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

आज़ादी का अमृत महोत्सव
Azadi Ka Amrit Mahotsav

No. 2022/RS(G)/779/13(E 3402809) **Dated: 21.09.2022**

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: Revised Indian Railway Standard(IRS) Conditions of Contract-September 2022 Version 1.0

Please find attached herewith the Revised Indian Railway Standard(IRS) Conditions of Contract-September 2022 Version 1.0 for implementation in future procurements

This is issued with the concurrence of Finance Directorate of Railway Board.

DA: As above

(Chandan Kumar)
Director Railway Stores/IC
Railway Board

No. 2022/RS(G)/779/13(E 3402809) **Dated: 21.09.2022**

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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All AMs, PEDs & Executive Directors of Railway Board.

VERSION 1.0



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

INDIAN RAILWAYS

STANDARD CONDITIONS OF CONTRACT

2022

(REVISED SEPTEMBER 2022)

VERSION 1.0





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;

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 portalof 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 andthe 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 not withstanding 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 b 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.

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.

NOTE:

1. Tenderers are required to refer to the Instructions to Tenderers for e-Tenders
2. These conditions will be applicable for Tenders published on or after the date of uploading of new/revised conditions.
3. **Revised Indian Railway Standard (IRS) Conditions of Contract-September 2022 Version 1.0"** with latest updations will be applicable for the tenders.

1.0 Acceptance of the Offers:

The Controller of Stores is not bound to accept the lowest or any offer nor to assign any reason for doing so and reserve to himself the right to accept any offer in respect of the whole or any portion of the item specified in the tender and contractor shall be required to supply at the rate quoted.

1.1. Railways reserves the right to cancel the tender for full or part quantity tendered without assigning any reason. The rates quoted by the tenderers for the full quantity would be taken as valid.

2.0 **Splitting of tendered quantity:**

2.1 **Case of no prior decision to split the order -**

2.1.1 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

i) Past Performance of bidders
ii) Capacity of bidders
iii) Delivery requirements in the tender
iv) Quantity under procurement
v) Vital / Safety nature of the items.

2.1.2 In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 2.2.2. below.

Signature Not Verified
Digitally signed by GURUPAL SINGH
Date: 2025.07.17 10:55:10 IST
Reason: IREPS-CRIS
Location: New Delhi

2.2 **Case of pre-decided split ordering:**

2.2.1 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.

2.2.2 Following provisions (2.2.2(A) to 2.6) shall be applicable in all such cases of pre-decided split ordering –

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.

B. Whenever such splitting of the procurable quantity is made, the quantity distribution 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 -a -vis the delivery schedule incorporated in the tender enquiry etc., being same/similar) in the manner detailed in the table below:

Price differential between L1 and L2	**Quantity distribution ratio between L1 and L2**
Upto 3%	60 : 40
More than 3% and upto 5%	65:35
More than 5%	At least 65% on the L1 tenderer. For the quantity to be ordered on the L2 tenderer, TC/TAA shall decide.

In the phrase ‘differential rates quoted by the tenderer’, the quoted rate would mean

(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.

(ii) When price negotiation has been called for, the reference L1 rate for assessment of ration will be the original rate of L1 firm (suitable for bulk quantity) – say firm “A” - as obtained at the time of tender opening.

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.

2.2.3 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.

2.5 For cases where the Rlys/PUs had entered into ToT/JV agreements, the following clause should be stipulated as tender conditions.

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 2.2.2 (b) shall apply with the exception that the aspect of 'per-se reasonability' will not be applicable.

2.6 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.

2.7 Quantity Option Clause:

For the tenders valuing Rs.1.5Cr and above. The purchaser shall be entitled to vary the order quantity upto(+) 30% anytime within the delivery period(including extended delivery period) 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 tenderer 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 instalment as long as the total variation in quantity does not exceed the limit of 30% of ordered quantity.

3 **Procurement from Approved Sources :**

3.1. Approved by RDSO/CLW/BLW/RCF/ICF/MCF/CORE etc as available on UVAM.

3.1.1. Wherever necessary, as per policy of procurement, bulk purchases will be made only from those firms who are appearing as Approved Vendors of RDSO/CLW/BLW/RCF/ICF/MCF/CORE etc. as available on UVAM only. The status of the firm will be reckoned as on the date of tender opening.

3.1.2. However, cases of downgrading/removal/suspension/banning etc. after Opening of tender shall be taken into account while considering the offers.

3.1.3 (a) Wherever,Vendor Approving Agency. Has assessed the capacity cum capability of the firm and has cleared the source as Developmental Vendor for placement of developmental orders, developmental order upto 20% of NPQ may be placed on such sources subject to their name appearing as Developmental Vendors of RDSO/CLW/BLW/RCF/ICF/MCF/CORE etc. as available on UVAM as on date of opening.

(b) Where there are not more than three Indian Suppliers categorized as Approved Vendors 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 and Such orders shall be treated as bulk orders.

A supplier or bidder shall be considered to be from India if

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.

3.1.4 The firms who are not appearing in UVAM as Approved/Developmental Vendors of RDSO/CLW/BLW/RCF/ICF/MCF/CORE etc will not be considered for ordering.
However, such firms willing to supply the tendered item, are advised to approach the concerned Vendor Approving agency for getting their name registered as approved/developmental vendor.

4.1 Purchase / Price Preference Clause:
The purchaser reserves the option to give a purchase / price preference to the offers from Public Sector units and /or from Small Scale/Cottage Industries Units, over those from other firms, in accordance with the policies of the Govt. from time-to-time. The price preference above cannot

however, be taken for granted and every endeavor need be made by them to bring down cost and achieve competitiveness.

5. Quotations for Imported items:

5.1 Quotations in Foreign Currency:

5.1.1. Please note that, in case of Quotations in Foreign Exchange the firms should quote on FOB basis.

5.1.2. Any additional expenditure incurred by the purchaser on account of increased Custom Duty, Freight charges as also extra cost which may arise on account of Variation in Exchange rate during the extended delivery schedules, shall be borne by the Contractor.

5.2 Imported Stores offered by Indian Agents in Indian Currency:

Any authorized dealer / agent / recognized industrial distributor quoting on behalf of their foreign principal in Indian Rupees shall have to comply with the following:-

1. To quote with tender specific authorization from the foreign manufacturer.

2. (i)While quoting on behalf of foreign principals tenderers are required to furnish the principal's invoice/ proforma invoice along with their quotation. (ii) Proforma invoices however, may be accepted in exceptional cases where, it is not possible to obtain the invoices before the contract is placed.

3. The tenderer shall have to undertake in the tender to comply with the following
   (a) Consent to furnish copy of customs out passed bill of entry for the goods, relevant to each consignment Manufacturer's Test and Guarantee certificate issued by the manufacturer, Copy of Bill of Lading/AWB relevant to the consignment; Copy of commercial invoice of the foreign manufacturer/principals relevant to each consignment.

   (b) Current and valid authorization/dealership certificate of foreign manufacturer/principal.

   (c) Compliance of sea/air worthy packing condition in manufacturer's original packing with manufacturer's tamper proof seal and compliance of the Packing condition as laid down in IRS Conditions of Contract Para- 1800. Failure to comply with any of the aforesaid conditions as referred above will make the offer liable to be rejected.

4. Tenderer has to indicate the following while submitting the offer:

(a) The precise relationship between the foreign manufacturer/principal and their agents/associates.

(b) The mutual interest which the manufacturer/principal and the Indian agent/associates have in business of each other is to be indicated.

(c) Indian agent's Permanent Account Number is to be indicated.

5. Any additional expenditure incurred on account of Customs Duty and exchange Rate variation during pendency of the Contract will be on contractor's account.

6. For bearings manufactured in foreign countries, Visual inspection by RITES inside India after receipt is acceptable with import documents and original manufacturer's test and Warranty/ Guarantee certificate. Firm should consent to deposit security money as per IRS conditions for due execution of the contract if asked to do so. This is irrespective of the fact whether the firm is registered with this Railway or not.

6. **Payment Terms:**

6.1. 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.

6.2. 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.

6.3. 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.

6.4. However, in this connection it is to be made clear that for orders valuing upto Rs.5 lakhs, no advance payment will be made and only 100% payment will be made against receipt and acceptance of the material by the consignee i.e., against Receipt Note.

6.5. In deserving cases, 98% / 2% payment can also be considered within the framework of extant rules and procedures.

6.6. For Machinery & Plant items: 80% payment will be allowed after receipt of the machine in good and acceptable condition at consignee's end against inspection certificate and the supplier's challan certified by the consignee Gazetted Officer. Balance 20% payment will be made on successful installation, commissioning and testing of the machine and also furnishing of a Bank Guarantee towards warranty obligations of the contractor for 10% of the value of the machinery or plant.

6.7. Discounts / rebates linked with early payment and / or early granting of Receipt Note etc within specified days will not be considered for determination of inter-se ranking of the offers. However, the Railways reserves the rights to avail themselves of such rebates / discounts.

6.8. **For MSME Firms:**

i) 100% payment on or before 45th day from the date of delivery of goods/services along with inspection certificate at the nominated place/Depot in good condition by the consignee.

ii) Where the department makes any objection in writing regarding acceptance of goods or services within fifteen days from the date of the delivery of goods at the nominated place/Depot,the 100% payment will be made on or before the 45th day from the day on which such objection is removed by the employer.

iii) If a micro or small enterprise firm has not submitted any documentary evidence along with the tender documents to prove its status of micro or small enterprise, it would not be admissible to claim any benefit under the MSMED Act 2006 against the orders placed in this tender.

6.9. **Sl.No.6.9: Mode of payment through Letter of Credit(LC) as option in Supply/Works contracts: (APPLICABLE ONCE IMPLEMENTED)**

1. Ministry of Railways has decided that henceforth, all Tenders invited by Zonal Railways and Production Units, both for Supplies/ Works (including all service and maintenance contracts), having estimated value of Rs 10 lakhs and above, shall include in tender conditions, an option for the supplier/contractor to take payment from Railways through a letter of credit (LC) arrangement. This would be subject to the following:
   (i) The bidder, at the time of bidding itself, shall exercise an option in writing, in favour of taking payment due against the said tender, through LC arrangement.

(ii) The option so exercised, shall be an integral part of the bidder's offer. Option once exercised shall be final and no change shall be permitted, thereafter, during the course of execution of contract.

(iii) The incidental cost towards issue of LC and operation thereof (LC operating charges, including bank charges for opening of LC) shall be borne by the supplier/contractor.

(iv) The above arrangement should be made a part of the Tender conditions and Contract conditions.

(v) The LC will be a sight LC.

2. The Banker for Railways for the ensuing one year, for opening domestic letters of credit shall be State Bank of India through its branches. The arrangement would cover all such contracts finalized against tender issued in the said year and shall extend till final execution of these contracts.

3. The schedule of payment liability arising in the contract shall be established by the Railways based on the prescribed delivery schedule/stages of supply/work, in consultation with supplier/contractor. The Railway's Banker should also be involved in the process to assess value of LC and terms and conditions of LC.

4. The LC condition of Railways shall inter-alia provide that Railways will issue a Document of Authorization (format enclosed as Ann 1) on claims preferred by supplier/contractor, for completed Work/Supply to enable them to claim the authorized amount from their Banker. The Document of Authorization will be issued against each Bill submitted for payment by supplier/contractor, after exercising laid down checks as per Railways' Codes and Manuals, in executive and accounts branches. The Accounts Officer responsible for passing the claim will issue the Document of Authorization. Issue of Document of Authorization will be captured in IPAS and IREPS to ensure that there is no duplicate payment against the said Bill and also to enable the supplier/contractor to view status of the claim. The Letter of credit signed between the bank and Railway should specifically mention that any excess/wrong payment made by the bank and later detected by the Railways, will be recovered from the bank.

5. The Railways will ensure that Document of Authorization is generated well within the time prescribed. Non-issue of Document of Authorization must be communicated, with reasons thereof, to concerned supplier / contractor electronically.

6. The supplier/contractor will present the Document of Authorization to his/her Banker for necessary payments as per LC terms and condition. After release of payment to the supplier, the banker of the supplier/Contractor will send this Document to the Railways' Banker for release of payment to them (supplier's Banker). The Railway's Banker will reimburse, claim made by Banker of supplier/contractor, against original Document of Authorization after verifying signatures of authorized signatory of Railways and Bill of Exchange issued by contractor/supplier.

7. The LC charges paid by the Railways for opening and operation of LC shall be charged to the relevant expenditure head:

   Misc Advance (LC charge paid to bank) Dr

   Misc Adv ST (IGST/CGST/SGST) Dr.

   Cheques & Bills Cr

   The amount of GST paid shall be available for set off against output liability.

8. On issue of Document of Authorization, following accounting entries shall be made:-

   Relevant Expenditure head Misc. Adv. Cr
   Misc. Adv. Cr

   (Clearance of LC charges paid to bank from LC operating charges collected from party GST on incidental charges shall he paid by the party on reverse charge basis)

   Sundry Other Earnings - Cr

   (Amount recovered over and above LC charges paid to Bank)

   Demands Payable/ Misc Advance Cap* Cr.

   (As the case may be- as per letter authorization - *Demands Payable for Revenue and Misc Advance Cap for capital transaction)

   An invoice shall he issued against party for collecting the incidental charges at the time of issue of Document of Authorization.

9. The reimbursement procedure in case of accredited banks selected as Railways' banker will be directly debiting the amount to the government account through scrolls. In case of non-accredited banks, the Accounts Officer concerned while authorizing a non-accredited bank to open LC will send copy of their letter to RBI/ Public Accounts Department / Mumbai and after verification/checks regarding authorization, RBI/ PAD will forward the papers to RBI/ CAS/ Nagpur with appropriate instructions for debiting Govt. account and make reimbursement to the paying bank on demand. After making the payment, the non-accredited bank authorized to open LC will send documents and also Accounts Officer's letter in original to RBI/CAS /Nagpur for debiting Govt account and getting reimbursement. After making payment to the party, the paying bank will also send a copy of the scrolls/documents to the PAO who issued the authorization for opening of LC. A copy of the scroll will also be send to Local Point Branch of the bank for settlement and reporting as per extant system in vogue. The scroll should contain LCDA no. on scroll to facilitate reconciliation. Daily MIS thereof shall also be sent to CRIS.

10. On receipt of debit scrolls /documents, the Accounts Office will conduct necessary checks and debit Demands Payable /Misc. Advance (Cap) by credit to suspense head 8660-PSB Suspense. This suspense will be cleared by the Accounts Officer on receipt of the clearance memo from CAS/Nagpur.

11. The Railways will get confirmation from their Banker once the payment is released to supplier's/contractor's Banker. Acknowledgment will be placed in Purchase Order/Contract file and Contractors ledger and works Register/ Purchase Suspense Ledger will be updated accordingly.

12. It is expected that Railways would see reduction in rates offered in works and supply contract. The impact of release of payment through LC should, therefore, be evaluated after a year and reported to Board for appraisal.

13. Necessary modifications in General Conditions of Contract and IRS condition of contract, relevant Railway Codes will follow. Relevant applications viz IREPS, IPAS including integration with SBI software and protocol thereof are being carried out. Once these modifications are made, this pilot initiative will apply on all Notice inviting Tenders (NIT) of stores/ works/ services for tenders having value of Rs.10 lakh and above, w.e.f. April/ 2018.

Sl.No.6.9.14 Instructions for tenderers on LC mode of Payments. Scheme of Letter of Credit for Domestic Supplies (including all service and maintenance Contracts) tenders, having estimated value of Rs.10 lakhs and above.

a. All Tenders invited by Zonal Railways and Production Units, having estimated value of Rs. 10lakhs and above.
b. The LC will be a sight LC.
c. The bidder, at the time of bidding itself, shall exercise an option, in favour of taking Payment due against the said tender, through LC arrangement, The option so exercised, Shall be an integral part of the bidders offer.
d. Option once exercised shall be final and no change shall be permitted, thereafter, during execution of contract.
e. The incidental cost @0.15% of LC value, towards issue of LC and operation thereof shall be borne by the supplier/contractor and shall be recovered from their bills.
f. State Bank of India through its branches shall be the Banker for Railways for opening domestic letters of credit for ensuing year. The arrangement would cover all such contracts finalized against tender issued during the said period and shall extend till final execution of these contracts.
g. The schedule of payment liability arising in the contract shall be established by the Railways based on the prescribed delivery schedule/stages of supply.
h. The acceptable, agreed upon document for payments to be released under the LC so opened: shall be a Document of Authorization.
i. The supplier/contractor shall submit their bills for completed supply to the bill processing authority mentioned in supply/contract agreement to issue Document of Authorization to enable supplier/contractor to claim the authorized amount from their Banker.
j. Accounts officer responsible for passing the claim will issue the Document of Authorization.
k. The supplier/contractor shall take print out of the Document of Authorization available on IREPS portal and present his claim to his banker(advising bank) for necessary payments as per LC terms and conditions. The claim shall comprise LC Document of Authorization, Bill of Exchange and invoice.
l. The bank shall also recover any amount as may be advised by Railway against the contractor/supplier.
m. The contractor/vendor shall indemnify and save harmless the railway from and against all losses, claims and demands of every nature and description brought or recovered against the Railways by reason of any act or omission of the Contractor/Vendor, his agents or employees, in relation to the letter of Credit(LC). All sums

payable/borne by Railways on this account shall be considered as reasonable compensation and paid by Contractor/vendor.

7. **Inspection Clause**:

(a) Material peculiar to Railways such as parts and fittings of rolling stock except raw material, which have been found rectified during inspection and which could not be rectified, are required to be defaced by the inspecting authority to avoid recycling of such rejected material and to avoid ultimate failures to assets. All such rejected materials peculiar to Railways should be mechanically defaced to prevent sale to Railways again.

(b) (i) Material to be pre-inspected by RDSO or RITES at Railways option, or as stated in this Tender Enquiry. Tenderers are requested to quote, to quote accordingly. At a alter date any request for change in inspection clause will not be considered.

ii)In case the firm fails to offer the material for inspection against call issued to the inspecting agency or if the material have to be re-inspected due to rejection of the material at firms premises by the inspecting agency or due to non-dispatch of material within validity of Inspection Certificate then 50% of the inspection charges applicable for The offered quantity subject to maximum of Rs 5,000/- and actual cost Of the test charges incurred will be paid by the supplier to the inspecting agency.

(iii)Traders/ authorized agents are required to offer material for inspection at manufacturer's premises only.Inspection of materials at Godowns etc will not be accepted.

(c) Final inspection and acceptance of the supplied material will be done by the Consignee after receipt of the material.

(d) The rejected material for exclusive use of Railways will be defaced to ensure that the rejected item are not recycled and supplied to other Railways or purchasers.

7.1. **Statutory Variation Clause**:
Statutory Variation Clause is applicable on all Statutory levies such as Duties, Taxes etc. during the Original Currency of Contract subject to production of documentary evidence.

7.2. The Tenderer should submit Service Tax Registration Certificate indicating Service Tax Registration number (STRN) along with the Tender.

7.3. **Operationalization of Engagement of Third-Party Inspection (TPI) agencies: to be** attached with all the tenders to ensure compliance of Railway Board instruction **as per Annexure –III**

8. **Terms of Delivery**:

(a) Mode of dispatch should be preferably by road.

(b) Suppliers should clearly quote-FOR Conditions i.e. station of dispatch or destination. If firm's offer is FOR Destination then applicable freight charges should be clearly indicated.

(c) Transit Insurance for risk in transit should be arranged by the supplier, since risk in transport in all such cases rests with the supplier.

(d) The firms who offer to dispatch the Stores by Road on FOR Station of Despatch basis, but freight prepaid up to the Destination may seek reimbursement of such freight charges. Such reimbursement shall be made at actual and against documentary evidence within the upper ceiling of Freight charges as indicated by them or Rail freight by Passenger Train whichever is lower. However for evaluation of Offers, it is the quoted Freight which will be considered.

9. **Delivery Schedule:**

(a) The tenderers are to note the Railway's required delivery schedule given in the Tender schedule/ Offer Form and quote accordingly. Vague Delivery terms like 2/ 32 weeks etc must be avoided and if quoted will be taken as commercially unresponsive to railway's requirement.

(b) **Failure and Termination:-**

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

i) 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

ii) 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.

iii) 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

10. **Cartel Formation**:

a) Whenever all or most of the approved firms quote equal rates and cartel formation is suspected, Railways reserves the right to place order on one or more firms with exclusion of the rest without assigning any reason thereof.

b) Firms are expected to quote for a quantity not less than 50% of the tendered quantity. Offers for quantity less than 50% of tendered quantity will be considered unresponsive and liable to be rejected in case Cartel Formation is suspected. Railways however reserve the right to order on one or more firms any quantity.

c) The firms who quote in cartel may be warned that their names are likely to be deleted from list of approved sources.

d) Whenever tender is floated with purchase restriction from sources approved by nominated authorities and there exists a suspected Cartel situation by approved sources or the rates available from approved source/Sources are adjudges unreasonably high, despite fair efforts as permissible, the purchaser reserves the right to place orders on firms outside the approved vendors list, without any restrictions.

11. **Time for making Risk Purchase**:

Whereas this will be governed by the relevant clauses of IRS Conditions of Contract, such Risk Purchase shall be made within 9 months from the date of breach of Contract.

12. **Warranty Bank Guarantee:**

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 enclosed herewith.

13. **Marking of Material Supplied**:

The tenderer should agree to indicate the Manufacture's Name, Month and Year of manufacturing by casting/stamping/etching/embossing, at an appropriate place of each piece supplied, without affecting the functional utility and structural stability of the components/material.

14. **Procurement from Manufacturers authorized agents/ Distributors**:

Only Manufacturers or their authorized dealers/ distributors need to quote with Tender specific authorization from the manufacturers failing which offers are liable to be ignored. Where a manufacturer appoints an agent or a distributor on the basis of a written agreement with him for a specific territory or specific set of items, he shall give an undertaking to the following effect.

1. Inspection by RITES/RDSO at the manufacturing premises of the relevant manufacturer. RITES/RDSO shall categorically confirm in the Inspection Certificate, that inspection of the material has been actually made in the manufacturing premises of the manufacturers and not in the ware house/ godown. Shop of the dealer.

2. Direct dispatch from the premises of the manufacturer to the Railways consignee after inspection and acceptance by RITES/RDSO.

3. Submission of manufacturer's Test and Guarantee Certificate with each lot of supplies.

4. The authorised agents/distributors price will not exceed that which the manufacturer would have quoted.

14(5)(a)(i)In a tender, either the Indian agent on behalf of the /OEM or Principal/OEM itself can bid but both cannot bid simultaneously for the same item/Product in the same tender.

ii)In a tender, if Indian agent on behalf of the Principal/OEM or Principal/OEM bids simultaneously for the same item/product in the same Tender, then both the offers will be considered ineligible and will be Summarily rejected.

b)(i)If an agent submits bid on behalf of the Principal/OEM, the same agent shall not submit a bid on behalf of another Principal/OEM in the same tender for the same item/product.

(iii)If an agent submits bids on behalf of the Principal/OEM and also on behalf Of another Principal/OEM in the same tender for the same item/Product, then Both offers will be considered ineligible and will be summarily rejected.

(c)In view of the above, Manufacturer may note that an agent can represent only One firm in a tender and any manufacture cannot submit more than one offer Against a tender through different sole selling agents or one offer directly and Other offers through sole selling agents, in other words, in a tender, either the Indian agent on behalf of the Principle/OEM or Principal/OEM itself can bid but both cannot bid simultaneously for the same items/product in the same tender. In such a situation all the offers will be rejected. Also a "100% Indian Subsidiary" of the the foreign firm cannot bid through another agent. The Relation between the Principal/OEM & Agent or Indian Subsidiary(100% or Otherwise) should be contractually established and clear.

(d) The above conditions shall apply for all types of Tenders.

(e) The Proforma for Tender specific Authorisation from Manufacturers tobe uploaded as per Annexure-II.

15. **Benefits of MSE/Startups(whether Micro & Small Enterprises(MSEs) or otherwise as per Public Procurement Policy.**

The Public Procurement Policy envisages extending certain benefits / preferential treatment to MSEs and making efforts for development of appropriate vendors and enhancement of their participation in government procurements. In order to avail themselves of such benefits and preferential treatment, the MSEs must be registered with any of the following:-

(i) Udyam Registration.
(ii) Udyog Aadhar Memorandum (valid upto 31.03.2022 or as extended by Ministry of Ministry of Micro, Small & Medium Enterprises)

In pursuance of the Public Procurement Policy on MSE, it has been decided that

(i) Tender sets will be provided free of cost to MSEs registered with the above agencies for the item tendered.

(ii) MSEs registered with the above agencies for the item tendered will be exempted from Payment of Earnest Money.

(iii) In tenders, participating MSEs 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 MSEs can be together ordered upto 25% of the total tendered value.

(iv) a)Quantity reserved for ordering on MSE Vendors under the MSMED Act 2006 has been enchanced to 25% against the existing 20%

b)The sub-target for procrement from MSEs owned by SC/ST shall remain at 4% and for MSEs owned by Women the sub-target shall be 3% out of the total 25%.

(b)(I) MSEs who are interested in availing themselves of these benefits have to enclose with their offer the proof of their being MSE registered with any of the agencies mentioned in the notification of Ministry of MSME as indicated below.

(i) Udyam Registration.
(ii) Udyog Aadhar Memorandum (valid upto 31.03.2022 or as extended by Ministry of Ministry of Micro, Small & Medium Enterprises)

(b) (II) Firm failing to submit the information as indicated in Para **15 (iv)(b)(I)** above, such offers will not be liable for consideration of benefits detailed in Revised FAQs in respect of Public Procurement Policy for MSEs Order,2021 issued/circulated vide Ministry of Micro, Small & Medium Enterprises Office memorandum No.F.No.1(3)/2018-MA.Part-III dtd.27.01.2022.

(c) (i) In exercise of Para 16 of Public Procurement Policy for Micro and Small Enterprises order 2012.the condition of prior turnover and prior experience with respect to Micro and Small Enterprises in all Public Procurement is relaxed subject to meeting of quality and technical specifications.

(ii) Prior turnover and prior experience in Public Procurement to all Startups (whether Micro & Small Enterprises (MSEs) or otherwise) is relaxed, subject to meeting of quality and technical specifications in accordance with the relevant provisions of GFR 2017 or as amended latest

(iii) However, there may be circumstances (like procurement of items related to Public safety, health, critical security, Operation and equipments etc.) where procuring entitles may prefer the vendors to have prior experience rather than giving orders to new entitles. For such procurement, wherever adequate justification exists, the procuring entitles may not relax the criteria of prior experience/turnover for the startups.

16. **Payment through NEFT/RTGS**:

National Electronic Fund Transfer is mandatory from 01-01-2008. No Registration/Renewal of firms will be granted without NEFT system after 01-01-2008. All payments after 01-04-2008 are made only through NEFT/RTGS. Firms have to fill and attach the Mandate form (as per Annexure – B) along with their offers, if not already executed. Purchase Order will not be issued without mandate forms duly filled and attached scanned copy duly signed by the Authorized Representative.

17. **Force Majeure Clause**:

Force Majeure is an event beyond the control of the Supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts and freight embargoes. This should not be used by a party to effectively to escape liability for bad performance.

If there is delay in performance or other failures by the supplier to perform its obligation under the contract due to event of a Force Majeure, the supplier shall not be held responsible for such delays/failures.

If a Force Majeure situation arises, the supplier shall promptly notify the purchaser in writing of such conditions and the cause thereof within 21 days of occurrence of such event with reasonable evidence thereof.

Unless otherwise directed by the Purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

If the performance in whole or in part or any obligation under the contract is prevented or delayed by any reason of Force Majeure for a period exceeding 60 days, either party may at its option terminate the contract without any financial repercussion on either side.

"There may be a Force Majeure situation affecting the purchase organization only. In such a situation the purchase organization will take up with the supplier on similar lines as mentioned above. "

18. **Requirement of BIS Certification for raw Materials:**

If the specification of material used to manufacture the tendered item comes under the mandatory certification of BIS,(the details of mandatory certification are indicated on the Bureau of Indian standards(BIS) website-www.bis.org.in under "Product Certification" _ Mandatory Crtification" the firm will ensure the purchase of material from the sources which are having BIS License and with ISI mark. The necessary related documents will be required to be submitted by the firm if the same is asked for by inspecting agency or any third party. The firm will produce the trail of documents and test certificates to show that the said item has been sourced from BIS license and with ISI mark This will be applicable to individual item and/ or a part in the assembly/ Fabricated item. ISI stamp

should be demonstrated by the vendor/supplier/ Contractor on the item or its salvage, which should be available in vendor"s Premises.

19. **Case where L1 Bidder withdraws:**

If the bidder, whose bid has been found to be the lowest evaluated bid withdraws Or whose bid has been accepted,fails to sign the procurement contract as may be Required, or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, the procuring Entity shall cancel the procurement process. Provided that the Procuring Entity, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may for cogent reasons to be recorded in writing, offer the next successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.

20. **1. Technical Bid and Initial Price Offer:**

i) **Bidder will be simultaneously required to submit a Technical & Commercial Bid and Initial Price offer. Offers found eligible for bulk order shall be categorized as qualified for bulk order for the purpose of RA, offers found eligible for developmental order shall be categorized as Qualified for Development order for the purpose of RA.**

ii) **Offers not complying with essential technical & commercial requirements of the tender shall be declared as Ineligible for any order.**

iii) **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. Extent instructions for tabulation shall apply for tabulation of Initial Price Offers.**

iv) **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.**

v) **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.**

vi) **Bidders not be allowed to withdraw their last offer.**

vii) **The final tabulation statement will include the initial price offer of a firm who has not participated in the RA process.**

2. Financial Bid: Financial Bid shall comprise of Final Price offer obtained through Reverse Auction.

Following conditions and procedure will be followed in selecting the bidders for conduct of Reverse Auction.

(a) Selection of vendors for Reverse Auction for award of bulk ordering in Stores tenders

Number of tenderers Qualified for Award of Contract/Bulk Order	Number of tenderers 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/award of contract (rounded off to next higher integer).	

Note

*** "If the number of tenderers qualified for Bulk Order / Award of Contract is less than 3, RA shall not be done and tender may be decided on the basis of Initial Price Offer(s).**

(b) In case of stores tenders, selection of vendors for Reverse Auction for developmental ordering:

i) Offers qualified for development order, with initial price offer lower than the highest initial price offer of a vendor qualified for bulk order and selected for Reverse Auction after elimination. Shall be allowed to participate in RA.

ii) However, for the items where it is considered essential to also consider the offers for placement of development order, from vendor categorized as qualified for development order whose received rates are higher than the rate applicable for offers categorized as Qualified for bulk order, all bids categorized as qualified for Developmental order shall be allowed to participate in Reverse Auction.

Suitable clause for applicability of one out of these two options for participation/elimination of vendors qualified for Development order shall be mentioned in the tender.

(c) **Maximum time allowed for Reverse Auction, both for bulk ordering or developmental ordering shall be 05 days.**

(d) During Reverse Auction process, bidders shall not be allowed to bid a rate higher than their lowest Initial price offer.

(e) <u>MSE Criteria:</u> All MSEs (Micro & Small Enterprises) found Qualified for Bulk/Development Orders/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in para 20.2 (a) and 20.2(b) above, but are within the range of 15% of lowest Initial Price Offer of the bidder qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Offer. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per Para 20.2 (a) and 20.2(b) above. In this regard, lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order. However, in case all the bidders qualifying for bulk as well as for developmental order (before applying elimination criteria) are within MSE category, this clause shall not apply.

(f) <u>Make in India criteria:</u> All bidders eligible for benefits under Public Procurement Preference to Make in India) Order 2017, found qualified for Bulk/Developmental Order/Award of Contract and are within the specified range of price preference, under the Make in India Policy, of lowest Initial Price offer of the vendor qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price offer. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per para 20.2 (a) and 20.2 (b) above. However, if all the bids qualified for bulk order as well as for developmental order (before applying elimination criteria) also qualify under "Make in India Order, 2017" criteria, this clause shall not apply.

3. **Reverse Auction among bidders categorized as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders. Qualified Bidders shall be able to see both the auction screens i.e. auction screen of Reverse Auction amongst bidders qualified for bulk order and auction screen of Reverse Auction amongst bidders qualified for developmental order. However, bidders shall only be permitted to bid on the respective screens relevant to them as per their qualification. Purchaser shall not be permitted to see any of the auction screens. Purchaser should only be intimated on website**

about the status of Reverse Auction, i.e. when the auction will start/ had started, whether the auction is live or whether the auction has closed

4. **Developmental order upto 20% of NPQ can be placed by Zonal Railways/Pus on eligible vendors, Without waiting for capacity/capability assessment by nominated centralized agency. Capacity/Capability assessment by nominated centralized agency shall be done subsequent to placement of Developmental order, if not already done. In case a developmental order is placed prior to Capability/Capacity assessment by nominated agency developmental order shall be issued with a Condition that the developmental order is subject to outcome of Capacity/Capability assessment.**

5. Quantity to be covered on developmental orders shall be limited to 20% of the net Procurable Quantity. The quantity covered on developmental orders may be within or outside NPQ.

6. After obtaining the final price offers through Reverse Auction, the lowest bid of only those bidders who had participated in the Reverse Auction shall be tabulated and considered for ordering. The offers of bidders which were eliminated from Reverse Auction in terms of Para 20.2 shall be tabulated separately and shall not be considered for any ordering. All the relevant policies at the relevant time shall be applicable.

7) Neither Railway 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.

8) On any issue or area of material concern respecting Reverse Auction not specifically dealt within these Rules, the decision of the Railways shall be final and binding on all concerned.

9) Procedure for conduct and reporting of R.A

1) The tendering authority shall solicit bids through an invitation to the electronic Reverse Auction to be published or communicated in accordance with the provisions similar to e-procurement.

2) Convener of the tender committee shall fix the following on case to case basis, depending upon the nature of item/work/service and complexity of case on hand. These shall be indicated in the tender for e-RA itself.

a) Initial e-RA period: This shall be the initial time interval for 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.

d) Declaration regarding e-RA participation/elimination criteria for vendors categorized as Qualified for Development order for the purpose of e-RA as per clause 20.2(b) of the General Tender conditions and setting the matching option in e-RA application.

3) Date and time for start of e-RA shall be communicated to qualified tenderers by the convener after evaluation of the Technical Bids.

4) After submission of the initial price bid, tenderers will not be allowed to revise the taxes and other levies.

5) During auction period, identities of the participating tenderers will be kept hidden.

6) 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.

7) 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.

8) Railway users can also view the bidding history in chronological order.

9) Bidders not be allowed to withdraw their last offer.

10) L-1 will be defined as the lowest bid obtained after the closure of R.A. session for Goods, Works and Services tenders.

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“HANDLING OF WARRANTY REJECTIONS”

HANDLING OF WARRANTY REJECTIONS CONDITIONS IS SEPARATELY UPLOADED IN IREPS DOCUMENTS.

Special Tender Conditions-Implementation of GST

****

1.0 All the bidders/tenders should ensure that they are GST compliant and their quoted tax structure/rates are as per GST Law.

2.0 1. All vendors should have GST Registration Number.

2. GST Act and Rules are applicable from time to time is applicable.

3.0(A) "In case the successful tenderer is not liable to be registered under CGST/IGST/UTGST/SGST Act, The railway shall deduct the applicable GST from his/ther bills under reverse charge mechanism(RCM) and deposit the same to the concerned tax authority".

(B) Addition to the General Tender Conditions

EVALUATION OF OFFERS UNDER NEW GST REGIME:

1. Purchaser may incorporate HSN number in the tender document. However it shall be the responsiblity of the bidders to quote correct HSN number and corresponding GST rate.

2.i) 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 responsiblity of the bidder to ensure that they quote correct GST rate and HSN number.

ii) Purchaser shall not be responsible for any misclassification of HSN number or incorrect GST rte if quotedby the bidder.

iii) 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 incorporated in the purchase order or billed.

iv) Vendor is informed that she/he would be required to adjust her/his 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.

v) 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 rate and HSN number under SVC.

(C) Payment of GST on production of Documentary Evidence.

GST will be paid on production of documentary proof. All input credits should be passed on to Railways by the supplier. To this effect, the firm should give declaration that all input credits has been passed on to Railways while submitting the bills.

GST Declaration:

i) Onus of correct classification and rate is on the firm.
ii) GST will be paid on production of documentary proof.

iii)The firm shall pass on (as per section 17(1) of CGST/SGST Act) any reduction in tax rate on supply of goods or any benefit of input tax credit to the Railway through a commensurate reduction in price without any undue delay. To the above effect the firm should give declaration that all the benefits accruing on account of change in tax rate and any additional input tax credit (ITC benefit) shall be passed on the Railway.

iv)Any kind of reduction in prices obtained by the supplier due to implementation of GSTis to be passed on to the purchaser as per Anti Profiteering clauses of GST Act at any point of time during the period of the contract.

4.The tenderers in their bids shall indicate the details of their Jurisdictional Assessing Officers (Designation, address & email Id)

5. **Inclusion of IRS Clause 2500:** Code of integrity in Public Procurement in GTC

"Attention is drawn to clause 2500 of IRS conditions of contract attached along with the tender document. Bidders found to have a conflict of interest shall be disqualified. A bidder may be deemed to have a conflict of interest with one or more parties in this bidding process if:

a) They have common controlling partner(s)

b) They have received any direct or indirect subsidy/financial stake from any of them.

c) They share the same legal representative/agent for the purpose of this bid.

d) The bidder participates in more than on bid in this bidding process for the same item/consignee. Participation of bidder through multiple bids for item wise-consignee wise evaluation will result in he disqualification of all bids involving the concerned parties. However, this does not restrict the inclusion of components /sub-assemblies from one bidding manufacturer in multiple bids.

e) In cases of agents quoting in offshore procurement on behalf of their principal manufacturers, one agent cannot represent two manufacturers or quote on their behalf in a particular tender inquiry. One manufacturer can authorize only one agent/dealer. Only one bid may be submitted by either.

1.The manufacturer (OEM) directly or through one Indian agent on its behalf.

2. An Indian/foreign agent on behalf of only one OEM.

f) The bidder or any of its affiliates participated as a consultant in the

preparation of the design or technical specifications of the contract that is the subject of the bid.

g) Multiple bids are received by different bidders from the same IP address for the same item wise-consignee wise evaluation.

Amendment IRS Condition of Contract-Para 2900 :-

Deleted since these clauses have been incorporated in "**Revised Indian Railway Standard(IRS) Conditions of Contract-September 2022 Version 1.0" issued by Railway Board vide** Railway Board Lr.No. 2022/RS/(G)/779/13(E3402809)dt.21.09.2022**.**

Annexure -A

PROFORMA FOR WARRANTY GUARANTEE BOND

To
THE PRESIDENT OF INDIA
Acting through the Controller of Stores,
South Central Railway,
6th Floor, Rail Nilayam,
Secunderabad-500071

Sub: Guarantee No----------for----------(Amount) Covering Machine(s) Serial No----------supplied to (Consignee/s) ---------- Ref: Contract No----------dated----------Placed on M/ s ----------

1. WHEREAS M/s ---------- one of our constituents, hereinafter called the "Sellers" have agreed to sell to you (hereinafter referred to as the " Government") ------ --------Nos. of ---------- (give description) as per contract No ---------- dated --- ---------- (hereinafter called "the said contract").

2. AND WHEREAS according to the terms of said contract, it has been stipulated that payment of 10 per cent of the value of the stores would be made, provided that the Sellers furnish to the Purchaser a Bank Guarantee from a recognized Bank, acceptable to the Purchaser for 10 per cent of the value of the said contract, valid for a period covering in full the Guarantee Period as per the Warranty clause of the said conditions of the contract, being the conditions attached to and forming part of the said contract.

3. AND WHEREAS the Sellers have approached us to give the said Bank Guarantee on their behalf in your favor for an amount representing 10 percent of the value of the contract which you have agreed to accept.

4. That in consideration of the promises and at the request, of the said Sellers, we hereby irrevocably undertake and guarantee to pay to the Government of India or at such other place as may be determined by you forthwith on demand and without any demur, any sum

upto a maximum amount of ----------(Rs. --------- -) representing 10 per cent of the value of the Stores dispatched under the said contract in case the Sellers make default in paying the said sum or make any default in the performance observance or discharge of the guarantee contained in the said contract.

5. We agree that the decision of the Government whether any default has occurred or has been committed by the Sellers in the performance, observance or discharge of the guarantee aforesaid shall be, conclusive and binding on us.

6. Government shall be at liberty, from time-to-time, to grant or allow extension of time or give other indulgence to the said Sellers or to modify the terms and conditions of the contract with the said Sellers without affecting or impairing this guarantee or our liability hereunder.

7. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Sellers in any suit or proceeding pending before any Court or Tribunal relating there to our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge to our liability for payment there under and the Sellers shall have no claim against us for making such payment.

8. This Bank guarantee comes in to force when the balance ten percent of the value of the stores shipped per Vessel ---------- vide Bill of Lading No. ---------- dated ---------- or R/ R No.---------- dated ---------- (in the case of indigenous contracts) under the said contract, has been paid and will remain in full force and effect up to ---------- i.e. for ------months counted from the date of placing the stores in services, and shall continue to be enforceable for further six months i e. upto ---------- (date), hereinafter called the said date.

9. This guarantee will not be discharged due to the change in the constitution of the Bank or the Sellers

10. That no claim under this guarantee shall be entertained by us unless the same has been preferred by the Government within the said date.

Date ----------Signature----------
Place ----------Printed Name ----------
Witness ---------- (Designation)
(Banks common Seal)

Annexure-I

LC/DA NO.----------
Dt._____

DOCUMENT OF AUTHORIZATION

1. It is certified that Work job assigned in Contract No…… Dated……under Inland Letter of Credit No…….

Dated…….

Or

Goods received/Works order completed Stage-Phase 1/2/3/4/5.

2. The beneficiary of Letter of Credit M/s……is entitled to Receive payment aggregating INR…… out of a total LC amount of INR…….against the first/second* commercial Invoice No_____dated _____for INR raised against the above contract on the strength of this certificate.

3. PAYMENTS ALREADY MADE:
   1. Invoice No.
   2. Invoice No.
   3. so on Total
   4. THIS PAYMENT:
5. LC BALANCE AFTER THIS PAYMENT.

Signature & seal of Applicant

(Railway Authority)

*As applicable

ANNEXURE - II

This letter of Authority should be on the Letter - Head of the manufacturing business concern and should be signed by a person competent and having the power of attorney to bind the Manufacturer.

PROFORMA FOR TENDER SPECIFIC AUTHORISATION FROM MANUFACTURERS

Ref No: _____ Date: _____

To,
THE PRESIDENT OF INDIA, acting through
THE PRINCIPAL CHIEF MATERIALS MANAGER,
SOUTH CENTRAL RAILWAY,
MINISTRY OF RAILWAYS,
SECUNDERABAD 500071, TELANGANA

Dear Sir,

Subject: South Central Railway e - tender no._____ due on_____ For supply of _____
****

We, _____ (full address with PAN number) established Manufacturer of _____ having factory / factories

at _____ do hereby authorize M/s. _____(Company's name, full address with PAN number) to represent us, to bid, negotiate and conclude the contract on our behalf with you against your the subject tender. _____

It is also confirmed that:

a) No Company /Firm or individual other than M/s. _____ is authorized to represent us in regard to this business against this specific tender.
b) Inspection by RITES/RDSO/Consignee/your authorized representative will be allowed at our manufacturing premises and not in the ware house /godown shop of the Dealer.
c) Inspected and accepted material will be directly despatched from our manufacturing premises to Consignees of South Central Railway.
d) We stand guarantee for the material supplied against each lot of supply.
e) We stand guarantee for successful execution of the Contract.

Yours faithfully,
(Signature, Name & Designation)
For and on behalf of M/s._____
(Name and address of the Manufacturer)

Annexure-III

Special Conditions to be incorporated in tender as special condition for inspection-

1. Attention of Tenderers/Bidders is invited to IRS conditions of contracts, which are the governing conditions of contract. Particular attention is invited to IRS conditions 0701, 1301 (a), 1301 (b) and 1301 (c), 1302 to 1309, 3400 to 3402.

2. In terms of IRS conditions of contract, following specific provisions shall apply in cases of supply of pre-inspected goods through empanelled TPI agencies:

2.1. Unless otherwise stated in the tender schedule, goods procured are required to be pre-inspected before dispatch by the Third Party Inspection (TPI) Agency appointed by Railways at its sole discretion. The TPI Agency appointed shall be indicated in the Purchase Order. It is agreed that Railway's right to appoint TPI Agency of its choice is absolute. Railway also reserves the right to change the TPI Agency at any time through issue of modification advice against the Purchase Order.

2.2 Online inspection call shall be placed by the Supplier on IREPS after the Goods are ready for inspection.

2.3. In Purchase Orders requiring Stage Inspection, Suppliers shall place online inspection call for a particular stage after achieving readiness required at that stage duly mentioning the stage number. The Inspection for a particular stage shall be initiated only after Inspection has been carried out for all the previous stages, as may be applicable.

2.4. The Third Party Inspection Agency appointed by Railways shall examine the online inspection call and may, within 48 hrs (excluding national holidays), seek additional information, if any, from the Supplier. The Supplier shall within one calendar day (excluding Sundays and national holidays) furnish the required information/documents to the TPI Agency to enable them to register inspection call. In case of incomplete information even after providing opportunity to Supplier to furnish information, the call shall not be registered and Supplier shall be advised of observations through the online system to address the observations and place fresh inspection call. The inspection call may also be rejected by TPI Agency if sufficient time for carrying out the inspection and release of IC before end of delivery period is not available.

2.5. Supplier shall be allowed to withdraw inspection call placed, without any cost, before the inspection call has been registered by the Third-Party Inspection Agency. Once the inspection has been scheduled by the TPI Agency, withdrawal of inspection call shall not be permitted.

2.6. Inspection fee/charges will be paid directly by Railways to Third Party Inspection Agencies.

2.7. However, charges/expenses specifically provided for in IRS Conditions of Contract, particularly in Para 1304, 1305, 1306 and 1400 of IRS conditions of contract, shall be borne by the Supplier.

2.8 Inspection charges paid or due to be paid by Railways to the TPI Agency shall be recovered from Suppliers in following cases:

2.8.1. In case of rejection of Goods during the pre-despatch inspection (including stage inspection rejection) by Third Party Inspecting Agency, the charges recovered shall be equal to inspection charges payable to inspecting agency as specified in Para 2.8.4 below.

2.8.2. When the Authorized Inspector of Third-Party Inspection Agency, on visit to Supplier premises for inspection, finds that Goods offered are not yet ready for inspection, Inspection call shall be cancelled by Authorized inspector by issuing call cancellation certificate. Similarly, in case of Stage Inspection, when the Authorized Inspector of Third Party Inspection Agency, on visit to Supplier premises for inspection, finds that readiness for Stage Inspection to be conducted has not been achieved, Inspection call shall be cancelled by Authorized inspector by issuing call cancellation certificate for Stage Inspection. The Call Cancellation Charges shall be recovered from Supplier as specified in para 2.8.4 below.

2.8.3. Inspection Certificate revalidation or re-inspection: If the Supplier fails to deliver the pre-inspected Goods as per the terms of the purchase order within the validity period of Inspection Acceptance Certificate, the TPI Agency, on request of Supplier, may, based on the merits of the case, decide to either re-validate the Inspection Acceptance Certificate or re-inspect the Goods against fresh inspection call to be placed by the Supplier. Decision of the TPI agency in this respect shall be binding on the supplier. In such cases, the revalidation or re-inspection charges (as applicable) to be recovered from Supplier shall be as specified in para 2.8.4 below.

2.8.4. To summarize, following charges shall be recovered from Supplier

Situation	**Charges to be recovered from Supplier (plus GST extra)**
At the time of physical visit call is cancelled due to: Goods are not ready for inspection OR Goods, raw materials, components or sub components, as the case may be, are not yet ready for inspection, in cases involving Stage inspection (Call Cancellation through issue of Call Cancellation Certificate)	Y/2, subject to a maximum of Rs 11000/-
Goods, raw materials, components or sub components, as the case may be, rejected in Stage Inspection excluding the final Stage, in cases involving stage Y inspection	Y
Goods rejected in final Stage, in cases involving stage inspection	2Y

Goods rejected in inspection, in cases without stage inspection	Y
Inspection Certificate revalidation or reinspection	Scenario-1: Rs. 5000 or full inspection charges, whichever is lower for revalidation of inspection certificate. Scnerio-2: In case re-inspection is done afresh, inspection charges to be recovered from Vendor shall be "Y"

Where, Y = X/100 of total value of Goods inspected as per Purchase Order, Where X is the percentage inspection charges of the concerned PO Value slab for Product Inspection.

3. Applicable inspection charges in percentage of PO value and slab-wise is as under for information of Suppliers:

PO Value Slab	Inspection charges (X)
From Rs. 5 lakhs upto 1 Cr	0.5220 % + GST extra
Above Rs. 1 Cr up to 25 Cr	0.116 % +GST extra
Above Rs. 25 Cr up to 100 Cr	0.053 % +GST extra
Above Rs. 100 Cr up to 500 Cr	0.035 % + GST extra

Note-1: Purchase Order Value for the purpose of calculating the inspection charges shall mean total value of Goods ordered specifically indicated in the Purchase Order as total order value, and includes freight, packing, forwarding, taxes and duties etc. used in arriving at total order value but excludes any components or items not included specifically in calculation of total order value. The inspection charges shall be calculated using Value of Goods Inspected based percentage charges and GST applicable on inspection charges for the corresponding PO Value Slab. For avoidance of doubt and as an illustration, if the PO Value for 100 Nos of Item A is Rs. 50 Lakhs and a lot consisting of 25 nos. is offered for inspection. The inspection charges for the lot being inspected shall be = (0.5220/100)x(25/100)x50,00,000 = Rs. 6525 only+ GST Extra.

Note-2: For inspection of Goods by Third Party Inspection Agency where Purchase Order value is below Rs. 5 lakh, the inspection charges in such cases will be those applicable for PO valuing Rs. 5 Lakhs.

Note-3: For inspection of Goods by Third Party Inspection Agency where Purchase Order value is above Rs 500 Cr, the inspection charges in such cases will be fixed separately by the purchaser subject to maximum of 0.035 % + GST extra

4. When pre-inspected Goods get rejected at consignee end joint inspection will be held as per procedure below. Moreover, in case of rejection of Goods on Joint Inspection, the replacement supply against the rejected lot of Goods shall normally be inspected by the same Third Party Inspection Agency, which inspected and passed the original supply, unless purchaser under special circumstances decides to get the lot inspected by some

other inspection agency/consignee and decision of purchaser in this respect shall be binding on supplier.

5. Procedure for Joint Inspection:

(i) If Goods, pre-inspected by TPI Agency, gets rejected at consignee end after receipt by consignee, the material rejection advice/rejection memo will be sent by consignee through online system to all concerned i.e. Vendor, TPI Agency, Procuring Entity and Paying Authority and to such others as required.

(ii) Before rejected goods are returned to the supplier, the consignee after or at the time of issue of rejection advice, at his discretion, shall call for a Joint Inspection between consignee, Vendor and TPI Agency. Such Joint Inspection shall be conducted at a place as mentioned in the notice for Joint Inspection.

(iii) The joint inspection is to be carried out by the consignee with the representatives of the inspecting agency

(iv) In case where either the firm or the representative of inspecting authority do not turn up for Joint Inspection, Joint Inspection shall be done with whosoever of the two is available. In case neither firm nor inspection agency attend, consignees' decision to accept or reject such goods shall be final and binding.

(v) A Joint Inspection report shall be signed by the Party (ies) attending the Joint Inspection. Failure to attend Joint Inspection shall not be an excuse to dispute the findings of Joint Inspection.

(vi) Irrespective of the outcome of Joint Inspection, the TPI Agency will not be entitled for any fee or charges, whatsoever, for attending such Joint Inspection. In case of rejection of Goods on Joint Inspection, the TPI Agency shall not be entitled for inspection charges for the quantity of Goods rejected. The inspection charges, if and to the extent already paid, shall be recovered from the TPI Agency.

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INSTRUCTIONS TO TENDERERS FOR E-TENDERS **Dt. 12.02.2025**

NOTE:
1) Tenderers are required to refer to the General Tender Conditions.

2) These conditions will be applicable for Tenders published on or after the date of uploading of new/revised conditions

1.0. Bid Submission

a) E-bid along with the relevant documents must be uploaded and digitally signed with the digital signature of the pre-authorized personnel of the tenderer already registered with the IREPS web site. Digital signature used must be “Class III B with Company Name” obtained from G.O.I. approved Certifying Authority.

b) Firms are advised to ensure that address furnished by them for getting digital signature from accredited agencies are same as that furnished to and available with the centralized source approving authorities such as RDSO/CLW/DLW/ICF etc. They are further advised that while registering themselves in the IREPS website for participation in E-procurement system, the same address as above is filled up, to avoid any vitiation of information and consequent impairment in their credentials

c) Tenderers must look out for NIT as soon as it is available in IREPS website and upload their offer well in advance without waiting for closing date and time, to avoid last minute hassles in their own computer system or communication line. South Central Railway is not responsible for non-participation of vendors due to any technical problems on the day of tender closing time.

d) Only bids received in the Electronic tender box available on the web site www.ireps.gov.in will be considered.

e) The e-procurement system does not permit submission of any offer after the closing date and time of that e-Tender. Hence there is no scope of any Late / Delayed offers in the online bidding process.

1.1. All mandatory fields marked with (*) have to be filled in by the bidders.

2.0. Please read carefully Instructions to tenderers, IRS Conditions of Contract, General Tender Conditions, E-Tender guidelines and Special Conditions of Contract available on S.C.Railway page on the web site www.ireps.gov.in

3.0. Your digital signature on the E-Tender form will be considered as your confirmation that you have read and accepted all the conditions laid down in the documents referred in para 2.0 above as well as schedule of tender, consisting of techno-commercial offer form (including special conditions attached to E-Tender) and Financial offer form, unless specific deviation is quoted in the techno commercial offer form.

4.0. Tenderers can download E-Tender form only after payment of tender document cost either online through payment gateway facility provided on the web site or after submitting the details of tender document cost paid offline in the form of Demand Draft,

Signature Not Verified
Digitally signed by P B RAM KUMAR
Date: 2025.02.12 16:51:29 IST
Reason: IREPS-CRIS
Location: New Delhi

Cash Receipt (for payment made to Chief Cashier of the Railway/ Production Unit) etc. The tenderers exempted for deposit of tender document cost have to declare the same specifying the clause under which they are exempted. They must upload a scanned copy of relevant document (such as MSE certificate) in support of their claim.

5.0. E-Tender document consists of

i. Instructions to Tenderers for E-Tenders
ii. General Tender Conditions
iii. IRS Conditions of Contract
iv. Special Conditions of Contract
v. Techno-commercial Offer Form Including Attached Documents, if Any.
vi. Financial Offer Form

6.0. 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 rejected summarily without any consideration.

7.0. Railways have started making payments through NEFT system for quick money transfer to the tenderers account.

i. Tenderers must give their consent in the mandate form provided at Annexure 'B' of General Tender Conditions, for receipt of payment through NEFT.

ii. In case of non-payment through NEFT or where NEFT facility is not available payment will be released through cheque.

8.0. 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:

i. Authorization letter from OEM in case of an agent.
ii. Documents in support of proven supply performance uploading copies of I/Cs, R/Notes and P.Os etc..
iii. Manufacturing capacity and details of technical & non-technical man power employed by the vendor.
iv. Details of machinery and plant in their manufacturing unit.
v. Quality assurance plan (QAP) and details of testing equipments including details of technical man power engaged in testing of inward and outward material.

9.0. E-Tender form is not transferable and the same is to be submitted with digital signature of the pre- authorized personnel of the vendor, already registered with the site.

10.0. The Application does not permit submission of any offer after closing date & time of the e tender. Hence there is no scope of any late or delayed offer in the online bidding process.

11.0. All the mandatory fields of the Techno-commercial Offer Form and Financial Offer Form (i.e. Rate page) including basic rate, all taxes & duties (including maximum percentage of Sales Tax/VAT, and E.D, or any other taxes/duties which may become applicable

during the currency of Contract), freight and any other charges have to be filled up by the vendor. The unit of rate shall be as indicated in the tender schedule and cannot be changed or altered by the vender. All-inclusive rates on FOR destination basis shall be automatically calculated by the system and shown to the vendor before submission of offer.

12.0. Nil.

13.0. **EARNEST MONEY DEPOSIT (EMD) FOR STORES TENDERS:**

13.1 EMD amount shall be mentioned in all tenders irrespective of the nature of the tender as per the EMD amount mentioned in **clause 13.2** below or as decided by the purchaser under the policy. There shall be no exemption from submission of EMD for any tender or by any tenderer, subject to provisions under ***clause 14.6*** below, except following:

a) EMD shall normally not be called against limited tenders with estimated value upto Rs.25 lakhs (including single tenders, global limited tenders).

If considered necessary, authority competent to issue tender may incorporate the condition to call for EMD even in such limited tenders, on case-to-case basis.

b) Micro and Small Enterprises (MSEs) registered for the tendered item in terms of Railway Board's letter No. 2010/RS(G)/363/1 dated 05.07.2012

c) Other Railways and Government Departments in terms of Railway Board's 2004/RS(G)/779/11 dated 24.07.2007

d) Indian Ordnance Factories in terms of Railway Board's letter No. 92/RS(G)/363/1 dated 08.04.1993.

e) PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them in terms of Railway Board's letter No. 2003/RS(G)/779/5 dated10.09.2004.

f) Vendors registered with Railways for the trade group of the item tendered.

g) Vendors appearing on the approved vendor lists of RDSO/PUS/CORE (As available on IREPS/UVAM), subject to approval status being valid on the date of tender closing.

h) Vendors registered with Railways for supply of medicine, medical equipment and consumables shall be exempted from submission of EMD for these items.

i) 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.

Ref:2004/RS(G)/779/11 Pt. dated:23.12.2019

NOTE: ***There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are disqualified as per declaration signed by them.***

13.2 The amount of EMD shall be as under:

Estimated value of Tender	EMD(round off to nearest higher Rs.10(ten)
Above Rs.25lakh and upto Rs.50 Crore	@2% of the estimated value of the tender subject to maximum of Rs.20 Lakhs
Above Rs. 50 Crore	Rs.50 lakhs

13.3 Offers submitted without EMD shall be summarily rejected.

Ref: 2004/RS(G)779/11 Pt.dated 23.12.2019.

13.4 In exceptional cases exemption from seeking EMD shall be decided prior to issue of tender and suitably incorporated in tender conditions. Exemption shall require personal approval of the authority, on case-to-case basis, competent to issue the tender based on estimated value thereof, but not below the SAG level including SAG officers in the field units namely CMM, ADRM, CWM, CAO, CPM.

Ref:2004/RS(G)779/11 Pt. dated 23.12.2019

13.5 All the tenderers have to select the bid security declaration in the **UNDERTAKING** column while publishing the tender as follows.

"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.

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. 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 Railway Published during this Period". **Ref: 2004/RS(G)/779/11Pt. dated: 23.12.2019**.

a) This para shall be not be applicable for Govt. Departments/Ordnance Factories / other Railways/Railway PSUs/KVIC/ACASH and matter shall be taken up with them Departmentally /Administratively.

13.6 **FORFEITURE OF EARNEST MONEY:**

Railways have the Right to forfeit the Earnest Money Deposit if the tenderer withdraws or revises his offer within the offer validity period.

13.7 Automatic Release of EMD Wherever is due:

i) EMD shall be refunded when any one of the following conditions is satisfied.

a) After finalization of tender the bidder is an unsuccessful bidder.

b) Validity of Offer expires and validity extension is not sought.

c) Validity of offer expires and bidder refuses to extend validity of offer.

d) After finalization of the tender successful bidder submits required SD.

e) After finalization of the first stage, i.e., technical evaluation in case of two stage or two packet tenders (including e-RA), if the bidder is declared unsuccessful or unsuitable

ii) EMD of bidders or tenderers shall be released immediately after it is due for release as per above criterion. The Purchaser may initiate the process of release just after the EMD is due for release.

iii) System for online release of EMD has been rolled out by CRIS. Automatic release of EMD of unsuccessful tenderers should be ensured.

Ref:2004RS(G)779/11Pt. dated 23.12.2019 (excluding point-e)

Ref: For Para-'e" above:2005/RS(g)709/3 dated:21.01.2025

13.8: The bidders will be allowed to **UPDATE THE BANK DETAILS ONLY** under the following circumstances:

i. The tendering authority has not yet generated the digital pay order for release of EMD/TDC to the firm, against the tender,

ii. The digital pay order generated against the bidder against the tender has been returned by accounts for any reason whatsoever and same has not been resubmitted to IPAS for payment.

The modified bank details submitted by the bidder shall also be incorporated in all the subsequent purchase orders issued through IMMS/IREPS in the name of the bidder against that tender, subject to the condition that the draft purchase order preparation has been initiated after submission of modified bank details by the bidder.

Ref: 2020/RS(M)Paperless working dated. 04.05.2020

14.0 SECURITY DEPOSIT (SD) / PERFORMANCE SECURITY FOR STORES CONTRACTS

14.1 There shall be no exemption from submission of Security Deposit (SD) for any tender or by any tenderer except following:

a) The Store contract cases of value upto Rs.25 (Twenty-Five) lakhs.

b) Other Railways and Government Departments in terms of Railway board letter No. 2004/RS(G)/779/11 dt.24.07.2007.

c) Indian Ordinance Factories in terms of Railway board letter No.92/RSS(G)/363 /1 dt.08.04.1993.

d) PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them in terms of Railway board letter No 2003/RS9G)779/5 dt.10.09.2004.

e) 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.

f) Vendors registered with Railways for the trade group of the item tendered shall be exempted from SD for orders valued upto their monitory limit of registration.

g) Vendors appearing on the approved vendor lists of RDSO/Pus/CORE (As available on IREPS/UVAM), subject to approval status being valid on the date of tender closing.

h) Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of SD for these items.

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.

(Ref) (i) For Point Nos(b)(c)&(d)as per Rly Bd Lr.No. Rly Bd Lr.No.2018/Trans Cell/Stores Procurement dt.02.01.2019.
ii) For Point No(a) e to h as per Rly Bd.Lr.No.2004/RS(G)779/11Pt. Dt.23.12.2019

NOTE: ***There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are disqualified as per declaration signed by them.***

14.2 AMOUNT OF SECURITY DEPOSIT:

(i)a)

Contract Value	SD(rounded off to nearest higher Rs.10(Ten)
Above Rs.25 Lakh and upto Rs.50cr	@5% of contract value subject to Max.Rs.50 lakh
Above Rs.50 cr	Rs.1 cr

Ref: As per Rly Bd Lr.No.2004/RS(G)/779/11 Pt.23.12.2019

b) Railways are permitted to raise the upper sealing of SD upto 5% of the contract value in high value cases(above Rs.10crs)

(Ref:Rly Bd Lr.No.2020/RS(G)779/16 Dt.27.02.2024)

14.3 Security Deposit(SD) should remain valid for a period of 60 days, beyond the date of completion of all the contractual obligations

Ref: Rly Bd Lr. NO.2018/Trans Cell/Stores Procurement dt. 02.01.2019

14.4. **Time for deposit of SD:**

i) SD from successful tenderer should be received in purchase office within 21 days from the date of communication of acceptance with respect to the purchaser.

(ii) Authority competent to condone delay in submission of SD shall be SAG for cases upto acceptance power of SAG. PHOD/ CHOD shall have full power for such condonation. Condonation shall be on case-to-case basis.

***(Ref:-** Rly Bd Lr.No.2004/RS(G)/779/11Pt. Dt. 23.12.2019)*

14.5. 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 view of the fact that in most of the cases, EMD amount would be adequate to meet the 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 stipulated time, then EMD **shall be forfeited** and case will be dealt with as that of withdrawal of offer by the tenderer as per extant instructions. This will resolve the problem faced by purchaser to great extent due to intentional delay in submission of SD by successful tenderer(s).

(Ref: Rly Bd Lr.No.2018/Trans Cell/Stores Procurement dt. 02.01.2019)

14.6(A) (i) There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are disqualified as per declaration signed by them.

(ii) Authority competent to approve the disqualification shall be the tender accepting authority not below the level of SAG Including SAG officers in the field units namely CMM, ADRM, CWM, CAO, CPM, subject to PHOD/CHOD having full powers to approve disqualification.

(iii) The disqualification procedure and all correspondence thereof shall be online and digital. Updation on IREPS shall be done by minimum JAG level officer dealing with vendor registration in the Railway.

(iv) This para shall not be applicable for Govt. Departments/ordnance factories other Railways/RailwayPSUs/KVIC/ACASH and matter shall be taken up with them departmentally /administratively.

(B) 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 out standing against the vendor and dealt with accordingly.
***(Ref:-** Rly Bd Lr.No.2004/RS(G)/779/11Pt. Dt. 23.12.2019)*

14.7 Purchaser should ensure that the contracts are worded so as to conclude severable contracts for each lot. In case of failure by contractor to meet deliveries for any lot, Railways may cancel the contract for defaulted part by forfeiting SD commensurate to that lot. Authority available to Consignee/Depot Officer vide Para 27 & 28 of Railway Board's letter no. 88/RS(G)/779/14 Pt. dated 06.01.2017 shall continue

(Ref: Rly Bd Lr.No. 2018/Trans Cell/Stores Procurement dt. 02.01.2019)

14.8 Risk Purchase Clause shall not be applicable.
(Ref: Rly Bd Lr.No.2004/RS(G)779/11 Pt.Dt.23.12.2019)

14.9 In exceptional cases exemption from seeking SD shall be decided prior to issue of tender (including global tenders) and suitably incorporated in tender conditions. Exemption shall require personal approval of the authority, on case to case basis, competent to issue the tender based on estimated value thereof, but not below the SAG level including SAG officers in the field units namely CMM, ADRM, CWM, CAO, CPM.

(Ref:2004/RS(G)779/11 Pt.23.12.2019)

15.0 **Security deposit is to be paid in any of the manner prescribed below:**

i. Government securities at 5 percent below the market value.

ii. Deposit Receipts, Pay Orders, Demand Drafts and Guarantee Bonds (as per annexure ‘A’) of the State Bank of India or any of the Nationalized Bank.

iii Deposit Receipts, Pay Orders, Demand Drafts and Guarantee Bonds (as per annexure ‘A’) issued by any Scheduled Commercial Bank.

iv. Deposit Receipts of the Post Office Saving Bank.

v. The Bond of Indian Railway Finance Corporation (in case of bonds issued under non-cumulative interest scheme, postdated interest warrants should be submitted along with the bonds and the interest warrants could be given back as and when the interest becomes due) and KRCL Bonds of Rs.1000 each. Payment of Security Deposit and Earnest Money in the form of Pay Order/Demand Draft should be drawn in favor of FA&CAO only.

vi. If the SD is submitted in the form of Bank Guarantees, the Bank Guarantee for SD should be submitted in the prescribed format. No other format will be acceptable. If SD is submitted under structured Financial Management system (SFMS) the Bank account details of South Central Railway are as following:

Name of the Bank	State Bank Of India
Place	Himmatnagar/Secunderabad
Account Number	62337131167
Bank Code	SBIN
IFSC Code	SBIN0020244
Name of the Railway Account	FA&CAO/SC01

*(*This account is to be operated for HEADQUARTERS UNITS ONLY)

The Bank Guarantees are to be sent directly by the Bank to the Principal Chief Material Manager, Stores Department, 6th floor, Rail Nilayam, Secunderabad-71 in Bank"s letter head only and no other formats of BG submitted by the firm will be entertained.

- **Bank Guarantee should be submit as per Annexure-A**

16.0 **DRAWINGS AND SPECIFICATIONS**:

16.1 Unless Drawings and Specifications as mentioned in the tender schedule/enquiry/offer form 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:

i. Specification/STR/Drawing of RDSO/ICF/DLW/CLW/CORE etc may be obtained from the concerned authorities who have issued these, on payment.

ii. Drawings and Specifications framed by Railways may be obtained from the office of the purchaser such as Controller of Stores, Principal Chief Engineer etc. However, in these cases, the tenderers shall have to:

a) Produce the documentary evidence for having paid the cost of tender documents by them unless they are provided with these documents free of cost because of their entitlement/eligibility. In the later case, the tenderer will have to produce documentary evidence that they have been provided tender documents free.

b) For such tenderers who download the tender documents, they have to produce the proof of such download while asking for such drawings and specifications.

16.2 If any tenderer happen to quote with their own Drawing No./ Part No./ Specification, then, they shall have to, necessarily, scan and upload all the requisite documents and information in support of their offer being in conformity with the tender Drawing / Specification. Furthermore, copies of such drawings / specifications / catalogue are also to be uploaded, failing which the officer will be rejected.

17.0 TENDER OPENING:

No Vendor shall be required to be present in the Railways office for any E-Tender opening process. They can obtain totally transparent bid tabulation statement by logging on to the website.

Railway does not guarantee opening of tenders at the specified Date and Time due to reasons beyond control and hence tenders can be opened after due date and time also. It will, however, be ensured that no bids are submitted after tender closing Date and Time. Vendors cannot submit any offer or attach any file after the due date and time as stipulated under the tender notice.

18.0 Documents to be attached/uploaded along with E-Bid:

Scanned copy of following documents should be uploaded along with E-Bid.

(i) Performance statement against Railways Orders for supply of same or similar items. Correct status/supply position of pending orders if any should be invariably indicated. Supporting documents are to be uploaded.

(ii) Supply/purchase orders including inspection certificate issued by RDSO/RITES and Receipt. Note to substantiate their past performance.

(iii) Details of Machinery and Plant, other equipments, testing facilities, quality management/ control systems and details of technical manpower available.

(iv) Letter of approval from RDSO/ Railways indicating current validity and approval of their QAP by RDSO, wherever necessary.

(v) Tenderers should also indicate their registration number with the Concerned Railway with monetary limit, trade groups for which registered and validity date of registration.

(vi) MSE Certificate, if Registered with MSEs for the Tendered item (s).

(vii) Proof for having paid EMD or grounds in favour of exemption/waiver, details of which has been submitted by the tenderer in payment detail page of E-Tender. E-Bid along with above documents must be uploaded and signed by the authorized user of the firm using his Digital Signature Certificate.

I. APPLICABLE ONLY FOR ITEMS WHICH ARE NOT COVERED BY GST:

19.0 TAXES AND DUTIES:

Each vendor must fill and submit the Financial Offer Form i.e. Rate form, as available with e-tender,encrypt his offer on his client machine with the secure encryption key available with the tender and digitally sign using his Digital Signature Certificate.

19.1 Tenderers should clearly indicate separately ex-works basic price, packing charges, forwarding charges, Maximum applicable percentage of Excise Duty, Educational Cess, Sales Tax/VAT and Freight charges upto destination, in the respective field of the Financial Offer Form for each unit tendered. Duties and Taxes are not payable on freight charges and forwarding charges. Therefore, if the tenderer happens to quote a composite rate, due break-up is to be given showing freight and forwarding charges separately in the field of the Financial Offer Form.

19.2 Tenderers are required to quote 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.

DENIAL CLAUSE:
Supplier will not be entitled to any benefit of upward Statutory Variations in ED & Taxes announced after expiry of the original Delivery Period as per Purchase Order.

20.0 Excise Duty:

20.1 Tenderers are requested to refrain from quoting vague terms like "Excise Duty as applicable". They will have to clearly quote the percentage ED extra as applicable. If quoted rate is inclusive of ED or the item is not dutiable, the tenderer must use the drop down option in the Excise Duty type and select appropriate option such as "Inclusive" or "Nil" or "Not applicable". If it is not done so, then, the offer will be taken as inclusive of ED at the highest rate obtained in the tender batch. General phrases as "Excise duty extra as applicable" shall not be accepted. Please mention clearly if excise duty is applicable on the tendered item or not. If Excise Duty (ED) is being charged extra, then the tenderers should clearly indicate the maximum percentage of statutory ED as will be applicable during currency of contract for the tendered stores in the appropriate field of the Financial Offer Form. If concessional ED is applicable at the time of submitting offers and the tenderer wish actual ED at the time of supply should be reimbursed, then they should clearly quote with maximum percentage of statutory ED that can become applicable later based on Turn Over. Tenders will be evaluated on the basis of maximum rate of statutory ED which may become applicable, and not the concessional rate of ED. However, ED will be reimbursed at actual (on production of documentary evidence of payment of ED) and within the upper ceiling of the maximum ED rate considered for evaluation purpose.
If ED is not claimed in the offer and no mention is made about Excise duty, then no ED will be payable. If ED is claimed in the offer with exact rate and no statutory variation is also claimed by the firm in the offer, then the same will be considered duly evaluating the offers with exact rate of ED.

In no case the variation in ED (beyond the statutory maximum rate of ED applicable at the time of submission of offer) due to increase in turnover during the currency of contract will be admissible unless specifically mentioned in the offer. If tenderer misclassifies the goods under relevant excise tariff rules, the Railway will not pay increased Excise Duty due to such misclassification. ED will be paid subject to documentary evidence and government notifications only.

20.2 Payment of ED and Excise Duty -MODVAT Rules.
The claim for ED on each bill should be supported by the following certificates.

(i) The rate of ED is advalorem. The ED at present legally leviable in this case is Rs. i.e. on Rs. being the unit value of the Stores assessed by the concerned authority of the Excise Department.

(ii) Certified that the ED charged on this bill is not more than that is legally leviable and payable under the provision of the relevant act or rules made there under.

(iii) Certified that the amount of Rs. claimed as ED in this bill is in accordance with the provision of the rules in all respects and the same has been actually paid to the excise Authorities in respect of the stores covered by the bills.

(iv) Quarterly certificate to the effect that no refund of ED already reimbursed against this contract has been obtained during the quarter ending. In the event of any such refund being obtained by the seller, the same should be passed on to the purchaser.

(v) MODVAT Certificate:
The tenderers will have to give the following certificates in their offer. We hereby declare that in quoting the above price, we have taken into effect, the full effect of the duty set-off on 'Central excise and counter veiling duties' available under the existing MODVAT scheme. We further agree to pass on such additional duties and set off as may become available in future in respect of all the inputs used for the manufacture of the final product, on the date of the supply under MODVAT scheme, by way of reduction in price and advise the purchaser accordingly."

20.3 Special MODVAT Condition for all the Lead Acid Batteries:
The tenderer has to give details of MODVAT benefit on raw material (lead), which will be passed on to the purchaser. The tenderer should indicate weight of 'Lead' used in manufacturing one battery as 'Raw Material' input. Modvat benefits/additional duty set-off on the goods supplied, if any, accrued to the tenderer will have to be passed on to the Railways (purchaser) under the MODVAT Scheme by way of reduction in prices.

21.0 Sales Tax/Value Added Tax :
Sales tax/ Value Added Taxes should be quoted 'extra' in percentage if applicable or quote "Zero" if exempted in the appropriate input box on the Financial Offer Form. Issue of Form 'D' towards CST on inter-state purchase by Railways is withdrawn. Consequent upon the withdrawal of 'D' Form, the rate of CST on inter-state sale to Railways shall be the rate of VAT/State Sales Tax applicable in the state of the selling dealer/vendor.

(a) Following may be noted wherever Value Added Tax is applicable:

(i) The tenderer should quote the exact percentage of VAT that they will be charging extra.

(ii) While quoting the rates, tenderer should pass on (by way of reduction in prices) the set off/input tax credit that would become available to them by switching over to the system of VAT from the existing system of sales tax, duly stating the quantum of such credit per unit of the item quoted for.

(iii) The tenderer while quoting for tenders should give the following declaration: "We agree to pass on such additional set off/input tax credit as may become available in future in respect of all the inputs used in the manufacture of the final product on the date of supply under the VAT scheme by way of reduction in price and advise the purchaser accordingly."

(b) The supplier while claiming the payment shall furnish the following certificate to the paying authorities:

"We hereby declare that additional set off/input tax credit to the tune of Rs. has accrued and accordingly the same is being passed on to the purchaser and to that effect the payable amount may be adjusted".

If any surcharge on tax is applicable the same should be indicated clearly. **All the offers shall be evaluated as per tax regime as applicable on the date of tender opening.**

22.0 Octroi Exemption Certificate:
Purchaser will not bear any Octroi charges, and if required will issue Octroi Exemption Certificate (OEC) only. In the event of Octroi exemption certificate not being honored by the concerned municipal authority, and Octroi charges become payable, the supplier will have to bear the same.

II -APPLICABLE ONLY FOR ITEMS WHICH ARE COVERED BY GST:

22.1 TAXES AND DUTIES: Each vendor must fill and submit the Financial Offer from i.e. Rate form, as available. with E-tender ,encrypt his offer on his client machine with the secure encryption key available with the tender and digitally sign using his Digital Signature Certificate.

22.2 Tenderers should clearly indicate separately ex-works basic price, packing charges, forwarding charges, GST applicable with HSN code and Freight charges upto destination, in the respective field of the Financial Offer from for each unit tendered Therefore, if the tenderer happens to quote a composite rate, due break-up is to be given Showing freight and forwarding charges separately in the field of the Financial Offer Form.

22.3 Tenderers are required to quote 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.
DENIAL CLAUSE:
Supplier will not be entitled to any benefit of upward Statutory Variations in GST rates announced after expiry of the original Delivery Period as per purchase order & in Case of reduction in GST rates if any, benefit will be passed on to Railways at any stage Of the contract.

22.4 Goods and Services Tax:

22.5

(i) Tenderers will examine the various provisions of the Central Goods and Services Tax Act,2017(CGST)/Integrated Goods and Services Tax Act,2017(IGST)/Union Territory Goods and Services Tax Act, 2017 (UTGST)/respective state's State Goods and Services Tax Act (SGST) also, as notified by Central/State Govt. & as amended from Time to time and applicable taxes before bidding. Tenderers will ensure that full benefit Of Input Tax Credit(ITC) likely to be availed by them is duly considered while quoting Rates.

(ii) The successful tenderer who is liable to be registered under CGST/IGST/UTGST/SGST Act shall submit GSTIN along with other details required Under CGST/IGST/UTGST/SGST Act to Railway at the time of submission of offer/

After conclusion contract, without which no payment shall be released to the tenderer.

(iii) In case the successful tenderer is not liable to be registered under CGST/IGST/ UTGST/SGST Act, the railway shall deduct the applicable GST from his/their bills Under reverse charge mechanism (RCM) and deposit the same to the concerned Authority.

22.6 Tenderers are requested to refrain from quoting vague terms like “GST as applicable” They will have to clearly quote the current percentage rate of GST extra as applicable With HSN No.

22.7 The offers will be evaluated based on the GST rate quoted by bidders. While quoting it is the responsibility of the bidders to ensure that they are quoting correct GST rate and HSN No. If they quote erroneous GST rate and HSN No. then the liability for payment of the difference in GST amount if any, at a later date will lie with the bidders only and no increase in rate of GST rate will be allowed subsequently unless or until the same is changed by statute after the opening of tender and within the original delivery period.

22.8 Payment of GST:

(i) The rate of GST at present legally leviable in this case is_% as assessed by the concerned authority. The claim for GST on each bill should be supported by following certificate.

(ii) Certified that the GST charged on this bill is not more than that is legally leviable and payable under the provision of the relevant act or rules made there under.

(iii) Certified that the amount of Rs. claimed as GST in this bill is in accordance with the provision of the rules in all respects and the same has been actually paid to the authorities concerned in respect of the stores covered by the bills.

(iv) Addition:
GST will be paid on production of documentary proof. All input credits should be Passed on to Railways by the supplier. To this effect, the firm should give declaration that all input credits has been passed on to Railways while submitting the bills. We Further agree to pass on such additional duties and set off as may become available in Future in respect of all the inputs used for the manufacture of the final product, on the Date of the supply by way of reduction in price and advise the purchaser accordingly.

23.0 Price Variation Clause:

23.1 Railways, in general, prefer firm price contracts.

23.2 However, there may be cases of procurement of stores which are raw- material (Steel/ Non-Ferrous) intensive wherein the tenderers may quote with Price Variation clause. Such Price Variation Clause must be unambiguous and having clear price variation formulae. Ambiguous conditions like “Price Variation Clause applicable” will not be acceptable and such offers shall be summarily rejected.

23.3 Following Price Variation Clauses are generally recognized by the Railways

(a) IEEMA PVC for the items covered by IEEMA formulae.

(b) DGS&D's PVC for the items which are covered by such formulae.

(c) Railway Board's /***CORE's*** PVC for items covered by such formula.

(d) *PVC BASED ON WPI* for items covered by such formula

(e) PVC based on prices of HCL, HZL, SAIL, LME, BME etc.

(f) In case where no Price Variation Clause has been incorporated by Rlys. in the tender schedule, tenderers must quote on fixed price basis only. Offers from tenderers quoting with PVC Clause in such cases will be summarily ignored.

(g) Tenderers are advised to quote as per the specific PV Formula given in the tender Schedule. Offers with deviation in the PVC formula and base date of prices of input raw Material than as prescribed in the tender schedule will be summarily rejected. Offers from Tenderers quoting with fixed price where Railway has incorporated pre-defined PVC will be summarily rejected.

Note:-Tenderers whose offers are with IEEMA PVC, Railway Board's PVC / DGS&D's PVC have to quote with the prices of input raw materials ruling on the base date as stipulated in the relevant PVC (IEEMA/ Railway Board/ DGS&D). For example in case of IEEMA PVC, if the Tender opening date falls in May of a year, the applicable prices of input raw materials should be those prevailing on the 1st April of that year.

23.4 For those items which are not covered by any of the aforesaid PVC, other PVC specific for such stores may be considered and accepted if found to be in order. However, in all such cases, the contract prices upward/ downward will be regulated with reference to the date of inspection of stores and will be applicable to the stores tendered for inspection after one month from the date of variation in the price of relevant input material by the specified agencies like SAIL, HZL, HCL etc. The date on which stores are offered for inspection will be treated as the date of supply for the purpose of Price Variation Clause. Furthermore, the base month for such input materials will be one month prior to that of tender opening. Admission of any claim in this regard will be subject to the suppliers furnishing all the supporting documents.

23.5 Tenderers who quote with price escalation on account of raw material in the tenders will please note that such escalation claims will be subject to verification by the Financial Adviser and Chief Accounts Officer of the Railways with reference to the records that may be called for from them. Successful tenderer will be required to produce complete records including position of ground stocks available at the time of submission of tender for verification / examination of their claims under price escalation before their claims are accepted. If the tenderer fails to establish his claim by producing satisfactory records before the FA & CAO of the concerned Railway, their claim will be disallowed and/ or proportionately reduced.

23.6 In case of entire or severable contract with staggered delivery schedule, the PVC claims If any, will be restricted for that particular quantity of supply required to be completed in that period, as indicated in the original delivery schedule, irrespective of the fact, whether the supply has been made / completed subsequently within the overall delivery schedule of the contracts.

24.0 I.T.C.C.: This will be governed by extant rules of the Government of India. Tenderers are to indicate their Income Tax PAN details and upload a scanned copy of the same.

25.0 Validity: Tenderers have to keep validity of their offer open for a minimum period of 120 days from the tender closing date. Offers with validity period of short duration may be taken as unresponsive to Railway's requirements.

26.0 Evaluation Criteria:

(i) Rates quoted by the Tenderers with discounts if any linked to quantity will be considered for determining inter-se position of the offers. Discounts with conditions attached to early payment, early Receipt notes etc., will be ignored for calculating inter-se position. However, Railways may avail the discounts linked to early payment, early receipt notes etc. if otherwise, firm's offer is found to be acceptable.

(ii) Tenderers should show discount in the rate schedule/financial bid only, instead of anywhere else in the offer. Discounts not shown at designated place will be summarily ignored for assigning inter-se ranking of offers. However, the same shall be availed while placing order(s). Conditional discount will not be considered for adjudging the inter-se position i.e. rate quoted without any conditions attached (viz. Discount / Rebates having linkages to quantity, payment, Inspection agency, destination, delivery place etc) will only be considered for evaluation purpose. In other words, discounted rates linked to quantities, prompt payment etc. will be ignored for determining inter-se position. Purchaser, however, reserves the right to use the discount rate / rates considered workable and appropriate, for counter offer to the successful tenderers.

(iii) (a**) APPLICABLE ONLY FOR ITEMS WHICH ARE NOT COVERED BY GST:** Inter-se ranking of the offers will be determined on Total Unit Rate basis which will include Basic rate/Unit, all Statutory Taxes and Duties ie., ED, Educational Cess, ST/VAT, packing charges, Forwarding charges, freight, Insurance and any other charges Quoted by the tenderer.

(b) APPLICABLE ONLY FOR ITEMS WHICH ARE COVERED BY GST: Inter-se ranking of the offers will be determined on Total unit Rate basis which will Include Basic rate/Unit, all statutory taxes ie.GST, packing charges, Forwarding charges, Freight, Insurance and any other charges quoted by the tenderer.

(iv) The criteria for evaluation of inter-se-position of bidders shall be item wise and destination wise unless otherwise some other evaluation criteria is specifically mentioned in the tender.

(v) Railways reserve the right to avail the benefit of financial discounts quoted by the firm irrespective of the quantity ordered on them.

27.0 The tenders are uploaded in IREPS website well in advance of closing time to give sufficient time to the vendors to participate in the tender. Vendors in their own interest are advised to quote for the tenders well in advance before the tender closing time. South Central Railway is not responsible for non-participation of vendors due to any technical problems on the day of tender closing time.

28.0 The vendors should quote financial terms and conditions in the nominated fields of financial rate page only. Any financial terms and conditions mentioned in the fields other than the nominated fields will be ignored. Similarly, any financial terms and conditions enclosed as attachments will be ignored.

29.0 Force Majeure Clause:

- Force Majeure is an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to acts of the purchase either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts and freight embargoes. This should not be used by party to effectively to escape liability for bad performance.

- If there is delay in performance or other failures by the supplier to perform its obligation under the contract due to event of a Force Majeure, the supplier shall not be held responsible for such delays/failures.

- If a Force Majeure situation arises, the supplier shall promptly notify the purchaser in writing of such conditions and the cause thereof within 21 days of occurrence of such event with reasonable evidence thereof.

- Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical and shall seek all reasonable alternative means for performance not prevented by Force Majeure event.

- If the performance in whole or in part or any obligation under the contract is prevented or delayed by any reason of Force Majeure for a period exceeding 60 days, either party may at its option terminate the contract without any financial repercussion on either side.

- " There may be a Force Majeure situation affecting the purchase organization only. In such a situation the purchase organization will take up with the supplier on similar lines as mentioned above."

30.0 Delivery of Material:

Delivery is required to be made at the place as stated. Any deviation from the same may be considered as commercially unresponsive and the offer is liable to be ignored.

31.0 IRS CONDITIONS OF CONTRACT:

Firm should accept all IRS Conditions of Contract. Any condition not in conformity with IRS Conditions of Contract should be avoided.

32.0 NOTE TO ALL CONCERNED:

It may be ensured that, the BGs/ DDs / FDRs /Guarantee Bonds towards EMD/SD/Performance Guarantee are to be obtained in favour of the concerned Accounts Officers /FA&CAO only.

Applicable only for all Global tenders & for all tenders where the minimum local content shall be 50% & tenders valuing above Rs. 5 lakhs.

33.0 "This tender complies with Public Procurement Policy order 2017 Revision dt.25.09.2020.

33.1 (A)

(a) Local content:

i) **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 higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier' / 'Class II local supplier' from time to time for various items.

ii) 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.

(b) Margin of Purchase Preference:

i) The margin of purchase preference shall be 20%.

ii) '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.

(c) Fee for complaints:

Fee for filing a complaint under the order shall be Rs.10,000/- per case. The complaint shall be filed in the office of the PCMM/SCR. The fee shall be deposited with the office of the PFA/S.C.R.

(d) Local Supplier:

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 and as per para 33.1,(A), 'a' above.

'**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 as per para 33.1, (A), 'a' above.

'**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

(e) 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.

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

(g) "Work" means all works as per Rules 130 of GFR -2017, and will also include "turnkey works".

33.1(B) **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.33.1,(B),'a' above, and with estimated value of purchases less than Rs. 200 Crs, 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.

33.2 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) as 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.

c) (i) 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

d) 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 the procurement made by the entity debarred and 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 '(e)' below.

e) The debarment shall be as decided by Department of Expenditure from time to time and debarment in respect of procuring entities other than the one which has carried out the debarment and 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.

f) On a periodical basis such cases are consolidated and a centralized list of decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s).

33.3 (A) 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 under taken by procuring entities in the manner specified here under.

b) In the procurement of goods or works, which is covered by para 33.1(B)(b) above and which are advisable 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 local supplier's quoted price failing within the margin of purchase preference, and contract for that quantity shall be awarded to such 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 33.1(B)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 for full quantity 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 local supplier's quoted price failing 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 lowest eligible 'Class-I local supplier fails to match the L1 price, 'Class-I the 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 local suppliers within the margin of purchase preference matches the L1 price, then 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.

33.3 **(B). 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

33.4 **Exemption of small purchases:** Notwithstanding anything contained in paragraph 33.3, procurements where the estimated value to be procured is less than Rs.5 Lakhs shall be exempt from the Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this order.

33.5 **Indication of Local Content %**:
All the Tenderers have to indicate local content % invariably in the tender at the time of submitting their offers. In case the local contents are not declared, it will be presumed that the minimum local contents is as indicated in the tender subject to minimum 50% as per the requirement of the item tendered for the items pertaining to Railways.

33.6 **Specifications in Tenders and other procurement solicitations**:

a) <u>Reciprocity</u> <u>Clause:-</u>

i) 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.

ii) The term 'entity’ of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.

b) For the purpose of sub-paragraph 33.6(a) above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in the country, or (ii) a majority of its shareholding or effective control of the entity is exercised from the country or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect of India.

33.7 **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.

33.8 **Power 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 be 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.

33.9 Restrictions under Rule 144(xi) of GFRs-2017:

33.9 **(A) <u>Registration clause for bidders from country which shares a land border with India:</u>**

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) 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 percent of shares or capital or profits of the company;

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 of 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) 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.

B) i) All the bidders shall submit the following certificate regarding their compliance with this Order as below. 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.

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

ii). If the bidder fails to give such declaration as given in Para 33.9 (B),'i' along with the tender than it will be considered that the contents of above declaration have been read and unconditionally agreed and accepted by the tenderer.

If the tenderer are not agreeable to this declaration they have to categorically mention about the disagreement in Techno Commercial Deviation.

33.9 (C) Not withstanding anything contained therein; 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.

33.9 (D) The lists of countries to which lines of credit have been extended or in which development projects are undertaken are as given in the website of the Ministry of External Affairs.

33.9(E) Modalities in this regard are being updated from time to time by Railway Board and the modality as updated on the date of tender opening shall be applicable

34.0 Suppliers are requested to visit Indian Railway website www.ireps.gov.in which the tenders pertaining to this Railway are published and tender documents are available.

35.0 The following procedure will be adopted once Digital submission/processing of Vendors bill is implemented.

1) CRIS is in the process of creating the module of online bill submission by vendors on IREPS. As IMMS and IPAS have already been integrated, digitally signed bill/supplementary bill submitted by vendor on IREPS in " Bill submission utility" will be used by IPAS along with other digitally Signed documents like Receipted Challan/Receipt note/Inspection Certificate etc for registering Vendors bill(CO-6).The bill payment by the bill paying authority will hereafter be done through IPAS based on digitally signed bill and Receipted Challan,R/Note, Inspection Certificate etc.. available on IMMS without insisting on hard copies of same either from depot/consignee or from supplier.

2) This will be applicable for Purchase Order/contracts of both Stock, Non-stock items and services Later on, payment against Works Contracts may also be brought under purview of Digital bill submission.

3) It shall cover bills for advance payment and final payment to be chosen by vendor.

4) It shall cover bills with GST as well as Excise Duty applicability to be chosen by vendors.

5) Bills shall be Purchase order wise i.e, one bill shall include items of only one Purchase order which shall automatically make it Paying authority wise. There can be multiple supplies in a bill related to same purchase order. Some supplies can be by road and some by rail/courier etc.

6) Vendor shall select the PO item serial number and go on for submitting the bill details for that PO item serial, therefore can submit data for more than one supplies in one bill.

7) IREPS shall generate unique bill registration number for each bill which shall be passed on to IPAS and IREPS shall communicate through this unique number Vendor can also enquire and Track their bill status based on this number.

8) Vendor can prepare a bill for advance payment for road dispatches for those supplies only whose Challan number is registered in IREPS .DRR number is allotted and Receipted challan is digitally Signed by competent authority in depot. Vendor will only select from the list. Receipted challan Quantity for bill shall be auto filled by the system and vendor cannot edit the same. Once digitally Signed receipted challan with Inspection Certificate is made available online to Bill passing/paying Authority, need for original copy of IC from vendor to Bill Passing/paying authority should not be insisted for advance bill passing.

9) For advance payment for supplies against RR/PWB (which are still not digital) as none of the Documents are available with depot at the time of claim of advance payment by vendor, the Verification process for RR/PWB and IC against the online submitted bill shall continue to be Manual by bill passing/paying authority as is the existing process.

10) For final payment bill can be prepared only for Digitally signed RO available in the system for selection by vendor against the PO serial of the item and only for the RO quantity.

11) Bill rate shall be calculated after adjusting PVC amount and discount in purchase order rate.

12) Various expense amounts and taxable value shall be worked out for bill percent (i.e.95%, 5%,100%) In other words. vendor will raise bill accordingly to the prescribed percentage payment and CGST/ SGST-UTGST or IGST shall be worked out on the taxable value, in commensurate with the HSN Code of the supply of material as per the Purchase Order/Contract.

13) Bill amount shall be calculated as per bill percent.

14) Digitally signed Receipted Challan, Receipt Note, RO, Inspection Certificate etc. shall be available for view in IPAS.

15) Documents can be uploaded by vendor for each supply in a bill, All the uploaded documents with the bill shall be digitally signed by the vendor.

16) Vendor can save the bill, edit the bill, add/delete supplies to the bill, and delete the bill before Signing and submitting the bill. Once bill is digitally signed and submitted, it can neither be Amended nor withdrawn/cancelled.

17) Summary of bills and status of bills submitted against each, purchase order shall be available to vendor for managing his bills.

18) The bill date shall be taken by IPAS from IREPS/IMMS database and digitally signed bill and Vendor documents shall be available to IPAS for use.

19) After this, bill shall be processed by bill passing system of IPAS as their process.

20) Progress of bill at different stages shall also be shown to vendor in this IREPS login account.

36.0 All suppliers shall ensure that the supplies including packing materials must comply Plastic Waste Management Rules 2016 and amendments thereof.

37.0. <u>Recovery of Income Tax @ 0.1% from the suppliers under New Section 194 Q in the Income Tax Act of Finance Act of 2021 No.13 of 2021 dated 28.03.2021:</u>

Finance Act of 2021 No 13 of 2021 dated 28.03.2021 has Inserted a new section 194Q in the Income Tax Act as per the newly introduced section, the following are to be ensured while passing the bills pertaining to purchase of goods.

1. Income Tax to be deducted @ 0.1% on purchase of any goods from the seller, who is resident of India on the value or aggregate of such value exceeding INR 50 Lakhs in any previous year.

2. The provision is applicable from 1st July 2021.

3..The tax to be deducted at higher rate of 5%, if the seller doesn't hold a PAN in India.

4. Further higher rate of 5% has to be deducted if the seller has to be deducted if the seller has not filed the returns of income for both of the immediately preceding two years relevant to the year in which Tax is required to be deducted.

In the light of the above provisions of the ACT, to avoid ambiguity, it is decided to deduct the tax @ 0.1% on the stores bills excluding GST. The seller may claim, if any in case of any dispute, from the Income Tax Authorities.

All the suppliers are requested to submit the following documents along with ensuing bills through ON LINE.

1 .Copy of PAN CARD of the supplier.

2. Latest certificate from the Chartered Accountant regarding turnover of the supplier.

3. Copies of the IT returns submitted by the supplier for the two preceding years to the year in which bill is being processed. For ex. while submitting the bills during the year 2021-22, tax returns for financial year 2019-20 and 2020-21.

Annexure 'A'

PROFORMA FOR BANK GUARANTEE TOWARDS SECURITY DEPOSIT (SD)

To:
The President of India Acting through
PFA, South Central Railway.

GUARANTEE BOND

1. In consideration of the President of India (hereinafter called "the Government") having agreed to exempt _____ (hereinafter called "the said Contractor(s)") from the demand under the terms and conditions of an Agreement dated_____ made between **Principal Chief Materials Manager**, South Central Railway, and _____ for (hereinafter called "the said Agreement"), of security deposit for due fulfillment by the said Contractor (s) of the terms and conditions contained in the said Agreement on _____ production of a bank Guarantee for Rs._____ (Rupees _____ only), we (Indicate name of the bank) (hereinafter referred to as "the Bank") at the request of _____contractor(s) do hereby undertake to pay to the Government an amount not exceeding Rs. _____ against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said agreement.

2. We _____ (Indicate name of the bank) do here by undertake to pay the amounts due and payable under this Guarantee without any demur, merely on a demand from the Government stating that the amount claimed is due by way of loss or damages caused to or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the Contractor(s) failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs _____ .

3. We under take to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s)/Supplier(s) in any suit or proceeding pending before any Court or tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this Bond shall be a valid discharge of our liability for payment there under and the Contractor(s)/ Supplier(s) shall have no claim against us for making such payment.

4. We _____ (Indicate name of the bank) further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till **Principal Chief Materials Manager*, South Central Railway***, Ministry of Railway certifies that the terms and conditions of the said Agreement has been fully and properly carried out by the said Contractor(s) and accordingly discharges this Guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the _____ we shall be discharged from all liability under this Guarantee thereafter.

5. We _____ (Indicate name of the Bank) further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/ Supplier(s).

7. We _____ (indicate name of bank) lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing.

Date the_____ day of_____

For _____
(Indicate name of the Bank)
(Bank's common seal)