

WEST CENTRAL RAILWAY, JABALPUR
e-TENDER DOCUMENT FOR SUPPLY CONTRACTS
(Ver. 7.0, applicable w.e.f 31.10.2022)

Para No.	Content
1.0	On behalf of the President of India, the Principal Chief Materials Manager, West Central Railway, General Manager's office, 1 floor, Core Building, Jabalpur, 482001 (hereinafter referred to as the Purchaser), invites e-tenders for the supply as set forth in the "Electronic Tender Schedule of Requirements" (E-Tender SOR) on the IREPS site.
2.0	E-Tender document consists of –
i.	Special Conditions as per e-tender SOR.
ii.	Techno-Commercial Offer Form including attached documents, if any & Financial offer Form. (To be submitted by the tenderer as his e-tendering offer through IREPS website.)
iii.	Instructions to Tenderers : Annexure-A
iv.	General tender conditions for supply contracts : Annexure-B
v.	Special Tender Conditions for Reverse Auction (Applicable only for Reverse Auction tenders) : Annexure-C
vi.	Special Tender Conditions regarding Preference to Make in India : Annexure - D
vii.	Special Tender Conditions for Preference to Make in India for IT & Electronics Products: Annexure D1
viii.	IRS Conditions of Contract (Revised) Ver1.0 : Annexure-E (in 50 pages)
ix.	Special Tender Conditions regarding Restrictions under Rule 144 (xi) of GFR, 2017 : Annexure-F
x.	Special Tender Conditions regarding COVID Related Procurement as per Annexure-II of Railway Board's letter dated 10.09.2020 : Annexure – G (in 10 pages)
xi.	Special Tender Conditions regarding Handling of Warranty Rejections as per Railway Board's Letter No. No. 2022/RS(G)/779/7(3390005) dated 17.10.2022: Annexure- H (in 13 pages)
2.1	All the above documents are available for download from the "IREPS website" under the link "Public Documents".
2.2	The contract, if placed, shall be governed by conditions incorporated in e-tender documents as per para 2.0 above.
3.0	<u>Corrigendum:</u> Purchaser reserves the right to issue any corrigendum to the tender, without postponing the due date of opening, even up to ten days prior to the due date of opening of the tender (including the date of tender opening). Tenderers are thus advised to check the website for the purpose of submitting their e-bids or revising their e-bids, whether any such corrigendum to the tender has been issued or not. In case corrigendum is issued in under 10 days then due date shall be suitably deferred.
4.0	No Manual offers sent by post/Fax or in person shall be accepted against such E-tenders even if these are submitted on the Firm's letter head and received in time. All such manual offers shall be considered as INVALID offers and shall be summarily rejected.
5.0	This tenders complies with Public Procurement Policy Order 2017 dated 15.06.2017 as revised vide Ministry of Commerce and Industries (Department of Promotion of Industry and Internal Trade)'s Order No. E-45021/2/2017-PP(BE-II) dated 04.06.2020.

INSTRUCTIONS TO TENDERERS

Para No.	Content
1.0	Please read all relevant e-tender document carefully as available on Organization's (West Central Railway) page on the IREPS web site www.ireps.gov.in . before submitting the offer.
1.1	For submitting the offer electronically, the tenderers are required to have their class III Digital Signatures Certificate and registration on Indian Railways E-Procurement (IREPS) website www.ireps.gov.in .
1.2	Firms, which are not registered on IREPS may refer to link "New vendors/ Contractors (E-Tender)" at www.ireps.gov.in .
1.3	It may be noted that it shall be the sole responsibility of prospective bidders to get themselves registered on IREPS website and to submit their bid electronically prior to due date. West Central Railway shall not extend due date of tender opening for any delay on part of the bidder in obtaining digital signature and registration on IREPS site and later on PCMM/WCR/JBP shall not entertain any complaint for not giving opportunity to the tenderer to quote against this E-tender.
1.4	The vendors are also requested to read the Vendor user manual available on IREPS website and familiarize themselves with the electronic tendering process.
2.0	E-Tender form is to be submitted with digital signatures by the pre-authorized personnel of the vendor, already registered with IREPS.
2.1	Submission of electronic offer under your digital signature will be considered as your confirmation that you have read and accepted all the conditions laid down in the E-tender documents.
2.2	Annexure-B may be referred for details regarding submission of Tender cost, Earnest money deposit (EMD), Security deposit (SD) etc. and also for Taxes, duties, Price Variation Clause (PVC) etc.
2.3	All mandatory fields marked with (*) have to be filled in by the bidders.
2.4	The stores, offered should be in accordance with stipulated drawings and specifications in "Electronic Tender Schedule of Requirements". The e-bids should comply with the Instructions to Tenderers, IRS and Special Conditions of Contract. The details of deviations if any, from tender specification and other conditions should be clearly indicated in deviation statement. The purchaser, however, reserves the right to accept or reject these deviations and his decision thereon shall be final.
2.5	The tenderers must fill in the techno-commercial offer form (consisting of eligibility criteria, terms & conditions, performance statement, deviation statement, check list & special conditions etc.), financial offer form and attach scanned copy of all the documents which are required to be submitted by the tenderer in reference to the e-tender document.
2.6	The language used in filling the tender forms and documents attached must be clear and precise and in English or Hindi only. If any other language is used the certified copy of translation must be accompanied with the tender document. In case of any discrepancy / difference, only English version will be considered.

2.7	<p>All the mandatory fields of the Techno-commercial Offer Form and Financial Offer Form (i.e. Rate page) including basic rate, all taxes & duties, freight and any other charges shall have to be filled up by the tenderer. The unit of rate and unit of item shall be as indicated in the tender schedule and cannot be changed or altered by the tenderer. In case tenderer wishes to revise his offer, then a fresh offer has to be submitted.</p> <p>Important Note: -</p> <p>All inclusive unit rates on FOR destination basis shall be automatically calculated by the system and shown to the vendor before submission of offer.</p> <p>All tenderers should note carefully that the entries for rate, taxes & duties, freight and any other levy shall have to be made by them only in the relevant fields as provided in the financial offer form. In case, any entry made by tenderer outside the relevant field, same shall be ignored by the system. The comparative statement is prepared automatically by the system on the basis of the entries as made by tenderer in the relevant & respective field only. This computer generated comparative statement forms the basis for evaluation of offers, deciding the inter-se ranking of offers and further decisions thereafter.</p> <p>For example, if freight charges are mentioned extra and are not quantified in exact amount in the appropriate column/field, then freight charges shall be taken as nil in the comparative statement prepared automatically by the EPS system.</p> <p>Therefore, it is quite essential for the vendor to note that the entries for rate, taxes/duties, freight and any other levy should not be made anywhere else except in the appropriate field/column provided in the financial offer form. There should be complete break up of all inclusive unit rate quoted by tenderer showing separately packing, forwarding, discount, taxes/duties, freight etc.</p>
3.0	Drawings and Specifications:
3.1	Unless Drawings and Specifications as mentioned in the e-tender SOR are provided with the tender documents or made available on Railway's website for downloading by the tenderers, these may be obtained in the manner shown below:
3.2	Specification/STR/Drawing of RDSO/ICF/DLW/CLW/ CORE etc may be obtained, from the concerned authorities who have issued these, on payment.
3.3	Drawings and Specifications framed by the concerned authority of West Central Railway may be obtained from office of the PCMM, West Central Railway, Core Building, 1st Floor, Indira Market, Jabalpur-482002. However, in these cases, the tenderers shall have to produce the documentary evidence for having paid the applicable cost (firms having valid registration certificate of NSIC for the tendered item are provided Drawings & Specifications free of cost).
3.4	Railway shall not in any way be held responsible for delay in receipt of the supply of Drawings & Specifications, it shall be the sole responsibility of the tenderer to ensure the availability of the same from Railways.
3.5	If any tenderer happens to quote with their own Drawing No./Part No./ Specification, then they shall have to, necessarily, submit copy of all the requisite documents and information in support of their offer being in conformity with the tendered Drawing / Specification. Further, copies of such drawings/specifications/catalogue are also to be attached, failing which the offer is liable to be rejected.
4.0	<p>Place of Inspection : Generally third party inspection is carried out at firm's works.</p> <p>Hence, bidders must mention address for place of Inspection, wherever required, in order to avoid post-tender/contract correspondence.</p>

5.0	<u>Payment:</u>
5.1	West Central Railways is making payments through NEFT system for quick money transfer to the tenderers account. For payment through EFT, tenderers are required to submit consent in the mandate form for receipt of payment through EFT /RTGS as per format given in Annexure-B6, duly filled up in all respect. A copy of cancelled cheque must be attached.
5.2	In case of non-payment through EFT/RTGS or where EFT/RTGS facility is not available payment will be released through cheque.
6.0	<u>E-Tender Opening:</u>
6.1	The tender shall be opened any time after the specified closing date and time. System automatically ensures that no bids are submitted after tender closing Date and Time and tenderers cannot submit any offer or attach any file thereafter.
6.2	No Tenderer shall be required to be present in the Railways office for any e-tender opening to know the comparative position. They can obtain system generated tender tabulation statement by logging on to the IREPS website after the tender has been opened.

E-TENDER DOCUMENTS OF WCR
General Condition for Supply Contracts

Para	Content
1.0	Eligibility criteria and qualifying requirements of Tenderers:
1.1	<p>Eligibility criteria wherever applicable shall be as per SOR. If a tenderer is not registered with West Central Railway or is not an approved source for the tendered item with West Central Railway / Railways production units/ CORE/ RDSO, he shall provide a satisfactory evidence acceptable to the Purchaser to show that:</p> <ol style="list-style-type: none"> He is an established manufacturer, who regularly manufactures the items offered and has adequate technical knowledge and practical experience; He has adequate financial stability and status to meet the obligations under the contract for which he is required to submit a report from a recognized bank or a financial institution and last three years' financial balance sheet / profit & loss statement. He has adequate plant and machinery capacity to manufacture the items offered and supply within the delivery schedule offered by him. He has established quality control system and organization to ensure that there is adequate quality control at all stages of the manufacturing process. Firms who have no manufacturing facilities should not quote for items which are to be manufactured to drawing or samples. For all manufactured items, the name of manufacturer and the address of the workshop where the items will be manufactured must be indicated.
1.1.1	For purpose of Para 1.1, the tenderer should additionally submit:-
	<ol style="list-style-type: none"> A performance statement as in Annexure -B1, giving a list of major supplies effected in the recent past, of the items offered by him, giving details of the purchaser's name and address, contract Number and date, quantity supplied and consignee's certificate/receipt note/Inspection note in support of having executed the contract satisfactorily. While doing so the tenderer should upload copy of such documents i.e. Purchase order, Inspection Certificate and Receipt Note etc. A statement indicating details of equipment possessed and skilled manpower employed and quality control measure adopted etc. as in Annexure-B2. Tenderers must furnish details of past performance of the last 3 years along with copies of purchase orders and Receipt Notes and also full details of West Central Railway registration particulars, technical leaflets, literature etc. Omission or suppression of poor past performance would be viewed seriously.
1.2	The tenderer shall clearly indicate whether he is registered with PCMM, West Central Railway for the quoted item and if so he must quote the registration number along with monetary limit, if any. If the tenderer is registered as Micro & Small Enterprise as per para 5.1 (i) he must enclose a photocopy of valid proof of the same indicating the items for which he is registered with terminal validity date of the registration. In case the tenderer is approved by RDSO/Production Units / CORE for the quoted item, a Photostat copy of the approval must be furnished with the offer. No back reference is likely to be made in this regard and responsibility will lie with the firm, if firm is considered unapproved.
1.3	For items reserved for procurement from restricted sources:
1.3.1	<p>In case item is reserved to be procured from RDSO/ CORE/ICF/RCF/CLW/DLW/DMW etc. approved firms, then: -</p> <ol style="list-style-type: none"> (a) As per the policy of procurement, bulk purchase will be made only from the firms approved by RDSO/CORE/ICF/RCF/CLW/DLW/ DMW etc. (b) The status of the firm will be reckoned as on or before the date of tender opening and not thereafter. The tenderers are to upload the copies of approval letter along with the offers. However, in case of removal/suspension/banning etc. after opening of tender, such changes shall be taken into account while considering the offers. (a) Developmental Vendors shall be eligible for development order of 20% of NPQ in regular tenders. Total quantity to be ordered on developmental sources shall be limited up to 20% of NPQ in regular tenders. (b) Approved Vendors shall be eligible for bulk order, as per predefined tender conditions.

	<p>(c) Where there are not more than three Indian Suppliers categorized as Approved Vendor for a particular item, developmental vendors can be considered for placement of bulk order without any quantity restrictions. However, while considering such vendors, factors including past performance, capacity, delivery requirements, quantity under procurement, nature of item, outstanding order load etc. shall be considered in a transparent manner, subject to rates being reasonable. Quantity allocation among eligible vendors shall be based on pre decided tender criteria. Such orders shall be treated as bulk orders.</p> <p>Note: 1.Tenderers who are developmental vendors are advised, in their own interest, to furnish documentary evidence on regards their past Performance, capacity, delivery requirements, outstanding order load etc.</p> <p>2. A supplier or bidder shall be considered to be an Indian supplier as defined in Para 10(e) of Public Procurement (Preference to Make in India) Order, 2017, which is as follows (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.</p>
1.3.2	Total 358 items as per list published in gazette of India by notification No.503 dtd.23.03.2012 (the list of these 358 items is given under Annexure-B8.) shall be exclusively reserved for purchase from MSEs as listed In 5.1(i).
1.4	<p>CARTEL FORMATION: In cases where cartel is suspected among approved sources, the purchaser shall be at a liberty to exercise the following:</p> <p>(a) Whenever all or most of the participating tenderers quote equal rates and cartel formation is suspected, the Purchaser reserve the right to place order on one or more tenderers with exclusion of the rest without assigning any reason thereof.</p> <p>(b) Offers for quantity less than 50% of tendered quantity will be considered unresponsive and liable to be rejected. In case cartel formation is suspected, purchaser reserves the right to order on one or more tenderers any quantity.</p> <p>(c) The firms who quote in cartel are warned that their names are likely to be deleted from list of approved sources.</p> <p>(d) Whenever tender is floated with purchase restriction from sources approved by nominated authority and there exists a suspected cartel situation by approved sources or the rates available from approved source /sources are adjudged unreasonably high despite fair efforts as permissible, the purchaser reserves the right to place orders on firms outside the approved vendor list, without any restrictions</p>
1.5	Should a tenderer have a relative employed in Gazetted capacity in the Materials Management Department of the West Central Railway or in the case of a partnership firm or company incorporated under the Indian Company Law should a partner or a relative of the partner be employed in Gazetted capacity in Stores Department of West Central Railway, the authority inviting tenders shall be informed of the fact at the time of submission of tenders, failing which the offer is liable to be rejected, or if such fact subsequently comes to light the contract may be rescinded.
1.6	Tenderers should specify, wherever required, the names of vendors from whom he intends to procure Raw Material / Component used in his offered product.
1.7	Firms who are traders, are required to indicate name & address of manufacturer works and submit the authorization letter from their manufacturer on their letterhead along with the tender in the Proforma as in Annexure-B3. The material supplied by the traders will be inspected at the Manufacturer premises by the inspecting agency before supply.
1.8	Purchaser reserves the right to discharge a tender, accept the tender for a part or whole of the quantity without assigning any reasons whatsoever. No claim in this regard shall be admissible.
1.9.0	Preferential Treatment
1.9.1	<p>Preferential treatment to MSEs</p> <p>(A) Benefits/Preferential treatment to MSE's: In terms of notification no. 503 dated 23.03.2012 published in Gazette of India, the following benefits/preferential treatment shall be given to MSE's:</p> <p>(i) MSE's registered with any one of the agencies as per sub-para (B) below for the item tendered shall be exempted from payment of Earnest Money.</p> <p>(ii) In tenders participating MSE's 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 MSE's together can be ordered up to 25% of the total tendered value.</p>

(iii) Overall 4% (Out of total 25% for MSE's) of procurement of goods and services shall be from MSEs owned by Scheduled Castes or Scheduled Tribes (SC/ST) entrepreneurs and 3% (out of total 25% for MSE's) shall be from MSEs owned by women entrepreneurs. In the event of failure of such MSEs to participate in the tender process or meet tender requirement and L1 price, 4% sub-target of procurement earmarked from MSEs owned by SC/ST entrepreneurs and 3% sub-target from MSEs owned by women entrepreneurs shall be met from other MSEs.

(B) MSEs who are interested in availing themselves of these benefits will enclose with their offer the proof of their being MSE registered with any of the following: -

(a) UDYAM (UDYAM Registration Certificate).

(b) Udyog Aadhar Memorandum (Note:- Terminal date for consideration of this certificate was till 30.06.2022 or as extended by Ministry of Micro, Small & Medium Enterprises from time to time. Thus this certificate can only be considered if the above terminal date is further extended beyond 30.06.2022).

MSEs registered with above agency/agencies must attach (in the template- "Attach Documents" on "Techno-Commercial Bid Details form", as scanned copy in PDF format) their current & valid registration certificate along with their offer, failing which the offer is liable to be ignored.

- 1.9.2 Public Procurement (Preference to Make in India) Order 2017 is applicable for all items, Tenderer claiming preferential treatment should specifically ask for the same submitting the required details in their offer (Annexure-D).
- 1.9.2.1 Notification for preference to Make in India for IT & Electronics (including software's) items as communicated by Ministry of Electronics & IT to be procured shall be as per Annexure-D1. Tenderer claiming preferential treatment should specifically ask for the same submitting the required details in their offer.
- 1.10 The firms who are not MSEs such as large scale vendors of Railway Units and Consortia of MSEs (as vendors to Railway Units) formed by NSIC should furnish in respect of value of procurement and sub-contracts made with MSEs (Micro Enterprise and Small Enterprises registered with **any of the agency/agencies** indicated in para 5.1 (ii) by such firms under following categories:
- (a) Category of vendors (MSEs) as below:
- (i) Micro Enterprises
 - (ii) Small Enterprises
- (b) Each of the above categories must further be sub-classified under the following categories:
- (i) Enterprises owned by Scheduled Castes.
 - (ii) Enterprises owned by Scheduled Tribes.
 - (iii) Enterprises owned by other than above two categories.
- 2.0 Guarantee/Warranty:** Guarantee/Warranty shall be as per the specification of the item/ SOR & if nothing is mentioned in this regard, Guarantee/Warranty shall be as per IRS Conditions of Contract.
- 3.0** The offers should strictly conform to the tendered description and drawing/Specification as given in schedule of requirements and no samples need be submitted unless so mentioned in tender form.
- (i) When samples are required, the same must strictly conform to description, drawing / specification as mentioned. Samples submitted will be considered as supplemental and not in supersession to any specification mentioned and such samples will only be considered in relation to those points / parameters which are not defined in the specification. The onus of drawing attention to any particular item in which a tenderer wishes his samples to supersede or vary specification lies on tenderer. In the absence of specific acceptance in writing to any variation, the purchaser shall be entitled to reject any claim for acceptance of supply embodying such variation. When samples are called for they should be marked, sealed and labeled so as to correspond with the item of the tender. They should be sent "Freight Paid" to the same address as per the tender and arrangements should be made to see that they arrive by the opening time and date of the tender, otherwise, offers are liable to be rejected.
 - (ii) Samples submitted by the tenderers which are of the value of Rs. 100/- or less will not be returned to them. For samples valuing above Rs. 100/- the tenderer must state on the tender form if he requires the return of unaccepted samples failing which they will be retained by the purchaser. Unaccepted sample will be returned to firms on application who may arrange collection of the same from PCMM Office. Firms on whom orders are placed should refrain from sending advance samples unless called for and should make supplies strictly as per terms & conditions of Purchase Order placed on them.
- 3.1 The E-bids shall be kept valid for acceptance for a minimum period of 90 days from the date of opening of the tender. In case the tenderer stipulates validity period of less than 90 days, the offer may be treated as unresponsive and is liable to be ignored. If necessary, the purchaser may obtain clarification on the offers by requesting for such information from any of the tenderers as considered necessary. Tenderer will, however, not be permitted to

	revise rates and any other terms and condition of offer which alter substance of the offers after the tenders have been opened.
4.0	Tender Cost: Cost of tender document is Nil for tender document downloaded by bidders
5.0	<u>Earnest Money Deposit :</u>
5.1	<p>The Earnest Money Deposit (E.M.D.) shall be taken from all tenderers for any tender subject to following exemptions:</p> <ul style="list-style-type: none"> (i) Limited tenders (including single tender and global limited tenders) with estimated value upto Rs. 25 (twenty five) lakh in normal circumstances. However, in specific cases of such Limited Tender, Railway may call for EMD by incorporating suitable conditions in NIT/SOR. (ii) MSE's who are registered for the tendered item with any one of the following: <ul style="list-style-type: none"> (a) UDYAM (UDYAM Registration Certificate). (b) Udyog Aadhar Memorandum (Note:- Terminal date for consideration of this certificate was till 30.06.2022 or as extended by Ministry of Micro, Small & Medium Enterprises from time to time. Thus this certificate can only be considered if the above terminal date is further extended beyond 30.06.2022.) (iii) Other Railways, Govt. Departments. (iv) Indian Ordnance Factories, (v) PSU's owned by Ministry of Railways and PSU's for the group of items that are manufactured by them. The cases of other PSUs not willing to or unable to pay the Earnest money, the same may be considered for waiver in consultation with the Associated Finance. (vi) Vendors registered with Railway for the trade group of the item tendered. (vii) Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing. (viii) Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of EMD for these items. (ix) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting EMD. KVIC and ACASH shall be exempted from EMD for items supplied by them. <p>Offer submitted without EMD shall be summarily rejected.</p> <p><u>Note:</u> Exemption of EMD shall be subject to following conditions:-</p> <ul style="list-style-type: none"> (i) All vendors (other than Govt. Departments/ordnance factories/other Railways/Railway PSUs/KVIC/ACASH) who seek exemption from EMD, irrespective of type of tender, i.e. single, limited or open, shall be required to sign a bid securing declaration as under: <p>“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.</p> <p>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.</p>

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”

- (ii) It may be noted by vendors seeking EMD exemption that their bid may be summarily rejected and they can be disqualified from availing exemption from submission of EMD/SD as per above declaration. 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) The disqualification procedure and all the correspondence thereof shall be online and digital in due course. Till such time it is not made online and digital, the Railway shall communicate disqualification to the vendor by email/post.

5.2	<p>The amount of EMD shall be as under:-</p> <table border="1" data-bbox="331 869 1273 1039"> <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.
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.						
5.3	If a tenderer does not furnish the earnest money, he should clearly indicate the category (as per para 5.1 above) under which the firm is exempted and should submit the documentary evidence for the same as also the declaration as per Note (i) under para 5.1 above. Failure to do so will be taken as unwillingness on his part to deposit the earnest money and such offers shall be summarily rejected						
5.4	The earnest money should be deposited utilizing payment Gateway for Indian Railway e-procurement system only.						
5.5	No interest shall be payable on the Earnest Money deposited/submitted.						
5.6	<p>In the event of successful tender(s) failing to deposit/submit SD in acceptable form within the prescribed period as aforesaid, the EMD submitted by such successful tenderers shall be automatically adjusted towards SD in cases where EMD amount is adequate to meet the SD amount. In case where available EMD amount is less than required SD amount and the successful tenderer does not deposit the balance SD amount within the 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.</p> <p>All vendors (other than Govt. Departments/ordnance factories/other Railways/Railway PSUs/KVIC/ACASH) who seek exemption from EMD, irrespective of type of tender, i.e. single, limited or open, shall be required to sign a bid securing declaration as per Note (i) under para 5.1 above. Such vendor who fails to submit SD in stipulated time 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 the vendor is declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period.</p>						
5.7	System for online release of EMD has been rolled out by CRIS. Thus, EMD of unsuccessful bidders or tenderers shall be released immediately after finalization of the tender. EMD shall also be released to bidders or tenderers whose offer's validity has expired and the same is not sought to be extended by Railway or bidder or tenderer has refused to extend the same. EMD shall also be released to successful bidders or tenderers on submission of required SD.						
5.8	Neither the standing deposit, if any lodged with this Railway nor will any other deposit against any other tender be accepted as earnest money for the purpose of this tender.						

6.0	<p>Security Deposit(SD):</p> <p>(i) There shall be no exemption from submission of Security Deposit(SD) for any tender or by any tenderer except following:-</p> <ol style="list-style-type: none"> The Store contract cases of value upto Rs.25 (twenty five) lakh. Other Railways and Government Department, Indian Ordnance Factories PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them. Waiver of security deposit can also be considered for other PSUs in consultation with the Associated Finance. 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. 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. Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing. Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of SD of these items. <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>(ii) The amount of SD shall be as under:-</p> <table border="1" data-bbox="336 1084 1396 1223"> <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> <p>Note: Notwithstanding the amount of SD in normal cases as above, Railway reserves the right to raise the upper ceiling of SD upto 10% of contract value in specific cases.</p>	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>(iii) Security Deposit (SD) shall remain valid for a period of 60 days, beyond the date of completion of all contractual obligations.</p>						
	<p>(iv) SD from successful tenderer should be received in purchase office within 21 days from the date of communication of acceptance.</p>						
	<p>(v) In the event of successful tender(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 cases where EMD amount is adequate to meet 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 the 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.</p>						
	<p>(vi) All vendors (other than Govt. Departments/ordnance factories/other Railways/Railway PSUs/KVIC/ACASH) who seek exemption from EMD, irrespective of type of tender, i.e. single, limited or open, shall be required to sign a bid securing declaration as per Note (i) under para 5.1 above. Such vendor who fails to submit SD in stipulated time 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 the vendor is declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period.</p>						
	<p>(vii) In case of failure by contractor to meet deliveries for any lot against contracts concluded on severable contract basis (i.e. such contract where separate terminal delivery dates have been specified for different lots of specific quantities), Railways may cancel the contract for defaulted part by forfeiting SD commensurate to that lot. It is pertinent to say here that in case of non-completion of supply of contracted quantity against entire contracts (where single terminal delivery date has been specified for entire quantity), Railways shall be entitled to cancel the defaulted quantity by forfeiting entire SD.</p>						
	<p>(viii) In case, if there is any conflict between the provisions in regard to security deposit(SD) given anywhere else in the tender documents on one hand, and the provisions</p>						

	given in Special Conditions in SOR (schedule of requirement) on the other, then the provisions given in SOR will hold good.
6.1	Bank Guarantees (BGs), as per proforma in Annexure-B-4, to be submitted by suppliers/contractor should be sent directly to the office of PCMM, West Central Railway, Jabalpur, by the issuing bank under registered post AD. "The bank guarantee should be on the stamp paper of 0.25% of the SD amount subject to a maximum of 25,000/- or as notified by the Govt. of MP time to time" and in the format given with these documents.
6.2	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.
6.3	The Risk Purchase clause shall not be applicable. However in the event of non-completion of contract, General Damages shall be leviable @10% of outstanding value of contract as per Clause 24.0 of Indian Railway Standard Conditions of Contract Annexure-E). Wherever, forfeiture of SD as per para 6.0 (vii) above or Railway's claim (where SD has been exempted) as per 6.2 above is found to be less than 10% of outstanding value of contract, the balance amount shall also be treated as recovery outstanding against the vendor and dealt with accordingly.

7.0 TIME SCHEDULE:

- 7.1 Tenderers should invariably quote firm delivery period as stipulated in important terms and conditions in Electronic Tender SOR. The firms may note that their offers are likely to be ignored or may not be considered for placement of order if their offered Delivery period is in variation from Delivery Period as specified in tender documents. Thus, while quoting the DP, this aspect may be kept in view by the tenderer.
- 7.2 In the case of "ex-stock" offers, the dispatch of stores is to be effected within 7 days of the receipt of order. However, wherever the stores are subject to inspection by RITES/RDSO etc. before dispatch, extra time of 3 weeks will be allowed to cover time in inspection.
- 7.3 In case of delivery by rail with FOR station of despatch, the date on which stores are placed on rail after inspection (i.e. RR/PWB date) will be the date of delivery. In case of local delivery/ outstation dispatches sent by lorry, the date on which materials are actually received/ delivered to consignee will be taken as date of delivery. In all cases, clause 0600 of the IRS Conditions of Contract will have the over-riding effect.
- 7.4 The tenderers should quote the delivery period / delivery schedule carefully, because the time and date for the delivery of stores shall be the essence of the contract and delivery must be completed not later than the date / period so specified. The attention of the tenderers is invited to clauses 0700, 0701 and 0702 of the IRS Conditions of Contract, which shall govern the contract.
- 7.5 Contracts with staggered Delivery period: In case of failure on the part of supplier to arrange supplies as per the delivery schedule/installments fixed in advance, save force majeure conditions or delays attributable to Purchaser, the Purchaser reserves the right to levy Liquidated Damages which shall be levied as per Para 702 (a) of IRS Condition of Contract for the delayed quantity which have remained unsupplied for that period.
- 7.6 Delivery quoted must conform to the specified delivery in the Tender Schedule and should not be vague like "as per your requirement" or indefinite like "2 to 12 months ". It should clearly mention starting time monthly quarterly rate of supply and completion time.
OFFERS WITH DELIVERIES NOT AS PER THIS CLAUSE ARE LIABLE TO BE IGNORED.

8.0 DELIVERY TERMS:

- 8.1 The purchaser will prefer free delivery by road at consignee's end and tenderers may indicate freight / delivery charges in their offers. In case an offer is submitted on the basis of FOR - Station of despatch, without indicating freight / delivery charges, the supplier shall agree to dispatch the stores by road on free delivery to consignee on freight pre - paid basis. Offers with remarks like 'freight extra' or 'at actuals' shall be treated as commercially incomplete offer and shall be summarily rejected.
- (i) The tenderer should note that generally the supplier are supposed to quote delivery by road (only in exceptional cases, delivery by Rail will be accepted by WCR) and that too on FOR destination basis for each consignee as given in the Electronic Tender SOR duly indicating separate freight elements for each consignee of Electronic Tender SOR. Tenderers are requested to refer to important note below Para 9 of Annexure-A for quoting the freight charges on the financial form.
- (ii) It shall also be entire responsibility of supplier to arrange truck /trailer etc. at their end for despatches of materials by road and WCR shall not provide any assistance in this matter and no delay on part of the supplier on this account with respect to
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	delivery of material shall be considered as a valid reason to extend the contractual DP / waive penalty etc. by the purchaser.	
8.2	In case an offer on FOR station of dispatch is accepted with mode of despatch by rail, the supplier shall agree to book the stores by goods train for wagonload consignments and passenger / parcel train for smalls.	
8.3	The purchaser will not pay separately for transit insurance and supplier will be responsible till the entire stores contracted for are received by the ultimate consignee in good condition at destination.	
9.0	Tenderers are required to quote rate in the same rate unit (i.e. Number, set etc.) as given in the Tender Schedule. Any deviation in this aspect will make the offer liable to be ignored.	
10.0	GST	
10.1	Tenderers may please note that the supply of goods and/or services would be subject to GST Act and Rules as applicable from time to time.	
10.2	Any additional financial implication of implementation of GST, due to non- submission of break-up of all the duties/taxes/charges leviable on the tendered item viz., GST, Octroi, Entry Tax etc. will be borne by tenderers.	
10.3	All the bidders/tenderers should ensure that they are GST compliant and their quoted tax structure/rates are as per the GST Law. Tenderers must indicate GST registration number while submitting their offer. The declaration should also be given that "input tax credit has been taken into consideration while submitting their offer and any benefit accrued in future on this account will be passed on to railways" Further successful tenderer/suppliers are required to pass on any input tax credit(ITC) which accrues due to change in statutory tax regime. Suppliers are required to indicate in their bills about any extra input tax credit availed by them which have been accrued under GST and also furnished certificate to the effect of the same. –Annexure B7	
10.4	In case the successful tenderer is not liable to be registered under CGST/IGST/UTGST/SGST ACT. The railway will deduct the applicable GST from Firms bills under Reverse Charge Mechanism(RCM) and deposit the same to be concerned tax authority	
10.5	Successful tenderer should agree and confirm that they will pay GST collected from the railway within due date and upload the payment details in GSTIN to enable railway (purchaser) to obtain input tax credit.	
11.0	Statutory variation clause(SVC): SVC will be applicable until and unless stated otherwise.	
12.0	Price Variation Clause: The present EPS designed system does not have a provision to make tabulation statement with different types of Price Variation Clauses automatically. Therefore, a standard Price Variation Clause (as being followed by WCR at present), wherever applicable/permitted shall be incorporated in bid conditions indicating the base price & base date of a specific agency etc. with the formula of increase and decrease in prices etc. In that case, vendors shall be asked categorically to quote exactly as per PVC formula as given in the tender document or otherwise. In case of any deviation with respect to Price Variation Clause formula as specified in bid conditions, their offers liable to be rejected.	
13.0	<u>Evaluation criteria of offers/criteria for inter-se ranking of offers:</u>	
	(i) In case of multi item or single item with single or multi consignees, the inter-se position will be decided item wise and consignee wise, unless otherwise some other evaluation criteria is specifically mentioned in the tender.	
	(ii) Tenderers are advised to refer to instructions to tenderers for filling up of rates, taxes, duties, freight charges and other levies in the financial offer form.	

	<p>Evaluation of offers shall be made on the basis of the comparative statement generated by the EPS system.</p> <p>(iii) a) 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.</p> <p>b) Purchaser shall not be responsible for any misclassification of HSN number or incorrect GST rate if quoted by the bidder.</p> <p>c) 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 which is lower of the GST rates incorporated in the purchase order or billed.</p> <p>d) Vendor is informed that they would be required to adjust their 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.</p> <p>e) 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 and HSN number, under SVC.</p> <p>(iv) It shall be the responsibility of the tenderer to ascertain whether any entry tax is payable on commodity quoted as per the Madhya Pradesh/Rajasthan Tax on Entry of Goods. If entry tax is payable on the quoted commodity, the tenderer shall indicate the prevailing rate of entry tax payable on such commodity. In case, the firm does not indicate the rate of entry tax, no entry tax shall be payable by the purchaser and tenderer has to bear the same if it is levied or becomes payable in future. In case of tenderers indicating entry tax extra at actual, without specifying the rate/percentage of entry tax, no entry tax shall be payable by the purchaser and tenderer has to bear the same if it is levied or becomes payable in future.</p> <p>(v) The prices quoted shall be firm, unless otherwise permitted to quote with a specified Price variation clause only. The tenderer shall indicate price on free delivery to destination basis, which shall include GST leviable and all charges for packing, cartages, loading, forwarding, octroi charges (where Octroi exemption certificate issued by the consignee is not acceptable to concerned authorities) & Entry Tax etc. In addition, a complete break-up showing ex-factory price, GST, handling & freight charges etc. shall also require to be given by the tenderer.</p> <p>(vi) The tenders will be evaluated by the Purchaser on free delivery to destination basis, to ascertain the best and lowest acceptable tender, as specified in the specification and tender documents.</p> <p>(vii) Claim for any tax or duty not stipulated in the quotation will not be admitted at any stage on any grounds whatsoever.</p> <p>(viii) The price should be quoted only in Indian Rupees. The offers submitted in other currencies shall not be considered.</p> <p>(ix) <i>Offer with discounts:</i></p> <p>(a) Tenderer should quote clear offer with unconditional discounts, if any and the system shall evaluate the bid on FOR/destination basis and shall show up to the vendor before submitting e-bid.</p> <p>(b) Conditional discounts attached to early payment and early receipt note shall not be considered and such offers shall be ignored.</p> <p>(c) Conditional discount attached to quantity, if any is to be submitted as alternate offer and tenderer can submit multiple alternate offers in such cases.</p>	
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	<p>(d) Railways may avail of the discounts linked to quantity if otherwise firm's offer is found to be suitable for placement of contract.</p> <p>(x) Offers with Delivery at other than specified location in tender schedule shall be considered as unresponsive and shall be ignored for the specified location.</p>									
14.0	<u>Splitting of tendered quantity:</u>									
14.1.0	Case of no prior decision to split the order –									
	<p>14.1.1 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</p> <ul style="list-style-type: none">(i) Past Performance of bidders(ii) Capacity of bidders to supply the tendered item per month(iii) Delivery requirements in the tender(iv) Quantity under procurement(v) Vital / Safety nature of the items. <p>14.1.2 In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 14.2.2. below.</p>									
14.2.0	Case of pre-decided split ordering –									
14.2.1	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.									
14.2.2	Following provisions (14.2.2(A) to 14.2.5) shall be applicable in all such cases of pre-decided split ordering –									
	<p>(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.</p>									
	<p>(B) Whenever splitting of tender quantity is pre-decided, such distribution/splitting of the tendered/ procurable quantity 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-à-vis the delivery schedule incorporated in the tender enquiry etc. being same/similar) in the manner detailed in the table below:</p> <table><tr><td>Price differential between L1 and L2</td><td>Quantity distribution ratio between L1 and L2</td></tr><tr><td>Up to 3%</td><td>60:40</td></tr><tr><td>More than 3% and up to 5%</td><td>65:35</td></tr><tr><td>More than 5%</td><td>At least 65% on the L1 tenderer. For the quantity to be ordered on L2 tenderer, TC/TAA shall decide.</td></tr></table>		Price differential between L1 and L2	Quantity distribution ratio between L1 and L2	Up to 3%	60:40	More than 3% and up to 5%	65:35	More than 5%	At least 65% on the L1 tenderer. For the quantity to be ordered on L2 tenderer, TC/TAA shall decide.
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	<p>In the phrase 'differential rates quoted by the tenderer', the quoted rate would mean</p> <p>(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.</p> <p>(ii) When price negotiation has been called for, the reference L1 rate for assessment of ratio will be the original rate of L1 firm (suitable for bulk quantity) – say firm "A" - as obtained at the time of tender opening.</p> <p>B(I) 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.</p>
14.2.3	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.
14.2.4	<p>For cases where the Rlys/PUs had entered into ToT/JV agreements, the following clause should be stipulated as tender conditions.</p> <p>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 14.2.2 (B) shall apply with the exception that the aspect of 'per-se reasonability' will not be applicable.</p>
14.2.5	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.
14.3	All tenderers must submit photocopies of POs, Inspection certificate and receipt notes related to supply of the material under procurement against the orders place on them during the preceding three years by any zonal railway/PU. The tenderers should clearly mention their monthly capacity of supply the tendered item and the outstanding load on them against existing contracts from all zonal railway/PU/any other organization as on the date of tender opening. Tenderers are to note that non-submission of such documents shall be taken as their not having enough capacity/past performance and their offers shall be considered based on the details available with this office and no back reference in this regard will be made to them.
15.0	<u>Type of contract & Delivery Schedule:</u>
	<p>(i) The tenderer should note that at the discretion of railways, contract may be entered into on severable contract basis only & therefore the PO will also be issued on severable contract basis with delivery of specific units of material shall be completed within each month or within specified period duly taking into account our delivery requirement as mentioned in Electronic Tender SOR. It may not be on an entire contract basis; therefore, the tenderer should take note of the same.</p> <p>(ii) The tenderer /supplier should note that failure on part of supplier to complete supplies of each installment within specified period or within specified date as indicated in PO (which will be placed only on severable contract basis with separate delivery period for each installment), shall be treated as a breach of contract on part of supplier & in such situation Purchaser shall have all rights to take all necessary penal actions (for that installment quantity whose delivery period expired but supplies not made by the supplier) against the supplier as per terms and conditions of the contract.</p> <p>(iii) Time preference contract: It should be noted that the contract is placed on higher tenderer, as a result of this invitation of tender, in preference to the lowest acceptable offer, in consideration of offer for earlier delivery. The contractor will be liable to pay to the Government the difference between contract rate and that of</p>

	the lowest acceptable tender on the basis of final price F.O.R. destination including all elements of freight, GST, Local Duties, duties other incidentals in case of failure to complete supplies in terms of such contract within the date of delivery specified in the tender and incorporated in the contract. This is in addition and without prejudices to other right under the terms of contract and particularly clause 0702 of I.R.S. conditions of contract.
16.0	<u>ACCEPTANCE OF TENDER:</u>
16.1	The purchaser may accept a tender for a part or whole of the quantity offered, reject any tender without assigning any reason and may not accept the lowest or all the tenders.
16.2	Purchase Orders being placed through IREPS are instantly available to the vendors. An order/advance letter of acceptance, placed on the Contractor must be promptly acknowledged by him within 48 hours of receipt of order.
16.3	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.
17.0	<u>OPTION CLAUSE:</u>
17.1	<p>In the tenders for fixed quantity contracts for procurement of materials of which the requirement are of continuing nature and tender value is more than Rs. 75 lakhs, the following conditions will apply:</p> <p>"The Purchaser reserves the right to vary the ordered quantity by (+) 30% at any time, till final delivery date of the contract, by giving reasonable notice, even though the quantity ordered initially has been supplied in full before the last date of Delivery Period.</p> <p>a. "Reasonable notice" as mentioned above (Para 17.1), is only for the purpose of allowing the contractor suitable time to make necessary arrangements for the supplies and not for seeking any consent from the contractor towards exercise of the contractual Option Clause. To this end, a reasonable delivery schedule for the enhanced ordered quantity stipulated in the relevant amendment to the contract will suffice.</p> <p>b. In case Delivery Period is extended in a contract with (+) 30% Option Clause either for the full ordered quantity or a part quantity which remained unsupplied on the date of expiry of the original DP, then during the extended delivery period also, quantity variations can be made on the total ordered quantities.</p>
18.0	<u>Penalty for Delays in Supplies during delivery period:</u> In case of failure on the part of supplier to arrange supplies as per the delivery schedule installments fixed in advance, save Force Majeure conditions or delays attributable to purchaser, the purchaser reserves the right to levy liquidated damages which shall be levied as per para 702 (a) of IRS conditions of contract for the delayed quantities, which have remained unsupplied for that period.
18.1	<u>LD Clause:</u> Railway shall recover from contractor as agreed liquidated damages and not by way of the penalty, a sum equivalent to ½% (half percent) of the price of any stores (including element of taxes, duties, freight etc), which the contractor has failed to deliver within the period fixed for delivery in the contract or as extended for each week or part of the week during which the delivery of such stores may be in

arrears where delivery thereof is accepted after expiry of the aforesaid period, subject to maximum of 10% of value of the delayed supplies.

(b) No request for waiver of LD or levy of token LD will be considered.

19.0	<u>Inspection:</u>
	<p>The tenderer should note that the supplier shall have to give an online communication (wherever online is not possible then written communication) of each inspection call to the concerned inspecting agency e.g. RITES/ RDSO/WCR well before the expiry of contractual DP duly taking into account the transit time needed to reach the material finally at site as per terms and conditions of purchase order. Thus the inspection call should not be made at the fag end of delivery period in terms of IRS conditions of contract. Also the copy of each inspection call of materials must be sent by the supplier to the ultimate consignee & PCMM/WCR both by E-mail & fax (or through Speed post where E-mail/fax is not available).</p> <p>19.1 All manufactured spares must carry identification mark initials of manufacturers and month / year of manufacture in embossed form at a location as specified in drawing / specification. In case this is not mentioned in drawing or specification, the location should not be subject to wear and should not affect the operation of the spare, INSPECTING AGENCIES AND CONSIGNEES SHOULD REJECT CONSIGNMENTS NOT CONFORMING TO THIS CLAUSE.</p>
20.0	<u>Despatch of Goods:</u>
20.1	The tenderer should note that the supplier shall have to give a written intimation either at the time of making despatches or immediately after the despatches of material (i.e. preferably within 48 hours of dispatch of materials) duly indicating PO's reference, brief description of item, its quantity, truck/trailer no., name and mobile no. of carrier's driver (if available) to the ultimate consignee, by fax & E-mail (where E-mail /fax is not available communication for such matter must be made by speed post), so that the ultimate consignee can make necessary arrangement for unloading the material at site.
20.2	Packing conditions: Material should be provided with standard packing, which can withstand transit damage, handling and proper storage.
20.3	Transit risk will be on the suppliers account.
20.4	Receiving Depots will entertain supplies orders up to 3 P.M. on the working days only and up to 11 a.m. on Saturdays. In special cases supplies will be accepted up to the closing of the depot, with the permission of depot officer.
20.5	E Way Bill: Wherever E Way Bill is required as per GST provision, a copy of same should be submitted by supplier along with the supply.
20.6	<p>Road permit : The tenderer / supplier should note that for getting road permits for making despatches of material by road (after receipt of purchase order), they must send a written intimation at least 10 days in advance before likely date of despatch of materials, duly indicating no. of road permits required, the approximate quantity with brief description of item etc. and this written intimation must be sent to the ultimate consignee both by fax & E-mail (where E-mail /fax is not available, communication for such matter must be made by speed post). However, the supplier are at their liberty to make telephonic calls in this respect also to the concerned person as indicated above, but sending the intimation both by E-mail and by fax (or by Speed post where E-mail/fax is not available) is must. The supplier shall also note that before asking additional no. of road permits from the concerned ultimate consignee, the supplier shall have to ensure that all earlier issued road permits against a particular purchase order has been used by them for that particular consignee of WCR or else all unused road permits must be returned by them to the concerned officer (who have issued such road permit) but well within its validity period. In case any supplier does not fulfills this condition after entering into the contract, then the ultimate consignee shall be at liberty to take a final decision regarding issue of further road permits to such defaulting supplier (i.e. whether to issue further road permits or not) & then for any delay on this account (i.e. non-issue of road permit by consignee etc.), such</p>

	defaulted supplier only will be held fully responsible. Firm should note that immediately after receipt of PO, they should obtain complete postal address, E-mail, fax no. etc. of all ultimate consignees for communication. Tenderer should note that, failure to comply above instructions by the supplier after receipt of PO (as these condition will also be the part of the contract) will be considered as adverse performance of the firm by WCR.
21.0	<u>Progress report:</u>
	<p>(i) The tenderer should note that the supplier after getting the purchase order, shall have to furnish details of dispatches made during each month to the ultimate consignee & PCMM/WCR both by E-mail & fax (or through Speed post where E-mail/fax is not available) and such information should be sent positively within last week of each month, so that proper planning of materials may be done by WCR.</p> <p>(ii) In addition, the supplier shall have to intimate in writing their next two months programme of likely despatches positively within last week of each month with full details i.e. quantity likely to be manufactured and going to put up for inspection etc. duly indicating PO number, brief description of items, approximate quantity etc., to the ultimate consignee, &PCMM/WCR both by E-mail & fax (or through Speed post where Email/fax is not available). Tenderer should note that, failure to comply above instructions by the supplier after receipt of PO (as these condition will also be part of the contract) will be considered as adverse performance of the firm by WCR.</p>
22.0	<u>PAYMENT TERMS:</u>
	The standard payment terms subject to recoveries, if any, under the liquidated damages clause in the IRS Conditions of Contract or other recovery, if any, will be as under:
22.1	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.
22.2	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.
22.3	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.
22.4	However, in this connection it is to be made clear that for orders valuing up to Rs. 5 lakhs, normally no advance payment will be made and 100% payment against receipt and acceptance of the material by the consignee i.e., against Receipt Note shall be preferred.
22.5	However, in deserving cases only, 98% / 2% payment can also be considered within the framework of extant rules and procedures.
22.6	While quoting in the tender as well as submitting their invoice/bills, the firms should indicate the freight charges separately from the price of goods, failing which the supplier would be liable to pay any element of taxes that may become applicable on freight (transportation) charges.
23.0	<u>RISK PURCHASE:</u>
	Please note risk purchase period shall be 9 months instead of 6 months as provided in clause 0702(B) of IRS terms & conditions of contract. In case of default by supplier, Railway reserves the right of either go for Risk Purchase or to cancel the Purchase Order with 10% General Damages. The Risk purchase clause shall not be applicable wherever General Damages @10% is imposed on outstanding value of contract. In such cases General Damages will be recovered from the firm duly adjusting the SD amount, if any. However, in such case adverse performance of such firm may be recorded & intimated to the source approving agency & also taken into account in future tender cases.
23.1	In the event of a contract being cancelled for any breach committed and the purchaser effecting repurchase of the stores at the risk and cost of the contractor, the purchaser is not bound to accept the lowest tender of a benami or allied or sister concern of that contractor."
23.2	In the event of the supplier causing any loss to the Railway Administration through fraud, negligence or any other action (direct or contributory) or fail to pay on demand to the Railway Administration any money which he may be required to pay under or by virtues of

	the Conditions of Contract or by Law, the Railway Administration shall be at liberty to appropriate to the payment of such money either the whole or part there of as may be necessary to satisfy the Railway's claims of any deposit made by the Supplier against contract and if the deposit amount be insufficient to pay the whole such moneys due to the Railway to cover the balance by deduction from any sum due or which may thereafter become due to the Railway to cover the balance by deduction from any sum due or which may thereafter become due to the Rail way under that contract or any other contract.
24.0	<u>General Damages(GD):</u> In case of non-completion of contract General Damages is leviable @ 10% of outstanding value of contract.
25.0	<u>Force Majeure Clause:</u> In the event of any unforeseen even directly interfering with the supply of stores arising during the currency of the contract, such as war insurrection restraint imposed by the Government, act of legislature or other authority, explosion, accident, strike, riot, lock out, or other disorganization of Labor, acts of Public enemy, acts of God, sabotage, the Contractor shall within a week from the commencement thereof notify the same in writing to the purchaser with reasonable evidence thereof. If the force majeure conditions(s) mentioned above be in force for a period of 90 days or more at any time, the purchaser shall have the option to terminate the contractor expiry of 90 days of commencement of such force majeure by giving 14 days notice to the contractor in writing. In case of such termination, no damages shall be claimed by either party against the other save and except these which had accrued under any other clause of this agreement prior to such termination.
26.0	<u>Special conditions for stores required to BIS specification</u> (i) Contract as a result of such tender enquiry will be entered into only for stores having ISI marking. In case ISI marked stores, are not available, stores strictly conforming to BIS specifications are required. (ii) Tenderers offering stores with ISI marking must indicate BIS specification number along with following: (a) Details of BIS license held by them with its validity period. (b) Must enclose a Xerox copy of BIS license with their quotation. (c) Must enclose a list of stores for which they are authorized to put ISI mark. (iii) Tenderers must confirm clearly in their quotations whether the offered stores will bear ISI mark or not. Offers for ISI marked stores should invariably be supported by photo state copy of valid BIS license showing stores specifications number failing which such offers will be liable to be ignored. Registration status shall be taken with reference to date of tender opening. (iv) In case a product is available with 'ISI' mark and purchase order is placed on ISI certified manufacturer, the material can be accepted on firm's WTC instead of 3 rd party inspection.
27.0	<u>Special conditions for Supply of bearing for Railway applications:</u>
27.1	Only manufacturers or their authorized importers/dealers should quote for these items. The authorized importers/dealers should submit valid authorization letter from their manufacturers and standing guarantee for the quality and performance of bearing, otherwise their offer will be ignored.
27.2	Tenderers submitting their offer for imported bearings desirous of claiming price variation due to exchange rate variation on quoted price should indicate clearly. The FOB price and also indicate exchange rate prevailing on date of order.
27.3	Supplies to be made in original packing of manufacturers and each bearing should be packed separately.
27.4	Tenders should decode the prefixes and suffixes of the offered bearings.
27.5	Supplies to be inspected by RITES (visual inspection). Tenderers should submit the following documents and undertakings to the Inspecting Authority and the purchaser. (a) Visual Inspection by RITES to cover general quality and finish of the bearing and in particular to ensure that the surface finish of faces balls/rollers of bearings are smooth. (b) That the bearings are new and have not been lying in stock for any unduly long time.

	<p>(c) That all the bearings mentioned in the contract have been offered for inspection as per delivery schedule.</p> <p>d) That all the bearings offered are of standard make and of good workmanship.</p> <p>e) That the supplier has to produce necessary documents to show that he is authorized stockiest/manufacturer and submit necessary import documents covering the quantity under inspection to the inspecting of other authorities.</p> <p>f) Firm should accept Rly's standard warranty clause submit following certifications:</p> <p>g) only manufactures should quote and if they intend to quote through dealer/Agents, authorities by the firm should be on case-to-case basis i.e. Tender specific.</p> <p>h) In case where the inspection may be required to be carried out at dealer/ Agent's premised, the manufacture shall also associate during the inspection.</p> <p>"Certified that bearings supplied by us against S/Order No... dtd Are genuinely imported from our principals and are manufactured by M/s. and that the material has been tested by the Manufacturers as per SKF/FAG/TIMKEN/STEVEER/NEI/STANDARDS/SPECIFICATIONS and are marked as SKF/FAG/TIMKEN/STEVEER/NEI etc."</p>
28.0	<p>Import contract:</p> <p>Where quotations submitted involve importation, a complete break-up of the F.O.R. prices indicating C.I.F. value for which import license is required and also Indian charges, viz. Custom-duty, Landing Port and other clearance charges and Agent's commission must be shown.</p>
28.1	<p>Offers for imported materials should be submitted on the basis of F.O.B. C.I.F. Indian Port/F.O.R. destination basis. The purchaser reserves the right to place the order on any such basis.</p>
28.2	<p>In case of F.O.B. offers, the prices to be quoted should be the tenderer's principals/manufacture net F.O.R. prices. The Agency Commission payable to the tenderer in terms of Agreement with his principal manufacturers should be indicated both in foreign currency as well) as in Indian Rupee to be converted by applying T. T. buying rate of Exchange ruling on date of offer. The agency commission finally payable to the tenderer under the contract will however be converted in Indian Rupees at the T.T. buying rate of exchange ruling on the date of placement of the contract and which shall not be subject to any further exchange variation. The quotations or F.O.B. basis should be supported by the manufacturer's Invoice.</p>
28.3	<p>Indian Agents/Associates quoting on behalf of Principals/Manufacturers abroad on F.O.B./C.I.F. basis should::</p> <p>(i) Certify the net prices to be paid to their Principals/Manufacturers in foreign currency and indicate separately the amount of remuneration/ commission/profit which the Indian Agents/Associates are entitled to in terms of their Agreement with the foreign Principals/Manufacturers. Agency commission normally should not exceed 5% of F.O.B.</p> <p>(ii) Produce their Principals/Manufacturers proforma invoice or certificate indicating remuneration commission/discount etc. to be allowed in the particular transaction, to their Indian Agents Associates, and the nature of after sale-services to be rendered by the Indian Agents/Associates</p>
28.4	<p>Foreign firms quoting direct against the enquiry and who have Indian Agents/ Associates and/or servicing facilities in India should indicate in their offer the name of their Indian Agents/Associates or the representative they have for servicing in India. They should quote net F.O.B. prices exclusive of the amount of remuneration/commission provided for their Indian Agents/Associates. It is understood that the purchaser will indemnify the manufacturer/Principals against payment of such 23 Commission and would undertake to pay such commission to the Indian Agents/Associates in Rupees in India in respect of a contract arising out of this invitation to Tender, where the Indian Agents/Associates remuneration/commission covers a part of the price against the tender.</p> <p>(a) The amount of Agency commission payable to the Indian Agent will not be more than what is specified in the Agency agreement between the tenderer (i.e. the foreign principal and the Indian agent. A certified photocopy of the Agency commission agreement must be submitted along with the offer.</p> <p>(b)The Indian agent will be required to submit a certificate, along with their Agency Commission bill, confirming that the amount claimed as Agency commission in the bill has been spent/will be spent strictly to render services to the foreign principal,</p>

	<p>i.e., M/s (i.e. the contractor) in terms of agency agreement. The purchaser of their authorized agencies and/or any other authority of Govt. of India shall have rights to examine the books of the Indian Agent and defect or misrepresentation in respect of the afore indicated confirmation coming to light during such examinations will make the foreign principal (i.e. the contractor) and their Indian Agent liable to be banned/suspended from having business dealing with Indian Railways, following laid down procedure of such banning/suspension of business dealings</p>
28.5	<p>Besides the above, the following particulars should be furnished by, the tenderers (the Indian Agents and or the Foreign firms)-</p> <ul style="list-style-type: none"> (i) The prices relationship between the foreign manufacturer/principals and their Indian Agents/Associates. (ii) The mutual interest which the manufacturer/Principles and the agent associate have in the business of each other. (iii) Any payment with the Agent/Associate is to receive in India or abroad from the manufacturer/Principals whether as a commission for the contract or as general retainer fee. (iv) Indian Agent's Income Tax Permanent Accounts Number; (v) The Foreign Supplier's Income Tax Permanent Account Number, if any; (vi) All services to be rendered by the Agent/Associates, whether of a general nature or In relation to the particular contract
28.6	<p>Tenders which do not comply with the above stipulation is liable to be ignored.</p>
28.7	<p>Offers in foreign currency, are usually received on FOB or CIF basis. These offers are to be evaluated in the following manner to arrive at total cost of the offers for determining the level of tender committee and tender accepting authority.</p> <ul style="list-style-type: none"> (a) CIF cost is to be calculated by adding freight as per rates of Shipping Corporation of India (SCI) (in case of FOB offers) & insurance charges as per Board's open cover policy. In case of CIF offers, only insurance charges are to be added. (b) Assessable Value is to be calculated by adding Port/landing charges @ one percent with the CIF cost as per Customs Rules. Aggregate Customs Duty is to be calculated on the assessable value and the total landed cost is to be worked out by adding the assessable value with the aggregate Customs Duty. (c) Thereafter, other charges as leviable and as required in terms of tender conditions (viz. training, installation & commissioning charges etc. as quoted, if any) are to be added to the total landed cost to arrive at the total cost of the offer.

29.0	<u>Fabrication contract</u>
29.1	Where quotations are called for fabrication charges only, the necessary raw material will be supplied by the Railway to the successful tenderer after he has paid the necessary amount to cover the cost of raw material which will be supplied to him by the Railway. The amount to be deposited will be intimated to the successful tenderer and he will have to deposit the necessary amount with the Divisional Cashier of the Railway within the time specified and failure to do so within the specified time will be deemed as breach of contract. The amount will be refunded to him after the satisfactory completion of the contract. Fabrication charges quoted by the tenderer must include the cost of transport charges for the raw material from the Stores Depot or any other places where raw materials arranged to the tenderer's Workshop or place of business and for delivery of the fabricated material to the consignee.
29.2	The Contractor shall take delivery of raw material and remove the same, after making a cash deposit to the extent of the full value of such raw material, within the time specified in the contract from such premises as may be specified by the General Manager, West Central Railway or any other Officer or Officers who may be deputed on his behalf, Within the prescribed time stipulated in the contract. In the event of failure on the part of the contractor to remove such raw material within the period stipulated in the contract for removal thereof after making aforesaid cash deposit, the contractor shall be liable to pay to the President storage charges at the rate of 1/2% per day of the value of the said raw material not so removed against the aforesaid cash deposit subject to a minimum of Rs.10/- per day and further the said raw material shall be permitted to be removed by the contractor only after the contractor had paid the storage charges to the President at the rate aforesaid, it is also a condition of the contract that in the event of failure on the part of the contractor due to reason whatsoever to take delivery of and to remove the said raw material within the time specified in the contract for the purpose, such raw material shall be deemed to have been supplied by the President to the contractor on the last day at the period specified in the contract for the removal of the said raw material by the contractor after making the aforesaid cash deposit, notwithstanding that the said raw material was not actually taken delivery of and removed by the contractor on or before due date.
29.3	There should be any loss or damage occurs to the material issued for fabrication, the Railway shall be entitled to recover any such damage or loss: - (a) By appropriating in part or whole the Security deposited by the supplier, if a Security Deposit has been taken against the contract or by selling or canceling any (b) By deduction from any sum due or any sum which may at any time become due thereafter to the Supplier under that or any other contract.
30.0	<u>SPECIAL CONDITIONS FOR MACHINERY & PLANTS ITEMS.</u>
30.1	<u>Technical Compliance:</u>
	The tenderers should give para-wise comments on the technical specification to indicate whether the equipment offered fully meets the tender specifications. The offer should be accompanied with complete details of technical parameters. Tenderers should note that no deviation will be accepted on major technical parameters under heading of major technical specification parameters as given in tender specification if any. Such offers shall be summarily rejected without any back reference.

30.2	<u>Authorization Letter:</u>
	In case the tenderer is an agent of the manufacturer, they should clearly indicate the same and also enclose current authorization certificate from the manufacturer to this effect on the letter head of manufacturer in the Performa attached as Annexure-B3 and also mention the place where the equipment will be offered for pre-inspection before dispatch.
30.3	<u>Validity:</u>
	The offer should be kept valid for 150 days from the date of opening of the tender.
30.4	<u>After Sales Service:</u>
	The tenderers should confirm that they will render quick after sales service during the warranty period of the machine and also advise details of their after sales net - work/ office which render the said service.
30.5	<u>Element of Freight for indigenous purchase:</u>
	For each consignee as specified in SOR tenders are required to quote on FOR destination price basis only duly indicating the freight element.
30.6	<u>Commissioning & Proving Test:</u>
	<p>30.6.1 The contractor shall arrange commissioning of the equipment at the consignee premises. The tenderers shall carry out necessary proving test to demonstrate the performance of equipment, after its successful commissioning, to the entire satisfaction of the consignee. This commission& installation charges will also be added in their quoted total unit rate for the purpose of inter-se ranking, where commission & installation is required to be borne by the tenderer.</p> <p>30.6.2 The Contractor or his agents shall commission the machine within stipulated time as shown in the contract. This time period will be counted from the date of intimation from the consignee in respect of readiness of the site for commissioning in cases where the machine is to be installed by the consignee. This will include the time for installation in cases where installation is also to be undertaken by the contractor.</p> <p>30.6.3 The time allowed for commissioning of machine shall be deemed to be the essence of the contract. In case of delay in commissioning of the machine on the part of the contractor, the purchaser shall be entitled to recover and the Contractor shall be liable to pay liquidated damages at the rate of 2% of the total contract value for each and every month or part thereof for which commissioning is delayed, provided that the entire amount of liquidated damages to be paid under the provision of this clause shall not exceed 10% of the total contract value. Failure to install/commission the machine within stipulated time after intimation from the consignee will be taken as breach of contract and purchaser will be at liberty to forfeit the Security Money furnished by the supplier without any prejudice to other rights under the contract.</p> <p>30.6.4 Continuance of commissioning work after expiry of stipulated time will also constitute a default for the purpose of the Clause30.6.3 above.</p>
30.7.0	<u>Warranty:</u> Unless otherwise mentioned in the SOR, following conditions shall be applicable:-
	<p>(a) Warranty period for M&P will be 24(twenty-four) months from the date of commissioning and proving out of M&P. A Maximum period of 2(two) weeks will be allowed for attending and rectification of faults during the warranty period.</p> <p>(b) Maximum down time during the warranty period will be 2% (two percent) for on line M&P and 10% (Ten percent) for off line M&P calculated on quarterly basis.</p>

	<p>(c) Penalty of 0.5% (Zero point five percent) per week of the contract value will be levied for delay in response time for attending and rectification of faults beyond specified time during the warranty period as detailed above.</p> <p>(d) Maximum penalty to be levied on account of warranty failure will be 5% (Five percent) of the contract value calculated during whole of warrantee period and after that if there is any delay on the part of supplier; purchaser shall be entitled for encashment of WG Bonds. In such cases the bad performance of firm during the warranty period, the same should be recorded and circulated to all Railways. The same should be given due regard in deciding future orders on the firm and when evidence to the contrary is not available; the firm's offer may be even rejected.</p>
30.7.1	<u>Warranty Bank Guarantee:</u>
	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 given in Annexure- B5.
30.8.0	<i>Comprehensive Annual Maintenance Contract (AMC)</i>
	<p>(a) Tenderers are required to quote for post warranty Annual Maintenance Contract (AMC) for a period of five years after expiry of the warranty period of the M&P along with their offers. The scope of AMC will include preventive and break down maintenance. AMC charges will include all cost of personnel, spares etc. except the cost of consumables required for day-to-day operation & daily maintenance checks.</p> <p>(b) The maximum downtime and maximum response time as also penalties for failure to adhere to the same shall be as specified in SOR. AMC Payment terms will be linked to these performance parameters.</p> <p>(c) The tenderers should quote AMC rates for each of the five years. The AMC prices for each year will be firm. The AMC charges shall be separately payable in Indian Rupees only. The AMC charges would be added to the FOR destination price quoted for M&P for the purpose of comparative evaluation of offer. In order to equitably compare different AMC charges for different years, the concept of NPV (Net Present Value) may be used at a predetermined rate of discounting to bring the AMC charges at the same footing in the assessment of FOR destination price. The rate of discounting and the NPV calculation shall be as pre-disclosed in the SOR.</p> <p>The quoted AMC charges shall include the following:</p> <ol style="list-style-type: none"> Cost of preventive maintenance visits during the year (yearly two visits or as indicated in SOR). Detailed itemized breakup of jobs to be done in each visit shall be furnished in the offer. Cost of all spares required for preventive maintenance. Cost of breakdown Maintenance visits during the year. Cost of all spares required for breakdown Maintenance. All duties, taxes and levies applicable. <p>However, the cost of consumables required for day to day operation would not be included in scope of AMC.</p> <p>(d) The post-AMC maintenance of machines will be dealt with by the end users. In order to facilitate the same, tenderers are required to give the current cost of spares required for maintenance of machine after AMC period and the current service charges for each items of work of repair of M&P beyond the AMC period. These charges will not be included in the price of M&P for the purpose of comparative evaluation of offers.</p> <p>(e) Tenderers who are OEM, must give undertaking for supply of spare parts for a period of expected life of the machine/equipment. Other Tenderers must submit undertaking</p>

from OEM for supply of spare parts for a period of expected life of the machine/Equipment.

- (f) The actual Contract Agreement must show the AMC charges as a separate schedule/annexure to distinguish it from the transaction value of M&P, to avoid undue Custom Duty/Charges.

The AMC prices for each year will be firm/fixed. The AMC charges shall be separately payable in India Rupees only. Railways reserve the right for entering into comprehensive Annual Maintenance Contract (AMC) on the basis of rates quoted by the contractor in their tender against AMC charges.

AMC is mandatory for Medical Equipment. Therefore, offer of tenderers not quoting AMC charges for medical equipment shall be summarily rejected.

For all other M&Ps, the essentiality of AMC (whether AMC required or not) is clearly indicated in schedule of requirement. However, in any case, Tenderers shall quote AMC charges for 05 years for all other M&Ps, even for the purpose of future reference/guidance of the consignee.

- (g) Evaluation criterion:

- (i) For all other M&Ps where AMC requirement has been clearly indicated in schedule of requirement (say for Medical Equipment for which AMC requirement is mandatory), the offers will be evaluated as under:-

Total Net Present Value of AMC charges for 5 year (P) calculated on predetermined % rate of discounting (RD) mentioned in schedule of rate, which is 10% at present, shall be loaded on FOR destination rate including cost of installation & commissioning charges quoted by the tenderer for the purpose of comparative evaluation of offers (inter-se ranking). The formula for calculating Net Present value of AMC charges for each year after expiry of warranty period is given as below:

AMC Charges for 1 st year after expiry of warranty period of two years	C1
AMC Charges for 2 nd year after expiry of warranty period of two years	C2
AMC Charges for 3 rd year after expiry of warranty period of two years	C3
AMC Charges for 4 th year after expiry of warranty period of two years	C4
AMC Charges for 5 th year after expiry of warranty period of two years	C5

Net Present value of AMC charges of 1 st year	$P1=0.751 \times C1$
Net Present value of AMC charges of 2 nd year	$P2=0.682 \times C2$
Net Present value of AMC charges of 3 rd year	$P3=0.621 \times C3$
Net Present value of AMC charges of 4 th year	$P4=0.564 \times C4$
Net Present value of AMC charges of 5 th year	$P5=0.513 \times C5$
Total net present value of AMC charges for 5 years	$P=P1+P2+P3+P4+P5$

Total Net Present Value of AMC charges for 05 years (P) shall be loaded on FOR destination rate including cost of installation & commissioning charges quoted by the tenderer for the purpose of comparative evaluation of offer (inter-se-ranking of the offers).

- (h) Tenderers must indicate AMC charges for 05 years even for M&Ps where AMC neither required nor indicated in schedule of requirement as the same may be used for future reference by the consignee. In such cases, AMC Charges shall not be loaded and only FOR destination rate including cost of installation & commissioning charges quoted by the tenderer shall be the criterion for comparative evaluation of

	<p>offers.</p> <p>(i) The AMC shall guarantee 98% availability (minimum uptime) in case of Medical Equipment or as indicated in SOR for other M&Ps, which shall be calculated on a quarterly basis on the total number of working days available in the quarter. Availability shall be defined as full functionality of the machine to fulfill all requirements specified in the specification.</p> <p>(j) The Maintenance shall normally be done during working hours i.e. from 10:00 AM to 6:00 PM. However, in case of emergency, maintenance may have to be done beyond working hours and even on holidays. Prior arrangements through proper communication should be worked out in all cases by the Contractor.</p> <p>(k) The Equipment shall be considered under breakdown, if any of the requirements specified in the specification is not fulfilled. In case of Medical Equipments, all breakdowns must be attended within 48 hours of intimation by the consignee in writing (Maximum Response time). No breakdown shall stretch beyond three days consecutively (Maximum down time). The contractor, in case of Medical equipment, may provide standby Equipment in case Equipment could not be put in order within three days. The maximum response time and maximum down time for other M&Ps shall be indicated in schedule of requirement.</p> <p>(l) Payment for AMC shall be made on a quarterly basis against a performance guarantee bond equal to full value of the annual contract value, valid for 15 months from date of AMC, to be furnished by the contractor at the beginning of AMC. Payment shall be made at the end of the quarter. Penalties imposed during a quarter shall be deducted from the quarterly payment due to the contractor.</p> <p>(m) A penalty of 0.25% (if not specifically indicated in SOR) of the AMC value shall be levied for each percentage point shortfall in availability. However, total penalty in a year shall not exceed 10% (if not specifically indicated in SOR) of the AMC value. In case, the total penalty exceeds the same, Railways shall have the right to cancel the AMC and forfeit the performance guarantee bond towards AMC.</p> <p>(n) After each preventive maintenance and breakdown visit, the performance of the machine/Equipment shall be monitored for two days after which a joint note shall be signed between the Contractor or his authorized officials and the consignee. The joint note shall clearly bring out the performance of the machine/Equipment to fulfill the requirements in the specifications.</p> <p>(o) The contractor shall execute the contract in conformance to all applicable laws of the land. The consignee shall not be liable in any way for any penalties, claims and charges arising out of the execution of contract by the contractor. For all such expenses and liabilities, the Contractor shall be solely responsible. This shall also include any compensation claims arising out of any accident during execution of the contract.</p> <p>(p) The contractor shall also be solely responsible for any damages suffered by the consignee's property during execution of the contract. However, the liability shall be limited to making good the damages inflicted.</p>
30.9	<u>Training:</u>
	The contractor during commissioning of the equipment will also train Railway staff in operation and maintenance of equipment supplied, free of cost.
30.10	<u>Maintenance Manual & Spare Parts:</u>
	Contractor is required to supply 2 copies of operation and maintenance manual and lists of Spare parts along with the equipment.
30.11	<u>Payment terms:</u>
30.11.1	Payment to foreign supplier: Payment against foreign supplies shall be made through

	<p>Letter of Credit. All charges, including the confirmation charges of L.C., levied by foreign Banks, shall be borne by the supplier. The standard payment terms subject to recoveries if any, under the liquidated damages clause and general condition of contract will be as under: -</p> <ul style="list-style-type: none"> (a) 80% of the payment against irrevocable L.C. on proof of inspection certificate and shipping documents within 30 days of receipt of shipping documents as specified. (b) Balance 20% payment within 90 days after installation/ commissioning and proving out test of M&P & acceptance of the equipment by consignee, subject to submission of bank guarantee for an amount of 10% of contract value for warranty obligations valid for 6 months beyond warranty period.
30.11.2	<p><u>Payment against indigenous supply:</u> The standard payment terms subject to recoveries if any, under the liquidated damages clause and general condition of contract will be as under: -</p> <ul style="list-style-type: none"> (a) 80% of the payment on proof of inspection certificate and Rail/Road Challan duly signed by the gazetted officer of the consignee as proof of receipt of equipment's in good and sound condition to be made within 30 days of receipt of documents as specified. (b) Balance 20% payment within 90 days after satisfactory installation/ commissioning and proving test of M&P & acceptance of the equipment by consignee, subject to submission of bank guarantee for an amount of 10% of contract value for warranty obligations valid for 6 months beyond warranty period.

E-TENDER DOCUMENTS OF WCR for Electronic Reverse Auction

These conditions are applicable for Electronic Reverse Auction in Stores Contracts only. Tenders being floated by WCR with reverse auction shall be governed, alongwith all other tender conditions, by the following conditions also and these are deemed as accepted by vendor on participation in the bid event:

- 1.0 The system is fully implemented through IREPS and any reference to Reverse Auction (RA) in the document shall imply Electronic Reverse Auction (e-RA).
- 2.0 Financial Bids in single currency/parameter only shall be allowed.
- 3.0 The evaluation criteria of the offers shall be itemwise, consignee-wise, groupwise or overall tender value basis as specified in the SOR.
- 4.0 e-RA is a two packet system involving **Technical & Commercial Bid** and **Financial Bid**.
- 5.0 Bidder shall be simultaneously required to electronically submit a **Technical & Commercial Bid** and **Initial Price Offer**.
- 6.0 Techno commercial bids will be evaluated by the Competent Committee/authority as per extant guidelines of the Railways.
- 7.0 The offers found eligible for bulk order shall be categorized as **Qualified for Bulk Order** for the purpose of RA and offers found eligible for Developmental order shall be categorized as **Qualified for Development Order** for the purpose of RA.
- 8.0 No deviation to essential Technical & Commercial condition is permitted to the vendors and offers not complying with the eligibility criteria, essential technical & commercial requirements of the tender shall be declared as **Ineligible for Award of Contract**.
- 9.0 **Initial Price Offer** of only those bidders categorized as **Qualified for Developmental Order** or **Qualified for Bulk Order**, shall be opened and tabulated by system separately, category wise. Extant instructions for electronic tabulation shall apply for tabulation of Initial Price Offers.
- 10.0 Financial Bid shall comprise of Final Price Offer obtained through Reverse Auction and also the initial price bids of the firms who have not participated in the RA process. Following conditions and procedure shall be followed in selection of bidders for conduct of Reverse Auction:
 - (a) Selection of vendors for Reverse Auction for bulk ordering in Stores tenders.

Number of Qualified Order	tenderers for Bulk 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 (rounded off to next higher integer).	

Note:

- i. *If the number of tenderers qualified for Bulk Order is less than 3, RA shall not be done and tender may be decided on the basis of Initial Price Offer(s).
- ii. Selection of vendors for Reverse Auction for developmental ordering: All bids found Qualified for Developmental Order shall participate in Reverse Auction for developmental orders.
- iii. MSE Criteria: All MSEs (Micro & Small Enterprises) found Qualified for Bulk Order but could not be selected for Reverse Auction as per criteria stipulated in para 10.0 (a). above, but are within the range of 15% of lowest Initial Price Bid shall be permitted to participate in the Reverse Auction, irrespective of their inter se ranking on the basis of Initial Price Bid. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per para 10.0 (a). The lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order.
- iv. Make in India criteria: All bidders eligible for benefit under Public Procurement (Preference to Make in India) Order – 2017, found Qualified for Bulk Order and are within the specified range of price preference of lowest Initial Price Bid shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Bid. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per para 10.0 (a).

(b) During Reverse Auction process, bidders shall not be allowed to bid a rate higher than the lowest Initial Price Offer.

11.0 Reverse Auction among bids categorized as **Qualified for Developmental Order** and **Qualified for Bulk Order** shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders. Bidders shall only be able to see the auction screens relevant to them for each category. Purchaser shall be permitted to see all the auction screens for both categories on line.

12.0 Quantity to be covered on developmental orders shall be limited to 20% of the net procurable quantity. Developmental orders shall be placed as per extant instructions. The quantity covered on developmental orders may be within or outside NPQ, which may be decided by the TC/TAA, before conduct of Reverse Auction.

13.0 Conduct of Reverse Auction shall be as under:

1. Following parameters shall be fixed and indicated in the tender for e-RA itself.
 - a. Initial e-RA period: This shall be the initial time interval for e-RA. e-RA shall be 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.
2. Date and time for start of e-RA shall be communicated to qualified tenderers by the purchaser after evaluation of the Technical Bids.
3. After submission of Initial price Bid, tenderers will not be allowed to revise the statutory levies like taxes and duties. Any change made in the same by the Government shall be dealt with under the Statutory Variation Clause.
4. During auction period, Identities of the participating tenderers will be kept hidden.
5. 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.

6. 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.
7. Railway users can also view the bidding history in chronological order.
8. Bidders shall not be allowed to withdraw their last offer.
9. L-1 will be defined as the lowest bid obtained after the closure of R.A. session for the tender.

- 14.0 After obtaining the final bids of the Reverse Auction, tenders shall be finalized as per existing policy (Including price preference to MSEs and Make in India Order, 2017. (wherever applicable) and in case of Stores tenders, procedures based on the eligibility and quantity distribution criteria, as pre-defined in the tender document. All the relevant policies of Government of India at the relevant time shall be applicable.
- 15.0 Vendor shall abide to non-disclosure of trade information regarding the purchase, identity, and bid process, bid technology, bid documentation and bid details to any other third party.
- 16.0 Vendors are advised to understand bid process to safeguard themselves in case of technical failure.
- 17.0 Neither Railways 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.
- 18.0 The Railway shall however, be entitled to cancel the procurement through Reverse Auction process, if in its view procurement through reverse auction process is not leading to the benefit of the Railways .
- 19.0 No vendor shall involve himself / itself or any of his / its representatives in any price manipulation directly or indirectly with other bidders. If any such practice comes to the notice, Railways shall disqualify the vendor / bidders concerned from the reverse auction process.
- 20.0 On any issue or area of material concern regarding Reverse Auction not specifically dealt with in these Rules; the decision of the Railways shall be final and binding on all concerned.
- 21.0 Railways shall not be responsible for any damages, including damages that result from, but are not limited to negligence and will not be held responsible for consequential damages, including but not limited to systems problems, inability to use the system, loss of electronic information etc.

SPECIAL TENDER CONDITIONS REGARDING PREFERENCE TO MAKE IN INDIA

भारत सरकार GOVERNMENT OF INDIA
रेलमंत्रालय MINISTRY OF RAILWAYS
(रेलवे बोर्ड) (RAILWAY BOARD)

No.2020/RS(G)/779/2/Pt.1

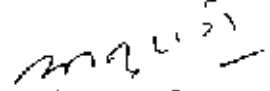
New Delhi, dated: 25.09.2020

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

Sub: Public Procurement (Preference to Make in India) Order, 2017 – Revision.
Ref: (i) Railway Board's letters No.2015/RS(G)/779/5 dated 03.08.2017, 08-05-2018, 26-06-2018, 07/08/2018, 26/08/2019, 04/05/2020, 26/05/2020 & 03/06/2020.
(ii) Railway Board's letter No. 2020/RS(G)/779/2 dated 12.06.2020.

In reference to the above, the revised 'Public Procurement (Preference to Make in India) Order, 2017' has been issued by the Ministry of Commerce and Industry (Department for Promotion of Industry and Internal Trade) vide their Order No. P-45021/2/2017-PP (BE-II) dated 16.09.2020, which is enclosed for guidance and implementation/compliance. The decisions of the Ministry of Railways on certain matters as required by the Policy and already issued vide Board's letters under reference, unless superseded, will continue to apply.

DA: as above.


(Anurag Grover)
Deputy Director Railway Stores(G)
Railway Board

No. 2020/RS(G)/779/2/Pt.1

New Delhi, dated: 25.09.2020

1. PFAs, All Indian Railways & PUs, etc.
2. The PCMMs, PCEs, PCMEs, PCEEs, PCSTEs, All Indian Railways & PUs, RCF/RBL/NDLS, COFMOW, CORE, WPO and RWP/Bela
3. MD, CRIS, Chanakya Puri, New Delhi
4. Sr. Prof. (Materials Management), NAIR, Vadodara
5. Executive Director (Stores), RDSO, Manak Nagar, Lucknow
6. Director, Iron & Steel, 3, Koila Ghat Street, Kolkata
7. Chief Commissioner of Railway Safety, Lucknow
8. Zonal Railway Training Institute, Sukadia Circle, Udaipur
9. CMDs/MDs, RITES, IRCON, IRFC, CONCOR, KRCL, CRIS, IRCTC, RailTel, RVNI, MRVC, RCIL, DFCCIL, Burn Standard, Braithwaite.

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

1. MR, MoS(R)
2. CRB, MF, M/Infra, M/TRS, M/O&BD, SECY., DG/IR, DG/RHS, DG/RPF.
3. All AMs, PEDs and All Executive Directors of Railway Board.

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

Udyog Bhawan, New Delhi
Dated: 16th September, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

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

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

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

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

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

Now therefore the following Order is issued:

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

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-I local supplier' under this Order.

.....Contd. p/2

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' under this Order.

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than that prescribed for 'Class-II local supplier' under this Order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

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

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

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

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

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.

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

.....Contd. p/3

3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
- iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

3B. Applicability in tenders where contract is to be awarded to multiple bidders -
In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- a) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class I Local suppliers'.
- b) In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of this Order.
- c) If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.
- d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.
- e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub-paras above.

4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. **Minimum local content:** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher

percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier' respectively.

6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
 - a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
 - d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
 - e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
 - f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier' / 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.

d. Reciprocity Clause

- i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.

- ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.
 - iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.
 - iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.
 - v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
- e. Specifying foreign certifications/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.
- f. "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

10A. Action for non-compliance of the Provisions of the Order: In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

11. Assessment of supply base by Nodal Ministries: The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

12. Increase in minimum local content: The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.

13. Manufacture under license/ technology collaboration agreements with phased indigenization: While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

14. Powers to grant exemption and to reduce minimum local content: The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

- a. reduce the minimum local content below the prescribed level; or
- b. reduce the margin of purchase preference below 20%; or
- c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

15. Directions to Government companies: In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

16. Standing Committee: A standing committee is hereby constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade—Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member
Joint Secretary (Public Procurement), Department of Expenditure—Member
Joint Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. Functions of the Standing Committee: The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

- a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
- b. shall annually assess and periodically monitor compliance with this Order
- c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
- d. may require furnishing of details or returns regarding compliance with this Order and related matters
- e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
- f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
- g. may consider any other issue relating to this Order which may arise.

18. Removal of difficulties: Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

19. Ministries having existing policies: Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

20. Transitional provision: This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



(Rajesh Gupta)
Director

Tel: 23063211

rajesh.gupta66@gov.in

भारतसरकार BHARAT SARKAR
रेलमंत्रालय MINISTRY OF RAILWAYS
रेलवेबोर्ड RAILWAY BOARD

No.2020/RS(G)/779/2-Part-1

New Delhi, Dated: 17.05.2021

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

Sub.: PPP-MII Order, 2017 - Clarification regarding local content calculation for imported products .

Ref.: i. Railway Board's letter No.2020/RS(G)/779/2/Pt. I dated 25-09-2020.
ii. DPIIT's O.M. no.P-45021/102/2019-BE-II-Part(I)(E-50310)
dated 04-03-2021.

Reference is invited to the revised Public Procurement (Preference to Make in India) Order, 2017 circulated by Board vide letter dated 25-09-2020, and other supplementary instructions issued in the matter.

DPIIT vide OM dated 04.03.2021 (ref. ii above) have issued a clarification as to whether the bidders offering imported content can claim themselves as Class-I local/Class-II local suppliers claiming the services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. as local value addition. The clarification issued by DPIIT is as follows:-

"It is clarified that the bidders offering imported products will fall under the category of Non-local suppliers. They can't claim themselves as Class-I local suppliers/Class-II local suppliers by claiming the services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. as local value addition."

The OM dated 04.03.2021 of DPIIT is circulated herewith for compliance.

This is issued with the concurrence of the Finance Directorate of the Ministry of Railways and approval of the Railway Board (M/TRS).

DA: as above.



✓ Digitally signed by CHANDAN KUMAR
Date: 2021.05.17 16:45:35 +05'30'

(Chandan Kumar)
Director Railway Stores/IC
Railway Board

No.2020/RS(G)/779/2-Part-1

New Delhi, Dated: 17.05.2021

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

for Member (Finance) /Railway Board.

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

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MR
CRB, MF, M/Infra, M/TRS, M/OBD, Secretary/Railway Board, DG (RHS), DG (RPF), DG (Safety), DG (MR)
All AMs, PEDs & Executive Directors of Railway Board.

✓ Digitally signed by CHANDAN KUMAR
Date: 2021.05.17 16:51:27 +05'30'

P-45021/102/2019-BE-II-Part(1) (E- 50310)
Government of India
Ministry of Commerce and Industry
Department of Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan Delhi-110011
Dated March 4, 2021

OFFICE MEMORANDUM

Subject: Clarification for local content calculation PPP-MII Order –reg.

The undersigned is directed to refer Public Procurement (Preference to Make in India) Order dated 2017, as amended on 16.09.2020 regarding purchase preference for local manufactured items in Public Procurement.

2. References have been received in this department from various procuring entities wherein procuring entities have sought clarification as to whether the bidders offering imported content can claim themselves as Class-I local/Class-II local suppliers claiming the services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. as local value addition.

3. In this regard it is clarified that the bidders offering imported products will fall under the category of Non- local suppliers. They can't claim themselves as Class-I local suppliers/Class-II local suppliers by claiming the services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. as local value addition.

4. This issues with the approval of competent authority.


(Pritam Kumar)

Under Secretary to Government of India
E-mail: pritam.k@gov.in
Ph :- 011-23601306

To

All Ministries/Departments of Government of India

भारतसरकार BHARAT SARKAR
रेलमंत्रालय MINISTRY OF RAILWAYS
रेलवेबोर्ड RAILWAY BOARD

No.2020/RS(G)/779/2-Part-1

New Delhi, Dated: 10.06.2021

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

Sub.: Amendment to the Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII Order) – Procurement related to COVID-19 containment.

- Ref.:** i. DPIIT's Order no.P-45021/2/2017-P.P.(BE-II) dated 13-05-2021.
ii. Railway Board's letters No.2015/RS(G)/779/5 dated 03.08.2017, 08-05-2018, 26-06-2018, 07/08/2018, 26/08/2019, 04/05/2020, 26/05/2020 & 03/06/2020.
iii. Railway Board's letter No.2020/RS(G)/779/2 dated 12.06.2020.
iv. Railway Board's letter No.2020/RS(G)/779/2/Pt.1 dated 25-09-2020

Reference is invited to the revised Public Procurement (Preference to Make in India) Order, 2017 (issued by DPIIT vide Order dated 16-09-2020) circulated by Board vide letter dated 25-09-2020, and other supplementary instructions issued in the matter.

2. Vide Order no.P-45021/2/2017-P.P.(BE-II) dated 13-05-2021, DPIIT has issued amendment to the PPP-MII Order, 2017 (revised) as follows.

"A new para-21 may be inserted in the Order as follows:

Para-21

Notwithstanding any provision stated above, the administrative Department undertaking the procurement (including procurement by any entity under its administrative control) may exempt the procurement of supplies required for containment of COVID-19 global pandemic from the applicability of this Order/any provision thereof, after written approval of Secretary of the Department concerned or any other Authority having been assigned power by the Secretary of the Department concerned. The aforesaid exemption shall be applicable only till 30-09-2021"

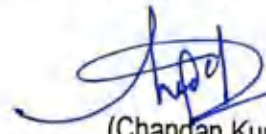
3. Copy of the Order dated 13-05-2021 of DPIIT is circulated for compliance. It has also been decided in accordance with this Order that the power of exemption as per the para-21 shall be exercised by the GMs and equivalents.

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

This is issued with the concurrence of the Finance Directorate of the Ministry of Railways and approval of the Railway Board (M/TRS).

DA: as above.





(Chandan Kumar)
Director Railway Stores/IC
Railway Board

No.2020/RS(G)/779/2-Part-1

New Delhi, Dated: 10.06.2021

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


for Member (Finance) /Railway Board.

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WPO/Patna and RWP/Bela
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Chief Commissioner, Railway Safety, Lucknow
Zonal Railway Training Institute, Sukadia Circle, Udaipur

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

Copy to:- PS/APS and PSOs/Sr. PPSs /PPSs to :

MR,
CRB & CEO, MF, M/Infra, M/TRS, M/OBD, Secretary/Railway Board, DG (RHS), DG (RPF), DG(HR),
DG(Safety).
All AMs, PEDs & Executive Directors of Railway Board.


10.06.21

No. P-45021/2/2017- P.P. (BE-II)
Government of India
Ministry of Commerce & Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Division)

Udyog Bhawan, New Delhi

Dated: 13 May, 2021

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Sub: Amendment in the "Public Procurement (Preference to Make in India) Order, 2017" – reg.

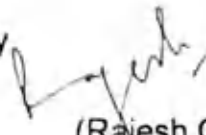
The "Public Procurement (Preference to Make in India) Order, 2017" (PPP MII Order) dated 15th June, 2017 issued pursuant to Rule 153 (iii) of the General Financial Rules 2017 and further revised vide Order dated 28th May, 2018, 29th May, 2019, 04th June, 2020 and 16th Sep, 2020 stands amended to the following extent with immediate effect:

a) A new Para 21 may be inserted in the Order as under:

"Para 21:

Notwithstanding any provision stated above, the administrative Department undertaking the procurement (including procurement by any entity under its administrative control) may exempt the procurement of supplies required for containment of COVID-19 global pandemic from the applicability of this Order/ any provision thereof, after written approval of Secretary of the Department concerned or any other Authority having been assigned power by the Secretary of the Department concerned. The aforesaid exemption shall be applicable only till 30.09.2021.

2. This issues with the approval of the Competent Authority


(Rajesh Gupta)

Director

Tele: 23063211

Email: rajesh.gupta66@gov.in

भारतसरकारBHARAT SARKAR
रेलमंत्रालयMINISTRY OF RAILWAYS
रेलवेबोर्डRAILWAY BOARD

No. 2015/RS(G)/779/5(Vol.III)

नईदिल्ली New Delhi Dated: 22.06.2020.

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

Sub.: Implementation of Public Procurement (Preference to Make in India) Order, 2017.

Ref.: i. Railway Board letter no. 2015/RS(G)/779/5 dated 03/08/2017.
ii. DPIIT, Ministry of Commerce and Industry Order No.P-45021/2/2017-PP(BE-II) dated 04/06/2020.

1.0 Para-3(a) of the Public Procurement (Preference to Make in India) Order, 2017 as amended issued vide reference ii above, stipulates as under-

"In procurement of all goods, services or works in respect of which the nodal ministry/department has communicated that there is sufficient local capacity and local competition, only "Class-I local supplier", as defined under the order, shall be eligible to bid irrespective of purchase value."

2.0 Govt. has desired that Ministries/Departments shall expeditiously issue notification for the items where there is sufficient local capacity and competition and where public procurement shall be done only from 'Class-I local suppliers' under clause 3(a) of PPP-MII, Order, 04-06-2020.

3.0 Accordingly, the matter has been reviewed and it has been decided that in respect of following items (List A and List B), for which sufficient local capacity and local competition exists, only Class I local suppliers shall be eligible to bid for supply of these items irrespective of the purchase value:

List A

SN	Item	Reference
1	Point Machine	D.5
2	Signal Unit	C.1
3	Shunt Signal – Position Light type	C.2
4	Electric Point & Lock Detector	D.2
5	Electric Key Transmitter	D.3
6	Double Line Block Instrument	A.4
7	Single Line Token Block Instrument (Handle Type)	A.5
8	Single Line Neale's Ball Token Block Instrument	A.6
9	Nylon Insulated Joints	H.8
10	Electric Lifting Barrier	J.1
Above References/S.Nos. are from DOC No.QS-M-8.2.1-1 Version 1.0 issued by RDSO i.e. VENDOR DIRECTORY (SIGNAL & TELECOM) (Validity 01-01-2019 to 30-06-2019).		

List B

SN	Item	Reference
1	Cable (All Types)	B
2	LED Signal-Lighting Units for Railway Signalling	C-7
3	LED Signal Lamps for Main Color Light Signal for Railway Signalling	C-8
4	Electric Point Machine (Non-Trailable Type)	D-5

5	Motors for Electric Signal Machine	D-6
6	ARA Terminal Blocks and Fuse Blocks- Made PBT/Polycarbonate	E-2
7	Battery Charger for Railway S&T Installations	F-1
8	Track Feed Battery Charger	F-2
9	'SITE' Primary Cells (Dry, Lachlanche Type) for Railway S&T Installations	F-7
10	Low Maintenance Lead Acid Stationary Secondary Cells for S&T installations	F-8
11	Solar Photo – Voltaic Module	F-10
12	RELAYS – Universal Plug-in type AC Lamp Proving Relay (M to C Contact) for LED Signal Lamp	G-1
13	Relays – 'Q' Series Neutral Line (ACI & Non-ACI)	G-3
14	RELAYS – Plug-in type, Track Relay 9 & 4 Ohm (ACI and Non-ACI)	G-4
15	Relays – Special Type (Metal to Carbon)	G-5
16	Choke Coil for Single Rail Track Circuits on 25 KV 50Hz AC electrified sections	H-6
17	Thermoplastic Poly Urethane Insulators for Railway Signalling	H-8
18	Fail Safe Electronic Time Delay Device for Railway Signalling	I-3
Above References/S.Nos. are from DOC No.QS-M-8.2.1-2 issued by RDSO i.e. VENDOR DIRECTORY (SIGNAL & TELECOM) (Validity 01.01.2020 to 31.06.2020)		

4.0 Requirement of a vendor to be a Class I local supplier (self-certification by bidder as per PPP-MII order 2017 as amended), for the above listed items, shall be a mandatory condition in addition to other qualifying criteria, including status of RDSO approval, which may be applicable for purchase of the item. Suitable eligibility criteria shall be added in the tenders by procuring agencies. Suitable condition should also be inserted in tenders calling attention of vendors, clearly indicating that in keeping with the Public Procurement (Preference to Make in India) Order, 2017 as amended, it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore public procurement of the item is restricted to Class I local suppliers only and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender it does so at its own risk and cost and Railways shall not be liable for any loss or damage caused to the vendor.

5.0 This instruction shall be applicable for tenders to be issued/ uploaded on website, after the date of issue of this letter.

This is issued with the approval of Railway Board (MST).

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KANWALPREET
Date: 2020.06.22 15:47:53
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T

(Kanwalpreet)
Director Railway Stores/IC
Railway Board

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

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

भारतसरकारBHARAT SARKAR
रेलमंत्रालयMINISTRY OF RAILWAYS
रेलवेबोर्डRAILWAY BOARD

No. 2015/RS(G)/779/5(Vol.III)

नईदिल्ली New Delhi Dated: 12/07/2020.

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

Sub.: Implementation of Public Procurement (Preference to Make in India) Order, 2017.

- Ref.: i. Railway Board letter no. 2015/RS(G)/779/5 dated 03/08/2017.
ii. Railway Board letter no. 2020/RS(G)/779/2 dated 12/06/2020.
iii. Railway Board letter No. 2015/RS(G)/779/5(Vol.III) dated 22/06/2020.

- 1.0 Vide letter at reference iii above, a list of items having sufficient local capacity and capability, in terms of Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII), as amended, was issued. Procurement of so listed items had been restricted to only Class I Local Suppliers, as defined in PPP-MII order, as amended and circulated vide Railway Board letter at reference ii above.
- 2.0 Further to above, a similar review of wagons and items required for manufacture and maintenance of wagons has been conducted. Accordingly, it has been decided that, in view of sufficient local capacity and local competition, all types of wagons and all spares and components required for manufacture and maintenance of wagons, including hardware and consumables, shall be procured, irrespective of the purchase value, from Class I Local Suppliers only, except for the following items, in procurement of which this restriction shall not apply.

SN	Item
1.	Automatic Twist Lock to RDSO Document No. CONTR-01-MSG-ATL-2011 and envelope drg no. CONTR -9405/S/ 21
2.	Grease for CTRB Class E & Class K to RDSO specification No. WD-24-MISC-2003
3.	Steel: For procurement of Steel the notification of Ministry of Steel on Policy for providing preference to domestically manufactured Iron & Steel Products in Government procurement (Ministry of Steel Gazette notification dated 29/05/2019, latest amended) shall apply.

- 3.0 Requirement of a vendor to be a Class I local supplier (self-certification by bidder as per PPP-MII order 2017, as amended), to be considered for ordering of items detailed in para 2.0 above, shall be a mandatory condition in addition to other qualifying criteria, including status of RDSO approval, which may be applicable for purchase of the item. Suitable eligibility criteria shall be added in the tenders by procuring agencies. Suitable condition should also be inserted in tenders calling attention of vendors, clearly indicating that in keeping with the Public Procurement (Preference to Make in India) Order, 2017, as amended, it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore public procurement of the item is restricted to Class I local suppliers only and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender it does so at its own risk and cost and Railways shall not be liable for any loss or damage caused to the vendor.
- 4.0 This instruction shall be applicable for tenders to be issued/ uploaded on website, after the date of issue of this letter.

This is issued with the approval of Railway Board (MRS and MMM).

KANWALPREET

Digitally signed by
KANWALPREET
Date: 2020.07.12
21:04:54 +05'30'

(Kanwalpreet)

Director Railway Stores/IC
Railway Board

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

भारतसरकारBHARAT SARKAR
रेलमंत्रालयMINISTRY OF RAILWAYS
रेलवेबोर्डRAILWAY BOARD

No. 2015/RS(G)/779/5(Vol.III)

नई दिल्ली New Delhi Dated: 15/09/2020.

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

Sub.: Implementation of Public Procurement (Preference to Make in India) Order, 2017.

Ref.: i. DPIIT, Ministry of Commerce and Industry Order No.P-45021/2/2017-PP(BE-II) dated 04-06-2020, circulated vide Railway Board letter No. 2020/RS(G)/779/2 dated 12/06/2020.

ii. Railway Board letter No. 2015/RS(G)/779/5(Vol.III) dated 22/06/2020. and 12/07/2020.

- 1.0 Vide letters at reference ii above, Railway Board had issued instructions on limiting competition in procurement certain S&T and Wagon items to Class I Local Suppliers, in terms of Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII), as amended (ref. ii).
- 2.0 Review of track fittings and sleeper items has been conducted at Railway Board, and, it has been decided that, in view of sufficient local capacity and local competition, following track fittings and sleeper items shall be procured, irrespective of the purchase value, from Class I Local Suppliers only:

S.No.	Item
1.	Spheroidal Graphite Cast Iron Insert
2.	Elastic-Rail Clips- Mk-III & ERC-J
3.	Elastic Rail Clips Mk-V
4.	Glass Filled Nylon-66 Insulating Liners
5.	Polyethylene Dowel
6.	Nylon Cord Reinforced Elastomeric Pad
7.	Metal Liners
8.	Glued Insulated Rail Joints
9.	Fibre Glass Cloth Woven Roving-360
10.	High Tensile Fish Bolts & Nuts
11.	Glue
12.	Fabricated Switches
13.	Fabricated Crossings
14.	Cast Manganese Steel Crossings
15.	Switch Expansion Joints (SEJ)
16.	Single Coil Spring Steel Washer
17.	Fish Plates
18.	Fish Plates Bars
19.	SSD for or Curved Switches
20.	Improved Switch Expansion Joint for 65mm gap (max.)
21.	Improved Switch Expansion Joint for 80mm gap (max.)
22.	Composite Grooved Rubber Sole Plates (6.2mm & 10mm thick)
23.	Grooved Rubber Sole Plates (6mm & 10mm thick)

Contd.-

24.	Fusion Welding of Rails by Alumino-thermic Process
25.	Thick Web Switch
26.	Zero Toe Load Fastening (ZTLF) System
27.	PSC sleepers
28.	H Beam sleeper
29.	Steel Channel sleeper

NOTE: Items for which Ministry of Railway is not the nominated nodal Ministry, procurement shall be done as per guidelines of nodal Ministry for the respective items.

3.0 Requirement of a vendor to be a Class I local supplier (self-certification by bidder as per PPP-MII order 2017, as amended), to be considered for ordering of items detailed in para 2.0 above, shall be a mandatory condition in addition to other qualifying criteria, including status of RDSO approval, which may be applicable for purchase of the item. Suitable eligibility criteria shall be added in the tenders by procuring agencies. Suitable condition should also be inserted in tenders calling attention of vendors, clearly indicating that in keeping with the Public Procurement (Preference to Make in India) Order, 2017, as amended, it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore public procurement of the item is restricted to Class I local suppliers only and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender it does so at its own risk and cost and Railways shall not be liable for any loss or damage caused to the vendor.

4.0 This instruction shall be applicable for tenders to be issued/ uploaded on website, after the date of issue of this letter.

This is issued with the approval of Railway Board (M(Infra.) and M(T&RS)).

mgl
(Anurag Grover)
Dy. Director Railway Stores/G
Railway Board
15/9/2020

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Chief Commissioner, Railway Safety, Lucknow
Zonal Railway Training Institute, Sukadia Circle, Udaipur

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CRB, MF, M/Infra, M/TRS, M/O&BD, SECY., DG/HR, DG/RHS, DG/RPF
All AMs, PEDs & Executive Directors of Railway Board.

भारतसरकारBHARAT SARKAR
रेलमंत्रालयMINISTRY OF RAILWAYS
रेलवेबोर्डRAILWAY BOARD

No. 2015/RS(G)/779/5(Vol.III)

नई दिल्ली New Delhi Dated: 18/09/2020.

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

Sub.: Implementation of Public Procurement (Preference to Make in India) Order, 2017.

Ref.: DPIIT, Ministry of Commerce and Industry Order No.P-45021/2/2017-PP(BE-II) dated 16/09/2020.

- 1.0 Para-3(a) of the Public Procurement (Preference to Make in India) Order, 2017 issued vide reference above, stipulates as under-

"In procurement of all goods, services or works in respect of which the nodal ministry/department has communicated that there is sufficient local capacity and local competition, only "Class-I local supplier", as defined under the order, shall be eligible to bid irrespective of purchase value."

- 2.0 Government has desired that Ministries/Departments shall expeditiously issue notification for the items where there is sufficient local capacity and competition and where public procurement shall be done only from 'Class-I local suppliers' under clause 3(a) of PPP-MII, Order, 16/09/2020. Additionally, nodal ministry has been permitted (vide Para 5 of the same order) to increase minimum local content requirement for categorization of vendor into Class-I and Class-II local supplier.
- 3.0 Railway Board has reviewed and considered that sufficient local capacity and local competition exists for the following item:

'Design, development, manufacture, supply, integration, testing and commissioning of IGBT based 3-phase propulsion, control and other equipments including transformers, lightning arrestors, converters, motors, train control and management system (TCMS), Speed indicating cum recording system, brake interface unit, load weighing system with associated equipments, bogie assembly, event recorder, voice communication system, passenger information system, onboard infotainment system, passenger announcement and passenger information system (including CCTVs, speakers), fire detection system, driver cabin with all equipments, passenger car surveillance system, batteries with accessories, cables, cable harnesses, cable jumpers, cable accessories, inter-vehicular couplers (power and control) with coach jumper assembly, pantograph with concomitant accessories, APC receivers, electrically operated wiper system, interface equipments with laptops, special tools for assembly/disassembly of various assemblies, supervision of installation, training, brake controller, circuit breakers, lighting system, Air-conditioning systems, auxiliary power system and comprehensive annual maintenance for some or all of the systems/ subsystems for train sets suitable for

4
18/09/2020

operation on 25 kV AC OHE system conforming to applicable RDSO and other specifications.'

It has, therefore, been decided that in respect of above item only Class I local suppliers shall be eligible to bid and supply, irrespective of the purchase value. It has been further decided that the minimum local content for the local supplier, of the above item, to be categorized as 'Class-I local supplier' shall be 75%.

- 4.0 Requirement of a vendor to be a Class I local supplier (self-certification by bidder as per PPP-MII order 2017, as amended), to be considered for ordering of item detailed in para 3.0 above, shall be a mandatory condition in addition to other qualifying criteria which may be applicable for purchase of the item. Suitable eligibility criteria shall be added in the tenders by procuring agencies. Suitable condition should also be inserted in tenders calling attention of vendors, clearly indicating that in keeping with the Public Procurement (Preference to Make in India) Order, 2017, as amended, it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore public procurement of the item is restricted to Class I local suppliers only and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender it does so at its own risk and cost and Railways shall not be liable for any loss or damage caused to the vendor.

This is issued with the approval of Railway Board (M(TRS)).

18/09/2020
(Kanwalpreet)
Director Railway Stores/IC
Railway Board

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All AMs, PEDs & Executive Directors of Railway Board.

भारतसरकार BHARAT SARKAR
रेलमंत्रालय MINISTRY OF RAILWAYS
रेलवेबोर्ड RAILWAY BOARD

No. 2015/RS(G)/779/5(Vol.III)

नई दिल्ली New Delhi Dated: 24/09/2020.

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

- Sub.:** Implementation of Public Procurement (Preference to Make in India) Order, 2017.
Ref.: i. DPIIT, Ministry of Commerce and Industry Order No.P-45021/2/2017-PP(BE-II) dated 16/09/2020.
ii. Railway Board letter No. 2015/RS(G)/779/5(Vol.III) dated 22/06/2020 and 12/07/2020.

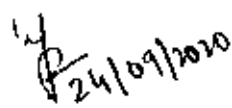
- 1.0 Vide letters at reference ii above, Railway Board had issued instructions on limiting competition in procurement certain S&T and Wagon items to Class I Local Suppliers, in terms of Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII), as amended (ref. ii). Similar instructions have been issued for some other items also which are available on Railway Board website.
- 2.0 Further to above, a similar review of LHB coaches and items required for their manufacture and maintenance has been conducted. Accordingly, it has been decided that, in view of sufficient local capacity and local competition, all spares and components required for manufacture and maintenance of LHB coaches, including hardware and consumables, shall be procured, irrespective of the purchase value, from Class I Local Suppliers only, except for the following items, in procurement of which this restriction shall not apply:

SN	Item
1	Automatic Sliding Doors/ Automatic Entrance Plug Door
2	Sealed Gangway/ Dust sealed Inter Car Gangway
3	CCTV Cameras
4	UIC-130 pre-sealed, pre-set and pre-lubricated Cartridge Tapered Roller Bearing for use on coaches of LHB design
5	Axle Mounted Disc Brake System (LHB) as per RDSO spec RDSO/2011/CG-04 (Rev-01 with amendment -01)
6	Non-Asbestos based Organic Brake Pads for LHB type coaches equipped with Disc Brake System as per RDSO spec no. RDSO/2013/CG-01 (Rev-0 with amendment-01)
7	Air spring assemblies – 120kN capacity as per RDSO/2020/CG-01
8	Direct Mounted double row self-aligning Spherical Roller Bearings (ICF) as per RDSO spec no. C-8527 (Rev-01) with amendment no. 4.
9	Forged Axles and Wheels for LHB coaches.

NOTE: Items for which Ministry of Railway is not the nominated nodal Ministry, procurement shall be done as per guidelines of nodal Ministry for the respective items.

- 3.0 Requirement of a vendor to be a Class I local supplier (self-certification by bidder as per PPP-MI order 2017, as amended), to be considered for ordering of items detailed in para 2.0 above, shall be a mandatory condition in addition to other qualifying criteria, including status of RDSO approval etc., which may be applicable for purchase of the item. Suitable eligibility criteria shall be added in the tenders by procuring agencies. Suitable condition should also be inserted in tenders calling attention of vendors, clearly indicating that in keeping with the Public Procurement (Preference to Make in India) Order, 2017, as amended, it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore public procurement of the item is restricted to Class I local suppliers only and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender it does so at its own risk and cost and Railways shall not be liable for any loss or damage caused to the vendor.
- 4.0 This instruction shall be applicable for tenders to be issued/ uploaded on website, after the date of issue of this letter.

This is issued with the approval of Railway Board (M(TRS)).


(Kanwalpreet)
Director Railway Stores(IC)
Railway Board

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All AMs, PEDs & Executive Directors of Railway Board.

भारत सरकार BHARAT SARKAR
रेल मंत्रालय MINISTRY OF RAILWAYS
रेलवे बोर्ड RAILWAY BOARD

No. 2015/RS(G)/779/5(Vol.III)

नई दिल्ली New Delhi Dated: 15/10/2020.

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

Sub.: Implementation of Public Procurement (Preference to Make in India) Order, 2017.

**Ref.: DPIIT, Ministry of Commerce and Industry Order No.P-45021/2/2017-PP(BE-II)
dated 16/09/2020.**

- 1.0 Para-3(a) of the Public Procurement (Preference to Make in India) Order, 2017 (as amended) issued vide reference above, stipulates as under-

"In procurement of all goods, services or works in respect of which the nodal ministry/department has communicated that there is sufficient local capacity and local competition, only "Class-I local supplier", as defined under the order, shall be eligible to bid irrespective of purchase value."

- 2.0 Government has desired that Ministries/Departments shall expeditiously issue notification for the items where there is sufficient local capacity and competition and where public procurement shall be done only from 'Class-I local suppliers' under clause 3(a) of PPP-MII, Order, 16/09/2020. Additionally, nodal ministry has been permitted (vide Para 5 of the same order) to increase minimum local content requirement for categorization of vendor into Class-I and Class-II local supplier.

- 3.0 Railway Board has reviewed and considered that sufficient local capacity and local competition exists for the following item(s):

Item - 1

"Design, development, manufacture, supply, testing and commissioning of microprocessor controlled IGBT based 3-phase propulsion equipment including transformers, lightning arrestors, converters, motors, train control and management system (TCMS), pneumatic system comprising of air compressor, circuit breakers, pantograph with concomitant accessories, cables, driver desk with all equipments, lighting system including fans, circuit breakers, parking brake equipment, Brake blending, Load weighing sensors, passenger information and communication system,

inter-vehicular couplers, Speed indicating cum recording system, cab air-conditioning unit, networking system including CCTV cameras, cable transit system, cable trays, HT room filters, earthing switches, coach display units, interface equipments with laptops, special tools for assembly/ disassembly of various assemblies, supervision of installation and training for **MEMU (On Board)** conforming to applicable RDSO and other specifications."

Item - 2

"Design, development, manufacture, supply testing and commissioning of microprocessor controlled IGBT based 3-phase propulsion equipment including transformers, lightning arrestors, converters, motors, train control and management system (TCMS), oil pumps and oil cooling blowers, pneumatic system comprising of air compressor, circuit breakers, pantograph with concomitant accessories, cables, driver desk with all equipments, shunting desk with all equipments, lighting system including fans, circuit breakers, parking brake equipment, APC receiver, Brake blending, Load weighing sensors, passenger information and communication system, inter-vehicular couplers, Speed indicating cum recording system, air filters, cab air-conditioning unit, networking system including CCTV cameras, cable transit system, cable trays, earthing switches, coach display units, interface equipments with laptops, special tools for assembly/ disassembly of various assemblies, supervision of installation and training for **EMU (On Board)** conforming to applicable RDSO and other specifications."

It has, therefore, been decided that in respect of above items only Class I local suppliers shall be eligible to bid and supply, irrespective of the purchase value. It has been further decided that the minimum local content for the local supplier, of the above item, to be categorized as 'Class-I local supplier' shall be 60%.

- 4.0 Requirement of a vendor to be a Class I local supplier (self-certification by bidder as per PPP-MII order 2017, as amended), to be considered for ordering of item(s) detailed in para 3.0 above, shall be a mandatory condition in addition to other qualifying criteria, including status of RDSO approval etc., which may be applicable for purchase of the item. Suitable eligibility criteria shall be added in the tenders by procuring agencies. Suitable condition should also be inserted in tenders calling attention of vendors, clearly indicating that in keeping with the Public Procurement (Preference to Make in India) Order, 2017, as amended, it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore



public procurement of the item is restricted to Class I local suppliers only and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender, it does so at its own risk and cost, and Railways shall not be liable for any loss or damage caused to the vendor.

This is issued with the approval of Railway Board (M(TRS)).


 (Praveen Kumar)
 Joint Director Railway Stores/G
 Railway Board

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 All AMs, PEDs & Executive Directors of Railway Board.

भारतसरकार BHARAT SARKAR
रेलमंत्रालय MINISTRY OF RAILWAYS
रेलवेबोर्ड RAILWAY BOARD

No. 2015/RS(G)/779/5(Vol.III)

नई दिल्ली New Delhi Dated: 09/02/2021

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

Sub.: Implementation of Public Procurement (Preference to Make in India) Order, 2017.

Ref.: DPIIT, Ministry of Commerce and Industry Order No.P-45021/2/2017-PP(BE-II) dated 16/09/2020.

- 1.0 Para-3(a) of the Public Procurement (Preference to Make in India) Order, 2017 issued vide reference above, stipulates as under-
"In procurement of all goods, services or works in respect of which the nodal ministry/department has communicated that there is sufficient local capacity and local competition, only "Class-I local supplier", as defined under the order, shall be eligible to bid irrespective of purchase value."
- 2.0 Government has desired that Ministries/Departments shall expeditiously issue notification for the items where there is sufficient local capacity and competition and where public procurement shall be done only from 'Class-I local suppliers' under clause 3(a) of PPP-MII, Order, 16/09/2020. Additionally, nodal ministry has been permitted (vide Para 5 of the same order) to increase minimum local content requirement for categorization of vendor into Class-I and Class-II local supplier.
- 3.0 Railway Board has reviewed and considered that sufficient local capacity and local competition exists for 136 items listed in annexure. These items are required for manufacture and maintenance of 3 Phase Electric Locomotive.
It has, therefore, been decided that in respect of these listed items, only Class I local suppliers shall be eligible to bid and supply, irrespective of the purchase value. It has been further decided that the minimum local content for the local supplier, of the above item, to be categorized as 'Class-I local supplier' shall be 50%.
- 4.0 Requirement of a vendor to be a Class I local supplier (self-certification by bidder as per PPP-MII order 2017, as amended), to be considered for ordering of item(s) detailed in para 3.0 above, shall be a mandatory condition in addition to other qualifying criteria, including status of approval with respective vendor approving agencies etc., which may be applicable for purchase of the item. Suitable eligibility criteria shall be added in the tenders by procuring agencies. Suitable condition

should also be inserted in tenders calling attention of vendors, clearly indicating that in keeping with the Public Procurement (Preference to Make in India) Order, 2017, as amended, it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore public procurement of the item is restricted to Class I local suppliers only and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender it does so at its own risk and cost and Railways shall not be liable for any loss or damage caused to the vendor.

This is issued with the approval of Railway Board (M(T&RS)).


(Chandan Kumar)
Director Railway Stores/IC
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All AMs, PEDs & Executive Directors of Railway Board.

SN	ITEM	CLW PL NO	DRG/SPECN NO
1	Motor for Compressor	29511008	CLW/ES/3/0100 RDSO/SPEC / E-10/3/09 (motor)
2	Blower for Machine Room	29440105	CLW/ES/3/0020
3	Motor for Machine Room Blower	29440105	RDSO Spec No. E-10/3/09 (Motor), ABB drg no. 3EHP590467R001 CLW/ES/3/0020
4	Blower Scavage for Machine Room	29440129	CLW/ES/3/0022
5	Blower for Traction Motor	29440075	CLW/ES/3/0019
6	Motor for Traction Motor Blower	29440075	CLW/ES/3/0019 RDSO Specn. No. E-10/3/09 (motor)
7	Blower Scavage for Traction Motor and Oil Cooler	29440117	CLW/ES/3/0021
8	Motor for Scavage Blower to TM / Oil cooling	29440117	CLW/ES/3/0021 RDSO Spec. No. E-10/3/09 (motor)
9	Oil Cooling Unit for transformer / converter with impeller and casing	29470043	CLW/ES/3/0647 RDSO/2016/EL/SPEC/ 0123 Rev.1
10	25KW Motor for oil cooling unit for Three Phase Locomotive		TECH .SPEC/E-10/3/09 (Motor) (3 Phase Drive Loco), with Amendment No 1 to 4. CLW/ES/3/0023
11	30kW Motor for oil cooling unit for Three Phase Locomotive		RDSO Spec. No. E-10/3/09(Motor) with Amendment slips no. 1 to 5
12	30KW Motor for oil cooling unit (Centrifugal Design) for Three Phase Locomotive		RDSO Spec No. E-10/3/09 (Motor), with Amendment No 1 to 5.
13	Aluminium Impeller for Oil cooling unit		CLW/ES/3/0647
14	Transformer Tranela- 15 (Aux. Transformer)	29690079	CLW/ES/3/0098
15	Earth Fault Relay Harmonic Filter / Auxiliary Converter	29660014	CLW/ES/3/0090
16	Main Transformer for WAG-9 Loco (6531 KVA)	29731008	CLW/ES/3/0456
17	Main Transformer for WAP-5/WAP-7 (7475 KVA)	29735014	CLW/ES/3/0315
18	Main Transformer 7775 KVA Type Lot 7500 for WAP-7 & WAP-5 Locos	29731057	CLW/ES/3/0660/A
19	Set of Metallic Pipe for Main Transformer	29230044	CLW/ES/3/0253
20	Transformer Module Primary Voltage	29690092	CLW/ES/3/0083
21	Cab Heater/Ventilation	29170011	CLW/ES/3/0109
22	Crew Fan	29470080	CLW/ES/3/0110

SN	ITEM.	CLW PL NO.	DRG/SPECN NO
23	Master Controller	29860015	CLW/ES/3/0031
24	Cab Air Conditioning System	29811028	RDSO/2007/EL/SPEC/0055(REV.'1')
25	Complete HB1/2, SB1/2 (without electronics), filter & F-cubicles along with all equipments and cabling.	29171180 29171192 29171209 29171210	CLW/ES/3/0191; 0192; 0193; 0194; 0195 & 0652
26	Pantographs for Freight Locos (AC Application)	29880026	RDSO/2008/EL/SPEC/0066 Rev. '0' dated 20.6.2008 and Amend 1 Dtd. 31.12.08
27	Metallised Carbon Strip for Pantographs		RDSO/2009/EL/SPEC / 0097 Rev. '1' Sept. 2013
28	Vacuum Circuit Breaker (single bottle)	29711046	CLW/ES/C-47
29	Pantograph Disconnecting + Earthing Device	29810050	CLW/ES/3/0008
30	Set of Roof Bars	29810115 29815009	CLW/ES/3/0063 CLW/ES/3/0036
31	Resistor Harmonic Filter for WAG-9 /WAP-7	29650033	CLW/ES/3/0015
32	Resistor Harmonic Filter for WAP-5	29655006	CLW/ES/3/0307
33	Conduit for Cables (Metallic)	29605064 29600595	IA0 51-00112
34	SRBGF Items & Set of Fibre Glass Cable Cleat for TM (Type-4)	29720795 29615045	CLW/ES/3/0056 & CLW/ES/3/0414
35	Set of Cable Clips	29210409 29210410 29210422	CLW/ES/3/0133
36	Cable Lug	29610011 29612615 29612652 29615434 29615446 29615458	CLW/ES/3/0130/I
37	Al. Cable Cleat	29611702 29725150	CLW/ES/3/0039
38	Set of Cable Cleat with DIN rail for TM	29615094	CLW/ES/3/0045
39	Set of cable disconnection	29615008 29612810	CLW/ES/3/0424 CLW/ES/3/0128
40	Set of Cable Tray	29612950 29612949 29615150	CLW/ES/3/0132 CLW/ES/3/0316
41	Copper Sleeves & Set of copper sleeves	29610370 29615392	CLW/ES/3/0205
42	Set of Steel Sleeves	26612008	CLW/ES/3/0205
43	Set of Insulators	29721180 29725057	CLW/ES/3/0145
44	Set of Rubber Items	29250134 29255065	CLW/ES/3/0151
45	Set of Gasket for WAG-9/WAP-7 & WAP-5 Loco.	29255041 29250018	CLW/ES/3/0142
46	Set of Neoprene Hoses	29230068	CLW/ES/3/0094

SN	ITEM	CLW PL NO	DRG/SPECN NO
47	Hose for Cab Heater	29232685	CLW/ES/3/0436
48	Set of Other Hoses	29611489 29611519	CLW/ES/3/0099
49	LED Based Flasher Light	29612937	i) ELRS/SPEC/LFL/0017 (Rev1, Oct 2004) ii) CLW/ES/SK-3/L-21/C
50	Head Light Housing	29610965	CLW/ES/3/0114
51	Driver's Desk & Assistant Driver's Desk Illumination	29170023	CLW/ES/3/0042
52	Latching Push Button Corridor Lighting	29700097	CLW/ES/3/0044
53	LED Based Marker Light	29612925	i) ELRS/SPEC/PR/0022 (Rev1, Oct 2004) ii) CLW/ES/SK-1/L-29
54	Set of Copper Braid	29612779	CLW/ES/3/0138
55	Set of Non Metallic Plate	29170965	CLW/ES/3/0451
56	Set of Bus Bar	29615525 29615537 29615574 29615562 29615549 29611550	CLW/ES/3/0118 CLW/ES/3/0412
57	Set of Spacer	29610448 29611490	CLW/ES/3/0156
58	Set of Union & Fittings	29610345	CLW/ES/3/0163
59	Set of Non-metallic Pipe (Smoke Detection Pipe)	29230020 29235054	CLW/ES/3/0254 for WAG- 9 CLW/ES/3/0413 for WAP- 5
60	Axle Box Complete without Bearing (WAG-9 & WAP-7)	29010044 29015005	CLW/MS/3/003 1209-01.111-005 1209-01.111-006 1209-01.111-007
61	Axle Guide Bearing (WAP-5)	29055015	IA011-00379
62	Bar for bogie head beam	29101025	1209-01.312-171
63	Traction Motor Cooling Bellows	29940023	CLW/MS/3/006,
64	Bolt (Pin) \approx 12	29300836	1209-01.413-011
65	Bolt	29301117	1209-01.315-017
66	Fixing Cables (Safety Sling for Push- Pull Rod)	29100239 29105195	1209-01.318-018 1209-01.318-019 IA016-00260 IA016-01095 IA016-01096

SN	ITEM.	CLW PL NO	DRG/SPECN NO
67	Leather Bellow with Mounting Arrangement and Hardware in a set for WAG-9 /9H /WAP-7	29940436	1209-01.018-024 Alt. 1
68	Gear & Pinion for WAP-5 (67:35:17); WAP-7 (72:20); WAG-9 (107:21) or (77:15)	29425086 29420120 29420131	RDSO Spec- MPO 2800.19,Rev-0 (Oct'05) SKDP-3473 & 74 SKDP-3435 & 36 SKDP-3847 & 48 IA011-230, 231, 232 for WAP-7/WAG-9
69	Gear Case-Complete	29030018	1209-01.013-014
70	Holder for TM suspension	29100150	1209-01.118-002
71	Housing	29100057	1209-01.113-002
72	Set of Insulating base	29725021	1209-01.415-015 1209-01.315-016
73	Suspension Tube and its assembly components for Three Phase Traction motor type 6FRA 6068 of Electric Locomotives (Motor Suspension Unit)	29100288	CLW/MS/3/201
74	Pivot	29140134	1209-01.112-002
75	Sealing (cu. Washer)	29100320	1209-01.412-069
76	Spring guide	29101001	1209-01.212-003
77	Elastic Stop (lateral & vertical)	29250470	CLW/MS/3/010 1209-01.315-021, 1209-01.315-022
78	Tubes	29230512 29105158	CLW /MS/3/055
79	Threaded Bolt	29305007 29300850	IA016-00272 CLW /MS/10/060 1210-01.415-021 1209-01.315-020
80	Tube	29232673	1209-01.312-160
81	Push / Pull Rod	29100069 29100094	1209-01.113-006
82	Brake Gear Arrangement & Details for WAP-7 Loco	29140225	1209-01.116-059
83	a) Wheel Set Guide (Steel Casting)	29050017	1209-01.115-004 for WAG-9
84	Bogie Frame Complete for Co-Co Locomotives	29100422	1209-01.112-202 CLW/MS/3/Bogie/003

SN	ITEM.	CLW PL NO	DRG/SPECN NO
85	Torque Support	29100380	1209-01.218.003
86	Battery Box Assly.	29680013	CLW/MS/3/037 1209-06.138-001 1209-06.138-003
87	Blind Installation	29170059	CLW/MS/3/035
88	Filter Assly.	29480103	CLW/MS/3/012 1209-11.235-132
89	Fire Extinguisher	29170631	CLW/MS/3/016 1209-13-240-025
90	FRP under panel of Cab	29720412	CLW/MS/3/018
91	Gasket (non-metallic)	29250651 29250602 29250043	CLW/MS/3/062 CLW/MS/10/020
92	Grommet for wiper pipe pass	29250432	1209-03.330-240
93	Inter Lock Assly.	29170047 29171003	CLW/MS/3/111
94	Plywood (Impregnated Compressed laminated)	29170217 29175148	1209-08.231-013 1209-08.231-014 1209-08.331-015 1209-08.331-016
95	Rubber Hose for Scav. Blower	29255030	1209-11.344-046 1209-11.344-052 1209-11.339-037
96	New Design Cattle Guard for WAP-5 Locos suitable for high speed 160 Km/hr.	29125080	IA021-00029 CLW/MS/3/107
97	Safety flooring PVC	29170552	RDSO/2006/CG-12(Rev-1)
98	Copper Pipe fittings	29230081	CLW/MS/3/067 CLW/MS/10/017
99	Copper Tubes	29170333	CLW/MS/3/030
100	Flexible Hose assly.	29230123 29234980 29235005	CLW/MS/3/033 CLW/MS/10/035
101	Nylon Tubes	29185026	CLW/MS/3/079 CLW/ES/3/0260
102	Saddle light stauff	29170072 29175288	1209-18.406-053,
103	Steel Pipe fittings	29230368	CLW/MS/3/068

SN	ITEM	CLW PL NO	DRG/SPECN NO
		29180107 29230184	CLW/MS/10/018
104	Wiper Assly.	29162026	CLW/MS/3/050
105	Reservoir above 50 litres	29162105 29162099	CLW/MS/3/110 (For 3-Ph) 0/3/65/234(P) 0/3/65/136(P) 0/3/65/136
106	Standard Hardware (MS)	25949470	IS: 1364 IS: 1365 IS: 2232
107	Non- Standard Hardware	25949329	
108	Spring Washer	29350025	CLW/MS/3/085
109	Set of terminal block (Screw type)	29615161	CLW/ES/3/0645
110	Cubicle HB1& HB2 (Bare) Cubicle SB1 & SB2 (Bare) Filter Cubicle (Bare) SS Louvre Assembly	29170643 29170667 29170655 29480139 29170205	CLW/MS/3/047 CLW/MS/3/098 CLW/MS/3/046 CLW/MS/10/009 CLW/MS/3/097
111	Cubicle 'F' Deriver Cab Filter Frame Assly. (Fly screen) Piano Hinge SS Sheets & Plates Transition Duct Assly. Cover Assly. Security Lock Sand box Assly(WAP-5) Stainless Steel Trough for AC Cab for WAP-5 Loco Roof Hatch Retainer Assly. For WAG-9H/WAP-7 Loco. (Each Loco set is consisting of 4 items)	29170175 29480115 29171179 29120147 29175010 29470079 29120100 29075002 29175021 29175392	CLW/MS/3/045 1209-11.244-024 1209-11.144-025 1209-06.327-040 CLW/MS/3/039 CLW/MS/10/028 1209-11.244-024 1209-11.144-025 1209.02.127.037 CLW/MS/10/038 1210-07-138-002 1210-07-138-003 1210-07-138-004 1209-08.230-518 1209-10.237-051 1209-10.437-055 1209-10.337-077 1209-10.337-054

SN	ITEM.	CLW PL NO.	DRG/SPECN NO
112(A)	<u>Group-A</u> Circuit Breaker Box Assly. Extractor Ventilator Rotary Shutter SS Pressed Section Set of Metallic plate Set of Bracketted sheet Set of casing Set of cover for WAP5 Set of cover Set of panel plate	29170310 29170140 29175045 29612860 29610254 29611507 29610242 29170620	1209-06.142-003 1209-08.330-185 1209-08.330-186 CLW/MS/3/038 CLW/MS/10/027 CLW/ES/3/0450 CLW/ES/3/0153 CLW/ES/3/0134 CLW/ES/3/0406 CLW/ES/3/0139 CLW/ES/3/0453
(B)	<u>(Group-2)</u> Lock Quarter turn Set of clips for pipes /hose Set of looming bars Set of Shackle Set of clamp Hinge base assly. Gasket (Metallic)	29171155 29612858 29612834 29611805 29610268 29250614	1209-18.306-004 CLW/ES/3/0136 CLW/ES/3/0119 CLW/ES/3/0152 CLW/ES/3/0135 1209-11.439-044
(C)	<u>(Group-3)</u> Set of Bracket for WAP5 Set of Bracket Set of Support Oil Pump Bracket fixing	29618057 29610436 29615318 29615296 29615306 29612871 29615070 29636106	CLW/ES/3/0411 CLW/ES/3/0121 CLW/ES/3/0159 CLW/ES/3/0148
113	Door Assly. Window Assly.	29170280 29172028	CLW/MS/3/013 CLW/MS/3/014
114	Wind Screen Assly. Air Diffuser	29170291 29540021	CLW/MS/3/027 1209-06.430-181
115	Al. Chequered Plate Al. pressed section Al. Sheets & Plates Al. Perforated sheet Cable tray cover Assly. Al. Roof Ladder Aluminium Inspection Cover for Floor Ventilation Ducting for WAP-5 Loco.	29170618 29170783 29400107 29175355 29170229 25606839 29475065	1209-09.331-039 CLW/MS/3/072 CLW/MS/3/075 CLW/MS/3/074 1209-08.130-167 CLW/MS/10/047

SN	ITEM.	CLW PL NO	DRG/SPECN NO
116(A)	Drivers Desk (Bare)	29171143	CLW/MS/3/117
(B)	Duct Assly. for WAG-9, WAP-5 & WAP-7	29470067 29475041	CLW/MS/3/099 CLW/MS/10/048
(C)	General Arrangement of floor ventilation ducting	29470092 29470109	IB -021-0326
(D)	Junction Box Assly. & Body Side & Floor Secondary Member for WAG-9/WAP-7	29200052	IB051-00176
117	Built up steel section		1209-08.430-029 1209-08.430-030 1209-08.330-033
	Steel chequered plates Step Assly.	29170266 29120202 (MINOR)	CLW/MS/3/077 1209-06.242-008
	Step Arrangement(WAP-5)	29125110	IA011-00321
	Foot Step Assly.(WAG-9)	29120196	CLW/MS/3/103
	Merchant Flat bars V/F (For Cab, Sidewall & Roof) Platform Assly.	29125078 29170898	CLW/MS/3/108 IB081-00421 CDD-HL-E72-031 03/1/38/99 AIL 1
	Grill Assly.(Protection Grill for Wind Screen)	29175483 29175483	
	Coduits of Cables	29601009	1209.02.426-126, 129, 132, 134 1209.02-327-083
	Wire Rope	29120135	
	Safety Sling for TM 6FRA 6068 for WAG-9H/ WAP-7	29140201	
	Safety Sling for Hanger Lever for WAP-7	29140237	
	Stool for WAP-5 Loco	29175380	1210-03.125-002 IA036-00047 IA036-00043, IA031-00035, IA032-00029 1209-02.341-004
	Bracket Outer Bracket Inner for WAG-9 Loco	29120366	1209-02.341-003 CLW/MS/3/077
	Steel Chequered Plate Doorway Surround (Lower)	29170266 29170710	IB091-00024

SN	ITEM	CLW PL NO	DRG/SPECN NO
	<u>Group-I</u>		
	Air Outlet Assly.	294050020	1209-10.337-081 IA106-00507
	Capacitor Box Assly	29771043	IA066-00095 IA066-00098
	Sand Box Assly for WAG-9 & WAP-7	29070259	1209-01.138-031 1209-01.138-032
	Flange	29125157	03/4/20/2 Alt 1
	Set of Fabricated Items with Hotel Load Converter for WAP-7 Loco.	29741105	CDD-HL-P71-002A
	Mounting Bracket for WAG-9H/WAP-7 Loco	29171015	IB026-0106 1209-07.232-022 IB031-0325 IB031-0327
	<u>Group-III</u>		
	Door Latch Assly	29170084	1209-09.233-018
	Channel Unstruct	29480127	CLW/MS/3/070
	Din Rails	29101062	CLW/MS/3/058
	Clips-Pneumatic Items	29210094 29215080	1209-01.413-013 1209-18.406-087 1209-18.406-094
	Clamps-Pneumatic Items	29210010 29235078	CLW/MS/3/059 CLW/MS/10/045
	Protection Plate Assembly for WAG-9/WAP-7 (Set of Protection Plate for WAG-9/WAP-7)	29180653	IB011-00479 IB076-00259 IB016-00451 IB016-0476
	Shim and Pad (06 Items)	29250511	1209-0.9.433-080 05/4/59/15 Alt-3, 05/4/59/22 Alt-22, 05/4/59/80 Alt-8
	Set of Accessory for Hand Brake Arrangement for WAP-7 Loco.	29140286	
	Hinge for WAG-9/WAP-7 Loco	29175239	1209-00.240-201 ref.10
118	Roof Assly. complete for WAG-9/ WAP-7	29170941 29175343	CLW/MS/3/154 IB 101-00124 IB 101-00125 IB 101-00122
119	Side Wall Assly for WAG-9 / WAG-9H/ WAP-7	29171040	CLW/MS/3/154 IB031-00275-1 (RH) IB031-00276-1 (LH) 1209-03.035.187 (For WAG-9H along with above)
120	Cab Assly Complete for WAG-9/WAP-7	29170953	CLW/MS/3/154 IB 081-00313, 00479, 00467, 00473; 1209-10.237-213; 1209-08.231-074;

SN	ITEM.	CLW PL NO	DRG/SPECN NO
121	Head Stock Assly. Complete for WAG-9/9H/ WAP-7 Loco.	29120240 29120251 29125182	CLW/MS/3/154 IB 021-00313
122	Centre Sill Assly. Complete for WAG-9/9H/WAP-7 Loco	29120299 29120317	CLW/MS/3/154 1209-02-126-012
123	Centre Sill Assly. Complete For WAP-5	29125133	IA-021/00045
124	Central Under Frame Assly. for WAP-5 Loco.	29125200	CLW/MS/3/154
125	Central Underframe Assly For WAG-9 & WAP-7	29120305	IB021-00254
126	Side Sill Assly. for WAP-5	29125145	CLW/MS/3/154 IA021-00026, IA021-00043, IA021-00044
127	Side Sill Assly. for WAG-9 / WAP-7	29171052	IB021-00346, IB021-00374, IB021-00376
128	Bolster Assly. for WAG-9H/WAP-7	29100460 29100471	CLW/MS/3/154 IA021-00390, IB021-00350
129	Bolster Assly. for WAP-5	29107568	CLW/MS/3/154 IA021-00006,
130	Side Wall Assly for WAP-5	29175320	CLW/MS/3/154 1210-03.135.001 1210-03.135.002 1210-03.135.065 1210-03.135.066 1210-03.135.045 1210-03.135.046 1210-03.135.047
131	Head Stock Assly. for WAP-5	29125182	CLW/MS/3/154 IA021-00003,
132	Roof Hatch Assly for WAP-5 Loco	29175343	CLW/MS/3/154
133	Complete Shell Assembly for WAG-9/9H	29171027	CLW/MS/3/152,
134	Under Frame Assly. for WAG-9/9H Loco	29120329	CLW/MS/3/154 IB021-00317, IB021-00380
135	Spares for AM 12 or IR 01 or PAN 01 type Pantograph		RDSO/2008/EL/SPEC/0066 Rev.'0' dated 20.6.2008 and Amend 1 Dtd 31.12.08
136	Transformer Repair/rehabilitation		

भारत सरकार BHARAT SARKAR
रेल मंत्रालय MINISTRY OF RAILWAYS
(रेलवे बोर्ड RAILWAY BOARD)

No. 2015/RS(G)/779/5(Vol.III)

नई दिल्ली New Delhi, Dated: 19.02.2021.

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

**Sub.: Implementation of Public Procurement (Preference to Make in India) Order, 2017 –
Notification of RE items under para-3(a) of PPP-MII Order.**

**Ref.: (i) DPIIT, Ministry of Commerce and Industry Order No.P-45021/2/2017-PP(BE-II)
dated 16/09/2020
(ii) Railway Board's letter no.2020/RS(G)/779/2 Pt.I dated 25-09-2020.**

- 1.0 Para-3(a) of the Public Procurement (Preference to Make in India) Order, 2017 (as amended) issued vide reference above, stipulates as under-

"In procurement of all goods, services or works in respect of which the nodal ministry/department has communicated that there is sufficient local capacity and local competition, only "Class-I local supplier", as defined under the order, shall be eligible to bid irrespective of purchase value."
- 2.0 Government has desired that Ministries/Departments shall expeditiously issue notification for the items where there is sufficient local capacity and competition and where public procurement shall be done only from 'Class-I local suppliers' under clause 3(a) of PPP-MII, Order, 16/09/2020. Additionally, nodal ministry has been permitted (vide Para 5 of the same order) to increase minimum local content requirement for categorization of vendor into Class-I and Class-II local supplier.
- 3.0 **Railway Board has reviewed and considered that sufficient local capacity and local competition exist for all the material/items used in Railway Electrification as they are indigenously manufactured and supplied except short neutral section assembly which is an RDSO approved item. It has, therefore, been decided that in respect of these items only Class I local suppliers shall be eligible to bid and supply, irrespective of the purchase value. It has been further decided that the minimum local content for the local supplier, of the above item, to be categorized as 'Class-I local supplier' shall be 50%.**
- 4.0 Requirement of a vendor to be a Class I local supplier (self-certification by bidder as per PPP-MII order 2017, as amended), to be considered for ordering of item (s) detailed in para - 3.0 above, shall be a mandatory condition in addition to other qualifying criteria, including status of approval with respective vendor approving agencies,

etc., which may be applicable for purchase of the item. Suitable eligibility criteria shall be added in the tenders by procuring agencies. Suitable condition should also be inserted in tenders calling attention of vendors, clearly indicating that in keeping with the Public Procurement (Preference to Make in India) Order, 2017, as amended, it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore public procurement of the item is restricted to Class I local suppliers only and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender it does so at its own risk and cost and Railways shall not be liable for any loss or damage caused to the vendor.

This is issued with the approval of Railway Board (M(TRS)).


(Chandan Kumar)
Director Railway Stores/IC
Railway Board

Copy to:

1. PCMMs, PCEs, PFAs, CMEs, CEEs, CSTEs, All Indian Railways & PUs, RCF/RBL/NDLS, COFMOW, CORE, WPO and RWP/Bela
2. Sr. Prof. (Material Management), NAIR, Vadodara, Executive Director (Stores), RDSO, Lucknow
3. MD, CRIS, Chanakyapuri, New Delhi
4. MD, RITES, RITES Bhavan, Sector-29, Gurugram
5. Director, Iron & Steel, 3, Koila Ghat Street, Kolkata
6. Chief Commissioner, Railway Safety, Lucknow
7. Zonal Railway Training Institute, Sukadia Circle, Udaipur
8. The Genl. Secy., AIRF, Room No. 248, & NFIR Room No. 256-C, Rail Bhavan
9. The Secy. Genl., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPOA, Room No. 256-D Rail Bhavan.

Copy for information to: Joint Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Udyog Bhawan, New Delhi.

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

1. MR, MoS(R)
2. CRB and CEO, M/TRS, M/Infra, M/OBD, MF, Secretary/Railway Board, DG (RHS), DG (RPF), DG/HR
3. All AMs, PEDs & Executive Directors of Railway Board

Special Tender Conditions for Preference to Make in India for IT & Electronics Products

भारतसरकार BHARAT SARKAR
रेलमंत्रालय MINISTRY OF RAILWAYS
रेलवेबोर्ड RAILWAY BOARD

2020/RS(G)/779/2/Pt.1

New Delhi, dated 21/12/2020.

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

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

Ref.: (i) Railway Board Letter No. 2020/RS(G)/779/2 dated 12.06.2020.

(ii) Ministry of Electronics and Information Technology's Notification No. W-43/4/2019-IPHW-MeitY dated 07.09.2020.

Ministry of Electronics and Information Technology (MeitY) vide their Notification referred (ii) above OM have notified mechanism for calculating local content for certain electronic products mentioned in their notification, in furtherance of DPIIT's order no. 45021/2/2017-PP (BE-II) dated 04.06.2020 (circulated by this office vide letter referred (i) above). The Notification is enclosed for guidance and implementation/compliance.


 (Anurag Grover)
 Dy. Director Railway Stores (G)
 Railway Board

2020/RS(G)/779/2/Pt.1

New Delhi, dated 21/12/2020.

DA.: As above

LIST FOR DISTRIBUTION

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

Copy to:

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

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

MR, MoS(R)

CRB & CEO, M(TRS), M(Infra.), M(O&BD), MF, SECY., DG(HR), DG (RHS), DG (RPF)
 All AMs, PEDs & Executive Directors of Railway Board.

F.No.W-43/4/2019-IPHW-MeitY
Government of India
Ministry of Electronics and Information Technology
(IPHW Division)

Electronics Niketan
6, CGO Complex, New Delhi.

Dated: September 07, 2020

NOTIFICATION

Subject: Public Procurement (Preference to Make in India) Order 2017-Notifying Electronic Products in furtherance of the Order

Reference: Department for Promotion of Industry and Internal Trade (DPIIT) OrderNo.P-45021/2/2017-B.E.-II dated 15.06.2017, as amended by Orders dated 28.05.2018, 29.05.2019 and 04.06.2020

The Government has issued Public Procurement (Preference to Make in India) Order 2017 vide the Department for Promotion of Industry and Internal Trade (DPIIT) OrderNo.P-45021/2/2017-B.E.-II dated 15.06.2017, as amended by Orders dated 28.05.2018, 29.05.2019 and 04.06.2020, to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment.

2. In furtherance of the Public Procurement (Preference to Make in India) Order 2017 [PPP-MII Order 2017] notified vide reference cited above, and in supersession of the Electronic Product Notification Nos.33(1)/2017-IPHW dated 14.09.2017 and 33(5)/2017-IPHW dated 01.08.2018 issued thereunder, the Ministry of Electronics and Information Technology (MeitY) hereby notifies that preference shall be provided by all procuring entities to locally manufactured Electronic Products as per the aforesaid Order, as amended from time to time.

3. For the purpose of this notification:

- a. The definition of Class-I local supplier, Class-II local supplier and Non-local supplier shall be as per paragraph 2 of the DPIIT PPP-MII Order 2017 No.P-45021/2/2017-PP(BE-II) dated 04.06.2020, as amended from time to time. The mechanism for calculation of local content has been prescribed for each notified Electronic Product in this notification, in accordance with paragraph 5 of the DPIIT PPP-MII Order 2017 No.P-45021/2/2017-PP(BE-II) dated 04.06.2020, as amended from time to time.

- b. Paragraph 3A of the DPIIT PPP-MII Order 2017 No.P-45021/2/2017-PP(BE-II) dated 04.06.2020, as amended from time to time, shall be referred for percentage of procurement for which preference to domestically manufactured Electronic Products is to be provided (in value terms).

4. Following Electronic Products are notified under the Public Procurement (Preference to Make in India) Order 2017:

4.1 Desktop Personal Computers (PCs)

(A) Definition:

For the purpose of this Notification, a Desktop PC shall necessarily consist of a CPU, Memory, Hard disk drive, Keyboard, Mouse and a separate or integrated display unit and should be able to operate independently.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Desktop PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Desktop PC	Value addition/local content required for the input to be classified as domestic BOM
1	2
Main Board / Motherboard and CPU / GPU	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including the value of Semiconductors** and CPU/ GPU** and excluding the value of bare PCB. However, the weightage of total value of CPU shall not exceed 30% of the total BOM of the Desktop PC.
Memory Module	Domestic PCB Assembly* and testing from imported / domestically manufactured memory chips** and parts / components on imported/ domestically manufactured bare

	PCB, excluding the value of bare PCB.
Hard Disk Drive / Solid State Drive (SSD)	Domestic PCB Assembly* and final product assembly and testing from imported / domestically manufactured parts and components, excluding the value of bare PCB.
LCD / LED Monitor	Domestic assembly and testing of LCD / LED Monitor from parts consisting of imported/domestically assembled LCD / LED Panel and Domestic PCB Assembly*, Domestic plastic moulding and Domestic stamping of metal parts, excluding the value of bare PCB.
DVD Drive	Domestic assembly and testing from imported / domestically manufactured parts and components.
Cabinet + SMPS	Domestically manufactured Cabinet and Domestic PCB Assembly* and the final assembly and testing of SMPS from imported/ domestically manufactured parts and components, subject to the condition that the domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 20% (of the total value of parts and components used in the manufacture of "SMPS").
Keyboard/Mouse	Domestic PCB Assembly* and the final assembly and testing from imported / domestically manufactured parts and components.
Bare PCB	Domestically manufactured from imported / domestically manufactured inputs.

(i) Final Assembly / Testing and (ii) Design / Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.
---	--

** It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ GPU/ processor(s) parts/ components on the bare PCB using the SMT process should mandatorily be done in India.*

*** This shall be reviewed when the Semiconductor FAB in India is operational.*

4.2 Thin Clients

(A) Definition:

For the purpose of this Notification, a Thin Client (TC) shall necessarily consist of a CPU, Memory, DOM, Keyboard, Mouse and a separate or integrated display unit and should be able to operate independently.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Thin Client would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM / stages for manufacture of Thin Client	Value addition / local content required for the input to be classified as domestic BOM
1	2
Main Board / Motherboard and CPU	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including the value of Semiconductors** and CPU** and excluding the value of bare PCB. However, the weightage of total value of CPU shall not

	exceed 30% of the total BOM of the Thin Client.
Memory Module/ DOM	Domestic PCB Assembly* and testing from imported/ domestically manufactured memory chips** and parts/ components on imported/ domestically manufactured bare PCB, excluding the value of bare PCB.
SMPS/ Power Adapter	Domestically PCB Assembly* and the final assembly and testing of SMPS/ Power Adapter from imported/ domestically manufactured parts and components, subject to the condition that the domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 20% (of the total value of parts and components used in the manufacture of "SMPS").
LCD/ LED Monitor	Domestic assembly and testing of LCD/ LED Monitor from parts consisting of imported/ domestically assembled LCD/ LED Panel and Domestic PCB Assembly*, Domestic plastic moulding and Domestic stamping of metal parts, excluding the value of bare PCB.
Cabinet	Domestically manufactured.
Keyboard/Mouse	Domestic PCB Assembly* and the final assembly and testing from imported / domestically manufactured parts and components.
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.

(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.
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** It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ processor(s)/ parts/ components on the bare PCB using the SMT process should mandatorily be done in India.*

*** This shall be reviewed when the Semiconductor FAB in India is operational.*

4.3 Laptop Personal Computers (PCs)

(A) Definition:

For the purpose of this Notification, a Laptop PC (commonly known in the market as Laptop/ Notebook/ Netbook/ Ultrabook, etc.) shall necessarily consist of a CPU, Memory, Hard disk drive, Keyboard, Touchpad and/ or Trackpoint, an integrated display unit, integrated battery and should be able to operate independently.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Laptop PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Laptop PC	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Main Board/ Motherboard and CPU/ GPU	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including the value of Semiconductors** and CPU/ GPU** and excluding the value of bare PCB. However, the weightage of total value of CPU shall not

	exceed 35% of the total BOM of the Laptop PC.
Power Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components.
Memory Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured memory chips** and parts/ components on imported/ domestically manufactured bare PCB, excluding the value of bare PCB.
Hard Disk Drive/ Solid State Drive (SSD)	Domestic PCB Assembly* and final product assembly and testing from imported/ domestically manufactured parts and components, excluding the value of bare PCB.
Display Panel (LCD, LED, etc.)	Domestic assembly into the Back Cover and Bezel and final testing from imported/ domestically assembled Display Panel, LED Back light, Antennae, excluding the value of the Back Cover and Bezel.
DVD Drive	Domestic assembly and testing from imported / domestically manufactured parts and components.
Power Adapter	Domestic assembly with domestic PCB Assembly* and final testing from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 40% (of the total value of parts and components used in the manufacture of "Power Adapter").

Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Keyboard/ Touchpad and/ or Trackpoint	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Battery	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Cabinet/ Chassis of Laptop including bottom cover, back cover, Keyboard face bezel and Display face bezel and Hinges	Domestically manufactured through injection moulding/ stamping using imported/ domestic inputs.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

** It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ GPU/ processor(s)/ parts/ components on the bare PCB using the SMT process should mandatorily be done in India.*

*** This shall be reviewed when the Semiconductor FAB in India is operational.*

4.4 Computer Monitors

(A) Definition:

For the purpose of this Notification, a Computer Monitor (commonly known in the market as Monitor) shall necessarily consist of a LCD/ LED Display assembly, Logic card, Power Supply Adaptor and Cabinet with Display Ports for connecting it to a Desktop PC or Laptop PC or Tablet PC.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Computer Monitor would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Computer Monitor	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Logic Cards/ Micro controller	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components including value of Semiconductors** and excluding the value of bare PCB.
LCD/ LED Panel	Domestic integration and testing of imported/ domestically assembled LCD/ LED Panel*** into the Monitor Cabinet/ Chassis, excluding the value of the Cabinet/ Chassis. However, the weightage of total value of LCD/ LED Panel shall not exceed 35% of the total BOM of the Computer Monitor.
Cables	Domestically manufactured and tested from imported/ domestically manufactured inputs.
Power Adapter	Domestic assembly with domestic PCB Assembly* and final testing from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 40% (of the total value of parts and components used in the manufacture of "Power Adapter").

Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Cabinet/ Chassis	The Monitor Bezel, Back cover, Stand, Base and Chassis wherein the plastic mouldings and the stamping of metal parts is done domestically using imported/ domestic inputs.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

** It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ GPU processor(s)/ parts/ components on the bare PCB using the SMT process should mandatorily be done in India.*

*** This shall be reviewed when the Semiconductor FAB in India is operational.*

**** This shall be reviewed when LCD/LED Panel manufacturing of Computer Monitors (of each size and type) in India is operational.*

4.5 Tablet Personal Computers (PCs)

A. Definition:

For the purpose of this Notification, a Tablet PC shall necessarily consist of an Integrated Motherboard with on board CPU/Processor, Memory and Power Module; Display Panel (Touch Panel + LCD/LED Module) and integrated battery and should be able to operate independently.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Tablet PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Tablet PC	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Integrated Motherboard with on board CPU/ GPU/ Processor	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including value of Semiconductors** and Processor/CPU/ GPU** and excluding the value of bare PCB. However, the weightage of total value of CPU shall not exceed 35% of the total BOM of the Tablet PC.
Memory and Power Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, excluding the value of bare PCB.
Display Panel (Touch Panel + LCD/ LED Module)	Domestic assembly and testing from imported/ domestically manufactured Touch Panel, LCD/ LED Module or combination, subject to the condition that backlight assembly and testing of Display Panel shall be done domestically.
Power Adapter	Domestic assembly and testing from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 40% (of the total value of parts and components used in the manufacture of "Power Adapter").
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.

Casing	Domestically manufactured Casing.
Battery	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Accessories (Camera, Speaker, WiFi Antenna, etc.)	Domestic assembly and testing from imported/ domestically manufactured parts and components.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

** It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU/ GPU/ processor/ parts/ components on the bare PCB using the SMT process should mandatorily be done in India.*

*** This shall be reviewed when the Semiconductor FAB in India is operational*

4.6 Dot Matrix Printers

(A) Definition:

A Dot Matrix Printer is a type of impact printer that forms dot on paper by a metal pin of diameter 0.2 mm to 0.3 mm which is driven by electromagnet based on solenoid principle and required character matrix is produced by horizontal and vertical resolution of dot matrix printhead. Dot Matrix Printer can create carbon copies and carbonless copies based on mechanical pressure of pin.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Dot Matrix Printer would be the sum of the cost of main inputs specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Dot Matrix Printer	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Main PCB	Domestic PCB Assembly* and testing from imported / domestically manufactured parts and components, subject to the condition that value of domestically manufactured parts and components used in the assembly of "Main PCB" will be minimum 15% (of the total value of parts and components used in the manufacture of "Main PCB"), excluding the value of bare PCB.
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
SMPS	Domestic assembly and testing from imported/ domestically manufactured parts and components, subject to the condition that value of domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 20% (of the total value of parts and components used in the manufacture of "SMPS").
Carriage Motors and Paper Feed Motors	Imported as sub-assembly and tested domestically along with main Printer Mechanism.
Front Control Panel	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Home Position/Paper End Sensors	Domestic assembly and testing from imported/ domestically manufactured parts

	and components.
Main Printer Cabinet and other small plastic components	Domestic moulding of Printer Cabinet and other parts.
Printer Mechanism Assembly	Domestic assembly using domestically manufactured Rubber Platens, small rubber parts, sheet metal components, plastic gears and other plastic parts with turned steel shafts and above mentioned sensors and Motors.
Print Heads and Interconnecting Cables	Imported as sub-assembly and tested domestically along with main Printer Mechanism.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

** It is essential that the Printed Circuit Board Assembly (PCBA) of the parts/ components on the bare PCB using the SMT process should mandatorily be done in India.*

4.7 Smart Cards

(A) Definition:

For the purpose of this Notification, Smart Card is usually a Credit Card sized plastic Card with an Integrated Circuit (IC) contained inside. The IC contains a microprocessor and memory. Smart Cards can be contact, contactless or dual interface (both contact and contactless). Some of the applications of Smart Card are Identity Card, Banking Card, Health Card, Vehicle Registration Card etc.

I(B) Mechanism for calculation of local content for Contact Smart Cards

The domestic Bill of Material (BOM) of a Contact Smart Card would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Contact Smart Card	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Plastic Card Body	Domestic manufacturing including sheet cutting & punching, printing, lamination and testing using imported/ domestically manufactured raw material, parts and components.
IC Chip Module	Domestic assembly, packaging and testing of IC Chip Module using imported/ domestically manufactured raw material, parts and components*.
Milling and Embedding of IC Chip Module on Plastic Card	Milling and Embedding of IC Chip Module on Plastic Card done domestically.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items, including fusion of domestically developed Operating System. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

** This shall be reviewed when the Semiconductor FAB in India is operational.*

II(B) Mechanism for calculation of local content for Contactless Smart Cards

The domestic Bill of Material (BOM) of Contactless Smart Card would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Contactless Smart Card	Value addition/local content required for the input to be classified as domestic BOM
1	2
Plastic Card Body	Domestic manufacturing including sheet cutting & punching, printing, lamination and testing using imported/ domestically manufactured raw material, parts and components.
Card inlay (Antenna)	Domestic assembly and testing from imported/ domestically manufactured raw material, parts and components.
IC Chip Module	Domestic assembly, packaging and testing of IC Chip Module using imported/ domestically manufactured raw material, parts and components*.
Milling and Embedding of IC Chip Module on Plastic Card	Milling and Embedding of IC Chip Module on Plastic Card done domestically.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items, including fusion of domestically developed Operating System. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

** This shall be reviewed when the Semiconductor FAB in India is operational.*

4.8 LED Products

(A) **Definition:**

For the purpose of this Notification, LED products are those whose function is to utilize light produced by LEDs and spanning applications in the areas of: (i) Illumination, (ii) Optical Displays including True LED TVs, (iii) Backlighting, (iv) Signalling & Indication and (v) Transportation.

(B) **Mechanism for calculation of local content:**

The domestic Bill of Material (BOM) of LED Products would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table. However, the weightage of total value of (d) Heat Sink or Thermal Management Solutions, (e) Secondary Optics and (f) System Fixture and Fitting shall not exceed 20% of the total BOM of the LED Product:

Main inputs in BOM/ stages for manufacture of LED Products	Value addition/ local content required for the input to be classified as domestic BOM
1	2
LED Emitter	Packaging from imported/ domestically fabricated Bare LED Die, subject to the condition that the Bare LED Die shall be domestically fabricated using imported/ domestically manufactured inputs.
Driving Electronics	Domestic assembly from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components (excluding the value of bare PCB) used in the assembly of "Driving Electronics" will be minimum 30% of the total value of parts and components used in the manufacture of "Driving Electronics".
Bare PCB including MCPCB	Domestically manufactured using imported/ domestically manufactured inputs.

Heat Sink or Thermal Management Solutions	Domestically manufactured using imported/ domestically manufactured inputs.
Secondary Optics	Domestically manufactured using imported/ domestically manufactured inputs.
System Fixture and Fitting	Domestically manufactured.
Final Assembly/ Testing	Domestically assembled/ tested meeting Indian Standards as notified from time to time.

4.9 Biometric Access Control/Authentication Devices

(A) Definition:

For the purpose of this Notification, Biometric Access Control/ Authentication Device shall include *inter-alia* a Finger Print Sensor/ Iris Sensor, Controller Module and Power supply. It may or may not contain a display unit. Some of the applications of Biometric Access Control/ Authentication Device are Physical access control, Time and Attendance control etc.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Biometric Access Control/ Authentication Device would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Biometric Access Control/ Authentication Device	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Finger Print Sensor/ Iris Sensor	Domestically manufactured as notified (refer Paragraphs 4.10 and 4.11).

Main PCB (Controller Module)	Domestic assembly and testing from imported / domestically manufactured parts and components, excluding the value of bare PCB.
Bare PCB	Domestically manufactured from imported / domestically manufactured inputs.
Power Supply/ Battery(if separate)	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Display Unit	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Optional features such as Camera, Keyboard, RFID, Smart Card Reader, GPRS Module, Wi-Fi, Blue Tooth etc.	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Plastic Housing	Domestically manufactured from imported/ domestically manufactured inputs.
USB Cables	Domestically manufactured from imported/ domestically manufactured inputs.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

4.10 Biometric Finger Print Sensors

(A) Definition:

For the purpose of this Notification, Biometric Finger Print Sensor consists of a Controller Module, CMOS Sensor and Optics. The applications of the Biometric Finger Print Sensor are personal identification and verification, etc.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Biometric Finger Print Sensor would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Biometric Finger Print Sensor	Value addition/local required for the input to be classified as domestic BOM
1	2
Main PCB (Controller Module)	Domestic assembly and testing using imported / domestically manufactured parts and components, excluding the value of bare PCB.
Optics	Domestically manufactured from imported / domestically manufactured inputs.
CMOS Sensor	Domestic assembly, packaging and testing of CMOS Sensor using imported/ domestically manufactured inputs*
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Plastic Housing	Domestically manufactured from imported / domestically manufactured inputs.
USB Cables	Domestically manufactured from imported /

	domestically manufactured inputs.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

** This shall be reviewed when the Semiconductor FAB in India is operational.*

4.11 Biometric Iris Sensors

(A) Definition:

For the purpose of this Notification, Biometric Iris Sensor consists of a Controller Module, CMOS Sensor and Optics. The applications of the Biometric Iris Sensor are personal identification and verification, etc.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Biometric Iris Sensor would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Biometric Iris Sensor	Value addition/local content required for the input to be classified as domestic BOM
1	2
Main PCB (Controller Module)	Domestic assembly and testing using imported / domestically manufactured parts and components except value of bare PCB.
Optics	Domestically manufactured from imported/

	domestically manufactured inputs.
CMOS Sensor	Domestic assembly, packaging and testing of CMOS Sensor using imported/ domestically manufactured inputs*
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Plastic Housing	Domestically manufactured from imported/ domestically manufactured inputs.
USB Cables	Domestically manufactured from imported/ domestically manufactured inputs.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

**This shall be reviewed when the Semiconductor Fab in India is operational.*

4.12 Servers

(A) Definition:

For the purpose of this Notification, a Server shall necessarily consist of a Mother Board, CPU, Memory (RAM), Hard Disk Drive (HDD)/ Solid State Storage Drive (SSD), Power Supply Unit (SMPS), Chassis, Connecting Cables and Firmware & OS.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Server would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Server	Value addition /local content required for the input to be classified as domestic BOM
1	2
Server Board/ Mother Board and CPU(s)/ GPU(s)	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including the value of Semiconductors** and CPU(s)/ GPU(s)** and excluding the value of bare PCB.
Memory Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured memory chips** and parts/ components on imported/ domestically manufactured bare PCB, excluding the value of bare PCB.
Hard Disk Drive/ Solid State Storage Drive (SSD)	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Cabinet + SMPS	Domestically manufactured Cabinet and domestic assembly and testing of SMPS from imported / domestically manufactured parts and components, subject to the condition that value of domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 25% (of the total value of parts and components used in the manufacture of "SMPS").
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Accessories (Power Cables, Connectors, etc.)	Domestic assembly and testing from imported/ domestically manufactured parts and components.

(i) Final Assembly and Testing (ii) Design and Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in the domestic BOM.
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** It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ GPU(s)/ processor(s), parts/ components on the bare PCB using the SMT process should mandatorily be done in India*

*** This shall be reviewed when the Semiconductor FAB in India is operational.*

4.13 Cellular Mobile Phones

(A) Definition:

For the purpose of this Notification, a Cellular Mobile Phone (Feature Phone or Smart Phone) shall necessarily consist of a Main Printed Circuit Board (PCB), Battery Pack, Display Unit, Key Pad/ Touch Panel, Charger/ Adapter, Microphone & Receiver, Vibrator Motor/ Ringer and Mechanics.

(B) Mechanism for calculation of local content:

The domestic BOM of Cellular Mobile Phones would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Cellular Mobile Phone	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Main PCB*	Domestic assembly and testing from imported/ domestically manufactured parts and components including Processor and Semiconductor** BOM (i.e the Semiconductor Chips and Modules on Main

	PCB), and excluding value of bare PCB.
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Battery Pack	Domestic assembly and testing of imported/ domestically manufactured inputs.
Charger/ Adapter	Domestic assembly and testing from imported/ domestically manufactured inputs.
Wired Headset	Domestic assembly and testing from imported/ domestically manufactured inputs.
Mechanics***	Domestic assembly and testing from imported/ domestically manufactured inputs.
Die Cut Parts***	Domestic assembly and testing from imported/ domestically manufactured inputs.
Microphone and Receiver	Domestic assembly and testing from imported/ domestically manufactured inputs.
Key Pad	Domestic assembly and testing from imported/ domestically manufactured inputs
USB Cable	Domestic assembly and testing from imported/ domestically manufactured inputs.
Camera Module	Domestic assembly and testing from imported/ domestically manufactured inputs.
Connectors	Domestic assembly and testing from imported/ domestically manufactured inputs.
Display Unit	Domestic assembly and testing from

	imported/ domestically manufactured inputs.
Touch Panel/ Cover Glass Assembly	Domestic assembly and testing from imported/ domestically manufactured inputs.
Vibrator Motor/ Ringer	Domestic assembly and testing from imported/ domestically manufactured inputs.
(i) Final Assembly and Testing (ii) Design and Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in the domestic BOM.

** It is essential that the Printed Circuit Board Assembly (PCBA) of the processor/ components on the bare PCB using the SMT process should mandatorily be done in India.*

*** This shall be reviewed when the Semiconductor FAB in India is operational*

****Refer Annexure*

5. The Notification comes into effect immediately. This Notification shall remain valid till the revised Notification is issued.

6. No Electronic Product Notification under the Public Procurement (Preference to Make in India) Order 2017 shall have retrospective effect.

7. Purchase Preference shall be provided as per the provisions cited in the Public Procurement (Preference to Make in India) Order 2017 dated 04.06.2020 for the procurement of aforesaid electronics products.

8. The notification would also be applicable to all Central Schemes (CS)/ Central Sector Schemes (CSS) for the procurement of electronic products made by States and local bodies, if project or scheme is fully or partially funded by Government of India.

9. Procedure for calculating local content/ domestic value addition

9.1 Bill of Material sourced from domestic manufacturers (Dom-BOM) may be calculated based on one of the followings depending on data available. Each of these calculations should provide consistent result.

- a. Sum of the costs of all inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit/ set-off can be taken) and which have not been imported directly or through a domestic trader or an intermediary.
- b. Ex-Factory Price of product minus profit after tax minus sum of imported Bill of Material used (directly or indirectly) as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit/ set-off can be taken) minus warranty costs.
- c. Market price minus post-production freight, insurance and other handling costs minus profit after tax minus warranty costs minus sum of Imported Bill of Material used as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken) minus sales and marketing expenses.

9.2 Total Bill of Material (Total-BOM) may be calculated based on one of the following depending on data available. Each of these calculations should provide consistent result.

- a. Sum of the costs of all inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken).
- b. Ex-Factory Price of product minus profit after tax, minus warranty costs.
- c. Market price minus post-production freight, insurance and other handling costs minus profit after tax, minus warranty costs minus sales and marketing expenses.

9.3 The percentage of domestic value-addition may be calculated based on information furnished as per the following formula:

$$\text{Percentage of local content/ domestic value-addition} = \frac{\text{Dom-BOM}}{\text{Total-BOM}} \times 100$$

It is recommended that each agency assessing should calculate the domestic local content/ value-addition using at least two of the above formulae so as to validate the assessments in this regard and ensure that the domestic value addition that is claimed is consistent.

10. Verification of local content/ Domestic Value Addition

- a. The local supplier at the time of tender, bidding or solicitation shall provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
- b. In cases of procurement for a value in excess of Rs. 10 crore, the local supplier shall provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

c. In case a complaint is received by the procuring agency or the concerned Ministry/Department against the claim of a bidder regarding local content/ domestic value addition in an electronic product, the same shall be referred to STQC.

d. Any complaint referred to STQC shall be disposed of within 4 weeks. The bidder shall be required to furnish the necessary documentation in support of the domestic value addition claimed in an electronic product to STQC. If no information is furnished by the bidder, such laboratories may take further necessary action, to establish the bonafides of the claim.

e. A complaint fee of Rs.2 Lakh or 1% of the value of the domestically manufactured electronic products being procured (subject to a maximum of Rs. 5 Lakh), whichever is higher, to be paid by Demand Draft to be deposited with STQC. In case, the complaint is found to be incorrect, the complaint fee shall be forfeited. In case, the complaint is upheld and found to be substantially correct, deposited fee of the complainant would be refunded without any interest.

f. False declarations will be in breach of the Code of Integrity under Rule 175(I)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

11. MeitY shall be the Nodal Ministry to monitor the implementation of the Electronic Products Notification.

12. In case of a question whether an item being procured is an electronic product to be covered under the Public Procurement (Preference to Make in India) Order 2017, the matter would be referred to the Ministry of Electronics and Information Technology for clarification.



(Saurabh Gaur)

Joint Secretary to Government of India

Tel.: 24363071

New Delhi, Dated: 07.09.2020

Copy to:

1. All Ministries/ Departments of Government of India
2. Cabinet Secretariat
3. PMO
4. NITI Aayog

5. **Joint Secretary(DPIIT), Member-Convener of Standing Committee of Public Procurement Order 2017**
6. **Comptroller and Auditor General of India**
7. **SS&FA, Ministry of Electronics and Information Technology**
8. **Director General, Standardisation Testing and Quality Certification (STQC)**
9. **Internal Distribution**


(Saurabh Gaur)

Joint Secretary to Government of India
Tel.: 24363071

Indicative List of Mechanics and Die Cut Parts

A. Mechanics

1. Battery Cover (HS 39209999)
2. Front Cover (HS 39209999)
3. Front Cover (With Zinc Casting) (HS 39209999)
4. Middle Cover (HS 39209999)
5. GSM Antenna/ Antenna of any technology (HS 39209999)
6. Side Key (HS 85389000)
7. Main Lens (HS 39209999)
8. Camera Lens (HS 39209999)
9. Screw (HS 73181500)
10. Mic Rubber Case (HS 40169990)
11. Sensor Rubber Case/ Sealing Gasket including sealing gaskets/ cases from Rubbers like SBR, EPDM, CR, CS, Silicone and all other individual rubbers or combination/ combinations of rubbers (HS 40 169990)
 - 11.1 PU Case/ Sealing Gasket (HS 39269091) - Other articles of Polyurethane foam like sealing gaskets/ cases.
 - 11.2 Sealing Gaskets/ Cases from PE, PP, EPS, PC and all other individual polymers or combination/ combinations of polymers (HS 39269099)
12. SIM Socket/ Other Mechanical items (Metal) (HS 73269099)
13. SIM Socket/ Other Mechanical items (Plastic) (HS 39269099)
14. Back Cover (HS 39209999)

B. Die Cut Parts

1. Conductive Cloth (HS 39269099)
2. Heat Dissipation Sticker Battery Cover (HS 39199090)
3. Sticker-Battery Slot (HS 39199090)
4. Protective Film for Main Lens (HS 39199090)
5. Mylar for LCD FPC (HS 39199090)
6. LCD Conductive Foam (HS 39269099)
7. Film-Front Flash (HS 39199090)
8. LCD Foam (HS 39269099)
9. BT Foam (HS 39269099)

ANNEXURE-E



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

INDIAN RAILWAYS
STANDARD CONDITIONS OF CONTRACT
2022

(REVISED SEPTEMBER 2022)



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



INDIAN RAILWAYS STANDARD CONDITIONS OF CONTRACT

- 0100 Definitions and Interpretations
- 0101 In the Contract, unless the context otherwise requires;
- 0102 "Acceptance of Tender" means the letter of memorandum communicating to the Contractor the acceptance of his tender and includes an advance acceptance or letter of acceptance of his tender;
- 0102A "Agent" is a person employed to do any act for another or represent another in dealings with a third person. In the context of public procurement, an Agent is a representative participating in the Tender Process or Execution of a Contract for and on behalf of its principals.
- 0102B "Authorized e-procurement portal" is a web-based portal, being used by the Parties for exchanging online documents during the course of the formation of contract.
- 0103 "Consignee" means where the goods are required by the acceptance of tender to be dispatched by rail, road, air or steamer, the person specified in the Acceptance of Tender to whom they are to be delivered at the destination ; Where the Goods are required by the acceptance of tender to be delivered to a person as an interim consignee for the purpose of dispatch to another person, such other persons; and in any other case the person to whom the goods are required by the acceptance of tender to be delivered in the manner therein specified ;
- 0104 "Contract" means and includes the invitation to tender, instructions to tenderers, tender, acceptance of tender, Standard Conditions of Contract, Special Conditions of Contract, particulars and the other conditions specified in the acceptance of tender and includes a repeat order which has been accepted or acted upon by the contractor and a formal agreement if executed;

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- 0105 The "Contractor" means the person, firm or company with whom the order for the supply is placed and shall be deemed to include the contractor's successors (approved by the Purchaser), representatives, heirs, executors and administrators as the case may be, unless excluded by the terms of the contract. The words "Contractor" and "Supplier" shall be used interchangeably;
- 0106 "The Sub-contractor" means any person, firm or company from whom the Contractor may obtain any material or fittings to be used in the supply or manufacture of the goods;
- 0106A "Year" shall mean calendar year (unless reference to financial year is clear from the context). "Week" shall mean a period of 7 days, "Month", a period of 30 days
- 0107 "Drawing" means the drawing or drawings specified in or annexed to the Schedule or Specifications;
- 0107A "Goods" (including the terms 'Stores', 'Material(s)' in specific contexts) includes all articles, material, commodity, livestock, medicines, furniture, fixtures, raw material, consumables, spare parts, instruments, machinery, equipment, industrial plant, vehicles, aircrafts, ships, railway rolling stock assemblies, sub-assemblies, accessories, Modules or a set of Modules, Knocked Down Unit (KDU), a group of machines comprising an integrated production process or such other categories of goods or intangible, products like technology transfer, licenses, Computer Software (with licence), Information Technology Systems, patents or other intellectual properties (but excludes books, publications, periodicals, etc., for a library) under specific context), procured or otherwise acquired by a Purchaser. Any reference to Goods shall be deemed to include specific small work or some services that are incidental or consequential to the supply of such goods such as transportation, insurance, installation, commissioning, training and maintenance.
- 0108 "Government" means the Central Government or a State Government, as the case may be;
- 0109 "The Inspecting Officer" means the person specified in the contract for the purpose of Inspection of goods or work under the contract and includes his authorised representative;
- 0109A "Intellectual Property Rights" (IPR) means the rights of the intellectual property owner concerning a tangible or intangible possession/ exploitation of such property by others. It includes rights to Patents, Copyrights, Trademarks, Industrial Designs, Geographical indications (GI).
- 0110 "Material" means anything used in the manufacture or fabrication of the goods;
- 0111 "Particulars" include-

- (a) Specifications;
- (b) Drawings;
- (c) Pattern bearing the seal and signature of the Inspecting Officer (hereinafter called the sealed pattern) which shall include also a certified copy thereof sealed by the Purchaser for the guidance of the Inspecting Officer;
- (d) Sample sealed by the Purchaser for guidance of the Inspecting Officer (hereinafter called the certified sample) which shall include a certified copy thereof sealed by the Purchaser for the guidance of the Inspecting Officer;
- (e) Trade pattern, that is to say, a pattern, goods conforming to which are obtainable in the open market and which denotes a standard of the Indian Standard Institute or other standardising authority or a general standard of the industry;
- (f) 'Proprietary mark' or 'brand' means the mark or brand of a product which is owned by an industrial firm;
- (g) Any other details governing the construction, manufacture or supply of goods as may be prescribed by the contract;

- 0112 "Purchase Officer" means the officer signing the acceptance of tender and includes any officer who has authority to execute the relevant contract on behalf of the Purchaser;
- 0113 "The Purchaser" means the President of India in the case of goods ordered for the Indian Government Railways and includes his successors and assignees;
- 0114 Signed" means ink signed or Digitally signed with a valid Digital Signature Certificate as per IT Act 2000 (as amended from time to time). It also includes stamped, except in the case of an acceptance of tender or amendment thereof.
- 0115 "Site" means the place specified in the contract at which any work is required to be executed by the contractor under the contract or any other place approved by the Purchaser for the purpose;
- 0116 Deleted
- 0117 "Supply Order" means an order for supply of goods and includes an order for performance of service;
- 0118 "Test" means such test as is prescribed by the particulars or considered necessary by the Inspecting Officer whether performed or made by the Inspecting Officer or any agency acting under the direction of the Inspecting Officer;

- 0119 "Unit" and "Quantity" means the unit and quantity specified in the contract;
- 0120 "Writing" or "Written" includes matter either in whole or in part, in manuscript, type-written, lithographed, cyclostyled, photographed or printed under or over signature or seal or digitally signed document in electronic form, as the case may be;
- 0121 The delivery of the goods shall be deemed to take place on delivery of the goods, accompanied with the inspection certificate and any other requisite documents and in accordance with the terms and conditions of the contract, after approval by the Inspecting Officer if so, provided in the contract, to: —
- (a) The consignee at his premises; or
 - (b) Where so provided the interim consignee at his premises; or
 - (c) A carrier or other person named in the contract for the purpose of transmission to the consignee, or
 - (d) The consignee at the destination station in case of contract stipulating for delivery of goods at destination station.
- 0122 Words in the singular include the plural and vice versa;
- 0123 Words importing the masculine gender shall be taken to include the feminine gender and words importing persons shall include any company or association or body of individuals, whether incorporated or not;
- 0124 The heading of these conditions shall not affect the interpretation or construction thereof;
- 0125 Terms and expression not herein defined shall have the meanings assigned to them in the Indian Sale of Goods Act, 1930 (as amended), or the Indian Contract Act, 1872 (as amended) or the General Clauses Act, 1897 (as amended) as the case may be.
- 0200 Parties
- The parties to the contract are the Contractor and the Purchaser, as defined in Clauses 0105 and 0113.
- 0201 Authority of person signing the Contract on behalf of the Contractor
- A person signing the tender or any other document in respect of the Contract on behalf of the Contractor without disclosing his authority to do so shall be deemed to warrant that he has authority to bind the Contractor. If it is discovered at any time that the person so signing has no authority to do so, the

Purchaser may, without prejudice to any other right or remedy of the Purchaser, cancel the contract and hold such person liable to the Purchaser for all costs and damages arising from the cancellation of the contract. The provisions of Clause 0702(b) shall apply for calculating the liability of the person at default.

0202 Address and e-mail of the Contractor and notices and communications on behalf of the Purchaser: -

(a) For all purposes of the contract, including arbitration thereunder, the address & e-mail of the Contractor mentioned in the tender shall be the address & e-mail to which all communications addressed to the Contractor shall be sent, unless the Contractor has notified change by a separate letter containing no other communication and sent by registered post acknowledgement due to the Purchaser. The Contractor shall be solely responsible for the consequence of an omission to notify a change of address in the manner aforesaid.

(b) Any communication or notice on behalf of the Purchaser in relation to the contract may be issued to the Contractor by the Purchase Officer and all such communications and notices may be served on the Contractor either by registered posts or under certificate of posting or by ordinary post or by hand delivery or through online mode at the option of such officer. The communication through online mode may be made either through email or authorized e-procurement portal of the purchaser, if the said portal provides for the functionalities to make desired communication between the Parties.

0300 (a) The price quoted by the Contractor shall not be higher than the controlled price fixed by law for the goods or where there is no controlled price, it shall not exceed the prices or contravene the norms for fixation of prices laid down by Government or where no such prices or norms have been fixed by the Government, it shall not exceed the price appearing in any agreement relating to price regulation by any industry in consultation with the Government or the MRP of the item

(b) If the price quoted is higher than the controlled price, the Contractor will specifically mention this fact in his tender giving reasons for quoting higher price (s). If he fails to do so or makes any mis-statement, it shall be lawful for the Purchaser, (i) to revise the price at any stage so as to bring it in conformity with the Sub-clause (a) above or (ii) to terminate the contract and apply provisions as per clause 702(b) and 0702(c) on such termination.

0400 Contract:

- 0401 This contract is for the supply of the goods of the description, specifications and drawings, and in the quantities set forth in the contract on the date or dates specified therein. Unless otherwise specified, the goods shall be entirely brand new and of the best quality and workmanship to the satisfaction of the Inspecting Officer. The goods shall further be in all respects acceptable to the Inspecting Officer.
- 0402 Any request for variation or amendment of the contract shall not be binding on the Purchaser unless and until the same is duly endorsed on the contract incorporated in a formal instrument or in exchange of letters and signed by the purchaser.
- 0403 Severability:
- If any provision or condition of this Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of this Contract.
- 0404 Contract Documents and their Precedence:
- The following conditions and documents in indicated order of precedence (higher to lower) shall be considered an integral part of the contract, irrespective of whether these are not appended/referred to in it. Any generic reference to 'Contract' shall imply reference to all these documents as well:
- (a) Valid and authorized Amendments issued to the contract.
 - (b) The contract document, The Letter of Award (LoA)
 - (c) Special Tender conditions
 - (d) Technical Specifications as given in tender documents
 - (e) Drawings
 - (f) IRS Conditions of contract
 - (g) General Tender Conditions/ instructions to tenderers
 - (h) Contractor's bid
- 0500 Security Deposit.
- 0501 Unless otherwise agreed between the Purchaser and the contractor or otherwise mentioned in the tender document, the contractor shall, within 21 days of posting of written notice of acceptance of the offer to the contractor, deposit with the Railway concerned (in cash or the equivalent in Government Securities or approved Banker's Guarantee Bond or any other approved form as stipulated in the tender document) a sum as stipulated in the tender document, towards Security Deposit.
- Unless otherwise specified in the tender document, Security Deposit should remain valid for a minimum period of 60 days beyond the date of completion of all the contractual obligations of the supplier, including warranty obligations.

- 0502 If the Contractor, having been called upon by the Purchaser to furnish security deposit, fails to make a security deposit within the specified period, it shall be lawful for the Purchaser to cancel the Letter of Award and to recover from the Contractor the amount of such security deposit by deducting the amount from the pending bills of the Contractor under any other contract with the Purchaser or the Government or any person contracting through the Purchaser or otherwise howsoever, duly adjusting the Earnest Money deposit, if any, made by the contractor.
- 0502A If the contractor during the currency of the Contract fails to maintain the requisite security deposit, it shall be lawful for the purchaser at its discretion
- (a) to terminate the Contract for Default besides availing any or all contractual remedies provided for breaches/ default, or
 - (b) without terminating the Contract:
 - (i) to recover from the Contractor the amount of such security deposit by deducting the amount from the pending bills of the Contractor under the contract or any other contract with the Purchaser or the Government or any person contracting through the Purchaser or otherwise howsoever, or
 - (ii) treat it as a breach of contract and avail any or all contractual remedies provided for breaches/ default.
- 0502B In the event of any amendment issued to the contract, the contractor shall furnish suitably amended value and validity of the Performance Security deposit in terms of the amended contract within fourteen days of issue of the amendment.
- 0503 No claim shall lie against the Purchaser in respect of interest on cash deposits or Government Securities or depreciation thereof. No interest shall be payable upon the Bid Security and Security Deposit or amounts payable to the Contractor under the Contract.
- 0504 The Purchaser shall be entitled and it shall be lawful on his part to forfeit the said security deposit in whole or in part in the event of any default, failure or neglect on the part of the Contractor in the fulfilment or performance in all respect of the contract under reference or any other contract with the Purchaser or any part thereof to the satisfaction of the Purchaser and the Purchaser shall also be entitled to deduct from the said deposits any loss or damage which the Purchaser may suffer or be put by reason of or due to any act or other default, recoverable by the Purchaser from the Contractor in respect of the contract under reference or any other contract and in either of the events aforesaid to call upon the Contractor to maintain the said security deposit at its original limit by making further deposits, provided further that

the Purchaser shall be entitled to recover any such claim from any sum then due or which at any time thereafter may become due to the Contractor under this or any other contracts with the Purchaser.

- 0505 Subject to the above, the purchaser shall release the security deposit without any interest to the contractor on completing all contractual obligations, including the warranty obligations, if any. Alternatively, for the duration of Warranty obligations, upon the contractor submitting a suitable separate Warranty Security deposit, the original Performance Guarantee Security shall be released mutatis mutandis.
- 0600 Delivery
- 0601 The Contractor shall as may be required by the Purchaser either deliver free or FOR or CIF or as per the delivery terms provided in the contract at the place/places detailed in the contract, the quantities of the goods detailed therein and the goods shall be delivered or despatched not later than the dates specified in the contract. The delivery will not be deemed to be complete until and unless the goods are inspected and accepted by the Inspecting Officer as provided in the contract.
- 0602 The Purchaser shall not be liable to render assistance to the Contractor in securing or to arrange for or provide transport to the Contractor unless it is so specifically stated in the contract, notwithstanding that transport of the goods, is controlled by or under the orders of the Government.
- 0603 Notwithstanding any inspection and approval by the Inspecting Officer on the Contractor's premises, property in the goods shall not pass on to the Purchaser until the goods have been received, inspected and accepted by the consignee.
- 0604 No goods shall be deliverable to the consignee's depots on Sundays and public holidays or beyond normal office hours without the written permission of the consignee.
- 0605 Perishable Goods:
- For Goods with a limited shelf life, the contractor shall ensure that at least 75% (or any other percentage stipulated in the contract) of shelf life remains balance on delivery date. The Purchaser reserves its rights to reject expired or products with less than such specified shelf life.
- 0700 Time for and Date of Delivery; the Essence of the Contract -The time for and the date specified in the contract or as extended for the delivery of the goods shall be deemed to be of the essence of the contract and delivery must be completed not later than the date(s) so specified or extended.

0701 Progressing of Deliveries -

The Contractor shall allow reasonable facilities and free access to his works and records to the Inspecting Officer, Progress Officer or such other Officer as may be nominated by the Purchaser for the purpose of ascertaining the progress of the deliveries under the contract.

0702 Failure and Termination -

If the Contractor fails to deliver the goods or any instalment 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: -

(a) recover from the Contractor as agreed liquidated damages and not by way of penalty a sum equivalent to ½ (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

(b) 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.

(c) 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.

0703 Consequence of Rejection -

If on the goods being rejected by the Inspecting Officer or Interim Consignee or Consignee at the destination, the Contractor fails to make satisfactory supplies within the stipulated period of delivery, the Purchaser shall be at liberty to:

i.require the Contractor to replace the rejected goods forthwith but in any event not later than a period of 21 days from the date of rejection and the Contractor shall bear all cost of such replacement including freight, if any, on such replacing and replaced goods but without being entitled to any extra payment

on that or any other account, or

ii. cancel the contract for the rejected quantity and take further action as per the provision of Clause 702(b) and 702(c).

iii. Where under the contract some price is paid to the contractor for the goods so rejected, the Contractor shall be liable, in addition to his other liabilities, to refund of price recoverable in respect of the such rejected goods and to reimburse to the Purchaser the freight and all other expenses incurred by the Purchaser in this regard. The above said liability on the contractor shall arise immediately after the issue of the communication of such rejection to him.

0800 Extension of Time for Delivery

If such failure as aforesaid shall have arisen from any cause which the Purchaser may admit as reasonable ground for extension of time, the Purchaser shall allow such additional time as he considers to be justified by the circumstance of the case, and shall forgo the whole or such part, as he may consider reasonable, of his claim for such loss or damage as aforesaid. Any failure or delay on the part of sub-contractor, though their employment may have been sanctioned under Condition 1500 hereof, shall not be admitted as a reasonable ground for any extension of time or for exempting the Contractor from liability for any such loss or damage as aforesaid.

0801 If extension of time for delivery period is allowed by the purchaser (in cases other than refixation of Delivery period), the amendment giving such an extension shall be subject to the following conditions:

(a) Levy of liquidated damages as per Clause 0702(a)

(b) Denial clause as under:

(i) No increases in price on account of any statutory increase in or fresh Imposition of GST, customs duty or on account of any other taxes/ duty/ cess/ levy), leviable in respect of the Goods and incidental Works/ Services stipulated in the said contract which takes place after the original delivery date, shall be admissible on such of the said Goods, as are delivered after the said date; and

(ii) Notwithstanding any stipulation in the contract for an increase in price on any other ground, including price variation clause or foreign exchange rate variation, or any other variation clause, no such increase after the original delivery date shall be admissible on such goods delivered

after the said date.

(iii) Nevertheless, the Purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of GST, customs duty or on account of any other Tax or duty or any other ground as stipulated in the price variation clause or foreign exchange rate variation or any other variation clause which takes place after the expiry of the original delivery date.

0900 Examination of Drawing, Specifications and Patterns

When tenders are called for in accordance with a drawing, specification or sealed pattern the Contractor's tenders to supply in accordance with such drawing, specifications or sealed pattern shall, be deemed to be an admission on his part that he has fully acquainted himself with the details thereof and, in no circumstances, will any claim on his part which may arise on account of his insufficient examination of the said drawing, specification or sealed pattern be considered.

1000 Mistakes in Drawing.

The Contractor shall be responsible for and shall pay for any alterations for the works due to any discrepancies, errors or omissions in the drawings or other particulars supplied by him whether such drawings or particulars have been approved by the Purchaser or not provided that such discrepancies, errors or omissions be not due to inaccurate information or particulars furnished to the Contractor on behalf of the Purchaser. If any dimension figure upon a drawing or plan differs from those obtained by scaling the drawing or plan, the dimensions as figured upon the drawing or plan shall be taken as correct.

1100 Samples.

1101 Advance Sample

Where an advance sample is required to be approved under the terms of the contract, the Contractor shall submit the sample free of cost to the Inspecting Officer within the time specified in the contract.

If the Contractor is unable to do so, he must apply immediately to the Office issuing the contract for extension of time stating the reasons for the delay. If the Purchaser is satisfied that a reasonable ground for an extension of time exists, he may allow such additional time as he considers to be justified (and his decision shall be final) with or without alteration in the delivery period stipulated in the contract and on such conditions as he deems fit.

In the event of the failure of the Contractor to deliver the advance sample by the date specified in the contract or any other date to which the time may be extended as aforesaid by the Purchaser or of the rejection of the sample, the Purchaser shall be entitled to cancel the contract and take further action as per the provisions of the clause 0702(b) and 0702(c).

- 1102 Unless otherwise provided in the contract, all samples required for test shall be supplied by the Contractor free of cost. Where sample, which is supplied free, is rejected after examination and test, the contractor shall arrange for collection of the same or whatever remains of the sample, after examination and test within three months of the date of such rejection.
- 1103 Marking –

Samples submitted shall be clearly labelled with the Contractor's name and address and the acceptance of tender number.
- 1104 If the Contractor submits a sample whether with, before or after the tender, the same shall not govern the standard of supply except when it has been specifically stated so in the acceptance of tender.
- 1105 Where under the contract, the Contractor is required to submit an advance sample, any expenses incurred by the Contractor on or in connection with the production of goods in bulk, before the sample has been approved unconditionally, shall be borne by the Contractor and he shall not claim any compensation in the event of such sample being found unacceptable by the Inspecting Officer.
- 1106 The rejection of the sample by the Inspecting Authority or Inspecting Officer or Consignee shall be final and binding on the Contractor.
- 1107 Where the contract does not require any advance sample to be approved, the Contractor may before proceed with bulk manufacture or delivery of the goods, if he so desires, submit to the Inspecting Officer for inspection a sample of the goods in which case a quantity not less than one per cent of the total quantity to be supplied unless otherwise authorized by the Inspecting Officer shall be submitted. The Contractor shall not, however, be entitled to be shown any consideration or give any extension of time or claim to be exonerated from completing the delivery within the stipulated period only on the ground of delay in the approval of any such sample.
- 1108 If under the contract, the supplies are governed by a sealed pattern, the Contractor shall be bound to examine such pattern before preparing a sample or manufacturing the goods in bulk as the case may be.

1109 Loan of Sample –

If a certified sample is lent to the Contractor, it will bear a label containing inter alia variations known to the Inspecting Officer between the said sample and the goods desired. If the Contractor finds any further variation between the certified sample and the particulars of specifications mentioned in the contract he shall at once refer the matter to the Inspecting Officer and the Contractors shall also give intimation of such discrepancy to the Purchase Officer. The Contractor shall follow the instructions of the Inspecting Officer as to what sample of particulars should guide the production of goods and the decision of the Inspecting Officer in the matter shall be final and binding on the Contractor.

1110. The Contractor shall not detach the said label from the certified sample and if for any reasons the said label gets detached the Contractor shall at once return the certified sample to the Inspecting Officer for attaching a fresh label.

1200 Risk of Loss or Damage to Government or Purchaser's Property.

1201 All the property of the Government or Purchaser loaned whether with or without deposit on terms and conditions to be separately agreed upon in respect of each particular contract to the Contractor in connection with the contract shall remain the property of the Government or the Purchaser, as the case may be. The Contractor shall use such property for the purpose of the execution of the contract and for no other purpose whatsoever.

1202 All such property shall be deemed to be in good condition when received by the Contractor unless he shall have within twenty-four hours of the receipt thereof notified the Purchase Officer to the contrary. If the Contractor fails to notify any defect in the condition or quality of such property, he shall be deemed to have lost the right to do so at any subsequent stage.

1203 The Contractor shall return all such property and shall be responsible for the full value thereof to be assessed by the Purchaser whose decision shall be final and binding on the Contractor. The Contractor shall be liable for loss or damage to such property from whatever cause happening while such property is in the possession of or under the control of the Contractor, his servants, workmen or agents.

1204 Where such property is insured by the Contractor against loss or fire at the request of the Government or Purchaser such insurance shall be deemed to be affected by way of additional Precaution and shall not prejudice the liability of the Contractor as aforesaid.

1300 Inspection by Inspecting Officer.

1301 (a) When inspection during manufacture or before delivery or dispatch is required, notice through the online portal of the purchaser/inspecting agency, if available, or else in writing, shall be sent by the Contractor to the Inspecting Officer when the goods or material to be supplied are ready for inspection and test, and no goods shall be delivered or dispatched until the Inspecting Officer has certified in writing that such goods have been inspected and approved by him.

(b) In cases where the Inspecting Authority specified in the contract requires on behalf of the Purchaser that inspection of the raw materials to be used and/or stage inspection during the manufacturing process of the component/goods, etc. is also to be done, notice through the online portal of the purchaser/inspecting agency, if available, or else in writing, shall be sent by the Contractor to the Inspecting Officer to visit his premises/works to test the raw materials and/or conduct necessary inspection during the manufacturing process of the component/goods, etc. as deemed essential.

(c) In case the purchase orders are placed on traders/agents for the items, which are peculiar to the railways, traders/agents should indicate the source of supply and it should be ensured that inspection for such items is carried out at manufacturer's premises rather than traders/agents premises, to ensure genuineness of quality of the material.

1302 Marking of Goods —

The Contractor shall, if so required, at his own expense, mark all the approved goods with a recognized Government or Purchaser's mark. The goods which cannot be so marked shall, if so, required by the Inspecting Officer, be packed at his own expense in suitable packages or cases, each of which shall be sealed and marked with such mark.

The Inspecting Officer shall also have power to mark the rejected goods with a rejection mark so that they may be easily identified, if resubmitted for inspection.

1303 Facilities for test and Examination —

The Contractor shall, at his own expense afford to the Inspecting Officer all reasonable facilities as may be necessary for satisfying himself, that the goods are being and/or have been manufactured in accordance with the particulars. The Inspecting Officer shall have full and free access at any time during the execution of the contract to the Contractor's work for the purpose aforesaid, and he may require the Contractor to make arrangements for inspection of the goods or any part thereof or any material at his premises or at any other place specified by the Inspecting Officer and if the Contractor has been

permitted to employ the services of a Sub-Contractor, he shall in his contract-with the Sub-Contractor, reserve to the Inspecting Officer a similar right.

1304 Cost of Test—

The Contractor shall provide, without any extra charge, all materials, tools, labour and assistance of every kind which the Inspecting Officer may demand of him for any test and examination, other than special or independent test, which he shall require to make on the Contractor's Premises and the Contractor shall bear and pay all costs attendant thereon. If the Contractor fails to comply with the conditions aforesaid, the Inspecting Officer shall, in his sole judgment, be entitled to remove for test and examination all or any of the goods manufactured by the Contractor to any premises other than his (Contractor's) and in all such cases the Contractor shall bear the cost of transport and/or carrying out such tests elsewhere. A certificate in writing of the Inspecting Officer, that the Contractor has failed to provide the facilities and the means, for test examination shall be final.

1305 Delivery of Goods for Test—

The Contractor shall also provide and deliver for test, free of charge, at such place other than his premises as the Inspecting Officer may specify, such material or goods as he may require.

1306 Liability for Costs of Special or Independent Test.—In the events of rejection of goods or any part thereof by the Inspecting Officer in the consequence of the sample which is removed to the laboratory or other places of test, being found on test not in conformity with the Contract and in the event of the failure of the Contractor for any reason to deliver the goods passed on test within the stipulated period, the Contractor shall, on demand pay to the Purchaser all costs incurred in the inspection and/or test. Cost of test shall be assessed at the rate charged by the laboratory to private persons for similar work.

1307 Method of Testing —

The Inspecting Officer shall have the right to put all the goods or materials forming part of the same or any part thereof to such tests as required for the goods specified in the contract. The Contractor shall not be entitled to object on any ground whatsoever to the method of testing adopted by the Inspecting Officer.

1308 Goods Expended in Test—

Unless otherwise provided for in the contract if the test proves satisfactory and the goods or any instalment thereof is accepted, the quantity of the goods or materials expended in the test will

be deemed to have been taken delivery of by the Purchaser and be paid for as such.

1309 Powers of Inspecting Officer -

The Inspecting Officer shall have the power: —

- i. before any goods or part thereof are submitted for inspection, to certify that they cannot be inspected in accordance with the contract owing to the adoption of any unsatisfactory method of manufacture.
- ii. to reject any goods submitted as not being in accordance with the particulars.
- iii. to reject the whole of the instalment tendered for inspection, if after inspection of such portion thereof as he may in his discretion think fit, he is satisfied that the same is unsatisfactory.
- iv. the Inspecting Officer's decision as regards the rejection shall be final and binding on the Contractor.

1400 Charges for Work Necessary for Completion of the Contract —

The Contractor shall pay all charges for handling, stamping, painting, marking, protecting or preserving patent rights, drawings, templates, models and gauges and for all such measures as the Purchaser or the Inspecting Officer may deem necessary for the proper completion of the contract, though special provision therefore may not be made in the specification of drawings.

1500 Responsibility of the Contractor for Executing the Contract

1501 Risk in the Goods —

The Contractor shall perform the contract in all respects in accordance with the terms and conditions thereof. The goods and every constituent part thereof, whether in the possession or control of the Contractor, his agents or servants or a carrier, or in the joint possession of the Contractor, his agents or servants and the Purchaser, his agents or servants, shall remain in every respect at the risk of the Contractor, until their actual delivery to the consignee at the stipulated place or destination or, where so provided in the acceptance of tender, until their delivery to a person specified in the contract as interim consignee for the purpose of despatch to the consignee.

The Contractor shall be responsible for all loss, destruction, damage or deterioration of or to the goods from any cause whatsoever while the goods after approval by the Inspecting Officer are awaiting despatch or delivery or are in the course of

transit from the Contractor to the consignee or, as the case may be, interim consignee. The Contractor shall alone be entitled and responsible to make claims against a Railway Administration or other carrier in respect of non-delivery, short delivery, misdelivery, loss, destruction, damage or deterioration of the goods entrusted to such carrier by the Contractor for transmission to the consignee or the interim consignee as the case may be.

1502 Consignees Right of Rejection —

Notwithstanding any approval which the Inspecting Officer may have given in respect of the goods or any materials or other particulars or the work or workmanship involved in the performance of the contract (whether with or without any test carried out by the Contractor or the Inspecting Officer or under the direction of the Inspecting Officer) and notwithstanding delivery of the goods where so provided to the interim consignee, it shall be lawful for the consignee, on behalf of the Purchaser, to reject the goods or any part, portion or consignment thereof within a reasonable time after actual delivery thereof to him at the place or destination specified in the contract if such goods or part, portion or consignment thereof is not in all respects in conformity with the terms and conditions of the contract whether on account of any loss, deterioration or damage before despatch or delivery or during transit or otherwise howsoever.

Note — In respect of materials pre-inspected at the firm's premises the consignee will issue rejection advice within 90 days from the date of actual receipt of the goods by consignee and all the related documents from the contractor, required to be verified by the consignee on receipt of goods as per contract, before acceptance of the material. The time limit of 90 days specified above, is only for the initial acceptance of the material by consignee and without prejudice to the right of the purchaser or consignee on Purchaser's behalf, to reject the material as per Warranty/ Guarantee clause 3200 within the period specified therein.

1503 Provided that where, under the terms of the contract the goods are required to be delivered to an interim consignee for the purpose of despatch to the consignee, the goods shall be at the Purchaser's risk after their delivery to the interim consignee, but nevertheless it shall be lawful for the consignee on behalf of the Purchaser to reject the goods or any part, portion of consignment thereof upon their actual delivery to him at the destination if they are not in all respects in conformity with the terms and conditions of contract except where they have been damaged or have deteriorated in the course of transit or otherwise after their delivery to the interim consignee.

1504 The provisions contained in Clause 2200 relating to the removal of goods rejected by the Inspecting Officer shall mutatis mutandis apply to goods rejected by the consignee as herein

provided.

1505 Subletting and Assignment: The Contractor shall not, save with the previous consent in writing of the Purchaser, sublet, transfer or assign the contract or any part thereof or interest therein or benefit or advantage thereof in any manner whatsoever.

1506A Changes in a Firm —

(a) Where the Contractor is a partnership firm, a new partner shall not be introduced in the firm except with the previous consent in writing of the Purchaser, which may be granted only upon execution of a written undertaking by the new partner to perform the contract and accept all liabilities incurred by the firm under the contract prior to the date of such undertaking.

(b) On the death or retirement of any partner' of the Contractor firm before complete performance of the contract, the Purchaser may, at his option cancel the contract and in such case the Contractor shall have no claim whatsoever to compensation against the Purchaser.

(c) If the contract is not determined as provided in Sub-clause (b) above notwithstanding the retirement of a partner from the firm he shall continue to be liable under the contract for acts of the firm until a copy of the public notice given by him under Section 32 of the Partnership Act, has been sent by him to the Purchaser by registered post acknowledgement due.

(d)The decision of the Purchaser as to any matter or thing concerning or arising out of this sub-clause or on any question whether the Contractor or any partner of the Contractor firm has committed a breach of any of the conditions in this sub- clause contained shall be final and binding on the Contractor.

1506B Obligation to Maintain Eligibility and Qualifications

The contract has been awarded to the contractor based on specific eligibility and qualification criteria. The Contractor is contractually bound to maintain such eligibility and qualifications during the execution of the contract. Any change which would vitiate the basis on which the contract was awarded to the contractor should be pro-actively brought to the notice of the purchaser within 7 days of it coming to the Contractor's knowledge.

1506C Consequence of breach —Should the contractor or any of its partners or its subcontractors or its personnel commit a default or breach of Para 1505 , 1506A, 1506B, 1701, 1702, 1703, the contractor shall remedy such breach within 21 days, keeping the purchaser informed. However, at its discretion, the purchaser shall be entitled, and it shall be lawful on its part, to treat it as breach of contract and avail any or all remedies thereunder. The

decision of the procuring entity as to any matter or thing concerning or arising out of these clauses or on any question whether the contractor or any partner of the contractor firm has committed a default or breach of any of the conditions shall be final and binding on the contractor. The purchaser may also cancel the contract and take action as per provisions of clause 0702 (b) and 0702(c).

1507 Assistance to the Contractor —

(a) The Contractor shall be solely responsible to procure any material or obtain any import or other licence or permit required for the fulfilment of the contract and the grant by the Purchaser or any other authority of a quota certificate or permit required under any law for distribution or acquisition of iron and steel or any other commodity or any other form of assistance in the procurement of the material aforesaid or any attempt to render assistance in the matter aforesaid, shall not be construed as a representation on the part of the Purchaser that the material covered by such licence or permit or quota certificate is available or constitute any promise, undertaking or assurance on the part of the Purchaser regarding the procurement of the same or effect any variation in the rights and liabilities of the parties under the contract. But, if by reason of any such assistance as aforesaid, the Contractor obtains any materials at less than their market price or the cost of production of the goods is lowered the price of the goods payable under the contract shall be reduced proportionately, and the extent of such reduction shall be determined by the Purchaser whose decision shall be final and binding on the Contractor.

(b) Every effort made by the Purchaser to supply, or give assistance in the procurement of materials, whether from the Government stock or by purchase under a permit or release order issued by or on behalf of or under authority from Government or by any officer empowered in that behalf by law or under other arrangements made by the Purchaser shall be deemed to be subject to the condition that it will be performed with due regard to the other demands and only if it is found practicable to do so within the stipulated time and the decision of the Purchaser whether it was practicable to supply or give assistance as aforesaid or not shall be final and binding on the Contractor.

1600 Use of Raw Materials secured with Government Assistance

1601 (a) Where any raw material is procured for the execution of a

contract with the assistance of the Government rendered in the form of permit, or licence or quota certificate/essentiality certificate or release order issued by or on behalf of or under the authority of the Government or by an officer empowered in that behalf, or

(b)Where the raw material is issued to the Contractor from Government stock, or

(c)Where advance payments are made to the Contractor to enable him to purchase the raw material, or

(d)Where raw material is arranged by the Government, the Contractor—

- i. shall hold such material as trustee for the Government,
- ii. Shall use such material economically and solely for the purpose of the contract.
- iii. Shall not dispose of the same without the previous permission in writing of the Purchaser, and
- iv. Shall render due account of such material and return to the Government at such place as the Purchaser may direct all surplus or unserviceable material that may be left after the completion of the contract or its termination for any reason whatsoever.

On returning such material, the Contractor shall be entitled to such price therefor as the Purchaser may fix, having regard to the condition of such material

- 1602 Where the contract is terminated due to any default on the part of the Contractor, the Contractor shall pay all transport charges incurred for returning any material up to such destination as may be determined by the Purchaser and the decision of the Purchaser in that behalf shall be final and binding on the Contractor.
- 1603 If the Contractor commits breach of any of the conditions in this clause specified, he shall, without prejudice to any other liability, penal or otherwise, be liable to account to the Government for all moneys, advantages or profits accruing from or which, in the usual course, would have accrued to him by reason of such breach.
- 1604 Where the goods manufactured or fabricated by the Contractor out of the material arranged or procured by or on behalf of the Government are rejected, the Contractor shall, without prejudice to any other right or remedy of the Government, pay to the Government, on demand, the cost price or market value of all

such materials whichever is greater.

1700 Indemnity

1701 (a)The contractor shall at all times indemnify and hold harmless, free of costs, the Purchaser and its employees and officers from and against all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney's fees and expenses, which may arise in respect of the Goods provided by the contractor under this Contract, as a result of any infringement or alleged infringement of any patent, utility model, registered design, copyright, or other Intellectual Property Rights (IPR) or trademarks, registered or otherwise existing on the date of the contract arising out of or in connection with:

- i. any design, data, drawing, specification, or other documents or Goods provided or designed by the contractor for or on behalf of the purchaser.
- ii. The sale by the purchaser in any country of the products produced by the Goods supplied by the contractor, and
- iii. The installation of the Goods by the contractor or the use of the Goods by the purchaser

(b)Such indemnity shall not cover any use of the Goods or any part thereof or any products produced thereby:

- i. other than for the purpose indicated by or to be reasonably inferred from the contract
- ii. in association or combination with any other equipment, plant, or materials not supplied by the contractor.

(c)If any proceedings are brought, or any claim is made against the purchaser arising out of the matters referred above, the Purchaser shall notify the Contractor of the same and the Contractor shall, at his own expense, either settle any such dispute or conduct any litigation that may arise therefrom.

(d)If the contractor fails to notify the purchaser within twenty-eight (28) days after receiving such notice that it intends to conduct any such proceedings or claim, then the purchaser shall be free to conduct the same on its behalf at the risk and cost to the contractor.

(e)At the contractor's request, the purchaser shall afford all available assistance to the contractor in conducting such proceedings or claim and shall be reimbursed by the contractor for all reasonable expenses incurred in so doing.

1702 The Contractor shall not be liable for payment of any royalty, licence fee or other expenses in respect of or for making use of patents or designs with respect to which he is according to the terms of the contract, to be treated as an agent of the

Government for the purpose of making use of patent or trade mark for fulfilment of the contract

1703

Confidentiality, Secrecy and IPR Rights

(a) Confidentiality

All documents, drawings, samples, data, associated correspondence or other information furnished by or on behalf of the purchaser to the contractor, in connection with the contract, whether such information has been furnished before, during or following completion or termination of the contract, are confidential and shall remain the property of the purchaser and shall not, without the prior written consent of purchaser neither be divulged by the contractor to any third party, nor be used by him for any purpose other than the design, procurement, or other services and work required for the performance of this Contract. If advised by the purchaser, all copies of all such information in original shall be returned on completion of the contractor's performance and obligations under this contract.

(b) Secrecy

If The Contract declares the subject matter of this Contract as coming under the Official Secrets Act, 1923 or if the contract is marked as "Secret", the contractor shall take all reasonable steps necessary to ensure that all persons employed in any connection with the contract, have acknowledged their responsibilities and penalties for violations under the Official Secrets Act and any regulations framed thereunder.

(c) IPR Rights

All deliverables, outputs, plans, drawings, specifications, designs, reports, and other documents and software submitted by the contractor under this Contract shall become and remain the property of the purchaser and subject to laws of copyright and must not be shared with third parties or reproduced, whether in whole or part, without the purchaser's prior written consent. The contractor shall, not later than upon termination or expiration of this Contract, deliver all such documents and software to the purchaser, together with a detailed inventory thereof. The contractor may retain a copy of such documents and software but shall not use it for any commercial purpose.

(d) Obligations of the contractor

i. Without the purchaser's prior written consent, the contractor shall not use the information mentioned above except for the sole purpose of performing this contract.

ii. The contractor shall treat and mark all information as confidential (or Secret – as the case may) and shall not, without the written consent of the purchaser, divulge to any person other than the person(s) employed by the contractor in the performance of the contract. Further, any such disclosure to any such employed person shall be made in confidence and only so far as necessary for such performance for this contract.

iii. Notwithstanding the above, the contractor may furnish to its holding company or its Subcontractor(s) such documents, data, and other information it receives from the purchaser to the extent required for performing the contract. In this event, the contractor shall obtain from such holding company/ Subcontractor(s) an undertaking of confidentiality (or secrecy – as the case may be) similar to that imposed on the contractor under the above clauses.

iv. The obligation of the contractor under sub-clauses above, however, shall not apply to information that:

- (a) the contractor needs to share with the institution(s) participating in the financing of the contract;
- (b) now or hereafter is or enters the public domain through no fault of Contractor;
- (c) can be proven to have been possessed by the contractor at the time of disclosure and which was not previously obtained, directly or indirectly, from the purchaser; or
- (d) otherwise lawfully becomes available to the contractor from a third party that has no obligation of confidentiality.

v. The above provisions shall not in any way modify any undertaking of confidentiality (or Secrecy – as the case may be) given by the contractor before the date of the contract in respect of the contract/ the Tender Document or any part thereof.

vi. The provisions of this clause shall survive completion or termination for whatever reason of the contract.

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| 1800 | Packing. |
| 1801 | The Contractor shall pack at his own cost the goods sufficiently and properly for transit by rail/road, air and/or sea as provided in the contract so as to ensure their being free from loss or damage or adverse impact on quality on arrival at their destination |
| 1802 | Unless otherwise, provided in the contract all containers |

(including packing cases, boxes, tins, drums and wrappings) in which the goods are supplied by the contractor, shall be considered as non-returnable and their cost as having been included in the contract price.

1803 If the contract provides that the containers shall be returnable, they must be marked 'returnable' and they will be returned to the Contractor as per terms of the contract.

1804 If the contract provides that returnable containers shall be separately charged; they shall be invoiced by the Contractor at the price specified in acceptance of tender. In such cases, the Contractor shall give full credit for the invoiced amount if the containers are returned to the Contractor. Return of containers shall be made within a reasonable time and in the event of any dispute or difference arising as to whether the containers were so returned, the decision of the Purchaser thereon shall be final and binding and the Purchaser may, in his discretion award, such compensations as may in his opinion be proper for any undue delay in returning the containers.

1805 Each bale or package delivered under the contract shall be marked by the Contractor at his own expense. Such marking shall be distinct (all previous irrelevant marking being carefully obliterated) and shall clearly indicate the description and quantity of the goods, the name and address of the Consignee, the gross weight of the package and the name of the Contractor with a distinctive number or mark sufficient for the purpose of identification. All markings shall be carried out with such material as may be found satisfactory by the Inspecting Officer as regards quickness of drying, fastness and indelibility.

1806 The Inspecting Officer may reject the goods if the goods are not packed/or marked as aforesaid and in case where the packing materials are separately prescribed, if such materials are not in accordance with the terms of the contract. Such rejection of the goods by the Inspecting Officer shall be final and binding on the Contractor.

1807 Each bale or package shall contain a packing note specifying the name and address of the Contractor, the number and date of the acceptance of tender or supply order and the designation of the Purchase Officer, the description of the goods and the quantity contained in such bale or package.

1900 Notification of Delivery

Notification of delivery or despatch in regard to each and every instalment shall be made to the consignee and to the indenter immediately on despatch or delivery. The Contractor shall further supply to the consignee, or the interim consignee, as the case may be, a packing account Quoting number of the acceptance of

tender and/or supply or repeat and date of despatch of the goods. All packages, containers, bundles and loose materials part of each and every instalment shall be fully described in the packing account and full details of the contents of the packages and quantity of materials shall be given to enable the consignee to check the goods on arrival at destination. The Railway Receipt/Consignment Note or Bill of Lading, if any, shall be forwarded to the consignee by registered post immediately on the despatch of goods. The contractor shall bear and reimburse to the Purchaser demurrage charges, if any, paid by reason of delay on the part of the Contractor in forwarding the Railway Receipt, Consignment Note or Bill of Lading.

- 2000 Progress Reports.
- 2001 The Contractor shall from time-to-time, render such reports concerning the progress of the contract and/or supply of the goods in such form as may be required by the Purchaser.
- 2002 The submission, receipt and acceptance of such reports shall not prejudice the rights of the Purchaser under the contract, nor shall operate as an estoppel against Purchaser merely by reason of the fact that he has not taken notice of/or subjected to test any information contained in such report
- 2100 Freight.
- If as per Contract conditions, freight is to be borne by the Purchaser at actual, the goods shall be booked by the most economical route or most economical tariff available at the time of despatch as the case may be. Failure to do so will render the Contractor liable for any avoidable expenditure caused to the Purchaser.
- 2101 In respect of road deliveries where the Municipal/local authorities do not accept Octroi Duty Exemption Certificate, the Octroi Duty shall be borne by the Contractor.
- 2200 Removal of Rejected Goods
- 2201 On rejection of all goods submitted for inspection at a place other than the premises of the Contractor, such goods shall be removed by the Contractor at his own cost subject as hereinafter stipulated, within 21 days of the date of issue of intimation of such rejection by communication means detailed in clause 0202. The communication will be deemed to have been served on the contractor at the time when such communication would, in the course of ordinary communication, reach the contractor through the means of communication used.

Provided that the Inspecting Officer/Consignee may call upon the Contractor to remove dangerous, infected or perishable goods within 48 hours of the receipt of such communication and the decision of the Inspecting Officer in this behalf shall be final in all respects.

Provided further that where the price or part thereof has been paid, the consignee is entitled without prejudice to his other rights to retain the rejected goods till the price paid for such goods is refunded by the Contractor or dispose of as per clause 2202 save that such retention shall not in any circumstances be deemed to be acceptance of the goods or waiver of rejection thereon.

- 2202 All rejected goods shall in any event and circumstances remain and always be at the risk of the Contractor immediately on such rejection. If such goods are not removed by the Contractor within the periods aforementioned, the Inspection Officer/Consignee may remove the rejected goods and either return the same to the contractor at his risk and cost by such mode of transport as the Purchaser or Inspecting Officer may decide, or dispose of such goods at the Contractor's risk and on his account and adjust such portion of the proceeds, if any from such disposal as may necessary to recover any expense incurred in connection with such disposals (or any price refundable as a consequence of such rejection). The Purchaser shall, in addition, be entitled to recover from the Contractor ground rent/demurrage charges on the rejected goods after the expiry of the time limit mentioned above. Disposal of rejected goods in aforesaid manner will not in any way exonerate contractor but still hold him liable to pay to the purchaser, the dues detailed under para 0703(iii) besides other dues as mentioned above and action can be taken by the Purchaser as per clause 2400, if contractor fails to pay the amount due to him.
- 2203 Deleted
- 2300 System of Payment
- 2301 Unless otherwise agreed upon between the parties, payment for delivery of the goods will be made on submission of bills in the prescribed form which may be obtained from the Purchase Officer or through online billing mode on e-procurement portal of the purchaser, as decided by the purchaser, in accordance with the instructions given in the Acceptance of Tender, by a cheque or demand draft or through online mode on a branch of the Reserve Bank of India or State Bank of India transacting government business or through e-payment to the registered bank account of the Contractor at the option of the purchaser.
- 2302 Payment for the goods or for each consignment thereof will be made to the Contractor on submission of bills accompanied by required document in accordance with the following procedure in

contracts where such a facility to the Contractor has specifically been agreed to by the Purchaser: —

(a) (i) For despatch by road or despatch by rail on FOR destination basis, 95% payments for the goods or each consignment thereof will be made to the Contractor against proof of inspection and proof of delivery in good condition at consignee's end. Receipted Challan signed by the Gazetted officer at consignee's end will be taken as the proof of delivery but not construe the acceptance by the consignee.

(ii) For despatch by rail on FOR station of despatch basis, 95 per cent payments for the goods or each consignment thereof will be made to the firms against proof of inspection and despatch. The original railway receipt should be sent to the Accounts Officer responsible for payment along with 95 per cent bill advising the particulars of despatch to the consignee. The Accounts Officer after passing the 95 per cent bill should pass on the original railway receipt to the consignee for taking delivery of the consignment. It should, however, be ensured that there is no delay in the Accounts Office transmitting the original railway receipt to the consignee.

(b) The balance 5% payment shall be made after receipt and acceptance of the material by the consignee at his end.

(c) In the case of FOB& CFR contract, 95 per cent of the price will be paid on presentation of shipping documents and inspection certificate and the remaining 5 per cent on receipt of the goods in accordance with the terms of the contract in good condition by the Consignee, and on producing the certificate of such receipt endorsed on one copy of the Inspection Note by the Consignee, or alternatively at the Contractor's option, the full value of the goods will be paid after inspection, on receipt of the consignment in accordance with the terms of the contract in good condition by the Consignee and on producing a certificate of such receipt endorsed on one copy of the Inspection Note.

2303 In all other contracts or in contracts where the Inspecting Officer also acts as the interim " consignee or where inspection is carried on by the Consignee himself at destination and in all cases of local delivery full payment shall be made on submission of "Final 100 per cent bill" supported by the Inspection Certificates and consignee's receipt and acceptance certificate as aforesaid to the Accounts Officer concerned.

Note —

The system of 95 per cent and 5 per cent payment is not applicable to claims amounting to Rs. 25,000/- or below.

2304 Payment Against Time-Barred Claims

All claims against the Purchaser shall be legally time-barred after

three years calculated from the date when the payment falls due unless the payment claim has been under correspondence. The Purchaser is entitled to, and it shall be lawful for it to reject such claims.

2400 Withholding and lien in respect of sums claimed.

2401 Whenever any claim or claims for payment of a sum of money arises out of or under the contract against the Contractor, the Purchaser shall be entitled to withhold and also have a lien to retain such sum or sums in whole or in part from the security, if any, deposited by the Contractor and for the purpose aforesaid, the Purchaser shall be entitled to withhold the said cash security deposit or the security, if any, furnished as the case may be and also have a lien over the same pending finalisation or adjudication of any such claim. In the event of the security being insufficient to cover the claimed amount or amounts or if no security has been taken from the Contractor, the Purchaser shall be entitled to withhold and have lien to retain to the extent of the such claimed amount or amounts referred to supra, from any sum or sums found payable or which at any time thereafter may become payable to the Contractor under the same contract or any other contract with the Purchaser or the Government pending finalisation or adjudication of any such claim.

It is an agreed term of the contract that the sum of money or moneys so withheld or retained under the lien referred to above, by the Purchaser will be kept withheld or retained as such by the Purchaser till the claim arising out of or under the contract is determined by the Arbitrator (if the contract is governed by the arbitration clause) or by the competent court as prescribed under Clause 2703 hereinafter provided, as the case may be, and that the Contractor will have no claim for interest or damages what so ever on any account in respect of such withholding or retention under the lien referred to supra and duly notified as such to the Contractor.

2402 For the purpose of Clause 2401, where the Contractor is a partnership firm or a limited company, the Purchaser shall be entitled to withhold and also have a lien to retain towards such claimed amount or amounts in whole or in part from any sum found payable to any partner/limited company, as the case may be, whether in his individual capacity or otherwise.

2403 Lien in respect of Claims in other Contracts —

- (a) Any sum of money due and payable to the Contractor (including the security deposit returnable to him) under the contract may be withheld or retained by way of lien by the Purchaser or Government against any claim of the Purchaser or Government in respect of payment of a sum of money arising out of or under any other contract made by the Contractor with the

Purchaser or Government.

- (b) It is an agreed term of the contract that the sum of money so withheld or retained under this clause by the Purchaser or Government will be kept withheld or retained as such by the Purchaser or Government till his claim arising out of the same contract or any other contract is either mutually settled or determined by the arbitrator, if the contract is governed by the arbitration clause or by the competent court under Clause 2703 hereinafter provided, as the case may be, and that the Contractor shall have no claim for interest or damages whatsoever on this account or on any other ground in respect of any sum of money withheld or retained under this clause and duly notified as such to the Contractor.

2500 Code of Integrity in Public Procurement; Misdemeanours and Penalties

2501 Corrupt Practices

The Contractor shall not offer or give or agree to give to any person in the employment of the Purchaser or working under the orders of the Purchaser any gift or consideration of any kind as an inducement or reward for doing or for bearing to do or for having done or for borne to do any act in relation to the obtaining or execution of the contract or any other contract with the Purchaser or Government or for showing any favour or for bearing to show disfavour to any person in relation to the contract or any other contract with the Purchaser or Government. Any breach of the aforesaid condition by the Contractor, or any one employed by him or acting on his behalf (whether with or without the knowledge of the Contractor) or the commission of any offence by the Contractor or by any one employed by him or acting on his behalf under Chapter IX of the Indian Penal Code, 1860 (as amended from time to time) or the Prevention of Corruption Act, 1988 (as amended from time to time) or any other act enacted for the prevention of corruption by public servants shall entitle the Purchaser to cancel the contract and all or any other contracts with the Contractor and take further actions as per clause 2505 and 2506 below.

2502 Code of Integrity

Procuring authorities as well as bidders, suppliers, contractors, and consultants - should observe the highest standard of ethics and should not indulge in following prohibited practices, either directly or indirectly, at any stage during the Tender Process or during the execution of resultant contracts:

- (a) "Corrupt practice" - making offer, solicitation or

acceptance of a bribe, reward or gift or any material benefit, in exchange for an unfair advantage in the Tender Process or to otherwise influence the Tender Process (Please also see Para 2501 above);

- (b) "Fraudulent practice" - any omission or misrepresentation that may mislead or attempt to mislead so that financial or other benefits may be obtained or an obligation avoided. Such practices include a false declaration or false information for participation in a tender process or to secure a contract or in the execution of the contract;
- (c) "Anti-competitive practice" - any collusion, bid-rigging or anti-competitive arrangement, or any other practice coming under the purview of the Competition Act, 2002, between two or more bidders, with or without the knowledge of the Purchaser, that may impair the transparency, fairness, and the progress of the Tender Process or to establish bid prices at artificial, non-competitive levels;
- (d) "Coercive practice" - harming or threatening to harm persons or their property to influence their participation in the Tender Process or affect the execution of a contract;
- (e) "Conflict of interest" - participation by a bidding firm or any of its affiliates who are either involved in the Consultancy Contract to which this procurement is linked; or if they are part of more than one bid in the procurement; or if their personnel have a relationship or financial or business transactions with any official of Purchaser who are directly or indirectly related to tender or execution process of contract; or improper use of information obtained by the (prospective) bidder from the Purchaser with an intent to gain unfair advantage in the Tender Process or for personal gain;
- (f) "Obstructive practice" - materially impede Purchaser investigation into allegations of one or more of the above mentioned prohibited practices either by deliberately destroying, falsifying, altering; or by concealing of evidence material to the investigation; or by making false statements to investigators and/ or by coercive practices mentioned above, to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or by impeding the Purchaser's rights of audit or access to information;

2503 Obligations for Proactive Disclosures:

- (a) Procuring authorities, bidders, suppliers, contractors, and consultants are obliged under this Code of Integrity to suo-moto proactively declare any conflict of interest (coming under the definition mentioned above - pre-existing or as and as soon as these arise at any stage) in any Tender Process or execution of the contract. Failure to do so shall amount to a violation of this code of integrity.
- (b) Any bidder must declare, whether asked or not in a bid-document, any previous transgressions of such code of integrity during the last three years or of being under any category of debarment by the Central Government or by the Ministry/ Department of the Procuring Organisation from participation in Tender Processes. Failure to do so shall amount to a violation of this code of integrity.

2504 Misdemeanours

The following shall be considered misdemeanours - if a bidder/ contractor either directly or indirectly, at any stage during the Tender Process or during the execution of resultant contracts:

- (a) commits any of the following misdemeanours:
 - i. violates the code of Integrity, if included in the Tender/ Contract;
 - ii. any other misdemeanour, e.g., supply of sub-standard quality of material/ services/ work or non-performance or abandonment of contract or failure to abide by 'Bid Securing Declaration'.
- (b) commits any of the following misdemeanours:
 - i. has been convicted of an offence under the Prevention of Corruption Act, 1988(as amended from time to time)or
 - ii. the Indian Penal Code (as amended from time to time) or any other law for the time being in force for causing any loss of life or property or causing a threat to public health as part of the execution of a public procurement contract.
 - iii. is determined by the Government of India to have doubtful loyalty to the country or national security consideration.
 - iv. Employs a government servant, who has been

dismissed or removed on account of corruption or employs a non-official convicted for an offence involving corruption or abetment of such an offence, in a position where he could corrupt government servants or employs a government officer within one year of his retirement, who has had business dealings with him in an official capacity before retirement.

2505 Penalties for Misdemeanours

Without prejudice to and in addition to the rights of the Purchaser to other remedies as per the Tender-documents or the contract, If the Purchaser concludes that a (prospective) bidder/ contractor directly or through an agent has committed a misdemeanour in competing for the tender or in executing a contract, the Purchaser shall be entitled, and it shall be lawful on his part to take appropriate measures, including the following:

- (a) if his bids are under consideration in any procurement
 - i. Enforcement of Bid Securing Declaration in lieu of forfeiture or encashment of Bid Security.
 - ii. calling off of any pre-contract negotiations, and;
 - iii. rejection and exclusion of Bidder from the Tender Process
- (b) if a contract has already been awarded
 - i. Termination of Contract for Default and availing all remedies prescribed thereunder;
 - ii. Encashment and/ or Forfeiture of any contractual security or bond relating to the procurement;
 - iii. Recovery of payments including advance payments, if any, made by the Purchaser along with interest thereon at the prevailing rate (MIBID - Mumbai Interbank Bid Rate);

2506 Remedies in addition to the above:

In addition to the above penalties, the Purchaser shall be entitled, and it shall be lawful on his part to:

- (a) File information against Bidder or any of its successors, with the Competition Commission of India for further processing, in case of anti-competitive practices;
- (b) Initiate proceedings in a court of law against Bidder or any of its successors, under the Prevention of Corruption Act, 1988 or the Indian Penal Code or any other law for

transgression not addressable by other remedies listed in this sub-clause.

(c) Remove Bidder or any of its successors from the list of registered/approved suppliers for a period not exceeding two years. Suppliers removed from the list of registered/approved vendors or their related entities may be allowed to apply afresh for registration after the expiry of the period of removal.

(d) Initiation of suitable disciplinary or criminal proceedings against any individual or staff found responsible.

(e) Debar, a bidder/ contractor from participation in future to purchaser's procurements without prejudice to legal rights and remedies. Debarment shall automatically extend to all the allied firms of the debarred firm. In the case of Joint Venture/ consortium, all its members shall also stand similarly debarred

(f) The Ministry/Department may debar a bidder or any of its successors from participating in any Tender Process undertaken by all its Purchaser for a period not exceeding two years commencing from the date of debarment for misdemeanours listed above. The Ministry/Department shall maintain such a list which shall also be displayed on their website.

(g) Central Government (Department of Expenditure (DoE), Ministry of Finance) may debar a bidder or any of its successors from participating in any Tender Process undertaken by all its Procuring Entity for a period not exceeding two years commencing from the date of debarment for misdemeanours listed above. DoE shall maintain such a list which shall be displayed on Central Public Procurement Portal (CPPP).

2507 Any dispute or difference in respect of either the interpretation effect or application or the above condition or of the amount recoverable thereunder by the Purchaser from the Contractor, shall be decided by the Purchaser, whose decision there on shall be final and binding on the Contractor.

2600 Insolvency and Breach of Contract

2601 The Purchaser may at any time, by notice in writing summarily determine the contract without compensation to the Contractor in any of the following events, that is to say: —

(a) if the Contractor being an individual or if a firm, any partner thereof, shall at any time, be adjudged insolvent or shall have a receiving order or order for administration of his estate made against him or shall take any proceeding for

composition under any Insolvency Act for the time being in force or make any conveyance or assignment of his effects or enter into any assignment or composition with his creditors or suspend payment or if the firm be dissolved under the Partnership Act, or

(b) if the Contractor being a company is wound up voluntarily or by the order of a Court or a Receiver, Liquidator or Manager on behalf of the Debenture—holders is appointed or circumstances shall have arisen which entitle the Court or Debenture— holders to appoint a Receiver, Liquidator or Manager, or

(c) if the Contractor commits any breach of the contract not herein specifically provided for.

Provided always that such determination shall not prejudice any right of action or remedy which shall have accrued or shall accrue thereafter to the Purchaser and provided also that, in addition to other actions against the contractor as per the terms of the contract, the Purchaser shall be entitled to take further action as per the provisions of clause 0702(b) and 0702(c)

2602 Force Majeure

(a) On the occurrence of any unforeseen event, beyond the control of either Party, directly interfering with the delivery of Services arising during the currency of the contract, such as war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, or acts of God, the affected Party shall, within a week from the commencement thereof, notify the same in writing to the other Party with reasonable evidence thereof. Unless otherwise directed by the Purchaser in writing, the contractor shall continue to perform its obligations under the contract as far as reasonably practicable and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the force majeure condition(s) mentioned above be in force for 90 days or more at any time, either party shall have the option to terminate the contract on expiry of 90 days of commencement of such force majeure by giving 14 days' notice to the other party in writing. In case of such termination, no damages shall be claimed by either party against the other, save and except those which had occurred under any other clause of this contract before such termination.

(b) Notwithstanding the remedial provisions contained elsewhere in the contract, none of the Party shall seek any such remedies or damages for the delay and/ or failure of the other Party in fulfilling its obligations under the contract if it is the result of an event of Force Majeure.

- 2700 Laws governing the Contract
- 2701 This contract shall be governed by the Laws of India for the time being in force.
- 2702 Irrespective of the place of delivery, the place of performance or place of payment under the contract, the contract shall be deemed to have been made at the place from which the acceptance of tender has been issued.
- 2703 Jurisdiction of courts —The Courts of the place from where the acceptance of tender has been issued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.
- 2704 Marking of goods —The marking of the goods must comply with the requirements of the laws relating to merchandise marks for the time being in force in India.
- 2705 Obligations of the contractor under Labour Codes and Rules
- (a) The contractor shall comply with the provisions of the Labour Codes, which including Code on Wages, 2019, The Industrial Relations Code 2020, Code on the Social Security 2020, and The Occupational Safety, Health and Working Conditions 2020, and Draft Rules made thereunder, as modified from time-to-time, wherever applicable and shall also indemnify the Purchaser from and against any claims under the aforesaid Labour codes and the Rules.
- (b)The Contractor shall obtain a valid licence under the aforesaid Labour codes and the Rules as modified from time-to-time before the commencement of the contract and continue to have a valid licence until the completion of the contract. Any failure to fulfil this requirement, the Purchaser shall treat it as a breach of contract for default as per the contract and avail any or all remedies thereunder.
- (c)In respect of all labour directly or indirectly employed in the contract for the performance of the contractor's part of the contract, the contractor shall comply with or cause to comply with the provisions of the aforesaid Labour codes and the Rules wherever applicable. The contractor shall be solely responsible for submitting all the necessary returns under these Codes and the Rules.
- (d)The Contractor shall pay the wages as per the Code on Wages to their workers not below the rate of minimum wages, as notified by the State Government or Central Government,

whichever is higher, through the bank transfer. Notwithstanding the contract's provisions to the contrary, the Contractor shall cause to be paid the wages to labour directly or indirectly engaged on the contract, including any engaged by his Sub-Contractors in connection with the said contract as if he had immediately employed the labour. The Purchaser shall, without any commitments or being obliged to do, may its discretion, monitor that such payments are being made.

(e) In every case in which, by virtue of the provisions of the aforesaid Labour codes and the Rules, the Purchaser is obliged to pay any amount of wages to a workman employed by the contractor or his Sub-Contractor in execution of the contract or to incur any expenditure in providing welfare and health amenities required to be provided under the aforesaid Labour codes and the Rules or to incur any expenditure on account of the contingent liability of the Purchaser, in case of the contractor's failure to fulfil his statutory obligations under the aforesaid Labour codes and the Rules, the Purchaser shall recover from the contractor, the amount of wages so paid or the amount of expenditure so incurred, and without prejudice to the rights of the Purchaser under the aforesaid Labour codes and the Rules, the Purchaser shall be at liberty to recover such amount or part thereof by deducting it from the security deposit and/ or from any sum due by the Purchaser to the contractor whether under the contract or otherwise. The Purchaser shall not be bound to contest any claim made against it under the aforesaid Labour codes and the Rules except on the contractor's written request, and upon giving the Purchaser complete security for all costs, Purchaser might become liable in contesting such claim. The decision of the Purchaser regarding the amount actually recoverable from the contractor as stated above shall be final and binding on the contractor.

2706 The contractor's status shall be that of an independent contractor and Primary Employer of staff deployed during the contract by him or his sub-contractors or other associates. The Contractor, its employees, agents, and subcontractors performing under this Contract are not employees or agents of the Procuring Organisation or Purchaser or Central or State Government or their agencies/ Enterprises, simply by execution of this contract including Services delivered under this Contract.

2800 Headings

The headings of conditions hereto shall not affect the construction thereof.

2900 Settlement of Disputes

2901 Conciliation of disputes

All disputes and differences of any kind whatsoever arising out of or in connection with the contract, whether during the currency of the contract or after its completion and whether before or after the determination of the contract, shall be referred by any of the parties to the concerned "Chief Materials Manager (CMM) " or "Divisional Railway Manager" or "Executive Director" through "Notice of Dispute". CMM or Divisional Railway Manager or Executive Director shall, within 30 days after receipt of "Notice of Dispute", notify the name of sole conciliator to the parties,

The Conciliator shall assist the parties to reach an amicable settlement in an independent and impartial manner within the terms of contract.

If the parties reach agreement on settlement of the dispute, they shall draw up a written settlement agreement duly signed by parties and conciliator. When the parties sign the settlement agreement, it shall be final and binding on the parties.

The parties shall not initiate, during the conciliation proceedings, any arbitral or judicial proceedings in respect of dispute that is the subject matter of the conciliation proceedings.

The conciliation proceedings shall be terminated:

- 1) By the signing of the settlement agreement, on the date of agreement: or
- 2) By written declaration of the conciliator, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of declaration: or
- 3) By a written declaration of any party to the conciliator to the effect that the conciliation proceedings are terminated, on the date of declaration:

2902

Matters Finally Determined by the Railway: All disputes and differences of any kind whatsoever arising out of or in connection with the contract, whether during the currency of the contract or after its completion and whether before or after the determination of the contract, shall be referred by the contractor to the General Manager (for the purpose of para 2900 the term General Manager shall imply Additional General Managers of Zonal Railways , General Managers for Production Units, Additional Member (Railway Stores), Member of the Railway Board, Head of the Organisation in case of contracts entered into by other organizations under the Ministry of Railways) and the General manager shall, within 120 days after receipt of the representation, make and notify decisions on all matters referred to by the Contractor in writing. Provided that matters for which provision has been made in any Clause of the Special or General

Conditions of the Contract shall be deemed as 'excepted matters' (matters not arbitrable) and decisions of the Railway authority, thereon shall be final and binding on the Contractor; provided further that "excepted matters" shall stand specifically excluded from the purview of the Arbitration Clause.

Provided further that where Railways has raised the dispute, para 2902 shall not apply.

2903

Demand for Arbitration:

1) In the event of any dispute or difference between the parties hereto as to the construction or operation of this contract, or the respective rights and liabilities of the parties on any matter in question, dispute or difference on any account, or if the Railway fails to make a decision within 120 days (as referred in 2902), then and in any such case, but except in any of the "excepted matters" referred to in Clause 2902 of these Conditions, parties to the contract, after 120 days but within 180 days of their presenting their final claim on disputed matters, shall demand in writing that the dispute or difference be referred to arbitration. Provided that where the claim is raised by Railways para 2903(1) shall not apply.

2) (a) The demand for arbitration shall specify the matters which are in question, or subject of the dispute or difference as also the amount of claim item-wise. Only such dispute or difference, in respect of which the demand has been made, together with counter claims or set off, shall be referred to arbitration and other matters shall not be included in the reference,

(b) The parties may waive off the applicability of Sub-Section 12(5) of Arbitration and Conciliation Act 1996 (as amended), if they agree for such waiver in writing, after dispute having arisen between them.

3) (a) The Arbitration proceedings shall be assumed to have commenced from the day, a written and valid demand for arbitration is received by the Railway.

(b) The claimant shall submit his claims stating the facts supporting the claims along with all the relevant documents and the relief or remedy sought against each claim within a period of 30 days from the date of appointment of the Arbitral Tribunal.

(c) Respondent shall submit its defence statement and counter

claim(s), if any, within a period of 60 days of receipt of copy of claims from Tribunal, unless otherwise extension has been granted by Arbitral Tribunal.

(d) Place of Arbitration: The place of arbitration would be within the geographical limits of the Division of the Railway where the cause of action arose or the Headquarters of the concerned Railway or any other place with the written consent of both the parties.

4) No new claim shall be added during proceedings by either party. However, a party may amend or supplement the original claim or defence thereof during the course of arbitration proceedings subject to acceptance by Tribunal having due regard to the delay in making it.

2904 Obligation During Pendency of Arbitration: Supplies under the contract shall, unless otherwise directed by the Purchase Officer, continue during the arbitration proceedings, and no payment due or payable by the Railway shall be withheld on account of such proceedings, provided, however, it shall be open for Arbitral Tribunal to consider and decide whether or not, supplies should continue during arbitration proceedings.

2905 Appointment of Arbitrator

2905 (a) Appointment of Arbitrator where applicability of section 12 (5) of Arbitration and Conciliation Act has been waived off:

i. In cases where the total value of all claims in question added together does not exceed Rs. 1,00,00,000/- (Rupees One Crore only), the Arbitral Tribunal shall consist of a Sole Arbitrator who shall be a Gazetted Officer of Railway not below Junior Administrative Grade, nominated by the General Manager. The sole arbitrator shall be appointed within 60 days from the day when a written and valid demand for arbitration is received by General Manager.

ii. In cases where the total value of all claims in question added together exceeds Rs. 1,00,00,000/- (Rupees One Crore only), the Arbitral Tribunal shall consist of a panel of three Gazetted Railway Officers not below Junior Administrative Grade or 2 Railway Gazetted Officers not below Junior Administrative Grade and a retired Railway Officer, retired not below the rank of Senior Administrative Grade Officer, as the arbitrators. For this purpose, the Railway will send a panel of at least four (4) names of Gazetted Railway Officers of one or more departments of the

Railway which may also include the name(s) of retired Railway Officer(s) empanelled to work as Railway Arbitrator to the Contractor within 60 days from the day when a written and valid demand for arbitration is received by the General Manager.

Contractor will be asked to suggest to General Manager at least 2 names out of the panel for appointment as Contractor's nominee within 30 days from the date of dispatch of the request by Railway. The General Manager shall appoint at least one out of them as the Contractor's nominee and will, also simultaneously appoint the balance number of arbitrators either from the panel or from outside the panel, duly indicating the 'presiding arbitrator' from amongst the 3 arbitrators so appointed. General Manager shall complete this exercise of appointing the Arbitral Tribunal within 30 days from the receipt of the names of Contractor's nominees. While nominating the arbitrators, it will be necessary to ensure that one of them is from the Accounts Department. An officer of Selection Grade of the Accounts Department may be considered of equal status to the officers in Senior Administrative Grade of other departments of the Railway for the purpose of appointment of arbitrator.

- iii. The serving railway officer working in arbitral tribunal in the ongoing arbitration cases as per clause 2903(a)(i) and clause 2905(a)(ii) above, can continue as arbitrator in the tribunal even after his retirement.

2905 (b) Appointment of Arbitrator where applicability of Section 12 (5) of Arbitration and Conciliation Act has not been waived off:

- i. In cases where the total value of all claims in question added together does not exceed Rs.50,00,000/- (Rupees Fifty Lakh only), the Arbitral Tribunal shall consist of a Retired Railway Officer, retired not below the rank of Senior Administrative Grade Officer, as the arbitrator. For this purpose, the Railway will send a panel of at least four (4) names of retired Railway Officer(s) empanelled to work as Railway Arbitrator duly indicating their retirement dates to the Contractor within 60 days from the day when a written and valid demand for arbitration is received by the General Manager.

Contractor will be asked to suggest to General Manager at least 2 names out of the panel for appointment as arbitrator within 30 days from the date of dispatch of the request by Railway. The General Manager shall appoint at least one out of them as the arbitrator.

- ii. In cases where the total value of all claims in question added together exceeds Rs.50,00,000/- (Rupees Fifty Lakh only), the Arbitral Tribunal shall consist of three (3) retired Railway Officers (retired not below the rank of Senior Administrative Grade Officer). For this purpose, the Railway will send a panel of at least four (4) names of retired Railway Officer(s) empanelled to work as Railway Arbitrators duly indicating their retirement date to the Contractor within 60 days from the day when a written and valid demand for arbitration is received by the General Manager.

Contractor will be asked to suggest to General Manager at least 2 names out of the panel for appointment as Contractor's nominee within 30 days from the date of dispatch of the request by Railway. The General Manager shall appoint at least one out of them as the Contractor's nominee and will, also simultaneously appoint the balance number of arbitrators either from the panel or from outside the panel, duly indicating the 'Presiding Arbitrator' from amongst the 3 arbitrators so appointed. General Manager shall complete this exercise of appointing the Arbitral Tribunal within 30 days from the receipt of the names of Contractor's nominees. While nominating the arbitrators, it will be necessary to ensure that one of them has served in the Accounts Department.

- 2905(c)
- i. If the contractor does not suggest his nominees for the arbitral tribunal within the prescribed timeframe, the General manager shall proceed for appointment of arbitral tribunal within 30 days of the expiry of such time provided to contractor.
 - ii. If one or more of the arbitrators appointed as above refuses to act as arbitrator, withdraws from his office as arbitrator, or vacates his/their office/offices or is/are unable or unwilling to perform his functions as arbitrator for any reason whatsoever or dies or in the opinion of the General Manager fails to act without undue delay, the General Manager shall appoint new arbitrator/arbitrators to act in his/their place in the same manner in which the earlier arbitrator/arbitrators had been appointed. Such re-constituted Tribunal may, at its discretion, proceed with the reference from the stage at which it was left by the previous arbitrator (s).
- (a) Fast Track procedure: Parties to the arbitration agreement, may, at any stage either before or at the time of appointment of the arbitral tribunal, agree in writing to have their dispute resolved by fast-track procedure specified in Section 29B of the

Arbitration & Conciliation Act, 1996, as amended.

(b) Before proceeding into the merits of any dispute, the Arbitral Tribunal shall first decide and pass its orders over any plea submitted/objections raised by any party, if any, regarding appointment of Arbitral Tribunal, validity of arbitration agreement, jurisdiction and scope of the Tribunal to deal with the dispute (s) submitted to arbitration, applicability of time 'limitation' to any dispute, any violation of agreed procedure regarding conduct of the arbitral proceedings or plea for interim measures of protection and record its orders in day to day proceedings, A copy of the proceedings duly signed by all the members of tribunal should be provided to both the parties.

iii.(i) Qualification of Arbitrator (s):

(a) Serving Gazetted Railway Officers of not below JA Grade level.

(b) Retired Railway Officers not below SA Grade level, one year after his date of retirement,

(c) Age of arbitrator at the time of appointment shall be below 70 years.

(ii) An arbitrator may be appointed notwithstanding the total number of arbitration cases in which he has been appointed in the past.

(iii) While appointing arbitrator(s) under Sub-Clause 2905(a)(i), 2905(a)(ii), 2905(b)i) & 2905(b)(ii) above, due care shall be taken that he/they is/are not the one/those who had an opportunity to deal with the matters to which the contract relates or who in the course of his/their duties as Railway servant(s) expressed views on all or any of the matters under dispute or differences. A certification to this effect as per annexure (given after this para) shall be taken from Arbitrators. The proceedings of the Arbitral tribunal or the award made by such Tribunal will, however, not be invalid merely for the reason that one or more arbitrator had, in the course of his service, opportunity to deal with the matters to which the contract relates or who in the course of his/their duties expressed views on all or any of the matters under dispute.

Annexure (Ref para (iii) of Clause 2905(c) (iii))

Certification by persons under consideration to be nominated as Arbitrator.

1. Name
2. Contact Details:
3. I hereby certify that I have retired from Railways w.e.f. _____in_____grade.

Or

I hereby certify that I am serving Railway Officer and am presently posted as_____ in grade.

4. I have no any past or present relationship in relation to the subject matter in dispute, whether financial, business, professional or other kind.

Or

I have past or present relationship in relation to the subject matter in dispute, whether financial, business, professional or other kind. The list of such interests is as under:

5. I have no any past or present relationship with or interest in any of the parties whether financial, business, professional or other kind, which is likely to give rise to justifiable doubts as to my independence or impartiality in terms of the Arbitration and Conciliation Act 1996.

Or

I have past or present relationship with or interest in any of the parties whether financial, business, professional or other kind, which is likely to give rise to justifiable doubts as to my independence or impartiality in terms of the Arbitration and Conciliation Act 1996. The details of such relationship or interest are as under:

6. There are no concurrent circumstances which are likely to affect my ability to devote sufficient time to the arbitration and in particular to finish the entire arbitration within twelve months.

Or

There are circumstances which are likely to affect my ability to devote sufficient time to the arbitration and in particular to finish the entire arbitration within twelve months. The list of such circumstances is as under:

- 2905(d)
- (i): The arbitral award shall state item wise, the sum and reasons upon which it is based. The analysis and reasons shall be detailed enough so that the award could be inferred there from.
 - (ii): A party may apply for corrections of any computational errors,

any typographical or clerical errors or any other error of similar nature occurring in the award of a Tribunal and interpretation of a specific point of award to Tribunal within 60 days of receipt of the award.

(iii): A party may apply to Tribunal within 60 days of receipt of award to make an additional award as to claims presented in the arbitral proceedings but omitted from the arbitral award.

- 2906 In case of the Tribunal, comprising of three members, any ruling on award shall be made by a majority of members of Tribunal. In the absence of such a majority, the views of the Presiding Arbitrator shall prevail.
- 2907 Where the arbitral award is for the payment of money, no interest shall be payable on whole or any part of the money for any period till the date on which the award is made.
- 2908 (a): The cost of arbitration shall be borne by the respective parties. The cost shall inter-alia include fee of the arbitrator(s), as per the rates fixed by Railway Board from time to time and the fee shall be borne equally by both the parties. Further, the fee payable to the arbitrator(s) would be governed by the instructions issued on the subject by Railway Board from time to time irrespective of the fact whether the arbitrator(s) is/are appointed by the Railway Administration or by the court of law unless specifically directed by Hon'ble Court otherwise on the matter.
- (b): Sole arbitrator shall be entitled for 25% extra fee over the fee prescribed by Railway Board from time to time.
- 2909 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 provides parties to a dispute (where one of the parties is a Micro or Small Enterprise) to make a reference to Micro and Small Enterprises Facilitation Council, if the dispute is in regard to any amount due under Section 17 of the MSMED Act, 2006. In case a Micro or Small] Enterprise, being a party to dispute, makes a reference under the provisions in MSMED Act 2006, the provisions of the MSMED Act 2006, shall prevail over conciliation and arbitration agreement as contained in the contract.
- 2910 Subject to the provisions of the aforesaid Arbitration and Conciliation Act 1996 (as amended from time to time) and the rules thereunder and relevant para of IRS Conditions of Contract and any statutory modifications thereof shall apply to the appointment of arbitrators and arbitration proceedings under this Clause.
- 3000 Repealed
- 3100 Inspection & Rejection

Where under a contract, the price payable is fixed on F.O.R. station of despatch basis, the Contractor shall, if the goods are rejected at destination by the consignee be liable in addition to his other liabilities, to reimburse to the Purchaser the freight paid by the Purchaser.

3101. Notification of Result of Inspection

Unless otherwise provided in the specification of schedule, the examination of the goods will be made as soon as practicable after the same have been submitted for inspection and the result of the examination will be notified to the Contractor.

3102. Inspection Notes— On the goods being found acceptable by the inspecting Officer he shall furnish the Contractor with necessary copies of Inspection Notes duly completed, for being attached to the Contractor's bill in support thereof.

3200 Warranty/Guarantee—

3201 The Contractor/ Seller hereby covenants that it is a condition of the contract that all goods furnished to the Purchaser under this contract shall be of the highest grade, free of all defects and faults and of the best materials, quality, manufacture and workmanship throughout and consistent with the established and generally accepted standards for materials of the type ordered and in full conformity with the contract specification, drawing or sample, if any and shall, if operable, operate properly.

3202 The Contractor also guarantees that the said goods would continue to conform to the description and quality as aforesaid, for a period of 30 months after their delivery and this warranty shall survive notwithstanding the fact that the goods may have been inspected, accepted and payment therefore made by the Purchaser. If a longer/shorter period of warranty/guarantee is specified in the 'Particulars' mentioned under clause 0111 or any other contract documents, same shall be applicable instead of period specified in this clause.

3203 (a) If during the aforesaid period, the said goods be discovered not to conform to the description and quality aforesaid or have deteriorated, otherwise that by fair wear and tear the decision of the Purchaser in that behalf being final and conclusive that the Purchaser will be entitled to reject the said goods or such portions thereof as may be discovered not to conform to the said description and quality. On such rejection, the goods will be at the Seller's risk.

(b) Upon receipt of such rejection, the contractor shall, within 21 days (or within any other period, if stipulated in the contract), expeditiously repair or replace, at the option of the purchaser, the defective Goods or parts thereof, free of cost, at the ultimate

destination.

(c) In case of any rectification of a defect or replacement of any defective Goods during the warranty period, the warranty for the rectified/ replaced Goods shall remain till the original warranty period plus response time beyond specified time allowed for rectification/replacement.

(d) If the contractor, having been notified, fails to rectify/ replace the defect(s) within 21 days (or within any other period, if stipulated in the contract), it shall amount to breach of Contract for default and the Purchaser shall avail any or all remedial action(s) thereunder.

3204 The rejected goods may be taken over by the Contractor or his agents for disposal in such manner as he may deem fit within a period of 3 months from the date of such rejection. 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 above shall apply.

3300 Book Examination Clause— The Government reserves the right for 'Book Examination' as follows: -

(i) The Contractor shall whenever called upon and requiring to produce or cause to be produced for examination by any Government Officer duly authorised in that behalf, any cost or other account book of account, voucher, receipt, letter, memorandum, paper or writing or any copy of or extract from any such document and also furnish information any way relating to such transaction and procedure before the duly authorised Government Officer returns verified in such manner as may be required relating in any way to the execution of this contract or relevant for verifying or ascertaining the cost of execution of this contract (the decision of such Government Officer on the question of relevancy of any document, information of return being final and binding on the parties).

The obligation imposed by this clause is without prejudice to the obligation of the contractor under any statute, rules or orders shall be binding on the Contractor.

(ii) The Contractor shall, if the authorised Government Officer so requires (whether before or after the prices have been finally fixed), afford facilities to the Government Officer concerned to visit the Contractor's works for the purpose of examining the processes of manufacture and estimating or ascertaining the cost of production of the articles. If any portion of the work be entrusted or carried out by a sub-contractor or any of its

subsidiary or allied firm or company, the authorised Government Officer shall have power to examine all the relevant books of such sub-contractor or any subsidiary or allied firm or company shall be open to his inspection as mentioned in clause (i).

(iii) If on such examination, it is established that the contracted price is in excess of the actual cost-plus reasonable margin of profit, the Purchaser shall have the right to reduce the price and determine the amount to a reasonable level.

(iv) The Contractor or its agency is bound to allow examination of its books within a period of 60 days from the date the notice is received by the Contractor, or its agencies calling for the production of documents as under clause (i) above. In the event of Contractor's or his agency's failure to do so, the contract price would be reduced and determined according to the best judgment of the Purchaser which would be final and binding on the Contractor and his agencies.

3400 Inspection at the Fag End of the Delivery Period—

In cases where only a portion of the goods ordered is tendered for inspection at the Fag end of the delivery period and also in cases where inspection is not completed in respect of the portion of the goods tendered for inspection during the delivery period, the Purchaser reserves the right to cancel the balance quantity not tendered for inspection within the delivery period fixed in the contract without any further reference to him and take further actions as per provisions of clause 702. If the goods tendered for inspection during or at the fag end of the delivery period are not found acceptable after carrying out the inspection, the purchaser is entitled to cancel the contract in respect of the same and take suitable measures as aforementioned. If, however, the goods tendered for inspection are found acceptable, the Purchaser may grant an extension of the delivery period as per clause 0801.

3401 The Contractor shall not despatch the Goods till such time as an extension in terms of para 3400 above is granted by the Purchaser and accepted by the Contractor. If the goods are despatched by the Contractor before an extension letter as aforesaid is issued by the Purchaser and the same are accepted by the Consignee, the acceptance of the goods shall be deemed to be subject to the conditions mentioned in the paragraph 0801 above.

3402 In case where the entire quantity has not been tendered for inspection within the delivery period stipulated in the contract and the Purchaser chooses to grant an extension of the delivery period the same would be subject to conditions mentioned in the paragraph 0801 above.

3500 Following (special) conditions wherever they differ from the Invitation to Tender and Instruction to Tenderers override the

latter

(ADDITIONAL) SPECIAL CONDITIONS

(Vide Para 417-S)

In addition to Standard Conditions of Contract, the following special conditions shall apply to (Running) Contract: -

- 3600 Purpose of Contract and Parties to the Contract
- 3601 The parties to the contract, which shall be deemed to be a "Running Contract" and which is intended for the supply of the goods of the descriptions and approximately in the quantities set forth in the contract during the period specified therein, shall be the Contractor of the one part and the authorities named in the contract hereinafter called the Purchaser (which expression shall, where the context so admits or implies, be deemed to include his successors and assigns) of the other part. The quantities shown in the said Contract, are only approximate, and cannot be guaranteed.
- 3602 The Purchaser may authorise any officer (who shall hereinafter be called Direct Demanding Officer) at any time during the period of the contract, to place orders direct on the Contractor.
- 3603 Any variation of this contract shall not be binding on the Purchaser unless or until same is endorsed on the contract or incorporated in a formal instrument in exchange of letters and signed by the parties.
- 3700 Delivery.
- 3701 The Contractor shall as may be required by the Purchaser either deliver free or FOR or CIF at the place or places specified in the contract such quantities of the goods detailed in the said contract as may be ordered direct from the Contractor from time-to-time by the Purchaser or by the Direct Demanding Officer. The Contractor shall deliver or despatch the full quantity of the goods so ordered within the period specified in the said contract.
- 3800 Increase or Decrease of Quantities.
- The purchaser shall be entitled to vary the approximate total quantities of each description of goods shown in the said contract up to 30 percent, in one or more instalments, any time within the last date of delivery period (including extended delivery period) by giving a reasonable notice in writing of such variation.

- 3900 Maintenance and Replacement of Stocks.
- 3901 To meet casual demands, the Contractor shall maintain at all time in stock (until 70 per cent of the requirements have been drawn), at the place(s) specified in the contract, the quantity/quantities mentioned therein. All demands should be complied with immediately they are received by the Contractor or within the period, if any, stipulated in individual orders. As soon as the Contractor is called upon to effect supplies, he shall take action to replenish the guaranteed stocks until such time as 70 percent of the total approximate requirement has been drawn and such replenishment shall be completed with the period specified in the contract, after the receipt by the Contractor of casual demands. Due notice will be given to the Contractor by the Direct Demanding Officers or by the Purchaser, if any additional quantities over and above 70 per cent of the total approximate requirements are required and Contractor shall then arrange stocks accordingly.
- 3902 The period for replenishment of stocks will be allowed only if the material is not in stock. If the material is in stock, this Provision will be inoperative even though the guaranteed stock quantity may have been supplied against the contract.
- 3903 As an alternative to Clause 3901 and 3902 above, at the option of the Purchaser, or Direct Demanding Officer, he may order more than one instalment of deliveries at a time by stipulating instalment wise start date and completion date of supply. Delivery period of all the instalments except the first one shall be deemed tentative/provisional till the start date of the corresponding instalment unless otherwise expressly communicated in main contract or any subsequent communication by the purchaser to the contractor. Purchaser, without prejudice to other provisions under the contract, reserves the right to make deferment in the aforementioned tentative/provisional delivery period of any instalment, constituting the elements of start date and completion date of supply for that instalment. Unless mutually agreed by Parties, the maximum period of deferment for any instalment will be limited to six months.
- 4000 Reporting Progress of Contract.
- The Contractor shall, three calendar months before the termination of the contract or at such intervals as may be specified in the contract, submit a report to the Purchaser stating the total quantity of goods delivered or despatched under the contract.
- 4100 Special conditions where they differ from Standard Conditions override the latter.

F.No.6/18/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division

161, North Block,
New Delhi
23rd July, 2020

Order (Public Procurement No. 1)

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

Attention is invited to this office OM no. 6/18/2019-PPD dated 23rd July 2020 inserting Rule 144 (xi) in GFRs 2017. In this regard, the following is hereby ordered under Rule 144 (xi) on the grounds stated therein:

Requirement of registration

1. Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Competent Authority, specified in Annex I.
2. This Order shall not apply to (i) cases where orders have been placed or contract has been concluded or letter/notice of award/ acceptance (LoA) has been issued on or before the date of this order; and (ii) cases falling under Annex II.

Transitional cases

3. Tenders where no contract has been concluded or no LoA has been issued so far shall be handled in the following manner:-
 - a) *In tenders which are yet to be opened, or where evaluation of technical bid or the first exclusionary qualifying stage (i.e. the first stage at which the qualifications of tenderers are evaluated and unqualified bidders are excluded) has not been completed. No contracts shall be placed on bidders from such countries. Tenders received from bidders from such countries shall be dealt with as if they are non-compliant with the tender conditions and the tender shall be processed accordingly.*
 - b) *If the tendering process has crossed the first exclusionary qualifying stage: If the qualified bidders include bidders from such countries, the*



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entire process shall be scrapped and initiated *de novo*. The *de novo* process shall adhere to the conditions prescribed in this Order.

- c) As far as practicable, and in cases of doubt about whether a bidder falls under paragraph 1, a certificate shall be obtained from the bidder whose bid is proposed to be considered or accepted, in terms of paras 8, 9 and 10 read with para 1 of this Order.

Incorporation in tender conditions

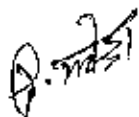
- 4. In tenders to be issued after the date of this order, the provisions of paragraph 1 and of other relevant provisions of this Order shall be incorporated in the tender conditions.

Applicability

- 5. Apart from Ministries / Departments, attached and subordinate bodies, notwithstanding anything contained in Rule 1 of the GFRs 2017, this Order shall also be applicable
 - a. to all Autonomous Bodies;
 - b. to public sector banks and public sector financial institutions; and
 - c. subject to any orders of the Department of Public Enterprises, to all Central Public Sector Enterprises; and
 - d. to procurement in Public Private Partnership projects receiving financial support from the Government or public sector enterprises/ undertakings.
 - e. Union Territories, National Capital Territory of Delhi and all agencies/ undertakings thereof

Definitions

- 6. "Bidder" for the purpose of this Order (including the term 'tenderer', 'consultant' 'vendor' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency, branch or office controlled by such person, participating in a procurement process.
- 7. "Tender" for the purpose of this Order will include other forms of procurement, except where the context requires otherwise.
- 8. "Bidder from a country which shares a land border with India" for the purpose of this Order means



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- a) An entity incorporated, established or registered in such a country; or
- b) A subsidiary of an entity incorporated, established or registered in such a country; or
- c) An entity substantially controlled through entities incorporated, established or registered in such a country; or
- d) An entity whose *beneficial owner* is situated in such a country; or
- e) An Indian (or other) agent of such an entity; or
- f) A natural person who is a citizen of such a country; or
- g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above

9. "Beneficial owner" for the purpose of paragraph 8 above will be as under:

- (i) In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person(s), has a controlling ownership interest or who exercises control through other means.

Explanation---

- a. "Controlling ownership interest" means ownership of, or entitlement to, more than twenty-five per cent of shares or capital or profits of the company;
- b. "Control" shall include the right to appoint the majority of the directors or to control the management or policy decisions, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;

- (ii) In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership or entitlement to more than fifteen percent of capital or profits of the partnership;

- (iii) In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;

- (iv) Where no natural person is identified under (i) or (ii) or (iii) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;

[Signature]

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(v) In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

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

Sub-contracting in works contracts

11. In works contracts, including turnkey contracts, contractors shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority. The definition of "contractor from a country which shares a land border with India" shall be as in paragraph 8 above. This shall not apply to sub-contracts already awarded on or before the date of this Order.

Certificate regarding compliance

12. A certificate shall be taken from bidders in the tender documents regarding their compliance with this Order. If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law.

Validity of registration

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

Government E-Marketplace

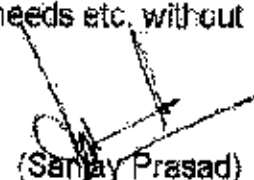
14. The Government E-Marketplace shall, as soon as possible, require all vendors/ bidders registered with GeM to give a certificate regarding compliance with this Order, and after the date fixed by it, shall remove non-compliant entities from GeM unless/ until they are registered in accordance with this Order.

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Model Clauses/ Certificates

15. Model Clauses and Model Certificates which may be inserted in tenders / obtained from Bidders are enclosed as Annex III. While adhering to the substance of the Order, procuring entities are free to appropriately modify the wording of these clauses based on their past experience, local needs etc. without making any reference to this Department.


(Sanjay Prasad)
Joint Secretary (PPD)
Email ID: js.pfc2.doe@gov.in
Telephone: 011-23093882

To

- (1) Secretaries of All Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities.
- (2) Secretary, Department of Public Enterprises with a request to immediately reiterate these orders in respect of Public Enterprises.
- (3) Secretary DPIIT with a request to initiate action as provided under Annex I
- (4) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi



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Annex I: Competent Authority and Procedure for Registration

- A. The Competent Authority for the purpose of registration under this Order shall be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT)*.
- B. The Registration Committee shall have the following members*:
- i. An officer, not below the rank of Joint Secretary, designated for this purpose by DPIIT, who shall be the Chairman;
 - ii. Officers (ordinarily not below the rank of Joint Secretary) representing the Ministry of Home Affairs, Ministry of External Affairs, and of those Departments whose sectors are covered by applications under consideration;
 - iii. Any other officer whose presence is deemed necessary by the Chairman of the Committee.
- C. DPIIT shall lay down the method of application, format etc. for such bidders as stated in para 1 of this Order.
- D. On receipt of an application seeking registration from a bidder from a country covered by para 1 of this Order, the Competent Authority shall first seek political and security clearances from the Ministry of External Affairs and Ministry of Home Affairs, as per guidelines issued from time to time. Registration shall not be given unless political and security clearance have both been received.
- E. The Ministry of External Affairs and Ministry of Home Affairs may issue guidelines for internal use regarding the procedure for scrutiny of such applications by them.
- F. The decision of the Competent Authority, to register such bidder may be for all kinds of tenders or for a specified type(s) of goods or services, and may be for a specified or unspecified duration of time, as deemed fit. The decision of the Competent Authority shall be final.
- G. Registration shall not be granted unless the representatives of the Ministries of Home Affairs and External Affairs on the Committee concur*.
- H. Registration granted by the Competent Authority of the Government of India shall be valid not only for procurement by Central Government and its agencies/ public enterprises etc. but also for procurement by State Governments and their agencies/ public enterprises etc. No fresh registration at the State level shall be required.

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- I. The Competent Authority is empowered to cancel the registration already granted if it determines that there is sufficient cause. Such cancellation by itself, however, will not affect the execution of contracts already awarded. Pending cancellation, it may also suspend the registration of a bidder, and the bidder shall not be eligible to bid in any further tenders during the period of suspension.
- J. For national security reasons, the Competent Authority shall not be required to give reasons for rejection / cancellation of registration of a bidder.
- K. In transitional cases falling under para 3 of this Order, where it is felt that it will not be practicable to exclude bidders from a country which shares a land border with India, a reference seeking permission to consider such bidders shall be made by the procuring entity to the Competent Authority, giving full information and detailed reasons. The Competent Authority shall decide whether such bidders may be considered, and if so shall follow the procedure laid down in the above paras.
- L. Periodic reports on the acceptance/ refusal of registration during the preceding period may be required to be sent to the Cabinet Secretariat. Details will be issued separately in due course by DPIIT.

[*Note:

- i. In respect of application of this Order to procurement by/ under State Governments, all functions assigned to DPIIT shall be carried out by the State Government concerned through a specific department or authority designated by it. The composition of the Registration Committee shall be as decided by the State Government and paragraph G above shall not apply. However, the requirement of political and security clearance as per para D shall remain and no registration shall be granted without such clearance.
- ii. Registration granted by State Governments shall be valid only for procurement by the State Government and its agencies/ public enterprises etc. and shall not be valid for procurement in other states or by the Government of India and their agencies/ public enterprises etc.]

[Signature]

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Annex II: Special Cases

- A. Till 31st December 2020, procurement of medical supplies directly related to containment of the Covid-19 pandemic shall be exempt from the provisions of this Order.
- B. *Bona fide* procurements made through GeM without knowing the country of the bidder till the date fixed by GeM for this purpose, shall not be invalidated by this Order.
- C. *Bona fide* small procurements, made without knowing the country of the bidder, shall not be invalidated by this Order.
- D. In projects which receive international funding with the approval of the Department of Economic Affairs (DEA), Ministry of Finance, the procurement guidelines applicable to the project shall normally be followed, notwithstanding anything contained in this Order and without reference to the Competent Authority. Exceptions to this shall be decided in consultation with DEA.
- E. This Order shall not apply to procurement by Indian missions and by offices of government agencies/ undertakings located outside India.

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Annex III

Model Clause /Certificate to be inserted in tenders etc.

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

Model Clauses for Tenders

- I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority.
- II. "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.
- III. "Bidder from a country which shares a land border with India" for the purpose of this Order means: -
 - a. An entity incorporated, established or registered in such a country; or
 - b. A subsidiary of an entity incorporated, established or registered in such a country; or
 - c. An entity substantially controlled through entities incorporated, established or registered in such a country; or
 - d. An entity whose *beneficial owner* is situated in such a country; or
 - e. An Indian (or other) agent of such an entity; or
 - f. A natural person who is a citizen of such a country; or
 - g. A consortium or joint venture where any member of the consortium or joint venture falls under any of the above
- IV. The *beneficial owner* for the purpose of (iii) above will be as under:
 1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation—

 - a. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;



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- b. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership or entitlement to more than fifteen percent of capital or profits of the partnership;
 3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
 4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
 5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.
- V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.
- VI. *[To be inserted in tenders for Works contracts, including Turnkey contracts]* The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

Model Certificate for Tenders (for transitional cases as stated in para 3 of this Order)

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I hereby certify that this bidder is not from such a country and is eligible to be considered."

Model Certificate for Tenders

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country, has been registered with the

R. Mehta

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Competent Authority, I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"

Model Certificate for Tenders for Works Involving possibility of sub-contracting

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

Model Certificate for GeM:

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

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P. N. S.

F.No.6/18/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division

161, North Block
New Delhi
23rd July, 2020


Order (Public Procurement No. 2)

Subject: Exclusion from restrictions under Rule 144 (xi) of the General Financial Rules (GFRs), 2017 –regarding.

In Order (Public Procurement No. 1) dated 23rd July 2020, orders have been issued requiring registration of bidders from a country sharing a land border with India in order to be eligible to bid in public procurement.

2. Notwithstanding anything contained therein, it is hereby clarified that the said Order will not apply to bidders from those countries (even if sharing a land border with India) to which the Government of India has extended lines of credit or in which the Government of India is engaged in development projects

3. Updated lists of countries to which lines of credit have been extended or in which development projects are undertaken are given in the website of the Ministry of External Affairs.


(Sanjay Prasad)
Joint Secretary (PPD)
Email ID: js.pfc2.dpe@gov.in
Telephone: 011-23093882

To,

- (1) Secretaries of All Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities.
- (2) Secretary, Department of Public Enterprises with a request to immediately reiterate these orders in respect of Public Enterprises.
- (3) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi



F.No.6/18/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division

161, North Block,
New Delhi
24th July, 2020

Order (Public Procurement No. 3)

Subject: Clarification to Order (Public Procurement No.1) dated 23rd July 2020

Attention is invited to paragraph 3(b) of the Order (Public Procurement No.1), under the heading "Transitional provisions" which reads as follows:

- b) If the tendering process has crossed the first exclusionary qualifying stage: If the qualified bidders include bidders from such countries, the entire process shall be scrapped and initiated de novo. The de novo process shall adhere to the conditions prescribed in this Order.*

It is hereby clarified that for the purpose of paragraph 3 (b), "qualified bidders" means only those bidders who would otherwise have been qualified for award of the tender after considering all factors including price. If Order (Public Procurement No. 1) dated 23rd July 2020 had not been issued.

2. If bidders from such countries would not have qualified for award for reasons unconnected with the said Order (for example, because they do not meet tender criteria or their price bid is higher or because of the provisions of purchase preference under any other order or rule or any other reason) then there is no need to scrap the tender / start the process de novo.

3. The following examples are given to assist in implementation of the Order.

Example 1: Four bids are received in a tender. One of them is from a country which shares a land border with India. The bidder from such country is found to be qualified technically by meeting all prescribed criteria and is also the lowest bidder. In this case, the bidder is qualified for award of the tender, except for the provisions of the Order (Public Procurement No. 1) dated 23rd July. In this case, the tender should be scrapped and fresh tender initiated.


Example 2: The facts are as in Example 1, but the bidder from such country, though technically qualified is not the lowest because there are other technically qualified bidders whose price is lower. Hence the bidder from such country would not be



qualified for award of the tender irrespective of the Order (Public Procurement No. 1) dated 23rd July 2020. In such a case, there is no need to scrap the tender.

Example 3: The facts are as in Example 1, but the bidder from a country which shares a land border with India, though technically qualified, is not eligible for award due to the application of price preference as per other orders/ rules. In such a case, there is no need to scrap the tender.

Example 4: Three bids are received in a tender. One of them is a bidder from a country sharing a land border with India. The bidder from such a country does not meet the technical requirements and hence is not qualified. There is no need to scrap the tender.


(Ganesh Prasad)
Joint Secretary (PPD)
Email ID: js.ppe2.doc@gov.in
Telephone: 011-23093882

To,

- (1) Secretaries of All Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform the clarification to all procuring entities.
- (2) Secretary, Department of Public Enterprises with a request to immediately circulate this clarification among Public Enterprises.
- (3) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi



F.No.8/18/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division


161, North Block,
New Delhi
23rd July, 2020

Office Memorandum

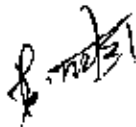
Subject: Insertion of Rule 144 (xi) in the General Financial Rules (GFRs), 2017

Rule 144 of the General Financial Rules 2017 entitled 'Fundamental principles of public buying', has been amended by inserting sub-rule (xi) as under:

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


(Sanjay Prasad)
Joint Secretary (PPD)
Email ID: s.pfc2.doe@gov.in
Telephone: 011-23093882

- To,
- (1) Secretaries of All Ministries/ Departments of Government of India
 - (2) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi



भारत सरकार BHARAT SARKAR
रेलमंत्रालय MINISTRY OF RAILWAYS
रेलवे बोर्ड RAILWAY BOARD

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

नई दिल्ली New Delhi Dated: 06.08.2020.

The General Managers, All Indian Railways/FUs, NF(C), CORE
DG/RDSO/Lucknow, NAIR/Vadodara,
PCAO, DMW/Fatima, COFMOW
CAO, WFO/Patna, RWP/Bela.

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

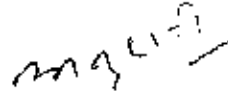
- Ref: i. Ministry of Finance OM No. F.No. 6/13/2019-PPD dated 23/07/2020.
ii. Ministry of Finance, Order (Public Procurement No. 1), F.No. 6/18/2019-PPD dated 23/07/2020
iii. Ministry of Finance, Order (Public Procurement No. 2), F.No. 6/18/2019-PPD dated 23/07/2020.
iv. Ministry of Finance, Order (Public Procurement No. 3), F.No. 6/18/2019-PPD dated 24/07/2020.

1.0 Ministry of Finance, vide OM at ref. i, has inserted Rule 144 (xi), in Rule 144 of the General Financial Rules, 2017. Rule 144 is entitled as 'Fundamental principles of public buying.'

2.0 The Ministry of Finance, has also issued three Public Procurement Orders, which complement the Rule 144 (xi).

3.0 The OM and Public Procurement Orders (referred above and attached herewith) are hereby circulated for strict compliance.

This is issued with the approval of Railway Board (MMM and FC).



(Anurag Grove)

Deputy Director Railway Stores(G)
Railway Board

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

Dated: 06.08.2020

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



For Financial Commissioner/Railways

LIST FOR DISTRIBUTION

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

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The Secy. Genl., IRPF, Room No. 268, FROA Room No. 256-D & AIRPOA, Room No. 256-E Rail Bhavan.

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MR, Mo3(R)
CRE, FC, ME, MTR, MRS, MS, MT, SECY., DG (RHS), DG (RPF)
All AMs, PEDs & Executive Directors of Railway Board

भारत सरकार BHARAT SARKAR
रेल मंत्रालय MINISTRY OF RAILWAYS
(रेलवे बोर्ड RAILWAY BOARD)

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

New Delhi, Dated: 17.03.2021

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

Sub.: Restrictions under Rule 144(xi) of GFR, 2017 – Relaxation in respect of procurement of spare parts, AMC/CMC and consumables for closed systems from OEMs or their authorized agents.

- Ref.:** i. Ministry of Finance OM No. F.No. 6/18/2019-PPD dated 23/07/2020.
ii. Railway Board letter no. 2020/RS(G)/779/2 dated 06/08/2020.
iii. Department of Expenditure's OM No. F.12/1/21-PPD(Pt.) dated 02/03/2021

Ministry of Finance, vide OM (ref.i), had inserted Rule 144 (xi), in Rule 144 of the General Financial Rules, 2017. The OM along with the related Public Procurement orders issued by Ministry of Finance, were circulated for compliance by Railway units vide Board's letter dated 06-08-2020.

2. In partial modification to the orders dated 23-07-2020, Ministry of Finance (Department of Expenditure) has communicated following decision of the Govt vide O.M. dated 02-03-2021 (ref.iii).:-

“In this regard, it is now decided that procurement of spare parts and other essential service support like Annual Maintenance Contract (AMC)/ Comprehensive Maintenance Contract (CMC), including consumables for closed systems, from Original Equipment Manufacturers (OEMs) or their authorized agents, shall be exempted from the requirement of registration as mandated under Rule 144(xi) of GFRs 2017 and Public Procurement orders issued in this regard.”

3. The O.M. dated 02/03/2021 of the Ministry of Finance (DoE) as above is hereby circulated for compliance.

This is issued with the concurrence of the Finance Directorate of the Ministry of Railways and approval of Board (M/TRS)


(Chandan Kumar)
Director Railway Stores/IC
Railway Board

No. 2021/RS(L)/779/2 (2)

New Delhi, Dated: 17.03.2021

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


for Member (Finance) /Railway Board.

LIST FOR DISTRIBUTION

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

Copy to:

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

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

MR, MoS(R)
CRB, MF, M/TRS, WOBD, Secretary/Railway Board, DG (RHS), DG (RPF)
All AMs, PEDs & Executive Directors of Railway Board.

No.F.12/1/2021-PPD(Pt.)
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

512, Lok Nayak Bhawan,
New Delhi. Dated the 2nd March, 2021

OFFICE MEMORANDUM

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

Attention is invited to this Department's OM F.No.6/18/2019-PPD dated 23.07.2020, regarding restrictions under Rule 144(xi) of the General Financial Rules (GFRs), 2017. The OM stipulates necessity of registration of bidders, from a country which shares a land border with India, with the competent authority.

2. In this regard, it is now decided that procurement of spare parts and other essential service support like Annual Maintenance Contract (AMC)/ Comprehensive Maintenance Contract (CMC), including consumables for closed systems, from Original Equipment Manufacturers (OEMs) or their authorized agents, shall be exempted from the requirement of registration as mandated under Rule 144(xi) of GFRs 2017 and Public Procurement orders issued in this regard.


Kotturu Narayana Reddy
Deputy Secretary to the Govt. of India
Tel.: 24621305
Email: kn.reddy@gov.in

To

1. All the Secretaries and Financial Advisors to the Government of India
2. All Chief Secretaries of State Governments

भारत सरकार BHARAT SARKAR
रेल मंत्रालय MINISTRY OF RAILWAYS
(रेलवे बोर्ड RAILWAY BOARD)

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

नई दिल्ली New Delhi Dated: 19-03-2021.

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

Sub.: Restrictions under Rule 144(xi) of GFR, 2017 – Clarification regarding procurement of raw material, Components, sub-assemblies from vendors from land border countries.

- Ref:**
- i. Ministry of Finance OM No. F.No. 6/18/2019-PPD dated 23/07/2020.
 - ii. Railway Board letter no. 2020/RS(G)/779/2 dated 06/08/2020.
 - iii. Ministry of Finance (Deptt. of Expenditure) OM no.F.18/37/2020-PPD dated 08-02-2021.

1.0 Ministry of Finance, vide OM at ref.i, had inserted Rule 144 (xi), in Rule 144 of the General Financial Rules, 2017. The OM along with the related Public Procurement orders referred above issued by Ministry of Finance, were circulated for compliance by Railway units (ref. ii above).

2.0 In partial modification of the above, Ministry of Finance (Deptt. of Expenditure) vide O.M. dated 08-02-2021 (ref.iii above) (copy attached) has issued following clarification:

- (i) A bidder is permitted to procure raw material, components, sub-assemblies etc. from the vendors from countries which share land border with India. Such vendors will not be required to be registered with the Competent Authority, as it is not regarded as "sub-contracting".
- (ii) However, in case a bidder has proposed to supply finished goods procured directly/indirectly from the vendors from the countries sharing land border with India, such vendor will be required to be registered with the Competent Authority.

This is issued with the concurrence of the Finance Directorate of the Ministry of Railways and with the approval of the competent authority.

DA: as above.




(Chandan Kumar)
Director Railway Stores/IC
Railway Board

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

New Delhi, dated 19-03-2021.

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


for Member (Finance) /Railway Board.

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

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

MR, MoS(R)
CRB, MF, M/TRS, M/OBD, Secretary/Railway Board, DG (RHS), DG (RPF)
All AMs, PEDs & Executive Directors of Railway Board.

No. F.18/37/2020-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

512, Lok Nayak Bhawan,
New Delhi. Dated the 8th February 2021

OFFICE MEMORANDUM

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

Attention is invited to this Department's Order (Public Procurement No.1) issued vide OM F.No.6/18/2019-PPD dated 23.07.2020. As per para 11 of the Order, in case of Works contracts, including turnkey contracts, contractors shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority. However, no such restriction is stipulated in the Order regarding other procurements i.e. procurement of Goods, Services, etc.

2. This office is in receipt of representations seeking clarification whether it is permitted for the bidders to procure raw material or components/ sub-assemblies or the finished goods etc. from the vendors from the countries sharing land borders with India.

3. In this context following is hereby clarified:

- i A bidder is permitted to procure raw material, components, sub-assemblies etc. from the vendors from countries which shares a land border with India. Such vendors will not be required to be registered with the Competent Authority, as it is not regarded as "sub-contracting".
- ii However, in case a bidder has proposed to supply finished goods procured directly/ indirectly from the vendors from the countries sharing land border with India, such vendor will be required to be registered with the Competent Authority.

4. This is issued with the approval of Secretary (Expenditure).


Kotturu Narayana Reddy
Deputy Secretary to the Govt. of India
Tel.: 24621305
Email: kn.reddy@gov.in

To

- (1) Secretaries of All Ministries/ Departments of Government of India,
- (2) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.

भारत सरकार BHARAT SARKAR
रेलमंत्रालय MINISTRY OF RAILWAYS
रेलवे बोर्ड RAILWAY BOARD

No. 2020/RS(G)/11/5

नई दिल्ली New Delhi Dated: 10.09.2020.

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

Sub.: India COVID-19 Emergency Response and Health System Strengthening Project

- 1.0 The Government of India and World Bank signed the "India COVID-19 Emergency Response and Health System Strengthening Project," on 3rd April 2020, which became effective on 6th April 2020. The project development objective is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national health systems for preparedness in India. The project is planned for four years from the date of effectiveness. The project is an IBRD loan for a total amount of US\$ 1 billion. Scope of the project is nation-wide. Ministry of Railways is one of the implementing agencies in the project.
- 2.0 The Component I of the project is called the emergency response and shall run from January, 2020 upto April, 2022. Procurement in this period can be made using Ministry of Railways' own procurement systems. However, compliance to certain conditions is required to be eligible for funding. The requirements differ for tender issued between 01/01/2020 and 20/07/2020 and tenders issued thereafter.
- 3.0 In case of retroactive COVID-19 related procurements, i.e. the tenders issued between 01/01/2020 and 20/07/2020, following condition has to be satisfied for the procurement to be eligible to be considered for funding from World Bank
 - i. The contractor has to explicitly agree to comply with the relevant provisions of the World Bank's Anti-Corruption Guidelines and the AIB Policy on Prohibited Practices, including the World Bank's right to inspect and audit all accounts, records, and other documents relating to the Project that are required to be maintained pursuant to the Financing Agreement. For this the vendor has to sign an agreement which shall be in the form of an amendment to the contract. The required amendment to the contract is annexed as annexure I. This shall also apply to cases where the material has been received and payments released.
 - ii. Review of Procurement Documents by World Bank. Post review of procurements under Component I
- 4.0 In case of prospective COVID-19 related procurements, i.e. tenders issued after 20/07/2020 compliance to following conditions is essential for funding from World Bank:
 - i. Compliance to Anti-Corruption Guidelines of the World Bank and Asian Infrastructure Investment Bank (AIB) Policy on Prohibited Practices (same as discussed in para 3 above).
 - ii. Universal eligibility
 - iii. Review of Procurement Documents by World Bank. Post review of procurements under Component I (same as discussed in para 3 above).

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R. [Signature]

- 4.1 To comply with the anti-corruption guidelines, the tender condition is annexed as annexure II. The condition has to be part of the tender documents as well as the contract.
- 4.2 To comply with the condition of universal eligibility, all the preferential market access policies, including, Public Procurement (Preference to Make in India) Order, MSME Policy, certain benefits to start-ups, shall not be applicable on such purchases. The tender documents shall have to be suitably amended to remove such references from the document.
- 4.3 Review of Procurement Documents and Post review of procurements can be done by World Bank.
- 5.0 The distribution of funds for various Railway Units is as follows:

Railway Unit	Amount of Loan amount to be booked				Total (INR) (A+B+C+D)
	RB letter 2020/H-1/7/9 letter dated 25/08/2020 (INR in cr.) A	RB letter 2020/H-1/7/9 dated 04/05/2020 (INR) B	RB letter 2020/H-1/7/15 letter dated 26/06/2020 (INR) C	Centralised Procurement by NR from M/s HLL (INR) * D	
CR	19.00	2,76,97,480	6,41,00,000		28,17,97,480
ER	34.95	7,61,68,070			42,56,68,070
ECR	19.00	5,53,94,960			24,53,94,960
ECoR	6.35	2,07,73,110			8,42,73,110
NR	23.31	7,61,68,070	2,10,30,262	12,56,38,800	45,59,37,132
NCR	12.71	2,76,97,480			15,47,97,480
NER	19.06	3,46,21,850			22,52,21,850
NFR	22.24	2,07,73,110			24,31,73,110
NWR	12.71	2,76,97,480			15,47,97,480
SR	25.42	5,53,94,960			30,95,94,960
SCR	15.88	3,46,21,850			19,34,21,850
SER	25.42	6,23,19,330			31,65,19,330
SECR	6.35	1,38,48,740			7,73,48,740
SWR	6.35	2,07,73,110			8,42,73,110
WR	19.06	6,92,43,700			25,98,43,700
WCR	9.53	4,15,46,220			13,68,46,220
Metro	3.17	69,24,370			3,86,24,370
ICF	3.17				3,17,00,000
RCF	3.17				3,17,00,000
CLW	4.76		69,24,370		5,45,24,370
DLW	3.17	1,38,48,740			4,55,48,740
RWF	3.17				3,17,00,000
RDSO	3.17				3,17,00,000
MCF	3.17				3,17,00,000
DMW	3.17				3,17,00,000
RWP/Bela	1.58				1,58,00,000
Total	Rs. 309.04 cr.	Rs. 68,55,12,630	Rs. 9,20,54,632	Rs. 12,56,38,800	Rs. 3,99,36,06,062

* (NR letter No. 78-S/PPE Procurement/P-82 dated 17/08/2020)

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- 5.1 These funds are for total procurement by each Railway irrespective of the procuring department i.e. procurement done by Stores, Medical department, etc. **Though the fund utilization shall be by respective departments, PCMM of the Railway unit shall coordinate for guiding Procuring departments, compilation of data as per the enclosed format and provide it to Railway Board and also to Coordinate with Railway Board.**
- 5.2 It may be noted that amount allocated should not be exceeded. Amount for coach conversion and sanitation is in addition to this allocation. In case any Railway unit expects that they are not in position to spend allocated amount till 31-03-2021, Railway Board should be informed well in advance but not later than by 31.12.2020 so that timely re-appropriation can be done
- 5.3 List of items admissible under the financing is as under. This list is to be strictly followed. Items procured outside this list shall not be eligible under the World Bank funding.

List of admissible items –

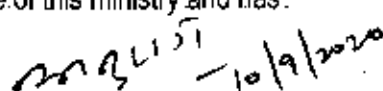
Isolation wards in hospitals including related expenditure like Hospital Equipment and Medical Supplies PPE kits, Gloves, Goggles, Face Shield, Ventilators, Lab Equipment, Hospital Furniture, Oxygen Cylinders, Oxygen Pipeline, medicines, consumables, Paramedics, CMPs etc.

- 6.0 The Railways may distribute the funds amongst the retroactive or prospective procurements.

First priority should be to cover maximum funds allocated to retroactive procurements. For retroactive procurements, vendors may be approached immediately to get the Annexure I signed and details submitted to Board within 15 days so as to claim the amount covered in these procurements from World Bank as soon as possible.

For procurement made, the Railways shall provide the details in the format provided in Annexure II, separately for prospective and retroactive procurement.

This is issued with the concurrence of Health, Budget and Finance Directorate of this ministry and has the approval of Railway Board (M(TRS) and M(F)).


(Anurag Grover)
Deputy Director Railway Stores (G)
Railway Board

New Delhi, dated 10/09/2020.

No. 2020/RS(G)/11/5

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


For Financial Commissioner/Railways

LIST FOR DISTRIBUTION

Directors of all CTIs,

CMDs /MDs of all Railway PSUs and other Railway bodies and societies.

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

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

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

MR, MoS(R)

CRB, MF, M/Infra, M/TRS, M/O&BD, Secy., DG/HR, DG/RHS, DG/RPF

All AMs, PEDs & Executive Directors of Railway Board

anquish 

Annexe I: Undertaking to be signed by Contractor/Supplier/Service Provider, where Contract is already signed*

*Applicable for retroactive funding period 01/01/2020 – 20/07/2020

AMENDMENT TO THE CONTRACT (Ref.)

Supply of <name of Item>

Signed between

<name & address of Purchaser>

and

<name & address of Supplier>

on

<date of signing the original contract>

Further to the contract executed as said above, an amendment to the contract is made on the ____ day of <month>, 2020.

Article 1 – Purpose

As this Contract is to be co-financed by the World Bank and Asian Infrastructure Investment Bank (AIIB), the present amendment has the purpose to add the provisions required by World Bank and AIIB.

Article 2 - Validity of Contract clauses

All other clauses of the original contract including all the Appendices remain unchanged

Article 3 – Effectiveness of this Amendment

The present Amendment will be effective retrospectively from the date of signing of original contract.

Read and Agreed

Place: _____

Dated: _____

For and on behalf of <Purchaser>

(Name and Designation)

For and on behalf of <Supplier>

(Name and Designation)

Provisions added in the Contract through present Amendment to meet World Bank and AIIB Requirements

Handwritten signature

Handwritten signature

Fraud and Corruption: This Procurement is financed by the World Bank (the "Bank"). The Bank requires compliance with the Bank's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the Bank's Sanctions Framework, as set forth in following paragraphs. In further pursuance of this policy, the Contractor/Supplier/Service Provider and its subcontractors and personnel agree to permit the Bank to inspect all accounts, records and other documents relating to bid/proposal submission and contract performance, and to have them audited by auditors appointed by the Bank; and also agree with the following provisions.

1. Purpose

1.1 The Bank's Anti-Corruption Guidelines and this attachment apply with respect to current procurement.

2. Requirements

2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders, (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.2 To this end, the Bank:

a. Defines, for the purposes of this provision, the terms set forth below as follows:

- i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
- iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- iv. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- v. "obstructive practice" is:

- (a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
- (b) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph e. below.

b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

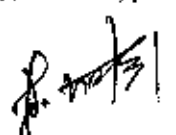
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- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
 - d. Pursuant to the Bank's Anti-Corruption Guidelines and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;¹ (ii) to be a nominated² sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
 - e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect³ all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.
3. **Co-financing:** The AIB's Policy on Prohibited Practices and this attachment also applies with respect to current procurement. In addition to compliance to provisions listed above, AIB also requires compliance to additional aspects of "AIB's Policy on Prohibited Practices" namely: (a) "misuse of resources", which means improper use of the AIB's resources, carried out either intentionally or through reckless disregard; and (b) "theft" which means the misappropriation of property belonging to another party. In case of occurrence of misuse of resources and theft, AIB will take remedial actions as per its policy as well as may sanction a firm or individual as per its Sanction Framework.

¹ For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

² A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

³ Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

2024/15


Annexure II: Provisions to be added in Bidding/RFP/Tender Documents; as well as in Contract/Agreement format, where bidding/selection process is yet to begin or bidding process ongoing⁴

*Below text to be copied and pasted into Tender Document and Contract.

Provisions of the World Bank and the Asian Infrastructure Investment Bank

Fraud and Corruption: This Procurement is financed by the World Bank (the "Bank"). The Bank requires compliance with the Bank's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the Bank's Sanctions Framework, as set forth in following paragraphs. In further pursuance of this policy, bidders/contractors shall permit and shall cause their agents (whether declared or not), subcontractors, sub-consultants, service providers, suppliers, and personnel, to permit the Bank to inspect all accounts, records and other documents relating to any initial selection process, prequalification process, bid submission, proposal submission, and contract performance (in the case of award), and to have them audited by auditors appointed by the Bank.

1. Purpose

1.1 The Bank's Anti-Corruption Guidelines and this attachment apply with respect to current procurement.

2. Requirements

2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders, (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.2 To this end, the Bank:

a. Defines, for the purposes of this provision, the terms set forth below as follows:

i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

iv. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

v. "obstructive practice" is:

(a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

(b) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.

⁴ If bidding process is ongoing, this undertaking has to be issued as amendment to bidding documents

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- b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
 - c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
 - d. Pursuant to the Bank's Anti-Corruption Guidelines and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;⁵ (ii) to be a nominated⁶ sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
 - e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect⁷ all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.
3. **Co-financing:** The Asian Infrastructure Investment Bank (AIIB)'s Policy on Prohibited Practices and this attachment also applies with respect to current procurement. In addition to compliance to provisions listed in previous section (Provisions of the World Bank), AIIB also requires compliance to additional aspects of "AIIB's Policy on Prohibited Practices" namely (a) "misuse of resources", which means improper use of the AIIB's resources, carried out either intentionally or through reckless disregard; and (b) "theft" which means the misappropriation of property belonging to another party. In case of occurrence of misuse of resources and theft, AIIB will take remedial actions as per its policy as well as may sanction a firm or individual as per its Sanction Framework.

⁵ For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

⁶ A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

⁷ Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

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Annexure III: Details of Procurements already made

List of Procurements done during Period (.....)

SN	Item Description	Mode of Tendering (Open / Limited / Single source)	Tender Closing Date	Name of the supplier / contractor	Contract No.	Contract date (dd/mm/yyyy)	Contract Quantity	Value of contract (INR)	Date of completion / scheduled completion of contract	Quantity Balance (% in value terms)	Undertaking to comply with WB and AIIB requirements signed by the supplier/contractor Yes/No	Allocation head to which booked

Note:

No change of format of the table is permitted.

No cells should be merged.

Cell specific information should be given in that specific cell only.

In case multiple items are procured in one contract all items should be indicated in item description, and only total value indicated in table. Leave Contract Quantity blank in case of multiple item contract.

Do not indicate orders on other Railway Units.

29/11/17
R. M. M.



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



No. 2022/RS(G)/779/7(3390005)

Dated: 17.10.2022

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

Sub: Handling of Warranty Rejections

Ref: Railway Board's letter No.2000/RS(G)/379/2 dated 07.08.2015 and 18.01.2018.

Background

Consolidated instructions on handling of warranty rejections were issued vide Railway Board's letter no.2000/RS(G)/379/2 dated 07.08.2015 and 18-01-2018. These instructions primarily stipulate linking of warranty rejections to the concerned supplying stores depot and relevant purchase orders by the user and arrange for warranty replacements duly conducting joint inspections with pre-inspection agency and the firm.

Review of Warranty Management system indicated practical difficulties in efficient handling of several of warranty issues, centralized database, monitoring of warranty settlement, resultant deterrent actions and system improvements. The system of handling warranty rejections is largely manual and whatever computerization is there, it is on separate systems which are not fully equipped to handle warranty rejections end-to-end, and are not integrated. Also, the policy did not cater for many scenarios which are encountered while dealing with the warranty rejections e.g. warranty rejections of components of Rolling Stocks supplied by Private/Govt/Railway units, cases where PO/stores depot/User depot is not linked, epidemic failures, inefficient marking on the items for linking of items to vendor/purchase orders, warranty claims by users, communication of warranty period to end user etc

Under this background, the consolidated policy instructions on warranty rejection handling including an Online Integrated Warranty Management System over IR, covering entire warranty management landscape to include all types of warranty failures, including epidemic failures, keeping in view practical field conditions for implementation are being issued in this circular. This circular supersedes earlier circulars on the subject.

1. **Digitisation of Warranty Management System**

- i. The entire Warranty Management System shall be digitized and made paperless.
- ii. The existing maintenance Applications viz CMM, FMM, WISE, SLAM, PUs local system, etc. shall be integrated with UDM/ IMMS/IREPS for seamless transfer of required data. A provision shall be made on these platforms to facilitate end uses to register warranty complaints. Duplicate feeding on UDM is to be avoided. All systems dealing with warranty rejection of vendor and their response should have provision of uploading/attaching documents.
- iii. Provision shall be made on IREPS for the vendors to input dispatch details such as batch number, serial number, major sub component of the item, date of manufacturing (in MM/YYYY), expiry date (wherever applicable), manufacturer's marking, make/Brand, etc. against the Purchase Orders for each consignee. These details would be passed to iMMS/UDM and reflected in DRR/R-Note/CRN generated on iMMS/UDM and for indicating the same while issuing the materials through Issue Notes. Inspecting Agencies shall also indicate these details explicitly in the Inspection Certificate. End Consignee receiving the material from the vendor will verify these details at the time of receipt of material and explicitly indicate the same in iMMS/UDM.
- iv. Warranty period shall be captured in digital form as stated in Para 4 of this letter.
- v. Centralized Recovery Register shall be digitized & maintained in IPAS and linked with iMMS/UDM for seamless both-ways data flow between these applications for recovery.
- vi. The Warranty Rejections of vendors and their responses shall be linked with Unified Vendor Approval Module (UVAM). Cognizance of these warranty rejections of vendors shall be taken for reviewing the Approval of vendors by vendor approving authorities.
- vii. Cognizance of these warranty rejections of vendors shall be taken by the procuring authorities in deciding the tender cases.

2. 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)-

- i. In case the material was accounted for in Stores Depot in iMMS after receipt from vendor, end-user shall register the warranty complaints with reasons and other details, as required, on the

systems like CMM/FMM/WISE/SLAM/MU etc. available with them & electronically transfer such data to UDM through integrated system or shall register the warranty complaints directly in UDM (as convenient and practical for the end- user) and issue "Advice Note" of returned stores on UDM with the approval of competent authority (Gazetted Officer) to return the rejected material to attached Stores Depot for issuing "Warranty Rejection Advice" (i.e. warranty claims lodging) by attached Stores Depot.

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.

"Warranty Rejection Advice" (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end consignee of attached Stores Depot/ User Depot (depending upon where rejected material was accounted for after receipt from vendor) on iMMS/UDM after getting the warranty rejected material from end-user.

Before, issuing the "Warranty Rejection Advice", the concerned user of iMMS/UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO (Purchase Order) and applicability of warranty period and ensure that other details including reason(s) for warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract. This should be decided within 15 days.

- 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.
- 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.
- iv. It shall be ensured that initiation of warranty complaint by user and issue of Warranty Rejection Advice in UDM/iMMS is not delayed by concerned officials/officers and warranty rejection advice should be issued within 15 days of detection of warranty complaint. However, if the warranty complaint is detected within warranty period, the "Warranty Rejection Advice" must be issued within warranty period.

On issue of "Warranty Rejection Advice", the "Warranty Rejection Register" should automatically get updated.

- v. On getting the "Warranty Rejection Advice", the inspecting agency shall take suitable action against the inspecting officials and ensure necessary corrective actions; duly informing the Officer who has approved the "Warranty Rejection Advice". Recovery of inspection charges from the concerned inspecting agency for the rejected item(s) shall be made by any Bill Paying Authority across IR on pro-rata basis for the quantity and as per the rate of inspection charges for the inspection agency. Claim for recovery of inspection charges against the concerned 3rd party inspecting agency (like RITES etc.) shall automatically get noted into "Centralized Recovery Register" maintained in IPAS on the basis of "Warranty Rejection Advice"; which shall specifically mention the name of inspecting agency. After recovery of inspection charges by any Bill Paying

Authority, "Centralized Recovery Register" w.r.t. recovery of inspection charges to be automatically updated in IPAS to that extent so as to avoid multiple recoveries of inspection charges by different Railways and communicate the recovered amount to iMMS/ UDM.

- vi. 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) at the earliest, 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 withholding of amount by any Bill Paying Authority, "Centralized Recovery Register" to be automatically updated in IPAS to that extent so as to avoid multiple withholdings by different Railways and communicate the withheld amount to iMMS/ UDM.
- vii. Firm shall be allowed to collect the rejected materials only after deposition of payments already made by Railway (if any) to them or after recovery of equivalent amount by Accounts or against replacement quantity. Rejected material should be suitably defaced before handing-over to the firm to avoid re-use and necessary provision about digital capturing in respective modules may be done.
- viii. Warranty Quantity Replacement-
 - a. Replacement of rejected quantity shall be made to the end consignee at the Stores Depot/User Depot which received the original supply from the firm.
 - b. The warranty quantity replacement will be supplied and accounted for in iMMS through R/Note & RO if "Warranty Rejection Advice" has been issued through iMMS. However, where "Warranty Rejection Advice" has been issued through UDM, the warranty quantity replacement will be supplied and accounted for in UDM through CRN. R-Note/CRN should be clearly marked as "Warranty Replacement CRN/R-Note, Not for Payment".
- ix. 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.
- x. Vendor would be permitted to lift the rejected material (subject to clause 2(A)(vii) above) "free of cost" within the period mentioned in Para 2(A)(iii) above. 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.

- xi. 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. Paying Authorities should not delay the recovery and ensure recovery expeditiously. 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 should proceed with partial recovery to the extent of payable amount against that Bill and balance recovery amount will remain in the "Centralized Recovery Register" for further recoveries from other Bill(s).

After recovery, the "Centralized Recovery Register" should be automatically updated immediately to avoid multiple recoveries by different Railways and communicate the recovered amount to IMMS/ UDM.

- xii. 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 must ensure that these activities are allowed only to the extent the Claim amount has not been recovered by Railways. Once recovery of the warranty claim amount is made in IPAS/deposition by the firm, user will not be allowed to initiate process of receipt of fresh replacement supplies / Re-inspection / Rectification to the extent recovery of the Warranty Claim amount has been completed in IPAS/deposited by firm against Warranty Rejection Advice.

However, there may be some cases against a Warranty Rejection Advice like:

- 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

In such cases, in all fairness; equivalent amount recovered has to be refunded to the vendor. In case of (a) to (e) above, recovered inspection charges shall also be refunded to the inspection agency.

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".

- xiii. **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.

(B) For Warranty rejection in Shop/Shed etc of the material received from a PU or a Stores Depot or User Depot which is not the attached Depot of the end user including that received directly through centralized procurement (both Stock and Non-stock items)-

- i. In such cases it may not be convenient for the end user to either return the material or communicate to the Stores Depot/User Depot (where the accountal of supply received from vendor was originally made). Thus, in all such cases, the warranty rejected material shall be kept in safe custody of the end user. End User shall register the warranty complaints with reasons and other details, as required, on the system like CMM/FMM/WISE/SLAM/MU etc. available with them and electronically transfer such data to UDM through integrated system or shall register the warranty rejections directly in UDM (as convenient and practical for the end-user). "Warranty Rejection Advice" (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end user on UDM after linking with PO, R/Note/CRN/Accountal Details.

Before, issuing the "Warranty Rejection Advice", the concerned user of UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO and applicability of warranty period and ensure that other details including reason(s) of warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract

- ii. The "Warranty Rejection Advice" shall be issued on UDM by End User to all concerned i.e. firm, purchaser, pre-inspecting agency (if known), vendor approving agency, paying authority etc without fail.
- iii. **Warranty Quantity Replacement-**
- a. Replacement of rejected quantity shall be made at the end of end user.
 - b. The warranty quantity replacement will be supplied and accounted for in UDM through CRN. The CRN should be clearly marked as "Warranty Replacement CRN, Not for Payment".
- iv. Other provision shall be as per sub-Para (iii) to (xiv) of Para 2(A) above, except Para (viii) of 2(A)

(C) For Warranty rejections in the field where material rejected was fitted at some other Workshop/Shed/Depot- Material either received or fitted through Supply Contract or Works Contract or Service Contract (both Stock and Non-stock items)-

- i. In such cases it may not be convenient for the end user to either return the material or communicate to the Stores Depot/User Depot (where the account of supply received from vendor was originally made) or to the concerned Workshop where items were fitted.
- ii. Such case shall also be dealt as per Para 2(B) above.

(D) Warranty rejections of Rolling Stocks received from Railway PUs/PSUs/Workshops/Private Manufacturers and their components -

- i. Rolling Stocks are manufactured by following agencies:

SN	Type of Rolling 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.	

- ii. Manufacturing Units of Rolling Stocks should provide the following details of all components/sub-assemblies used/fitted in that rolling stock to inspecting agency as well as consignee railway/end user. Inspecting agency, during inspection of Rolling Stock shall ensure digital capture/entry of this data into the respective digital platform.
 - a. Rolling Stock Number
 - b. Name of the Rolling Stock supplier
 - c. Contract number & Date against which Rolling stock supplied to Railway
 - d. Contact details of Rolling Stock Supplier
 - e. Name and address of component manufacturer and/or supplier.
 - f. Date of manufacture of component (MM/YYYY).
 - g. Inspecting agency for the component.
 - h. Inspection details of component
 - i. Warranty of component in months.
 - j. Vendor Approving agency of the component.
 - k. Batch/Product Marking, serial number etc of component.
 - l. Any further details to facilitate complete identification of the supplier of component by end user
- iii. For individual components, all Rolling Stock Manufacturers/Suppliers shall be responsible to honour the warranty claims on the basis of warranty period of individual components instead of the entire rolling stock.
- iv. The warranty settlement will be processed as per procedure as under
 - a. **Rolling stock is supplied by a private manufacturer or Railway/other PSUs-**

Warranty claim shall be lodged against Rolling Stock supplier.

This shall be same case as 2(B) above except that in case of items appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agencies.

Rolling Stock Supplier shall be the interface between Railway and component supplier. He has to organize the complete warranty settlement. Any action by the component supplier shall be at the specific direction and authority of Rolling Stock supplier.

b. Rolling stock supplied by Railway PUs, Workshop-

In all such cases, the warranty rejected material shall be kept in safe custody of the end user. End User shall register the warranty rejections with reasons of rejection and other details, as required, on the system like CMM/FMM/WISE/SLAM/MU etc. available with them & transfer such data to UDM or shall register the warranty rejections directly in UDM (as convenient and practical for the end- user).

The concerned Railway PU or Workshop shall replace the rejected component within 60 days from warranty rejection registration date at the end of concerned end User registering the warranty rejection either as a fresh supply by Railway PU/workshop or get it replaced/rectified through the component manufacturer/supplier whose supplies have been rejected.

Simultaneously, the Railway PU/Workshop shall raise the warranty claim by issuing "Warranty Rejection Advice" on UDM on concerned component manufacturer/supplier separately from their end as per the process detailed in Para 2(B) above.

3. Rectification of the rejected stores-

- 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/repared at the user end and with specific prior approval of the officer next in hierarchy (minimum JA grade officer) to the gazetted officer issuing Warranty Rejection Advice. At the option of the Depot Officer/ officer of end-user (depending upon who has issued the "Warranty Rejection Advice"), rectification/repair of rejected stores by the firm shall be permitted within railway premises only.
- ii. If firm requests to rectify/repair the rejected stores at its own premises, same shall be allowed only if the item has unique traceability to ensure that the rejected item cannot be supplied to any other consignee/user and if supplied, it can be traced. For taking out the rejected quantity for rectification/repair, equivalent value of rejected item shall be deposited by the firm.
- iii. However, the rectification activity shall have to be completed within timelines given in sub-Para iii of case 2(A) from the date of issue of "Warranty Rejection Advice." After this, process for recovery shall be initiated.

4. Linking the rejected stores with PO, R/note, warranty period etc –

- i. Marking of stores has been mandated as per Clauses 1103, 1302, and 2704 of IRS Condition of Contract, which must be ensured.

- ii. Specification/drawing of the item should include conditions for marking of the item for establishing unique traceability of the item, accountability and performance monitoring of the item/supplier. Marking should be with manufacturer's name, lot/batch number, serial number, month and year of manufacture (in MM/YY format). If possible, Railways' purchase order number and date, consignee code, suppliers' IREPS vendor code and warranty period in number of months may also be included to have complete traceability. Drawing/specification must specifically indicate the types of acceptable marking mechanism/method. Marking method selection should be based on factors like item function, item geometry, type of surface, item size, operating environment, age/ life, criticality, cost, etc. Marking method prescribed in the drawing/specification should be good enough to ensure that unique traceability is possible for the lifecycle of the product and if not possible, at least up to the warranty period of the item.
- iii. Direct Part Marking (DPM) for items shall be done based upon the criticality/cost/feasibility to have DPM of the item. The criticality/cost/feasibility shall be decided by the concerned Railway Board Directorates depending upon the nature of the item or/and its end use. This scheme will help in pin-pointing the responsibility, shall improve traceability, accountability and performance monitoring of the item and that of the supplier. Part Marking should be part of specification and should at least indicate manufacturer's name, lot/batch/item No., month, and year of manufacture in MM/YY format. If possible, Purchase Order number and date, consignee code, IREPS vendor code and warranty period in number of months may also be included. It shall be responsibility of the firm to develop a unique coding scheme/mechanism for ensuring traceability of its product. The firm shall intimate the same to the purchaser at the time of supply. In case it is not possible to have these details as part marking on the item, alternate marking scheme and its implementation may be decided by the concerned Directorates.
- iv. Onus of marking and traceability as per purchase order shall be on vendor
- v. The record of fitment of item shall be captured digitally on UDM and/or other applications / Maintenance Modules like CMM/FMM/SLAM/WISE/MU etc.
- vi. Capturing Warranty Period digitally in unambiguous terms:
 - a. In terms of RB letter No. 78/RS(G)/777/1 dated 07/05/2004:
 - (i) Warranty Clause specified in the tenders should normally be same as that in IRS conditions of contract.
 - (ii) Wherever it is considered necessary to have Warranty Clause in technical specifications at variance with Warranty Clause in IRS conditions of contract, then technical department, while submitting the indents, and while providing the specifications, will advise clearly about applicable Warranty Clause for procurement to avoid problems at post contract stage.
 - (iii) While procuring the material, it should be ensured that the applicable Warranty Clause is specified in tender documents clearly and in unambiguous terms.
 - b. Warranty clause if at variance with IRS conditions of contract shall be a specific clause in the tender/PO and shall supersede warranty clause of IRS conditions of contract.

Else it should be mentioned in tender conditions that warranty as per IRS conditions of contract is applicable. Both should never be included in the tender.

- c. A field of Warranty period for the item under procurement may also be indicated on IREPS while floating tender for the same
 - d. Data of warranty period should be captured in digital form in terms of number of months and should get reflected in tender, contract, Inspection Certificate and R/Note in digital form and should be known to the end-user.
 - e. During inspection/receipt of the item, inspecting Agency and material accepting authority shall ensure marking as per purchase order.
-
- vii. While issuing the stores, "Issue Note" should be linked with warranty period in months, RO number, PO number/date and Depot Code as well, so that supply details and exact warranty period is known to consignee/end user.
 - viii. IMMS and UDM systems should be able to provide the complete supply details i.e. PO No./ Date, Vendor Name, Challan No./Date, warranty period etc. for the consignment to be rejected.
 - ix. Online provision shall be made for entering the complete details of item as per Para 1 (iii) above by the vendor at the time of dispatch and that should be captured on iMMS/UDM while accepting the material.
5. All efforts should be made to link the warranty rejected item with P.O. However, if it is not possible to link the PO, warranty period mentioned in drawing/specification shall be taken into consideration or if not mentioned therein, it shall be as per IRS conditions of Contract. In such cases the warranty period shall be applicable from the end of month next to manufacturing month mentioned on material (assuming that stores are supplied after inspection after 30/45 days from the actual date of manufacture).

5.1 The Warranty settlement in such cases shall be as per para 2(B) above, except following-

- 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.
 - b. The value of rejected materials shall be decided on the basis of rate of component as per latest PO available.
 - c. If Inspecting Agency of the rejected store is not known, warranty rejection advice shall not be sent to inspecting agency and para 2(A)(v) shall not be applicable.
 - 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-xiii) above.
6. **Authority to adjudicate the disputed warranty cases and authority to decide appeal-**
- i. For all warranty rejection cases, the controlling officer of minimum JAG level of the office issuing "Warranty Rejection Advice" shall be adjudicating the disputed cases. His decision shall be binding on all the parties.

- ii. All the disputes, legal matters, etc. arising out of warranty claim shall be handled directly by the office issuing the “Warranty Rejection Advice”.

7. Handling Epidemic Failures-

Any recurring/large scale rejections from a particular lot will lead to epidemic failure.

- i. Whenever the quantity rejected anytime during the warranty period exceeds 5% of the total supplied lot against a particular contract, it will be considered as Epidemic Failure. However, in case of failures related to items which are extremely critical from safety consideration (like critical components or sub-parts of air brake system, wheel discs, axles, propulsion system etc.), RDSO/PU may pre-define a lower percentage for considering the occurrence of epidemic failure. This condition should be declared in the tender document for procurement of such items.
 - ii. Same steps as mentioned at para 2, as applicable, to be followed. However, instead of rejecting only defected quantity, entire lot should be rejected. Even if some quantity of such lot has been used/fitted, the same may also be identified and called back from service, to the extent possible, by the concerned technical department for issuing warranty rejection.
 - iii. Joint Inspection shall be conducted as per extant provisions.
 - iv. In case warranty rejection is established in joint inspection, the vendor shall replace entire lot (as available, refer point ii above) duly inspected by inspecting agency as per contract on his own expenses.
 - v. Replacement supply should be inspected by the same agency which has previously inspected the supplies.
 - vi. Epidemic failure is essentially considered as very poor quality performance and should be reflected on the performance of vendor/Inspecting agency accordingly.
 - vii. Concerned Inspection /Quality monitoring/Vendor approving agencies should conduct root cause/failure analysis of the failure and QAP of vendor shall have to be re-validated. They should also suggest improvement in inspection methodology/Quality Assurance Plan to avoid failures.
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.
12. Since complete process is being considered for digitisation, procurements (including Railway Board procurements) which are not being done through iMMS, should also be done through iMMS and Contracts issued through iMMS.

NOTE:

For ease of understanding, a sample flow chart for case 2(A) is enclosed. Other cases (Case 2(B) to 2(D)) involve only minor modifications of the same. In case of any difference between this circular paras and flow chart, the circular para shall prevail.

CHANDAN KUMAR
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(Chandan Kumar)
Director Railway Stores/IC
Railway Board

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Flowchart for the processes (Case 2(A) of the circular) involved in Warranty policy: For Warranty rejection in Shop/Shed etc where rejected material was issued from its attachedStores Depot or attached User Depot (both Stock and Non-stock items)-
(OTHER CASES INVOLVE ONLY MINOR MODIFICATIONS)

