

## **SPECIAL TERMS AND CONDITIONS OF RUNNING CONTRACT:**

### **1. Nature of Contract:**

The Contract is being awarded in terms of Running Contract (RGC) for a period as indicated in the tender schedule from the date of issue of Running Contract. However, the currency of the contract may be extended further for a period of six months with mutual consent between the Contractor and the Purchaser. During this period, formal Supply Orders will be placed by PCMM/ECR/HJP or his authorized Official, for delivery of material. The cumulative supply order quantity should be within the Running Contract quantity. During the currency of Running Contract, the Running Contract Quantity can be increased by 30% .The manner/mode in which the formal supply Orders will be placed against the Running Contract Agreement (RGC) has been mentioned in details in Para-5 below.

### **2. Type of contract:**

The tenderer should note that the contract shall be entered into Running Contract without any quantity commitment from Purchaser's side.

### **3. Variation in Quantity:**

At any time, during the currency of the Running Contract, Purchaser reserves the right to increase the total quantity of the Running contract (RGC) by not more than 30%, at the same terms and conditions as stipulated in the Running Contract. Where the 30% quantity leads to fractional quantities, these may be rounded off to the next whole higher number, if the fraction obtained is 0.5 or more.

### **4. Payment Terms:**

100% payment against R/Note for Stock items and 100% payment against Receipt and Acceptance for Non-stock items.

### **5. Placement of Supply Orders to operate the Running Contracts finalized against this tender:-**

a) After finalization of Running Contract, with the currency of Running Contract, the Contract shall be operated by placement of Supply Orders and the delivery period for the supplies to be made against the Supply orders (based on the DP stipulation mentioned in the Running Contract) shall be clearly indicated. Other terms and conditions of the supply Orders shall be as per the Running Contract.

b) The Supply Orders against the Running Contracts shall be placed by PCMM/ECR/HJP or his authorized representative based in E.C. Railway Headquarter.

c) The tenderer should note that supply Orders will be issued with delivery of specific units of material to be completed within specified period as indicated in the Supply Order. The tenderer/supplier should note that failure on part of supplier to complete supplies within specified period as indicated in supply shall be treated as a breach of contract on part of supplier and in such situation Purchaser shall have all rights to take all necessary penal actions (for the quantity whose delivery period expired but supplies not made by the supplier) against the supplier as per terms and conditions of the contract.

d) Fixation of the delivery period for a particular Supply Order would be done based on the DP stipulation as mentioned in the Running Contract.

e) Supply orders placed within Currency of Running Contract are legal binding Contract, even in cases where terminal Delivery date is beyond the Currency of Running Contract. Standard Variation Clause (Option clause) may be operated for supply of quantities within the currency of the Running Contract.

#### **6. Action in case of Contractor's failure against supply order(s):**

Keeping in view the fact that contracts to be finalized against this tender would be a Running Contract (which without the placement of supply orders against the same are nonexecutable) and considering the peculiar nature of Running contract in case of failure of a contractor against the supply order no risk purchase action shall be carried out against the same. However, if the contractor fails to deliver the stores or any installment thereof against the supply orders issued 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 shall cancel the Supply Order(s) for the outstanding quantity and forfeit the Security Deposit equivalent to 5% of the value of defaulted quantity subject to ceiling limit to Rs. 1 Crore.

#### **6A. Liquidated Damages for Delayed supplies against Supply Order:-**

a) Railway will recover from the contractor as agreed LD and not by way of penalty, a sum equivalent to 1/2% (Half percent) of the price of any stores (including element of taxes, duties) which the contractor has failed to deliver within the period fixed for delivery in the Supply Order 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% value of the delayed supplies. b) Upper limit of recovery of LD will be 10% of value of delayed supplies irrespective of delays, unless otherwise provided, specifically in the contract.

#### **7. Cancellation of P.O. of the RGC after banning/De-listing of RGC holder firm:-**

In Case during the currency of RGC, if any RGC holder gets banned/De-listed by the approving agency or any other court, the RGC shall be cancelled without any liability on either side. The due quantity, if any, having live DP against already placed supply order will be cancelled without financial repercussion on either side.

#### **8. Revoke of Contract holder during currency of the RGC contract:-**

Running contract is in nature of Standing Offers. These standing offers mature into legally binding contracts, when a supply order is placed in pursuance thereof. Being a standing offer, contract holder or purchaser may revoke it at any time during the currency of contract giving notice of minimum 45 days.

#### **9. Incorporation of minor Change/Modification in Specification of RGC:-**

Any minor change/modification in Specification shall be incorporated in the RGC with the mutual consent of both the parties (i.e. Railway & RGC holder) and with approval of the competent authority.

#### **10. Other Conditions:-**

Supply orders placed against these are Governed by IRS Conditions of Contract, Instructions to tenderers, Special conditions and General conditions of Tender for supply contract that has been uploaded in the IREPS website of E.C.Railway.