approving agencies as well as on Unified Vendor Approval Module (UVAM).

**12. Uniform processes and documentation for approval of vendors:**

12.1 Standard process flow and related documents for complete cycle of vendor development, approval, review, delisting etc. should be adopted by all vendor approving agencies (including different vendor approving units within a particular vendor approving agency). For this purpose, a committee has been nominated by Board vide letter no ERB-I/2021/23/18 dated 07.07.2021 (Annexure I).

12.2 The accepted report shall be binding on all vendor approving agencies and be basis for Unified Vendor Approval Module workflow (UVAM).

**13. Vendor Development - Assessment of vendor and time taken**

13.1 Presently time taken in capacity capability assessment for giving developmental status is varying in different vendor approving agencies. It has been decided that, in order to fast track the vendor approval



process and bring in uniformity, vendor approving agencies shall complete the process, from receipt of application to giving developmental vendor status to the vendor, within 60 days.

- 13.2 The activity should be fast tracked either by deploying additional internal resources by vendor approving agencies or by outsourcing to capable outside agencies like RITES/other accredited agencies. Empanelment of external assessment agencies should be done by RDSO on behalf of all vendor approving agencies within one month of issue of this letter. Minimum three agencies shall be empanelled with upper limit on fee to be charged. These empanelled agencies may be approached by vendors, directly, at pre-application stage, as well. This shall permit vendors to submit application with pre-verified facilities as per STR. Other Railway Units may also, directly, approach these agencies for verification of vendor's facilities as per STR for first time ordering of de-regulated items.
- 13.3 There shall be no limit on number of firms for capacity/capability assessment and placing them under developmental vendor category.
- 13.4 To fast track development of vendors, as far as possible, supplies against developmental order should be put to use and monitored on priority.

**14. Vendor approving agencies:**

- 14.1 Though coordinating agencies shall be as para 5 above but, vendor approval shall be done by following agencies:
- a. RDSO: All S&T, TRD, wagon, Track/Engg Department items, other items identified and allotted by Railway Board
  - b. RCF: All LHB coach items (Except items identified for RDSO)
  - c. ICF: All EMU, non-LHB and LHB coach items (Except items identified for RDSO)
  - d. MCF: All LHB coach items (Except items identified for RDSO)
  - e. CLW: All Electric Loco Items (Except items identified for RDSO)
  - f. BLW: All diesel and Electric Loco items (Except items identified for RDSO)
  - g. CORE: All RE related items (Except items identified for RDSO).
- 14.2 Effort of vendor approving agencies should be to increase the base of approved vendors as much as possible without any limit on number of approved vendors, to increase competition. Though minimum 5 vendors should be the bench mark for all items, approving agencies should strive towards 10 vendors as a norm for each item, depending on nature and volume of the procurement.
- 14.3 However, a system of regular weeding out of non-performing vendors from the approved vendor list should be adopted so as to maintain active approved vendor list. Weeding out of non-performing vendors should be based on the objective criteria like number of failures per annum per unit item in service. Weeding out of vendors should be done through a committee consisting of Technical, Stores and Finance members for identifying non-participating/ poor performing vendors. Costing and Market research cell, as discussed in following paras, shall also recommend, in its periodical report delisting of such non-participating/ poor performing vendors.
- 14.4 Industry Interaction :  
Present system being followed by RDSO for soliciting Expression of Interest (EOI) and active interaction with industry should be formalized by RDSO within one month, from issue of this letter, and implemented by all vendor approving agencies immediately thereafter.

**15. Costing and Market Research cell:**

- 15.1 A multi-disciplinary costing and market research cell shall be set up within each vendor approving agency, using existing resources within 3 months. The cell shall undertake following activities, apart from other activities which may be necessary to ensure competitive procurement:
- i. Identify the items where cartel is suspected and undertake competition assessment in procurement of the item.
  - ii. Identify items where alternative technologies are available and can be permitted on Indian Railways.

- 5 -
- iii. Estimate the cost of manufacturing of an item.
  - iv. Identify items where the margin of profit is seemingly high and suggest options for price reduction and/ or increasing competition in procurement.
  - v. Cost benefit analysis before any change in specification or introduction of new specification/ item.
  - vi. Market research on various factors impacting cost of items for which that vendor approving agency has been nominated for vendor approval.

The cell shall be the main market research and analysis unit of the vendor approving agency. Therefore, it is essential that the cell is suitably supported by a competent team. The cell shall need to be manned by persons having knowledge in the related fields. The cell shall be permitted to solicit services of outside experts like cost accountants, technology and material science experts from agencies like IITs, IISc, ICAI. Government organisations like Competition Commission of India (CCI), can also be involved. Experts on value engineering and value analysis can also be involved to remove redundancy in existing specifications and to find out better replacement materials.

- 15.2 The Costing and Market research cell, of each vendor approving agency, shall annually review the vendor approval system (report to be submitted within 30 days of completion of review period). The review shall specifically identify the areas of delays in vendor approval process or where the timelines are too relaxed. The report shall suggest changes/ modifications to make the vendor approval process more transparent and speedier. The report shall also highlight the savings/ benefits accrued to Railways on account of actions taken on suggestions made by the cell, during the reported period. The report and action taken on the report shall be put up to GM/DG of the vendor approving agency, within 30 days of submission of report. Subsequently, the report and action taken shall be submitted to Railway Board for consideration in Railway Board meeting.
- 15.3 Costing and Market research cell, shall also recommend, in its periodical report, delisting of non-participating/ poor performing vendors.
- 15.4 The objective of the costing and market research cell shall be to increase the vendor base which will increase competition and result in cost effective offer.

#### 16. Developmental Tenders:

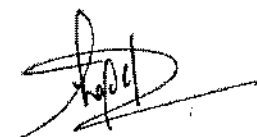
- 16.1 Developmental tenders by vendor approving agencies, as per Railway Board letter no. 99/RS(G)/709/1/Pt dated 13-01-2015 (as amended from time to time), should be a norm. Such tenders should be issued frequently (at least once every year) for all items. Special efforts should be made for vendor development where there are not more than 5 approved vendors or the capacity of the existing vendors is less than three times of total Indian Railway requirement or there is suspicion of cartel amongst existing approved vendors. List of such items should be published on the website and also to be shared with the prominent industry bodies giving complete details of items like eligibility criteria, STR (standard technical requirements), specifications, drawing, use of item, processes required so that they can also use their reach for inviting vendors to participate in Railway procurement system. It is imperative that the firms, whose capability and capacity has been assessed and found acceptable, get developmental order as early as possible.

For items included in vendor directory, the vendor approving agency should issue developmental tenders time to time for-

- (i) Early placement of developmental orders,
- (ii) Closer/better monitoring of process audit etc., and
- (iii) Controlled proliferation to avoid large scale damage in case of failure.

#### 16.2 Authority to RDSO for developmental tenders and Budget

For items where procurement is restricted to vendors approved by RDSO, following powers are delegated to RDSO -



- i. Issue Developmental Tenders and placement of Developmental orders, upto quantity required for upgrading vendors to approved category, for items being approved by RDSO. It should be possible for RDSO to place developmental order on multiple vendors for qualifying quantity to fast track the process of increase of number of vendors.
  - ii. Dedicated budget to be allocated specifically for this purpose. Detailed modalities of transactions shall be decided by RDSO.
- 16.3 While placing developmental order the quantity should be sufficient enough for upgradation to approved category. Milestones/ delivery periods/scheduling should be done for very critical items.

**17. Common Vendor Approval Portal:**

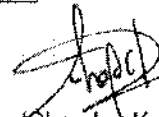
Unified Vendor Approval Module (UVAM) has already been made live. All the approval process should be on the online platform. Also, all the existing applications should be moved to UVAM platform by 31-01-2022.

**18. Application Fees**

Following uniform fee structure for vendor application for approval shall be applicable for all vendor approving agencies –

Category of vendor	Application Fees
MSME	Rs 10000
Non-MSME	Rs 15000
Foreign	\$500

This is issued with the concurrence of Finance directorate of Railway Board.

  
(Chandan Kumar)  
Director Railway Stores/IC  
Railway Board

No: 2021/RS(G)/779/7

New Delhi, dated 18-01-2022.

1. PFAs, All Indian Railways & Production Units.
2. The ADAI (Railways), New Delhi.
3. The Directors of Audit, All Indian Railways.

  
for Member (Finance) /Railway Board.

**LIST FOR DISTRIBUTION**

Directors of all CTIs,  
CMDs /MDs of all Railway PSUs/ autonomous bodies/ societies,  
PCMMs, PCEs, PCMEs, PCEEs, PCSTEs, All Indian Railways & PUs, COFMOW, CORE, WPO/Patna and RWP/Bela  
Sr. Prof. (Material Management), NAIR, Vadodara, PED (Stores), RDSO, Lucknow  
Chief Commissioner, Railway Safety, Lucknow  
Zonal Railway Training Institute, Sukadia Circle, Udaipur

**Copy to:**

Genl. Secy., AIRF, & NFIR, Rail Bhavan; Secy. Genl., IRPOF, FROA, AIRPOA, Rail Bhavan.

**Copy to:- PSOs/Sr. PPSs / PPSs / PSs/APS to :**

MR, MOSR(D), MOSR(J)

CRB&CEO, M(TRS), M(Infra), M(O&BD), M(F), Secretary/RB, DG (RHS), DG (RPF), DG(HR), DG (Safety)

All AMs, PEDs & Executive Directors of Railway Board

भारत सरकार

रेल मंत्रालय (रेलवे बोर्ड)

**GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
(RAILWAY BOARD)**

No. 2021/RS(G)/779/7

Dated: 06.09.2024

Director General

RDSO

Lucknow

(Email: [dg@rdso.railnet.gov.in](mailto:dg@rdso.railnet.gov.in))**Sub: Vendor approval system.**

- Ref:
- (i) Railway Board Order No. ERB-I/2021/23/18 dated 07.07.2021.
  - (ii) Railway Board letter No. 2021/RS(G)/779/7 dated 18.01.2022.
  - (iii) RDSO letter No. QAM/UNIFORM VENDOR POLICY dated 17.01.2022.
  - (iv) Railway Board letter No. 2021/RS(G)/779/7 dated 08.02.2022.
  - (v) Railway Board letter No. 2021/RS(G)/779/7 dated 30.01.2023.
  - (vi) RDSO letter No. RDSO/STO LKO/(CSP-4)/7/2021 dated 10.3.2023.
  - (vii) RDSO letter No. ST/SP-4/RB&CRIS dated 17.03.2023.
  - (viii) RDSO letter No. ST/SP-4/RB&CRIS dated 06.03.2024.
  - (ix) Railway Board letter No. 2021/RS(G)/779/7 (E 3391932) dated 13.05.2024.
  - (x) RDSO letter No. SPL/DG(VD)/RB-Policy dated 18.07.2024.

This office is in receipt of RDSO letter dated 18.07.2024 (ref. (x)). In this regard, following is stated:

**(i) Seeking approval of Railway Board for creating "Conditionally approved Developmental Order":**

The category of conditionally approved developmental vendors is not as per Railway Board policy (ref. ii). Such a list is causing confusion amongst the field officers. List of vendors published by RDSO on UVAM shall only consist of developmental and approved vendors, without any conditions (already reiterated vide ref. v).

**(ii) Nomination of Railway Unit for expedited trials for developmental orders:**

RDSO is competent to co-ordinate with most suitable Railway Unit for expedited trials against developmental orders, for the item under consideration, placed by RDSO.

**(iii) Mobilisation advance for Developmental Orders:**

In rare cases of developmental orders of goods, justifying mobilisation advance and requiring approval of Railway Board, RDSO may forward the request to Railway Board, with detailed justification, on a case to case basis.

**Implementation of Railway Board Order dated 18.01.2022:**

RDSO should implement the Railway Board instructions dated 18.01.2022. Further, progress on implementation of provisions relating to developmental tenders (para 16), costing at market research cell (para 15), vendor development (para 13) and criteria for upgradation (para 8) may be intimated to Railway Board.

**(v) Fast tracking the vendor development process:**

Special attention is invited towards para 13.2 of the instruction dated 18.01.2022 which is reproduced below:

The activity should be fast tracked either by deploying additional internal resources by vendor approving agencies or by outsourcing to capable outside agencies like RITES/ other accredited agencies. Empanelment of external assessment agencies should be done by RDSO on behalf of all vendor approving agencies within one month of issue of this letter. Minimum three agencies shall be empanelled with upper limit on fee to be charged. These empanelled agencies may be approached by vendors, directly, at pre-application stage, as well. This shall permit vendors to submit application with pre-verified facilities as per STR. Other Railway Units may also, directly, approach these agencies for verification of vendor's facilities as per STR for first time ordering of de-regulated items.

**(vi) Costing and Market Research cell:**

All the vendor approving agencies are requested to submit a copy of the periodic report of their Costing and Market Research cell, for each quarter, to Railway Board. Additionally specific compliance of Para 15.2 (of instruction dated 18.01.2022) is also requested from the vendor approving agencies. Para 15.2 states as follows:

The Costing and Market research cell, of each vendor approving agency, shall annually review the vendor approval system (report to be submitted within 30 days of completion of review period). The review shall specifically identify the areas of delays in vendor approval process or where the timelines are too relaxed. The report shall suggest changes/ modifications to make the vendor approval process more transparent and speedier. The report shall also highlight the savings/ benefits accrued to Railways on account of actions taken on suggestions made by the cell, during the reported period. The report and action taken on the report shall be put up to GM/DG of the vendor approving agency, within 30 days of submission of report. Subsequently, the report and action taken shall be submitted to Railway Board for consideration in Railway Board meeting.

**(vii) Development of vendors for items requiring more than 60 days for assessment:**

Certain cases necessarily require assessment over a period extending to more than 60 days for listing of vendors as developmental vendors. In such cases, Railway Board's instruction dated 18.01.2022 (ref. ii)

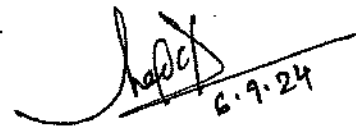
already permits RDSO to place a developmental order, within 60 days of receipt of pre-assessed application (para 13.2 of instruction dated 18.01.2022), for a quantity sufficient enough for upgradation of a vendor to approved category. Subsequent to placement of such order, by RDSO, and during continuous evaluation of the vendor in execution of the developmental order, RDSO shall first enlist the vendor as a developmental vendor, on satisfying the specified criteria for approval as unconditional developmental vendor. Subsequently, upon the vendor satisfying the criteria for upgradation to approved vendor status, the vendor shall be enlisted as approved vendor.

However, it should be ensured that strict timelines are maintained. Overall timelines for upgradation of vendor to approved category, as detailed in para 8 of the instruction dated 18.01.2022, should be adhered to.

**(viii) Time lines:**

RDSO shall put to optimal use the authority delegated to place developmental order for quantities sufficient enough to assess product performance for upgradation of a vendor to approved category.

2. The task force (established vide Railway Board order dated 07.07.2021, ref i) was created upon recommendation of the AM level committee report as accepted by Railway Board. The recommendations of the task force submitted by RDSO vide their letter dated 17.01.2022 (ref. iii) have to be in line with Railway Board policy dated 18.01.2022 as such directions given vide letter dated Railway Board policy 18.01.2022 (ref. ii) shall prevail.
3. This issues with the approval of Railway Board (M/TRS).



(Chandan Kumar)  
Director Railway Stores (IC)  
Railway Board  
Email- drsic@rb.railnet.gov.in  
Tele-011-23047518

**Copy to:**

1. General Managers of RCF, ICF, MCF, CLW, BLW, CORE: Vendor approving agencies are required to comply with the instructions of Railway Board issued vide letter no. 2021/RS(G)/779/7 dated 18.01.2022, as also clarified to RDSO herein.
2. Spl. DG/ VD/ RDSO is required to monitor that the instructions dated 18.01.2022 are implemented on UVAM portal by all vendor approving agencies including RDSO and PUs.