



SOUTH CENTRAL RAILWAY

Office of Principal Chief Materials Manager,
6th Floor, Rail Nilayam, Secunderabad – 25.

No.SCR-HQ0STOR/80/2023

PCMMs and PCEs,
All Zonal Railways.

29 AUG 2023
Office of the PCMM

Date: 22.08.2023
Office of the PCMM
29 AUG 2023
उत्तर-पश्चिम रेलवे, जयपुर
North-Western Railway, JAIPUR

Sub: Price Variation Clause for Engineering items.

- Ref: 1) Railway Board Lr. No. 87/RS(G)/779/9 dt. 22.05.2023.
2) Railway Board Lr. No. 87/RS(G)/779/9 dt. 17.01.2023.
3) Railway Board Lr. No. 87/RS(G)/779/9 dt. 29.06.2022.
4) Railway Board Lr. No. 87/RS(G)/779/9 dt. 11.08.2023.
5) Railway Board Lr. No. 2017/TK-II/22/1/1 dt. 27.11.2017
6) Railway Board Lr. No. 22/Track-I(P)/Fabricators dt. 28.04.22

1.0 Railway Board vide above referred letter has nominated SCRly as nodal unit on the subject of Price Variation Clause for Engineering items. It was advised that as nodal unit SCRly will be responsible for framing/reviewing PVC formula circulating PVC formula to all Railway Units under intimation to Board, handling of representation/suggestions from stake holders etc.

2.0 As advised by Railway Board, the activity has been carried out through a Committee of 03 SAG officers - CMM/T from Stores, CE/TP from Engineering and FA&CAO/F&B from Finance Departments and the Committee recommendations have been approved by PCE/SCRly.

3.0 As advised by Railway Board, the Price Variation Clause formulas for following items (as per Annexure) are circulated to all Railway Units, who shall follow these Price Variation Clauses/formulas as advised, uniformly.

1. All types of Switches, CMS crossings, Glued Joints, SEJ, Improved SEJ and Derailing Switches.
2. All types of ERCs.
3. All types of Metal Liners, Fish Plates / Bolts / Plate Screws.
4. All types of GRSP.
5. All types of GFN Liners.

Encl: Annexure (7 Pages)


(K. VENU GOPAL RAO)
Chief Materials Manager/T

Copy to: EDRS(G), PFAs/All Zonal Railways

Annexure

Price Variation formulae for various Track Fittings:

SN	Item Description	PV formula (Base year 2011-12)
1	All types of Switches, CMS crossings, Glued Joints, SEJ, Improved SEJ and Derailing Switches.	$P_1 = (P_0/100) \times \{10 + (16.32 \times A_1/A_0) + (7.70 \times B_1/B_0) + (15.02 \times C_1/C_0) + (0.96 \times D_1/D_0) + (50 \times L_1/L_0)\}$ as per Para 1.0 below
2	All types of ERCs	$P_1 = (P_0/100) \times \{10 + (27.48 \times A_1/A_0) + (12.72 \times B_1/B_0) + (24.80 \times C_1/C_0) + (17 \times L_1/L_0) + (8 \times F_1/F_0)\}$ as per Para 2.0 below
3	All types of Metal Liners, Fish Plates / Bolts / Plate Screws	$P_1 = P_0/100 \times [15 + (23.25 \times A_1/A_0) + (10.76 \times B_1/B_0) + (20.99 \times C_1/C_0) + (15 \times L_1/L_0) + (15 \times F_1/F_0)]$ as per Para 3.0 below
4	All types of GRSP	$P_1 = (P_0/100) \times [20 + (46 \times C_1/C_0) + (14 \times I_1/I_0) + (10 \times L_1/L_0) + (10 \times F_1 / F_0)]$ as per Para 4.0 below
5	All types of GFN Liners	$P_1 = (P_0/100) \times [20 + (52 \times C_1/C_0) + (14 \times L_1/L_0) + (14 \times F_1/F_0)]$ as per Para 5.0 below

1.0 The PV formula as per 2011-12 WPI is as under (for all types of Switches, CMS crossings, Glued Joints, SEJ, Improved SEJ and Derailing Switches):

$$P_T = P_P + P_R$$

P_T = Total escalated / de-escalated basic unit rate of the component.

P_P = Escalated/de-escalated basic unit rate of the component **without** Rail.

P_R = Escalated/de-escalated basic unit rate of the Rail.

P_P = Will be worked out as per earlier formula on the component, **without** cost of Rail. (On the basis of cost of Rail published in the tender document R_0)

A) The PVC formula for the component (without Rails):

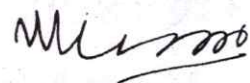
$$P_P = [(P_0/100) \times \{10 + (16.32 \times A_1/A_0) + (7.70 \times B_1/B_0) + (15.02 \times C_1/C_0) + (0.96 \times D_1/D_0) + (50 \times L_1/L_0)\}]$$

P_P = Escalated/de-escalated basic unit rate of the component **without** Rail.

P_0 = Accepted Basic rate of the component after deducting cost of Rail on the basis of Theoretical Quantity (TQ) and rate of Rails (R_0) published in the Tender document based on Railway Board rates.

$$= \text{Accepted Basic rate of the component} - TQ \times R_0$$

A_1 = Wholesale price index for **Inputs in to Steel Making** as prevalent during one month prior to the month of issue of call letter for inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.



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A0 = Wholesale Price Index for **Inputs in to Steel Making** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

B1 = Wholesale price index for **Metallic Iron** as prevalent during one month prior to the month of issue of call letter for inspection as per Economics Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

B0 = Wholesale price index for **Metallic Iron** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

C1 = Wholesale price index for **Mild steel-Semi finished Steel** as prevalent during one month prior to the month of issue of call letter for inspection as per Economics Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

C0 = Wholesale price index for **Mild steel-Semi finished Steel** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

D1 = Wholesale Price Index for **Other ferro alloys** as prevalent during one month prior to the month of issue of call letter for inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

D0 = Wholesale Price Index for **Other ferro alloys** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

L1 = All India consumer Price Index for Industrial workers as prevalent during one month prior to the month of issue of call letter for Inspection as per Labour Bureau, Ministry of Labour website <http://labourbureau.nic.in>.

L0 = All India Consumer Price Index for Industrial workers as prevalent during the month just preceding the month in which tender was opened, as per Labour Bureau, Ministry of Labour website <http://labourbureau.nic.in>.

B) P_R Will be worked out on the cost of rail, involved for the component, which will be as:-

$$P_R = R_0 \times TQ \times M_1/M_0$$

P_R = Escalated / de-escalated basic unit rate of rails.

R_0 = Basic rate of Rails published in the tender document based in Railway board rates.

M_0 = Whole sale Price Index for **Rails** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindstry.nic.in> as per series 2011-12.

M_1 = Wholesale Price Index for **Rails** as prevalent during one month prior to the month of issue of Call letter for inspection as per Economic Advisor ,Ministry of Industry website <http://eaindstry.nic.in> as per series 2011-12.

TQ = Theoretical quantity of rails required in the component in MT.

Competent authority is required to publish, basic rate of Rail i.e. R_0 based on Railway Board rates and Theoretical Quantity (TQ) consumed for each component in the tender document.

2.0 The PV formula as per 2011-12 WPI is as under (for all types of ERCs):

$$P_1 = (P_0/100) \times [10 + (27.48 \times A_1/A_0) + (12.72 \times B_1/B_0) + (24.80 \times C_1/C_0) + (17 \times L_1/L_0) + (8 \times F_1/F_0)]$$

Where,

P_1 = Escalated / de-escalated basic unit rate.

P_0 = Accepted Basic unit rate.

A_1 = Wholesale price index for **Inputs in to Steel Making** as prevalent at the time of 10 days prior to call of inspection of ERCs (finished goods) as per Economic Advisor, Ministry of Industry website <http://eaindstry.nic.in> as per series 2011-12.

A_0 = Wholesale Price Index for **Inputs in to Steel Making** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindstry.nic.in> as per series 2011- 12.

B_1 = Wholesale price index for **Metallic Iron** as prevalent at the time of 10 days prior to call of inspection of ERCs (finished goods) as per Economic Advisor, Ministry of Industry website <http://eaindstry.nic.in> as per series 2011- 12.

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B0 = Wholesale price index for **Metallic Iron** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

C1 = Wholesale price index for **Mild steel-Semi finished Steel** as prevalent at the time of 10 days prior to call of inspection of ERCs (finished goods) as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

C0 = Wholesale price index for **Mild steel-Semi finished Steel** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

F1 = Wholesale Price Index for **Fuel & Power** as prevalent at the time of 10 days prior to call of inspection of ERCs (finished goods) as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

F0 = Wholesale Price Index for **Fuel & Power** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

L1 = All India consumer Price Index for Industrial workers as prevalent at the time of 10 days prior to call of inspection of ERCs (finished goods) as per Labour Bureau, Ministry of Labour website <http://labourbureau.nic.in>.

L0 = All India Consumer Price Index for Industrial workers as prevalent during the month just preceding the month in which tender was opened, as per Labour Bureau, Ministry of Labour website <http://labourbureau.nic.in>.

3.0 The PV formula as per 2011-12 WPI is as under (for all types of Metal Liners, Fish Plates/Bolts/Plate Screws):

$$P1 = (PO / 100) \times [15 + (23.25 \times A1/A0) + (10.76 \times B1/B0) + (20.99 \times C1/C0) + (15 \times L1/L0) + (15 \times F1/F0)]$$

Where,

P1= Escalated/de-escalated basic unit rate.

P0= Accepted Basic unit rate

A1= Wholesale price index for **Inputs in to Steel Making** as prevalent during the month just preceding the month of issue of call letter for

inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

A0= Wholesale Price Index for **Inputs in to Steel Making** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

B1= Wholesale price index for **Metallic Iron** as prevalent during the month just preceding the month of issue of call letter for inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

B0= Wholesale price index for **Metallic Iron** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

C1= Wholesale price index for **Mild Steel - Semi Finished Steel** as prevalent during the month just preceding the month of issue of call letter for inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

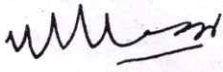
C0= Wholesale price index for **Mild Steel - Semi Finished Steel** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

L1= All India consumer Price Index for Industrial workers as prevalent during the month just preceding the month of issue of call letter for inspection as per Labour Bureau, Ministry of Labour website <http://labourbureau.nic.in>.

L0= All India Consumer Price Index for Industrial workers as prevalent during the month just preceding the month in which tender was opened, as per Labour Bureau, Ministry of Labour website <http://labourbureau.nic.in>.

F1= Wholesale Price Index for **Fuel & Power** as prevalent during the month just preceding the month of issue of call letter for inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

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4.0 The PV formula as per WPI indices of base year 2011-12 is as under (for all type of GRSP):

$$P1 = (PO/100) \times [20 + (46 \times C1/CO) + (14 \times I1/IO) + (10 \times L1/LO) + (10 \times F1 / FO)]$$

P1 = Escalated / de-escalated Price.

P0 = Accepted basic unit rate.

C1 = Average monthly price of **Natural rubber (RSS-4)** as circulated by Indian Rubber Board as prevalent during the month just preceding the month of call of inspection of finished goods by the agency.

C0 = Average monthly price of **Natural rubber (RSS-4)** as circulated by Indian Rubber Board as prevalent during the month just preceding the month in which tender was opened.

I1= Wholesale Price Index for **Manufacture of Basic chemicals** prevalent during the month just preceding the month of inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

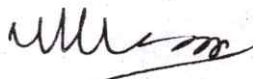
I0 = Wholesale Price Index for **Manufacture of Basic chemicals** prevalent during the month just preceding the month of the date of opening of the tender as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

L1 = All India Consumer Price index for Industrial Workers as published by Labour Bureau, Ministry of Labour on their Website <http://labourbureau.nic.in> prevalent during the month just preceding the month of issue of call letter for inspection.

L0 = All India Consumer Price index for Industrial Workers as published by Labour Bureau, Ministry of Labour on their Website <http://labourbureau.nic.in>. Base month for the PVC formula shall be taken as the month just preceding the month of the date of opening of the tender.

F1= Wholesale Price index (Base year 2011 -12) for **Fuel & Power**, as published by Economic Advisor, Ministry of Industry on their Website. <http://eaindustry.nic.in/> prevalent during the month just preceding the month of issue of call letter for inspection.

F0= Wholesale Price index (Base year 2011 -12) for **Fuel & Power** as published by Economic Advisor, Ministry of Industry Website on their website <http://eaindustry.nic.in/> Base month for the PVC formula shall be taken as the month just preceding the month of the date of opening of the tender.



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5.0 The PV formula as per WPI indices of base year 2011-12 is as under (all types of GFN Liners):

$$P1 = [(P0/100) \times \{20 + (52 \times C1/C0) + (14 \times L1/L0) + (14 \times F1/F0)\}]$$

Where,

P1 = Escalated / de-escalated basic unit rate.

P0 = Accepted Basic unit rate.

C1= Wholesale price index (Base year 2011-12) for **Manufacture of Plastic products** as published by Economic Advisor, Ministry of Industry on their website (<http://eaindustry.nic.in>) as prevalent during the month just preceding the month of issue of call letter for inspection.

C0= Wholesale price index (Base year 2011-12) for **Manufacture of Plastic products** as published by Economic Advisor, Ministry of Industry on their website (<http://eaindustry.nic.in>) as prevalent during the month just preceding the month of the date of the opening of the tender.

L1= All India Consumer Price Index for Industrial workers as published by Labour Bureau, Ministry of Labour on their website (<http://labourbureau.nic.in>) for the month just preceding the month of issue of call letter for inspection.

L0= All India Consumer Price Index for Industrial workers as published by Labour Bureau, Ministry of Labour on their website (<http://labourbureau.nic.in>) for the month just preceding the month of the date of the opening of the tender.

F1= Wholesale Price Index (Base year 2011-12) for **Fuel & Power** as published by Economic Advisor, Ministry of Industry on their website (<http://eaindustry.nic.in>) as prevalent during the month just preceding the month of issue of call letter for inspection.

F0= Wholesale Price Index (Base year 2011-12) for **Fuel & Power** as published by Economic Advisor, Ministry of Industry on their website (<http://eaindustry.nic.in>) as prevalent during the month just preceding the month of the date of opening of the tender.

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