

Terms and Conditions of Running Contract (RGC)

1.0 The tender is being issued to enter into the Running Contract(s) (RGC) for a period of 18 months with the objective to achieve increase in the service level regarding supply of the tendered item.

1.1 The Running contract(s) shall have validity of 18 months from the date of placement of RGC. The coverage will be through supply order(s) against the Running contract(s).

2.0 Running Contract:

2.1 The Running contract is a contract under which, during the period of its currency, the contractor engages to supply materials on demand through Supply Orders placed from time to time, irrespective of quantity, at contracted unit rate or prices, within a given period of Placing of Supply Orders.

2.2 The Running contract(s) awarded as a result of this tender enquiry will be in the nature of a standing offer wherein prices finalized shall remain valid and binding during the validity of the RGC. The estimated drawl of quantity indicated in the tender is purely tentative / indicated and no commitment is made regarding drawl of quantities. Purchaser reserves the right to place the supply order for the quantities as per actual requirement and no claim whatsoever will be entertained from tenderers on this account.

2.3 Actual supply order (SO) may be placed during the validity of the RGC. The supply order(s) shall be placed by purchaser as per the actual requirement from time to time against this Running Contract. Therefore, multiple supply orders may be placed against the Running Contract. Each supply order will be considered as a separate contract.

2.4 The Purchaser shall be entitled to vary the RGC quantity by 30% any time within the validity of the RGC on the same terms and conditions. The increase in quantity with respect to the tender quantity can be done even at the time of ordering and the tenderers shall be bound to accept the quantity so ordered on the basis of his original offer. The Purchaser shall be entitled to exercise +30% option clause in one or more than one installment as long as the total variation in quantity does not exceed the limit of 30% of ordered quantity.

3.0 Parallel Running contracts (RGCs):

3.1 Purchaser reserves the right to arrive at a reasonable price either received directly in the tender or by way of negotiation with lowest suitable firm and to conclude parallel RGCs with more than one firm/s.

3.2 Purchaser reserves the right to conclude the RGCs at differential prices also. In case of failure of a firm, the purchaser reserves the right to cancel the supply order, take supply from other RGC holder firm/s and any extra expenditure incurred on this account will be recovered from defaulting firm as a predetermined liquidated damages.

4.0 Single Rate for RGC:

4.1 The firm should quote single rate only (one rate only which will be variable as per respective PVC formula given in tender for these items if any) applicable for the entire duration of RGC.

Different rates for different periods will not be considered. The offers of firms quoting different rates/different PVC formulae (other than given in tender) for different year(s) will be summarily rejected. Further, the offers not quoting for the entire duration of RGC will also not be considered and will be summarily rejected.

5.0 Placement of Supply order:

5.1 Against the Running contract(s), supply orders(s) will be released by purchaser normally on quarterly or half yearly intervals. However, in case of unforeseen demands, supply order can be placed at short intervals also.

5.2 The initial quantity distribution among RGC holders will be made in the ratio of RGC quantity.

5.3 After conclusion of RGC, first supply orders will be sent as per Para 5.2 to all the firms. Subsequent supply orders against Running Contract(s) will be released to the firms on the basis of their supply performance against previous supply orders. In case of satisfactory performance by all RGC holders, subsequent supply orders will be released in the same manner as done in case of release of first supply order.

5.4 No fresh supply order may be placed on a firm if a previous supply order is pending and DP has expired or the firm is lagging behind the delivery schedule given in the supply order. In case of unsatisfactory performance of any RGC holder, the quantity distribution for subsequent supply orders among the remaining RGC holders will be in the same way as per Para 7.3 of Instructions to Tenderers for electronic tender Rev.1.21 of April, 2024.

5.5 However, purchaser reserves the right to place supply order on any Contractor for any quantity without assigning any reason thereof and no claim will be entertained from them in this regard.

5.6 The poor performance will also be noted for future tenders and the matter will be reported to the vendor approving authority/registering agency for delisting/cancellation of the registration of the defaulting firm.

6.0 Changes in Specification/Drawing:

Any minor variation in specifications and drawings from that of the tendered specification/drawings subsequent to the awarding of the contract is to be implemented by the contractor on advice of purchaser. No increase in the price will be permitted on this account.

7.0 The Running Contracts (RGCs) and the Supply Orders (SOs) placed against these will be governed by:

- i. Indian Railway Standard Conditions of Contract
- ii. Instructions to Tenderers for Electronic Tender Revision 1.21 of April, 2024, of NR with all

- the Corrections slips issued till date.
- iii. Terms and Conditions of Running Contract (RGC).
 - iv. Tender Documents.

Note: If any of the condition appearing in above documents is found in contradiction of those appearing in “Terms and Condition of Running Contract”, then later shall prevail.

8.0 Validity of Running Contract:

The RGCs shall remain in force for the period of 18 months from the date of issue of Contract. A supply order may be placed up to the last date of the currency of the RGC. Delivery date in the supply order need not necessarily fall within the currency of the RGC but it can go beyond it depending upon the terms of delivery stipulated in the RGC or as specifically agreed condition of delivery in respect of a particular supply order. No extension of validity period of the RGCs itself is required when deliveries against outstanding supply orders continue even after expiry of the validity period. The RGCs will remain alive for purpose of delivery for all the stores ordered during the currency of the RGCs until deliveries have been completed.

9.1 Effective Date of RGC: The RGC shall become effective from the date of issue of the RGC.

9.2 Effective Date of Supply Order: Supply orders against these RGCs shall become effective from the date on which the Purchaser issues the supply order (s) within the currency of Running Contract.

10.0 Delivery Period:

10.1 Supply of goods shall be made only against Purchase Orders/ Supply Orders, to be issued separately, as per the price and other terms & Conditions of the RGC.

10.2 The supplies should be completed within the respective delivery period for any lot, as mentioned in the Purchase Orders issued against the RGC. However, the contractor may be required to supply even within shorter delivery period due to urgency of requirement. Purchaser will place the Purchase orders for their requirements with phased delivery basis to enable the Contractor to supply stores in time.

10.3 Calculation of Lot-wise Delivery period in POs:

(i) Delivery period against any Purchase Order will be counted from the date of issue of such Purchase Order. The firm shall be required to supply minimum 25% of its RGC Qty. in every quarter (i.e. in every 3 months' period). However, for POs/ lots for quantity lower than 25% (of RGC Qty.), lower DP shall be permitted on pro-rata basis, rounding off to month. Besides above, two month's additional time shall also be allowed for the first lot of any PO, for making necessary arrangements for taking up regular production, etc.

(ii) Generally, the POs shall be issued sequentially, i.e. 2nd PO after completion of 1st PO. However, Purchaser reserves right to issue the POs any time within validity of the RGC, as and when requirement is received from user. The supplier shall have no objection in issuing of the Purchase Orders simultaneously or in issuing of next PO before completion of earlier POs. Delivery Period for such overlapping POs, however, shall be given sequentially, i.e. DP in subsequent POs shall be counted after the expiry of original DP of earlier POs. Delivery Periods (DP) of such different POs may, however, coincide in case of delay in supply of earlier lots by

the supplier. However, two months' additional time (meant for first lot) shall not be given in such overlapping POs

10.4 The Contractor is advised to maintain sufficient stocks of required raw-material so that on receipt of Supply Order from purchaser, material can be dispatch on short notice.

10.5 Running Contract(s) will remain alive for the purpose of delivery for all stores ordered during the currency of RGC until deliveries have been completed.

10.6 The purchaser will not pay separately for transit insurance and supplier will be responsible till the entire stores contracted for are received by the consignee in good condition at destination.

10.7 The supply order shall be released with FOR- Destination & delivery by road on freight prepaid by supplier and door delivery basis up to destination.

11. Failure/ Termination / Refusal by Contractor to honour the LoA or RGC

11.1 Purchase Order will be issued on severable contract basis with delivery of specific lots of material (to specific consignee) to be completed within the delivery period specified against the lot. In case of failure by contractor to meet deliveries for any lot, Railways may cancel the contract for defaulted part by forfeiting SD or amount equal to SD commensurate to that lot of PO.

11.2 If the contractor refuses to honour the LoA or RGC (fully or partially) within its validity, it shall be treated as withdrawal of offer. In such cases, firm 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 firm 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. Such debarment shall be in addition to the action as mentioned in para-11.1, in case of failure in supply, if any, against any PO already issued against the RGC.

12.0 Inspection:

12.1 As specified in tender document.

12.2 The Supplier should give permanent mark of identification of their firm on the material either by stamping or in castings.

13.0 Force Majeure Clause:

As per relevant clause of IRS Conditions of Contract.

14.0 Arbitration & Dispute Settlement:

As per relevant clause of IRS Conditions of Contract.