

भारत सरकार BHARAT SARKAR
रेल मंत्रालय MINISTRY OF RAILWAYS
रेलवे बोर्ड RAILWAY BOARD
नई दिल्ली New Delhi

No. 2004/RS(G)/779/11/Pt.

Dated: 23.12.2019

The General Manager, All Indian Railways/PUs, NF(C), CORE
The DG/RDSO/Lucknow & DG/NAIR/Vadodara,
CAOs, DMW/Patiala, WPO/Patna, COFMOW/NDLS, RWP/Bela
CMDs of PSUs, RVNL, KRCL, MRVC

Sub: EMD and SD in Stores Procurement other than M & P.

Ref: (i) Railway Board's letter no. 2018/Trans Cell/Store Procurement dated 02.01.2019.
(ii) Railway Board's letter no. 2004/RS(G)/779/11/Pt. dated 27.03.2019.

Vide letter referred to (i) above, inter- alia, instructions on "Earnest Money Deposit (EMD) for stores tenders" and "Security Deposit (SD)/Performance Security in stores contracts (except M&P)" were issued. Certain amendments were also issued in the said instructions vide letter referred to (ii) above. Railway Board has further received representations from railways and suppliers both for review of the instructions.

2. The matter has been examined in Board and in view of above, following amendments to the above referred instructions are issued:

Existing Paras	Proposed Paras
1.Earnest Money Deposit (EMD) for Stores Tenders: 1.1 There shall be no exemption from submission of EMD for any tender or by any tenderer except following:	1.Earnest Money Deposit (EMD) for Stores Tenders: 1.1 EMD amount shall be mentioned in all tenders irrespective of the nature of the tender as per the EMD amount mentioned in clause 1.3 below or as decided by the purchaser under the policy. There shall be no exemption from submission of EMD for any tender or by any tenderer, subject to provisions under clause 3.6 below , except following:
(a) Tender cases of value upto Rs 5 (five) lakh	(a) i. EMD shall normally not be called against limited tenders with estimated value upto Rs 25 lakhs (including single tenders, global limited tenders) ii. If considered necessary, authority competent to issue tender may incorporate the condition to call for EMD even in such limited tenders, on case to case basis.
b. Micro and Small Enterprises (MSEs) registered for the tendered item in terms of Railway Board's letter No. 2010/RS(G)/363/1 dated 05.07.2012	No change
c. Other Railways and Government Departments in terms of Railway Board's letter No. 2004/RS(G)/779/11 dated 24.07.2007	No change

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d. Indian Ordnance Factories in terms of Railway Board's letter No. 92/RS(G)/363/1 dated 08.04.1993	No change															
e. PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them in terms of Railway Board's letter No. 2003/RS(G)/779/5 dated 10.09.2004	No change															
New para added	f. Vendors registered with Railways for the trade group of the item tendered. g. Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing. h. Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of EMD for these items. i. In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting EMD. KVIC and ACASH shall be exempted from EMD for items supplied by them.															
1.2 Offers submitted without EMD shall be summarily rejected.	No change															
1.3 <table><tr><td>Estimated value of tender</td><td>EMD (rounded off to nearest higher Rs. 10 (ten))</td></tr><tr><td>Above Rs. 5 lakh and Upto Rs 20 cr.</td><td>@2% of the estimated value of the tender subject to Max. Rs. 20 lakh.</td></tr><tr><td>Above Rs. 20 cr. And upto Rs. 100 cr.</td><td>@1% of the estimated value of the tender subject to Max. Rs. 50 lakh.</td></tr><tr><td>Above Rs. 100 cr.</td><td>@0.5% of the estimated value of the tender subject to Max. Rs. 1 cr.</td></tr></table>	Estimated value of tender	EMD (rounded off to nearest higher Rs. 10 (ten))	Above Rs. 5 lakh and Upto Rs 20 cr.	@2% of the estimated value of the tender subject to Max. Rs. 20 lakh.	Above Rs. 20 cr. And upto Rs. 100 cr.	@1% of the estimated value of the tender subject to Max. Rs. 50 lakh.	Above Rs. 100 cr.	@0.5% of the estimated value of the tender subject to Max. Rs. 1 cr.	1.3 <table><tr><td>Estimated value of tender</td><td>EMD (rounded off to nearest higher Rs. 10 (ten))</td></tr><tr><td>Above Rs. 25 lakh and Upto Rs 50 cr.</td><td>@2% of the estimated value of the tender subject to Max. Rs. 20 lakh.</td></tr><tr><td>Above Rs. 50 cr.</td><td>Rs. 50 lakh.</td></tr></table>		Estimated value of tender	EMD (rounded off to nearest higher Rs. 10 (ten))	Above Rs. 25 lakh and Upto Rs 50 cr.	@2% of the estimated value of the tender subject to Max. Rs. 20 lakh.	Above Rs. 50 cr.	Rs. 50 lakh.
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1.4 In exceptional cases exemption from seeking EMD in a particular tender shall be decided prior to issue of tender and suitably incorporated in tender conditions. For tenders issued from headquarters , the exemption shall require personal approval of the authority competent to accept the tender based on estimated value thereof, but not below the level of PCMM/COS on case to case basis, without finance concurrence. For tenders being issued from field units (divisions, depots, construction units, etc.) the exemption shall require personal approval of the	1.4 In exceptional cases exemption from seeking EMD shall be decided prior to issue of tender and suitably incorporated in tender conditions. Exemption shall require personal approval of the authority, on case to case basis, competent to issue the tender based on estimated value thereof, but not below the SAG level including SAG officers in the field units namely CMM, ADRM, CWM, CAO, CPM.															

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<p>authority competent to accept the tender based on estimated value thereof, but not below the concerned SAG level in field units (ADRM's, CWM's, CAO's etc.) on case to case basis, subject to finance concurrence by associate finance</p>	
<p>2. Automatic release of EMD of unsuccessful tenderers after tender is finalized:</p> <p>2.1 EMD of unsuccessful bidders or tenderers shall be released immediately after finalization of the tender. The purchaser may initiate the process of release just after the tender is finalized, or in online systems the information through system about settlement of tender, will be sufficient for release of the EMD of the unsuccessful bidders or tenderers without any additional action required from the purchaser.</p> <p>2.2 System for online release of EMD has been rolled out by CRIS. Automatic release of EMD of unsuccessful tenderers should be ensured, in terms of Para 2.1.</p>	<p>(2). Automatic Release of EMD wherever due</p> <p>2.1. EMD shall be refunded when any one of the following conditions is satisfied.</p> <p>(a) After finalization of tender the bidder is an unsuccessful bidder.</p> <p>(b) Validity of offer expires and validity extension is not sought.</p> <p>(c) Validity of offer expires and bidder refuses to extend validity of offer.</p> <p>(d) After finalization of the tender successful bidder submits required SD.</p> <p>2.2. EMD of bidders or tenderers shall be released immediately after it is due for release as per above criterion. The Purchaser may initiate the process of release just after the EMD is due for release.</p> <p>2.3. System for online release of EMD has been rolled out by CRIS. Automatic release of EMD of unsuccessful tenderers should be ensured.</p>
<p>3. Security Deposit (SD)/Performance Security for Stores Contracts except M&P:</p> <p>3.1 There shall be no exemption from submission of Security Deposit (SD) for any tender or by any tenderer except following:</p>	<p align="center">No change</p>
<p>a) The Store contract cases of value upto Rs 1 (one) lakh</p>	<p>(a). The Store contract cases of value upto Rs 25 (twenty five) lakh</p>
<p>b) Other Railways and Government Departments in terms of Railway Board's letter No. 2004/RS(G)/779/11 dated 24.07.2007</p>	<p align="center">No change</p>
<p>c) Indian Ordnance Factories in terms of Railway Board's letter No. 92/RS(G)/363/1 dated 08.04.1993</p>	<p align="center">No change</p>
<p>d) PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them in terms of Railway Board's letter No. 2003/RS(G)/779/5 dated 10.09.2004.</p>	<p align="center">No change</p>



<p align="center">New para added</p>	<p>(e). In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting SD. KVIC and ACASH shall be exempted from SD for items supplied by them.</p> <p>(f). Vendors registered with Railways for the trade group of the item tendered shall be exempted from SD for orders valued upto their monetary limit of registration.</p> <p>(g). Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing.</p> <p>(h). Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of SD for these items.</p> <p>Note: Apart from claiming damages from vendors, in case of failure to comply with the contractual obligations, Railways shall record poor performance of the vendors for taking suitable penal action as per extant instructions.</p>						
<p>3.2 Security Deposit (SD) amount shall be 10% of the contract value, subject to maximum of Rs. 5 cr, rounded off to nearest higher Rs. 10 (ten). There shall, however, be no ceiling for SD in Global Tenders for procurement of Stores.</p>	<p>3.2</p> <table border="1"> <tr> <td>Contract value</td><td>SD (rounded off to nearest higher Rs. 10 (ten))</td></tr> <tr> <td>Above Rs. 25 lakh and Upto Rs 50 cr.</td><td>@5% of contract value subject to Max. Rs. 50 lakh.</td></tr> <tr> <td>Above Rs. 50 cr.</td><td>Rs. 1 cr.</td></tr> </table>	Contract value	SD (rounded off to nearest higher Rs. 10 (ten))	Above Rs. 25 lakh and Upto Rs 50 cr.	@5% of contract value subject to Max. Rs. 50 lakh.	Above Rs. 50 cr.	Rs. 1 cr.
Contract value	SD (rounded off to nearest higher Rs. 10 (ten))						
Above Rs. 25 lakh and Upto Rs 50 cr.	@5% of contract value subject to Max. Rs. 50 lakh.						
Above Rs. 50 cr.	Rs. 1 cr.						
<p align="center">New para added</p>	<p>3.2.1. Railways are permitted to raise the upper ceiling of SD, upto 10% of the contract value in high value cases.</p>						
<p>3.3 Security Deposit (SD) shall remain valid for a period of 60 days, beyond the date of completion of all contractual obligations.</p>	<p align="center">No change</p>						
<p>3.4 The successful tenderer shall have to deposit SD within 14 days of issue of Letter of Acceptance. No Extension of time for submission of SD shall be granted.</p>	<p>3.4. Time for deposit of SD</p> <p>i. SD from successful tenderer should be received in purchase office within 21 days from the date of communication of acceptance with respect to the purchaser.</p> <p>ii. Authority competent to condone delay in submission of SD shall be SAG for cases upto acceptance power of SAG. PHOD/ CHOD shall have full power for such condonation. Condonation shall be on case to case basis.</p>						

[Handwritten Signature]

<p>3.5 In the event of successful tenderer(s) failing to deposit/submit SD in acceptable form within the prescribed period as aforesaid, the EMD submitted by such successful tenderer(s) shall be automatically adjusted towards SD in view of the fact that in most of the cases, EMD amount would be adequate to meet the SD amount. In case where available EMD amount is less than required SD and the successful tenderer does not deposit the balance SD amount within stipulated time, then EMD shall be forfeited and case be dealt with as that of withdrawal of offer by the tenderer as per extant instructions. This will resolve the problem faced by purchaser to great extent due to intentional delay in submission of SD by successful tenderer(s).</p>	<p style="text-align: center;">No change</p>
<p>3.6 In case, the MSEs exempted from submission of EMD fail to submit SD in stipulated time, damages shall be levied, for failure to act as per offer with regard to condition relating to SD, equal to EMD amount, as would have been applicable if the offer was from a non-MSE vendor. These damages shall be treated as recoveries outstanding against the vendor and dealt with accordingly. A suitable tender condition to be incorporated in the tender document.</p>	<p>3.6</p> <ol style="list-style-type: none">i. All vendors, exempted from submitting EMD, as per para 1 above, irrespective of type of tender, i.e. single, limited or open, shall be required to sign a bid securing declaration as per Annexure A to this instruction. It shall be incorporated in the tender conditions.ii. There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are so disqualified as per the declaration signed by them.iii. Authority competent to approve the disqualification shall be the tender accepting authority not below the level of SAG including SAG officers in the field units namely CMM, ADRM, CWM, CAO, CPM, subject to PHOD/CHOD having full powers to approve disqualification.iv. The disqualification procedure and all correspondence thereof shall be online and digital. Updation on IREPS shall be done by minimum JAG level officer dealing with vendor registration in the Railway.v. This para shall not be applicable for Govt. Departments/ordnance factories/ other Railways/ Railway PSUs/ KVIC/ ACASH and matter shall be taken up with them departmentally/ administratively.

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<p>New para added</p>	<p>3.6.1 Wherever SD has been exempted, for any reason, and the supplier fails to supply goods as per conditions of contract, as amended from time to time, Purchaser shall have right to levy damages from the supplier for failing to comply with the contractual conditions, not by way of penalty, an amount equal to SD amount, as would have been applicable if the contract was with a non-exempted vendor. These damages shall be treated as recoveries outstanding against the vendor and dealt with accordingly. A suitable tender condition to be incorporated in the tender document.</p>
<p>3.7 Purchaser should ensure that the contracts are worded so as to conclude severable contracts for each lot. In case of failure by contractor to meet deliveries for any lot, Railways may cancel the contract for defaulted part by forfeiting SD commensurate to that lot. Authority available to Consignee/Depot Officer vide Para 27 & 28 of Railway Board's letter no. 88/RS(G)/779/14 Pt. dated 06.01.2017 shall continue.</p>	<p align="center">No Change</p>
<p>3.8 Risk Purchase clause shall not be applicable wherever SD clause is applicable. Wherever SD is not taken, risk purchase will be made as per extant guidelines.</p>	<p>3.8. Risk Purchase clause shall not be applicable.</p>
<p>3.9 In exceptional cases exemption from seeking SD in a particular tender shall be decided prior to issue of tender and suitably incorporated in tender conditions. For tenders issued from headquarters, the exemption shall require personal approval of the authority competent to accept the tender based on estimated value thereof, but not below the level of PCMM/COS on case to case basis, without finance concurrence. For tenders being issued from field units (divisions, depots, construction units, etc.) the exemption shall require personal approval of the authority competent to accept the tender based on estimated value thereof, but not below the concerned SAG level in field units (ADRM, CWMs, CAOs etc.) on case to case basis, subject to finance concurrence by associate finance</p>	<p>3.9 In exceptional cases exemption from seeking SD shall be decided prior to issue of tender (including global tenders) and suitably incorporated in tender conditions. Exemption shall require personal approval of the authority, on case to case basis, competent to issue the tender based on estimated value thereof, but not below the SAG level including SAG officers in the field units namely CMM, ADRM, CWM, CAO, CPM.</p>



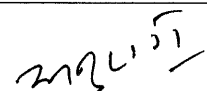
4. Advance Acceptance/Counter offer & Delivery Period: 4.1 In Store Procurement TC cases, Letter of Advance Acceptance/Counter offer may be issued without Finance vetting. 4.2 The delivery period in Store Procurement cases shall be reckoned from the date of issue of Advance PO/Letter of Advance Acceptance/Letter of Acceptance.			No change
5. Disposal of low value Scrap upto Rs 5 lakh: i. For expeditious disposal of the scrap material to de-congest the work place and avoid theft of the materials which is resulting in loss to Railways and due to shortage of manpower & steep rise of the cost of manpower, the supervision of delivery of scrap material for value upto 5 lakh, two/three member committee shall be authorized. In partial modification of existing instructions, the composition of delivery/supervising team shall be as:			No change
S N	Lot value	Witnessing/Supervising Team Members	No change
1	Up to Rs 2 Lakh	Two member team (In case custodian is other than Stores Department): (i) Custodian of the Scrap/Senior Supervisor level of executive (ii) Stores supervisor of rank not less than Depot Material Supervisor (D.M.S.) (Note: When both are of same department then Committee at SN-2 below shall be applicable.)	
2	Above Rs 2 lakh and upto Rs 5 Lakh	Three member team (In case custodian is other than Stores Department): (i) Stock Verifier (ii) Custodian of the Scrap/Senior Supervisor level of executive. (iii) Stores supervisor of rank not less than D.M.S. (Note: When custodian is of stores department, committee will include (i) & (iii) above as two member committee)	
3	Above Rs 5 lakh	As per existing guidelines.	
6. Liquidated Damage (LD) on delayed			No change

(Signature)

Supply:

6.1. Recovery of Liquidated Damage (LD) shall be levied @ 1/2% (half percent) of the price of the store per week or part of the week during which delivery is accepted and the upper limit for recovery of LD in supply contracts is 10% (ten percent) of the value of contract irrespective of delays, unless otherwise provided, specifically in the contract.

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


(Anurag Grover)
Dy. Dir. Rly. Stores(G)
Railway Board

DA:As above

No. 2004/RS(G)/779/11/Pt.

Dated: 23.12.2019

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

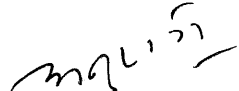

For Financial Commissioner/Railways

Dated: 23.12.2019

No. 2004/RS(G)/779/11/Pt

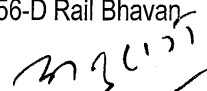
Copy for information to:

1. PCMMs, PCEs, CMEs, CEEs, CSTEs, All Indian Railways & PUs, RCF/RBL/NDLS, COFMOW, CORE, WPO and RWP/Bela
2. The Directors—
 - a. Indian Railway Institute of Sig. Engg. & Telecom, Secunderabad
 - b. Indian Railway Institute of Mech. & Elec. Engg., Jamalpur
 - c. Indian Railway Institute of Elect. Engg., Nasik
 - d. Sr. Prof. (Material Management), NAIR, Vadodara
 - e. Indian Railway Institute of Civil Engg., Pune
 - f. Indian Railway Institute of Traffic Management, Lucknow
3. MD, CRIS, Chanakya Puri, New Delhi
4. MD, RITES, RITES Bhavan, Sector-29, Gurugram
5. Director, Iron & Steel, 3, Koila Ghat Street, Kolkata
6. Executive Director (Stores), RDSO, Lucknow
7. Chief Commissioner, Railway Safety, Lucknow
8. Zonal Railway Training Institute, Sukadia Circle, Udaipur
9. Director/Transformation Cell, Railway Board
10. DDF(S)-I, Railway Board


(Anurag Grover)
Dy. Dir. Rly. Stores(G)
Railway Board

Copy to :

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


(Anurag Grover)
Dy. Dir. Rly. Stores(G)
Railway Board

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

1. MR, MoS(R)
2. CRB, FC, ME, MTR, MRS, MS, MT, SECY., DG (RHS), DG (RPF)
3. All AMs, PEDs & Executive Directors of Railway Board

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

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

In case my/our claim to exemption from submission of bid security/ Earnest Money Deposit is not found valid as per terms of the tender, I/we understand and accept that Railways has unquestionable right to summarily reject my bid and my offer shall not be considered for ordering.

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

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22/12/19

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