

M&P PROCUREMENT - SPECIAL TENDERED CONDITIONS.

1. Element of freight for indigenous purchase:

In case where the consignees are more (say more than 4 or so), tenderers are required to quota for the FOR station of dispatch prices with an average freight for all consignees, which will be added to FOR station for dispatch price to get FOR destination prices.

- b) In case where the consignees are 4 or less, tenderers are required to quota FOR station of dispatch price with an actual freight for each individual consignee, which will be added to FOR station for dispatch price to get FOR destination prices for each individual consignee.

2. Timely Commissioning of M & P:

In the event of contractors failure to have M&P commissioned by the time or times respectively specified in the letter of acceptance or contract, purchaser shall withhold, deduct or recover from the contractor as penalty, a sum @ 2% (two percent) of the price of M&P which the contractor has failed to commission as aforesaid for each and every month (part of a month being treated as a full month) during which the M&P may not have been commissioned, subject to an upper limit of 10% (ten percent) of contract value.

3. Guarantee:

- a) Guarantee period for M&P shall be 24 (twenty four) months from the date of commissioning and proving trials of M&P. A maximum period of 2 (two) weeks will be allowed for attending and rectification of faults during the guarantee period.
- b) Maximum down time during the guarantee period shall be 2% (two percent) for on line and 10% (ten percent) for off line M&P calculated on quarterly basis. In the event of contractors failure to have M&P commissioned by the time or times respectively.
- c) A 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 guarantee period as detailed above.
- d) Maximum penalty to be levied on account of guarantee failure shall be 5% (five percent) of the contract value calculated during whole of guarantee period and after that if there is any delay on the part of supplier, purchaser shall be entitled for encashment of Bonds. In such cases the bad performance of firm during the guarantee period, the same shall be recorded and circulated to all railways. The same shall 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.

4. Comprehensive Annual Maintenance Contract:

- a) Tenderers are required to quote for post guarantee Comprehensive Annual Maintenance Contract (CAMC) for a period of five years after expiry of the guarantee period of the M&P along with their offers. The scope of CAMC will include preventive and break-down maintenance. CAMC charges will include all costs of personnel spares etc., except the cost of consumables required for day-to-day operation & daily maintenance checks.
- b) (I) The maximum downtime is 48 hrs.
- (II) The response time allowed is 48 hrs.

Penalties for failure to adhere to the same will be imposed at the rate of 25% per month of CAMC. Payment will be made duly taking into account this aspect also.

- c) The tenderers should quote CAMC rates for each of the five years. The CAMC prices for each year will be firm. The CAMC charges shall be separately payable in Indian Rupees only. The CAMC 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 CAMC charges for different years, the concept of NPV (Net Present Value) will be used at the predetermined rate of discounting to bring the CAMC charges at the same footing in the assessment of FOR destination price. The rate of discounting and the NPV calculation is as under:

S.NO.	Period	Cost / per unit	PV factor@10% per annum	Total cost of CAMC including discounting factor in Rs.(NPV).
1.	1 st year CAMC cost		0.9091	
2.	2 nd year CAMC cost		0.8264	
3.	3 rd year CAMC cost		0.7513	
4.	4 th year CAMC cost		0.6830	
5.	5 th year CAMC cost		0.6209	

NB: CAMC cost will be calculated after multiplying quoted rates with PV factor i.e., after discounting annual cost @ 10% per annum. (Compound interest)

- d) The post CAMC 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 CAMC period and the current service charges for each items of work of repair of M&P beyond the CAMC period. These charges will not be included in the price of M&P for the purpose of comparative evaluation of offers.
- 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 from OEM for supply of spare parts for a period of expected life of the machine/equipment.
- f) (i) Contract value:-
Annexure _____
- (ii) CAMC charges:-
Annexure _____

5. Payment Terms:

- i) **Payment to Foreign supplier:** Payment against foreign suppliers shall be made through 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:
- 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 subject to submission of bank guarantee for an amount of 10% of contract value as guarantee security.

- ii) **Payment against indigenous supply:** The standard payment terms subject to recoveries if any, under the liquidated damages clause and general condition of contract will be as under:-
- 80% of the payment on proof of inspection certificate and receipted Challan to be made within 30 days of receipt of material as specified. Road Challan is to be certified by Gazetted Officer at consignee end.
 - Balance 20% payment within 90 days after satisfactory installation/commissioning and proving test of M&P subject to submission of bank guarantee for an amount of 10% of contract value, value as guarantee security.

Special condition: The stipulated delivery date is for completion of all activities to be performed by the supplier under contractual obligations i.e., supply of equipment/machinery and erecting & commissioning including all the civil, electrical works, if any, under the contract.

6. (i) The Tenderer shall furnish along with his offer the details of past performance of the machines, same or similar to those offered in the tender, in the following proforma:

Sl. No.	Name of Machine	Name of customer	Purchase order No. & Dt.	Delivery due date as per PO	Actual date of delivery	Whether customer's certificate in respect of past performance of the machine is enclosed.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

- Certificates from the customers to whom such machines have been supplied in the past, regarding performance of the machines shall be enclosed with the above information failing which the offer shall not be considered. Certificates from Central/State Govt. Departments & Public sector undertaking only shall be accepted, and performance from at least two such customers should be submitted. Same/similar refers to function and capacity within reasonable range.
- If the tenderer is not a manufacturer, but only an agent/trader, a certificate from the manufacturer authorizing him as agent shall be attached with the offer, failing which the offer shall not be considered. Further the conditions as per specified under Sl.No.15 of General tender conditions shall be satisfied.
- The tenderer shall submit with his offer particulars of plant and machinery installed at his works as well as equipment for ensuring quality control and inspection. Details like make, capacity, quality, horse power of all plant and machinery shall be given. In case of an agent/dealer, the above details of their principal manufacturer shall be given.
- The tenderer shall submit with his offer details of man-power available with him showing the designation, no. of men, qualification & experience separately for each section like management, shop floor, inspection and quality control etc.,
- The Railway has the option to verify the above information by physical inspection or otherwise by any authorized representative of the Railway at any time.