	भारत सरकार GOVERNMENT OF INDIA रेल मंत्रालय MINISTRY OF RAILWAYS पटियाला रेल इंजन कारखाना, पटियाला PATIALA LOCOMOTIVE WORKS, PATIALA	
Integrated Bid Document (IBD) of PLW		
Document No. PLW-ET-BidDoc-R21		Date of issue: 15.10.2025
Contents		
Section	Subject	Page
1.	Instructions to Bidders for E-Tenders (IBET)	2-14
2.	General Conditions of Contract of Stores Department (GCCS)	15-33
3.	Special Conditions for procurement of M&P Items (SMP)	34-35
4.	Guidelines for Electronic Reverse Auction	36-38
5.	Annexures	
A-5.1	Format of BG for SD (Security Deposit)	39-40
A-5.2	Format of BG for Warranty (WBG)	41-42
A-5.3	Mandate form for NEFT/RTGS	43
A-5.4	Check-list to be filled-in by the bidder for import offers	44
A-5.5	Criteria and Format for aspect of Sister-concern of firms/vendors/ bidders.	45-46
A-5.6	Bid securing declaration to be signed by bidders availing exemption from submission of EMD.	47
A-5.7	Rly. Bd's letter no 2020/RS (G)/779/2/Pt.1 (E3322671) dated 20.08.2024 with Ministry of commerce and Industry, DPIIT Revision order no. P-45021/2/ 2017-PP (BE-II)-Part (4) Vol.II dated 19.07.24 (Copy attached).	48-59
A-5.8	Certificate of Local content for availing "Make in India" Preference.	60
A-5.9	Rly. Bd's letter no 2020/RS(L)/779/2(E3330671) dated 15.03.2023	61-77
A-5.10	Format for certificate to be submitted/ uploaded by tenderer along with the tender documents as per Railway Board letter no. 2024/RS (G)/164/VIG/4 dated 27/05/2025.	78
A-5.11	Rly. Bd's letter No. 2020/RS(G)779/2 (E 3319159) dated 03.07.2023	79-84
Our key information and contacts		
PAN	AAAGM0289C	Ministry of Railways
GSTIN	03AAAGM0289C1ZT	State (Punjab)
Address for financial matters: Payment, GST, Bank Guarantee, Demand Draft etc.	Principal Financial Adviser (PFA), Patiala Locomotive Works, Patiala-147003 (Punjab)	
Address for tender and contact	Office of Principal Chief Materials Manager (PCMM), Patiala Locomotive Works, Patiala-147003 (Punjab)	
Telephone	0175-2396000, 2396001	
Fax	0175-2306413	
website of PLW	www.plw.indianrailways.gov.in	
website for e-tenders	www.ireps.gov.in	

Section 1 : Instructions to Bidders for E-Tenders (IBET)

1.1	On behalf of the President of India, the PCMM (Principal Chief Materials Manager), Patiala Locomotive Works, Patiala (herein after referred to as the 'Purchaser' or 'PLW' or 'Railways') invites electronic tenders (e-tenders) from potential bidders/suppliers (called synonymously as tenderer/vendor/firm) for the supply of items as mentioned in NIT (Notice Inviting Tender) and schedule of tender uploaded on the website of IREPS: www.ireps.gov.in .								
1.2	Before submission of bid, Bidder should study all the terms and conditions mentioned in the tender document along with the files/document(s) attached with the tender. By submission of offer signed with the Digital Signature of the tenderer in IREPS website, It shall be considered that the tenderer has read, understood and accepted all terms & conditions of this Bid Document and the Tender Document including all conditions uploaded for the tender and corrigenda, if any, and undertake to abide by the same.								
1.3	The process of Bidder Registration on IREPS, which is mandatory for submission of bids against E-tenders, is given on <i>Homepage</i> of website: www.ireps.gov.in . The detailed User manual for Vendors is also available in ' <i>learning center</i> ' link of this website.								
1.4	The Contract/Purchase Order placed against this tender will be governed by all the conditions mentioned in schedule of tender and documents attached with the tender. Your digital signature on the e-bid will be considered as a confirmation that you have read and accepted all the conditions given in tender and attached document(s) unless specific deviation is quoted at appropriate place in the <i>Techno-commercial offer form</i> of the-e bid.								
1.5	E-tender document consists of: <table border="1"> <tr> <td>(i)</td><td>Integrated Bid Document (IBD) having five sections: <ol style="list-style-type: none"> 1. Instructions to bidders for e-tendering (IBET) 2. General Conditions of Contracts of Stores department (GCCS) 3. Special Conditions for procurement of M&P Items (SMP) 4. Guidelines for Electronic Reverse Auction 5. Annexures of Integrated Bid Document (IBD) </td></tr> <tr> <td>(ii)</td><td>IRS conditions of contract (Latest)</td></tr> <tr> <td>(iii)</td><td>Schedule of requirements (SOR) and attached Documents</td></tr> <tr> <td>(iv)</td><td>Notice inviting tender (NIT)</td></tr> </table>	(i)	Integrated Bid Document (IBD) having five sections: <ol style="list-style-type: none"> 1. Instructions to bidders for e-tendering (IBET) 2. General Conditions of Contracts of Stores department (GCCS) 3. Special Conditions for procurement of M&P Items (SMP) 4. Guidelines for Electronic Reverse Auction 5. Annexures of Integrated Bid Document (IBD) 	(ii)	IRS conditions of contract (Latest)	(iii)	Schedule of requirements (SOR) and attached Documents	(iv)	Notice inviting tender (NIT)
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(iv)	Notice inviting tender (NIT)								
1.6	In case of any conflict between IRS conditions of contract (Latest), IBD and Tender document, the conditions of Tender document shall prevail. In case of any difference about the period of Guarantee/Warranty mentioned in specification and IRS conditions of contract (Latest), the higher Guarantee/Warranty period shall be applicable.								
1.7	No tender cost will be taken for e-tenders.								
1.8	Only those bids, which are received in electronic mode (i.e. duly uploaded and digitally signed by bidders on IREPS website), will be considered. Manual bids (sent by post/Fax/email/person) shall not be entertained / considered against e-tenders even if these are submitted on the letter head of bidder and are received before closing time of tender. All such manual bids shall be considered as invalid offers and shall be summarily rejected.								
1.9	All the mandatory fields of the <i>Techno-commercial offer form</i> and <i>Financial offer form</i> must be filled-in by the bidder. The various components of price (Basic rate, Taxes & Duties, Packing charges, Forwarding charges, Freight etc.) should be clearly indicated separately in the respective field of the <i>Financial offer form</i> . If there are any <i>other charges</i> , their nature should be specified. Landed rate (i.e. all-inclusive rates on FOR-destination basis) shall be automatically calculated by the system and shown to the bidder before final submission of bid.								

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1.10	The unit of rate shall be as indicated in the tender schedule and Bidders are required to quote in this unit only (i.e. Number, set etc.). Any deviation in this aspect will make the offer is liable to be ignored. The price for indigenous tenders (i.e. other than Global tenders) should be quoted in Indian Rupees only otherwise the bid will be rejected.
1.11	Bidders should mention discount, if any, at the specified place in the <i>Financial offer form</i> only, instead of writing anywhere else in the bid or in the attached documents. Discounts mentioned at any other place than Rate page of e-bid (<i>Financial offer form</i>) will be ignored for assigning the inter-se ranking of bids. Further, conditional discount(s) linked with: Quantity, Payment, Inspection agency, Delivery place etc. will not be considered while assigning the inter-se ranking of bids. However, Purchaser reserves the right to avail any such conditional discount for placement of Contract and/or for counter-offering to the successful bidder(s).
1.12	The rates filled-in by the bidder on <i>Financial offer form</i> will be considered as final. The rates and other conditions of bid having financial implication mentioned elsewhere in the bid (such as attached documents or on other pages of e-bids) will not be taken into consideration.
1.13	Bidder can submit a revised bid at any time before the closing date & time of tender and in such a case, the last revised bid, which is deemed to supersede all previous bids, shall only be tabulated by system for inter-se ranking and the same shall be considered valid for its evaluation.
1.14	Mode of dispatch preferred by Purchaser is: <i>by Road on FOR-destination basis</i> . Bidders should quote accordingly and freight charges, if any, should be clearly indicated in <i>Financial offer form</i> otherwise it will be assumed that the freight charges are zero/Nil or the freight charges will be borne by bidder/supplier. If a bidder mentions zero freight charges in the rate page and elsewhere in the bid mentions delivery terms as FOR: station of dispatch, then no freight charges will be payable and therefore freight charges will have to be borne by the supplier.
1.15	Bidder should read the delivery period and schedule given in the tender schedule and quote accordingly. Vague Delivery terms like 2/32 weeks etc. must be avoided and if quoted so, the bid may be taken by Purchaser as commercially unresponsive making it liable for rejection.
1.16	Mode and Method of payment
1.16.1	Payment shall be made through NEFT/RTGS only. No payment shall be issued through Cheque/Demand Draft/Cash. Bidders should submit their consent for same in prescribed mandate form (as per Annexure: A-5.3 of this bid document) for payment through NEFT/RTGS. Bidders should note that PO (Purchase Order) cannot be issued without this mandate form.
1.16.2	Payment through LC (Letter of Credit) in domestic/indigenous contracts (if mentioned in tender document)
(a)	In addition to the normal system of payment through NEFT / RTGS (100 % against Receipt Note or partial advance payment (80-90-95% against Receipted Challan and Inspection certificate), the option of getting payment through LC will be available in contract placed against this tender.
(b)	The bidder, at the time of bidding itself, shall exercise an option in writing by making unconditional acceptance of these conditions in favor of taking payment due against the tender, through LC arrangement. The option so exercised will be an integral part of the bid and Such option once exercised, shall be final and no change shall be permitted, thereafter, during the execution of contract.
(c)	Type of LC shall be sight LC. SBI shall be banker of Purchaser (Issuing Bank of LC) for opening of LC and its operation till final execution of the contract.
(d)	The incidental cost @ 0.15% of LC value (or as applicable at time of opening/extension of LC) towards issue of LC and operation thereof, shall be borne by the supplier/contractor and the same shall be recovered from their bills.

(e)	The schedule of payment liability arising in the contract shall be established by the Purchaser based on the prescribed delivery schedule/stages of supply.																		
(f)	The acceptable and agreed-upon document for payments to be released under LC, shall be a DA (Document of Authorization).																		
(g)	The supplier/contractor shall submit their bill(s) for the completed supply to the Bill processing authority mentioned in the contract who will issue DA to enable the supplier to claim the authorized amount from their banker (Advising Bank). For getting payment as per terms and conditions of LC, the claim of supplier shall comprise: DA, Bill of exchange and Invoice.																		
(h)	The supplier/contractor shall indemnify and save harmless Purchaser/Railways from and against all the losses, claims and demands of every nature and description brought or recovered against the Purchaser/Railways by reason of any act or omission of the supplier/contractor, his agent or the employees in relation to the LC. All the sums payable /borne by the Purchaser/Railways on this account shall be considered as reasonable compensation and paid by supplier/Contractor. The bank shall also recover any amount as may be advised by Purchaser/Railways against the supplier/contractor.																		
1.17	Validity of bid: Unless otherwise specified, the bids should be kept open valid for the following time period : <table><tr><td>Type of tender</td><td>Period after closing date of tender</td></tr><tr><td>Limited & Single</td><td>90 days</td></tr><tr><td>Open, Global and M& P</td><td>120 days</td></tr></table> Any bid having lesser validity shall be deemed as commercially unresponsive and is liable to be rejected.	Type of tender	Period after closing date of tender	Limited & Single	90 days	Open, Global and M& P	120 days												
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1.18	The bidder must fill in the <i>Techno-commercial offer form</i> (consisting of : Eligibility criteria, Terms & Conditions, Performance statement, Deviation statements, Check- list & Special conditions etc.), <i>Financial offer form</i> and attach the scanned copies of following documents : <table><tr><td>(i)</td><td>Authorization letter from OEM (Original Manufacturer) in case of an agent/ dealer.</td></tr><tr><td>(ii)</td><td>Performance statement for supplies made against Purchase Orders placed by PLW or any other unit of Indian Railways for supply of same/similar item in preceding three years, with relevant supporting documents (Purchase Orders, Inspection certificates, Receipt Notes, User-feedback etc.)</td></tr><tr><td>(iii)</td><td>Details of M & P (Machinery and Plant), Testing facilities, QAP (Quality assurance Plan) and technical manpower available.</td></tr><tr><td>(iv)</td><td>Letter of latest approval from concerned approval agency of tendered item.</td></tr><tr><td>(v)</td><td>Commercial documents such as GSTIN registration, PAN card, Udyam Registration Number & Certificate.</td></tr><tr><td>(vi)</td><td>Current and Valid Registration certificates of Indian Railways indicating trade groups of items.</td></tr><tr><td>vii)</td><td>Certificate of registration as MSE from the organizations (mentioned in clause 1.21.1) indicating category of ownership (SC/ST/others) and validity of registration (if applicable).</td></tr><tr><td>viii)</td><td>Bidder's own Drawing/Specification, Product catalogue and Technical data-sheet of their quoted item and in case of deviation/alternative design comparison-chart for proving equivalence of quoted product with respect to the drawing/specification of tender.</td></tr><tr><td>ix)</td><td>Any other relevant document (s) to establish the credentials of the bidder regarding technical capability and financial capacity to manufacture & supply the tendered item to Purchaser.</td></tr></table> <i>Bidder should attach only those documents which are directly related to the tendered item and tender.</i>	(i)	Authorization letter from OEM (Original Manufacturer) in case of an agent/ dealer.	(ii)	Performance statement for supplies made against Purchase Orders placed by PLW or any other unit of Indian Railways for supply of same/similar item in preceding three years, with relevant supporting documents (Purchase Orders, Inspection certificates, Receipt Notes, User-feedback etc.)	(iii)	Details of M & P (Machinery and Plant), Testing facilities, QAP (Quality assurance Plan) and technical manpower available.	(iv)	Letter of latest approval from concerned approval agency of tendered item.	(v)	Commercial documents such as GSTIN registration, PAN card, Udyam Registration Number & Certificate.	(vi)	Current and Valid Registration certificates of Indian Railways indicating trade groups of items.	vii)	Certificate of registration as MSE from the organizations (mentioned in clause 1.21.1) indicating category of ownership (SC/ST/others) and validity of registration (if applicable).	viii)	Bidder's own Drawing/Specification, Product catalogue and Technical data-sheet of their quoted item and in case of deviation/alternative design comparison-chart for proving equivalence of quoted product with respect to the drawing/specification of tender.	ix)	Any other relevant document (s) to establish the credentials of the bidder regarding technical capability and financial capacity to manufacture & supply the tendered item to Purchaser.
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1.19	Bidder is advised to ensure that address furnished by him for getting DSC (Digital Signature Certificate) from accredited agencies is same as that furnished to the Purchaser and available with the centralized source/vendor approving authorities such as RDSO/CLW/BLW/ICF/RCF/CORE. They are further advised that while registering themselves on IREPS website for participation in E-tenders, the same address is entered to avoid any vitiation of information and its consequent effect on the contract.										
1.20	Procurement from Manufacturer's authorized agents/distributors										
1.20.1	Only original manufacturers (OEM) or their authorized agent/dealer/distributor is permitted to bid in tender. In case bidder is an agent/dealer/distributor of OEM, they should attach tender specific authorization from OEM with its name and address failing which their bid is liable to be ignored. Post-tender authorization certificate (issued after tender closing date) will not be accepted. Such bidders shall be required to submit documents relating to % local content and place/location of local content addition of their OEM along with the offer.										
1.20.2	Neither one agent can represent two OEMs nor can one OEM authorize two agents. Purchaser reserves the right to reject both bids in such cases.										
1.20.3	Where a manufacturer appoints an agent/dealer/distributor on the basis of a written agreement with him for a specific territory or specific set of items, they shall give an undertaking to the following effect. <table border="1"> <tr> <td>i.</td><td>Pre-inspection, if applicable, will be done by RITES/RDSO/CLW (or any other Inspecting agency mentioned in contract) at the premises of the OEM. Inspecting agency shall categorically confirm in the Inspection Certificate, that inspection of the material has been actually made at the manufacturing premises of the OEM and not in the Warehouse/Godown/Shop of the agent/ dealer/distributor.</td></tr> <tr> <td>ii.</td><td>Direct dispatch from the premises of the manufacturer to the consignee after issue of inspection certificate.</td></tr> <tr> <td>iii.</td><td>Submission of OEM's TC/GC (Test and Guarantee Certificate) with each lot of supply.</td></tr> <tr> <td>iv.</td><td>Price of the authorized agent/dealer/distributor will not exceed to what the OEM would have quoted.</td></tr> <tr> <td>v.</td><td>OEM should confirm that no company/firm/individual other than M/s.....(Name of the Bidder) is authorized to represent them against this specific tender and OEM shall take full responsibility for supplies made by bidder including warranty obligation as per contract.</td></tr> </table>	i.	Pre-inspection, if applicable, will be done by RITES/RDSO/CLW (or any other Inspecting agency mentioned in contract) at the premises of the OEM. Inspecting agency shall categorically confirm in the Inspection Certificate, that inspection of the material has been actually made at the manufacturing premises of the OEM and not in the Warehouse/Godown/Shop of the agent/ dealer/distributor.	ii.	Direct dispatch from the premises of the manufacturer to the consignee after issue of inspection certificate.	iii.	Submission of OEM's TC/GC (Test and Guarantee Certificate) with each lot of supply.	iv.	Price of the authorized agent/dealer/distributor will not exceed to what the OEM would have quoted.	v.	OEM should confirm that no company/firm/individual other than M/s.....(Name of the Bidder) is authorized to represent them against this specific tender and OEM shall take full responsibility for supplies made by bidder including warranty obligation as per contract.
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1.20.4	The bidder should give the particulars (such as Name, Full address, Telephone No. Email etc) of their local/liaison agents, if any, in the e-bid itself.										
1.20.5	Bidders should quote as per inspection clause mentioned in tender document. The place of inspection will be: at the works of OEM before dispatch of material. The bidders/suppliers are expected not to offer/seek any deviation from the Inspection Clause mentioned in the tender/contract.										
1.20.6	Bidder shall indicate the place of manufacturing of tendered item (or part thereof) and shall also indicate the place of inspection in the bid itself. The bidder shall also submit documentary evidence regarding the ownership/tie-up of place where tendered item or part thereof is to be manufactured or will be offered for inspection. Bid without these details is liable to be rejected.										
1.20.7	The bid without above information (clauses 1.20.3 to 1.20.6) will be liable to be rejected. However the offers from agent/dealer/distributor that Purchase Order is to be placed on their OEM will be acceptable.										
1.20.8	For items of category: COTS (Commercially off-the shelf: Retail and market-grade low value items), the clause from 1.20.1 to 1.20.7 shall not be applicable and the following conditions will be applicable for tenders of such items, in lieu of them. <table border="1"> <tr> <td>(i)</td><td>The bidder should mention: Name of OEM, Brand of offered product and its MRP (Maximum Retail Price) in the bid along with copy of wrapper/packing, if feasible.</td></tr> <tr> <td>(ii)</td><td>The supply should be made in original packing with clear indication of Make, Name of manufacturer, MRP and Expiry date on it.</td></tr> </table>	(i)	The bidder should mention: Name of OEM, Brand of offered product and its MRP (Maximum Retail Price) in the bid along with copy of wrapper/packing, if feasible.	(ii)	The supply should be made in original packing with clear indication of Make, Name of manufacturer, MRP and Expiry date on it.						
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(iii)	The supplier should also furnish undertaking that: “The item supplied by me/us is original and genuine. If the supply is found spurious at any stage during its use, I/we will replace the full unused quantity with new stock.”
1.20.9	In a tender either the Agent 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 cases where both principal/OEM and their agent participate in bidding for same item/product, any or both the bids shall be liable to be rejected.
1.20.10	If a manufacturer participates in e-tender and mentions in its offer that order may be placed on some other firm then in such case, the firm/ agent on whom order is to be placed will be required to submit the requisite Security Deposit before issue of PO. If the manufacturer happens to be an MSE, then an order placed on an agent against the offer will be considered as an order placed on an MSE. But in such cases, no benefit which would otherwise have been extended to the MSE, will be extended to the firm/agent.
1.21	Purchase preference & Privileges for MSE (Micro and Small Enterprises), Startups and Make in India vendors
1.21.1	MSEs who are interested to avail the benefits such as Purchase Preference, must submit Udyam Registration Certificate failing which they shall not be provided benefits available to MSEs as contained in Public Procurement Policy for MSEs order 2012, issued by MSME.
1.21.2	MSEs must also indicate the terminal validity date of their registration (if applicable) and the ownership category of registration (SC/ST/others).
1.21.3	In tenders, MSE's quoting a price within price band of L-1+15% shall be allowed to supply a portion of the requirement by bringing down their price to that of L-1 bidder in a situation where L-1 price is from someone other than a MSE and such MSEs can be together ordered upto 25% of the total tendered value provided such participating MSEs are registered with agency mentioned in clause 1.21.1. In case of more than one Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity).The target is 25% of annual procurement from MSEs (Not in the specific tender). A sub-target of 4% of annual procurement from MSEs is earmarked for procurement from MSEs owned by Scheduled Caste (SC) / Scheduled Tribe (ST) entrepreneurs and 3% of annual procurement from MSEs is earmarked for procurement from MSEs owned by women entrepreneur. However, in event of failure of such MSEs to participate in tender process or meet tender requirements and L1 price, 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs and 3% earmarked to women entrepreneur will also be met from other MSEs.
1.21.4	The bidder/vendor, who fails to submit the Udyam registration certificate will not be considered eligible for consideration of benefits detailed in Government of India Notification dated 23.09.2012:“Public Procurement Policy for MSE Order 2012”. Further, Traders/Distributors/Sole Agents/Works Contract will also not be allowed the benefits of the aforesaid policy of MSE.
1.21.5	While considering orders on vendors of <i>Start-ups</i> (whether of MSE category or otherwise), the criterion of prior turnover and prior experience will stand relaxed, subject to their bid meeting of quality and technical specifications. However, this relaxation will not apply for special circumstances (like procurement of item related to Public safety/health. Critical security operations & equipments etc.)
1.21.6	Provisions applicable for items to be procured under Public procurement (Preference to Make in India)
(i)	<p>All Conditions/Provisions as mentioned in the Public procurement (preference to Make in India) order-2017- Revision order no P-45021/2/2017-PP (BE-II)-Part (4) Vol. II dated 19.07.24 attached as Annexure A-5.7 and Railway Board Letter no. 2025/RS(G)/779/3 (E3488356) dated 02.05.2025 shall be applicable.</p> <p>Concurrent application of Public procurement policy for Micro and Small Enterprise order, 2012 and Public Procurement (Preference to Make in India) order 2017 will be applicable as per Rly. Bd's letter No. 2020/RS (G) 779/2 (E3319159) dated 03.07.2023 (Annexure A-5.11 attached). In case of any conflict between IRS conditions of contract (Latest) and other conditions/ clauses of IBD, the conditions in Para 1.21.6 shall prevail unless otherwise mentioned in tender schedule.</p>

(ii)	The tenders having estimated value less than Rs.5 lakhs shall be exempted from this policy(Purchase preference to <i>Make in India</i>).
(iii)	Purchase preference for <i>IT & Electronics products</i> under 'Make in India' policy will be governed as per as per MEITY's Notification No.43/4/2019-IPHW-MeitY dated 07.09.2020 as amended. Purchase preference for Medical devices will be governed as per as per Railway Board's No. 2020/RS(G)/779/2-Part(1) (E-3322671) dated 02.07.2024 & 21.02.2025 as amended and that for drugs will be governed as per as per Railway Board's No. 2020/RS(G)/779/2-Part(1) dated 28.08.2024 & 28.01.2025 as amended.
(iv)	Fee for filing a complaint under <i>Public Procurement Order-2017 (preference to make in India)</i> shall be Rs.10,000 per case. The complaint shall be filed in the office of the PCMM/PLW- Patiala. The fee shall be deposited with the office of the PFA/PLW- Patiala.
(v)	If a bidder wants to avail preference under this policy (<i>Make in India</i>), they should submit necessary & relevant documents in support of their claim alongwith its e-bid. The onus for furnishing correct information regarding Local content etc and proving the same shall be on the bidder.
(vi)	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 in the prescribed format as per Annexure: A-5.8.
1.21.7	The tenderers shall submit a copy of certificate stating that all their statements/documents submitted along with bid are true and factual. Standard format of certificate to be submitted by the bidder is enclosed as Annexure: A-5.10. Non submission of above certificate by the bidder shall result in summarily rejection of his/their bid. It shall be mandatorily incumbent upon the tenderer to identify state and submit the supporting documents duly self attested/digitally signed by which they/he is qualifying the Qualifying Criteria mentioned in the Tender Document. It will not be obligatory on the part of Tender Committee/ Accepting Authority to scrutinize beyond the submitted document of tenderer as far as his qualification for the tender is concerned. It is mandatory for the bidder to submit ANNEXURE: A-5.10 while submitting the offer. The declaration given in the tender by bidder in digitally signed form or uploading of signed copy of Annexure: A-5.10 with offer has the same weightage.
1.22	Opening of tender
1.22.1	Electronic tender boxes will be opened only after closing time of tender. No bidder is required to be present in the office of Purchaser for tender opening of e- tender. They can see their own bid and financial tabulation statement (in case of advertise tenders: Openand Global) from their log-in on the website of IREPS.
1.22.2	Normally the tenders will be opened on same date after closing time of tender but sometimes due to unavoidable reasons (such as Holiday, Breakdown of server etc.) tenders can be opened after closing date also but bidder need not worry as it is ensured by automatic locking of e-tender box by system that no bids are submitted after closing date & time of tender. There is no scope of any late or delayed bid in e-tender.
1.23.1	Earnest Money Deposit (EMD) for Stores Tenders:
1.23.1.1	EMD amount shall be mentioned in all tenders irrespective of the nature of the tender as per the clause 1.23.1.3 below. EMD wherever required is to be submitted online only through the payment gateway as available on IREPS website. EMD in the form of Cash/Demand Draft/Cheque/BG/FDR etc. will not be accepted. There shall be no exemption from submission of EMD for any tender or by any tenderer, subject to provision under clause 1.23.2.6 below, except following: (a) (i) EMD shall normally not be called against limited tenders with estimated value up to Rs. 25 lakhs (including single tenders, global limited tenders). (ii) If considered necessary, authority competent to issue tender may incorporate the condition to call for EMD even in such limited tenders, on case to case basis. (b) Micro and Small Enterprises (MSEs) having valid UDYAM Registration

	<p>Certificates irrespective of relevance of product category.</p> <p>(c) Other Railways and Government Departments in terms of Railways Board's letter No. 2004/RS (G)/779/11 dated 24.07.2007.</p> <p>(d) Indian Ordinance Factories in terms of Railway Board's letter No. 92/RSS (G)/363/1 dated 08.04.1993.</p> <p>(e) 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.</p> <p>(f) Vendors registered with Railways for the trade group of the item tendered.</p> <p>(g) Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing.</p> <p>(h) Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of EMD for these items.</p> <p>(i) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting EMD. KVIC and ACASH shall be exempted from EMD for items supplied by them.</p>	
1.23.1.2	Offers submitted without EMD shall be summarily rejected.	
1.23.1.3	EMD amount shall be as per below :	
	Estimated value of tender	EMD (rounded off to nearest higher Rs.10(ten))
	Above Rs.25 lakh and up to Rs.50Cr.	@ 2% of the estimated value of the tender subject to Max. Rs.20 lakh.
	Above Rs.50 Cr.	Rs.50 lakh.
1.23.1.4	Automatic release of EMD where ever due :	
	<p>(1) EMD shall be refunded when any one of the following conditions is satisfied.</p> <p>(a) Validity of offer expires and validity extension is not sought.</p> <p>(b) Validity of offer expires and bidder refuses to extend validity of offer.</p> <p>(c) After finalization of the first stage, i.e. technical evaluation in case of two stage or two packet tenders (including e-RA), if the bidder is declared unsuccessful or unsuitable.</p> <p>(d) After finalization of tender, the bidder is an unsuccessful bidder.</p> <p>(e) After finalization of the tender successful bidder submits required SD.</p>	
	(2) EMD of bidders or tenderers shall be released immediately after it is due for release as per above criterion. The Purchaser may initiate the process of release just after the EMD is due for release.	
	(3) System for online release of EMD has been rolled out by CRIS. Automatic release of EMD of unsuccessful tenderers should be ensured.	
1.23.1.5	Bidders seeking exemption from payment of EMD should submit documentary evidence in support of their claim.	
1.23.1.6	When a bidder withdraws or revises/modifies the bid within its validity period, Purchaser shall have the right to forfeit EMD.	
1.23.1.7	EMD of unsuccessful bidders will be returned to them after decision of tender. EMD will be refunded to the successful bidders on receipt of SD (Security Deposit) or may be retained for adjustment towards SD. No interest will be payable by purchaser on refund of EMD.	
1.23.1.8	In case of refund of EMD submitted in foreign currency, the refund will be made in equivalent Rupee amount calculated only at the <i>BC selling exchange rate</i> as on the date of tender closing. There will be no re-conversion of the EMD amount at the exchange rate prevailing on date of refund.	
1.23.2	Security Deposit (SD)/Performance Security for stores Contracts except M&P:	
1.23.2.1	There shall be no exemption from submission of Security Deposit (SD) for any tender or by any tenderer except following:	
	a) The Store contract cases of value up to Rs.25 (Twenty five) lakh.	

	b) Other Railways and Government Departments in terms of Railway Board's letter No. 2004/RS(G)/779/11 dated 24.07.2007.						
	c) Indian Ordnance Factories in terms of Railway Board's letter No. 92/RSS(G)/363/1 dated 08.04.1993.						
	d) 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.						
	e) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting SD.KVIC and ACASH shall be exempted from SD for items supplied by them.						
	f) 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.						
	g) Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing.						
	h) Vendors registered with Railways for supply of medicine, medical equipments and Consumables shall be exempted from submission of SD for these items.						
1.23.2.2	Security Deposit (SD) amount shall be as per below :						
	<table> <tr> <th>Contract value</th><th>SD (rounded off to nearest higher Rs.10 (ten))</th></tr> <tr> <td>Above Rs.25 lakh and upto Rs.50 Cr.</td><td>@ 5% of contract value subject to Max.Rs.50 lakh.</td></tr> <tr> <td>Above Rs. 50 Cr.</td><td>Rs. 1 Cr.</td></tr> </table>	Contract value	SD (rounded off to nearest higher Rs.10 (ten))	Above Rs.25 lakh and upto Rs.50 Cr.	@ 5% of contract value subject to Max.Rs.50 lakh.	Above Rs. 50 Cr.	Rs. 1 Cr.
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Above Rs. 50 Cr.	Rs. 1 Cr.						
1.23.2.3	Railways may raise the upper ceiling of Security Deposit (SD), up to 5% of the contract value in high value cases. (Authority: Railway Board letter No. 2020/RS (G)/779/16 dated 27.02.2024.)						
1.23.2.4	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.						
1.23.2.5	<p>Security Deposit from successful tenderer should be received in purchase office within 21 days from the date of communication of acceptance with respect to the Purchaser. In the event of successful tenderer(s) failing to deposit/submit SD in acceptable form within the prescribed period as aforesaid, it shall be lawful for the Purchaser:</p> <p>(i) To automatically adjust the EMD submitted by such successful tenderer(s) towards SD.</p> <p>(ii) In cases 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 be dealt with as that of withdrawal of offer by the tenderer.</p> <p>(iii) In case, the firm is exempted from submitting EMD as per Para 1.23.1.1 above and the firm withdraw or modify their offers during the period of validity as per Para 1.23.1.6 above or fail to submit the Security Deposit before the deadline defined in the tender document on being called upon to submit the Security Deposit on award of contract, the firms shall be debarred from exemption of submitting Earnest Money Deposit and 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.</p>						
1.23.2.6	<p>i. All vendors, exempted from submitting EMD, as per Para1.23.1.1 above, irrespective of type of tenders, i.e. single, limited or open, shall be required to sign a bid securing declaration as per Annexure: A-5.6 of IBD.</p> <p>ii. 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.</p> <p>iii. The disqualification procedure and all correspondence thereof shall be online and digital.</p> <p>iv. This Para shall not be applicable for Govt. Departments/ordnance factories/ other Railways/Railways PSUs/ KVIC/ ACASH and matter shall be taken up with them departmentally/administratively.</p> <p>v. Wherever SD has been exempted, for any reason, and the supplier fails to supply</p>						

	goods as per conditions of contract, as amended from time to time, Purchaser shall 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.								
1.23.2.7	Purchaser should ensure that the contracts are worded so as to conclude severable contracts for each lot. In case of failure by contractor to meet deliveries for any lot, Railways may cancel the contract for defaulted part by forfeiting SD commensurate to that lot. Authority available to Consignee/Depot officer vide Para 27 & 28 of Railway Board's letter no. 88/RS(G)/779/14 Pt. dated 06.01.2017 shall continue. Note: Apart from claiming damages from vendors, in case of failure to comply with the contractual obligations, Railways shall record poor performance of the vendors for taking suitable penal action as per extant instructions.								
1.23.2.8	Risk Purchase clause shall not be applicable.								
1.23.2.9	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.								
1.23.3	Mode of payment for SD:								
	SD can be paid in any of the manner prescribed below: <table border="1"> <tr> <td>(i)</td><td>FDR/TDR (Fixed/Term Deposit Receipt) or Bank Guarantee (BG) from any of the Nationalized/scheduled Bank. The FDR/TDR must be issued with auto renewal facility.</td></tr> <tr> <td>(ii)</td><td>Bonds of Indian Railway Finance Corporation or KRCL Bonds. (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).</td></tr> <tr> <td>(iii)</td><td>Government Securities and</td></tr> <tr> <td>(iv)</td><td>A deposit in the Post Office Saving Bank.</td></tr> </table> <p>FDR/TDR should be drawn in favor of PFA/ PLW-Patiala only and to be submitted to the office of PCMM/PLW-Patiala. Formats of BG for SD are given in Annexure: A-5.1.</p>	(i)	FDR/TDR (Fixed/Term Deposit Receipt) or Bank Guarantee (BG) from any of the Nationalized/scheduled Bank. The FDR/TDR must be issued with auto renewal facility.	(ii)	Bonds of Indian Railway Finance Corporation or KRCL Bonds. (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).	(iii)	Government Securities and	(iv)	A deposit in the Post Office Saving Bank.
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1.23.4	The delivery period in Store Procurement cases shall be reckoned from the date of issue of Advance PO/Letter of Advance Acceptance/Letter of Acceptance.								
1.24	Drawings and Specifications:								
1.24.1	The drawings and specifications as mentioned in the tender schedule are attached with the tender document but general specifications such as IS, DIN, ASTM etc will have to be arranged by the bidder on their own and same shall not be provided by purchaser. In some cases where size of file for drawing/specification is too large to be uploaded on IREPS website, these will be made available in softcopy (CD) which may be obtained from the office of Purchaser.								
1.24.2	Bidders who download the tender documents from website will ensure that no alteration is made in their contents								
1.24.3	If a bid is submitted by bidder with their own Drawing No./Part No/Specification, then they should submit technical details (drawings/specification/catalogue etc.) of their quoted product with the justification about their bid being in conformity with the requirements of tender Drawing/Specification of the tender. A comparison-chart should be prepared by bidder himself and attached with e-bid for proving the equivalence of quoted product with respect to the drawing/specification of tender. Technical deviation from drawing /specification of the tender, if any, should be clearly mentioned in the <i>Techno-commercial offer form</i> at the appropriate place (Technical Deviation Statement) of e-bid.								

1.25	Instructions and conditions for GST (Goods and Services tax)																						
1.25.1	All the bidders/tenderers should ensure that they are GST compliant and their quoted tax structure/rates are as per GST law.																						
1.25.2	In case the successful bidder is not liable to be registered under CGST/IGST/UTGST/SGST acts, the Railway (Purchaser) shall deduct the applicable GST from his/their bills under <i>Reverse Charge Mechanism</i> (RCM) and deposit the same to the concerned tax authority.																						
1.25.3	When mentioned in the tender : <i>The tendered item pertains to Rail Locomotive Part/component category and it is needed by Purchaser (Indian Railways) for their own end use (i.e. not for outside sale)</i> and therefore the bidder should quote rate of GST accordingly for the items of such tender. For tenders of other items, the bidder should indicate GST classification of tendered goods/services, in support of their quoted rate of GST. The onus for any misclassification will lie with the bidder and no correspondence in this regard will be entertained after closing of tender. Any change by bidder in the rate of GST after closing of tender, will tantamount to withdrawal of bid and make it liable for rejection including forfeiture of EMD (Earnest Money Deposit).																						
1.25.4	The bid shall be evaluated based on the GST rate as quoted by each bidder and the same will be used for determining inter-se ranking. While submitting bid, it shall be the responsibility of the bidder to ensure that they quote correct GST rate and HSN/SAC. Purchaser shall not be responsible for any misclassification of HSN/SAC or incorrect GST rate, if quoted by the bidder.																						
1.25.5	Wherever the successful bidder invoices the goods/services at GST rate or HSN/SAC which is different from that incorporated in the Purchase order (PO), payment shall be made as per GST rate which is lower of the GST rate incorporated in PO or billed. The supplier will be required to adjust his basic price to the extent required by higher tax billed as per invoice to match the all-inclusive price as mentioned in PO.																						
1.25.6	Any amendment to GST rate or HSN/SAC in the contract shall be as per the contractual conditions and statutory amendments in the quoted GST rate and HSN/SAC , under SVC (Statutory Variation Clause).																						
1.25.7	If the supplier does not deposit the tax taken/charged from PLW on account of GST, to the GST authorities as per time-schedule given in GST act and MOR (Ministry of Railways) is unable to claim <i>input tax credit</i> (ITC) due to this failure on part of supplier then Purchaser (PLW) will have a right to recover the equivalent amount of paid tax (alongwith interest) from any pending bills of supplier.																						
1.25.8	Bidder should provide the following details in e-bid itself: GSTIN, full address of place from where supply would be made, email and mobile number in their bid. Unregistered vendor is also required to provide all the other details (except GSTIN) alongwith its annual turnover of last three financial years.																						
1.25.9	<p>All the bills and invoices (for transactions of goods and services) submitted by supplier shall contain the under-mentioned information:</p> <table border="1"> <tr> <td>(i)</td><td>GST Identification Number(GSTIN), Name & address of supplier</td></tr> <tr> <td>(ii)</td><td>Serial No. of invoice and its date</td></tr> <tr> <td>(iii)</td><td>GSTIN, Name & address of Recipient</td></tr> <tr> <td>(iv)</td><td>HSN code or SAC : accounting code of goods/services</td></tr> <tr> <td>(v)</td><td>Description, Unit, Quantity and Rate</td></tr> <tr> <td>(vi)</td><td>Reference of PO (Purchase order)/contract</td></tr> <tr> <td>(vii)</td><td>Total value of supplies and Taxable value</td></tr> <tr> <td>(viii)</td><td>Rate and type of tax (CGST/SGST/IGST/UTGST), Amount of tax</td></tr> <tr> <td>(ix)</td><td>Whether the tax is payable on reverse charge basis</td></tr> <tr> <td>(x)</td><td>Place of supply alongwith the name of state</td></tr> <tr> <td>(xi)</td><td>Signature/Digital signature of contractor or his authorized representative</td></tr> </table>	(i)	GST Identification Number(GSTIN), Name & address of supplier	(ii)	Serial No. of invoice and its date	(iii)	GSTIN, Name & address of Recipient	(iv)	HSN code or SAC : accounting code of goods/services	(v)	Description, Unit, Quantity and Rate	(vi)	Reference of PO (Purchase order)/contract	(vii)	Total value of supplies and Taxable value	(viii)	Rate and type of tax (CGST/SGST/IGST/UTGST), Amount of tax	(ix)	Whether the tax is payable on reverse charge basis	(x)	Place of supply alongwith the name of state	(xi)	Signature/Digital signature of contractor or his authorized representative
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1.25.10	The firm/supplier shall comply with the following for supplies effected after 30.06.2017: (i) Submit the invoice /bill clearly indicating the appropriate HSN and applicable GST rate thereon duly supported with documentary evidence. (ii) Give a declaration that any additional input tax credit benefit, if becomes available to supplier, the same shall be passed on to the purchaser without any undue delay.
1.26	In case the tendered work is a composite works contract or works contract; works contract tax, as applicable shall be deducted at source as per applicable rule /law.
1.27	Separate insurance charge for carriage of material by Rail is not admissible and will not be allowed. Stores should not be insured at the cost of the purchaser but should be packed for safe transit in accordance with the conditions laid down in the Coaching/Goods tariff. The supplier may insure consignment at their own expense, if considered necessary by them.
1.28	Purchaser will not bear any Octroi charges, and if required will issue Octroi Exemption Certificate (OEC) only. If OEC is not considered/accepted by the concerned authorities and they ask for payment of Octroi charges, then supplier will have to bear the same.
1.29	Price Variation Clause (PVC):
1.29.1	In tenders where no PVC is mentioned in the tender schedule, bidders must quote on fixed price basis only. Bids with PVC or ambiguous conditions like “Price Variation Clause applicable” in such tenders will not be acceptable and will be summarily rejected.
1.29.2	Wherever PVC (with formula and base date) is mentioned in the tender schedule itself, the bid should be submitted with same PVC. Bids with deviation in PVC formula and/or Base date of indices will be summarily rejected. Bids with fixed price in such tenders will also be summarily rejected.
1.29.3	Bidders who quote with price escalation on account of raw material in the tenders should note that such escalation claims will be subject to verification of documents by the Bill passing/paying officer and the relevant records may be asked from them.
1.30	Evaluation Criteria:
1.30.1	Unless otherwise specified, the evaluation of tender will be done item-wise and consignee-wise.
1.30.2	In tenders where schedule of requirement consists of several items, the inter-se ranking will be decided for each item separately. The bidders are required to quote the rate for each item separately.
1.30.3	In tenders where several items are grouped in a “Kit/Set” and the tendered quantity is in sets, the firm should quote single rate for the tendered Kit/Set of items. In such cases, the inter-se ranking shall be decided on the rate quoted by the firm for complete Kit/Set.
1.30.4	For multi consignee items, the rate should be quoted by firm on FOR Destination basis for each consignee separately. The inter-se ranking of the offers will be decided for each consignee separately.
1.30.5	The application (i.e. IREPS website) provides for the possibility of submission of alternate bid. This option is provided for vendor to quote for different make, alternate specification or give quantity discount, etc. In case two or more bids from one bidder/vendor appear in the main tabulation (alternate/revised) with different rates having all other conditions of bids identical, the bid with highest landed unit rate shall be considered for determining the inter-se ranking of that bidder but if the bid is accepted then the contract will be placed at bid of lowest landed unit rate.

1.30.6	<p>For the items of M & P nature and other special equipments/assemblies, having clauses of AMC/Warranty in specification , the following costs will be to added to the rate of basic equipment/machine for computing landed rate for the purpose of inter-se ranking of the bid.</p> <p>(i) Cost of AMC (with NPV calculations done as per clause 1.31.3), (ii) Cost of concomitant accessories (iii) Cost of essential/mandatory spares within scope of supply</p> <p>Cost of recommended/optional spares will not be added for the purpose of inter-se ranking of the bid. Further as mentioned in clause 1.31.5 of this bid document, cost of essential spares and service charges for each item of work of repair of Machine/Equipment beyond the AMC period <i>will not be included</i> in the price of tendered Machine/Equipment for the purpose of comparative evaluation of bids.</p>																																																
1.31	Special instructions for tenders having AMC (Annual Maintenance Contract) component																																																
1.31.1	<p>AMC is meant for proper upkeep and maintenance of the tendered Machine/Equipment after warranty period. Unless mentioned otherwise in the specification, the scope of AMC will be comprehensive and it will include preventive and breakdown maintenance. AMC charges will include all costs of personnel, spares etc. except the cost of consumables required for day-to-day operation & daily maintenance checks. The terms and conditions of AMC must clearly specify the maximum downtime and maximum response time.</p>																																																
1.31.2	<p>Bidders are required to quote charges on an annual basis (for each year separately) for post-warranty AMC for a period of 5 (five) years unless mentioned otherwise in specification/tender. AMC charges shall be payable in Indian Rupees only. The bids will be loaded with quoted AMC charges for evaluation of bids and in order to equitably compare different AMC charges of different years, the concept of NPV (Net Present Value) will be used at a discounting rate of 10 % (unless mentioned otherwise in tender document) so as to bring all the bids at the same footing.</p>																																																
1.31.3	<p>NPV is the present value of rate quoted (of AMC charges) for period prospective period (year number after the warranty period): i.e. the maintenance charges quoted for future years(s) and therefore these charges are to be discounted to arrive at their present value. Hence NPV is period prospective period (year number after the warranty period) calculated backwards as per formula of compound interest: $NPV = AMC / [(1+D/100)^n]$. The example of one such calculation is given as under (^ : sign of exponent : e.g. $2^3 = 2 \times 2 \times 2 = 8$)</p>																																																
	<table border="1"> <thead> <tr> <th>Period</th><th colspan="2">Code</th><th colspan="2">Example</th></tr> </thead> <tbody> <tr> <td>Warranty Period (years)</td><td colspan="2">W</td><td>5</td><td></td></tr> <tr> <td>AMC Period (years)</td><td colspan="2">AY</td><td>3</td><td></td></tr> <tr> <td>Discounting rate (%)</td><td colspan="2">D</td><td>10</td><td></td></tr> <tr> <td>Year (after W)</td><td>AMC</td><td>AMC quoted(Rs.)</td><td>Factor for NPV</td><td>NPV (Rs.)</td></tr> <tr> <td>1 = W+1 (6th year)</td><td>A1</td><td>100</td><td>$1/(1.1^6)=0.564$</td><td>56.40</td></tr> <tr> <td>2 = W+2 (7th year)</td><td>A2</td><td>100</td><td>$1/(1.1^7)=0.513$</td><td>51.30</td></tr> <tr> <td>3= W+3 (8th year)</td><td>A3</td><td>100</td><td>$1/(1.1^8)=0.467$</td><td>46.70</td></tr> <tr> <td>Total</td><td>A</td><td></td><td></td><td>154.40</td></tr> </tbody> </table>				Period	Code		Example		Warranty Period (years)	W		5		AMC Period (years)	AY		3		Discounting rate (%)	D		10		Year (after W)	AMC	AMC quoted(Rs.)	Factor for NPV	NPV (Rs.)	1 = W+1 (6th year)	A1	100	$1/(1.1^6)=0.564$	56.40	2 = W+2 (7th year)	A2	100	$1/(1.1^7)=0.513$	51.30	3= W+3 (8th year)	A3	100	$1/(1.1^8)=0.467$	46.70	Total	A			154.40
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Total	A			154.40																																													
1.31.4	<p>Purchaser/Consignee reserves the right for entering into Annual Maintenance Contract (AMC) on the basis of rates quoted by the firm in their tender against AMC charges.</p>																																																
1.31.5	<p>Post-AMC maintenance of Machine/Equipment will be dealt with by the end users. In order to facilitate the same, bidder is required to quote the current cost of essential spares required for maintenance of Machine/Equipment after AMC period and the current service charges for each item of work of repair of Machine/Equipment beyond the AMC period. These charges <i>will not be included</i> in the price of tendered Machine/Equipment for the purpose of comparative evaluation of bids.</p>																																																

1.31.6	Bidders who are OEM (original manufacturer), must give undertaking for supply of spare parts for a period of expected life of Machine/Equipment. Other bidders must submit undertaking from OEM for supply of spare parts for a period of expected life of the Machine/Equipment.
1.32	Bidders/Vendors, who are found to be indulging in tampering with tender documents or trying to hack the IREPS website, will be taken up with legal and administrative action, which could be as severe as: Removal from the approved list, Banning, Suspension of business dealing etc. The bidders must note that they will be considered fully responsible for scanned copies of documents submitted by them under their digital signature and as per. IT Act they will not be allowed to disown any submissions under the said digital signature.
1.33	When conducting negotiation, the bidders) will be informed about the parameter(s) of the original bid on which revision(s) of original bid is/are solicited and his signature will be taken in token thereof. In the negotiated bid, any variation by the bidder(s) on such aspect(s) of offer on which revision was not solicited during negotiation will render the negotiated bid unfit for consideration.

Section 2 : General Conditions of Contract for Stores Department(GCCS)									
2.1	Acceptance of the Offers:								
2.1.1	Purchaser is not bound to accept the lowest or any bid nor to assign any reason for doing so and reserves the right to accept any bid in respect of the whole or any portion of the item specified in the tender and the contractor shall be required to supply at the rate quoted in tender. The rates quoted by the bidder for the full quantity will be taken as valid even for part quantity.								
2.1.2	Purchaser reserves the right to cancel the tender for full or part quantity tendered without assigning any reason.								
2.1.3	Acceptance of this tender (including advance letter of acceptance : A-LOA issued before formal Purchase order) shall constitute a binding contract between the successful bidder and the President of Union of India								
2.2	The bidder, on whom the PO (Purchase Order) will be placed against this tender case, will have to execute the previous PO(s) of the Purchaser (PLW), if any, for the tendered item before commencing the supply against the new PO. However in deserving cases, where supply is urgent, Parallel DPs may be given in new tenders, wherever required, to improve supplies of critical items and in such cases, the above condition will not be incorporated in Purchase Orders.								
2.3	Splitting of tendered quantity :								
2.3.1	Tenders with Pre-decided splitting clause specifically mentioned in SOR (Schedule of Requirements) of tender.								
(a)	The Purchaser reserves the right to distribute the procurable quantity on one or more than one of the eligible bidders. Zone of consideration of such eligible bidders 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, Criticality of item, Lead time for supply of the item, Number of established suppliers & their capacity etc.								
(b)	<p>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 bidders (other aspects i.e. Adequate capacity-cum-capability, Satisfactory past performance of the bidders, Outstanding order load for the Railway making the procurement, Quoted delivery schedule vis-à-vis the delivery schedule incorporated in the tender enquiry etc. being same/similar) in the manner detailed in the table below:</p> <table border="1"> <thead> <tr> <th>Price differential between L-1 and L-2</th><th>Quantity distribution ratio between L-1 and L-2</th></tr> </thead> <tbody> <tr> <td>Upto 3%</td><td>60:40</td></tr> <tr> <td>More than 3 % and upto 5 %</td><td>65 :35</td></tr> <tr> <td>More than 5 %</td><td>At least 65% on the L-1 bidder. For the quantity to be ordered on the L-2 Bidder, Purchaser shall decide.</td></tr> </tbody> </table> <p>It should be noted that L-1 will be the bidder who is technically suitable for bulk quantity regular order.</p>	Price differential between L-1 and L-2	Quantity distribution ratio between L-1 and L-2	Upto 3%	60:40	More than 3 % and upto 5 %	65 :35	More than 5 %	At least 65% on the L-1 bidder. For the quantity to be ordered on the L-2 Bidder, Purchaser shall decide.
Price differential between L-1 and L-2	Quantity distribution ratio between L-1 and L-2								
Upto 3%	60:40								
More than 3 % and upto 5 %	65 :35								
More than 5 %	At least 65% on the L-1 bidder. For the quantity to be ordered on the L-2 Bidder, Purchaser shall decide.								
(c)	<p>In the phrase '<i>differential of rates quoted by the bidders</i>', the quoted rate would mean:</p> <ul style="list-style-type: none"> (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 bidder within the zone of consideration has to be per-se reasonable. (ii) When price negotiation has been called for, the reference L-1 rate for assessment of ratio will be the original rate of L-1 bidder (suitable for bulk quantity) as obtained at the time of tender opening. 								

(d)	If splitting of quantity is required to be done by ordering on bidders higher than the L- 2 bidder, then the quantity distribution proportion amongst the bidders will be decided by transparent/logical/equity based extrapolation of the model as indicated in the sub- clause 2.3.1(b)above.
(e)	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 bidders 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 bidders and in a fair & transparent manner with due conformity to the principles of Natural Justice and Equity.
(f)	For cases where the Railways./Production units had entered into TOT/JV (Transfer of technology/Joint Venture) agreements, the following clause will be applicable: <i>“As PLW has entered into TOT/JV agreement with No.of firms, they reserve the right to place orders on all such TOT/JV agreements partners. However, for ratio/proportion of quantity distribution among such agreement partners, conditions as detailed in sub-clauses 2.3.1: (b), (c) and (d) above: shall apply with the exception that the aspect of per-se reasonability will not be applicable.”</i>
(g)	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.
2.3.2	Tenders with Pre-decided splitting clause specifically not mentioned in SOR (Schedule of requirements) of tender. Normally full regular order would be placed on L-1 firm (lowest technically suitable and approved vendor). 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, Purchaser reserves the right to distribute final procurement quantity amongst two or more bidders in manner that will be fair, transparent and equitable. The manner of splitting will take specific note of the following parameters: <ul style="list-style-type: none"> i) Past performance of bidders ii) Capacity of bidder iii) Delivery requirement intender iv) Quantity under procurement and v) Vital/Safety nature of item In absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulations given in sub-clauses 2.3.1: (b), (c) and (d) above.
2.3.3	In the case of inadequate capacity-cum-capability, dissatisfactory past performance, large quantity of outstanding orders (liquidation of which will take long time) etc, The Purchaser shall have right to distribute the procurable quantity amongst bidders 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 Railways, regardless of inter-se raking of the bidders after recording reasons for doing so in a fair & transparent manner with due conformity to the principles of Natural justice and equity.
2.4	Procurement from approved sources / Past suppliers
2.4.1	<i>For items having vendors approved by centralized agency</i>
(a)	Wherever necessary as per policy of procurement and as indicated in the tender schedule, Regular Purchase Order(s) for bulk quantity will be normally placed only on vendors approved by nominated vendor agency (RDSO/CLW/BLW/ ICF/RCF/CORE) for the tendered item. The directory of approved vendors of RDSO, CLW, BLW, RCF, ICF, MCF and CORE as available on UVAM ONLY shall be considered valid directories for all purposes by all stakeholders. Vendor directories

	being maintained in other forms (manual or online), if any, shall not be valid. The bidder should attach copy of vendor approval in UVAM VD along with their bid for the tendered item. (Rly. Board letter no. 2021/RS(G)/779/7 dated 20.12.2024)
(b)	The approval of a vendor only signifies its technical capability to supply the item for which it has been approved. The quantity to be ordered on approved vendors, therefore, will be decided duly considering the five parameters mentioned in clause 2.3.2 :
(c)	Sub-categorization of approved vendors in Part-I/A and Part-II/B, wherever if exists in the vendor directory, is deleted and both of them stand merged as “Approved Vendors”.
(d)	<p>The approval status of the tenderer will be reckoned as on the date of closing of the e-tender and not thereafter. Inclusion/Up gradation in the status of a vendor after the closing date will not be considered. However any downgrading/removal/suspension/banning of the firms after closing of e-tender, such changes shall be taken into account while considering their offers.</p> <p>Bill of Materials (BoM) in the Online Vendor Directory (UVAM VD) for loco items: BoM of tender item listed on UVAM, with Vendor specific versions will be reckoned as on the date of closing of the e-tender. No change in BoM shall be permitted in a bid after tender opening date. No change in BoM having financial repercussions or significant technically shall be permitted in a contract. Information about applicable BoM shall be indicated in the Purchase Order/ Contract. (Rly. Board letter no. 2023/RS(G)/779/6 dated 19.03.2025)</p>
(e)	Minimum 80% of NPQ (Net Procurement quantity) shall be ordered on “Approved Vendors”.
2.4.1.1	Ordering on Developmental Vendors (Only for the items reserved for procurement from vendor approving agencies i.e. RDSO/CLW/BLW/ICF/RCF/CORE)
(i)	Offers of the Developmental Vendors appearing in UVAM for the tendered item (without any condition of Prototype/Field trial clearance etc.) can be considered for Developmental orders up to 20% of Net Procurable Quantity (NPQ). For clarity it is reiterated that “Development Vendors” are only such vendors which are listed as developmental vendors on UVAM without any condition. (Rly. Board letter no. 2023/RS(G)/779/7 dated 09.05.2025)
(ii)	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.
(iii)	Developmental vendors referred in Para (ii) above shall be those appearing in UVAM VD with latest amendments as on the date of tender closing; who are approved without any condition/restriction of prototype approval/field trial/quantity.
2.4.2	For other items (i.e. not falling in category of clause 2.4.1)
(a)	In these cases, Purchaser reserves the right to make bulk procurement from the bidders who qualify the eligibility criteria mentioned in tender document whereas other bidder(s) may be considered for placement of developmental order(s) up to 20% of Net Procurable Quantity (NPQ), if their bids are technically suitable , competitive and they have submitted adequate evidence towards their capability-cum-capability and prima- facie the Purchaser is satisfied that they are capable of executing the orders but their capacity to supply bulk quantity has not been established in the past.

(b)	Unless otherwise specifically mentioned in the eligibility criteria in tender, manufacturers having satisfactory past performance (both qualitative and quantitative) to PLW or any unit of Indian Railways, for supply of tendered item) in the last three calendar years shall only be considered for bulk order.
(c)	<p>Developmental orders can be given up to 20% of NPQ on new sources in deserving cases subject to the following conditions:</p> <p>i) Where the sources eligible for regular/bulk order are not adequate and it is desirable to develop more sources for bringing more competition or improvement in quality or indigenization of sources.</p> <p>ii) Where the rates received from new sources are lower than the sources eligible for regular/bulk order and where new sources are having potential for supply of quality material and are having infrastructure of M&P (Machinery & Plant) and Testing equipment/ facilities.</p>
2.4.3	<p>Applicable to all tenders / items :</p> <p>Bids of Original manufacturers (OEM) or their authorized dealers/agents only shall be considered for ordering. Dealers/agents should submit valid tender specific authorization from OEM along with the bid.</p>
2.5	Tender closing date shall be the reference date for assessing the performance of a vendor/bidder for that particular tender. Any improvement in performance by the vendor/bidder after the tender closing date shall not be factored in purchase decision however any failure or poor performance of vendor/bidder after tender closing date shall be factored in purchase decision.
2.6	<p>Time Preference</p> <p>If a contract is placed on higher bidder as a result of invitation of tender, in preference to the lowest acceptable offer in consideration of offer of early delivery the contractor will be liable to pay to the Purchaser the difference between the contract rate and that of the lowest acceptable bid on the basis of landed rate (including all element of freight, Taxes & duties, and other charges), in the case of contractor's failure to complete the supplies in terms of such contract within the date of delivery specified in the tender and incorporated in the contract. This is in addition to other legal rights available to the Purchaser under the terms & conditions of the contract.</p>
2.7	Imported Stores offered by Indian Agents in Indian Currency
(a)	<p>Any authorized dealer/agent quoting on behalf of their Foreign Principal/Manufacturer (FPM) in Indian Rupees shall have to comply with the following:</p> <p>i) To quote with tender specific authorization from FPM.</p> <p>ii) To submit the original invoice of FPM along with their quotation. Performa invoice (PI) may be accepted in exceptional cases where it is not possible to obtain the original invoices before the contract is placed</p> <p>iii) The bidder shall submit self-attested documentary evidence about their identity (such as PAN card. Aadhaar Card, Passport etc.)</p>
(b)	<p>Bidder shall have to give the undertaking on the following points:</p> <p>i) Consent to furnish copy of customs-passed <i>Bill of Entry</i> for the each consignment, Manufacturer's Test and Guarantee certificate , Copy of <i>Bill of Lading/AWB</i> for the consignment; Copy of commercial invoice of FPM and Certificate of <i>Country of origin</i>.</p> <p>ii) Current and Valid authorization/dealership certificate of FPM</p> <p>iii) Compliance of sea/air worthy packing condition in manufacturer's original packing and as per IRS conditions of contract (Latest).</p>

(c)	<p>Bidder should attach certified copy of <i>Agency agreement</i> and any other relevant documents in bid regarding the following aspects :</p> <ul style="list-style-type: none"> i) The precise relationship between the foreign principal/manufacturer (FPM) and its Indian agents(IA): ii) The mutual interest, which FPM and IA have in the business of each other iii) PAN (Permanent Account Number) of IA iv) Any payment which IA receives in India or abroad from the manufacturer/Principal whether as a commission for the contract or as a general retainer fee. v) All services to be rendered by IA whether of general nature or in relation to the particular contract and the facilities/infrastructure available with them for the same.
(d)	<p>In a tender, either the IA on behalf the FPM can quote or FPM itself can quote but both of them (IA and FPM) cannot bid simultaneously for the same item/product in the same tender. If they do so, then both the bids will be rejected.</p>
(e)	<p>If an agent submits bid on behalf of the Principal/OEM (Original manufacturer), the same agent shall not submit a bid on behalf of another Principal/OEM in the same tender for the same item/product.</p>
(f)	<p>The agent is official representative of Manufacturer/Principal/Bidder. Accordingly Manufacturer/ Principal/Bidder shall be fully responsible for the conduct of their appointed agent.</p>
(g)	<p>The amount of <i>Agency Commission</i> payable to the IA will not be more than what is specified in the <i>Agency Agreement</i> and it shall be payable in equivalent non-convertible Indian Rupees, after satisfactory execution of contract. IA will be required to submit a certificate, along with their bill of Agency Commission, confirming that the amount claimed as Agency Commission has been spent/will be spent strictly to render services to the foreign principal/manufacturer in terms of <i>Agency Agreement</i>. The Purchaser or their authorized agencies and/or any other authority of Government of India shall have full rights to examine the books/documents of the Indian Agent and in case of any defect or misrepresentation in respect of the afore-indicated confirmation coming to light during such examinations, will make both: the foreign principal/manufacturer and their Indian Agent: liable to be banned/suspended from having business dealing with Indian Railways.</p>
(h)	<p>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 (of foreign currency) during the extended delivery period, shall be borne by the Contractor.</p>
(i)	<p>Check-list (as given in Annexure: A-5.4 of this document) should be filled-in by the bidder. Failure to comply with any of the aforesaid conditions (all sub-clauses of above clause 2.7) will make the offer liable to be rejected.</p>
2.8	Payment Terms:
2.8.1	<p>For Purchase order (PO) having value below Rs. 5 lakhs and in cases having consignee inspection, payment terms will be : 100% payment after receipt and acceptance of material by consignee (i.e. Receipt Note)</p>
2.8.2	<p>For PO having value above Rs. 5 lakhs also, normal payment terms will be 100% payment after receipt and acceptance of material by consignee however in PO having clause of pre-inspection by Third Party Inspection Agency (TPI), 95% payment can be made against Inspection Certificate and proof of dispatch. Lorry receipt is not accepted as proof of dispatch and therefore in cases of dispatch of material by road, Proof of dispatch will be: Receipted Challan of the supplier duly certified by gazetted officer of consignee. However in cases of dispatch of material by Rail, clear and unqualified RR/PWB will be considered as the proof of dispatch. Balance 5% payment will be made on receipt and acceptance of stores (i.e. Receipt Note).</p>

2.8.3	For Purchase orders of Machinery & Plant (M&P) items (PO having value above Rs. 5 lakhs): the terms of advance payment will be : 80% payment will be allowed after receipt of the machine in good and acceptable condition at consignee's end against inspection certificate and Receipted Challan certified by the gazetted officer of consignee. Balance 20% payment will be made on successful installation, commissioning/testing , proving test and final acceptance of the Machine/Equipment subject to submission of WBG (Warranty Bank Guarantee) by the contractor (as per Format given in Annexure: A-5.2 of this bid document) for an amount of 10% of the contract value. WBG should remain valid for a period of 60 days beyond warranty period.
2.8.4	For payments in Purchase orders (PO) having PVC (Price Variation Clause)
2.8.4.1	For contracts having PVC (Price Variation Clause) Firm will upload PVC calculation along with their bill while uploading bills for payment after obtaining and attaching all PVC related documents such as Invoice, DRR, Inspection Certificate and Receipt Note etc. Then, Stores Bill (SB) Section will check the Bill/PVC Calculation Sheet/Supporting Documents as per Purchase Order and verify the same with website of relevant Ministry. Adjustment RO, if required, will be prepared by Store Bill Section and bills will be passed accordingly.
2.8.4.2	<p>1. Contracts having Advance Payment Clause</p> <p>a) Where PVC circulars for calculating PVC are available at the time of raising bills:- Payment of advance component (e.g. 95 % or 98 %) will be made to the supplier against their bill supported with documents prescribed in the relevant Purchase Order such as Receipted Challan/DRR and Inspection Certificate etc. at PVC rates.</p> <p>b) Where PVC circulars for calculating PVC are not available at the time of raising bills:-</p> <p>b-1. Payment of advance component (e.g. 95 % or 98 %) will be made to the supplier against their bill supported with documents prescribed in the relevant Purchase Order such as Receipted Challan/DRR and Inspection Certificate etc. at PO rates or at lower rates if claimed so after deducting 10 % of the payable amount. The amount so deducted will be kept in Deposit Misc and released subsequently when PVC rates are verified and firm claims balance/final payment.</p> <p>b-2. Balance Payment (5% +/- PVC) will be made at verified PVC Rates against Receipt Note issued by consignee. Difference in rates if any, on account of PVC will be adjusted through Adjustment Receipt Note by bill passing staff of SB section.</p> <p>2. Contracts having 100% payment against Note</p> <p>Full payment will be made by Accounts Office against Receipt Note prepared by Depot Officer as per Para 1.0 above at verified PVC rates, difference, if any, on account of PVC will be adjusted through Adjustment Receipt Note to be prepared by bill passing staff of SB Section while passing the bill.</p>
2.8.4.3	Upper ceiling limit for PVC component (on plus side of PVC element) will be 20 % of initial Basic Rate, unless otherwise mentioned in tender/contract. There will be no limit on minus side of PVC element.
2.8.4.4	Lowest out of three updated rates (calculated as per PVC formula with: <i>Date of Inspection certificate, Date of original delivery period, Date of actual delivery</i>) will be paid for the supplies made after original /refixed DP (delivery period) of the contract.
2.8.5	No claim for any tax/duty not stipulated in the bid shall be admitted at any stage of tender/contract on any ground whatsoever.
2.9	Inspection Clause:

2.9.1	The goods/material peculiar to the use/requirement of Indian Railways (such as parts and fittings of rolling stock etc) which have been found rejected during inspection and which could not be rectified, should be defaced by the inspecting authority to avoid recycling of such rejected material and thereby to avoid ultimate failures of assets. All such rejected materials (which are designed for exclusive use of Indian Railways) will be defaced / damaged by the consignee/user/inspection agency so as to ensure that the rejected lot is not recycled to PLW or any unit of Indian Railways.
2.9.2	No consignment or part of consignment which has once been rejected may again be submitted except in case where the inspecting officer considers the defect to be rectifiable. The Purchaser or the inspecting officer shall have free access to the works/factory of the manufacturer at any time. And they will be at liberty to inspect the material used in the manufacture of tendered item at any stage and may take such actions as may be considered necessary (even to terminate the contract) if it is found that the proper quality/process is not being followed by the contractor in manufacture of the item as per requirement of contract and its specification.
2.9.3	Consignee will be the ultimate authority for acceptance/rejection of the material received by him. Notwithstanding a quotation for delivery in the particular state, the responsibility of contractor/supplier will not cease until delivery has been taken at destination by the purchaser or by such officer as nominated by him. Decision of the purchaser in case of dispute as regards quality or supplies delivered shall be final.
2.9.4	In case of items such as bearings/tooling items and commercially available branded items, where the inspection (as per contract) has to be carried out at the premises of <i>Authorized Agents/Dealer</i> , the manufacturer (OEM) may also associate, if practically possible, so as to ensure the genuineness of material.
2.9.5	For the tender in which there is clause that – “Purchase of the item will be made for ISI marked products only “, if the order is placed directly on ISI certified manufacturer, the material can be accepted on firm’s WTC (Work Test Certificate).
2.9.6	The minimum value limit of Purchase Order [PO] for pre-inspection by Third Party Inspection Agency (TPI) is Rs. 5 lakhs. Below this value limit, inspection will normally be done by consignee on receipt of material, unless specified otherwise in tender/contract.
2.9.7	In case the supplier fails to offer the material for inspection against inspection call issued to the inspecting agency or if the material have to be re-inspected due to rejection of the material at supplier’s end by the 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 cost of the test charges incurred will be paid by the supplier to the inspecting agency.
2.9.8	INSPECTION OF BOUGHT OUTS & CRITICAL RAW MATERIALS
2.9.8.1	Inspecting Engineer of Inspecting Agency shall ensure that all the documents, i.e. Tax Invoice (priced or un-priced), Import documents (if any), Test certificates/WTC, Delivery Challan etc. of all the bought outs & Test certificates of critical raw materials, submitted by Principal firm or Sub-vendor at the time of inspection are original and relate to each other in all respects as per requirement of the purchase order to ensure that the Bought-Outs & critical raw materials have been genuinely procured from approved sources or as per PO. A copy of all such documents shall be uploaded & provided by the Inspecting Engineer along with the Inspection Certificate to PLW along with complete traceability records like Sr. No. /Make etc. Inspection Certificate issued without these documents will be considered as incomplete Inspection Certificate.
2.9.8.2	Firm should provide all the above stated documents as required by the Inspecting Engineer of Inspecting Agency for verification and uploading by the Inspecting Engineer along with the Inspection Certificate. Bills of the firm will not be passed with incomplete Inspection Certificate issued without these documents.

2.10	Terms of Delivery:
2.10.1	The supplier shall be responsible for covering the risk of loss, destruction, damage or deterioration of goods during transit/transportation till their delivery to consignee as per IRS conditions of contract (Latest).
2.10.2	The supplier, who in terms of contract dispatch the material on freight pre-paid basis, should submit their claim for reimbursement of freight charges with necessary documents. Re-imbursement of freight charges shall be made at actual subject to maximum of freight charges mentioned in contract or Rail freight (by Passenger Train) whichever is lower. However for evaluation of offers, it is the quoted Freight of bid, which will be considered.
2.10.3	Unless otherwise mentioned in the tender/contract, the FOR condition shall be "FOR:Destination (i.e. consignee at PLW/Patiala)".
2.11	Delivery Schedule:
2.11.1	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.
2.11.2	<p>Extension of Delivery date may be considered in deserving cases on request of supplier/contractor, where a genuine reason exists. Such extensions of delivery dated will normally be granted with levy of Liquidated damages (LD) and Denial Clause (DC) which are applicable as per IRS conditions of contract (Latest). LD is to liquidated damages due to delay in supply and the purpose & effect of DC is that the supplier will not be entitled to any benefit of upward variation in rate on any account (Taxes/duties/Cess/levy/PVC/Currency Exchange rate etc.) after expiry of the original delivery Period of contract but in case of any reduction in such element of rates, the benefit will be passed on to Purchaser.</p> <p>The change in the status of vendors, including suspension/Stoppage of supplies from a vendor (temporary or otherwise)/ temporary delisting or related to ban of inspection etc./banning of the vendor/downgrading/removal from the UVAM directory for the specific item(s), shall be duly considered while taking any procurement related decision including consideration of request for DP extension. (Rly Board's Letter no.2025/RS(G)/11/44 dated 08.10.2025)</p>
2.11.3	Purchaser reserves the right to recover from the contractor as agreed LD and not by way of penalty, a sum equivalent to 1/2% (half Percent) of the price of contracted goods (including elements of taxes, duties, freight etc.) which the contractor has failed to deliver within the period fixed for delivery in the contract or as extended , for per week or part of the week during which the delivery of such stores may be in arrears where delivery thereof is accepted after expiry of the aforesaid period. Upper limit for recovery of LD in supply contracts will be 10% (Ten Percent) of value of contract irrespective of delays, unless otherwise mentioned in the contract.
2.11.4	In the event of any delay in supply of material, Purchaser reserves the right to penalize the supplier for such default for the undelivered portion of supply in terms of IRS conditions of contract (Latest).
2.12	Cartel Formation:
2.12.1	Whenever all or most of the approved firms quote equal rates and cartel formation is suspected, Purchaser reserves the right to place order on one or more firms with exclusion of the rest without assigning any reason thereof.
2.12.2	Bidders are expected to quote for a quantity not less than 50% of the tendered quantity. Offers for quantity less than 50% of tendered quantity will be considered unresponsive and liable to be rejected in case <i>cartel formation</i> is suspected. However Purchaser reserves the right to place order on one or more bidders for any quantity of tender.

2.12.3	The bidders who quote in cartel are warned that their names are likely to be deleted from list of approved sources in addition of referring the matter to CCI (<i>Competition Commission of India</i>).
2.12.4	Whenever tender is floated with purchase restrictions 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 vendor list, without any restrictions.
2.13	<p>Criteria and Format for aspect of Sister-concern of firms/vendors/bidders</p> <p>The bidders are required to submit the information in their bid (as per Annexure: A-5.5 of this bid document) about their sister-concerns (Name of Firm, Address, Phone No. and Email) who have participated in this tender themselves or through their authorized dealer/agent. If there is no sister-concern then also 'NIL' remark should be written. If it is found at any stage of tender/contract that there been wrong information or concealing of facts on part of bidder/supplier, it shall render the bid/contract liable for rejection/cancellation, in addition to other penal action which may be taken by Purchaser under provisions of laws governing the tender/contract.</p>
2.14	<p>Marking of Material Supplied:</p> <p>The supplier shall indicate: <i>Name of manufacturer, Month & Year of manufacturing and Expiry Date</i> (for shelf-life items): by casting/stamping/etching/embossing, at an appropriate place of each piece supplied, without affecting the functional utility and structural stability of the components/material.</p>
2.15	DISPUTE RESOLUTION CLAUSE:
2.15.1	The provisions relating to the "Dispute Resolution Clause" for all types of contracts, including contracts for works or services entered into by the PCMM/PLW-Patiala or his authorized officers, shall be governed in accordance with the latest instructions issued by the Railway Board. Any dispute, controversy, or claim arising out of or in connection with such contracts shall be resolved as per the procedures and guidelines prescribed by the Railway Board from time to time.
2.15.2	Subject as otherwise provided in this contract all notices to be given on behalf of the <i>President of India</i> and all other action to be taken on his behalf, will be given or taken by the: Deputy Chief Materials Manager/Senior Materials Manager/Assistant Materials Manager, PLW, Patiala(Punjab).
2.15.3	<p>In cases, where Ministry of Railways, including its subordinate authorities, and CPSEs under its administrative control enter into contractual obligation related to procurement of Goods and Services with other Ministries/ Departments/ CPSEs which may result in commercial disputes, the interpretation and application of the provisions of commercial contract(s) in case of dispute(s) between the following Organizations/ Departments shall be taken up under Administrative Mechanism for Resolution of CPSE's Disputes (AMRCD) only:</p> <p>(a) CPSE and CPSE;</p> <p>(b) CPSE and Ministry/ Department of Central Government;</p> <p>(c) CPSE and Public Authority/ Organization or University under the Central Government;</p> <p>(d) CPSE and State Governments/ State PSUs/ Public Authority/ Organization or University under the State Government.</p> <p>(Rly Board's Letter no.2024/RS(G)/709/25 dated 17.03.2025)</p>
2.16	<p>Jurisdiction of courts</p> <p>The Courts of the place from where the acceptance of tender has been issued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.</p>

2.17	Bank guarantees (BG) in regard to Security deposit and Warranty are acceptable only from the Nationalized/Scheduled Banks and these should be executed on a Non-judicial stamp paper of appropriate value duly attested by Notary Public or Executive Magistrate. BG should be sent by the issuing Bank directly to the concerned authorities of Purchaser, under registered post AD (acknowledgement).
2.18	Handling of warranty rejections- As per Railway Board's letter No. 2022/RS (G)/779/7 (3390005) dated 17.10.2022 along with its subsequent amendments issued time to time.
2.18.1	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/IREPS 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 2.18.4 below.
(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.
2.18.2	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 will be as under:
A.	Material rejected was issued to the user (shop/shed etc) from its attached Stores Depot or attached User Depot (both Stock & Non-stock).
(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 systems like CMM/FMM/WISE/SLAM/MU 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

	<p>Stores Depot for issuing “Warranty Rejection Advice” (i.e. warranty claims lodging) by attached Stores Depot.</p> <p>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.</p> <p>“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.</p>
(ii)	<p>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.</p>
(iii)	<p>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.</p>
(iv)	<p>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.</p> <p>On issue of “Warranty Rejection Advice”, the “Warranty Rejection Register” should automatically get updated.</p>
(v)	<p>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.</p>
(vi)	Deleted
(vii)	<p>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.</p>

(viii)	<p>Warranty Quantity Replacement-</p> <p>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.</p> <p>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”.</p> <p>c.) “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.”</p>
(ix)	<p>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.</p>
(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 (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 IRS conditions of contract (Latest), 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 IRS conditions of contract (Latest) relating to 'rejection of goods', 'Inspection of goods', 'Consequences of rejection' and 'Termination of contract' 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.</p>
(xi)	<p>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>
(xii)	<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 Reinspection/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 extant 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 / Reinspection / Rectification to the extent recovery of the Warranty Claim amount has</p>

	<p>been completed in IPAS/deposited by firm against Warranty Rejection Advice.</p> <p>(c) However, cases where due to extreme urgency affecting outturn, operation etc. it is in Railways' own interest to allow replacement/ rectification/ re- inspection after a period of 60 days from issue of warranty rejection advice,' it may be permitted with the approval of gazetted officer of minimum JAG level of the office issuing warranty rejection advice.</p> <p>In such cases "Recovery Refund Letter" should be issued by gazetted 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 2.18.2(A) (ix) above shall be applicable in such cases also.</p> <p>(d) Recovery Refund Letter" shall also be issued by gazetted 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 cases/ arbitration judgment/order, etc. after recovery. Cases where, in spite 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 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>
(xiii)	<p>Inspection of Replacement Supply- In line with IRS conditions of contract (Latest), 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.</p>
(xiv) (a)	<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>

(xiv) (b)	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(ii)) regularly for early resolution and withdrawal.
(xiv) (c)	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.
(XV)	Timely issue of Warranty replacement CRN/ R-Note and Recovery Refund Letter are essential for efficient warranty management. Therefore following timelines shall be adhered to: i Recovery Refund Letter, wherever required, shall be issued simultaneously with Warranty replacement CRN/ R-Note. ii Warranty replacement CRN/ R-Note and Recovery Refund Letter (wherever required) shall be issued within 10 working days of compliance of warranty obligation by the supplier.
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 (xiii) of Para 2.18.2(A) above, except Para (viii) of 2.18.2(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 accountal 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 2.18.2(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 Stock	Manufactured by
	1	Wagons	Private Manufacturers, Railway PSU, Railway Workshop. Railway PUs/PSUs/Private Manufacturers.
	2	Coaches	
	3	Locomotives	
	4	Train-Sets	
	5	MEMU,DEMU,EMU etc.	
(ii)	Manufacturing Units of Rolling Stocks should provide the following details of all components/subassemblies 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- Warranty claim shall be lodged against Rolling Stock supplier. This shall be same case as 2.18.1(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 2.18.1(B) above.		

	<p>Closure of the warranty rejection shall be done by the end user. The office issuing warranty rejection advice shall be intimated of closure and action taken by end user and vendor. The intimation shall be through UDM/ IREPS/ IMMS. CRN/ Recovery Refund Letter shall also be issued by the end user.</p> <p>Competency of approval for permitting rectification beyond 60 days, as mandated in Para 2.28.2 (A) (xii') (c), shall be with gazetted officer not below JAG level of the office of end user. The "Recovery Refund Letter" shall also be issued by a gazetted officer of the end user.</p>
2.18.3	Rectification of the rejected stores
(i)	In case the vendor requests for rectification/repair of rejected stores in terms of Para 2.18.2, 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 iii of Para 2.18.2(A) from the date of issue of "Warranty Rejection Advice." After this, process for recovery shall be initiated.
2.18.4	Linking the rejected stores with PO, R/note, warranty period etc –
(i)	Marking of stores has been mandated as per IRS Condition of Contract (Latest) which must be ensured.
(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/SLAM/WISE/MU etc.
(vi)	<p>Capturing Warranty Period digitally in unambiguous terms:</p> <p>a.) In terms of RB letter No. 78/RS(G)/777/1 dated 07/05/2004.</p> <ol style="list-style-type: none"> I. Warranty Clause specified in the tenders should normally be same as that in IRS conditions of contract (Latest). II. Wherever it is considered necessary to have Warranty Clause in technical specifications at variance with Warranty Clause in IRS conditions of contract (Latest), 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. <p>b.) Warranty clause if at variance with IRS conditions of contract (Latest) shall be a specific clause in the tender/PO and shall supersede warranty clause of IRS conditions of contract (Latest). Else it should be mentioned in tender conditions that warranty as per IRS conditions of contract (Latest) is applicable. Both should never be included in the tender.</p> <p>c.) A field of Warranty period for the item under procurement may also be indicated on IREPS while floating tender for the same.</p> <p>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.</p> <p>e.) During inspection/receipt of the item, inspecting Agency and material accepting authority shall ensure marking as per purchase order.</p>
(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 2.18.1 (iii) above by the vendor at the time of dispatch and that should be captured on iMMS/UDM while accepting the material.
2.18.5	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 (Latest). 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).

2.18.5.1	<p>The Warranty settlement in such cases shall be as per Para 2.18.2(B) above, except following:-</p> <p>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.</p> <p>b. The value of rejected materials shall be decided on the basis of rate of component as per latest PO available.</p> <p>c. If Inspecting Agency of the rejected store is not known, warranty rejection advice shall not be sent to inspecting agency and para 2.18.2(A)(v) shall not be applicable.</p> <p>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 2.18.2 (A-xiii) above.</p>
2.18.6	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".
2.18.7	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 2.18.2, 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.
2.18.8	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.
2.18.9	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 2.18(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
2.18.10	Data of the warranty rejections shall be analyzed item-wise and vendor-wise by the Quality monitoring/vendor approving agency to identify the areas for improvements in systems, processes and design/specification.
2.18.11	The recovered amount from the vendor should be credited in the same allocation of the end use in which the item was originally procured.
2.18.12	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.

Section 3 : Special conditions for procurement of M&P (Machinery & Plant)items	
3.1	Bidder should give clause-wise comments and compliance on the technical specification to indicate whether the product offered (Machine/Equipment) fully meets the tender specifications. The bid should be accompanied with complete details (technical parameters, drawing/specification etc.) of the quoted product.
3.2	Bidder should confirm that they will render quick after-sales service during the warranty period of the machine and advise details of their after-sales network/office which will render the said service.
3.3	Commissioning and Proving out of M&P :
3.3.1	The contractor shall arrange commissioning of the Machine/Equipment at the premises of consignee and shall carry out necessary proving test to demonstrate the performance of equipment to the entire satisfaction of the consignee.
3.3.2	The time allowed for commissioning of Machine/Equipment shall be the essence of the contract. The Contractor (or his authorized agent) shall commission the Machine/Equipment within stipulated time as mentioned in the contract. This time- frame will be applicable from the date of intimation from the consignee in respect of readiness of the machine/equipment for commissioning in cases where the Machine/Equipment is to be installed by the consignee. The time schedule includes the time for installation in cases where work of installation is also to be undertaken by the contractor.
3.3.3	In the event of contractors' failure to have M&P commissioned as per time-period specified in the contract, Purchaser may withhold, deduct or recover from the contractor as penalty, a sum @2% (two percent) of the price of M&P which the contractor has failed to commission as aforesaid for each and every month (part of a month being treated as a full month) during which the M&P may not have been commissioned, subject to an upper limit of 10% (ten percent) of the total contract value.
3.3.4	Failure to install and commission the Machine/Equipment within stipulated time after intimation from the consignee will be taken as breach of contract and Purchaser will be at liberty to forfeit the SD (Security Deposit) furnished by the supplier without any prejudice to other rights available to Purchaser under the contract. The continuance of commissioning work after expiry of stipulated time will also constitute default for the purpose of the above. The decision of the Purchaser, whether the delay in commissioning is attributable to the contractor, shall be final.
3.4	Warranty:
3.4.1	The contractor shall warrant that the equipment supplied shall be free from defects on materials & workmanship. Manufacturing quality shall be of the highest grade consistent with the established and generally accepted standard for the type of contracted goods and in full conformity with the specifications of contracted goods. Unless mentioned otherwise, the period of warranty will be as per IRS conditions of contract (Latest).
3.4.2	Maximum down time during the warranty period will be 2% for online M&P and 10% for offline M&P calculated on quarterly basis. A maximum period of 2 (two) weeks be allowed for attending and rectification of faults during the warranty period.
3.4.3	A penalty of 0.5% per week (or part thereof) of the contract value will levied for delay in response time for attending and rectification of faults beyond specified time during the warranty period.

3.4.4	Maximum penalty to be levied on account of warranty failure will be 5% of the contract value calculated during whole of warrantee period and after that if there is any delay on the part of supplier, the Purchaser shall be entitled for encashment of WBG (Warranty Bank Guarantee). In such cases the bad performance of the supplier/vendor during the warranty period will be recorded and circulated to all units of Indian Railways and it would be considered as a negative factor by Purchaser/tendering agency in evaluation of the vendor's bids in future tenders.
3.4.5	All replacement and repairs that the purchaser shall call upon the contractor to deliver or perform under this warranty shall be delivered and performed by the contractor within 1 (one) week, promptly and satisfactorily. The warranty period will be extended by the number of days the machine remains under breakdown during the warranty period and the warranty Bank Guarantee would be returned only at the end of such extended warranty period of the full machine.
3.4.6	The Contractor shall replace or repair the equipment or such portion thereof as is found defective by the Purchaser, free of cost at the ultimate destination or at the option of the purchaser, the Contractor shall pay to the Purchaser value thereof at the contract price and such other expenditure and damages as may arise by reason of the breach of the condition here in specified.
3.4.7	The decision of the Purchaser in regard to Contractor's liability and the amount, if any, payable under this warranty shall be final and conclusive.
3.5	Normal payment terms will be as per clause 2.8.3 of this bid document.
3.6	The contractor during commissioning of the equipment will also impart training to the employees of consignee for operation and maintenance of machine/equipment supplied.
3.7	<p>Maintenance Manual & Spares Parts:</p> <p>Unless mentioned otherwise in the specification of tendered item, the contractor is required to supply 2(two) copies of <i>operation & maintenance manual</i> alongwith the list of spare parts along with the machine/equipment.</p>

Section 4 : Guidelines for Electronic Reverse Auction (Authority: Rly Board's Letter no.2020/RS(G)/779/17 dated 21.11.2024, Letter no.2017/Trans/01/Policy/Pt-S dated 28.3.2018 & R S(M)/2011/EPS/01 Pt. dated 18.10.2019)	
4.0. Special Condition for e-Reverse Auction:	
	(a) Electronic Reverse Auction (e-RA) shall not be the preferred method of procurement in Stores tenders. e-RA shall be one of the possible methods of procurement available with the procuring entities. (b) In cases the tender is issued through e-RA, there shall not be any negotiation after the e-Reverse Auction process is closed. In case the rates obtained after e-RA are unreasonable the case shall be re-tendered. (c) If tender is floated with e-RA then, following conditions will be applicable –
4.1	Selection Criteria for tender cases of Stores proposed through Reverse Auction (e-RA) Route:- (a) Purchase through e-Reverse auction shall normally be made for stores tender valued more than Rs. 5 Crore. (b) The process of procurement through Reverse Auction shall be followed only in case of tenders where there are at least three approved vendors (where bulk procurement is to be from vendors approved by RDSO/CORE/PUs etc.) or at least three proven/likely competitive sources, prima facie competent for execution of bulk ordering. (c) Financial Bids in single currency/Parameters only shall be allowed. (d) However, final decision regarding mode of tendering lies with purchaser.
4.2	Procedure for award of contracts through Reverse Auction. (a) The procedure discussed herein shall be fully implemented through IREPS. Any reference to Reverse Auction in these instructions shall imply e-RA. (b) Conduct and reporting of Reverse Auction shall be as per clause 6.9. (c) Each tender shall clearly specify essential technical and commercial Parameters in a transparent manner. No deviation to such essential Technical & Commercial conditions shall be permitted to the vendors in the electronic bid form.
4.3	Technical Bid and Initial Price Offer : (a) Procuring authority shall decide the bid evaluation criteria in the tender itself, i.e. whether the evaluation shall be item-wise, consignee-wise or overall tender value wise. (b) Bidders shall be simultaneously required to electronically 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 Developmental Order for the purpose of RA. (c) Offers not complying with essential technical & commercial requirements of the tenders shall be declared as ineligible for award of contract. (d) Technical & 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. (e) Initial Price Offer of only those bidders categorized as Qualified for Developmental Order or Qualified for Bulk Order, shall be opened and tabulated by system separately, category wise. Extant instruction for electronic tabulations shall apply for tabulation of Initial Price Offers.
4.4	Financial Bid :
4.4.1	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:-

4.4.1.1	Selection of vendors for Reverse Auction for bulk ordering :-		
	Number of tenderers 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 Vendor Qualified for Bulk Order/award of contract (rounded off to next higher integer)	
	<p>Note:</p> <p>(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).</p> <p>(ii) <u>Selection of vendors for Reverse Auction for Developmental ordering:</u> 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 e-RA.</p> <p>(iii) <u>MSE Criteria:</u> All MSEs (Micro & Small Enterprises) found Qualified for Bulk/Developmental Order/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in Para 6.4.1.1& 6.4.1.1note (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 the interse 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 Para 6.4.1.1&6.4.1.1note (ii) above. The lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order. However, in case 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.</p> <p>(iv) <u>Make in India Criteria:</u> 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 Para 6.4.1.1 & 6.4.1.1 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.</p>		
4.4.1.2	During Reverse Auction process, bidders shall not be allowed to bid a rate higher than the lowest Initial Price Offer.		
4.5	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 only 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 shall 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.
4.6	Quantity to be covered on developmental orders shall be limited to 20% of the net procurable quantity. Developmental Orders shall be placed in terms of Railway Board Letter No.99/RS (G)/709/1/Pt. Dated 13.01.2015. The quantity covered on developmental orders may be within or outside NPQ, which may be decided by TC/TAA before conduct of Reverse Auction.
4.7	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 bidders which were eliminated from Reverse auction in terms of Para 6.4 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.
4.8	The level of tender committee to consider the final price offers shall be determined on the basis of lowest initial price offer of bid qualified for bulk order, as opened prior to Reverse auction. In case of level of tender committee which evaluated technical & commercial bids as per Para 6.3 (d) was higher than the level of TC competent to consider lowest initial price offer of bid qualified for award of contract/bulk order, the higher level of TC shall continue to finalize such tender cases.
4.9	Procedure for Conduct and Reporting of R.A. :
4.9.1	The tendering authority shall solicit bids through an invitation to the electronic Reverse Auction to be published or communicated in accordance with the provisions similar to e- procurement.
4.9.2	The tendering authority shall fix the following, on case to case basis, depending upon the nature of item 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 opened 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.
4.9.3	Date and time for start of e-RA shall be communicated to qualified tenderers by the tendering authority after evaluation of the Technical Bids.
4.9.4	After submission of Initial Price Bid, tenderers will not be allowed to revise the taxes and other levies.
4.9.5	During auction period, identities of the participating tenderers will be kept hidden.
4.9.6	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.
4.9.7	After close of the RA, tabulation of last (minimum) bids received from the tenderers will be generated and made visible to Railways and participating tenderers.
4.9.8	Railway users can also view the bidding history in chronological order.
4.9.9	Bidders shall not be allowed to withdraw their last offer.
4.9.10	L-1 will be defined as the lowest bid obtained after the closure of R.A.

Annexure : A-5.1 :	
Format or BG (Bank Guarantee) for SD(Security Deposit)	
Bank Guarantee (BG) No.	
Date	
Amount of BG	
Validity of BG	
Contract/Tender No.	
<p>To, The President of India acting through : Principal Financial Adviser(PFA)Patiala Locomotive Works Patiala – 147003(Punjab)</p>	
1.0	<p>Against contract concluded vide advance acceptance dated.....issued(----- (here in after called "<i>the said Agreement</i> ") by Principal Chief Materials Manager (PCMM)/PLW-Patiala on behalf of the President of India (hereinafter called "<i> the Government</i> ") in tender No..... opened onfor supply of (Description of goods and services)by M/s..... (hereinafter called "<i> the said Contractor</i> ") and as per terms and conditions of tender/advance acceptance , security deposit (SD) is required to be submitted by the said Contractor as security towards the performance of contract and the said Contractor has approached us for same , we(Name of Bank) issue this Bank Guarantee dated..... for Rs ----- (Rupees ----- only),</p>
2.0	<p>We (Bank) do hereby irrevocably undertake and guarantee to pay to the Government 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 of any of the terms or conditions contained in the said Agreement or by reason of the said 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----- --.</p>
3.0	<p>We (Bank) undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the said Contractor 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 Guarantee shall be a valid discharge of our liability for payment there under and the said Contractor shall have no claim against us for making such payment.</p>
4.0	<p>We (Bank) further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the satisfactory 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 the official authorized by the Government (Purchaser : Principal Chief Materials Manager /PLW-Patiala) certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Contractor and accordingly discharges this Guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the ----- (date) , we shall be discharged from all liability under this Guarantee there after</p>

5.0	We (Bank) further agree that the Government shall have the fullest liberty 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 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 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 under this Bank Guarantee by reason of any such variation or extension being granted to the said Contractor or for any forbearance and/or omission on the part of the Government or any indulgence by the Government to the said Contractor or by any other matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us from our liability under this Bank Guarantee.
6.0	This Guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor
7.0	We (Bank) undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing
8.0	This Bank Guarantee shall be irrevocable and shall remain valid upto 04.00 P.M. on.....(date). If further extension to this guarantee is required, the same shall be extended for such required period on receiving instructions from the said Contractor on whose behalf this Bank Guarantee is issued.
Date	Signature of Bank's official
Place	Name
Signature of witness	Bank's common seal
Name, Address and Phone No.	Address of Bank
	Phone No.
	Email
Note: Bank guarantees (BG) is acceptable from all nationalized/scheduled banks and it should be executed on non-judicial stamp paper of appropriate value duly attested by Notary Public or Executive Magistrate. BG should be sent by the issuing Bank directly to the concerned authorities of Purchaser, under registered post AD (acknowledgement)..	

Annexure : A-5.2:	
Format of BG for Warranty (WBG)	
Bank Guarantee (BG) No.	
Date	
Amount of BG	
Validity of BG	
Contract No.	
To, The President of India acting through : Principal Financial Adviser (PFA) Patiala Locomotive Works Patiala – 147003 (Punjab)	
1.0	Whereas M/s. _____, hereinafter called the “Sellers” have agreed to sell to you (hereinafter referred to as the “Government”) _Nos. of _____ (Description of goods and services) as per Contract No. _____ dated __ (hereinafter called “the said contract”).
2.0	And whereas according to the terms of said contract, it has been stipulated that payment of balance amount of the value of the stores would be made, provided that the Sellers furnish to the Purchaser a Bank Guarantee from a recognized Bank, acceptable to the Purchaser for 10 per cent of the value of the said contract, valid for a period covering in full the Warranty obligations and Warranty Period as per the terms and conditions of the contract.
3.0	And whereas the Sellers have approached us to give the said Bank Guarantee on their behalf in your favour for an amount representing 10 per cent of the values of contract which you have agreed to accept.
4.0	That in consideration of the promises and at the request, of the said Sellers, we hereby irrevocably undertake and guarantee to pay to the Government of India or at such other place as may be determined by you forthwith on demand and without any demur, any sum up to a maximum amount of Rs. _____ (in figures and words) representing 10 per cent of the value of the Stores dispatched under the said contract in case the Sellers make default in paying the said sum or make any default in the performance, observance or discharge of the guarantee contained in the said contract.
5.0	We agree that the decision of the Government whether any default has occurred or has been committed by the Sellers in the performance, observance or discharge of the guarantee aforesaid shall be, conclusive and binding on us.
6.0	The Government shall be at liberty, from time-to-time, to grant or allow extension of time or give other indulgence to the said Sellers or to modify the terms and conditions of the said contract with the said Sellers without affecting or impairing this guarantee or our liability here under
7.0	We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Sellers 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 to our liability for payment thereunder and the Sellers shall have no claim against us for making such payment.

8.0	Bank guarantee comes into force when the balance ten percent of the value of the stores shipped per Vessel _____vide Bill of Lading No. _____ dated _____ or R/RNo. _____ dated _____ (in the case of indigenous contracts) under the said contract, has been paid and will remain in full force and effect upto _____ i.e.for _____ months counted from the date of placing the stores in services, and shall continue to be enforceable for further six months i.e.up to _____ (date), hereinafter called the said date.
9.0	This guarantee will not be discharged due to the change in the constitution of the Bank or the Sellers.
10.0	We (Bank) undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing
11.0	This Bank Guarantee shall be irrevocable and shall remain valid upto 04.00 P.M. on.....(date). If further extension to this guarantee is required, the same shall be extended for such required period on receiving instructions from the said contractor on whose behalf this bank guarantee is issued.

Date		Signature of Bank's official	
Place		Name	
Signature of witness		Bank's common seal	
Name, Address and Phone No:		Address of Bank	
		Phone No.	
		Email	
<p>Note: Bank guarantees (BG) is acceptable from all nationalized/scheduled banks and it should be executed on non-judicial stamp paper of appropriate value duly attested by Notary Public or Executive Magistrate. BG should be sent by the issuing Bank directly to the concerned authorities of Purchaser, under registered post AD (acknowledgement).</p>			

Annexure: A-5.3:		
Mandate form for NEFT/RTGS		
From:		To:
M/s.		Dy. FA & CAO Patiala Locomotive Works Patiala-47003 (Punjab)
Sub :	Details for payment through NEFT/RTGS	
Our payments may be made through the NEFT/RTGS scheme of RBI/Railways account as per following details		
1.	Name of supplier as per Bank Account	
2.	Address of supplier	
3.	Email of supplier	
4.	Mobile No. of supplier	
5.	Name of Bank	
6.	Name and address of Bank's Branch	
7.	Telephone / Email / Fax of Branch	
8.	Code No. of Bank	
9.	Code No. of Bank's Branch.	
10.	Account No.	
11.	Type of Account (Saving/Current/Cash Credit)	
12.	IFSC code for NEFT	
13.	MICR No.	
Note :		
1. Please attach a blank cancelled chequ ue of your above bank account or front page of your passbook issued by Bank for verification of the particulars.		
2. Please submit original copy of this mandate (signed I ink) to the Purchaser within 10 days of tender closing.		
I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsible. I have read the option invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme.		
Certified that the particulars furnished above are correct as per our records.		
(Signature of Bank's authorized official with stamp)		Signature of the supplier with stamp
		Address
		Mobile No.
		Date

Annexure: A-5.4:			
Check List to be filled-in by the bidders for import offers			
#	Check-point	Remarks	
1.	Have you submitted the authorization letter authorizing your Indian agent (IA) to quote in this tender?	Yes/No	
2.	Have you indicated the complete name and address of IA and details of the services to be rendered by the agent?	Yes/No	
3.	Is the agent going to render after sales service?	Yes/No	
4.	Incase the answer to # 3 is yes, please confirm that IA has necessary infrastructure and competent Staff to render the same.	Yes/No	
5.	Have you submitted a copy of your agency agreement with your IA?	Yes/No	
6.	Manufacturer or their agents may note that an agent can represent only one firm in a tender and any manufacturer cannot submit two offers against a tender through different agents or one directly and one through agent. In such a situation both the offers will be rejected.	To be noted and agreed.	
7.	Have you indicated PAN (Permanent Account number) for Income-tax of your IA	Yes/No	
8.	Are you aware that any payment against the contract, if placed to your IA directly by you in currency other than in Indian Rupee is against the Indian laws?	Yes/No	
9.	Are you aware that failure to disclose the full amount of remuneration/agency commission payable to your IA shall render the contract void?	Yes/No	
(Signature of the bidder with stamp)			
Date		Address	
Place		Email	
Mobile No.		Fax No.	

Annexure : A-5.5 :						
Criteria and Format for aspect of Sister-concern of firms/vendors/bidders						
A, The firms qualifying the following criteria shall be categorized as Allied/Sister-concerns:						
i)	Proprietary Firms	All the firms owned by the same person shall be considered as Allied / Sister-concerns.				
ii)	Partnership Firm	a) All the firms having the same set of partners. b) Firms having one or more common partner(s), having profitsharing ratio of 20% or more in the firms.				
iii)	Companies	a) Firms having one or more common Director(s) or any of his/her close relative has one-third or more shareholding in the firms. b) Firms having common share holder having one-third shares or more in the firms.				
iv)	Other Conditions	In addition to this, the firms/companies operating from same office or having same manufacturing works shall be treated as allied/sister concern.				
B. Information and declaration regarding Sister-concern (to be filled-in by bidder)						
1.	Type of firm	Proprietary/ Partnership/Company:				
2.	Name & address of owner					
3.	For Partnership firms : Name & Address of Partner, with their profit-sharing ratio. (attach self-certified copy of latest supporting documents : <i>deed of partnership and Certificate from Registrar of firms</i>)					
	SN	Name of Partner	Father's name	Age	Address	Profit sharing Ratio / Percentage Share
4.	For Companies : Name & Address of Director and their relation to the person holding shares (attach self-certified copy of latest supporting documents : <i>Certificate of company Registration, Memorandum and Articles of association</i>)					
	SN	Name of Partner	Father's name	Age	Address	Profit sharing Ratio / Percentage Share
5.	Name & Address of Shareholder having shares more than one-third of total shares.					
	SN	Name of Partner	Father's name	Age	Address	Profit sharing Ratio / Percentage Share

Integrated Bid Document for e –tenders of PLW (IBD-R21)

6.	Address of office and manufacturing works from where Firm/Company is operated.						
7.	Details about sister-concerns (Firms either approved for the tendered item or quoted in present tender directly (or through their dealers))						
	SN.	Name of Firm	Type of Firm (Proprietary/ Partnership/ Limited Company)	Work Place	Address	Ownership details (Name and Percentage Share)	Business details
8.	Declaration		I hereby certify the information furnished by me/us is correct and true, I have read tender conditions and fully understand that If it is found at any stage of tender/contract that there been wrong information or concealing of facts on part of bidder/supplier, it shall render the bid/contract liable for rejection/cancellation, in addition to other penal action which may be taken by Purchaser under provisions of laws governing the tender/contract.				
Signature of authorized representative of bidder							
Name of signatory							
Address							
Phone No./Mobile							
Fax No.							
Email							

Annexure : A-5.6 :

Bid securing declaration to be signed by bidders availing exemption from submission of EMD.

“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”.

Annexure : A-5.7 : (12 Pages)

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

8 519

No. 2020/RS(G)/779/2/PL1 (E3322671)

Dated: 20.08.2024

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: Public Procurement (Preference to Make in India), Order 2017 -
Revision**

- Ref: (i) Railway Board's letters No. 2015/RS(G)/779/5 dated 03.08.2017, 04.05.2020 and 01.06.2021
(ii) Railway Board's letter No. 2020/RS(G)/779/2/Pt.1 dated 25.09.2020
(iii) Railway Board's letters No. 2015/RS(G)/779/5 (Vol.III) dated 22.06.2020, 12.07.2020, 15.09.2020, 18.09.2020, 24.09.2020, 15.10.2020, 09.02.2021, 19.02.2021, 07.07.2021, 20.01.2023 and 06.06.2023
(iv) Department for Promotion of Industry and Internal Trade (DPIIT)'s, Order No. P-45021/2/2017-PP(BE-II)-Part(4)Vol.II dated 19.07.2024

Ministry of Commerce and Industry, DPIIT, vide Order at ref (iv) has issued the revised 'Public Procurement (Preference to Make in India) Order, 2017' which is enclosed for guidance and implementation/compliance.

2. The decisions of the Ministry of Railways on certain matters as required by the policy and already issued vide Board's letters under reference, unless superseded, will continue to apply.

DA: As above

20/08/24

(Anurag Grover)
Dy. Director Railway Stores (G)
Railway Board
Email- ddrsg1@rb.railnet.gov.in
Tele- 011-23047529

LIST FOR DISTRIBUTION

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COFMOW, CORE, WPO/Patna and RWP/Bela
Sr. Prof. (Material Management), NAIR, Vadodara, ED (Stores), RDSO,
Chief Commissioner, Railway Safety, Lucknow
Zonal Railway Training Institute, Sukadia Circle, Udaipur

518

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

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(RPF), DG(HR), DG(Safety)

EDPG/MR, JDPG/MOSR(S), Sectt. of MOSR(R)

All AMs, PEDs & Executive Directors of Railway Board

No. P-45021/2/2017-PP (BE-II)-Part(4)Vol.II
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Vanijya Bhawan, New Delhi
Dated: 19 July, 2024

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017– Revision; regarding.

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 10 & 13] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, Order No.P-45021/2/2017-B.E.-II dated 29.05.2019, Order No.P-45021/2/2017-B.E.-II dated 04.06.2020 and Order No.P-45021/2/2017-B.E.-II dated 16.09.2020 hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 19.07.2024 effective with immediate effect.

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued:

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:
'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.

Page 1 of 10



- 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.

'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.

'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.

'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.

'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.

'Margin of purchase preference' means 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.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'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.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

2A. 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.

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

(a) 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.

(b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurement 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 sub-para 3(a) above, 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.

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

3.1 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.

3A. Purchase Preference

(a) 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 here under.

(b) In the procurement of goods or works, which are covered by para 3(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 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.
- (c) In the procurement of goods or works, which are covered by para 3(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.
- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

3B. 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.

4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurement 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.

4A. 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.

5. **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.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **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.
8. **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.

9. 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 9

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 procurement are not disrupted.

10. 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."

10A. 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.

11. **Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / 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.
12. **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. **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.

13A. 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.

14. **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 3 (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.

15. **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.
16. **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.

17. **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 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.

18. **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.

19. **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.

20. **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.


(Himani Pande)
Additional Secretary to the Government of India
Tel: 011-23038888
E-mail: ashp.dpilt@gov.in

Annexure: A-5.8:

Certificate of Local Content for Availing “Make in India” Preference

Tender No.:

Opening Date:

Item Description:

I/We have examined the information, records and book of Accounts presented before me/us by our client(s) (Name and complete address of the company) and certify that the local content, which is the amount of value added in India (i.e. the total value of the item procured excluding net domestic indirect taxes, minus the value of the imported content, if any, of the above mentioned item including all custom duties), as a proportion of the total value, in percent is
(____%).

We understand that this certificate is being produced by our client named above, for the purpose of availing purchase preference under Public Procurement (Preference to Make in India), Order 2017, when the certified local content is minimum 50% in the above mentioned tender. We are aware that any false declarations in this respect will be in breach of the Code of integrity under Rule 175(1) (i) (h) of the General Financial Rule for which our client or its successors can be debarred for up to two years as per 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

I/We are also aware that I/We am/are liable to be taken up under Section 22 of the Chartered Accountants Act, 1949 along with such other actions as may be permissible under the Company and other relevant laws, in case of any false/incorrect certification of local content mentioned as above, by us.

(Seal & Signature of the Auditor/Cost Accountant)

(UDIN No.....)

Date:

Place:

(The authenticity of the certificate may be verified by the purchaser through the UDIN Number)

Annexure: A-5.9: (17 Pages)



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



No. 2020/RS(L)/779/2(E3330671)

Dated: 15.03.2023

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

Sub: Insertion of Rule 144 (xi) in the General Financial Rules (GFRs), 2017.

- Ref:**
- (i) Ministry of Finance OM No. F.No. 6/18/2019-PPD dated 23/07/2020.
 - (ii) Ministry of Finance Order (Public Procurement No. 1), F.No. 6/18/2019-PPD dated 23/07/2020.
 - (iii) Ministry of Finance Order (Public Procurement No. 2), F.No. 6/18/2019-PPD dated 23/07/2020.
 - (iv) Ministry of Finance Order (Public Procurement No. 3), F.No. 6/18/2019-PPD dated 24/07/2020.
 - (v) Railway Board letter No. 2020/RS(G)/779/2 dated 06.08.2020 circulating above references i.e. (i) (ii) (iii) & (iv).
 - (vi) Railway Board letter No. 2020/RS(L)/779/2 dated 19.03.2021 circulating DoE OM No. F.18/37/2020-PPD dated 08.02.2021.
 - (vii) Railway Board letter No. 2021/RS(L)/779/2 (2) dated 17.03.2021 circulating DoE OM No. F.12/1/2021-PPD(Pt.) dated 02.03.2021.
 - (viii) Ministry of Finance Order (Public Procurement No. 4), F.No. 7/10/2021-PPD(1) dated 23/02/2023 circulated vide OM No. F.7/10/2021-PPD dated 23.2.2023.

1.0 Ministry of Finance vide OM at ref (i) above, had inserted Rule 144 (xi), in Rule 144 of the General Financial Rules, 2017. Rule 144 is titled as 'Fundamental principles of public buying'. Three Public Procurement Orders which complement the Rule 144 (xi) under ref (ii) (iii) & (iv) were also issued in this regard by DoE/MoF. The same was circulated vide Railway Board letter under ref (v) above.

2.0 Vide ref (viii) above, DoE/MoF has now issued amendment to Rule 144 (xi) of GFR, 2017 duly enclosing Order (Public Procurement No. 4) dated 23.2.2023 imposing restrictions under Rule 144 (xi) in supersession to all the above mentioned Orders/clarifications.

3.0 The Public Procurement Order and OM (ref (viii) above and attached herewith) are hereby circulated for strict compliance.

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

Encl: As above


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

No. 2020/RS(L)/779/2(E3330671)

Dated: 15.03.2023

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 OF DISTRIBUTION

Directors of all CTIs,
CMDs/ MDs of Indian 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, 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. Gen., RPOF, 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(D), MOSR(J)
CRB&CEO, M(TRS), M(Infra), M(OB&BD), M(F) Secretary/RB, DG (RHS), DG (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.

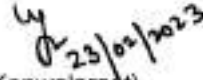
No.F.7/10/2021-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division
264-C, North Block, New Delhi.
23.02.2023.

Office Memorandum

Subject: Amendment to Rule 144(xi) of the General Financial Rules (GFRs), 2017.

Rule 144 of the GFRs, 2017 titled 'Fundamental principles of public buying,' had been amended by inserting sub-rule (xi) vide Department of Expenditure (DoE) OM No. F.6/18/2019-PPD dated 23.07.2020. It has now been decided to amend the Rule 144(xi) as under:

Notwithstanding anything contained in these Rules, Department of Expenditure may, by order in writing, impose restrictions, including prior registration and/ or screening, on procurement from bidders from, or bidders having commercial arrangements with an entity from, a country or countries, or a class of countries, on grounds of defence of India, or matters directly or indirectly related thereto including national security; no procurement shall be made in violation of such restrictions.


(Kanwalpreet)
Director(PPD)

Tel.No. 2309 3811; email: kanwal.irss@gov.in

To

1. Secretaries of all Ministries/ Departments of Government of India.
2. Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.

No.F.7/10/2021-PPD (1)
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

264-C, North Block, New Delhi.
23.02.2023.

Order (Public Procurement No. 4)

Subject: Restrictions under Rule 144(xi) of the General Financial Rules (GFRs), 2017.

Attention is invited to Order (Public Procurement No. 1) issued vide F.6/18/2019-PPD dated 23.07.2020, Order (Public Procurement No. 2) issued vide F.6/18/2019-PPD dated 23.07.2020, Order (Public Procurement No. 3) issued vide F.6/18/2019-PPD dated 24.07.2020, Office Memorandum (OM) No. F.18/37/2020-PPD dated 08.02.2021, OM No. F.12/1/2021-PPD(Pt.) dated 02.03.2021 and OM No. F.7/10/2021-PPD dated 08.06.2021. In this regard, the following is hereby ordered under Rule 144(xi) (as amended vide OM No. F.7/10/2021-PPD dated 23.02.2023) on the grounds stated therein, in supersession to all of the above mentioned Orders/ clarifications:

Requirement of registration:

2. 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, specified in **Annexure I**.
3. Any bidder (including an Indian bidder) who has a Specified Transfer of Technology (ToT) arrangement with an entity 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, specified in **Annexure I**.
4. The requirement of registration for cases covered by paragraph 2 above has been applicable since 23.07.2020. The requirement of registration for bidders covered by paragraph 3 above will be applicable for all procurements where tenders are issued/ published after 01.04.2023.
5. In tenders issued after 23.07.2020 or 01.04.2023, as the case may be, the provisions of requirement of registration of bidders and of other relevant provisions of this Order shall be incorporated in the tender conditions.

Applicability:

6. Apart from Ministries/ Departments, attached and subordinate bodies, notwithstanding anything contained in Rule 1 of the GFRs 2017, the Order shall also be applicable

- a) to all Autonomous Bodies;
- b) to all public sector banks and public sector financial institutions;
- c) to all Central Public Sector Enterprises;
- d) to all procurement in Public Private Partnership projects receiving financial support from the Government or public sector enterprises/ undertakings; and
- e) Union Territories, National Capital Territory of Delhi and all agencies/ undertakings thereof.

7. This order will not be applicable for cases falling under **Annexure II**.

Definitions:

- 8. "Bidder" for the purpose of the Order (including the term 'tenderer', 'consultant' 'vendor' 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.
- 9. "Tender" for the purpose of the Order will include other forms of procurement, except where the context requires otherwise.
- 10. "Transfer of Technology" means dissemination and transfer of all forms of commercially usable knowledge such as transfer of know-how, skills, technical expertise, designs, processes and procedures, trade secrets, which enables the acquirer of such technology to perform activities using the transferred technology independently. (Matters of interpretation of this term shall be referred to the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade, and the interpretation of the Committee shall be final.)
- 11. "Specified Transfer of Technology" means a transfer of technology in the sectors and/ or technologies, specified in paragraph 15, occurring on or after 23.07.2020.
- 12. "Bidder (or entity) from a country which shares a land border with India" for the purpose of the Order 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

13. *Beneficial owner* for the purposes of Para 12 (d) will be as under:

(i) 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(s), has a controlling ownership interest or who exercises control through other means.

Explanation:-

- a. "Controlling ownership interest" means ownership of, or entitlement to, more than twenty-five per cent of shares or capital or profits of the company;
 - b. "Control" shall include the right to appoint the 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;
- (ii) 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 or entitlement to more than fifteen percent of capital or profits of the partnership;
- (iii) 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;
- (iv) 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;
- (v) 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.

14. "Agent" for the purpose of the Order is a person employed to do any act for another, or to represent another in dealings with third persons.

[Note:

- i. A person who procures and supplies finished goods from an entity from a country which shares a land border with India will, regardless of the nature of his legal or commercial relationship with the producer of the goods, be deemed to be an Agent for the purpose of this Order.
- ii. However, a bidder who only procures raw material, components etc. from an entity from a country which shares a land border with India and then manufactures or converts them into other goods will not be treated as an Agent.]

Sensitive Sectors/ Technologies (relevant only for the provisions on ToT arrangements):

15. (i) Certain sectors and technologies have been identified as sensitive from the national security point of view. The sectors listed in Schedule I to this Order are considered Category-I sensitive sectors. The sectors listed in Schedule II to this Order are considered Category-II sensitive sectors. The technologies listed in Schedule III are considered sensitive technologies.

(ii) For Category-I sensitive sectors, bidders with ToT arrangement in any technology with an entity from a country which shares a land border with India shall require registration.

(iii) For Category-II sensitive sectors, bidders with ToT arrangement in the sensitive technologies listed in Schedule III, with an entity from a country which shares a land border with India shall require registration.

(iv) In Category-II sensitive sectors, the Secretary (or an officer not below the rank of Joint Secretary to Government of India, so authorized by the Secretary) of the Ministry/ Department of the Government of India is empowered, after due consideration, to waive the requirement of registration for a particular item/ application or a class of items/ applications from the requirement of registration, even if included in Schedule III. The Ministry/ Department concerned shall intimate the Department for Promotion of Industry and Internal Trade (DPIIT) and National Security Council Secretariat (NSCS) of their decision to waive the requirement of registration. Ministries/ Departments of the Government of India are not required to consult the DPIIT/ NSCS before deciding and are only required to intimate the decision to DPIIT/ NSCS. If any point is raised by DPIIT/ NSCS, it should be considered in future procurements; ongoing procurement for which the waiver was granted need not be interrupted or altered.

16. Based on security considerations, a Ministry/ Department in a Category II sensitive sector or other Ministries/ Departments may recommend to DPIIT inclusion of any other technology in the list of sensitive technologies, either generally or for their Ministry/ Department.

Sub-contracting in works contracts

17. In works contracts, including turnkey contracts, contractors 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. The definition of "contractor from a country which shares a land border with India" shall be as in paragraph 12 above. This shall not apply to sub-contracts already awarded on or before 23.07.2020.

[Note: Procurement of raw material, components, etc. does not constitute sub-contracting.]

Certificate regarding compliance

18. An undertaking shall be taken from bidders in the tender documents (**Annexure III**) that the extant guidelines for participation in the tenders (which should include conditions for implementation of this Order) have been complied with. If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for debarment and further legal action in accordance with law.

Validity of registration

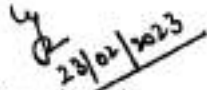
19. In respect of tenders, registration should be valid at the time of submission of bids and at the time of acceptance of bids. In respect of supply otherwise than by tender, registration should be valid at the time of placement of order. If the bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution.

Government e-Marketplace (GeM)

20. GeM shall remove non-compliant entities from GeM unless/ until they are registered in accordance with this Order.

Model Clauses/ Certificates

21. Model Clauses and Model Certificates which may be inserted in tenders/ obtained from Bidders are given at Annexure-III. While adhering to the substance of the Order, procuring entities are free to appropriately modify the wording of these clauses based on their past experience, local needs etc.


(Kanwalpreet)
Director(PPD)

Tel.No. 2309 3811; email: kanwal.irss@gov.in

To

1. Secretaries of all Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities.
2. Secretary, Department of Public Enterprises with a request to immediately reiterate these orders in respect to public enterprises.
3. Secretary, Department of Financial Services with a request to immediately reiterate these orders in respect to public sector and public sector financial institutions.
4. Secretary DPIIT with a request to take action as provided under Annexure I.
5. Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.
6. CEO/ GeM with a request to ensure implementation of this order on GeM.

Schedule I

List of Category-I Sensitive sectors:

Sr.No.	Sector
(i)	Atomic Energy
(ii)	Broadcasting/ Print and Digital Media
(iii)	Defence
(iv)	Space
(v)	Telecommunications

Schedule II

List of Category-II Sensitive sectors:

Sr.No.	Sector
(i)	Power and Energy (including exploration/ generation/ transmission/ distribution/ pipeline)
(ii)	Banking and Finance including Insurance
(iii)	Civil Aviation
(iv)	Construction of ports and dams & river valley projects
(v)	Electronics and Microelectronics
(vi)	Meteorology and Ocean Observation
(vii)	Mining and extraction (including deep sea projects)
(viii)	Railways
(ix)	Pharmaceuticals & Medical Devices
(x)	Agriculture
(xi)	Health
(xii)	Urban Transportation

Schedule-III

List of Sensitive Technologies:

Sr.No.	Sensitive Technologies
(i)	Additive Manufacturing (e.g. 3D Printing)
(ii)	Any equipment having electronic programmable components or autonomous systems (e.g. SCADA systems)
(iii)	Any technology used for uploading and streaming of data including broadcasting, satellite communication etc.
(iv)	Chemical Technologies
(v)	Biotechnologies including Genetic Engineering and Biological Technologies
(vi)	Information and Communication Technologies
(vii)	Software

ANNEXURE I

Competent Authority and Procedure for Registration

- A. The Competent Authority for the purpose of registration under this order shall be/ continue to be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT)*. [This Committee was already constituted under Order (Public Procurement) No.1].
- B. The Registration Committee shall have the following members*:
- i. An officer, not below the rank of Joint Secretary, designated for this purpose by DPIIT, who shall be the Chairman;
 - ii. Officers (ordinarily not below the rank of Joint Secretary) representing the Ministry of Home Affairs, Ministry of External Affairs, and of those Departments whose sectors are covered by applications under consideration;
 - iii. Any other officer whose presence is deemed necessary by the Chairman of the Committee.
 - iv. With effect from 01.04.2023, an officer (ordinarily not below the rank of Joint Secretary) representing the National Security Council Secretariat.
- C. DPIIT shall lay down the method of application, format etc. for such bidders as covered by the Order.
- D. On receipt of an application seeking registration from a bidder covered by Para 2 and 3 of this order, the Competent Authority shall first seek political and security clearances from the Ministry of External Affairs and Ministry of Home Affairs, as per guidelines issued from time to time. Registration shall not be given unless political and security clearance have both been received.
- E. The Ministry of External Affairs and Ministry of Home Affairs may issue guidelines for internal use regarding the procedure for scrutiny of such applications by them.
- F. The decision of the Competent Authority, to register such bidder may be for all kinds of tenders or for a specified type(s) of goods or services, and may be for a specified or unspecified duration of time, as deemed fit. The decision of the Competent Authority shall be final.
- G. Registration granted by the Competent Authority of the Government of India shall be valid not only for procurement by the Central Government and its bodies specified in para 6 of this order, but also for procurement by State Governments and their agencies/ public enterprises etc. No fresh registration at the State level shall be required.
- H. The Competent Authority is empowered to cancel the registration already granted if it determines that there is sufficient cause. Such cancellation by itself, however, will

not affect the execution of contracts already awarded. Pending cancellation, it may also suspend the registration of a bidder, and the bidder shall not be eligible to bid in any further tenders during the period of suspension.

- I. For national security reasons, the Competent Authority shall not be required to give reasons for rejection/cancellation of registration of a bidder.

[*Note:

(i) In respect of application of the Order to procurement by/ under State Governments, all functions assigned to DPIIT shall be carried out by the State Government concerned through a specific department or authority designated by it. The composition of the Registration Committee shall be as decided by the State Government. However, the requirement of political and security clearance as per para D shall remain and no registration shall be granted without such clearance.

(ii) Registration granted by State Governments shall be valid only for procurement by the State Government and its agencies/ public enterprises etc. and shall not be valid for procurement in other states or by the Government of India and their agencies/ public enterprises etc.]

ANNEXURE II

Special Cases

- A. In projects which receive international funding with the approval of the Department of Economic Affairs (DEA), Ministry of Finance, the procurement guidelines applicable to the project shall normally be followed, notwithstanding anything contained in this order and without reference to the Competent Authority. Exceptions to this shall be decided in consultation with DEA.
- B. This order shall not apply to procurement by Indian missions and by offices of government agencies/ undertakings located outside India.
- C. This order will not apply to bidders (or entities) 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 on the website of the Ministry of External Affairs.
- D. Procurement of spare parts and other essential service support like Annual Maintenance Contract (AMC)/ Comprehensive Maintenance Contract (CMC), including consumables for closed systems, from Original Equipment Manufacturers (OEMs) or their authorized agents, shall be exempted from the requirement of registration.

ANNEXURE III

Model Clause/ Certificate/ Undertaking to be inserted in tenders etc.

[While adhering to the substance of the Order, procuring entities and GeM are free to appropriately modify the wording of the clause/ certificate based on their past experience, local needs etc.

The conditions relating to specified ToT (as shown in italics) should be incorporated only in the tenders which attract the restrictions due to specified ToT.]

A. Model Clauses for Tenders (including tenders issued manually or any electronic portal including GeM):

I. 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.*

II. "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.

III. "Bidder (or entity) from a country which shares a land border with India" for the purpose of this Order 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

IV. The beneficial owner for the purpose of (iii) above will be as under:

1. 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.

Explanation—

- a. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;
 - b. "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;
 2. 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;
 3. 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;
 4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
 5. 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.
- V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.
- VI. [To be inserted in tenders for Works contracts, including Turnkey contracts] 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.
- VII. The registration shall be valid at the time of submission of bid and at the time of acceptance of bid.
- VIII. If the bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution

Model Certificate for Tenders:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"

Model Certificate for Tenders for Works involving possibility of sub-contracting:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority and will not sub-contract any

work to a contractor from such countries unless such contractor is registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"

Model additional certificate by Bidders in the cases of specified ToT:

"I have read the clause regarding restrictions on procurement from a bidder having Transfer of Technology (ToT) arrangement. I certify that this bidder does not have any ToT arrangement requiring registration with the competent authority."

OR

"I have read the clause regarding restrictions on procurement from a bidder having Transfer of Technology (ToT) arrangement. I certify that this bidder has valid registration to participate in this procurement."

B. Model Certificate for GeM (to be taken by the GeM from seller during registration on GeM. GeM should also obtain this certificate from all existing bidders as soon as possible):

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this vendor/ bidder is not from such a country and does not have any specified Transfer of Technology (ToT) from such a country or, if from such a country or if having specified ToT from such a country has been registered with the Competent Authority. I hereby certify that this vendor/ bidder fulfills all requirements in this regard and is eligible to be considered for procurement on GeM. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"

ANNEXURE: A-5.10

(As per Railway Board letter no.: 2024/RS (G)/164/VIG/4 dated 27/05/2025)

FORMAT FOR CERTIFICATE TO BE SUBMITTED/ UPLOADED BY TENDERER ALONGWITH THE TENDER DOCUMENTS

I..... (Name and designation)**appointed as the attorney/ authorized signatory of the tenderer, M/s..... (hereinafter called the tenderer) for the purpose of the Tender documents for tender No. of(Railway)**, do hereby solemnly affirm and state on the behalf of the tenderer including its constituents as under:

1. I/we the tenderer (s) am/are signing this document after carefully reading the contents.
2. I/We the tenderer(s) also accept all the conditions of the tender and have signed all the pages in confirmation thereof.
3. I/we hereby declare that I/we have downloaded the tender documents from Indian Railway website www.ireps.gov.in. I/we have verified the content of the document from the website and there is no addition, no deletion or no alteration to the content of the tender document. In case of any discrepancy noticed at any stage i.e. evaluation of tenders, execution of contract or payment, the master copy available with the railway Administration shall be final and binding upon me/us.
4. I/we declare and certify that I/we have not made any misleading or false representation in the forms, statements and attachments in proof of the qualification requirements.
5. I/We also understand that my/ our offer will be evaluated based on the documents/ credentials submitted along with the offer and same shall be binding upon me/us.
6. I/We declare that the information and documents submitted along with the tender by me/ us are correct and I/we are fully responsible for the correctness of the information and documents, submitted by us.
7. I/we certify that I/we the tenderer(s) is/are not blacklisted or debarred by Railways or any other Ministry/ Department of Govt. of India from participation in tender on the date of submission of bids, either in individual capacity or as a HUF/ member of the partnership firm/ LLP/ JV/ Society/ Trust.
8. I/we understand that if the contents of the certificate submitted by us are found to be forged/ false at any time during process for evaluation of tenders, it shall lead to forfeiture of the EMD and may also lead to any other action provided in the contract including banning of business for a period of upto two year. Further, I/we (*insert name of the tenderer*) **.....and all my/our constituents understand that my/our offer shall be summarily rejected. Page 3 of 4
9. I/we also understand that if the contents of the certificate submitted by us are found to be false/ forged at any time after the award of the contract, it will lead to termination of the contract, along with forfeiture of Security Deposit and may also lead to any other action provided in the contract including banning of business for a period of upto two year.
10. I/We have read the clause regarding restriction on procurement from a bidder of a country which shares a land border with India and certify that I am/We are not from such a country or, if from such a country, have been registered with the competent Authority. I/We hereby certify that I/we fulfill all the requirements in this regard and am/are eligible to be considered (evidence of valid registration by the competent authority is enclosed).

SEAL AND SIGNATURE
OF THE TENDERER

Place:

Dated:

*The contents in Italics are only for guidance purpose. Details as appropriate are to be filled in suitably by tenderer.

Annexure: A-5.11: (6 Pages)



No. 2020/RS(G)/779/2 (E 3319159)

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

Sub: Concurrent application of Ministry of Micro, Small and Medium Enterprises
Procurement Order, 2012 and Public Procurement (Preference to Make in India)
(PPP-MII) Order, 2017

Ref: DoE OM No. F. 1/4/2021-PPD dated 18.05.2023.(copy enclosed)

Vide OM under reference above, DoE (MoF), had referred to two Preferential Procurement Orders mandated for the Public Procurement in India, namely:

- Public Procurement Policy for Micro and Small Enterprises (MSEs) Order dated 23.03.2012 (PPP-MSE Order) issued by Ministry of Micro, Small and Medium Enterprises (MoMSME) in exercise of the powers conferred in Section 11 of the MSME Development Act, 2006. (Last revised on 09.11.2018)
- Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII order), under Rule 153(iii) of the General Financial Rules (GFRs) 2017, approved by the Cabinet. Implementation of this PPP-MII order is monitored by Department for Promotion of Industry and Internal Trade (DPIIT). (Last revised on 16.09.2020.)

DoE has stated that concurrent application of these two orders were creating confusion to the procuring entities and different procuring entities interpret them differently. In order to bring predictability both to the procuring entities as well as bidders, these guidelines are being issued.

The same is being circulated for necessary action and compliance

This is issued with the concurrence of Finance dte. of Ministry of Railways

Encl: As above

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

No. 2020/RS(G)/779/2 (E 3319159)

Dated: 03.07.2023

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 Indian 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,
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. Gen., RPOF, Room No. 268., FROA, Room No. 256-D & AIRPOA, Room No. 256-D Rail
Bhavan

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




3.7.23

No.F. 1/4/2021-PPD
Government of India
Ministry of Finance
Department of Expenditure
Public Procurement Division

264-C, North Block, New Delhi.
18.05.2023.

OFFICE MEMORANDUM

Subject: Concurrent application of Public Procurement Policy for Micro and Small Enterprises Order, 2012 and Public Procurement (Preference to Make in India) Order, 2017.

The undersigned is directed to refer two Preferential Procurement Orders mandated for the Public Procurement in India, namely:

- i. Public Procurement Policy for Micro and Small Enterprises (MSEs) Order dated 23.03.2012 (PPP-MSE Order) issued by Ministry of Micro, Small and Medium Enterprises (MoMSME) in exercise of the powers conferred in Section 11 of the MSME Development Act, 2006. (Last revised on 09.11.2018)
- ii. Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII order), under Rule 153(iii) of the General Financial Rules (GFRs) 2017, approved by the Cabinet. Implementation of this PPP-MII order is monitored by Department for Promotion of Industry and Internal Trade (DPIIT). (Last revised on 16.09.2020.)

2. It has been brought to the notice of this Department that concurrent application of these two orders are creating confusion to the procuring entities and different procuring entities interpret them differently. In order to bring predictability both to the procuring entities as well as bidders, following guidelines are being issued.

Guidelines

3. The Class-I local suppliers, under PPP-MII Order, participating in any government tender, may or may not be MSEs, as defined under the MSME Act. Similarly, MSEs participating in any government tender, may or may not be Class-I local suppliers. Suppliers may be categorised in following four broad categories for consideration or applicability of purchase preference:

Category	Terminology
Supplier is both MSE & Class-I local supplier.	"MSE Class-I local supplier"
Supplier is MSE but not Class-I local supplier.	"MSE but non-Class-I local supplier"
Supplier is not MSE but is Class-I local supplier.	"Non-MSE but Class-I local supplier"
Supplier is neither MSE nor Class-I local.	"Non-MSE non-Class-I local supplier"

4. The applicability of PPP-MSE Order and PPP-MII Order in various scenarios, involving simultaneous purchase preference to MSEs and Class-I local suppliers under PPP-MSE Order and PPP-MII Order respectively, shall be as under:

- a) *Items covered under Para 3(a) of PPP- MII Order, 2017 for which Nodal Ministry has notified sufficient local capacity and competition:* For these items, only Class-I local suppliers are eligible to bid irrespective of purchase value. Hence, Class-II local suppliers or Non-local suppliers, including MSEs which are Class-II local suppliers/ Non-local suppliers, are not eligible to bid. Possible scenarios can be as under:
 - (i) L-1 is "MSE Class-I local supplier" - 100% of the tendered quantity is to be awarded to L-1.
 - (ii) L-1 is "Non-MSE but Class-I local supplier" - Purchase preference is given to MSEs as per PPP-MSE Order. Balance quantity is to be awarded to the L-1 bidder.
- b) *Items reserved exclusively for procurement from MSEs as per PPP-MSE Order:* These items are reserved exclusively for purchase from MSEs. Hence, non-MSEs are not eligible to bid for these items. Possible scenarios can be as under:
 - (i) L-1 is "MSE Class-I local supplier" - 100% of the tendered quantity is to be awarded to L-1.
 - (ii) L-1 is "MSE non-Class-I local supplier" - Purchase preference is to be given to Class-I local supplier as per PPP-MII Order. Balance quantity, is to be awarded to L-1 bidder.
- c) *If items are neither notified for sufficient local capacity nor reserved for MSEs, then the process will be as follows:*
 - a) *Items covered under Para 3A(b) of PPP-MII Order are divisible items and both MSEs as well as Class-I local suppliers are eligible for purchase preference. Possible scenarios can be as under:*
 - (i) L-1 is "MSE Class-I local supplier" - 100% of the tendered quantity is to be awarded to L-1.
 - (ii) L-1 is "Non-MSE but Class-I local supplier" - Purchase preference is to be given to MSEs, if eligible, as per PPP-MSE Order. Balance quantity is to be awarded to L-1 bidder.
 - (iii) L-1 is "MSE but non-Class-I local supplier" - Purchase preference is to be given to Class-I local suppliers, if eligible, as per PPP-MII Order. Balance quantity is to be awarded to L-1 bidder.
 - (iv) L-1 is "Non-MSE non-Class-I local supplier" - Purchase preference is to be given to MSEs as per PPP-MSE Order. Thereafter, purchase preference is to be given to Class-I local suppliers for "50% of the tendered quantity minus quantity allotted to MSEs

above" as per PPP- MII Order. For the balance quantity, contract is to be awarded to L-1 bidder. (Kindly refer to the illustrative example in the annexure).

- c (b) Items covered under Para 3A(c) of PPP-MII Order, 2017 are non-divisible items and both MSEs as well as Class-I local suppliers are eligible for purchase preference. Possible scenarios can be as under:
- (i) L-1 is "MSE Class-I local supplier" - Contract is awarded to L-1.
 - (ii) L-1 is not "MSE Class-I local supplier" but the "MSE Class-I local supplier" falls within 15% margin of purchase preference - Purchase preference is to be given to lowest quoting "MSE Class-I local supplier". If lowest quoting "MSE Class-I local supplier" does not accept the L-1 rates, the next higher "MSE Class-I local supplier" falling within 15% margin of purchase preference is to be given purchase preference and so on.
 - (iii) If conditions mentioned in sub paras (i) and (ii) above are not met i.e. L-1 is neither "MSE Class-I local supplier" nor "MSE Class-I local supplier" is eligible to take benefit of purchase preference, the contract is to be awarded/ purchase preference to be given in different possible scenarios as under:
 - A. L1 is "MSE but non-Class-I local supplier" or "Non-MSE but Class-I local supplier" – Contract is awarded to L1.
 - B. L1 is "Non-MSE non-Class-I local supplier" - First purchase preference to be given to MSE as per PPP-MSE Order. If MSE not eligible/ does not accept - purchase preference to be given to Class- I Local supplier as per PPP-MII Order. If Class-I Local supplier also not eligible/ does not accept – contract to be awarded to L-1.
- d) *Items reserved for both MSEs and Class-I local suppliers:* These items are reserved exclusively for purchase from MSEs as well as Class-I local suppliers. Hence, only "MSE Class-I local supplier" are eligible to bid for these items. Non-MSEs/Class-II local suppliers/ Non-local suppliers cannot bid for these items. Hence the question of purchase preference does not arise.
- e) Non-local suppliers, including MSEs falling in the category of Non-local suppliers, shall be eligible to bid only against Global Tender Enquiry.


(Kanwalpreet)
Director

Tel.: -223093811; email: - kanwal.irss@gov.in

To

1. Secretaries of all Central Government Ministries/ Departments.
2. Secretary Department of Public Enterprises with a request for issuing suitable instructions to all Central Public Sector Enterprises in this regard.

Annexure

Example explaining applicability in scenario explained in para 4 c (a)(iv)

(Scenario: Divisible items, both MSEs as well as Class-I local suppliers eligible for purchase preference and L-1 is "Non-MSE non-Class-I local supplier")

Item – Desktop computer

Qty – 50 Nos.

Details of bids received

Sr. No.	Name of bidder	Rates quoted	Price Ranking	Status of bidder
1.	A	100	L1	"Non-MSE non- Class-I local supplier"
2.	B	110	L2	"Non-MSE but Class-I local supplier"
3.	C	112	L3	"MSE but non- Class-I local supplier"
4.	D	115	L4	"Non-MSE but Class-I local supplier"
5.	E	118	L5	"MSE but non- Class-I local supplier"
6.	F	120	L6	"MSE Class-I local supplier"

1. In this case, first purchase preference is to be given to MSEs as per PPP-MSE Order for 25% of tendered quantity of 50 Nos. i.e. 12.5 Nos. (rounded off to the next whole number say 13 Nos). Accordingly, invite L3 (bidder C), whose quoted rates falls within 15% margin of purchase preference to match L1 price i.e. Rs. 100/- for quantity of 13 Nos. Bidder "E" and "F", although MSEs, will not get purchase preference since their quoted rates don't fall within 15% margin of purchase preference. Bidder C will be considered for order of 13 Nos. on confirmation of reduction of price.
2. For 50% of balance quantity of 37 number (tendered quantity of 50 – 13 awarded to bidder C, assuming bidder C has confirmed to accept L1 rates), purchase preference will be given to lowest Class-I local supplier as per PPP-MII Order. Accordingly, bidder B will be invited to match L-1 price for 50% of 37 Nos i.e. 18.5 (say 19 Nos of computers). If bidder "B" does not accept the L1 price i.e. price of Rs. 100/- per unit, next higher Class-I local supplier falling within 20% margin of purchase preference, i.e. bidder "D", may be invited to match L-1 price for 19 Nos. of computers and so on.
3. For remaining quantity i.e. 18 Nos (50-13-19), the contract will be awarded to lowest quoting bidder i.e. Bidder "A", who is L-1 in the example.
