

NOTE:

1. Tenderers are required to refer to the Instructions to Tenderers for e-Tenders
2. These conditions will be applicable for Tenders published on or after the date of uploading of new/revised conditions.
3. **Revised Indian Railway Standard (IRS) Conditions of Contract-September 2022 Version 1.0"** with latest updations will be applicable for the tenders.

1.0 Acceptance of the Offers:

The Controller of Stores is not bound to accept the lowest or any offer nor to assign any reason for doing so and reserve to himself the right to accept any offer in respect of the whole or any portion of the item specified in the tender and contractor shall be required to supply at the rate quoted.

- 1.1. Railways reserves the right to cancel the tender for full or part quantity tendered without assigning any reason. The rates quoted by the tenderers for the full quantity would be taken as valid.

2.0 Splitting of tendered quantity:**2.1 Case of no prior decision to split the order -**

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

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

- 2.1.2 In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 2.2.2. below.

Signature Not
Verified

Digitally signed by
DUVVORI LAKSHMI
NARASIMHA
PRABHAKAR
Date: 2023.02.23
13:07:39 IST
Reason: IREPS-CRIS
Location: New Delhi

2.2 Case of pre-decided split ordering:

- 2.2.1 Railway may decide in advance to have more than one source of supply on account of delivery requirement in tender, past performance and capability of bidders, quantity under procurement and vital/safety nature of items.
- 2.2.2 Following provisions (2.2.2(A) to 2.6) shall be applicable in all such cases of pre-decided split ordering –
- A. The Purchaser reserves the right to distribute the procurable quantity on one or more of the eligible tenderers. Zone of consideration of such eligible tenderers will be the right of the Purchaser. The zone of consideration will be a dynamic mix of inter-se position of firms, supply performance of the firms, quantity being procured, critically of and lead time of supply of the item, number of established suppliers, their capacity etc.
- B. Whenever such splitting of the procurable quantity is made, the quantity distribution will depend (in an inverse manner) upon the differential of rates quoted by the tenderers (other aspects i.e. adequate capacity-cum-capability, satisfactory past performance of the tenderers, outstanding orders load for the Railway making the procurement, quoted delivery schedule vis -a -vis the delivery schedule incorporated in the tender enquiry etc., being same/similar) in the manner detailed in the table below:

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

In the phrase 'differential rates quoted by the tenderer', the quoted rate would mean

- (i) When no price negotiation has been called for, the original rates as obtained at the time of tender opening. However, the rate of the highest eligible tenderer within the zone of consideration has to be per se reasonable.
- (ii) When price negotiation has been called for, the reference L1 rate for assessment of ration will be the original rate of L1 firm (suitable for bulk quantity) – say firm "A" - as obtained at the time of tender opening.

B (l) If splitting of quantity is required to be done by ordering on tenderers higher than the L2 tenderer, then the quantity distribution proportion amongst the tenderers will be decided by transparent/logical/equity based extrapolation of the model as indicated in above Para.

2.2.3 In cases of pre-decided splitting if the purchaser decides not to split the ordered quantity, the reason for the same should be recorded in TC minutes/acceptance in direct acceptance cases.

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

As the Rly. has entered into ToT/JV agreement with.....no.of firms, they reserve the right to place orders on all such ToT/JV agreement partners. However, for ratio/proportion of quantity distribution among such agreement partners, conditions as detailed in Para 2.2.2 (b) shall apply with the exception that the aspect of 'per-se reasonability' will not be applicable.

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

2.7 Quantity Option Clause:

For the tenders valuing Rs.1.5Cr and above. The purchaser shall be entitled to vary the order quantity upto(+) 30% anytime within the delivery period(including extended delivery period) on the same terms and conditions. The increase in quantity with respect to the tender quantity can be done even at the time of ordering and the tenderer shall be bound to accept the quantity so ordered on the basis of his original offer. The purchaser shall be entitled to exercise (+) 30% option clause in one or more than one instalment as long as the total variation in quantity does not exceed the limit of 30% of ordered quantity.

3 Procurement from Approved Sources :

3.1. Approved by RDSO/CLW/BLW/RCF/ICF/MCF/CORE etc as available on UVAM.

3.1.1. Wherever necessary, as per policy of procurement, bulk purchases will be made only from those firms who are appearing as Approved Vendors of RDSO/CLW/BLW/RCF/ICF/MCF/CORE etc. as available on UVAM only. The status of the firm will be reckoned as on the date of tender opening.

3.1.2. However, cases of downgrading/removal/suspension/banning etc. after Opening of tender shall be taken into account while considering the offers.

3.1.3 (a) Wherever, Vendor Approving Agency. Has assessed the capacity cum capability of the firm and has cleared the source as Developmental Vendor for placement of developmental orders, developmental order upto 20% of NPQ may be placed on such sources subject to their name appearing as Developmental Vendors of RDSO/CLW/BLW/RCF/ICF/MCF/CORE etc. as available on UVAM as on date of opening.

(b) Where there are not more than three Indian Suppliers categorized as Approved Vendors 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 and Such orders shall be treated as bulk orders.

A supplier or bidder shall be considered to be from India if

- i) The entity is incorporated in India, or
- ii) A majority of its shareholding or effective control of the entity is exercised from India, or
- iii) more than 50% of the value of the item being supplied has been added in India.

3.1.4 The firms who are not appearing in UVAM as Approved/Developmental Vendors of RDSO/CLW/BLW/RCF/ICF/MCF/CORE etc will not be considered for ordering.

However, such firms willing to supply the tendered item, are advised to approach the concerned Vendor Approving agency for getting their name registered as approved/developmental vendor.

4.1 Purchase / Price Preference Clause:

The purchaser reserves the option to give a purchase / price preference to the offers from Public Sector units and /or from Small Scale/Cottage Industries Units, over those from other firms, in accordance with the policies of the Govt. from time-to-time. The price preference above cannot

however, be taken for granted and every endeavor need be made by them to bring down cost and achieve competitiveness.

5. Quotations for Imported items:

5.1 Quotations in Foreign Currency:

5.1.1. Please note that, in case of Quotations in Foreign Exchange the firms should quote on FOB basis.

5.1.2. Any additional expenditure incurred by the purchaser on account of increased Custom Duty, Freight charges as also extra cost which may arise on account of Variation in Exchange rate during the extended delivery schedules, shall be borne by the Contractor.

5.2 Imported Stores offered by Indian Agents in Indian Currency:

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

1. To quote with tender specific authorization from the foreign manufacturer.
2. (i) While quoting on behalf of foreign principals tenderers are required to furnish the principal's invoice/ proforma invoice along with their quotation.
(ii) Proforma invoices however, may be accepted in exceptional cases where, it is not possible to obtain the invoices before the contract is placed.
3. The tenderer shall have to undertake in the tender to comply with the following
 - (a) Consent to furnish copy of customs out passed bill of entry for the goods, relevant to each consignment Manufacturer's Test and Guarantee certificate issued by the manufacturer, Copy of Bill of Lading/AWB relevant to the consignment; Copy of commercial invoice of the foreign manufacturer/principals relevant to each consignment.
 - (b) Current and valid authorization/dealership certificate of foreign manufacturer/principal.
 - (c) Compliance of sea/air worthy packing condition in manufacturer's original packing with manufacturer's tamper proof seal and compliance of the Packing condition as laid down in IRS Conditions of Contract Para- 1800. Failure to comply with any of the aforesaid conditions as referred above will make the offer liable to be rejected.

4. Tenderer has to indicate the following while submitting the offer:

- (a) The precise relationship between the foreign manufacturer/principal and their agents/associates.
- (b) The mutual interest which the manufacturer/principal and the Indian agent/associates have in business of each other is to be indicated.
- (c) Indian agent's Permanent Account Number is to be indicated.

5. Any additional expenditure incurred on account of Customs Duty and exchange Rate variation during pendency of the Contract will be on contractor's account.

6. For bearings manufactured in foreign countries, Visual inspection by RITES inside India after receipt is acceptable with import documents and original manufacturer's test and Warranty/ Guarantee certificate. Firm should consent to deposit security money as per IRS conditions for due execution of the contract if asked to do so. This is irrespective of the fact whether the firm is registered with this Railway or not.

6. Payment Terms:

- 6.1. Payment for the stores or each consignment thereof will be made to the contractor on submission of bill accompanied by the prescribed documents mentioned in the contract.
- 6.2. 95% payment for the stores or each consignment thereof will be made against Inspection Certificate and proof of dispatch. For dispatch of material by road, it is the challan of the supplier duly certified by the consignee Gazetted Officer towards receipt of material at consignee's end will constitute the proof of dispatch for the purpose of payment. For rail dispatch, clear and unqualified RR/PWB may be considered as the proof of dispatch.
- 6.3. For balance 5%, payment will be made on receipt and acceptance of stores by the consignee, signified by granting of Receipt Note. In other words, balance 5% payment shall be made against Receipt Note.
- 6.4. However, in this connection it is to be made clear that for orders valuing upto Rs.5 lakhs, no advance payment will be made and only 100% payment will be made against receipt and acceptance of the material by the consignee i.e., against Receipt Note.
- 6.5. In deserving cases, 98% / 2% payment can also be considered within the framework of extant rules and procedures.

- 6.6. For Machinery & Plant items: 80% payment will be allowed after receipt of the machine in good and acceptable condition at consignee's end against inspection certificate and the supplier's challan certified by the consignee Gazetted Officer. Balance 20% payment will be made on successful installation, commissioning and testing of the machine and also furnishing of a Bank Guarantee towards warranty obligations of the contractor for 10% of the value of the machinery or plant.
- 6.7. Discounts / rebates linked with early payment and / or early granting of Receipt Note etc within specified days will not be considered for determination of inter-se ranking of the offers. However, the Railways reserves the rights to avail themselves of such rebates / discounts.
- 6.8. **For MSME Firms:**
- i) 100% payment on or before 45th day from the date of delivery of goods/services along with inspection certificate at the nominated place/Depot in good condition by the consignee.
 - ii) Where the department makes any objection in writing regarding acceptance of goods or services within fifteen days from the date of the delivery of goods at the nominated place/Depot, the 100% payment will be made on or before the 45th day from the day on which such objection is removed by the employer.
 - iii) If a micro or small enterprise firm has not submitted any documentary evidence along with the tender documents to prove its status of micro or small enterprise, it would not be admissible to claim any benefit under the MSMED Act 2006 against the orders placed in this tender.
- 6.9. **Sl.No.6.9: Mode of payment through Letter of Credit(LC) as option in Supply/Works contracts: (APPLICABLE ONCE IMPLEMENTED)**
- 1. Ministry of Railways has decided that henceforth, all Tenders invited by Zonal Railways and Production Units, both for Supplies/ Works (including all service and maintenance contracts), having estimated value of Rs 10 lakhs and above, shall include in tender conditions, an option for the supplier/contractor to take payment from Railways through a letter of credit (LC) arrangement. This would be subject to the following:
 - (i) The bidder, at the time of bidding itself, shall exercise an option in writing, in favour of taking payment due against the said tender, through LC arrangement.

- (ii) The option so exercised, shall be an integral part of the bidder's offer. Option once exercised shall be final and no change shall be permitted, thereafter, during the course of execution of contract.
 - (iii) The incidental cost towards issue of LC and operation thereof (LC operating charges, including bank charges for opening of LC) shall be borne by the supplier/contractor.
 - (iv) The above arrangement should be made a part of the Tender conditions and Contract conditions.
 - (v) The LC will be a sight LC.
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2. The Banker for Railways for the ensuing one year, for opening domestic letters of credit shall be State Bank of India through its branches. The arrangement would cover all such contracts finalized against tender issued in the said year and shall extend till final execution of these contracts.
 3. The schedule of payment liability arising in the contract shall be established by the Railways based on the prescribed delivery schedule/stages of supply/work, in consultation with supplier/contractor. The Railway's Banker should also be involved in the process to assess value of LC and terms and conditions of LC.
 4. The LC condition of Railways shall inter-alia provide that Railways will issue a Document of Authorization (format enclosed as Ann 1) on claims preferred by supplier/contractor, for completed Work/Supply to enable them to claim the authorized amount from their Banker. The Document of Authorization will be issued against each Bill submitted for payment by supplier/contractor, after exercising laid down checks as per Railways' Codes and Manuals, in executive and accounts branches. The Accounts Officer responsible for passing the claim will issue the Document of Authorization. Issue of Document of Authorization will be captured in IPAS and IREPS to ensure that there is no duplicate payment against the said Bill and also to enable the supplier/contractor to view status of the claim. The Letter of credit signed between the bank and Railway should specifically mention that any excess/wrong payment made by the bank and later detected by the Railways, will be recovered from the bank.
 5. The Railways will ensure that Document of Authorization is generated well within the time prescribed. Non-issue of Document of Authorization must be communicated, with reasons thereof, to concerned supplier / contractor electronically.

6. The supplier/contractor will present the Document of Authorization to his/her Banker for necessary payments as per LC terms and condition. After release of payment to the supplier, the banker of the supplier/Contractor will send this Document to the Railways' Banker for release of payment to them (supplier's Banker). The Railway's Banker will reimburse, claim made by Banker of supplier/contractor, against original Document of Authorization after verifying signatures of authorized signatory of Railways and Bill of Exchange issued by contractor/supplier.
7. The LC charges paid by the Railways for opening and operation of LC shall be charged to the relevant expenditure head:

| | |
|---------------------------------------|-----|
| Misc Advance (LC charge paid to bank) | Dr |
| Misc Adv ST (IGST/CGST/SGST) | Dr. |
| Cheques & Bills | Cr |

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

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

| | |
|--------------------------------------|----|
| Relevant Expenditure head Misc. Adv. | Cr |
| Misc. Adv. | Cr |

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

| | |
|-------------------------|----|
| Sundry Other Earnings - | Cr |
|-------------------------|----|

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

| | |
|------------------------------------|-----|
| Demands Payable/ Misc Advance Cap* | Cr. |
|------------------------------------|-----|

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

An invoice shall be issued against party for collecting the incidental charges at the time of issue of Document of Authorization.

9. The reimbursement procedure in case of accredited banks selected as Railways' banker will be directly debiting the amount to the government account through scrolls. In case of non-accredited banks, the Accounts Officer concerned while authorizing a non-accredited bank to open LC will send copy of their letter to RBI/ Public Accounts Department / Mumbai and after verification/checks regarding authorization, RBI/ PAD will forward the papers to RBI/ CAS/ Nagpur with appropriate instructions for debiting Govt. account and make reimbursement to the paying bank on demand. After making the payment, the non-accredited bank authorized to open LC will send documents and also Accounts Officer's letter in original to RBI/CAS /Nagpur for debiting Govt account and getting reimbursement. After making payment to the party, the paying bank will also send a copy of the scrolls/documents to the PAO who issued the authorization for opening of LC. A copy of the scroll will also be send to Local Point Branch of the bank for settlement and reporting as per extant system in vogue. The scroll should contain LCDA no. on scroll to facilitate reconciliation. Daily MIS thereof shall also be sent to CRIS.
10. On receipt of debit scrolls /documents, the Accounts Office will conduct necessary checks and debit Demands Payable /Misc. Advance (Cap) by credit to suspense head 8660-PSB Suspense. This suspense will be cleared by the Accounts Officer on receipt of the clearance memo from CAS/Nagpur.
11. The Railways will get confirmation from their Banker once the payment is released to supplier's/contractor's Banker. Acknowledgment will be placed in Purchase Order/Contract file and Contractors ledger and works Register/ Purchase Suspense Ledger will be updated accordingly.
12. It is expected that Railways would see reduction in rates offered in works and supply contract. The impact of release of payment through LC should, therefore, be evaluated after a year and reported to Board for appraisal.
13. Necessary modifications in General Conditions of Contract and IRS condition of contract, relevant Railway Codes will follow. Relevant applications viz IREPS, IPAS including integration with SBI software and protocol thereof are being carried out. Once these modifications are made, this pilot initiative will apply on all Notice inviting Tenders (NIT) of stores/ works/ services for tenders having value of Rs.10 lakh and above, w.e.f. April/ 2018.

Sl.No.6.9.14 Instructions for tenderers on LC mode of Payments.

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

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

payable/borne by Railways on this account shall be considered as reasonable compensation and paid by Contractor/vendor.

7. Inspection Clause:

(a) Material peculiar to Railways such as parts and fittings of rolling stock except raw material, which have been found rectified during inspection and which could not be rectified, are required to be defaced by the inspecting authority to avoid recycling of such rejected material and to avoid ultimate failures to assets. All such rejected materials peculiar to Railways should be mechanically defaced to prevent sale to Railways again.

(b) (i) Material to be pre-inspected by RDSO or RITES at Railways option, or as stated in this Tender Enquiry. Tenderers are requested to quote, to quote accordingly. At a later date any request for change in inspection clause will not be considered.

ii) In case the firm fails to offer the material for inspection against call issued to the inspecting agency or if the material has to be re-inspected due to rejection of the material at firm's premises by the inspecting agency or due to non-dispatch of material within validity of Inspection Certificate then 50% of the inspection charges applicable for the offered quantity subject to maximum of Rs 5,000/- and actual cost of the test charges incurred will be paid by the supplier to the inspecting agency.

(iii) Traders/ authorized agents are required to offer material for inspection at manufacturer's premises only. Inspection of materials at Godowns etc will not be accepted.

(c) Final inspection and acceptance of the supplied material will be done by the Consignee after receipt of the material.

(d) The rejected material for exclusive use of Railways will be defaced to ensure that the rejected item are not recycled and supplied to other Railways or purchasers.

7.1. Statutory Variation Clause:

Statutory Variation Clause is applicable on all Statutory levies such as Duties, Taxes etc. during the Original Currency of Contract subject to production of documentary evidence.

7.2. The Tenderer should submit Service Tax Registration Certificate indicating Service Tax Registration number (STRN) along with the Tender.

7.3. **Operationalization of Engagement of Third-Party Inspection (TPI) agencies:** to be attached with all the tenders to ensure compliance of Railway Board instruction as per Annexure –III

8. Terms of Delivery:

- (a) Mode of dispatch should be preferably by road.
- (b) Suppliers should clearly quote-FOR Conditions i.e. station of dispatch or destination. If firm's offer is FOR Destination then applicable freight charges should be clearly indicated.
- (c) Transit Insurance for risk in transit should be arranged by the supplier, since risk in transport in all such cases rests with the supplier.
- (d) The firms who offer to dispatch the Stores by Road on FOR Station of Despatch basis, but freight prepaid up to the Destination may seek reimbursement of such freight charges. Such reimbursement shall be made at actual and against documentary evidence within the upper ceiling of Freight charges as indicated by them or Rail freight by Passenger Train whichever is lower. However for evaluation of Offers, it is the quoted Freight which will be considered.

9. Delivery Schedule:

- (a) The tenderers are to note the Railway's required delivery schedule given in the Tender schedule/ Offer Form and quote accordingly. Vague Delivery terms like 2/ 32 weeks etc must be avoided and if quoted will be taken as commercially unresponsive to railway's requirement.

(b) Failure and Termination:-

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

- i) Recover from the Contractor as agreed liquidated damages and not by way of penalty a sum equivalent to $\frac{1}{2}$ (half) per cent of the price of any goods (including elements of taxes, duties, freight, etc.) which the Contractor has failed to deliver within the period fixed for delivery in the contract for each week or part of a week during which the delivery of such goods may be in arrears where delivery thereof is accepted after expiry of the aforesaid period. Upper limit for recovery of liquated Damages in Supply Contracts will be 10 % (Ten Per cent) of value of delayed supplies irrespective of delays, unless otherwise provided, specifically in the contract, or
- ii) without prejudice to the Purchaser's right to record adverse performance of the contractor for taking appropriate administrative action, cancel the contract or a portion thereof and forfeit the security deposit.

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

10. Cartel Formation:

- a) Whenever all or most of the approved firms quote equal rates and cartel formation is suspected, Railways reserves the right to place order on one or more firms with exclusion of the rest without assigning any reason thereof.
- b) Firms 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 Cartel Formation is suspected. Railways however reserve the right to order on one or more firms any quantity.
- c) The firms who quote in cartel may be warned that their names are likely to be deleted from list of approved sources.
- d) Whenever tender is floated with purchase restriction from sources approved by nominated authorities and there exists a suspected Cartel situation by approved sources or the rates available from approved source/Sources are adjudges unreasonably high, despite fair efforts as permissible, the purchaser reserves the right to place orders on firms outside the approved vendors list, without any restrictions.

11. Time for making Risk Purchase:

Whereas this will be governed by the relevant clauses of IRS Conditions of Contract, such Risk Purchase shall be made within 9 months from the date of breach of Contract.

12. Warranty Bank Guarantee:

For items like machinery and Plant, Costly equipment, capital Spares , the tenderer will have to furnish a warranty Bank Guarantee of 10% of Material value to cover their warranty obligation. The Format of the Warranty bank guarantee is enclosed herewith.

13. Marking of Material Supplied:

The tenderer should agree to indicate the Manufacture's Name, Month and Year of manufacturing 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.

14. Procurement from Manufacturers authorized agents/ Distributors:

Only Manufacturers or their authorized dealers/ distributors need to quote with Tender specific authorization from the manufacturers failing which offers are liable to be ignored. Where a manufacturer appoints an agent or a distributor on the basis of a written agreement with him for a specific territory or specific set of items, he shall give an undertaking to the following effect.

1. Inspection by RITES/RDSO at the manufacturing premises of the relevant manufacturer. RITES/RDSO shall categorically confirm in the Inspection Certificate, that inspection of the material has been actually made in the manufacturing premises of the manufacturers and not in the ware house/ godown. Shop of the dealer.
2. Direct dispatch from the premises of the manufacturer to the Railways consignee after inspection and acceptance by RITES/RDSO.
3. Submission of manufacturer's Test and Guarantee Certificate with each lot of supplies.
4. The authorised agents/distributors price will not exceed that which the manufacturer would have quoted.

14(5)(a)(i) In a tender, either the Indian agent on behalf of the /OEM or Principal/OEM itself can bid but both cannot bid simultaneously for the same item/Product in the same tender.

ii) In a tender, if Indian agent on behalf of the Principal/OEM or Principal/OEM bids simultaneously for the same item/product in the same Tender, then both the offers will be considered ineligible and will be Summarily rejected.

b)(i) If an agent submits bid on behalf of the Principal/OEM, the same agent shall not submit a bid on behalf of another Principal/OEM in the same tender for the same item/product.

(iii) If an agent submits bids on behalf of the Principal/OEM and also on behalf Of another Principal/OEM in the same tender for the same item/Product, then Both offers will be considered ineligible and will be summarily rejected.

(c) In view of the above, Manufacturer may note that an agent can represent only One firm in a tender and any manufacture cannot submit more than one offer Against a tender through different sole selling agents or one offer directly and Other offers through sole selling agents, in other words, in a tender, either the Indian agent on behalf of the Principle/OEM or Principal/OEM itself can bid but both cannot bid simultaneously for the same items/product in the same tender. In such a situation all the offers will be rejected. Also a “100% Indian Subsidiary” of the the foreign firm cannot bid through another agent. The Relation between the Principal/OEM & Agent or Indian Subsidiary(100% or Otherwise) should be contractually established and clear.

(d) The above conditions shall apply for all types of Tenders.

(e) The Proforma for Tender specific Authorisation from Manufacturers to be uploaded as per Annexure-II.

15. Benefits of MSE/Startups(whether Micro & Small Enterprises(MSEs) or otherwise as per Public Procurement Policy.

The Public Procurement Policy envisages extending certain benefits / preferential treatment to MSEs and making efforts for development of appropriate vendors and enhancement of their participation in government procurements. In order to avail themselves of such benefits and preferential treatment, the MSEs must be registered with any of the following:-

- (i) Udyam Registration.
- (ii) Udyog Aadhar Memorandum (valid upto 31.03.2022 or as extended by Ministry of Ministry of Micro, Small & Medium Enterprises)

In pursuance of the Public Procurement Policy on MSE, it has been decided that

- (i) Tender sets will be provided free of cost to MSEs registered with the above agencies for the item tendered.
- (ii) MSEs registered with the above agencies for the item tendered will be exempted from Payment of Earnest Money.
- (iii) In tenders, participating MSEs quoting a price within price band of L1 + 15% shall be allowed to supply a portion of the requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSEs can be together ordered upto 25% of the total tendered value.

(iv) a) Quantity reserved for ordering on MSE Vendors under the MSMED Act 2006 has been enhanced to 25% against the existing 20%

b) The sub-target for procurement from MSEs owned by SC/ST shall remain at 4% and for MSEs owned by Women the sub-target shall be 3% out of the total 25%.

(b)(I) MSEs who are interested in availing themselves of these benefits have to enclose with their offer the proof of their being MSE registered with any of the agencies mentioned in the notification of Ministry of MSME as indicated below.

(i) Udyam Registration.

(ii) Udyog Aadhar Memorandum (valid upto 31.03.2022 or as extended by Ministry of Ministry of Micro, Small & Medium Enterprises)

(b) (II) Firm failing to submit the information as indicated in Para **15 (iv)(b)(I)** above, such offers will not be liable for consideration of benefits detailed in Revised FAQs in respect of Public Procurement Policy for MSEs Order, 2021 issued/circulated vide Ministry of Micro, Small & Medium Enterprises Office memorandum No.F.No.1(3)/2018-MA.Part-III dtd.27.01.2022.

(c) (i) In exercise of Para 16 of Public Procurement Policy for Micro and Small Enterprises order 2012, the condition of prior turnover and prior experience with respect to Micro and Small Enterprises in all Public Procurement is relaxed subject to meeting of quality and technical specifications.

(ii) Prior turnover and prior experience in Public Procurement to all Startups (whether Micro & Small Enterprises (MSEs) or otherwise) is relaxed, subject to meeting of quality and technical specifications in accordance with the relevant provisions of GFR 2017 or as amended latest

(iii) However, there may be circumstances (like procurement of items related to Public safety, health, critical security, Operation and equipments etc.) where procuring entities may prefer the vendors to have prior experience rather than giving orders to new entities. For such procurement, wherever adequate justification exists, the procuring entities may not relax the criteria of prior experience/turnover for the startups.

16. Payment through NEFT/RTGS:

National Electronic Fund Transfer is mandatory from 01-01-2008. No Registration/Renewal of firms will be granted without NEFT system after 01-01-2008. All payments after 01-04-2008 are made only through NEFT/RTGS. Firms have to fill and attach the Mandate form (as per Annexure – B) along with their offers, if not already executed. Purchase Order will not be issued without mandate forms duly filled and attached scanned copy duly signed by the Authorized Representative.

17. Force Majeure Clause:

Force Majeure is an event beyond the control of the Supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts and freight embargoes. This should not be used by a party to effectively to escape liability for bad performance.

If there is delay in performance or other failures by the supplier to perform its obligation under the contract due to event of a Force Majeure, the supplier shall not be held responsible for such delays/failures.

If a Force Majeure situation arises, the supplier shall promptly notify the purchaser in writing of such conditions and the cause thereof within 21 days of occurrence of such event with reasonable evidence thereof.

Unless otherwise directed by the Purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

If the performance in whole or in part or any obligation under the contract is prevented or delayed by any reason of Force Majeure for a period exceeding 60 days, either party may at its option terminate the contract without any financial repercussion on either side.

"There may be a Force Majeure situation affecting the purchase organization only. In such a situation the purchase organization will take up with the supplier on similar lines as mentioned above. "

18. Requirement of BIS Certification for raw Materials:

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

should be demonstrated by the vendor/supplier/ Contractor on the item or its salvage, which should be available in vendor's Premises.

19. Case where L1 Bidder withdraws:

If the bidder, whose bid has been found to be the lowest evaluated bid withdraws Or whose bid has been accepted, fails to sign the procurement contract as may be Required, or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, the procuring Entity shall cancel the procurement process. Provided that the Procuring Entity, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may for cogent reasons to be recorded in writing, offer the next successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.

20.1. Technical Bid and Initial Price Offer:

- i) **Bidder will be simultaneously required to submit a Technical & Commercial Bid and Initial Price offer. Offers found eligible for bulk order shall be categorized as qualified for bulk order for the purpose of RA, offers found eligible for developmental order shall be categorized as Qualified for Development order for the purpose of RA.**
- ii) **Offers not complying with essential technical & commercial requirements of the tender shall be declared as Ineligible for any order.**
- iii) **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. Extent instructions for tabulation shall apply for tabulation of Initial Price Offers.**
- iv) **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.**
- v) **After close of the RA, tabulation of last (minimum) bids received from all the tenderers will be generated and made visible to Railways and participating tenderers.**
- vi) **Bidders not be allowed to withdraw their last offer.**
- vii) **The final tabulation statement will include the initial price offer of a firm who has not participated in the RA process.**

2. Financial Bid: Financial Bid shall comprise of Final Price offer obtained through Reverse Auction.

Following conditions and procedure will be followed in selecting the bidders for conduct of Reverse Auction.

(a) Selection of vendors for Reverse Auction for award of bulk ordering in Stores tenders

| 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 Vendors Qualified for Bulk Order/award of contract (rounded off to next higher integer). | |

Note

*** “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).**

(b) In case of stores tenders, selection of vendors for Reverse Auction for developmental ordering:

- i) Offers qualified for development order, with initial price offer lower than the highest initial price offer of a vendor qualified for bulk order and selected for Reverse Auction after elimination. Shall be allowed to participate in RA.
- ii) However, for the items where it is considered essential to also consider the offers for placement of development order, from vendor categorized as qualified for development order whose received rates are higher than the rate applicable for offers categorized as Qualified for bulk order, all bids categorized as qualified for Developmental order shall be allowed to participate in Reverse Auction.

Suitable clause for applicability of one out of these two options for participation/elimination of vendors qualified for Development order shall be mentioned in the tender.

- (c) **Maximum time allowed for Reverse Auction, both for bulk ordering or developmental ordering shall be 05 days.**
- (d) **During Reverse Auction process, bidders shall not be allowed to bid a rate higher than their lowest Initial price offer.**
- (e) **MSE Criteria: All MSEs (Micro & Small Enterprises) found Qualified for Bulk/Development Orders/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in para 20.2 (a) and 20.2(b) above, but are within the range of 15% of lowest Initial Price Offer of the bidder qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Offer. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per Para 20.2 (a) and 20.2(b) above. In this regard, 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.**
- (f) **Make in India criteria: All bidders eligible for benefits under Public Procurement Preference to Make in India) Order 2017, found qualified for Bulk/Developmental Order/Award of Contract and are within the specified range of price preference, under the Make in India Policy, of lowest Initial Price offer of the vendor qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price offer. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per para 20.2 (a) and 20.2 (b) 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.**

3. **Reverse Auction among bidders categorized as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders. Qualified Bidders shall be able to see both the auction screens i.e. auction screen of Reverse Auction amongst bidders qualified for bulk order and auction screen of Reverse Auction amongst bidders qualified for developmental order. However, bidders shall only be permitted to bid on the respective screens relevant to them as per their qualification. Purchaser shall not be permitted to see any of the auction screens. Purchaser should only be intimated on website**

about the status of Reverse Auction, i.e. when the auction will start/ had started, whether the auction is live or whether the auction has closed

- 4. Developmental order upto 20% of NPQ can be placed by Zonal Railways/Pus on eligible vendors, Without waiting for capacity/capability assessment by nominated centralized agency. Capacity/Capability assessment by nominated centralized agency shall be done subsequent to placement of Developmental order, if not already done. In case a developmental order is placed prior to Capability/Capacity assessment by nominated agency developmental order shall be issued with a Condition that the developmental order is subject to outcome of Capacity/Capability assessment.**
- 5. Quantity to be covered on developmental orders shall be limited to 20% of the net Procurable Quantity. The quantity covered on developmental orders may be within or outside NPQ.**
- 6. After obtaining the final price offers through Reverse Auction, the lowest bid of only those bidders who had participated in the Reverse Auction shall be tabulated and considered for ordering. The offers of bidders which were eliminated from Reverse Auction in terms of Para 20.2 shall be tabulated separately and shall not be considered for any ordering. All the relevant policies at the relevant time shall be applicable.**
- 7) Neither Railway nor CRIS can be held responsible for consequential damages such as no power supply, system problem, inability to use the system, loss of electronic information, power interruptions. UPS failure, etc.**
- 8) On any issue or area of material concern respecting Reverse Auction not specifically dealt within these Rules, the decision of the Railways shall be final and binding on all concerned.**
- 9) Procedure for conduct and reporting of R.A**
 - 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.**
 - 2) Convener of the tender committee shall fix the following on case to case basis, depending upon the nature of item/work/service and complexity of case on hand. These shall be indicated in the tender for e-RA itself.**
 - a) Initial e-RA period: This shall be the initial time interval for e-RA shall be open for this duration.**
 - b) Auto extension period: In case any offer is received in the time period equal to auto extension period before close of initial e-RA period, the e-RA shall be extended for time equal to auto extension period from the time of last bid.**

There shall be no upper limit on number of auto extensions. When no offer is received in the last auto extension period e-RA shall close.

- c) Minimum decrement in percentage of value of the last successful bid.
- d) Declaration regarding e-RA participation/elimination criteria for vendors categorized as Qualified for Development order for the purpose of e-RA as per clause 20.2(b) of the General Tender conditions and setting the matching option in e-RA application.
- 3) Date and time for start of e-RA shall be communicated to qualified tenderers by the convener after evaluation of the Technical Bids.
- 4) After submission of the initial price bid, tenderers will not be allowed to revise the taxes and other levies.
- 5) During auction period, identities of the participating tenderers will be kept hidden.
- 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.
- 7) After close of the RA, tabulation of last (minimum) bids received from all the tenderers will be generated and made visible to Railways and participating tenderers
- 8) Railway users can also view the bidding history in chronological order.
- 9) Bidders not be allowed to withdraw their last offer.
- 10) L-1 will be defined as the lowest bid obtained after the closure of R.A. session for Goods, Works and Services tenders.

“HANDLING OF WARRANTY REJECTIONS”

| Para No | Tender conditions |
|---|---|
| 1 | Digitisation of Warranty Management System |
| | i) The entire Warranty Management System is digitized and made paperless. |
| | ii) The existing maintenance Applications viz CMM, FMM, WISE, SLAM, PUs local system, etc. are integrated with UDM/ IMMS/IREPS for seamless transfer of required data. A provision has been made on these platforms to facilitate end users to register warranty complaints. All systems dealing with warranty rejection of vendor and they have provision of uploading/attaching documents. |
| | iii) Provision has been 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 are passed to iMMS/UDM and reflected in DRR/R-Note/CRN generated on iMMS/UDM. Inspecting Agencies 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 is captured in digital form. |
| | v) Centralized Recovery Register is 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 are linked with Unified Vendor Approval Module (UVAM). Cognizance of these warranty rejections of vendors will be taken for reviewing the Approval of vendors by vendor approving authorities. |
| | vii) Cognizance of these warranty rejections of vendors will be taken by the procuring authorities in deciding the tender cases. |
| 2 | Materials are rejected under warranty in the following situations: |
| | A) Material rejected was issued to the user (shop/shed etc) from its attached Stores Depot or attached User Depot (both Stock & Non-stock). |
| | B) Material rejected was received from a PU or a Stores Depot or a User Depot which is not the attached depot of the end user including that received directly through centralized procurement (both Stock & Non-stock). |
| | C) Material was rejected in the field and was fitted at some other Workshop/Shed/Depot. Material either received or fitted through Supply Contract, Works Contract or Service Contract or any other type of contracts (both Stock & Non-stock). |
| | D) Failure of components of Rolling Stocks received from Railway PUs/ PSUs/ Workshops/ Private Manufacturers. |
| The Methodology of handling these rejections are dealt with below: | |
| (A) | For Warranty rejection in Shop/Shed etc where rejected material was issued from its attached Stores Depot or attached User Depot (both Stock and Non-stock items)- |

| | |
|--|--|
| | <p>i. In case the material was accounted for in Stores Depot in iMMS after receipt from vendor, end-user will register the warranty complaints with reasons and other details, as required, on the systems like CMM/FMM/WISE/SLAM/MU etc. available with them.</p> <p>This information will electronically transfer to UDM through integrated system. User can register the warranty complaints directly in UDM (as convenient and practical for the end- user) and issue “Advice Note” of returned stores on UDM with the approval of competent authority (Gazetted Officer) to return the rejected material to attached Stores Depot for issuing “Warranty Rejection Advice” (i.e. warranty claims lodging) by attached Stores Depot.</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) is 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.</p> <p>Before, issuing the “Warranty Rejection Advice”, the concerned user of iMMS/UDM & gazetted officer will 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 will be decided within 15 days.</p> |
| | <p>ii. Rejected material shall be taken out from the ledger of Stock-Holder in iMMS/UDM (as the case may be). The “Warranty Rejection Advice” shall be issued on iMMS/UDM by attached Stores Depot/ User Depot to all concerned i.e. firm, purchaser, pre-inspecting agency, vendor approving agency, paying authority etc. as per the contract- without fail.</p> |
| | <p>iii. In the Warranty Rejection Advice, the vendor shall be called upon for replacement of rejected stores or for deposition of equivalent amount of rejected material, within a period of 60 days from the date of Warranty Rejection Advice. Date of issue of Warranty Rejection Advice by gazetted officer to be taken as date of Warranty Rejection Advice.</p> |
| | <p>iv. Warranty rejection advice will be issued within 15 days of detection of warranty complaint.</p> <p>On issue of “Warranty Rejection Advice”, the “Warranty Rejection Register” should automatically get updated.</p> |
| | <p>v. Any Bill Paying Authority across IR shall withhold the payment of equivalent amount of rejected material through “Centralized Recovery Register” from firm’s Bill(s), till the full amount is withheld and the same shall be released only after disposal/closure/settlement of the warranty claim or deposition of equivalent amount of rejected material or after recovery, whichever is earlier. After</p> |

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| | withholding of amount by any Bill Paying Authority, "Centralized Recovery Register" will automatically get updated in IPAS to that extent so as to avoid multiple withholdings by different Railways. |
| | vi. Firm will 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 will be suitably defaced before handing-over to the firm to avoid re-use. |
| | vii. Warranty Quantity Replacement:- a) Replacement of rejected quantity is to made to the end consignee at the Stores Depot/User Depot which received the original supply from the firm. b) The warranty quantity replacement will be supplied and accounted for in iMMS through R/Note & RO where "Warranty Rejection Advice" has been issued through iMMS. Where "Warranty Rejection Advice" has been issued through UDM, the warranty quantity replacement is to 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". |
| | viii. 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. |
| | ix. Vendor would be permitted to lift the rejected material (subject to clause 2(A)(vi) above) "free of cost" within the period mentioned in Para 2(A)(iii) above. After this time, ground rent shall be applicable. In cases where firm fails to lift the rejected material within the time period mentioned in para 3203 of IRS Condition of Contract, at the expiry of the period, no claim whatsoever shall lie against the Purchaser in respect of the said goods, which may be disposed of by the Purchaser in such manner as he thinks fit. Without prejudice to the generality of the foregoing, all the provisions in the Indian Railways Standard Conditions of Contract relating to the 'rejection of goods' and 'failure' and 'termination' add and Clause 3100-02 shall apply. |
| | x. In case disposal/closure/settlement of the Warranty Rejection Advice is not done by firm within the period of 60 days, Recovery Advice of equivalent amount of rejected material for which Warranty Claim has not been disposed/closed/settled shall be automatically sent from iMMS/UDM (depending upon from where Warranty Rejection Advice has been issued) to IPAS and the "Centralized Recovery Register" of IPAS shall be automatically updated for recovery. If any amount is already withheld against the "Warranty Rejection Advice", the same shall be treated as recovered amount and adjusted accordingly. For balance amount, any Bill Paying Authority across IR shall recover the amount mentioned in "Centralized Recovery Register" from firm's Bill(s), if any. Even if the payable amount against a Bill and withheld amount are not enough for the full recovery against a Warranty Claim, the Paying Authority will 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). |

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| | <p>xi. Generally, no rejected quantity replacement/rectification should be allowed once recovery has been made by Accounts or the recovery amount has been deposited by vendor. While receiving fresh replacement supplies/allowing Re-inspection/Rectification/Amount deposition by vendor against Warranty Rejection Advice after the period of 60 days, user in IMMS/UDM will ensure that these activities are allowed only to the extent the Claim amount has not been recovered by Railways.</p> <p>However, there may be some cases against a Warranty Rejection Advice like:</p> <ul style="list-style-type: none"> a. Fresh replacement supplies have been received before recovery but material taken into Ledger by user after recovery. b. Re-inspection or Rectification allowed before recovery but material taken into Ledger by user after recovery. c. Amount deposited by vendor before recovery but details of such deposition entered by user after recovery. d. Warranty Rejection Advice withdrawn altogether after recovery. e. Any other incidence like Court /Arbitration Judgement/Order etc. after recovery <p>In such cases, equivalent amount recovered will be refunded to the vendor In case of (a) to (e) above.</p> <p>For such cases, the officer approving the Warranty Rejection Advice, with the approval of his officer next in hierarchy (minimum JA grade officer), can issue "Recovery Refund Letter" on iMMS/UDM on advice of the Stock Holder which shall be visible to all stake-holders including IPAS as well as vendor. Vendor may submit his Supplementary Bill on the basis of "Recovery Refund Letter" to the concerned Paying Authority which has deducted the refundable amount on-line or off-line; depending upon the case whether the Bill against which recovery has been made was submitted on-line or off-line. IPAS will pass-on information of all such refunds against a "Warranty Rejection Advice" to iMMS/UDM so that this information can be made available to all stake-holders. Necessary checks & balances should be provided in IPAS to ensure that vendor is not refunded the recovered amount more than the actual recovered amount or the amount mentioned in "Recovery Refund Letter".</p> |
| | <p>xii. Inspection of Replacement Supply- In line with IRS Conditions of Contract clause 0703, Vendor shall bear all cost of such replacement including freight, cost of inspection and inspection charges to inspecting agency, if any, on such replacing and replaced stores but without being entitled to any extra payment on that or any other account. The replacement supply shall normally be inspected by the same inspection agency which inspected and passed the original supply. However, inspection clause for replacement of quantity rejected under warranty can be changed from 3rd Party Inspection (RITES/RDSO etc.) to Consignee Inspection with the approval of minimum JA grade level officer of the office issuing Warranty Rejection Advice, duly considering practicability of the case due to low quantity/value, criticality of the item, quality issues involved etc.</p> |

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|------------|---|
| (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)- |
| | <p>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.</p> <p>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.</p> |
| | <p>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.</p> |
| | <p>iii. Warranty Quantity Replacement:-</p> <ol style="list-style-type: none"> Replacement of rejected quantity shall be made at the end of end user. 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". |
| | <p>iv. Other provision shall be as per sub-Para (iii) to (xii) of Para 2(A) above, except Para (vii) of 2(A).</p> |
| (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)- |
| | <p>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.</p> <p>ii. Such case shall also be dealt as per Para 2(B) above.</p> |
| (D) | Warranty rejections of Rolling Stocks received from Railway Pus/ PSUs/ Workshops/Private Manufacturers and their components - |

| | <p>i) Rolling Stocks are manufactured by following agencies:</p> <table><tr><th>S.No</th><th>Type of Rolling stocks</th><th>Manufactured by</th></tr><tr><td>1</td><td>Wagons</td><td>Private Manufacturers, Railway PSU, Railway Workshop</td></tr><tr><td>2</td><td>Coaches</td><td rowspan="4">Railway PUs/PSUs/Private manufacturers</td></tr><tr><td>3</td><td>Locomotives</td></tr><tr><td>4</td><td>Train-Sets</td></tr><tr><td>5</td><td>MEMU, DEMU, EMU etc.</td></tr></table> | S.No | Type of Rolling stocks | Manufactured by | 1 | Wagons | Private Manufacturers, Railway PSU, Railway Workshop | 2 | Coaches | Railway PUs/PSUs/Private manufacturers | 3 | Locomotives | 4 | Train-Sets | 5 | MEMU, DEMU, EMU etc. |
|------|--|--|------------------------|-----------------|---|--------|--|---|---------|--|---|-------------|---|------------|---|----------------------|
| S.No | Type of Rolling stocks | Manufactured by | | | | | | | | | | | | | | |
| 1 | Wagons | Private Manufacturers, Railway PSU, Railway Workshop | | | | | | | | | | | | | | |
| 2 | Coaches | Railway PUs/PSUs/Private manufacturers | | | | | | | | | | | | | | |
| 3 | Locomotives | | | | | | | | | | | | | | | |
| 4 | Train-Sets | | | | | | | | | | | | | | | |
| 5 | MEMU, DEMU, EMU etc. | | | | | | | | | | | | | | | |
| | <p>ii. 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.</p> | | | | | | | | | | | | | | | |
| 3 | <p>Rectification of the rejected stores:-</p> <p>i. In case the vendor requests for rectification/repair of rejected stores in terms of Para 2, rectification/repair to be permitted in exceptional circumstances and only if the item can be effectively rectified/repaired 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.</p> <p>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.</p> <p>iii. However, the rectification activity shall have to be completed within timelines given in sub-Para iii of case 2(A) from the date of issue of “Warranty Rejection Advice.” After this, process for recovery shall be initiated.</p> | | | | | | | | | | | | | | | |
| 4. | <p>Linking the rejected stores with PO, R/note, warranty period etc-</p> <p>i. Marking of stores will be as per Clauses 1103, 1302, and 2704 of IRS Condition of Contract and specification/ drawing.</p> <p>ii. 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.</p> <p>iii. Onus of marking and traceability as per purchase order shall be on vendor</p> <p>iv. 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.</p> | | | | | | | | | | | | | | | |

| | |
|------------|--|
| | <p>v. Capturing Warranty Period digitally.</p> <p>a. Warranty Clause specified in the tenders should normally be same as that in IRS conditions of contract.</p> <p>b. Warranty clause if at variance with IRS conditions of contract shall be a specific clause in the tender/PO and only than it supersede warranty clause of IRS conditions of contract.</p> <p>c. Data of warranty period will 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 will be known to the end-user.</p> <p>d. During inspection/receipt of the item, inspecting Agency and material accepting authority will ensure marking as per purchase order.</p> <p>vi. 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.</p> <p>vii. IMMS and UDM systems will provide the complete supply details i.e.PO No./Date, Vendor Name, Challan No./Date, warranty period etc. for the consignment to be rejected.</p> <p>viii. Online provision shall be made for entering the complete details of item by the vendor at the time of dispatch and that should be captured on iMMS/UDM while accepting the material.</p> |
| 5 | <p>All efforts will be made to link the warranty rejected item with P.O. However, if it is not possible to link the PO, warranty period mentioned in drawing/specification shall be taken into consideration or if not mentioned therein, it shall be as per IRS conditions of Contract. In such cases the warranty period shall be applicable from the end of month next to manufacturing month mentioned on material.</p> |
| 5.1 | <p><u>The Warranty settlement in such cases shall be as per para 2(B) above, except following</u></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.</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 (A-xii) above.</p> |

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| 6 | <p><u>Authority to adjudicate the disputed warranty cases and authority to decide appeal-</u></p> <ul style="list-style-type: none"> i. For all warranty rejection cases, the controlling officer of minimum JAG level of the office issuing 'Warranty Rejection Advice" shall be adjudicating the disputed cases. His decision shall be binding on all the parties. ii. All the disputes, legal matters, etc. arising out of warranty claim shall be handled directly by the office issuing the "Warranty Rejection Advice". |
| 7 | <p><u>Handling Epidemic Failures-</u></p> <p>Any recurring/large scale rejections from a particular lot will lead to epidemic failure.</p> <ul style="list-style-type: none"> i. Whenever the quantity rejected anytime during the warranty period exceeds 5% of the total supplied lot against a particular contract, it will be considered as Epidemic Failure. However, in case of failures related to items which are extremely critical from safety consideration (like critical components or sub-parts of air brake system, wheel discs, axles, propulsion system etc.), RDSO/PU may pre-define a lower percentage for considering the occurrence of epidemic failure. This condition should be declared in the tender document for procurement of such items. ii. Same steps as mentioned at para 2, as applicable, to be followed. However, instead of rejecting only defected quantity, entire lot will 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. |

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| 8 | In case the vendor disputes the Warranty Rejection as per Warranty Rejection Advice, representation from vendor should be sent through IREPS system to the officer issuing Warranty Rejection Advice within 7 days from the issue of Warranty Rejection Advice. In such case a joint inspection shall be organised by the officer issuing Warranty Rejection Advice for the grounds of warranty rejections mentioned in the Warranty Rejection Advice. |
| 9 | In all cases of warranty rejections where items are appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agency as per Para 1 (vi) above for performance monitoring and capability/capacity assessment/delisting/down gradation of the vendor and review of the design/specifications/STR if required. If required, based on merit of the case, Vendor approving agencies may take appropriate decision on suspension of inspection. |
| 10 | Data of the warranty rejections shall be analysed item-wise and vendor-wise by the Quality monitoring/vendor approving agency to identify the areas for improvements in systems, processes and design/specification. |
| 11 | The recovered amount from the vendor should be credited in the same allocation of the end use in which the item was originally procured. |

Special Tender Conditions-Implementation of GST

1.0 All the bidders/tenders should ensure that they are GST compliant and their quoted tax structure/rates are as per GST Law.

2.0 1. All vendors should have GST Registration Number.

2. GST Act and Rules are applicable from time to time is applicable.

3.0(A)“In case the successful tenderer is not liable to be registered under CGST/IGST/UTGST/SGST Act, The railway shall deduct the applicable GST from his/her bills under reverse charge mechanism(RCM) and deposit the same to the concerned tax authority”.

(B) Addition to the General Tender Conditions

EVALUATION OF OFFERS UNDER NEW GST REGIME:

1. Purchaser may incorporate HSN number in the tender document. However it shall be the responsibility of the bidders to quote correct HSN number and corresponding GST rate.

2.i)The offers shall be evaluated based on the GST rate as quoted by each bidder and same will be used for determining the inter se ranking. While submitting offer, it shall be the responsibility of the bidder to ensure that they quote correct GST rate and HSN number.

ii)Purchaser shall not be responsible for any misclassification of HSN number or incorrect GST rate if quoted by the bidder.

iii) Wherever the successful bidder invoices the goods at GST rate or HSN number which is different from that incorporated in the purchase order, payment shall be made as per GST rate incorporated in the purchase order or billed.

iv)Vendor is informed that she/he would be required to adjust her/his basic price to the extent required by higher tax billed as per invoice to match the all inclusive price as mentioned in the Purchase order.

v)Any amendment to GST rate or HSN number in the contract shall be as per the contractual conditions and statutory amendments in the quoted GST rate and HSN number under SVC.

(C) Payment of GST on production of Documentary Evidence.

GST will be paid on production of documentary proof. All input credits should be passed on to Railways by the supplier. To this effect, the firm should give declaration that all input credits has been passed on to Railways while submitting the bills.

GST Declaration:

i) Onus of correct classification and rate is on the firm.

ii) GST will be paid on production of documentary proof.

iii) The firm shall pass on (as per section 17(1) of CGST/SGST Act) any reduction in tax rate on supply of goods or any benefit of input tax credit to the Railway through a commensurate reduction in price without any undue delay. To the above effect the firm should give declaration that all the benefits accruing on account of change in tax rate and any additional input tax credit (ITC benefit) shall be passed on to the Railway.

iv) Any kind of reduction in prices obtained by the supplier due to implementation of GST is to be passed on to the purchaser as per Anti Profiteering clauses of GST Act at any point of time during the period of the contract.

4. The tenderers in their bids shall indicate the details of their Jurisdictional Assessing Officers (Designation, address & email Id)

Amendment IRS Condition of Contract-Para 2900 :-

Deleted since these clauses have been incorporated in "**Revised Indian Railway Standard (IRS) Conditions of Contract-September 2022 Version 1.0**" issued by Railway Board vide Railway Board Lr.No. 2022/RS/(G)/779/13(E3402809) dt.21.09.2022.

Annexure -A

PROFORMA FOR WARRANTY GUARANTEE BOND

To
THE PRESIDENT OF INDIA
Acting through the Controller of Stores,
South Central Railway,
6th Floor, Rail Nilayam,
Secunderabad-500071

Sub: Guarantee No-----for------(Amount) Covering Machine(s)
Serial No-----supplied to (Consignee/s) ----- Ref:
Contract No-----dated-----Placed on M/ s -----

1. WHEREAS M/s ----- one of our constituents, hereinafter called the "Sellers" have agreed to sell to you (hereinafter referred to as the "Government") -----Nos. of ----- (give description) as per contract No ----- dated --- ----- (hereinafter called "the said contract").

2. AND WHEREAS according to the terms of said contract, it has been stipulated that payment of 10 per cent 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 Guarantee Period as per the Warranty clause of the said conditions of the contract, being the conditions attached to and forming part of the said contract.

3. AND WHEREAS the Sellers have approached us to give the said Bank Guarantee on their behalf in your favor for an amount representing 10 percent of the value of the contract which you have agreed to accept.

4. 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

upto a maximum amount of -----(Rs. ----- -) 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. 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. 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 contract with the said Sellers without affecting or impairing this guarantee or our liability hereunder.

7. 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 there to 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 there under and the Sellers shall have no claim against us for making such payment.

8. This Bank guarantee comes in to force when the balance ten percent of the value of the stores shipped per Vessel ----- vide Bill of Lading No. ----- dated ----- or R/ R No.----- dated ----- (in the case of indigenous contracts) under the said contract, has been paid and will remain in full force and effect up to ----- 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. upto ----- (date), hereinafter called the said date.

9. This guarantee will not be discharged due to the change in the constitution of the Bank or the Sellers

10. That no claim under this guarantee shall be entertained by us unless the same has been preferred by the Government within the said date.

Date -----Signature-----

Place -----Printed Name -----

Witness ----- (Designation)

(Banks common Seal)

.....

Annexure-I

LC/DA NO.-----

Dt._____

DOCUMENT OF AUTHORIZATION

1. It is certified that Work job assigned in Contract No.....
Dated.....under Inland Letter of Credit No.....

Dated.....

Or

Goods received/Works order completed Stage-Phase 1/2/3/4/5.

2. The beneficiary of Letter of Credit M/s.....is entitled to
Receive payment aggregating INR..... out of a total LC amount of
INR.....against the first/second* commercial Invoice
No_____dated _____for INR raised against the above contract on the
strength of this certificate.

3. PAYMENTS ALREADY MADE:

1. Invoice No.

2. Invoice No.

3. so on Total

4. THIS PAYMENT:

5. LC BALANCE AFTER THIS PAYMENT.

Signature & seal of Applicant

(Railway Authority)

*As applicable

ANNEXURE - II

This letter of Authority should be on the Letter - Head of the manufacturing business concern and should be signed by a person competent and having the power of attorney to bind the Manufacturer.

PROFORMA FOR TENDER SPECIFIC AUTHORISATION FROM MANUFACTURERS

Ref No: _____

Date: _____

To,
THE PRESIDENT OF INDIA, acting through
THE PRINCIPAL CHIEF MATERIALS MANAGER,
SOUTH CENTRAL RAILWAY,
MINISTRY OF RAILWAYS,
SECUNDERABAD 500071, TELANGANA

Dear Sir,

Subject: South Central Railway e - tender no. _____ due
on _____ For supply of _____

We, _____ (full address with PAN number)
established _____ Manufacturer _____ of
_____ having factory / factories

at _____ do hereby authorize M/s.
_____ (Company's name, full address with PAN
number) to represent us, to bid, negotiate and conclude the contract on our
behalf with you against your the subject tender. _____

It is also confirmed that:

- No Company /Firm or individual other than M/s. _____ is authorized to represent us in regard to this business against this specific tender.
- Inspection by RITES/RDSO/Consignee/your authorized representative will be allowed at our manufacturing premises and not in the ware house /godown shop of the Dealer.
- Inspected and accepted material will be directly despatched from our manufacturing premises to Consignees of South Central Railway.
- We stand guarantee for the material supplied against each lot of supply.
- We stand guarantee for successful execution of the Contract.

Yours faithfully,
(Signature, Name & Designation)
For and on behalf of M/s. _____
(Name and address of the Manufacturer)

Annexure-III

Special Conditions to be incorporated in tender as special condition for inspection-

1. Attention of Tenderers/Bidders is invited to IRS conditions of contracts, which are the governing conditions of contract. Particular attention is invited to IRS conditions 0701, 1301 (a), 1301 (b) and 1301 (c), 1302 to 1309, 3400 to 3402.
2. In terms of IRS conditions of contract, following specific provisions shall apply in cases of supply of pre-inspected goods through empanelled TPI agencies:
 - 2.1. Unless otherwise stated in the tender schedule, goods procured are required to be pre-inspected before dispatch by the Third Party Inspection (TPI) Agency appointed by Railways at its sole discretion. The TPI Agency appointed shall be indicated in the Purchase Order. It is agreed that Railway's right to appoint TPI Agency of its choice is absolute. Railway also reserves the right to change the TPI Agency at any time through issue of modification advice against the Purchase Order.
 - 2.2 Online inspection call shall be placed by the Supplier on IREPS after the Goods are ready for inspection.
 - 2.3. In Purchase Orders requiring Stage Inspection, Suppliers shall place online inspection call for a particular stage after achieving readiness required at that stage duly mentioning the stage number. The Inspection for a particular stage shall be initiated only after Inspection has been carried out for all the previous stages, as may be applicable.
 - 2.4. The Third Party Inspection Agency appointed by Railways shall examine the online inspection call and may, within 48 hrs (excluding national holidays), seek additional information, if any, from the Supplier. The Supplier shall within one calendar day (excluding Sundays and national holidays) furnish the required information/documents to the TPI Agency to enable them to register inspection call. In case of incomplete information even after providing opportunity to Supplier to furnish information, the call shall not be registered and Supplier shall be advised of observations through the online system to address the observations and place fresh inspection call. The inspection call may also be rejected by TPI Agency if sufficient time for carrying out the inspection and release of IC before end of delivery period is not available.
 - 2.5. Supplier shall be allowed to withdraw inspection call placed, without any cost, before the inspection call has been registered by the Third-Party Inspection Agency. Once the inspection has been scheduled by the TPI Agency, withdrawal of inspection call shall not be permitted.
 - 2.6. Inspection fee/charges will be paid directly by Railways to Third Party Inspection Agencies.

2.7. However, charges/expenses specifically provided for in IRS Conditions of Contract, particularly in Para 1304, 1305, 1306 and 1400 of IRS conditions of contract, shall be borne by the Supplier.

2.8 Inspection charges paid or due to be paid by Railways to the TPI Agency shall be recovered from Suppliers in following cases:

2.8.1. In case of rejection of Goods during the pre-despatch inspection (including stage inspection rejection) by Third Party Inspecting Agency, the charges recovered shall be equal to inspection charges payable to inspecting agency as specified in Para 2.8.4 below.

2.8.2. When the Authorized Inspector of Third-Party Inspection Agency, on visit to Supplier premises for inspection, finds that Goods offered are not yet ready for inspection, Inspection call shall be cancelled by Authorized inspector by issuing call cancellation certificate. Similarly, in case of Stage Inspection, when the Authorized Inspector of Third Party Inspection Agency, on visit to Supplier premises for inspection, finds that readiness for Stage Inspection to be conducted has not been achieved, Inspection call shall be cancelled by Authorized inspector by issuing call cancellation certificate for Stage Inspection. The Call Cancellation Charges shall be recovered from Supplier as specified in para 2.8.4 below.

2.8.3. Inspection Certificate revalidation or re-inspection: If the Supplier fails to deliver the pre-inspected Goods as per the terms of the purchase order within the validity period of Inspection Acceptance Certificate, the TPI Agency, on request of Supplier, may, based on the merits of the case, decide to either re-validate the Inspection Acceptance Certificate or re-inspect the Goods against fresh inspection call to be placed by the Supplier. Decision of the TPI agency in this respect shall be binding on the supplier. In such cases, the revalidation or re-inspection charges (as applicable) to be recovered from Supplier shall be as specified in para 2.8.4 below.

2.8.4. To summarize, following charges shall be recovered from Supplier

| Situation | Charges to be recovered from Supplier (plus GST extra) |
|--|---|
| At the time of physical visit call is cancelled due to: Goods are not ready for inspection OR Goods, raw materials, components or sub components, as the case may be, are not yet ready for inspection, in cases involving Stage inspection (Call Cancellation through issue of Call Cancellation Certificate) | Y/2, subject to a maximum of Rs 11000/- |
| Goods, raw materials, components or sub components, as the case may be, rejected in Stage Inspection excluding the final Stage, in cases involving stage Y inspection | Y |
| Goods rejected in final Stage, in cases involving stage inspection | 2Y |

| | |
|---|---|
| Goods rejected in inspection, in cases without stage inspection | Y |
| Inspection Certificate revalidation or reinspection | <p>Scenario-1: Rs. 5000 or full inspection charges, whichever is lower for revalidation of inspection certificate.</p> <p>Scenario-2: In case re-inspection is done afresh, inspection charges to be recovered from Vendor shall be "Y"</p> |

Where, $Y = X/100$ of total value of Goods inspected as per Purchase Order, Where X is the percentage inspection charges of the concerned PO Value slab for Product Inspection.

3. Applicable inspection charges in percentage of PO value and slab-wise is as under for information of Suppliers:

| PO Value Slab | Inspection charges (X) |
|-------------------------------|------------------------|
| From Rs. 5 lakhs upto 1 Cr | 0.5220 % + GST extra |
| Above Rs. 1 Cr up to 25 Cr | 0.116 % +GST extra |
| Above Rs. 25 Cr up to 100 Cr | 0.053 % +GST extra |
| Above Rs. 100 Cr up to 500 Cr | 0.035 % + GST extra |

Note-1: Purchase Order Value for the purpose of calculating the inspection charges shall mean total value of Goods ordered specifically indicated in the Purchase Order as total order value, and includes freight, packing, forwarding, taxes and duties etc. used in arriving at total order value but excludes any components or items not included specifically in calculation of total order value. The inspection charges shall be calculated using Value of Goods Inspected based percentage charges and GST applicable on inspection charges for the corresponding PO Value Slab. For avoidance of doubt and as an illustration, if the PO Value for 100 Nos of Item A is Rs. 50 Lakhs and a lot consisting of 25 nos. is offered for inspection. The inspection charges for the lot being inspected shall be = $(0.5220/100) \times (25/100) \times 50,00,000 = \text{Rs. 6525 only} + \text{GST Extra}$.

Note-2: For inspection of Goods by Third Party Inspection Agency where Purchase Order value is below Rs. 5 lakh, the inspection charges in such cases will be those applicable for PO valuing Rs. 5 Lakhs.

Note-3: For inspection of Goods by Third Party Inspection Agency where Purchase Order value is above Rs 500 Cr, the inspection charges in such cases will be fixed separately by the purchaser subject to maximum of 0.035 % + GST extra

4. When pre-inspected Goods get rejected at consignee end joint inspection will be held as per procedure below. Moreover, in case of rejection of Goods on Joint Inspection, the replacement supply against the rejected lot of Goods shall normally be inspected by the same Third Party Inspection Agency, which inspected and passed the original supply, unless purchaser under special circumstances decides to get the lot inspected by some

other inspection agency/consignee and decision of purchaser in this respect shall be binding on supplier.

5. Procedure for Joint Inspection:

- (i) If Goods, pre-inspected by TPI Agency, gets rejected at consignee end after receipt by consignee, the material rejection advice/rejection memo will be sent by consignee through online system to all concerned i.e. Vendor, TPI Agency, Procuring Entity and Paying Authority and to such others as required.
- (ii) Before rejected goods are returned to the supplier, the consignee after or at the time of issue of rejection advice, at his discretion, shall call for a Joint Inspection between consignee, Vendor and TPI Agency. Such Joint Inspection shall be conducted at a place as mentioned in the notice for Joint Inspection.
- (iii) The joint inspection is to be carried out by the consignee with the representatives of the inspecting agency
- (iv) In case where either the firm or the representative of inspecting authority do not turn up for Joint Inspection, Joint Inspection shall be done with whosoever of the two is available. In case neither firm nor inspection agency attend, consignees' decision to accept or reject such goods shall be final and binding.
- (v) A Joint Inspection report shall be signed by the Party (ies) attending the Joint Inspection. Failure to attend Joint Inspection shall not be an excuse to dispute the findings of Joint Inspection.
- (vi) Irrespective of the outcome of Joint Inspection, the TPI Agency will not be entitled for any fee or charges, whatsoever, for attending such Joint Inspection. In case of rejection of Goods on Joint Inspection, the TPI Agency shall not be entitled for inspection charges for the quantity of Goods rejected. The inspection charges, if and to the extent already paid, shall be recovered from the TPI Agency.
