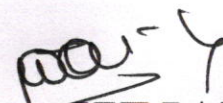


SPECIAL CONDITIONS - Version:1.0

RWF:Domestic LC Conditions for Supply/Work Contracts

The following terms and conditions on LC payment to supply/works contracts are applicable for all tenders floated from 14.06.2018

- a. All Tenders invited by Rail Wheel Factory, Indian Railways, Yelahanka, Bengaluru-560064, Karnataka, India., having estimated value of Rs.10(ten)Lakhs and above, shall have an option for the supplier/contractor to take payment from Railways through a Letter of Credit(LC) arrangement.
- 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 bidder's 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%(zero point one five percent) 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 letter of Credit for ensuing year. The arrangement would cover all such contracts finalised 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 Authorisation.
- 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 Authorisation to enable supplier/contractor to claim the authorised amount from their banker.
- j. Accounts Officer responsible for passing the claim will issue the Document of Authorisation.
- k. The supplier/contractor shall take print out of the Document of Authorisation available on IREPS portal and present his claim to his banker(advising Bank) for necessary payments as per LC terms and condition. The claim shall comprise LC Document of Authorisation, 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.


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