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South Coast Railway
Stores Department

BID DOCUMENT

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NOTE:

1. This document is applicable to the tenders issued by Stores Department, South Coast Railway.
2. All tenderers are required to go through the tender documents carefully before submitting their offers.

Version-01

PART-A - INSTRUCTIONS TO TENDERERS

1.0 On behalf of the President of India, the Principal Chief Materials Manager, South Coast Railway, (hereinafter referred to as the Purchaser), invites electronic tenders for the supply as set forth in the **Notice Inviting Tender** and "Item details" page attached with each electronic tender "**Financial Rate pagescreen".** The instructions given are applicable for all electronic tenders invited by various offices of Stores Department working under the administrative control of Principal Chief Materials Manager, South Coast Railway.

1.1 The tenderers are requested to carefully go through these Instructions to Tenderers and all the conditions mentioned in para 1.3 & 1.4 of PART-A of this bid document. By submitting the quotation, they undertake to abide by all types of conditions specified at para 1.4. The tenderers digital signature on the E-Tender form will be considered as their confirmation that they have read and accepted all the conditions laid down in the documents as well as tender schedule, comprising 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.

1.2 Electronic offers received before due date and time (IST) of tender closing in the Electronic Tender Box available in website www.ireps.gov.in will only be considered. Any offers received through manual / fax / e-mail etc will not be considered and will be treated as invalid offers.

1.3 The contract, if placed, shall be governed by (i) IRS Conditions of Contract 2025 (ii) Bid Document of South Coast Railway (iii) Special Conditions applicable to a particular tender as given under the respective links in the home page of the Indian Railway e- procurement portal **www.ireps.gov.in → public documents → Goods & Services.**

1.4 E-Tender document essentially consists of the following : –

Sl.No.	Document / Form
i	IRS conditions of contract 2025 as uploaded in www.ireps.gov.in portal under Railway Board document link
ii	Tender Conditions for Electronic Tenders
iii	Special Conditions of Contract applicable to particular tender
iv	Techno-commercial Offer Form Including Attached Documents, if any
v	Financial Offer Form / rate page.

The document referred at Sl.No.(ii) is available in IREPS website under the link **www.ireps.gov.in → public documents → Goods & Services.** The vendors may fill the search form with organization as "Indian Railways" , Zone as "South Coast Railway" , Department as "Stores" and Admin Unit as "SCoR HQ" and download the same if desired and thoroughly study before submission of e-offers.

1.5 Pre-requisites for vendors desirous of participating in e – tenders of Indian Railways

1.5.1 Vendors intending to participate in the e-tenders available in the e-procurement web site www.ireps.gov.in will have to obtain a Class III B type digital signature with Company name from an approved certifying agency. The list of certifying authorities issuing the Digital Signature is available in the website www.cca.gov.in under the link "Licensed CAs".

1.5.2 With the Digital Signature Certificate they will have to register themselves on-line using the link **"New Vendors"** available in the home page of the website duly filling the complete information as required in the web page and attaching their digital signature duly using **"Sign & Submit"** button. Upon registration, the website will provide a registration number, which the vendors may note for future correspondence.

1.5.3 Vendors are advised that CRIS/ NEW DELHI, the Web Master, will require minimum of 3 (three) clear working days to provide with user-id and password which will be sent to their e-mail address provided by them during the registration process. In case of any difference in the information provided by the vendor and that available in the digital signature used during registration, the request will be rejected and an e-mail will be sent duly assigning the reason for rejection.

1.5.4 The digital signature certificate (DSC) are issued with limited currency / validity date. The vendors are required to re-register themselves with the www.ireps.gov.in web site whenever their DSC is renewed.

1.5.5 Before attempting to quote for any tender in IREPS website, vendors are advised to carefully read the Vendor User Manual as available in IREPS website Home page under the link Learning centre.

1.5.6 Tender Cost: Tender Cost is NIL. Tenderers are advised to download the tender documents from the IREPS website, which is available free of cost.

2.0 EARNEST MONEY DEPOSIT (EMD) FOR STORES TENDERS:
EMD is taken to prove earnestness of the offer on the part of the tenderers.

2.1 EMD amount shall be mentioned in all tenders irrespective of the nature of tender as per the EMD amount mentioned in clause 2.3 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 10.4.3 below**,** except following:

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

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

(b) Micro & Small Enterprises (MSEs) registered with agencies mentioned at (part B) Para 15.3 a (i)

(c) Other Railways and Government departments in terms of Railway Board's letter No. 2004/RS(G)/779/11 dated 24.07.2007.

(d) Indian Ordinance 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 dated 10.09.2004.

(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 subject to approval status being valid on the date of tender closing in UVAM.

(h) Vendors registered with Railway for supply of Medicine, Medical equipment's and Consumables shall be exempted from submission of EMD for these items

(i) In tenders issued against PAC, OEM in whose favor PAC has been issued shall be exempted from submitting EMD.

(j) KVIC and ACASH shall be exempted from EMD for items supplied by them.

2.2 Offers submitted without EMD shall be summarily rejected.

2.3 Amount of EMD:-

Estimated value of tender	EMD (rounded off to nearest higher Rs.10 (ten))
Above Rs.25 lakh and upto Rs.50 Cr.	@2% of the estimated value of the tender subject to Max.Rs.20 lakh
Above Rs.50 Cr.	Rs.50 lakh

2.4 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.

2.5 **Validity of EMD:** EMD should remain valid for a period of 45 days beyond the final bid validity period, which should also be extended whenever bid validity is extended. No interest will be allowed on EMD.

2.6 Automatic release of EMD wherever due:

2.6.1 EMD shall be refunded when any one of the following conditions is satisfied:-

(a) After finalization of tender, the contractor is an unsuccessful contractor
(b) Validity of offer expires, and validity extension not sought
(c) Validity of offer expires, and contractor refuses to extend validity of offer
(d) After finalization of the tender, successful contractor 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 contractor is declared unsuccessful or unsuitable.

2.6.2 EMD of contractor 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.

2.7 **Forfeiture of EMD:** When a supplier undertakes to keep the offers valid for a certain period but either withdraws the offer or revises the same within validity, the purchaser gets a right to forfeit the EMD.

2.8 Procedure for claiming exemption of EMD: The firm claiming exemption from EMD should clearly indicate valid reasons for such claim duly attaching scanned copies of relevant documents with their e-offers. The tenderers request for adjustment of EMD relating to their earlier tenders will not be considered. They will have to deposit EMD afresh for each tender.

2.9 Procedure for payment of EMD :

The Procedure for Submission of Earnest Money is given below:

2.9.1 If not exempted, they will have to remit the EMD through Payment Gateway Facility.

2.9.2 Payment gateway facility: Vendors can remit the Earnest Money deposit cost online using their own valid credit card / debit card (in lieu of cash). Vendor can use payment gateway option as is available on the website for E-tendering by using the $ action button on tender search result page and fill & submit required data about amount, bank, credit / debit card details in the menu driven screens which are as per approved guidelines of RBI.

2.9.3 Vendors can search for the relevant tender using the link **"Search Tender"** provided in their home page after logging into the system using their valid Username and Password.

2.9.4 On retrieving the tender details, they can click on the "Submit Payment Details" icon under "Actions" Column to enter the Submit Payment Details Page. They will then select the Instrument Type and fill the columns Instrument No, Date, Issuer

Bank Details (Bank Name & Branch) and Remarks if any. They can then click **"Sign & Submit"** button and append their digital signature. On completion of the details, vendors will have to upload scanned copy of the instruments toward Earnest Money under Sl.No."(E) Attach Document" in the Bid Process (Techno Commercial Bid Details)".

3.0 INSTRUCTIONS FOR FILLING OF TENDER SCHEDULE

3.1 The tenderers can submit on line ELECTRONIC OFFERS by visiting Indian Railways Electronic Procurement Portal at the address **www.ireps.gov.in → Login → E-Tender-Goods & Services.** and submit online offers after logging into the website by giving their User-id / Password and valid Digital Signature Certificate.

3.2 The tenderers will have to then select the "**Enter to Bid** " button to submit their bid details. They can select following TAB PAGES one by one, fill the same and '**sign and submit'** using Digital Signature Certificate.

Sno.	Tab Page	Sno.	Tab Page
1.	General	6.	Performance
2.	T & C (Terms & Conditions)	7.	Documents
3.	Eligibility	8.	Responsiveness
4.	Compliance	9.	Financial Offer
5.	Deviation	10.	Submit Bid

3.3 a) The commercial offers must be filled and submitted in the prescribed standard " **Financial Offer** " screen available in the website and should be attached using valid Digital signature (Class III b with Company Name) obtained from an approved Certifying Agency. On completion of Bid process (Financial Offer) the system generates a ' **unique Bid-id '** which the vendors can print for future reference.

b) Tenderers are advised to quote their rates in the prescribed columns, only in single currency.

3.4 a) All the mandatory fields of the Techno-commercial Offer Form and Financial Offer Form (i.e. Rate page) including basic rate, GST as applicable for tendered item, freight and any other charges have to be filled up by the vendor. If the vendor quotes GST 'inclusive', they should specifically mention the % of GST included in the price.

b) The tenderers should strictly quote their rate for the unit specified in the Tender Schedule only. Rate quoted for any other unit other than specified in the tender, shall be summarily rejected.

c) Vendors are advised not to enter any **rate element (including discount)** in the remarks column available in the Financial Rate Page. Please note that any rate / discount mentioned in remark column or mentioned elsewhere in any attached

document will not be taken for calculation of all inclusive rate and inter-se ranking / evaluation purpose.

3.5 The system will prompt the vendors to attach their DSC whenever they click any of the "**Sign & Submit**" button available in the "**Tab page"** and it is mandatory for the vendors to use their Digital Signature Certificate to attach their digital signature.

3.6 **Preparation of Performance Statement Off line and Uploading On-line :** The vendors can also prepare their performance statement off-line in the prescribed format given in the performance tab and attach the same under performance tab using their DSC.

4.0 CHECK LIST OF DOCUMENTS TO BE ATTACHED WITH E-TENDER :

The Vendors are advised to fill "Compliance to special tender conditions / Checklist" with each offer by specifically stating "Yes" or "No" against each special condition / Checklist and in case of a "No", must fill reason for not agreeing with that special condition / Checklist in the remark entry box as provided therein.

1	Valid document(s) for claiming EMD exemption as mentioned in para 2.8 above
2	Scanned copy of approval letter from RDSO/ CORE/ PUs etc i.e the Approving Agency's indicating current validity along with approval of their QAP etc, wherever restricted procurement from approved sources. **OR** Scanned Copy of their Registration Certificate with the Railways, monetary value limit, currency thereof and trade groups for which registered.
3	Performance statement against Railway Orders for supply of same or similar items as per **performance tab** of the Tender Schedule along with copies of such POs. Correct status / supply position of pending orders and inspection certificate/ Receipt Note for completed PO.
4	Details of Machinery and Plant, other Equipments, Testing facilities, Quality Management /Control Systems and details of Technical manpower available as per Annexure-1.
5	Scanned Copy of Permanent Account Number (PAN) from Income Tax Department
6	If authorized agent of OEM, Tender specific authorization letter from OEM / principal with required undertaking as per eligibility criteria from OEM as well as dealer.
7	Scanned copy of NEFT mandate for payment purpose.
8	Clause wise compliance to specification / Tender Conditions wherever required.
9	Deviation Statement from technical specification & commercial terms and conditions if any.

5.0 ORIGINAL OFFER AND REVISION THERE OF :

5.1 The vendors can submit a **revised commercial offer** any time before the

stipulated opening date and time and in such case the last revised offer submitted at a later time and date shall be considered as the offer **superseding** all the previously submitted offers for that item / items of the tender.

5.2 The vendors may submit an alternate offer with different commercial and/or technical terms at any time before the stipulated date and time of opening of the tender. In such cases, both the initial offer and the alternate offer(s), as submitted by the vendor within the prescribed time, shall be considered as separate offers and shall be evaluated independently in accordance with the provisions of the tender conditions. Submission of an alternate offer shall not supersede or invalidate the initial offer unless the vendor expressly withdraws the initial offer before the stipulated date and time of tender opening.

5.3 The Vendors in their own interest are advised to visit the **www.ireps.gov.in** web site regularly and check for corrigendum if any and submit revised offer wherever warranted.

6.0 OPENING OF E-TENDER BOX AND VIEWING OF TABULATION STATEMENT

6.1 Electronic Tender boxes are managed by CRIS in the secured Server duly Time locked (as per IST) and available 24 hrs x 7 days a week. Tenderers are advised to ensure that their electronic -offer is submitted well within stipulated date and time. Electronic offers if attempted after the pre-stipulated date and time will not be accepted and vendor will be notified that 'You cannot submit offer as you are late**".** No Manual / Late / Delayed offers are permitted or received against an Electronic Tender. E-tenders can be opened only after stipulated opening date and time with secured digital permissions of minimum two authorized Railway officials using their secured Digital permissions and passwords and also their own digital private keys as obtained from Govt. of India approved Certifying Agency. Electronic offers are first decrypted and verified for establishing the Legal identity of digital Signer of each electronic offer / offers. Once decryption , verification and acknowledgement of digitally signed offers is complete, vendors can directly view and access details from the website links such as "View Tabulation". On line tabulation statement of all electronic commercial offers can also be downloaded by participating vendors for their records.

6.2 The vendors are not required to attend the tender opening. All participant vendors who have submitted valid electronic offers can view their Financial and Techno-commercial Tabulation Statements from any remote location using internet access by visiting the website www.ireps.gov.in and also view their own offer details as well as the Tender Tabulation statement which is generated based on **all inclusive rate** per unit of all the commercial offers as electronically received.

6.3 In case of any technical problems arising during the electronic tender opening process or if the tender opening date is declared as holiday by Government of

India, the tenders due for the day will be opened on the next working day.

7.0 <u>QUOTATION OF RATES:</u> Rates quoted in Financial Rate Page of e-tender shall only be considered.

a) The tenderers should quote strictly in accordance with the columns/fields provided in financial rate page of e-tender viz. separately basic price, unconditional discounts, packing charges, GST as applicable and Freight charges up to destination applicable per each unit. If quoted as one lump sum amount, separate break up for all elements should be mentioned. Any other charges should be quoted in absolute value as specified in column / field of "Other Charges" of financial rate page e.g. insurance charges, forwarding charges. The basic rate should be quoted in units as per e-tender schedule which does not permit any other units.

b) Tenderers should offer discount only at the discount column available in the Financial Rate Page.

8.0 Quotation in Foreign Currency: The tenderer should quote in INR, unless otherwise specified.

9.0 <u>Statement of Deviations :</u>

The offer shall comply with the IRS Conditions of Contract (as updated till the date of tender opening), General Conditions of Tender given in the bid document and Special Conditions of Tender given in the tender document. The details of deviations from the said tender conditions, if any, should be clearly indicated in the Techno Commercial bid details under "Commercial Deviation Statement" of e-tender form and if space available is not adequate, tenderers can upload a Statement of Deviations which shall include remarks and justifications for deviations against various clauses of the tender conditions for each deviation and the scanned copy of the same must be uploaded as a part of the offer, and a reference of uploaded deviation statement shall be given in "Commercial Deviation Statement".

1. Technical deviations from tendered specification should be clearly stated in deviation statement.
2. The deviations if any from IRS conditions of contracts 2025 & special conditions of tender should also be clearly stated in the deviation statement of e-tender / offer.
3. The offers with deviations in IRS conditions of contracts 2025/Special Tender Conditions are liable to be ignored / rejected.
4. The Purchaser, however, reserves the right to accept or reject any of the deviations and his decision there on shall be final. If the tenderer does not quote any deviation, it will be construed that the tenderer has quoted for the tendered description and accepted all the conditions.

10.0 <u>Security Deposit (SD) / Performance Security for Stores Contracts :-</u>

SD is taken towards Security for due fulfillment of the contract by the supplier.

(A) 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) lakh

(b) Other Railways and Government departments in terms of Railway Board's letter No. 2004/RS(G)/779/11 dated 24.07.2007

(c) Indian Ordinance Factories in terms of Railway Board's letter No.92/RSS(G)/363/1 dated 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's letter No.2003/RS(G)/779/5 dated 10.09.2004

(e) In tenders issued against PAC, OEM in whose favor PAC has been issued shall be exempted from submitting SD.

(f) KVIC and ACASH shall be exempted from SD for items supplied by them.

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

(h) Vendors appearing on the approved vendor lists of RDSO/PUs/CORE subject to approval status being valid on the date of tender closing in UVAM.

(i) Vendors registered with Railway for supply of Medicine, Medical Equipment 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.

10.1 The tenderers request for adjustment of SD relating to their earlier tenders / contracts will not be considered. They will have to deposit SD afresh.

10.2

Contract value	SD (rounded off to nearest higher Rs.10 (ten)
Above Rs.25 lakh and Upto Rs.50 Cr.	@5% of contract value subject to Max. Rs.50 lakh
Above Rs.50 Cr.	Rs.1 Cr.

10.2.1 Railways are permitted to raise the upper ceiling of SD, upto <u>5%</u> of the contract value in **high value cases**.

10.3 <u>Validity of SD</u>: Security Deposit (SD) shall remain valid for a period of 60 days, beyond the date of completion of all contractual obligations relating to supply of Goods. The validity of SD should be extended, wherever delivery period of the contract is extended. No interest will be allowed on SD.

10.4 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.

10.4.1 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.

10.4.2 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 be dealt with as that of withdrawal of offer by the tenderer as per extant instructions.

10.4.3

i. All vendors exempted from submitting EMD, as per Para 2.1 above, irrespective of type of tender, ie. single, limited or open, shall be required to sign a bid securing declaration as per Annexure 9 to this instruction.

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

iii. 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.

Iv. 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.

v. This para shall not be applicable for Government Departments / ordinance factories / other Railways/ Railway PUs/KVIC/ACASH and matter shall be taken up with them departmentally/administratively.

10.4.4 Wherever SD has been exempted for any reason, and the supplier fails to supply goods in whole or in part in accordance with the contractual terms and conditions, as amended from time to time, the Purchaser reserves the right to recover damages from the supplier, not as a penalty, but by way of compensation, equivalent to the value of the security deposit for the entire contract, as would have been applicable if the contract was with a non-exempted vendor. Such damages shall be treated as outstanding recoveries against the vendor and shall be dealt with accordingly.

10.4.5 In case of vendors exempted from submitting EMD as per para 2.1 above fail to submit the Security Deposit before the dead line defined in the tender document on being called upon to submit the Security Deposit on award of contract, the firms shall be debarred from exemption of submitting Earnest Money Deposit and Security Deposit for a period of 6 (six) months, from the date they are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period, in addition to cancellation of the letter of award and recovery of security deposit..

10.4.6 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 contractor 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.

10.4.7

a) Unless otherwise agreed between the Purchaser and the Bidder 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 SCoR (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. ln the event of any amendment affecting the Contract value and/ or Quantity and/ or delivery period is issued to the Contract, the Contractor shall furnish suitably amended value and/ or validity of the Security Deposit in terms of the amended Contract within fourteen days of the issue of the amendment.

b) lf the Bidder, 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 Bidder the amount of such security deposit by deducting the amount from the pending bills of the Bidder 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.

c) No interest shall be payable upon the Bid Security.

10.5 <u>Forfeiture/ Return of Security Deposit</u> :

(a) 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 and the 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.

(b) Subject to above, the Purchaser shall release the Security Deposit, without any interest, to the Contractor upon the completion of all Contractual obligations relating to supply of Goods.

(c) Notwithstanding the above, the Purchaser shall be entitled to call for Warranty Security Deposit (in any form of financial instruments as permitted for Security Deposit) from the Contractor for due performance of warranty obligations under the Contract. ln such an event, where Purchaser calls for Warranty Security Deposit, it shall be lawful for the Purchaser not to release/ refund the Security Deposit till the obligation of submitting Warranty Security Deposit in acceptable form is completed by the Contractor, or to encash the financial instrument for Security Deposit and adjust the amount so received towards Warranty Security Deposit. All conditions relating to Security Deposit including non-liability of payment of interest and conditions for forfeiture shall also apply for Warranty Security Deposit. Security Deposit shall be released/ refunded on receipt of acceptable Warranty Security Deposit.

(d) 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 Security Deposit or Warranty Security Deposit or amounts payable to the Contractor under the Contract.

10.6 Risk Purchase clause shall not be applicable.

10.7 In exceptional cases exemption from seeking SD shall be decided prior to issue of tender (including global tenders). 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.

11.0 <u>Acceptable Form of Security Deposit (SD) :</u>

11.1 The SD in supply contracts should be in any one of these forms viz., Deposit Receipt, Pay Orders, Demand Drafts, Guarantee Bonds issued by nationalized or Scheduled Commercial Banks, Fixed Deposit Receipts (FDR) and the FDR must be issued with auto renewal facility, Bonds of Indian Railway Finance Corporation and KRCL Bonds.

11.2 The payment of Security Deposit in the form of Pay Order / Demand Draft should be made in favor of PFA / Concerned Accounts officers payable at the respective places.

11.3 In addition to above mentioned forms of payment, Security deposit may be paid in the form of Government Securities at 5% below the market value and a deposit in the Post Office Saving Banks also.

12.0 <u>Performance Guarantee :</u> As and when required, for Machinery and Plant items

and for items requiring specified performance, the tenderer will be asked to give a Performance Guarantee (in the form of a Bank Guarantee as per annexure uploaded on the ireps website) to cover the performance of the item to be supplied. No separate consent will be asked from the tenderers for the same.

13.0 Bank Guarantee: In case, Bank Guarantee is submitted by suppliers / contractor, the same should be in the proper prescribed format for Bank Guarantee (BGs) as per annexure. The Bank Guarantees (BGs) to be sent to Office of the respective Purchase offices by the issuing bank under registered post. All the Clauses stipulated in Railway Board's letter No.2023/RS(G)/779/2 (E3419295) dated:10.08.2026 regarding Acceptance of e-Bank Guarantee (eBG) in Stores Procurement, as amended from time to time, shall be applicable.

14.0 Goods and Service Tax (GST):

Pursuant to the notification of GST Act 2017, the rate of GST as applicable to the tendered item should be correctly quoted by the tenderer, duly mentioning the HSN code.

a) All the contractor/tenderers should ensure that they are GST compliant and their quoted tax structure /rates are as per GST Law.

b) Bidders must be registered under GST Act and Rules. They shall invariably quote their GSTIN registration details without fail in their offer.

c) 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 tax authority.

d) The offers shall be evaluated based on the GST rate as quoted by each contractor and same will be used for determining the inter-se ranking. While submitting offer, it shall be the responsibility of the contractor to ensure that they quote correct GST rate and HSN number.

e) Purchaser shall not be responsible for any misclassification of HSN number or incorrect GST rate if quoted by the contractor.

f) The tenderers in their bids shall indicate the details of their Jurisdictional Assessing Officers (Designation, address & email id). In case of a contract award, a copy of the LOA/Purchase Order shall be immediately forwarded by Purchaser to the Jurisdictional Assessing Officer mentioned in the Tenderer's bid.

14.1 Payment of Taxes and duties:

(a) The Contractor shall be fully responsible for all taxes, duties, fees, levies etc., incurred up to the point of delivery of the Goods to the Purchaser.

(b) Goods and Services Tax (GST) shall be paid at the rate applicable or as assessed, provided the sale transaction is legally subject to such taxes and is payable according to the terms of the Contract, subject to the following conditions.

(i)Payment of GST to the Contractor shall be made only upon submission of a GST-compliant bill/e-invoice by the Contractor. lt shall be the entire and sole responsibility of the Contractor to ensure that the invoice must include the correct and appropriate HSN code and applicable GST rate.

(ii)The delivery must be recorded in the name, location, and GSTIN of the Consignee, and the location of the Office of the Purchaser shall have no impact on invoicing.

(iii)Purchaser shall not pay a higher GST rate, if leviable, due to any misclassification of HSN number or incorrect GST rate incorporated in the Contract due to Contractors fault. lf the Contractor invoices Goods with a GST rate or HSN number differing from those specified in the Contract, payment shall be made as per invoiced GST rate or the GST rate incorporated in the Contract, whichever is lower. ln case GST rate invoiced is higher than the one incorporated in Contract, the Contractor shall be required to adjust his basic price to the extent required by the higher GST rate as per invoice to match the all-inclusive price mentioned in the Contract.

(c)Tenderers while quoting for tenders would also give the following declaration: "I/We agree to pass on such additional input tax credit as may become available in future under GST scheme, in respect of all the inputs used in the manufacturing and/or supply of the final goods and service on the date of supply by way of reduction in price and advise the purchaser accordingly."

(d) If any tenderer is opting for 'Composition Levy Scheme' of GST Act, SVC shall not be applicable to such firms in case of opting out of the Composition Levy Scheme in future.

(e) While making the supply, the firm shall comply with the following:

i) Submit the invoice/bill clearly indicating the appropriate HSN and applicable GST rate thereon duly supported with documentary evidence.

ii) Give a declaration that any additional Input Tax Credit benefit, if become available to supplier, the same has been passed on to Purchaser.

(f) **Statutory Variation Clause:**

Unless otherwise stated in the Contract, statutory variation (fresh imposition and/or variation) in applicable GST rate or other taxes and duties mentioned in the Contract shall be borne by the Purchaser, for statutory variations occurring after the date of submission of the tender, as per the conditions of the Contract, including amendments if any. However, GST rate amendments shall be considered for the quoted HSN code only, against documentary evidence, provided such an increase in GST rates is after the tender submission date and shall not be applicable for any misquotation of the HSN number or GST rate by the Contractor. The Purchaser is not liable for any claim from the Contractor on account of fresh imposition and/ or increase (including statutory increase) of GST, customs duty, or other duties on raw materials and/ or components used directly in the manufacture of the Contracted Goods taking place during the pendency of the Contract unless such liability is expressly agreed to in terms of the Contract.

15.0 <u>Payment Terms</u>

15.1 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.

15.2 Tenderers should note that normal payment terms of Railways is 100% payment after Receipt and acceptance of the material at consignee's end, irrespective of stipulation of pre-inspection by any agency.

15.3 In case of proven and approved suppliers with a good track record supply, 95% advance payment on proof of Receipt of the consignment i.e. Receipted Challan signed by a Gazetted Officer and Inspection Certificate issued by the nominated inspection Agency as specified in the contract and balance 5% after receipt and acceptance of stores may be considered. No Advance Payment will be permitted against proof of dispatch. The procedure for making advance payment shall be considered on a case-to-case basis, wherever deemed appropriate and in accordance with the applicable rules.

15.4 For dispatch of material by road, it is the delivery challan of the supplier duly certified by the consignee Gazetted Officer towards receipt of material at consignee's end will constitute the proof of receipt for the purpose of payment. For rail dispatch, clear and unqualified RR / PWB will be considered as the proof of dispatch.

15.5 For purchase orders valuing up to Rs 5 lakhs, no advance payment will be made and only 100% payment will be made against receipt and acceptance of the material by consignee i.e., against Receipt Note.

15.6 Payment terms for Machinery & Plant (M&P) items shall be as provided in the Special Conditions for procurement of M&P items specified separately under subsequent para.

15.7 The payment shall be subject to recoveries, if any, under the liquidated damages clause

of the IRS Conditions of Contract or deduction of any amounts for which the Contractor may be liable under the contract against this tender or any other contract in respect of which the President of India is the Purchaser.

15.8 All tenderers are advised to indicate their Banker's name and account number in their offers. This information is needed for the purpose of NEFT payment against the contract, being issued with indication of bank account number, etc. Such information can be submitted in the web page attached with the Payment Gateway link to the e-tender. The tenderers shall submit a cancelled cheque of their bank account for verification of their bank account details and for arranging payments to the firms accordingly.

15.9 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 shall be entitled to reject any claim that is barred by limitation.

16.0 Procedure for Bill Submission by Vendors

The suppliers must submit the bills through online billing mode on IRePS. Suppliers shall refer the 'User Manual for On-Line Submission of Bills by Vendors ' in IREPS portal for digital bill submission procedure.

17.0 Vendor / service provider shall be governed by relevant statutory acts / rules /regulations as required by central/state/local government authorities (i.e. state &central pollution control boards, factories / electrical inspectorate, chief controller of explosives etc.) During manufacture, testing, packing of ordered material, supply, stocking and transportation to and within SCoR Zone. No restricted or hazardous material(s) shall form a part of the manufacturing process or transportation, as required by Indian, international or concerned country laws.

18.0 Drawings and Specifications:

18.1 Specifications and drawings issued by SCoR and mentioned in the description will alone be uploaded as a part of the tender document, wherever applicable. The Principal Chief Materials Manager will not provide or upload IRS/BIS/RDSO/RCF/CLW/DLW/CORE specifications or drawings and those issued by other organisations. Such drawings and specifications must be obtained by the tenderer from the appropriate authorities concerned who issue them on payment, if required.

18.2 If tenderers happen to quote with their own Drawing No./ Part No./ Specification/catalogue, etc., then they shall have to necessarily upload copies of all such drawings/specifications/catalogues, etc. and all the requisite documents and information as part of their offer to support that it is in conformity with the tendered drawings/specifications, failing which the offer will be liable to be rejected.

18.3 Test certificates of the manufacturers should be furnished along with the supply for such stores for which tests are prescribed in specifications.

19.0 <u>Sample Clause (where samples are called for indeterminate parameters of specification)</u>

19.1 The tenderer should ensure that adequate numbers of sealed samples of same quality as required in the tender schedule, where called for, are received in the office of PCMM before the Tender opening date and time, failing which offers will be rejected summarily.

19.2 Each sample should have a card affixed to it giving particulars of

(a) Firms name and address
(b) Tender Number
(c) Date & Time of Opening of Tender
(d) Item No. of schedule against which tender sample submitted, and
(e) Any other description, if necessary written on it

19.3 Samples should not be sent unless specifically called for in the tender schedule.

20.0 Applicability of tender conditions:

In case of any contradiction in the terms and condition appearing in IRS Conditions of Contract and SCoR Bid Document for electronic tenders, the latter will prevail. In case of any contradiction between the SCoR Bid Document for electronic tenders and Compliance Conditions (commercial compliance, General Instructions, other conditions, special conditions, technical compliances) specified in the Notice Inviting Tender of IREPS, the latter will prevail. If technical specification prescribes any condition involving financial repercussion, which is in conflict with IRS conditions of contract, SCoR Bid Document for electronic tenders and Special Conditions specified in the Notice Inviting Tender of IREPS (except warranty/guarantee period), then same will be ignored for tender evaluation purpose unless made a special condition of tender.

PART-B GENERAL TENDER CONDITIONS

1.0 Validity of offers: The tenderers are requested to keep the validity of their offers open for a minimum period of 90 days or as stipulated in the tender. However the administration reserves the right to consider offers with lesser validity period, in case the said firm(s) is / are willing to extend, if so required, validity of their offers for 90 days or as stipulated in the tender.

Offer(s) of tenderer(s) not willing to extend the validity as stated above will be rejected and such tenderer(s) will not have any claim for consideration of their offer(s).

2.0 Quantity to be ordered :

2.1 The Principal Chief Materials Manager / South Coast Railway acting on behalf of the President of India is not bound to accept the lowest or any tender, nor to assign any reason for not doing so and reserve to himself the right to accept any tender in respect of the whole or any portion of the items specified in the tender and contractor shall be required to supply at the rate quoted / accepted.

2.2 Railway reserves the right to cancel the tender in whole or order either for full or part quantity tendered without assigning any reason. The rates quoted by the Tenderers for full tendered quantity would be taken as valid for part quantity also.

2.3 Railway also reserve the right to order the tendered quantity or part thereof on an existing contract by operating quantity option clause at lower rates (if available) than the rates quoted in this tender.

2.4 Offers not conforming to the tender requirements and not complying to tender conditions, may be rejected outright without further reference.

2.5 If necessary, the purchaser may seek clarifications on the offers by requesting for such information from any or all the tenderers, either in writing or through electronic means, as may be considered necessary. However, tenderers will not be permitted to change the substance of their offers after the offers/e-Bids have been opened.

2.6 Purchaser reserves the right to consider the offers based on their past supply performance. If the past supply performance of the firm for same/similar item in general (similar item as defined in tender document) is not satisfactory, the offers are liable to be ignored. The satisfactory performance is assessed based on the number of delivery period extensions granted, rejections etc. This is applicable for approved sources listed in vendor directory also. The tender opening date will be the reference date for assessing the performance of a firm in a tender and any improvement in performance by a firm after tender

opening shall not be factored in purchase decision.

2.7 **<u>Option Clause:-</u> (Applicable for tenders wherever specifically mentioned in the tender conditions as applicable):-** The purchaser reserves the right to increase the order quantity by a quantity not exceeding 30% of the ordered quantity on the same price and terms and conditions during the currency of the contract by giving reasonable time / notice for executing such increase to the contractor.

2.7.1 Option Clause can be exercised anytime within the Delivery period, by giving reasonable notice

2.7.2 'Reasonable notice' as mentioned above is only for the purpose of allowing the contractor suitable time to make necessary arrangements for the supplies and not for seeking any consent from the contractor towards exercise of the contractual option clause. To this end, a reasonable delivery schedule for the enhanced ordered quantity stipulated in the relevant Modification Advice to the contract will suffice

2.7.3 In a contract that provides for quantity option clause, in case Delivery Period is extended either for the full ordered quantity or a part quantity which remained unsupplied on the date of expiry of the original delivery period, then during the extended delivery period also, quantity variations can be made on the total ordered quantities.

2.7.4 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 plus 30 percent option in one or more than one instalment as long as the total variation in quantity does not exceed the limit of 30 percent of ordered quantity. Any increase of quantity under option clause after expiry of delivery period can be considered with the consent of the firm/contractor.

3.0 <u>Eligibility Criteria :</u>

3.1 **<u>Ordering on Approved Sources :</u>** Railway procure some of the items from approved sources. Approved vendors of RDSO, CLW, BLW, RCF, ICF, MCF and CORE as available on UVAM (Unified Vendor Approval Module) only shall be considered valid directories for all purposes by all Stakeholders. Granting of Approval is a continuous ongoing activity, therefore vendor list can undergo changes after opening of tender. The approval status of the firm shall be reckoned as on the date of tender opening and not thereafter. But in case of downgrading /removal / suspension / banning etc after opening of the Tender, such changes will be taken into account while deciding tenders. This however does not apply for placing small quantity contracts on new sources, as their capacity & capability will only be ascertained before placement of developmental order.

3.2 **<u>Ordering on Approved Vendors:</u>** Wherever there is a restriction policy to procure the item from approved sources, the same will be followed as under:

3.2.1 It may specifically be noted that approval of a vendor only signifies its technical capability to supply the items for which it has been approved / registered and it is quite likely that such vendors differ in terms of capacity, past performance etc. The quantity to be ordered on approved sources, therefore, will be decided duly considering factors such as past performance, capacity, delivery requirements, quantity under procurement, nature of items and outstanding order load etc. and the tender conditions in fair transparent and equitable manner.

3.2.2 Wherever necessary, as per policy of procurement, bulk purchase will be made only from those firms who have been approved by RDSO / Productions Units / CORE etc. as available on UVAM only.

3.2.3 Minimum 80% of the net procurement quantity (NPQ) shall be ordered on "Approved Vendors"

3.2.4 It is clarified that approved and registered are one and same for the items approved by the nodal agencies such as RDSO / PUs / CORE etc. . as available on UVAM only.

3.2.5 It is clarified that Railway units, other than the concerned nominated vendor approving agencies, are permitted only to place orders either on developmental vendors or approved vendors, for the items which are restricted to be procured from vendors listed on UVAM. No orders can be placed by Railway units, other than nominated vendor approving agencies, on vendors who are not "Developmental Vendors" or "Approved Vendors". For clarity, it is re-iterated that "Developmental Vendors" or "Approved vendors" are only such vendors which are listed as "Developmental vendors" or "Approved vendors" on UVAM without any condition (like pending prototype approval for the tendered item, Prototype not approved for tendered item etc).

3.3 <u>Ordering on developmental sources :</u>

(a) The Tenderers to specifically note that there is no policy of placing bulk orders on developmental sources for restricted items, even though firm might have been categorized as source under development.

(b) 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.

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

For the above purpose, Indian supplier shall be as defined in para 10(e) of Public Procurement (Preference to Make in India) Order, 2017, which is as follows: 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.

3.4. Procurement from (OEM's) manufacturers or authorized agent / dealers:
OEMs can authorize and give Tender Specific Authorization to its Agent / dealers to quote on their behalf provided the vendor takes full responsibility for the quality of the material including warranty obligation and the inspection of product against Railway's order is carried out at the manufacturer's premises.

3.4.1 (a)(i)In a tender, either the Indian agent on behalf of the Principal/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.

(ii) 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 Principal/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 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 necessary proof may be submitted.

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

3.4.2 "In case of imported goods, where the agent directly imports the goods in its own name or

by the OEM on whom the order is placed, the submission of copies of import documents (Bill of Entry) is mandatory and the same should accompany the supplies."

3.5 Acceptance of Offers from unregistered and untried firms through advertised tenders :

3.5.1 Offers are desirable directly from the actual manufacturers of the tendered item. The offers from the authorized dealers/agents of manufacturer of tendered item will be considered subject to compliance of the conditions given in para 3.5.2.2.

3.5.2 The tenderers shall upload necessary scanned copies of documents to show that:

i) he/she is a licensed manufacturer who regularly manufactures the items offered and has adequate technical knowledge and practical experience;

ii) he/she has adequate plant and manufacturing capacity to manufacture and supply the items offered within the delivery schedule offered by him;

iii) he/she has an established quality control system and organization to ensure that there are adequate controls at all stages of all manufacturing process.

iv) he/she has adequate financial stability and status to meet the obligations under the contract for which he is required to submit a report from a recognized bank or a financial institution;

3.5.2.1 For the above purposes, the tenderers should upload the scanned copies of the following documents:

i) a performance statement, giving a list of major supplies effected in the recent past for the tendered item/similar items shall be furnished in "Performance Statement" of e-tender form, with proof of having executed the contracts satisfactorily. While doing so, the tenderer should upload scanned copies of relevant documents, i.e., Purchase orders along with proof of supplies against those purchase orders like Inspection Certificates, Receipt Notes, etc.

ii) a statement, indicating details of equipment employed and quality control measures adopted, including the following:

a. Quality assurance plan proposed for manufacture of the tendered item.

b. Details of major machinery and equipments available and proposed to be used for manufacturing the tendered item as required by relevant specifications/drawings.

c. Process chart.

d. Inspection stages and inspection plans.

e. Place of manufacture and inspection.

f. Details of competent technical personnel employed at firm's premises and in the field.

iii) A report, from a recognized bank or a financial institution to show that the firm has adequate financial stability and status to meet the obligations under the contract arising out of the tender for which he is quoting.

3.5.2.2 In case tenderer is not a manufacturer of tendered item and he quotes on behalf of his principal/manufacturer, he shall invariably comply with the following:

i. Indicate the manufacturer's/ Principal's name and address in his offer.

ii. Upload the tender specific authorization letter from his principal/manufacturer to submit offer against this tender as per annexure II.

iii. Upload the details as mentioned in Para 3.5.2 and 3.5.2.1 above for his principal/manufacturer.

iv. Upload his own past performance particulars if any, in the similar manner as for their principal/manufacturer with documentary evidence for same/similar items in the past 3 years.

v. Upload the scanned copies of documents for his own credentials, such as, constitution of firm, GST registration, banker's certificate and balance sheet of latest or previous three years duly certified by Chartered Accountant etc.

3.5.3 In addition to the above, further information regarding his capacity/capability etc., if required by the Purchaser, shall be promptly furnished by the tenderer. Tenderers submitting offer for developmental/Trial order shall also submit an undertaking for availability of Plant &Machinery as per Annexure-XIII, along with the offer.

3.5.4 Specific Eligibility Criteria if any, mentioned in tender document published on IREPS website and Special conditions shall also be applicable in addition to the above.

3.5.5 Tenderers not uploading the requisite documents may note that their offers are liable to be rejected without further reference. However, the tenderers who are on the approved list of RDSO, Production Units (PUs), CORE, etc. for the tendered item as regular or developmental as on date of tender opening need not submit any other document in support of their performance and machinery & plant details. Purchaser reserves the right to utilize the record of supplies made to SCoR, if readily available. However these vendors, while quoting for the items for which they are not registered, shall be required to submit all the credentials as per the eligibility criteria.

3.5.6 Participation in the tender is open to all, including unapproved, unregistered and/or untried firms. However, such tenderers will have to submit their offers electronically along with all the supporting documents as described in the tender documents to establish their capacity, including those brought out in para 3.5.2, 3.5.2.1, 3.5.2.2and 3.5.3 above. If the tenderer fails to upload the required documents, his offer is liable to be rejected. However, Purchaser reserves the right to utilize the record of supplies made to SCoR and other Zonal Railways, if readily available.

3.5.7.There may also be some cases where the Administration may consider after due verification that the new supplier who has quoted competitive rate is having the required capacity- cum- capability and in those cases the Railway Administration may place bulk orders on these suppliers straightaway.

3.6 Consideration of unsolicited offers against Limited Tenders Enquiries:

3.6.1 Unsolicited offers received against Limited Tender enquiries will normally be ignored. However, Railway reserves the right to consider such offers under exceptional circumstances, where it is felt necessary to consider such offers, on account of - inadequate competition, non-availability of suitable quotation from registered suppliers, urgent demands, capacity / capability of the firm offering to supply the relevant item being known and rates received are reasonable etc.

3.7 Time Preference Orders :

3.7.1 In cases where it is decided to accept a higher price than the lowest tender in consideration/interest of earlier delivery, passing over the lowest acceptable offer, following conditions will apply:

"It should be noted that if a contract is placed on a higher tenderer as a result of this invitation of this tender, in preference to the lowest acceptable offer, in consideration of offer of earlier delivery, the contractor will be liable to pay to the Government the difference between the contract rate and that of the lowest acceptable tenderer on the basis of final price, FOR destination including all elements of freight, sales tax, local taxes, duties and other incidentals in case of failure to complete supplies in terms of such contract within the date of delivery specified in the tender and incorporated in the contract. This is in addition and without prejudice to other rights under the terms of Contract."

4.0 Cartel formation by approved vendors : The tenderers are expected to quote rates which are most competitive and reasonable, commensurate with market trend in fair competition.

4.1 Wherever all or most of the approved firms quote equal rates and cartel formation is suspected, Railways reserve the right to place order on one or more firms with exclusion of the rest without assigning any reasons thereof.

4.2 Firms are expected to quote for a quantity not less than 50% of 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 any quantity on one or more firms.

4.3 The firms who quote in cartel may note that their names are likely to be deleted from approved list.

4.4 The present policy of distribution of ordering quantities on approved sources and new sources, based on the status of approval obtaining on the date of tender opening will be followed in normal circumstances. However in tenders, where

cartel formation is suspected, the purchaser will be free to distribute the ordering quantities in any manner deemed fit in the interest of the administration ignoring the status of approval.

4.5 In the event of the offers conforming to any aspect of the definition of cartel mentioned in "The Competition Act 2002 (12 of 2003)", in addition to the existing remedies, the purchaser also reserves the right to refer the matter to the Competition Commission of India (CCI), which is a statutory body constituted under "The Competition Act 2002 (12 of 2003)", for providing necessary relief to the Purchaser who represent Central Government organization serving the public. In addition, the purchaser also draws attention of the tenderers to Chapter VI of the "The Competition Act 2002 (12 of 2003)" which deals with Penalties. This will be in addition to other rights and remedies available to the Railway Administration under the Contract and Law.

4.6 Whenever tender is floated with purchase restriction from sources approved by nominated authorities/agencies and there exists a suspected cartel situation by approved sources or the rates available from approved source/sources are adjudged 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.

5.0 Splitting of tendered quantity:

5.1 Case of no prior decision to split the order:

Normally full order should be placed on the techno-commercially suitable and eligible L1 firm. However, if after due processing it is discovered that the quantity to be ordered is more than what L1 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 manner with a specific note of past performance, capacity, delivery requirements, quantity to be procured, nature of the items and outstanding order load etc. In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 5.2.2. below.

5.2 Case for pre-decided split ordering:

It has to be decided in advance to have more than one source of supply on account of delivery requirements in tender, past performance and capacity, quantity under procurement and nature of the items. Following provision shall be applicable in all such cases of pre-decided split ordering:

5.2.1 The Purchaser reserves the right to distribute the procurable quantity on one or more than one 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.

5.2.2 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-à-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**
Up to 3%	60 : 40
More than 3% and upto 5%	65 : 35
More than 5% and upto 15%	At least 65% on the L1 tenderer. Quantity distribution will be decided by TC / TAA based on the price differential (i.e) More the price differential more will be the quantity on L1.
More than 15%	No splitting will be done in normal circumstances. However, can be decided by TC / TAA based on the merits of the case.

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) as obtained at the time of tender opening.

5.3 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 Para 5.2.2 above.

5.4 There could be situation when between the lowest firm considered suitable for bulk quantity (L1 firm 'A') i.e. for 65% of NPQ and another firm (L4) considered suitable for bulk quantity order, in between there are firms who are considered suitable only for part quantity i.e. for developmental order, splitting will be done between these two firms.

In such cases, developmental orders shall be given its proportion i.e. out of 35% of the balance NPQ, as detailed below:

(a) L2 and L3 firms will be considered for orders within the overall ceiling of 20 % (of 35% of NPQ) based on the price differential between L2 and L3 firms.

(b) L4 firm (Approved / registered) will get balance quantity.

5.5 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.

5.6 For cases where the Railways / Production Units has entered into ToT/JV agreements, the following clause should be stipulated as tender conditions:
"As the Railway has entered into ToT/JV agreements 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 5.2.2, 5.3 and 5.4 shall apply with the exception that the aspect of per-se reasonability will not be applicable".

5.7 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 as would ensure timely supply of materials 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 Principle of natural Justice and Equity.

6.0 Supply of Materials

6.1 Risk in the Goods:

As per IRS conditions of contracts **2025** clause 4.1

a) 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 Bidder, 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 dispatch to the Consignee.

b) 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 dispatch or delivery or are in the course of transit from the Contractor to the Consignee or interim Consignee, as the case may be.

c) The Purchaser will not pay separately for transit insurance and the supplier shall be responsible till the entire stores contracted to arrive in good condition at destination. Where the tenderer intends to insure the goods, the insurance charges should be clearly indicated under Other Charges in the Financial Rate Page under Financial Bid Details of the e-tender form.

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

e) Notwithstanding any packing condition stipulated in the tender documents or in the tendered drawings/specifications, it shall be the responsibility of the Contractor to appropriately pack the stores so that they are received by the consignee at destination without any loss, destruction, damage or deterioration due to any cause whatsoever.

f) Suppliers may please ensure plastic sheets less than 50 micron thickness is not utilised for packing, before despatch.

g) Special condition for items procured in sets where each set consists of multiple items/assemblies/sub-assemblies:

i) The supplier will submit the packing list for each consignment truck-wise and paste/print/paint labels on individual items mentioning the item description and reference as mentioned in packing list to facilitate ease of receipt and accountal at depot.

ii) To facilitate ease of identification and acknowledgement of receipt, supplier should submit photo-album (hard copy as well as soft copy) of all the items constituting a set indicating the name of individual part. This photo-album may be submitted only once which will help depot officials in identifying the items on receipt thereof.

iii) Wherever feasible, supplier will pack items set-wise to facilitate receipt and accountal of materials. As far as possible, packing should be done in such a way that it will facilitate easy stacking and vertical space utilization.

iv) Supplier should also indemnify the depot officer for correctness of supply of items in sets as per packing list as per the format given below:

FORMAT OF INDEMNITY FOR CORRECT SUPPLY

(to be submitted on firm's letter head only)

I, the authorized signatory of M/s. …….. having received Purchase Order No…….. Dated …….. for supply of ……. Quantity ……. Nos/sets valued at Rs……. (Rupees ……..only) hereby indemnify (Respective Purchase Officer)/……..; South Coast Railways,Visakhapatnam acting through & on behalf of the President of India that in the event of that supplied stores are found not as per the packing list provided and quantities of parts in set is not as per tendered drawing and/or specification due to any reason whatsoever, will make good the shortfall within a reasonable period.

I, also indemnify the consignee against the loss which may accrue to the said shortage.

For ……..

(Signature with Name and Designation)

Station:
Date:
Company Seal

6.2 Terms of Delivery:

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

(b) Suppliers should clearly quote destination wise, with free delivery at destinations.

6.3 Delivery Schedule:

(a) The time and the date specified in the contract for the delivery of the stores shall be the essence of the contract and the delivery must be completed not later than the date so specified.

(b) Tenderers must refer to the delivery schedule specified in the tender document. Delivery period quoted must conform to the delivery requirement specified in the tender document and should not be vague such as "2 to 12 months. That is, offer should mention the starting time, monthly/quarterly rate of supply and completion time, such as, to commence in _____ days/ months @____ per month/week and completed in _____ days/months from date of issue of the purchase order.

(c) The tenderer should quote specific monthly rate of supplies they intend to deliver and the completion date/month of the lot. The Purchaser will have the right to define the separate delivery period for each instalment and purchase order with the instalment deliveries shall be a severable contract.

(d) Notwithstanding the above, tenderers must note that the delivery schedules indicated in the tender document are tentative, the Purchaser reserves the right to reschedule the delivery according to the Railway's requirement at the time of finalization of tender as well as at post purchase order stage.

(e) The purchaser reserves the right to accept higher offer for part/full quantity for early delivery period, wherever so specified in the tender specific special conditions. Firms are required to quote in accordance with delivery requirement as per tender. In case of major deviation, their offer is liable to be ignored.

6.4. Default in supply of the material:

6.4.1 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 and unsupplied quantity will be procured independently without risk and cost of the original firm / supplier of the

defaulted contract. In these cases, adverse performance of the supplier will be recorded and intimated to the approving agencies (i.e RDSO/ PUs/CORE etc) wherever applicable, which shall be taken into account in future tender and offers from vendors against whom the earlier contract failed may not be considered in the subsequent tender.

c. Wherever SD has been exempted for any reason, and the supplier fails to supply goods in whole or in part in accordance with the contractual terms and conditions, as amended from time to time, the Purchaser reserves the right to recover damages from the supplier, not as a penalty, equivalent to the value of the security deposit for the entire contract, as would have been applicable if the contract was with a non-exempted vendor. Such damages shall be treated as outstanding recoveries against the vendor and shall be dealt with accordingly.

6.4.2 Wherever the supplies are to be delivered in more than one installment, each such instalment forms a severable contract. In case of failure by contractor to meet deliveries for any installment, purchaser may cancel the contract for defaulted part by forfeiting SD commensurate to that installment.

6.4.3 In the cases where supply is made in the extended period of D.P. (with or without LD), Price Variation (PV) as applicable on the terminal date of the original D.P shall be payable unless price has decreased after the terminal date of the original delivery period, in which case, the decreased rate will be applicable.

6.4.5 Termination: Purchaser reserves the right to terminate the contract in part or full during its currency based on performance etc. of the supplier within a notice period of twenty-one days from the date of notification duly taking action as mentioned in para 6.4.1 above.

7.0 <u>Inspection Clause :</u>

7.1 Final inspection & acceptance of material will be done by the consignee after its receipt.

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

7.3 Stores shall be despatched directly from the premises of the manufacturer to the consignee after inspection and acceptance by the nominated inspection agency, if any. Manufacturer's Test and Guarantee Certificate, wherever applicable, will be submitted with each lot of supplies.

7.4 The inspection agency will not inspect the material where the material does not have the date of manufacture and name of manufacturer on material. All manufactured stores must carry identification mark of the manufacturer and month/year of manufacture in embossed form at the location specified in drawing/specification. In case this is not mentioned in drawing or specification, the location should not be subject to wear and

should not affect the functionality, utility, operation and structural stability of the item. Inspecting agency and consignee will be entitled to reject the supplies not conforming to this clause.

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

7.6 If purchase order is placed directly on an ISI licenced manufacturer for ISI marked product, then the material can be accepted on firm's WTC, without any need of third party inspection provided that the Purchaser agrees for inspection clause as 'Acceptance on firm's WTC.'

7.7 In case the purchase order is placed on the traders/agents for items which are peculiar to the railways, the Purchaser reserves the right to carry out the inspection at the manufacturer's premises. Authorized dealers/agents of manufacturers should indicate the details of manufacturer in their quotation and confirm inspection of stores at the manufacturer's premises.

7.8 All articles ordered are subject to inspection, test and approval by an officer of this Railway irrespective of any other inspection indicated in the Purchase Order. Supplies not in accordance with the order will be rejected and the Principal Chief Materials Manager will be at liberty to cancel the order and necessary action will be taken as per the IRS conditions of the contract. Cost of test on supplies rejected will be recovered from Suppliers. The Test Report of the Railway will be final and binding on the Contractor.

7.9 The tenderers to specifically note that:-

7.9.1 In cases where only a portion of the stores ordered is tendered for inspection at the fag of the delivery period and also in cases where inspection is not completed in respect of the portion of the stores 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. If the stores 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. If, however, the stores tendered for inspection are found acceptable, the purchaser may grant an extension of the delivery period subject to the following conditions :-

7.9.1.1 The purchaser has the right to recover from the contractor under the provisions of clause of 7.5 (b) of I.R.S. conditions of Contract 2025 liquidated damages or the difference in rate if the same material is purchased at a cheaper rate (with the consent of the firm)- whichever is higher, on the stores which the contractor has failed to deliver within the period fixed for delivery.

7.9.1.2 That no increase in price on account of any statutory increase in or fresh imposition of Customs Duty, Excise Duty, Sales Tax or on account of any other tax or duty leviable in respect of the stores specified in Contract which takes place after the date of the delivery period stipulated in the contract shall be admissible on such of the said stores as are delivered after the date of the delivery stipulated in the contract.

7.9.1.3 That notwithstanding any stipulation in the contract for increase in price on any other ground no such increase which takes place after the date of delivery stipulated in the Contract shall be admissible on such of the said stores that are delivered after the expiry of the delivery period stipulated in the Contract.

7.9.1.4 But nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of Custom Duty, Excise Duty, Sales Tax or on account of any other tax or duty or on any other ground as stipulated in the price variation clause which takes place after the expiry of the date of delivery stipulated in the contract.

7.9.2 The contractor shall not dispatch / deliver the stores till such an extension in terms above is granted by the Purchaser & accepted by the contractor. If the stores are dispatched 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 stores shall be deemed to subject to conditions para (7.9.1.1. to 7.9.1.4) above.

7.9.3 In case where the entire quantity has been tendered for inspection within the delivery period stipulated in the contract and the purchaser choose to grant an extension of the delivery period the same would be subject to the conditions 7.9.1.1. to 7.9.1.4) mentioned in Paragraph 7.7.1 above.

7.10 <u>Operationalization of Engagement of Third-Party Inspection (TPI) agencies</u>

The Special conditions for inspection are attached as Annexure 13.

7.11 <u>Rejection of pre-inspected item by consignee on receipt:</u>

(i) In case of rejection of pre-inspected goods at consignee end, the material rejection advice/rejection memo will be sent by consignee to all concerned i.e., firm, purchaser, pre-inspecting agency, paying authority as per the contract etc.

(ii) Financial recovery: In case payment has been made to the firm for the material, the concerned paying authority as per contract will be advised to note the rejection advice details in its recovery register for effecting recovery of payments made, as the case may be.

(iii) If the firm desires to have joint inspection, joint inspection of the rejected material will be held with pre-inspecting agency and the firm. In case of failure of either of the two parties to associate with the joint inspection, the joint inspection will be

held by the consignee with whichever of the two parties comes for joint inspection. Irrespective of whether the party(ies) attend the joint inspection or not, the modality of joint inspection etc. shall be completed within 21 days of communication of rejected advice to the supplier (in line with IRS Conditions of Contract clause 7.6). For imported material, the time limit will be 45 days.

(iv) Firm may be permitted to collect the rejected goods only after the firm has deposited the payments already made by Railway (if any) to the firm or equivalent amount has been recovered for this purpose.

(v) In case of replacement supply against the rejected goods, the same will need to be pre-inspected by the same pre-inspecting agency who passed the material earlier. In line with IRS Conditions of Contract clause 7.6, no inspection charge will be paid by Railway to the inspection agency for the replacement supply.

(vi) However, in case of component level rejection in an pre-inspected item (which is an assembly) the replacement supply of that component can be accepted based on firm's internal inspection certificate/guarantee certificate and final inspection by consignee.

7.11.1 At the option of the depot officer/end-user, rectification of the material may be permitted within railway premises by the firm only after the firm has refunded the payment (if already made by Railway) or equivalent amount has been withheld for this purpose. However, from the date of communication of rejection, the rectification activity has to be completed within 21/45 days for indigenous/imported material respectively. If more time is taken beyond this, applicable ground rent will be levied on the firm.

7.11.2 In case of rejection of items, railways reserve the right to recover any such amount due to railways from the supplier, on account of inspections conducted on the items, from any pending bills or supplier's deposits available with SCoR or with any other zonal railways/PUs/units under Ministry of Railways. The inspection charges levied by railways shall be final and no claim of the supplier will be entertained on any grounds whatsoever.

7.11.3 Purchase reserves the right to change the inspection agency stipulated in the e-tender document at post contract stage, in case of extreme emergencies/urgencies.

8.0 Advice of dispatch of stores:

8.1 The supplier should ensure that Lorry Receipt under which the material is sent to the Railway consignee are prepared in the favour of "consignee" and on door delivery basis only" failing which they will be required to take the delivery themselves and deliver the consignment to the consignee.

8.2 All dispatch documents i.e. Lorry Receipt (LR), Invoice cum challan, Inspection certificate etc. must be sent to the consignee.

8.3 In case of pre-dispatch inspection by third party (eg. RITES/RDSO/TPI), wherever testing of material is involved, relevant test certificate/test reports/lab reports should be

submitted, duly endorsed by the authority nominated to conduct inspection, along with supply apart from inspection certificate. This shall also be applicable in cases of inspection by nominated third party against Manufacturer's test certificate.

9.0 <u>Price Variation Clause</u> :

9.1 Railways, in general, prefer firm price contracts.

9.2. In a tender, where no price variation has been incorporated by the Railway in the tender schedule, tenderers are to quote on firm price basis. Offers with Price Variation Clause in such a tender will be summarily rejected.

9.3. However, there may be cases of procurement of stores, which are raw-material (Steel/ Non-Ferrous) intensive, wherein the tender schedule itself will indicate Price Variation clause along with the PVC formula, generally based on following Price Variation Clauses:-

a) IEEMA PVC for the items covered by IEEMA formula.
b) Railway Board's/CORE's PVC for items covered by such formula.
c) PVC based on prices of HCL, HZL, SAIL, LME, BME etc.
d) PVC based on WPI/PPI
e) For those items, which are not covered by any of the aforesaid PVC, other PVC specific for such stores (e.g. Import items subject to variation in CD/FE) may be considered, if found to be in order.

9.3.1 In tenders floated with PVC by Railways, tenderers are advised to quote as per specific PV formula given in the tender schedule. **Offers with deviation in the PV formula other than the one as prescribed in the tender schedule will be summarily rejected. Offers from tenderers quoting with fixed price, where Railway has incorporated pre-defined PV formula, will be summarily rejected.**

9.4 Tenderer 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 Railway with reference to the records that may be called for from them. Successful tenderer will be required to produce complete records, at the time of submission of bill 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 PFA of this Railway, their claim will be disallowed and/ or proportionately reduced.

9.5 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 contract.

9.6 In case of tenders floated with PVC in tender schedule, all the offers shall be updated based on indices as prevailing one month(i.e., 30 days) prior to the date of

opening(excluding the date of opening) for PVC updation purpose. Evaluation of offers and determination of inter-se ranking will be based on updated offers as on one month (i.e., 30 days) prior to the date of opening of the tender(excluding the date of opening).

9.7 In all other cases, evaluation and determination of inter-se ranking will be done as on the date of opening.

10.0 Price Fall Clause

10.1 Applicable only to Rate Contracts

10.1.1 Fall Clause shall be applicable only to Rate Contracts and shall not be applicable to Fixed Quantity Contracts including Running Contracts

10.1.2 The Text of fall clause applicable **For Rate Contracts**:-

"The price charged for the stores supplied under the Contract by the contractor shall in no event exceed the lowest price at which the contractor sells the stores or offer to sell stores of identical description to any persons / organizations including the purchaser or any Department of Central Government or any Railway Office or any Railway undertaking, as the case may be during currency of the contract. The lower price will be applicable to supplies made after the date of coming into force of such reduction or sale or offer to sell at a reduced rate."

"If at any time during the said period the contractor reduces the sale price, sells or offers to sell such stores to any persons, organizations including the purchaser or any Department of Central Government or any Railway Office or any Railway Undertaking as the case may be at a price lower than the price chargeable under the contract, they shall forthwith notify such reduction or sale or offer of sale to the purchaser and the price payable under the contract for the stores supplied after the date of coming into force of such reduction or sale or offer of sale, shall stand correspondingly reduced."

10.1.3 In case there is no reduction in the sale price, the Contractor shall furnish the following certificate to the concerned Accounts Officer along with each bill for payment of supplies made against the contract.:

"I / We certify that there has been no reduction in sale price of the stores of description identical to the stores supplied to the Government under the contract herein and such stores have not been offered / sold by me/us to any person / organization including the purchaser or any Department of Central Government or any Railway Office or any Railway Undertaking as the case may be, up to the date of bill, at a price lower than the price charged to the Government under the contract.

11.0 Book Examination Clause :

11.1 The tenderers are to agree for the Standard Book Examination Clause as stated below. In case the tenderer do not agree to this clause, it is made clear that under Section

209-A of Companies Act, the Government have got powers to examine the book of the company. The Book Examination Clause can be invoked wherever it is felt by the purchaser that the rates quoted by the firm is unreasonable with due regard to the previous purchase rates, price trends intrinsic worth of the items.

(i) The contractor shall whenever called upon and requiring to produce or cause to be produced for examination by the Government Officer duly authorized in that behalf, any cost or other account book of account voucher, receipt, letter, memorandum paper and writing or any other copy or extract from any other such documents and also furnish information relating to such transaction and produce before the duly authorized 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 or 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 statue, rules or orders shall be binding on the contractor.

(ii) The Contractor shall, if the authorized Government Officer so requires (whether before or after the prices, have been finally fixed), afford facilities to the Government Officer concerned to visit the Contractors works for the purpose of examining the process of manufacturing 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 authorized Government Officer shall have the power to examine all the relevant book of such sub-contractor or any subsidiary or allied firm or company and it shall be opened 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) Where a contract provided for book examination clause the Contractor or its agency bound to allow examination of its books within a period of 60 days from the date the notice is received by the Contractor, or his agencies calling for the production of documents as under clause (i) above. In the event of Contractor's or his agencies failure to do so, the contract price would be reduced and determined according to the best judgement of the purchase which would be final and binding on the Contractor and his agencies.

12.0 <u>Warranty / Guarantee period</u> :

12.1 The Contractor 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.

12.2 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, lf a longer/ shorter period of warranty/ guarantee is specified in the Particulars or any other Contract documents, same shall be applicable instead of period specified in this clause

12.3 lf during the aforesaid period, the said Goods be discovered not to conform to the description and quality aforesaid or have deteriorated, otherwise than by fair wear and tear, the decision of the Purchaser in that behalf being final and conclusive, 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 (by way of issue of "Warranty Rejection Advice").

12.4 Warranty rejections: Materials are rejected under warranty in the following situations:

(A) Material rejected was issued to the user (shop/shed etc) from its attached Stores Depot or attached User Depot (both Stock & Non-stock).

(B) Material rejected was received from a PU or a Stores Depot or a User Depot which is not the attached depot of the end user including that received directly through centralized procurement (both Stock & Non-stock).

(C) Material was rejected in the field and was fitted at some other Workshop/Shed/Depot. Material either received or fitted through Supply Contract, Works Contract or Service Contract or any other type of contracts (both Stock & Non-stock).

(D) Failure of components of Rolling Stocks received from Railway PUs/ PSUs/ Workshops/Private Manufacturers.

12.4.1 For warranty rejection in shop/shed etc. where rejected material was issued from its attached stores depot or attached User depot:

(i) “Warranty Rejection Advice” (i.e. warranty claims lodging) shall be issued to the firm with theapproval of gazetted officer of the end consignee of attached Stores Depot/ User Depot(depending upon where rejected material was accounted for after receipt from vendor) after getting the warranty rejected material from end-user.

(ii) The “Warranty Rejection Advice” shall be issued by attached Stores Depot/ User Depot to all concerned i.e. firm, purchaser, pre-inspecting agency, vendor approving agency, paying authority etc. as per the contract- without fail.

(iii) In the Warranty Rejection Advice, the vendor shall be called upon for replacement of rejected stores or for deposition of equivalent amount of rejected material, within a period of 60 days from the date of Warranty Rejection Advice. Date of issue of

Warranty Rejection Advice by gazette officer to be taken as date of Warranty Rejection Advice.

(iv) Firm shall be allowed to collect the rejected materials only after deposit of payments already made by Railway (if any) to them or after recovery of equivalent amount by Accounts or against replacement quantity. Rejected material shall be suitably defaced before handing over to the firm to avoid re-use and necessary provision about digital capturing in respective modules may be done.

(v) **Warranty Quantity Replacement**:

(a) Replacement of rejected quantity shall be made to the end consignee at the Stores Depot/User Depot which received the original supply from the firm.

(b) The warranty quantity replacement will be supplied and accounted through RNote/CRN which shall be clearly marked as "Warranty Replacement CRN/R-Note, Not for Payment".

(c) Item/equipment supplied against a particular warranty claim shall be used to close that warranty claim only. Any alternate use of the material can be done only with the written consent of the firm.

(vi) Replaced/rectified material shall have warranty for the replaced/rectified good still the original warranty period plus the time from the warranty rejection advice to material replacement/rectification. Record for the same shall be maintained by the system.

(vii) Vendor would be permitted to lift the rejected material (subject to sub-para (iv) above) "free of cost" within the period mentioned in sub-para (iii) above (i.e. 60days from the date of Warranty Rejection Advice). After this time, ground rent shall be applicable.

(viii) In cases where firm fails to lift the warranty rejected material within the time period mentioned in para 10(c) of IRS Conditions of Contract, 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' and any other relevant clauses shall apply. However, in case the material under warranty rejection is not lying in Railway premises but is running online or being actively used by Railways, this clause shallot be applicable.

(ix) In case disposal/closure/settlement of the Warranty Rejection Advice is not done by firm within the period of 60 days, Recovery Advice of equivalent amount of rejected material for which Warranty Claim has not been disposed/closed/settled shall be automatically generated and the "Centralized Recovery Register" of IPAS shall be automatically updated for recovery. Any Bill Paying Authority across IR shall recover the amount mentioned in "Centralized Recovery Register" from firm's Bill(s), if any. Even if the payable amount against a Bill are not enough for the full recovery against a Warranty Claim, the Paying Authority shall proceed with partial recovery to the extent of payable amount against that Bill and balance recovery amount will remain in the "Centralized Recovery Register" for further recoveries from other Bill(s). After recovery, the "Centralized Recovery Register" shall be automatically updated immediately to avoid multiple recoveries by different Railways.

(x) Once recovery has been made by Accounts or the recovery amount has been deposited by vendor, replacement/rectification/re-inspection of the warranty rejected quantity shall not be allowed after period of 60 days from date of issue of warranty rejection advice. While receiving fresh replacement supplies /allowing Reinspection/Rectification by vendor against Warranty Rejection Advice after the period of 60 days, these activities are allowed only to the extant the Claim amount has not been recovered by Railways.

(xi) However, cases where due to extreme urgency affecting out-turn, operation etc it is in Railways' own interest to allow replacement/rectification/reinspection after a period of 60 days from issue of warranty rejection advice, it may be permitted with the approval of gazetted officer of minimum JAG level of the officer issuing warranty rejection advice. In such cases, "Recovery Refund Letter" shall be issued by gazetted officer of the office issuing warranty rejection advice to the extent permission is granted and warranty rejection is disposed/ settled/ closed by the vendor. However, ground rent as per sub-para viii above shall be applicable in such cases also.

(x) "Recovery Refund Letter" shall also be issued by gazette officer of the office issuing warranty rejection advice in the following cases:

(a) If warranty is closed/disposed/settled within 60 day period and R-Note/CRN is issued after 60 day period

(b) Amount deposited by vendor before recovery but details of such deposit entered by user after recovery.

(c) Warranty rejection advice withdrawn altogether after recovery; and

(d) In other instances like court/arbitration judgment/order, etc. after recovery.

(e) cases where, inspite of issue of warranty rejection advice, the item under warranty rejection has been actively running online or being actively used by Railways due to practical considerations.

(xi) The vendor may submit his supplementary bill on the basis of "Recovery Refund Letter" to the concerned paying authority which has deducted the refundable amount online or offline depending upon the case whether the bill against which recovery has been made was submitted online or offline.

(xii) However, if the recovery amount has been transferred by recovering railway to the Railway issuing warranty rejection advice, such information shall be passed on to all stakeholders by IPAS including to the vendor also to claim his refund. In such cases Supplementary bill shall be submitted to the railway where amount has been transferred.

(xiii) Inspection of Replacement Supply- In line with IRS Conditions of Contract clause 7.6, Vendor shall bear all cost of such replacement including freight, cost of inspection and inspection charges to inspecting agency, if any, on such replacing and replaced stores but without being entitled to any extra payment on that or any other account the replacement supply shall normally be inspected by the same inspection agency which inspected and passed the original supply. However, inspection clause for replacement of quantity rejected under warranty can be changed from 3rd Party Inspection (RITES/RDSO/TPI agency etc.) to Consignee Inspection with the approval of minimum JA grade level officer of the office issuing

Warranty Rejection Advice, duly considering practicability of the case due to low quantity/value, criticality of the item, quality issues involved etc.

12.4.2 For Warranty rejection in Shop/Shed etc. of the material received from a PU or a Stores Depot or User Depot which is not the attached Depot of the end user including that received directly through centralized procurement:

(i) The "Warranty Rejection Advice" shall be issued on UDM by End User to all concerned i.e. firm, purchaser, pre-inspecting agency (if known), vendor approving agency, paying authority etc without fail.

(ii) Warranty Quantity Replacement.

a. Replacement of rejected quantity shall be made at the end of end user.

b. The warranty quantity replacement will be supplied and accounted for in UDM through CRN. The CRN should be clearly marked as "Warranty Replacement CRN, Not for Payment".

(iii) Other provision shall be as per sub-para (iii) to (xiii) of clause 12.4.1 above except Para(v)

12.4.3 For Warranty rejections in the field where material rejected was fitted at some other Workshop/Shed/Depot- Material either received or fitted through Supply Contract or Works Contract or Service Contract (both Stock and Non-stock items)- Such case shall also be dealt as per clause 12.4.2 above.

12.4.4 Rectification of the rejected stores:

(i) In case the vendor requests for rectification/repair of rejected stores in terms of sub-para 12.4.2,12.4.3 and 12.4.4 above, rectification/repair shall be permitted in exceptional circumstances and only if the item can be effectively rectified/repaired at the user end. At the option of the Depot Officer/ officer of end-user (depending upon who has issued the "Warranty Rejection Advice"), rectification/repair of rejected stores by the firm shall be permitted within railway premises only.

(ii) If firm requests to rectify/repair the rejected stores at its own premises, same shall be allowed only if the item has unique traceability to ensure that the rejected item cannot be supplied to any other consignee/user and if supplied, it can be traced. For taking out the rejected quantity for rectification/repair, equivalent value of rejected item shall be deposited by the firm.

(iii) However, the rectification activity shall have to be completed within timelines given in sub-para 12.4.1 (iii) from the date of issue of "Warranty Rejection Advice." After this, process for recovery shall be initiated.

12.4.5. Handling Epidemic Failures:

Any recurring/large scale rejections from a particular lot will lead to epidemic failure.

i. Whenever the quantity rejected anytime during the warranty period exceeds 5% of the total supplied lot against a particular contract, it will be considered as Epidemic Failure. However, in case of failures related to items which are extremely critical from safety consideration (like critical components or sub-parts of air brake system, wheel discs, axles, propulsion system etc.), RDSO/PU may pre-define a lower

percentage for considering the occurrence of epidemic failure. The same shall be declared in the tender document for procurement of such items.

ii. Same steps as mentioned at sub-para 12.4.2,12.4.3 and 12.4.4 above, as applicable, will be followed. However, instead of rejecting only defected quantity, entire lot shall be rejected. Even if some quantity of such lot has been used/fitted, the same will also be identified and called back from service, to the extent possible, by the concerned technical department for issuing warranty rejection.

iii. Joint Inspection shall be conducted as per extant provisions.

iv. In case warranty rejection is established in joint inspection, the vendor shall replace entire lot (as available, refer point ii above) duly inspected by inspecting agency as per contract on his own expenses.

v. Replacement supply should be inspected by the same agency which has previously inspected the supplies.

vi. Epidemic failure is essentially considered as very poor quality performance and shall be reflected on the performance of vendor/Inspecting agency accordingly.

12.4.6 In case the vendor disputes the Warranty Rejection as per Warranty Rejection Advice, representation from vendor should be sent through IREPS system to the officer issuing Warranty Rejection Advice within 7 days from the issue of Warranty Rejection Advice. In such case a joint inspection shall be organised by the officer issuing Warranty Rejection Advice for the grounds of warranty rejections mentioned in the Warranty Rejection Advice.

12.4.7 In all cases of warranty rejections where items are appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agency for performance monitoring and capability/capacity assessment/delisting/downgradation of the vendor and review of the design/specifications/STR if required. If required, based on merit of the case, Vendor approving agencies may take appropriate decision on suspension of replacement material inspection.

12.5 Purchaser is entitled to provide for an authorized portal (as an extension of authorised e-procurement portal or otherwise) for management of warranty obligations, including monetary recoveries when due, under the Contract and also provide for detailed procedure for working of such a portal. Working procedure (as amended from time to time) of such a portal shall be binding upon the Contractor and shall not be rendered ineffective merely on the ground that the same have not been specifically mentioned in the Contract documents.

12.6 Purchaser is entitled to effect due recoveries against warranty rejection advice from the Warranty Security Deposit, if the recoveries from pending bills of the Bidder is not possible.

13.0 <u>Evaluation of the offers :</u> The Inte**r-**se position of all offers received will be decided item wise / consignee wise unless stated otherwise in the tender schedule.

(a) Rates quoted without any condition attached (viz. discounts having linkages

to minimum order quantity, prompt payment, prompt Receipt Note etc.) will only be considered for tender evaluation purpose. Thus discounted rates - linked to minimum order quantities and prompt payment etc will be ignored for calculating inter-se position. South Coast Railway however reserves the right to use the discounted rate / rates if considered workable and appropriate for counter offer to the successful tenderers. Though the rates without any conditions attached will only be considered for evaluation purposes, this does not preclude Sout Coast Railway from making counter offer of rates of any of the discounted offers.

(b) The tenderers should note that tender quantity is only approximate and subject to variation at the time of actual finalization of the tender. Moreover, as per the terms and conditions of the tender, the purchaser also reserves the right to accept the offer for the full quantity or part thereof tendered.

(c) All inclusive cost comprises of Basic Rate, applicable taxes, Packing charges, Forwarding charges, Insurance (if any) and Freight charges up to destination and any other charges quoted by the Tenderer. This will be calculated by the e-procurement system and displayed in tabulation statement.

(d) All offers will be arranged in ascending order of the all inclusive cost as calculated by
the System.

(e) Time preference orders on higher tenderers with assurance of earlier delivery in preference to lowest acceptable offers with longer delivery can be placed by South Coast Railway in case of emergency / urgent requirement.

(f) Any conditions in the e-offers, involving financial angle, if stipulated elsewhere other than "financial rate page" will not be taken into account for tender evaluation purpose and decision making, as the e-procurement system cannot calculate all inclusive cost in such cases.

(g) In case, tenderer quote for delivery of entire tendered quantity to one consignee against Railway's requirements of delivery to multiple consignees, such offer shall be considered valid only for quantity required as per tender schedule by the consignee to whom delivery is offered by the tenderer and it shall be considered that there is no offer for remaining consignees.

(h) In case of Machinery and Plant (M&P) items, the Net Present Value (NPV) of Annual Maintenance Charges (AMC) for various years will also be added to arrive at all inclusive FOR destination rate as per clause 28.4 (iii) of Special Conditions for Machinery and Plant (M&P) Items. The rate of discounting for the NPV calculation shall be pre-disclosed in the tender documents uploaded on the IREPS website.

14.0 <u>Marking of material Supplied</u> :

The contractor should indicate the Manufacturers Name / Month and Year of manufacturing / Purchase Order Number by process of Stamping / etching / embossing as appropriate or as specified in specification, in order to identify the suppliers in case of premature failure of the materials in actual use. The location of these identification should be such that they do note get obliterated on wear and tear and without affecting the functional utility and structural stability of the components / materials.

15.0 Benefits of MSE/ Startups {whether Micro & Small Enterprises (MSEs)} or otherwise as per Public Procurement Policy

15.1 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 UDYAM and the certificate should be attached along with the bid.

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

(i) Tender sets shall be provided free of cost to all MSEs registered with agencies mentioned at Para 15.1 above irrespective of relevance of product Category.

(ii) MSEs irrespective of relevance of product Category registered with the agencies mentioned at Para (i) above, 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) In case of tender item cannot be split or divided, etc. the MSE quoting a price within the band L1+15% may be awarded for full/ complete supply of total tendered value to MSE, considering the spirit of the Policy for enhancing Govt. Procurement from MSEs.

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

(b) The sub-target for procurement 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%.

However, in event of failure of such MSEs to participate in tender process or meet tender requirements and L1 price, 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs and 3% earmarked to women entrepreneur will also be met from other MSEs.

15.3(a) 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.

(b) Firm failing to submit the information as indicated in Para 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 equipment's etc.) where procuring entities may prefer the vendors to have prior experience rather than giving orders to new entities. For such procurement, wherever adequate justification exists, the procuring entities may not relax the criteria of prior experience/turnover for the startups

15.4 **T**he benefits of Public Procurement Policy should be given to all eligible MSEs irrespective of relevance of product Category

15.5 In case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise shall continue to avail of all non-tax benefits of the category (micro or small or medium) it was in before the re-classification, for a period of three years from the date of such upward change.

In such cases, the tenderer claiming benefits under MSE category shall submit documentary evidence of the date of upgradation to Medium category along with offer.

16.0<u>Public Procurement (Preference to Make in India) Order, 2017 - Revision</u>

The Revised Public Procurement (Preference to Make in India) Order, 2017 dated 16.09.2020 and any subsequent amendments thereof issued by Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Government of India shall be applicable for all tenders issued by this organization, except where estimated value is less than Rs.5 lakhs.

(a) <u>Local content:</u>

'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 custom duties) as a proportion of the total value, in percent.

(b) (i) '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

(ii) '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.

(iii) '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 suppler' under this Order.

(c) L1 means the lowest valid eligible tenderer or lowest eligible 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.

(d) 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 only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier' / 'Class-II local supplier'. For the items for which the Nodal Ministry / Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier' / 'Class-II local supplier' respectively.

(e) Margin of Purchase Preference:

The margin of Purchase preference shall be 20%. '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.

(f) 'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works

(g) 'Procuring entity' means a Ministry or Department or attached or Subordinate office or of autonomous body controlled by the Government of India and includes Government Companies as defined in the Companies Act

(h) 'Works' means all works as per Rule 130 of GFR-2017 and will also include 'Turnkey Works'

(i) **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/SCoR. The fee shall be deposited with the office of the PFA/SCoR.

16.1 Verification of local content:

a. The 'Class-I local supplier / Class-II local suppler' 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 suppler' as the case may be. They shall also give the details of the location(s) at which the local value addition is made.

b. In case of procurement for a value in excess of Rs.10 crores, the 'Class-I local supplier / Class-II local suppler' 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. The contractor shall give Self-certification for local content in the quoted item (goods/Works/services) at the time of tendering. However, at the time of execution of the project, for all contract above INR 10 Crore, the contractor/supplier shall be required to give local content certification duly certified by cost/chartered accountant in practice. For cases where it is not possible to provide certification by Cost/Chartered Accountant at the time of execution of project, the supplier shall be permitted to provide the certificate for local content from cost/Chartered Accountant after completion of the contract, within time limit acceptable to the procuring entity. In case the contractor/supplier does not meet the stipulated local content requirement and the category of the supplier changes from Class-I to Class-II/Non-local or from Class-II to Non-local, a penalty upto 10% of the contract value may be imposed. However, contract once awarded shall not be terminated on this account.

d. Decision 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.

e. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's /accountant's certificates on random basis and in the case of complaints

f. Nodal Ministries and procuring entities may prescribe fees for such complaints

g. 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 contractor 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.

h. 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 procurement by 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 procuring entities in the manner prescribed under paragraph (i) below

i. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:

1)The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member--Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;

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

3)In respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurement are not disrupted.

16.2 <u>Eligibility of 'Class-I local supplier'/'Class-II local supplier'/'Non-local suppliers' for different types of procurement</u>: -

(a) In procurement of all goods, services or works in respect of which Ministry of Railways has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier' as defined above shall be eligible to bid irrespective of purchase value.

(b) Only 'Class-I local supplier' and 'Class-II local supplier' as defined above 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 16.2(a) above, and with estimated value of purchases less than Rs.200 Crore, 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 revised order, Works includes Engineering, Procurement and Constructions (EPC) contracts and services include System Integrator (SI) contracts

16.3A <u>Purchase Preference</u>:

(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 suppler' in procurements undertaken by procuring entities in the manner specified hereunder:

(b). In procurement of goods or works which are covered by Para 16.2 (b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local suppler' as well as 'Non-local supplier' as per following procedure: -

(i) Among all qualified bids, the lowest will be termed as L1. If L1 is 'Class-I local suppler', 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 contractor among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I 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 contractor.

(c) In procurement of goods or works which are covered by Para 16.2 (b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on the price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local suppler' 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 will be awarded to L1

(ii) If L1 is not 'Class-I local supplier' , the lowest contractor among the 'Class-I local supplier' will be invited to match the L1 price subject to Class-I local supplier's quoted price falling 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 such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I 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 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may awarded to the L1 contractor.

(d) Class-II local supplier will not get purchase preference in any procurement undertaken by any procuring entities.

16.3B Applicability in tenders where contract is to be awarded to multiple contractor:

In tenders where contract is awarded to multiple contractor 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 supplier 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 provision 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 contractor 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 quality, purchase preference should be 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 contractor 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.

16.4 Exemption of small purchases:

(a) Notwithstanding anything contained in paragraph 16.3, procurements where the estimated value to be procured is less than Rs.5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

(b) **Exemption in sourcing of spares and consumables of closed systems:** Procurement of spare parts, consumables for closed systems and Maintenance/ Service contracts with Original Equipment Manufacturer/Original Equipment Supplier/Original Part Manufacturer shall be exempted from this Order.

16.5 Specifications in Tenders and other procurement solicitations: -

a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.

b. Procuring entities shall endeavor to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local suppler' / 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.

c. Reciprocity Clause:-

i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and / or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, Sate Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.

ii. 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.

iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/Department.

iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders .

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

d. Specifying foreign certifications/unreasonable technical specifications/brands/models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.

e. Action for non-compliance of the Provisions of the Order : In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such action shall be sent to the Standing Committee.

16.6 Restrictions under Rule 144 (xi) of General Financial Rules (GFRs), 2017:-

16.6.1 Any contractor from a country which shares a land border with India will be eligible to bid in this tender only if the contractor is registered with the Competent Authority, specified in Annexure 10

16.6.2 "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 contractor stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.

16.6.3 "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. A 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 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.

16.6.4 The beneficial owner for the purpose of paragraph 16.6.3 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 per cent, 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 persons 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.

16.6.5 An Agent is a person employed to do any act for another, or to represent another in dealings with third person.

16.6.6 The successful contractor 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

16.6.7 Bidder must submit a certificate as per Annexure-11 along with bid for compliance of OM of MoE dated 23.07.2020. If such certificate given by a contractor 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. Non-submission of Certificate may lead to summary rejection of offer.

16.6.8 Validity of registration by Competent Authority: In respect of tenders, registration should be valid at the time of submission of bids and at the time of acceptance of bids. In respect of supply otherwise than by tender, registration should be valid at the time of placement of order. If the contractor was validly registered at the time of acceptance placement of order, registration shall not be a relevant consideration during contract execution.

16.6.9 Notwithstanding above, the terms & conditions mentioned above will not apply to contractor 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.

16.7 Concurrent Application of MSE act and MII Policy: As per RB letter No. 2020/RS(G)779/2 (E 3319159) dated 03.07.2023 and any amendments thereof.

17.0 Guidelines for Electronic Reverse Auction

17.1 Selection criteria for tender cases of stores proposed thorough Reserve Auction (E-RA) route:

a) Electronic Reverse Auction (eRA) shall not be the preferred method of procurement in Stores tenders. eRA shall be one of the possible methods of procurement available with the procuring entities. The decision to use eRA in a particular tender shall be taken duly recording the special conditions specific to that tender and specific approval of the authority competent for invitation of the tender as per SOP shall be required. There shall not be any negotiation after the e-reverse auction process is closed. In case the rates obtained after eRA are unreasonable, the case shall be re-tendered.

b) The process of procurement through Reverse Auction shall be followed only in case of tenders where there are at least three approved vendors (where work to be executed/service to be provided/bulk procurement is to be from vendors approved by RDSO/CORE/PUs etc.) or at least Three proven/likely competitive sources, prima facie competent for execution of work/provision of service / bulk ordering.

c) Financial Bids in single currency/ parameter only shall be allowed

d) Even for cases which do not satisfy the selection criteria as detailed above, Railways may follow the process of Reverse Auction, as detailed herein if they so desire.

17.2 Procedure for award of contracts through Reverse Auction:

a) The procedure discussed herein shall be fully implemented through IREPS. Any reference to Reverse Auction in these instructions shall imply e-RA.

b) No deviation to essential technical and commercial conditions shall be permitted to the vendors in the electronic bid form.

17.2.1 Technical Bid and Initial Price Offer:

a) In case of Stores Tenders procuring authority shall decide the bid evaluation criteria in the tender itself, i.e. whether the evaluation shall be item wise, consignee wise or overall tender value wise.

b) Bidder shall be simultaneously required to electronically submit a Technical & Commercial Bid and Initial Price Offer. In case of Stores tenders, offers found eligible for bulk order shall be categorized as Qualified for Bulk Order for the purpose of RA and offers found eligible for Developmental order shall be categorized as Qualified for Development Order for the purpose of RA.

c) Offers not complying with essential technical & commercial requirements of the tender shall be declared as Ineligible for award contract.

d) In case of Stores tenders Initial Price Offer of only those contractor categorized as Qualified for Developmental Order or Qualified for Bulk Order, shall be opened and tabulated by system separately, category wise. Extant instructions for electronic tabulation shall apply for tabulation of Initial Price Offers.

17.2.2 <u>Financial Bid</u>: - Financial bid shall comprise of Final Price Offer obtained through Reverse Auction. Following conditions and procedure shall be followed in selecting the contractor for conduct of Reverse Auction**.**

a) Selection of vendors for Reverse Auction for award of Contract in Works and Services tenders and bulk ordering in Stores tenders:

Number of Vendors Qualified for Bulk order	**No.of Vendors to be selected for Reverse Auction**	**Remarks**
Less than 3	NIL *	The bids disallowed from participating in the Reverse Auction shall be the highest contractor(s) in the tabulation of Initial Price Offer.
3 to 6	3	
More than 6	50% of vendors qualified for Bulk Order (rounded off to next integer)	In case the highest contractor 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.

*NOTE :

(i) 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).

(ii) **<u>Selection of vendors for Reverse Auction for developmental ordering</u>**

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.

However, for the items where it is considered essential to also consider the offers for Placement of developmental order from vendors categorized as qualified for Development order, whose received rates are higher than the rates applicable for offers categorized as qualified for bulk order (ref para 17.2.1 (b) part B), all bids categorized as qualified for developmental order shall be allowed to participate in RA.

(iii) **<u>MSE Criteria :</u>** All MSEs (Micro & Small Enterprise) found Qualified for Bulk Order / Developmental Orders /Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in para 17.2.2 a) and para 17.2.2 a) Note (ii) above, but are within the range of 15% of lowest Initial Price Offer of the contractor 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 17.2.2 a) and para 17.2.2 a) Note (ii) above. Lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order. However, in case all the contractor qualifying for bulk as well as for developmental order (before applying elimination criteria) are within MSE category, this clause shall not apply.

(iv) **Make in India Criteria:** All contractors eligible for benefits under Public Procurement (Preference to Make in India) Order – 2017, or latest 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 contractor shall be over and above the number of vendors selected for Reverse Auction, as per para 17.2.2 a) and para 17.2.2 a) Note (ii) 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 or latest" criteria, this clause shall not apply

b) During Reverse Auction process, contractor shall not be allowed to bid a rate higher than the lowest Initial Price Offer.

17.2.3 Reverse Auction among contractors 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 contractors qualified for Bulk Order and auction screen of Reverse Auction amongst contractors qualified for developmental order. However, contractors 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. Purchase shall only be initiated 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.

17.2.4 In case of Stores Tenders, quantity to be covered on developmental orders shall be limited to 20% of the net procurable quantity. Developmental orders shall be placed in terms of Railway Board letter no.99/RS(G)/709/1/Pt. Dated 13/01/2015. The quantity covered on developmental orders may be within or outside NPQ which may be decided by TC/TAA, before conduct of Reverse Auction.

17.2.5 After obtaining the final price offers through Reverse Auction, the lowest bid of only those contractor who had participated in the Reverse Auction shall be tabulated and considered for ordering. The offers of contractor which were eliminated from Reverse Auction in terms of Para 17.2 shall be tabulated separately and shall not be considered for any ordering. All the relevant policies of Government of India at the relevant time shall be applicable.

17.3 Procedure for Conducting and Reporting of Reverse Auction

1.0 Initial e-RA period : this shall be the initial time interval for e-RA. e-RA shall be open for this duration.

2.0 Auto extension period : In case of any other 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.

3.0 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.

4.0 Minimum decrement in percentage of value of the last successful bid.

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

6.0 After submission of Initial Price Bid, tenderers will not be allowed to revise the taxes and other levies.

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

8.0 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.

9.0 After close of the RA, tabulation of last (minimum) bids received from all the tenderers will be generated and made visible to Railways and the participating tenderers.

10.0 Bidders will not be allowed to withdraw their last offer.

11.0 L1 will be defined as the lowest bid obtained after the closure of Reverse Auction session.

All Terms & Conditions available in the Tender Conditions uploaded in the IREPS website under the link public documents →Goods & Services → South Coast Railway will be applicable for these Reverse Auction tenders also.

18.0 Mode of payment through Letter of Credit(LC) as option in Supply contracts:

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:

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. 10 lakhs and above, shall have an option for the supplier/contractor to take payment from Railways through a letter of credit (LC) arrangement.
b. The LC will be a sight LC.
c. The contractor, 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 contractor's 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 document of authorization. (Format enclosed as Annexure – 7)
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 condition. 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 his account shall be considered as reasonable compensation and paid by Contractor/Vendor.

19.0 <u>Case where L1 Bidder withdraws:</u>

(a) If the contractor, whose bid has been determined as the lowest techno-commercially suitable bid, withdraws its bid after such determination, or whose bid has been accepted fails to sign the procurement contract, fails to furnish the Performance Security/Security

Deposit as required, or otherwise withdraws from the procurement process, the Procuring Entity shall cancel the procurement process.

(b) If any firm withdraws or modifies its offer during the validity period of the tender, the Earnest Money Deposit (EMD), wherever submitted, shall be forfeited.

(c) In the case of firms exempted from submission of Earnest Money Deposit (EMD) under Para 2.1 of Part-A of the Bid Document, if they withdraw or modify their offer during the validity period, or fail to submit the Security Deposit (SD) within the time stipulated in the tender document after being called upon to do so on award of contract, such firms shall be debarred from availing exemption from submission of Earnest Money Deposit and Security Deposit for a period of six (6) months from the date they are declared disqualified from exemption from submission of EMD/SD.

(d) During the aforesaid period of disqualification, such firms shall not be eligible for exemption from submission of EMD or SD in respect of any tender for procurement of goods issued by any Unit of Indian Railways and published during the said period.

20.0 Digitization of Warranty Management System:

Handling of Warranty Rejections will be dealt as per Railway Board Letter No. 2022/RS(G)/779/7 dated 17.10.2022 which is attached as Annexure 12 and any subsequent amendments thereof.

21.0 It shall be mandatorily incumbent upon the tenderer to identify, state and submit the supporting documents duly self-attested/ digitally signed by which they/ he is qualifying the Qualifying Criteria mentioned in the Tender Document. It will not be obligatory on the part of Tender Committee/ Accepting Authority to scrutinize beyond the submitted document of tenderer as far as his qualification for the tender is concerned.

22.0 Code of integrity:

Code of integrity: Purchaser as well as bidders shall not indulge in following prohibited practices, either directly or indirectly, at any stage during the tender process:

(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.

(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.

(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": any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the tender process;

(e) "Conflict of interest" (COl): any personal, financial or business relationship between the bidder and any personnel of the purchaser who are directly or indirectly related to the tender process, which can affect the decision of the purchaser directly or indirectly.

(f) "Undue Advantage": improper use of information obtained by the bidder from the purchaser with an intent to gain an unfair advantage in the tender process or for personal gain. This also includes if the bidder (or his allied firm) provided services for the need assessment procurement planning of the tender process in which he is participating;

23.0 Obligations for proactive disclosures:

(a) Purchaser as well as bidders are obliged under this Code of lntegrity to suo- motu 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. 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 Organization from participation in Tender Processes. Failure to do so shall amount to a violation of this code of integrity.

24.0 Misdemeanors:- The following shall be regarded as misdemeanors-if a bidder either directly or indirectly, at any stage during the tender process, commits any of the following misdemeanors:

(a) Violates the Code of integrity;

(b) Convicted of an offence under the Prevention of Corruption Act, 1988 (as amended) or under the erstwhile lndian Penal Code, 1860 (as amended) or under the Bharatiya Nyaya Sanhita, 2023 (as amended) 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 pad of the execution of a public procurement Contract;

(c) Employs a government servant who has been dismissed or removed on account of corruption;

(d) Employs a non-official convicted of an offence involving corruption or abetment of such an offence, in a position where they could corrupt government servants;

(e) Employs a government officer within one year of his retirement who has had business dealings with him in an official capacity before retirement;

(f) ls determined by the Government of lndia to have doubtful loyalty to the country or national security consideration;

(g) Any other misdemeanor such as failure to abide by 'Bid securing declaration'.

25.0 <u>Penalties for misdemeanors:</u> Without prejudice to and in addition to the rights of the Purchaser to other remedies as per the Tender-documents, if the Purchaser concludes that a (prospective) bidder directly or through an agent has committed a misdemeanor in competing for the tender the Purchaser shall be entitled, and it shall be lawful on his part to take appropriate measures, including the following, if his bids are under consideration in any procurement:

(a) Enforcement of Bid Securing Declaration in lieu of forfeiture or encashment of Bid Security;

(b) calling off of any pre-contract negotiations and;

(c) rejection and exclusion of Bidder from the Tender Process.

(d) ln addition to the above penalties, the Purchaser shall be entitled and it shall be lawful on his part to:

(i) File information against Bidder or any of its successors, with the Competition Commission of lndia for further processing, in case of anti-competitive practices;

(ii) Initiate proceedings in a court of law against Bidder or any of its successors, under the Prevention of Corruption Act, '1988 (as amended) or under the Bharatiya Nyaya Sanhita,2023 (as amended) or any other law for transgression not addressable by other remedies listed in this sub-clause.

(iii) 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.

(iv) Debar a bidder 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.

(v) The Ministry/ Department may debar a bidder or any of its successors from participating in any Tender Process undertaken by Purchaser for a period not exceeding two years commencing from the date of debarment for misdemeanors listed above. The Ministry/ Department shall maintain such a list which shall also be displayed on their website.

(vi) 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 for a period not exceeding two years commencing from the date of debarment for misdemeanors listed above. DoE shall maintain such a list which shall be displayed on Central Public Procurement Portal (CPPP).

(vii) Any dispute or difference in respect of either the interpretation effect or application or the above condition or of the amount recoverable thereunder, shall be decided by the Purchaser, whose decision there on shall be final and binding.

<u>26.0 Special Conditions for Running Contract:-</u>

Following (special) conditions wherever they differ from the invitation to tender and instruction to tenderers override the latter. ln addition to Standard Conditions of Contract, the following special conditions shall apply to Running Contract: -

(a) **Purpose of Contract and Parties to the Contract**:

(i) 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.

(ii) The Purchaser may authorize 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.

(iii) 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.

(b) **Delivery**:

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 dispatch the full quantity of the goods so ordered within the period specified in the said contract.

(c) Related to rate contract

Maintenance and Replacement of Stocks:

(i) 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.

(ii) The period for replenishment of stocks will be allowed only if the material is not in stock. lf the material is in stock, this Provision will be inoperative even though the guaranteed stock quantity may have been supplied against the contract.

(iii) As an alternative to Sub-Clauses (i) and (ii) 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. The staggered delivery schedule mentioned in the Rate Contracts shall be provisional and may be modified by the Purchaser. The exact delivery period for each instalment shall be as specified in the respective Supply Order. The 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.

(d) **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 dispatched under the contract.

27.0 Force Majeure Clause:

Force Majeure Clause: As per clause 16 of IRS conditions of contract enclosed in Part-C.

28.0 Special Tender Conditions pertaining to procurement of Machinery and Plant (M&P) Items:

28.1 Elements of freight for indigenous purchase:

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

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

28.2 Timely Commissioning of M&P:

i) The supplier has to conduct joint inspection along with the consignee's representative at the time of opening the cases after receipt of the cases at consignee's site.

ii) The installation, commissioning & demonstration will have to be done by the supplier immediately after the joint inspection at the consignee's site.

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

28.3 Warranty:

i) Warranty period for M&P items will be 24 (twenty-four) months from the date of commissioning and proving out of M&P. A maximum period of 2 (two) weeks will be allowed for attending and rectification of faults during the warranty period.

ii) Maximum down time during the warranty period will be 2% (two percent) for on line M&P and 10% (ten percent) for off line M&P calculated on quarterly basis.

iii) A penalty of 0.5% (zero point five percent) per week of the contract value will be levied for delay in response time for attending and rectification of faults beyond specified time during the warranty period as detailed above.

iv) Maximum penalty to be levied on account of warranty failures will be 5% (five percent) of the contract value calculated during whole of warrantee period and after that if there is any delay on the part of supplier,Purchaser shall be entitled for encashment of warrantee/guaranty Bonds. Such cases the bad performance of firm during the warranty period will be recorded and circulated to all Railways for deciding future orders on the firm and when evidence to the contrary is not available, the firm's offer may even be rejected.

28.4 Annual Maintenance Contract:

i) Tenderers are required to quote for post warranty Annual Maintenance Contract (AMC) for a period of five years after expiry of the warranty period of the M&P along with their offers. The scope of AMC will include preventive and break down maintenance. AMC charges will include all costs of personnel, spares etc., except the cost of consumables required for day-to-day operation and daily maintenance checks.

ii) The maximum downtime and maximum response time as also penalties for failure to adhere to the same will be as specified in the tender documents. AMC payment terms would be linked to the performance parameters.

iii) The tenderers should quote AMC rates for each of the five years. The AMC price for each year will be firm. The AMC charges shall be separately payable in Indian Rupees only. The AMC charges would be added to the FOR destination price quoted for M&P for the purpose of comparative evaluation of offer, if so specified in the tender documents. In order to equitably compare different AMC charges for different years. The concept of NPV (Net Present Value) will be used at a predetermined rate of discounting to bring the AMC charges at the same footing in the assessment of FOR destination price. The rate of discounting and the NPV calculation shall be predisclosed in the tender document /Tender Schedule.

iv) The post-AMC maintenance of machines will be dealt with by the end users. In order to facilitate the same, tenderers are required to give the current cost of spares required for maintenance of machine after AMC period and the current service charges for each items of work of repair of M&P beyond the AMC period. These charges will not be included in the price of M&P for the purpose of comparative evaluation of offers

v) Tenderers who are OEM, must give undertaking for supply of spare parts for a period of expected life of the machine/equipment. Other tenderers must submit undertaking from OEM for supply of spare parts for a period of expected life of the machine/equipment.

vi) The actual contract agreement will show the AMC charges as a separate Schedule/Annexure to distinguish it from the transaction value of M&P, to avoid undue custom duty/taxes, or levies.

28.5 Validity: The tenderers must keep the offer for M&P items valid for a minimum period of 120 calendar days from the date of opening of tender.

28.6 Payment Terms for M&P items: The standard payment terms subject to recoveries if any, under the liquidated damages clause and general condition of contract will be as under:

a) 80% of the payment on proof of inspection certificate and Provisional Physical Receipt Certificate to be made within 30 days of receipt of documents as specified.

b) Balance 20% payment within 90 days after satisfactory installation/ commissioning and proving test of M&P (The duration of the Proving Test shall be as specified in the relevant Technical Specification of NIT) subject to submission of Bank Guarantee/Warranty Guaranty Bond for an amount of 5% of contract value as per Annexure-4 towards warranty performance/warranty security.

28.7 Training: The Contractor during commissioning of the equipment will also train the Railway staff in operation and maintenance of equipment supplied.

28.8 Maintenance manual, consumables and spare parts:

i) Contractor is required to supply 2 copies of operation and maintenance manual to enable the railway staff in operation and maintenance to be conversant with the machine.

ii) Consumables that may be required during the warranty period and are not covered in the warranty, same needs to be listed out including the quantity required along with the price.

28.9 Site preparations and installation:

i) The successful tenderer whose offer is accepted and on whom purchase order is placed, will promptly provide all the requisite details relating to the site preparations, including the lay out drawings and details of the foundations/superstructure/shed/roof as may be required, but not later than 6 weeks unless otherwise specified, to avoid delay in site preparation and installation and commissioning.

ii) If the circumstances so warrant, the supplier will be permitted to work in more than one shift for commissioning the machine, provided a request is made by the contractor. This may be permitted if the same leads to reduction of commissioning time.

28.10 Performance/Warranty Bank Guarantee: For Machinery and Plant items, costly equipment, and capital spares, the Security deposit submitted by the supplier for 5% value of the contract value can be used to cover their warranty obligations, if same is valid for warranty period plus six (6) months claim period.

28.11 In addition to the above, Railway Board's Letter No. 2025/RS(G)/709/3 (E 3485659) dated 28.04.2026 regarding procurement of M&P items through Stores Contracts shall also be applicable. Any amendments/modifications issued by Railway Board from time to time in this regard shall also be applicable.

ANNEXURES

Sno	Annexure No	Details
1	Annexure – 1	PROFORMA FOR EQUIPMENT AND QUALITY CONTROL
2	Annexure – 2	PROFORMA FOR AUTHORITY FROM MANUFACATURERS
3	Annexure – 3	PROFORMA FOR PERFORMANCE STATEMENT
4	Annexure – 4	PROFORMA OF BANK GUARANTEE FOR CONTRACT PERFORMANCE GUARANTEE BOND
5	Annexure - 5	PROFORMA OF BANK GUARANTEE FOR SECURITY DEPOSIT
6	Annexure – 6	UNDERTAKING FOR AVAILABILITY OF PLANT &MACHINERY
7	Annexure – 7	PROFORMA FOR DOCUMENT OF AUTHORIZATION FOR PAYMENT THROUGH LETTER OF CREDIT
8	Annexure – 8	NO CLAIMS CERTIFICATE TO BE GIVEN BY CONTRACTOR
9	Annexure – 9	BID SECURING DECLARATION TO BE SIGNED BY BIDDERS AVAILING EXEMPTION FROM SUBMISSION OF EMD
10	Annexure -10	COMPETENT AUTHORITY AND PROCEDURE FOR REGISTRATION (BIDDERS FROM LAND BORDER COUNTRIES)
11	Annexure-11	DECLARATION BY BIDDERS FROM LAND BORDER COUNTRIES
12	Annexure-12	DIGITIZATION OF WARRANTY MANAGEMENT SYSTEM
13	Annexure - 13	SPECIAL CONDITION FOR INSPECTION
14.	Annexure - 14	CAMC CONDITIONS

ANNEXURE - 1
PROFORMA FOR EQUIPMENT AND QUALITY CONTROL

Tender No..... Date of opening…….. Time.....Hours
Name of the Firm.....

Note : All details required only for the items tendered

1. Name & full address of the firm.
2. Telephone & FAX No. of Office / Factory / Works.
3. Telegraphic and E.mail address.
4. Location of the manufacturing factory.
5. Details of Industrial License, wherever required as per statutory regulations.
6. Details of plant & machinery erected and functioning in each Deptt.(Monographs & description pamphlets be supplied, if available).
7. Details of the process of manufacture in the factory in brief.
8. Details & stocks of raw material held
9. Production capacity of item(s) quoted for, with the existing plant & machinery.
   - 9.1 Normal
   - 9.2 Maximum
10. Details of arrangement for quality control of products such as laboratory testing equipment etc.
11. Details of staff
    - 11.1 Details of technical supervisory staff-in-charge of production &quality control.
    - 11.2 Skilled labour employed.
    - 11.3 Unskilled labour employed.
    - 11.4 Maximum No. of workers (skilled & unskilled) employed on any day during the 18 months preceding the date of application.
12. Whether stores are tested to any standard specification, if so, copies of original test certificates should be submitted in triplicate.
13. Are you registered with the Directorate General of Supplies &Disposals, New Delhi. If so, furnish full particulars of registration period of currency etc.

14.Are you a Small Scale Unit, registered with the National Small Industries Corporation Ltd., New Delhi. If so, furnish full particulars of registration, currency period etc.

Signature & Seal of
the Manufacturer / Tenderers

ANNEXURE - 2
PROFORMA FOR TENDER SPECIFIC AUTHORISATION FROM MANUFACTURERS

Ref No: _____ Date: _____

To,
THE PRESIDENT OF INDIA,
Acting through the ----------.
Dear Sir,

Subject: South Coast 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) lnspection 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) lnspected and accepted material will be directly despatched from our manufacturing premises to Consignees of South Coast 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

Note: This letter of authority should be on the Letter Head of the manufacturing concern and should be signed by a person competent and having the power of attorney to bind the manufacturer.

ANNEXURE - 3

Details of supplies/capacity of the tendered item against Railways/PUs orders by the tenderer is to be furnished as below:-

Sl. No.	Brief description of the item supplied	Name of the Rly./PU with details of Purchase Order No.& Date	Quantity ordered	Quantity supplied within original DD	Balance quantity to be supplied	Copies of the Inspection Notes attached-Yes/No	Copies of R/Notes attached-Yes/No
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(8)**	**(9)**

1.	**Monthly capacity for supply of Tendered item based on above**	
2.	**Outstanding load for the Tendered item as on date of Tender opened based on the above details**	

Date: **Signature of Tenderer.**

ANNEXURE – 4

PROFORMA OF BANK GUARANTEE FOR CONTRACT PERFORMANCE GUARANTEE BOND

Ref..... Dated..... Bank Guarantee No.....

To,
THE PRESIDENT OF INDIA,
Acting through the _____,

1. Against contract concluded by the Advance Acceptance of the Tender No..... dated.....covering supply of .....(hereinafter called the said contract) entered into between the President of India and ..... (hereinafter called the `Contractor), this is to certify that at the request of the Contractor we.....Bank Ltd. are holding in trust in favour of the President of India, the amount of .....(write the sum here in words) to indemnity and keep indemnified the President of India (Govt. of India) against any loss or damage that may be caused to or suffered by the President of India (Govt. of India) by reason of any breach by the contractor of any of the terms and conditions of the said contract and / or in the performance thereof. We agree that the decision of the President of India (Govt. of India), whether any breach of any of the terms and conditions of the said contract and / or in the performance thereof has been committed by the Contractor and the amount of loss or damage that has been caused or suffered by the President of India (Govt. of India) shall be final and binding on us and the amount of the said loss or damage shall be paid by us forthwith on demand and without demur to the President of India (Govt. of India).

2. We.....Bank Ltd., further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for satisfactory performance and fulfillment in all respects of the said contract by the Contractor i.e. till.....
(viz. the date up to 3 months after the date of the last despatch /delivery of the goods ordered)
hereinafter called the `said date' and that if any claim accrues or arises against us.....Bank Ltd., by virtue of this guarantee before the said date, the same shall be enforceable against us.....Bank Ltd.,), notwithstanding the fact that the same is enforced within six months after the said date, provided that notice of any such claim has been given to us.....Bank Ltd., by the President of India (Govt. of India) before the said date. Payment under this letter of guarantee shall be made promptly upon receipt of notice to that effect from the President of India (Govt. of India).
3. It is fully understood that this guarantee is effective from the date of the said contract

and that we.....Bank Ltd., undertake not to revoke this guarantee during its currency without the consent in writing of the President of India (Govt. of India).

4. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor in any suit or proceedings pending before any court or Tribunal relating thereto, our liability under this present being absolute and unequivocal. The payments so made by us under this bond shall be a valid discharge of our liability for payment thereunder and the Contractor shall have no claim against us for making such payment.

5. We.....Bank Ltd., further agree that the President of India (Govt. of India) shall have the fullest liberty, without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the Contractor from time to time or to postpone for any time or from time to time any of the powers exercisable by the President of India (Govt. of India) against the said Contract and to forbear or enforce any of the terms and conditions relating to the said contract and we.....Bank Ltd., shall not be released from our liability under this guarantee by reason of any such variation or extension being granted to the said Contractor or for any for-bearance and / or omission on the part of the President of India or any indulgence by the President of India to the said Bidder, or by any other matter or thing what-so-ever, which under the law relating to sureties, would, but for this provision have the effect of so releasing us from our liability under this guarantee.

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

7. The bank hereby confirms that it is on the SFMS (Structured Financial Messaging System) and shall invariably send the advice of this Bank Guarantee to the following bank details.

ACCOUNT NUMBER	45206745356
BANK NAME	STATE BANK OF INDIA
BRANCH NAME	SBI CMP CENTER
CITY NAME	HYDERABAD
ADDRESS	Aishwaryam, SY No.26, Opp HCU Main Gate, Lingampally Post, Hyederabad, 500019.
IFSC CODE	SBIN0004266
MICR CODE	400002166

Signature. Name.
Designation
Date
Place
Witness

..... (Bank's Common Seal)

Read and Accepted **Signature of Tenderer**

ANNEXURE – 5

BANK GUARANTEE FOR SECURITY DEPOSIT

To
The President of India
Acting through.....

In consideration of the President of India, acting through.....(name of concerned official "beneficiary" to be mentioned) (hereinafter referred to as the "Government" which expression shall unless repugnant to the context or meaning thereof, include its successors in Office and administrators) having agreed to exempt M/s. .....(mention the 'Suppliers/contractor's name and address) with its Registered/Head Office at .....(hereinafter referred to as the 'Supplier/Contractor', which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), from the demand under the terms and conditions of an agreement dated..... made between the Supplier/Contractor and the Government under the purchase order/Letter of Acceptance No.....dated..... for the procurement of (mention name and details of supply of material) and the contractor having agreed to provide a Security Deposit for the due fulfilment by the said contractor/Supplier of the terms and conditions contained therein the said agreement on production of a Bank Guarantee for Rs.....;

1. We, (mention Name and Address
2. of the Bank) having its Registered Office at .....(hereinafter referred to as 'the Bank', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) at the request of (mention name and address of Contractor), do hereby undertake to pay the Government on demand any and all monies payable by the Contractor to the extent of Rs.....(mention the BG amount) as aforesaid at any time up to .....(mention the validity date) without any demur, reservation, contest, recourse or protest and /or without any reference to the Contractor. Any such demand made by the Government on the Bank shall be conclusive and binding notwithstanding any difference between the Government and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Bank undertakes not to revoke this guarantee during its currency without previous consent of the Government and further agrees that the guarantee herein contained shall continue to be enforceable till the Government discharges this guarantee or till.....(mention the validity date) whichever is earlier.

2. The Government shall have the fullest liberty, without affecting in any way the liability of the Bank under this guarantee, from time to time to extend the time for performance of the contract by the Contractor. The Government shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of

any right which they might have against the Contractor and to exercise the same at any time in any manner, and either to enforce or forbear the enforce any covenants, contained or implied, in the Contract between the Government and the Contractor or any other course or remedy or security available to the Government. The Bank shall not be released of its obligation under these presents by any exercise by the Government of its liberty with reference to the matters aforesaid or any of them or by reason of any other act or forbearance of other acts of omission or commission on part of the Government or any other indulgence shown by the Government or by any other matter or thing whatsoever, howsoever which under law would, but for this provision have the effect of relieving the Bank.

3. We (indicate the name and address of the bank) do hereby 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 damage caused to or would be caused to or suffered by the Government by reason of 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.....

4. We (indicate the name and address of the bank) undertake to pay to the Government any money so demanded not withstanding any dispute or disputes raised by the Contractor in any suite 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 shall have no claim against us for making such payment.

5. We, (indicate the name and address 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 the Government/the (mention the name of competent authority) certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the_____(mention the validity date/claim period, if any as the case may be), we shall be discharged from all liability under this guarantee thereafter.

6. We, (indicate the name and address 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 from time to time of performance by the said Contractor 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 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 any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

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

8. We, (indicate the name and address of the bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing. Notwithstanding anything herein contained our liability under this Guarantee:
i) Shall be unconditional and irrevocable;
ii) limited to a sum of Rs.....(mention guarantee amount both in figure and words).
iii) The validity of this guarantee shall be available upto.....(mention the date of validity)
iv) We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if the Government serves upon the Bank a written claim or demand on or before .....(mention the validity date/claim period, if any as the case may be).

9. The bank hereby confirms that it is on the SFMS (Structured Financial Messaging System) and shall invariably send the advice of this Bank Guarantee to the following bank details.

ACCOUNT NUMBER	45206745356
BANK NAME	STATE BANK OF INDIA
BRANCH NAME	SBI CMP CENTER
CITY NAME	HYDERABAD
ADDRESS	Aishwaryam, SY No.26, Opp HCU Main Gate, Lingampally Post, Hyederabad, 500019.
IFSC CODE	SBIN0004266
MICR CODE	400002166

Dated this the.....day of .....202 .

Signature of
Authorized Signatory
Name, Designation & Seal

Signature of
Authorized Signatory
Name, Designation & Seal

(Bank Seal)

Witness 1: Signature, Name and Address

Witness 2: Signature, Name and Address

Note:

1. The performance BG shall be executed on a non-judicial stamp paper of appropriate value in accordance with the Stamp Act of the State jurisdiction where the BG is executed.

2. The date of purchase of the non-judicial stamp paper shall invariably be on or prior to the date of execution of the BG.

3. The BG shall invariably be in favour of President of India, acting through the competent official of the Department.

4. BG value exceeding Rs.50,000/- shall be executed by two authorised Bank Officials duly affixing their name, designation and the Bank seal.

5.The BG number and date of issue shall invariably be mentioned in each pages of the BG with due pagination. Each pages of the BG shall be signed by the authorised Bank Officials duly affixing their name, designation and the Bank seal.

6. Signatures of two witnesses with name and full address shall be obtained on the last page of the BG.

7. Corrections and manuscripts in the BG shall be countersigned by the executants.

8. Wherever there is a period of written claim, in addition to the validity date, such may be mentioned appropriately.

****

ANNEXURE – 6

Undertaking for Availability of Plant & Machinery

Tender No……. Tender Closing Date……

We hereby confirm availability of Plant & Machinery (P & M), Equipment, MOU/Agreement for P & M/Equipment (As applicable) as specified in the relevant STR/MDTS of the specification (s) of the above-mentioned tender.

I/We here understand and the accept that in case the above undertaking is found to be incorrect during Capacity Cum Capability Assessment (CCA), shall be considered as lack of earnestness of our offer and I/We shall be liable for forfeiture of the earnest money deposit. In case, I/We are exempted submission of EMD, I/We shall be debarred from exemption of submitting of EMD for the period of 6(six) months, from the date such misrepresentation is reported to the purchaser, for all the tenders for procurement of goods published by any unit of Indian Railways on IREPS website.

Date:

Signature of the Tenderer:

Annexure-7

LC/DA NO.----------
Dated_____

DOCUMENT OF AUTHORIZATION

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.

   Total

4. THIS PAYMENT:

5. LC BALANCE AFTER THIS PAYMENT.

Signature & seal of Applicant
(Railway Authority).

*As applicable

ANNEXURE 8

NO CLAIMS CERTIFICATE TO BE GIVEN BY CONTRACTOR

Contract
No._____dt._____
for supply of_____(Brief description of material) Quantity.-_____

The above contract has been completed and I / We have no claim on the Railway in respect of the said contract. The Security amount of Rs._____(Rupees _____) vide details _____dt._____ may therefore please be refunded to me / us.

Place: _____
Date: _____ Signature and full address of the contractor

Annexure 9

Bid securing declaration to be signed by Bidder availing exemption from submission of EMD

"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 Railways published during this period."

Annexure 10

Competent Authority and Procedure for Registration

A. The Competent Authority for the purpose of registration under this Order shall be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT)*.

B. The Registration Committee shall have the following members*:-

i. An officer, not below the rank of Joint Secretary, designated for this purpose by DPIIT, who shall be the Chairman;
ii. Officers (ordinarily not below the rank of Joint Secretary) representing the Ministry of Home Affairs, Ministry of External Affairs, and of those Departments whose sectors are covered by applications under consideration;
iii. Any other officer whose presence is deemed necessary by the Chairman of the Committee.

C. DPIIT shall lay down the method of application, format etc. for such contractor as stated in para 1 of this Order.

D. On receipt of an application seeking registration from a contractor from a country covered by para 1 of this Order, the Competent Authority shall first seek political and security clearances from the Ministry of External Affairs and Ministry of Home Affairs, as per guidelines issued from time to time. Registration shall not be given unless political and security clearance have both been received.

E. The Ministry of External Affairs and Ministry of Home Affairs may issue guidelines for internal use regarding the procedure for scrutiny of such applications by them.

F. The decision of the Competent Authority, to register such contractor may be for all kinds of tenders or for a specified type(s) of goods or services, and may be for a specified or unspecified duration of time, as deemed fit, The decision of the Competent Authority shall be final.

G. Registration shall not be granted unless the representatives of the Ministries of Home Affairs and External Affairs on the Committee concur.

H. Registration granted by the Competent Authority of the Government of India shall be valid not only for procurement by Central Government and its agencies/ public enterprises etc. but also for procurement by State Governments and their agencies/ Public enterprises etc. No fresh registration at the State level shall be required.

I. The Competent Authority is empowered to cancel the registration already granted if it determines that there is sufficient cause. Such cancellation by itself, however, will not affect the execution of contracts already awarded. Pending cancellation, it may also suspend the registration of a contractor, and the contractor shall not be eligible to bid in any further tenders during the period of suspension.

J. For national security reasons, the Competent Authority shall not be required to give reasons for rejection / cancellation of registration of a contractor.

K. In transitional cases falling under para 3 of this Order, where it is felt that it will not be practicable to exclude contractor from a country which shares a land border with India, a reference seeking permission to consider such contractor shall be made by the procuring entity to the Competent Authority, giving full information and detailed reasons. The Competent Authority shall decide whether such contractor may be considered, and if so shall follow the procedure laid down in the above paras.

L. Periodic reports on the acceptance/ refusal of registration during the preceding period may be required to be sent to the Cabinet Secretariat. Details will be issued separately in due course by DPIIT.

[*Note: i. In respect of application of this Order to procurement by/ under State Governments, all functions assigned to DPIIT shall be carried out by the State Government concerned through a specific department or authority designated by it. The Composition of the Registration Committee shall be as decided by the State Government and paragraph G above shall not apply. However, the requirement of political and security clearance as per para D shall remain and no registration shall be granted without such clearance. Registration granted by State Governments shall be valid only for procurement by the State Government and its agencies/ public enterprises etc. and shall not be valid for procurement in other states or by the Government of India and their agencies/ public enterprises, etc]

Annexure -11

"I have read the clause regarding restrictions on procurement from a contractor of a country which share a land border with India; I certify that this contractor is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this contractor fulfils all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached]"

Annexure 12

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

No. 2022/RS(G)/779/7(3390005) Dated: 17.10.2022

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: Handling of Warranty Rejections

Ref: Railway Board's letter No.2000/RS(G)/379/2 dated 07.08.2015 and 18.01.2018.

Background

Consolidated instructions on handling of warranty rejections were issued vide Railway Board's letter no.2000/RS(G)/379/2 dated 07.08.2015 and 18-01-2018. These instructions primarily stipulate linking of warranty rejections to the concerned supplying stores depot and relevant purchase orders by the user and arrange for warranty replacements duly conducting joint inspections with pre-inspection agency and the firm.

Review of Warranty Management system indicated practical difficulties in efficient handling of several of warranty issues, centralized database, monitoring of warranty settlement, resultant deterrent actions and system improvements. The system of handling warranty rejections is largely manual and whatever computerization is there, it is on separate systems which are not fully equipped to handle warranty rejections end-to-end, and are not integrated. Also, the policy did not cater for many scenarios which are encountered while dealing with the warranty rejections e.g. warranty rejections of components of Rolling Stocks supplied by Private/Govt/Railway units, cases where PO/stores depot/User depot is not linked, epidemic failures, inefficient marking on the items for linking of items to vendor/purchase orders, warranty claims by users, communication of warranty period to end user etc.

Under this background, the consolidated policy instructions on warranty rejection handling including an Online Integrated Warranty Management System over IR, covering entire warranty management landscape to include all types of warranty failures, including epidemic failures, keeping in view practical field conditions for implementation are being issued in this circular. This circular supersedes earlier circulars on the subject.

1. **Digitisation of Warranty Management System**

   i. The entire Warranty Management System shall be digitized and made paperless.

   ii. The existing maintenance Applications viz CMM, FMM, WISE, SLAM, PUs local system, etc. shall be integrated with UDM/ IMMS/IREPS for seamless transfer of required data. A provision shall be made on these platforms to facilitate end uses to register warranty complaints. Duplicate feeding on UDM is to be avoided. All systems dealing with warranty rejection of vendor and their response should have provision of uploading/attaching documents.

   iii. Provision shall be made on IREPS for the vendors to input dispatch details such as batch number, serial number, major sub component of the item, date of manufacturing (in MM/YYYY), expiry date (wherever applicable), manufacturer's marking, make/Brand, etc. against the Purchase Orders for each consignee. These details would be passed to IMMS/UDM and reflected in DRR/R-Note/CRN generated on IMMS/UDM and for indicating the same while issuing the materials through Issue Notes. Inspecting Agencies shall also indicate these details explicitly in the Inspection Certificate. End Consignee receiving the material from the vendor will verify these details at the time of receipt of material and explicitly indicate the same in IMMS/UDM.

   iv. Warranty period shall be captured in digital form as stated in Para 4 of this letter.

   v. Centralized Recovery Register shall be digitized & maintained in IPAS and linked with IMMS/UDM for seamless both-ways data flow between these applications for recovery.

   vi. The Warranty Rejections of vendors and their responses shall be linked with Unified Vendor Approval Module (UVAM). Cognizance of these warranty rejections of vendors shall be taken for reviewing the Approval of vendors by vendor approving authorities.

   vii. Cognizance of these warranty rejections of vendors shall be taken by the procuring authorities in deciding the tender cases.

2. Materials are rejected under warranty in the following situations:

   (A) Material rejected was issued to the user (shop/shed etc) from its attached Stores Depot or attached User Depot (both Stock & Non-stock).

   (B) Material rejected was received from a PU or a Stores Depot or a User Depot which is not the attached depot of the end user including that received directly through centralized procurement (both Stock & Non-stock).

   (C) Material was rejected in the field and was fitted at some other Workshop/Shed/Depot. Material either received or fitted through Supply Contract, Works Contract or Service Contract or any other type of contracts (both Stock & Non-stock).

   (D) Failure of components of Rolling Stocks received from Railway PUs/ PSUs/ Workshops/ Private Manufacturers

The Methodology of handling these rejections are dealt with below:

(A) For Warranty rejection in Shop/Shed etc where rejected material was issued from its attached Stores Depot or attached User Depot (both Stock and Non-stock items)-

i. In case the material was accounted for in Stores Depot in IMMS after receipt from vendor, end-user shall register the warranty complaints with reasons and other details, as required, on the

systems like CMM/FMM/WISE/SLAM/MU etc. available with them & electronically transfer such data to UDM through integrated system or shall register the warranty complaints directly in UDM (as convenient and practical for the end- user) and issue "Advice Note" of returned stores on UDM with the approval of competent authority (Gazetted Officer) to return the rejected material to attached Stores Depot for issuing "Warranty Rejection Advice" (i.e. warranty claims lodging) by attached Stores Depot.

However, in case the material was accounted for in User Depot in UDM after receipt from the vendor, there is no need for issuing "Advice Note" & to return the rejected material to attached Stores Depot.

"Warranty Rejection Advice" (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end consignee of attached Stores Depot/ User Depot (depending upon where rejected material was accounted for after receipt from vendor) on IMMS/UDM after getting the warranty rejected material from end-user.

Before, issuing the "Warranty Rejection Advice", the concerned user of IMMS/UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO (Purchase Order) and applicability of warranty period and ensure that other details including reason(s) for warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract. This should be decided within 15 days.

ii. Rejected material shall be taken out from the ledger of Stock-Holder in IMMS/UDM (as the case may be). The "Warranty Rejection Advice" shall be issued on IMMS/UDM by attached Stores Depot/ User Depot to all concerned i.e. firm, purchaser, pre-inspecting agency, vendor approving agency, paying authority etc. as per the contract- without fail.

iii. In the Warranty Rejection Advice, the vendor shall be called upon for replacement of rejected stores or for deposition of equivalent amount of rejected material, within a period of 60 days from the date of Warranty Rejection Advice. Date of issue of Warranty Rejection Advice by gazetted officer to be taken as date of Warranty Rejection Advice.

iv. It shall be ensured that initiation of warranty complaint by user and issue of Warranty Rejection Advice in UDM/IMMS is not delayed by concerned officials/officers and warranty rejection advice should be issued within 15 days of detection of warranty complaint. However, if the warranty complaint is detected within warranty period, the "Warranty Rejection Advice" must be issued within warranty period.

On issue of "Warranty Rejection Advice", the "Warranty Rejection Register" should automatically get updated.

v. On getting the "Warranty Rejection Advice", the inspecting agency shall take suitable action against the inspecting officials and ensure necessary corrective actions; duly informing the Officer who has approved the "Warranty Rejection Advice". Recovery of inspection charges from the concerned inspecting agency for the rejected item(s) shall be made by any Bill Paying Authority across IR on pro-rata basis for the quantity and as per the rate of inspection charges for the inspection agency. Claim for recovery of inspection charges against the concerned 3rd party inspecting agency (like RITES etc.) shall automatically get noted into "Centralized Recovery Register" maintained in IPAS on the basis of "Warranty Rejection Advice"; which shall specifically mention the name of inspecting agency. After recovery of inspection charges by any Bill Paying

Authority, "Centralized Recovery Register" w.r.t. recovery of inspection charges to be automatically updated in IPAS to that extent so as to avoid multiple recoveries of inspection charges by different Railways and communicate the recovered amount to IMMS/ UDM.

vi. Any Bill Paying Authority across IR shall withhold the payment of equivalent amount of rejected material through "Centralized Recovery Register" from firm's Bill(s) at the earliest, till the full amount is withheld and the same shall be released only after disposal/closure/settlement of the warranty claim or deposition of equivalent amount of rejected material or after recovery, whichever is earlier. After withholding of amount by any Bill Paying Authority, "Centralized Recovery Register" to be automatically updated in IPAS to that extent so as to avoid multiple withholdings by different Railways and communicate the withheld amount to IMMS/ UDM.

vii. Firm shall be allowed to collect the rejected materials only after deposition of payments already made by Railway (if any) to them or after recovery of equivalent amount by Accounts or against replacement quantity. Rejected material should be suitably defaced before handing-over to the firm to avoid re-use and necessary provision about digital capturing in respective modules may be done.

viii. Warranty Quantity Replacement-

a. Replacement of rejected quantity shall be made to the end consignee at the Stores Depot/User Depot which received the original supply from the firm.

b. The warranty quantity replacement will be supplied and accounted for in IMMS through R/Note & RO if "Warranty Rejection Advice" has been issued through IMMS. However, where "Warranty Rejection Advice" has been issued through UDM, the warranty quantity replacement will be supplied and accounted for in UDM through CRN. R-Note/CRN should be clearly marked as "Warranty Replacement CRN/R-Note, Not for Payment".

ix. Replaced/rectified material shall have warranty for the replaced/rectified goods till the original warranty period plus the time from the warranty rejection advice to material replacement/rectification.

x. Vendor would be permitted to lift the rejected material (subject to clause 2(A)(vii) above) "free of cost" within the period mentioned in Para 2(A)(iii) above. After this time, ground rent shall be applicable.

In cases where firm fails to lift the rejected material within the time period mentioned in para 3203 of IRS Condition of Contract, 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 shall apply.

xi. In case disposal/closure/settlement of the Warranty Rejection Advice is not done by firm within the period of 60 days, Recovery Advice of equivalent amount of rejected material for which Warranty Claim has not been disposed/closed/settled shall be automatically sent from IMMS/UDM (depending upon from where Warranty Rejection Advice has been issued) to IPAS and the "Centralized Recovery Register" of IPAS shall be automatically updated for recovery. If any amount is already withheld against the "Warranty Rejection Advice", the same shall be treated as recovered amount and adjusted accordingly. For balance amount, any Bill Paying Authority across IR shall recover the amount mentioned in "Centralized Recovery Register" from firm's

Bill(s), if any. Paying Authorities should not delay the recovery and ensure recovery expeditiously. Even if the payable amount against a Bill and withheld amount are not enough for the full recovery against a Warranty Claim, the Paying Authority should proceed with partial recovery to the extent of payable amount against that Bill and balance recovery amount will remain in the "Centralized Recovery Register" for further recoveries from other Bill(s).

After recovery, the "Centralized Recovery Register" should be automatically updated immediately to avoid multiple recoveries by different Railways and communicate the recovered amount to IMMS/ UDM.

xii. Generally, no rejected quantity replacement/rectification should be allowed once recovery has been made by Accounts or the recovery amount has been deposited by vendor. While receiving fresh replacement supplies/allowing Re-inspection/Rectification/Amount deposition by vendor against Warranty Rejection Advice after the period of 60 days, user in IMMS/UDM must ensure that these activities are allowed only to the extant the Claim amount has not been recovered by Railways. Once recovery of the warranty claim amount is made in IPAS/deposition by the firm, user will not be allowed to initiate process of receipt of fresh replacement supplies / Re-inspection / Rectification to the extent recovery of the Warranty Claim amount has been completed in IPAS/deposited by firm against Warranty Rejection Advice.

However, there may be some cases against a Warranty Rejection Advice like:

a. Fresh replacement supplies have been received before recovery but material taken into Ledger by user after recovery
b. Re-inspection or Rectification allowed before recovery but material taken into Ledger by user after recovery
c. Amount deposited by vendor before recovery but details of such deposition entered by user after recovery
d. Warranty Rejection Advice withdrawn altogether after recovery
e. Any other incidence like Court /Arbitration Judgement/Order etc. after recovery

In such cases, in all fairness; equivalent amount recovered has to be refunded to the vendor In case of (a) to (e) above, recovered inspection charges shall also be refunded to the inspection agency.

For such cases, the officer approving the Warranty Rejection Advice, with the approval of his officer next in hierarchy (minimum JA grade officer), can issue "Recovery Refund Letter" on IMMS/UDM on advice of the Stock Holder which shall be visible to all stake-holders including IPAS as well as vendor. Vendor may submit his Supplementary Bill on the basis of "Recovery Refund Letter" to the concerned Paying Authority which has deducted the refundable amount on-line or off-line; depending upon the case whether the Bill against which recovery has been made was submitted on-line or off-line. IPAS will pass-on information of all such refunds against a "Warranty Rejection Advice" to IMMS/UDM so that this information can be made available to all stake-holders. Necessary checks & balances should be provided in IPAS to ensure that vendor is not refunded the recovered amount more than the actual recovered amount or the amount mentioned in "Recovery Refund Letter".

xiii. **Inspection of Replacement Supply**- In line with IRS Conditions of Contract clause 0703, Vendor shall bear all cost of such replacement including freight, cost of inspection and inspection charges to inspecting agency, if any, on such replacing and replaced stores but without being entitled to any extra payment on that or any other account.

The replacement supply shall normally be inspected by the same inspection agency which inspected and passed the original supply. However, inspection clause for replacement of quantity rejected under warranty can be changed from 3rd Party Inspection (RITES/RDSO etc.) to Consignee Inspection with the approval of minimum JA grade level officer of the office issuing Warranty Rejection Advice, duly considering practicability of the case due to low quantity/value, criticality of the item, quality issues involved etc.

(B) For Warranty rejection in Shop/Shed etc of the material received from a PU or a Stores Depot or User Depot which is not the attached Depot of the end user including that received directly through centralized procurement (both Stock and Non-stock items)-

i. In such cases it may not be convenient for the end user to either return the material or communicate to the Stores Depot/User Depot (where the accountal of supply received from vendor was originally made). Thus, in all such cases, the warranty rejected material shall be kept in safe custody of the end user. End User shall register the warranty complaints with reasons and other details, as required, on the system like CMM/FMM/WISE/SLAM/MU etc. available with them and electronically transfer such data to UDM through integrated system or shall register the warranty rejections directly in UDM (as convenient and practical for the end-user). "Warranty Rejection Advice" (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end user on UDM after linking with PO, R/Note/CRN/Accountal Details.

Before, issuing the "Warranty Rejection Advice", the concerned user of UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO and applicability of warranty period and ensure that other details including reason(s) of warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract

ii. The "Warranty Rejection Advice" shall be issued on UDM by End User to all concerned i.e. firm, purchaser, pre-inspecting agency (if known), vendor approving agency, paying authority etc without fail.

iii. Warranty Quantity Replacement-

a. Replacement of rejected quantity shall be made at the end of end user.

b. The warranty quantity replacement will be supplied and accounted for in UDM through CRN. The CRN should be clearly marked as "Warranty Replacement CRN, Not for Payment".

iv. Other provision shall be as per sub-Para (ii) to (xiv) of Para 2(A) above, except Para (viii) of 2(A)

(C) For Warranty rejections in the field where material rejected was fitted at some other Workshop/Shed/Depot- Material either received or fitted through Supply Contract or Works Contract or Service Contract (both Stock and Non-stock items)-

i. In such cases it may not be convenient for the end user to either return the material or communicate to the Stores Depot/User Depot (where the accountal of supply received from vendor was originally made) or to the concerned Workshop where items were fitted.

ii. Such case shall also be dealt as per Para 2(B) above.

(D) Warranty rejections of Rolling Stocks received from Railway PUs/PSUs/Workshops/Private Manufacturers and their components -

i. Rolling Stocks are manufactured by following agencies:

SN	Type of Rolling Stocks	Manufactured by
1	Wagons	Private Manufacturers, Railway PSU, Railway Workshop
2	Coaches	Railway PUs/PSUs/Private Manufacturers
3	Locomotives	
4	Train-Sets	
5	MEMU, DEMU, EMU etc.	

ii. Manufacturing Units of Rolling Stocks should provide the following details of all components/sub-assemblies used/fitted in that rolling stock to inspecting agency as well as consignee railway/end user. Inspecting agency, during inspection of Rolling Stock shall ensure digital capture/entry of this data into the respective digital platform.

a. Rolling Stock Number
b. Name of the Rolling Stock supplier
c. Contract number & Date against which Rolling stock supplied to Railway
d. Contact details of Rolling Stock Supplier
e. Name and address of component manufacturer and/or supplier.
f. Date of manufacture of component (MM/YYYY).
g. Inspecting agency for the component.
h. Inspection details of component
i. Warranty of component in months.
j. Vendor Approving agency of the component.
k. Batch/Product Marking, serial number etc of component.
l. Any further details to facilitate complete identification of the supplier of component by end user

iii. For individual components, all Rolling Stock Manufacturers/Suppliers shall be responsible to honour the warranty claims on the basis of warranty period of individual components instead of the entire rolling stock.

iv. The warranty settlement will be processed as per procedure as under

a. **Rolling stock is supplied by a private manufacturer or Railway/other PSUs-**

Warranty claim shall be lodged against Rolling Stock supplier.

This shall be same case as 2(B) above except that in case of items appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agencies.

Rolling Stock Supplier shall be the interface between Railway and component supplier. He has to organize the complete warranty settlement. Any action by the component supplier shall be at the specific direction and authority of Rolling Stock supplier.

b. **Rolling stock supplied by Railway PUs, Workshop-**

In all such cases, the warranty rejected material shall be kept in safe custody of the end user. End User shall register the warranty rejections with reasons of rejection and other details, as required, on the system like CMM/FMM/WISE/SLAM/MU etc. available with them & transfer such data to UDM or shall register the warranty rejections directly in UDM (as convenient and practical for the end- user).

The concerned Railway PU or Workshop shall replace the rejected component within 60 days from warranty rejection registration date at the end of concerned end User registering the warranty rejection either as a fresh supply by Railway PU/workshop or get it replaced/rectified through the component manufacturer/supplier whose supplies have been rejected.

Simultaneously, the Railway PU/Workshop shall raise the warranty claim by issuing "Warranty Rejection Advice" on UDM on concerned component manufacturer/supplier separately from their end as per the process detailed in Para 2(B) above.

3. **Rectification of the rejected stores-**

i. In case the vendor requests for rectification/repair of rejected stores in terms of Para 2, rectification/repair to be permitted in exceptional circumstances and only if the item can be effectively rectified/repaired at the user end and with specific prior approval of the officer next in hierarchy (minimum JA grade officer) to the gazetted officer issuing Warranty Rejection Advice. At the option of the Depot Officer/ officer of end-user (depending upon who has issued the "Warranty Rejection Advice"), rectification/repair of rejected stores by the firm shall be permitted within railway premises only.

ii. If firm requests to rectify/repair the rejected stores at its own premises, same shall be allowed only if the item has unique traceability to ensure that the rejected item cannot be supplied to any other consignee/user and if supplied, it can be traced. For taking out the rejected quantity for rectification/repair, equivalent value of rejected item shall be deposited by the firm.

iii. However, the rectification activity shall have to be completed within timelines given in sub-Para ii of case 2(A) from the date of issue of "Warranty Rejection Advice." After this, process for recovery shall be initiated.

4. **Linking the rejected stores with PO, R/note, warranty period etc –**

i. Marking of stores has been mandated as per Clauses 1103, 1302, and 2704 of IRS Condition of Contract, which must be ensured.

ii. Specification/drawing of the item should include conditions for marking of the item for establishing unique traceability of the item, accountability and performance monitoring of the item/supplier. Marking should be with manufacturer's name, lot/batch number, serial number, month and year of manufacture (in MM/YY format). If possible, Railways' purchase order number and date, consignee code, suppliers' IREPS vendor code and warranty period in number of months may also be included to have complete traceability. Drawing/specification must specifically indicate the types of acceptable marking mechanism/method. Marking method selection should be based on factors like item function, item geometry, type of surface, item size, operating environment, age/ life, criticality, cost, etc. Marking method prescribed in the drawing/specification should be good enough to ensure that unique traceability is possible for the lifecycle of the product and if not possible, at least up to the warranty period of the item.

iii. Direct Part Marking (DPM) for items shall be done based upon the criticality/cost/feasibility to have DPM of the item. The criticality/cost/feasibility shall be decided by the concerned Railway Board Directorates depending upon the nature of the item or/and its end use. This scheme will help in pin-pointing the responsibility, shall improve traceability, accountability and performance monitoring of the item and that of the supplier. Part Marking should be part of specification and should at least indicate manufacturer's name, lot/batch/item No., month, and year of manufacture in MM/YY format. If possible, Purchase Order number and date, consignee code, IREPS vendor code and warranty period in number of months may also be included. It shall be responsibility of the firm to develop a unique coding scheme/mechanism for ensuring traceability of its product. The firm shall intimate the same to the purchaser at the time of supply. In case it is not possible to have these details as part marking on the item, alternate marking scheme and its implementation may be decided by the concerned Directorates.

iv. Onus of marking and traceability as per purchase order shall be on vendor

v. The record of fitment of item shall be captured digitally on UDM and/or other applications / Maintenance Modules like CMM/FMM/SLAM/WISE/MU etc.

vi. Capturing Warranty Period digitally in unambiguous terms:

   a. In terms of RB letter No. 78/RS(G)/777/1 dated 07/05/2004:

      (i) Warranty Clause specified in the tenders should normally be same as that in IRS conditions of contract.

      (ii) Wherever it is considered necessary to have Warranty Clause in technical specifications at variance with Warranty Clause in IRS conditions of contract, then technical department, while submitting the indents, and while providing the specifications, will advise clearly about applicable Warranty Clause for procurement to avoid problems at post contract stage.

      (iii) While procuring the material, it should be ensured that the applicable Warranty Clause is specified in tender documents clearly and in unambiguous terms.

   b. Warranty clause if at variance with IRS conditions of contract shall be a specific clause in the tender/PO and shall supersede warranty clause of IRS conditions of contract.

Else it should be mentioned in tender conditions that warranty as per IRS conditions of contract is applicable. Both should never be included in the tender.

c. A field of Warranty period for the item under procurement may also be indicated on IREPS while floating tender for the same

d. Data of warranty period should be captured in digital form in terms of number of months and should get reflected in tender, contract, Inspection Certificate and R/Note in digital form and should be known to the end-user.

e. During inspection/receipt of the item, inspecting Agency and material accepting authority shall ensure marking as per purchase order.

vii. While issuing the stores, "Issue Note" should be linked with warranty period in months, RO number, PO number/date and Depot Code as well, so that supply details and exact warranty period is known to consignee/end user.

viii. IMMS and UDM systems should be able to provide the complete supply details i.e. PO No./ Date, Vendor Name, Challan No./Date, warranty period etc. for the consignment to be rejected.

ix. Online provision shall be made for entering the complete details of item as per Para 1 (iii) above by the vendor at the time of dispatch and that should be captured on iMMS/UDM while accepting the material.

5. All efforts should be made to link the warranty rejected item with P.O. However, if it is not possible to link the PO, warranty period mentioned in drawing/specification shall be taken into consideration or if not mentioned therein, it shall be as per IRS conditions of Contract. In such cases the warranty period shall be applicable from the end of month next to manufacturing month mentioned on material (assuming that stores are supplied after inspection after 30/45 days from the actual date of manufacture).

5.1 The Warranty settlement in such cases shall be as per para 2(B) above, except following-

a. As PO details shall not be available, details of PO, R Note, CRN etc may not be included in Warranty Rejection Advice and other communications.

b. The value of rejected materials shall be decided on the basis of rate of component as per latest PO available.

c. If Inspecting Agency of the rejected store is not known, warranty rejection advice shall not be sent to inspecting agency and para 2(A)(v) shall not be applicable.

d. If Inspecting Agency of the rejected store is not known, the inspecting agency for the replacement supplies shall generally be as per the inspection policy followed for normal procurement or as per Para 2 (A-xii) above.

6. **Authority to adjudicate the disputed warranty cases and authority to decide appeal-**

i. For all warranty rejection cases, the controlling officer of minimum JAG level of the office issuing "Warranty Rejection Advice" shall be adjudicating the disputed cases. His decision shall be binding on all the parties.

ii. All the disputes, legal matters, etc. arising out of warranty claim shall be handled directly by the office issuing the "Warranty Rejection Advice".

7. **Handling Epidemic Failures-**

Any recurring/large scale rejections from a particular lot will lead to epidemic failure.

i. Whenever the quantity rejected anytime during the warranty period exceeds 5% of the total supplied lot against a particular contract, it will be considered as Epidemic Failure. However, in case of failures related to items which are extremely critical from safety consideration (like critical components or sub-parts of air brake system, wheel discs, axles, propulsion system etc.), RDSO/PU may pre-define a lower percentage for considering the occurrence of epidemic failure. This condition should be declared in the tender document for procurement of such items.

ii. Same steps as mentioned at para 2, as applicable, to be followed. However, instead of rejecting only defected quantity, entire lot should be rejected. Even if some quantity of such lot has been used/fitted, the same may also be identified and called back from service, to the extent possible, by the concerned technical department for issuing warranty rejection.

ii. Joint Inspection shall be conducted as per extant provisions.

iv. In case warranty rejection is established in joint inspection, the vendor shall replace entire lot (as available, refer point ii above) duly inspected by inspecting agency as per contract on his own expenses.

v. Replacement supply should be inspected by the same agency which has previously inspected the supplies.

vi. Epidemic failure is essentially considered as very poor quality performance and should be reflected on the performance of vendor/inspecting agency accordingly.

vii. Concerned Inspection /Quality monitoring/Vendor approving agencies should conduct root cause/failure analysis of the failure and QAP of vendor shall have to be re-validated. They should also suggest improvement in inspection methodology/Quality Assurance Plan to avoid failures.

8. In case the vendor disputes the Warranty Rejection as per Warranty Rejection Advice, representation from vendor should be sent through IREPS system to the officer issuing Warranty Rejection Advice within 7 days from the issue of Warranty Rejection Advice. In such case a joint inspection shall be organised by the officer issuing Warranty Rejection Advice for the grounds of warranty rejections mentioned in the Warranty Rejection Advice.

9. In all cases of warranty rejections where items are appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agency as per Para 1 (vi) above for performance monitoring and capability/capacity assessment/delisting/down gradation of the vendor and review of the design/specifications/STR if required. If required, based on merit of the case, Vendor approving agencies may take appropriate decision on suspension of inspection

10. Data of the warranty rejections shall be analysed item-wise and vendor-wise by the Quality monitoring/vendor approving agency to identify the areas for improvements in systems, processes and design/specification.
11. The recovered amount from the vendor should be credited in the same allocation of the end use in which the item was originally procured.
12. Since complete process is being considered for digitisation, procurements (including Railway Board procurements) which are not being done through IMMS, should also be done through IMMS and Contracts issued through IMMS.

NOTE:

For ease of understanding, a sample flow chart for case 2(A) is enclosed. Other cases (Case 2(B) to 2(D)) involve only minor modifications of the same. In case of any difference between this circular paras and flow chart, the circular para shall prevail.

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(Chandan Kumar)
Director Railway Stores/IC
Railway Board

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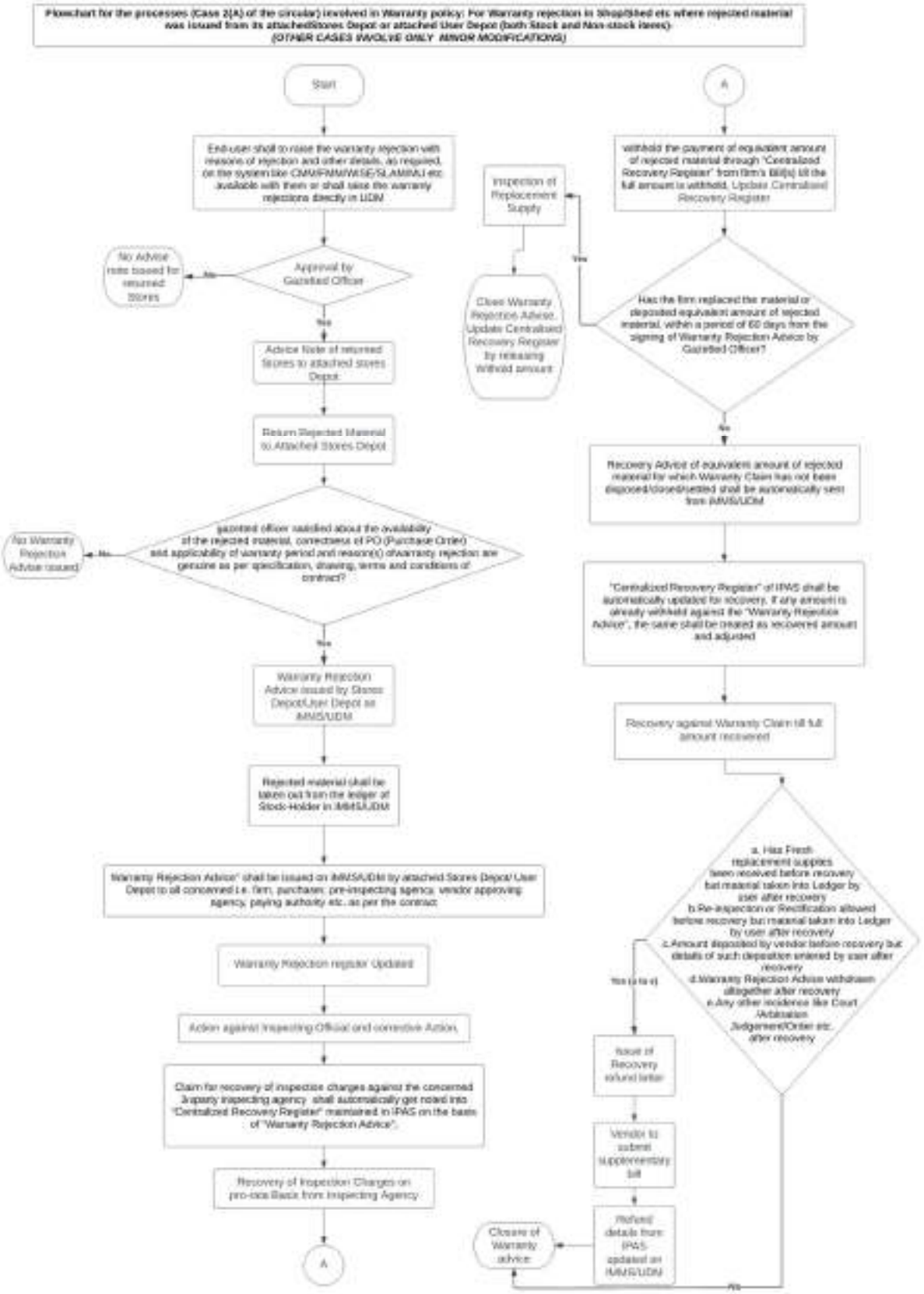
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Room No. 363, Rail Bhawan, Raisina Road, New Delhi-110001

E3390005


Flowchart for the processes (Case 2(A) of the circular) involved in Warranty policy: For Warranty rejection in Shop/Site etc where rejected material was issued from its attached/Stores Depot or attached User Depot (both Stock and Non-stock items).
(OTHER CASES INVOLVE ONLY MINOR MODIFICATIONS)
Start
End-user shall to raise the warranty rejection with reasons of rejection and other details, as required, on the system like CIMS/PMIS/WISE/SLAMINJ etc available with them or shall raise the warranty rejections directly in IUDM
Approval by Gazetted Officer
No Advice note issued for returned Stores
Advice Note of returned Stores to attached stores Depot
Return Rejected Material to Attached Stores Depot
gazetted officer satisfied about the availability of the rejected material, correctness of PO (Purchase Order) and applicability of warranty period and reasons(s) of warranty rejection are genuine as per specification, drawing, terms and conditions of contract?
No Warranty Rejection Advise issued
Warranty Rejection Advice issued by Stores Depot/User Depot on IMMS/UDM
Rejected material shall be taken out from the ledger of Stock-Holder in IMMS/UDM
Warranty Rejection Advice" shall be issued on IMMSA/UDM by attached Stores Depot/ User Depot to all concerned i.e. firm, purchaser, pre-inspecting agency, vendor approving agency, paying authority etc. as per the contract
Warranty Rejection register Updated
Action against Inspecting Official and corrective Action,
Claim for recovery of inspection charges against the concerned 3rd party inspecting agency shall automatically get raised into "Centralized Recovery Register" maintained in IPAS on the basis of "Warranty Rejection Advice".
Recovery of Inspection Charges on pro-rata Basis from Inspecting Agency
A
A
withhold the payment of equivalent amount of rejected material through "Centralized Recovery Register" from firm's Bill(s) till the full amount is withheld. Update Centralized Recovery Register
Has the firm replaced the material or deposited equivalent amount of rejected material, within a period of 60 days from the signing of Warranty Rejection Advice by Gazetted Officer?
Yes
Inspection of Replacement Supply
Close Warranty Rejection Advice. Update Centralized Recovery Register by releasing Withheld amount
No
Recovery Advice of equivalent amount of rejected material for which Warranty Claim has not been disposed/closed/settled shall be automatically sent from IMMS/UDM
"Centralized Recovery Register" of IPAS shall be automatically updated for recovery, if any amount is already withheld against the "Warranty Rejection Advice", the same shall be treated as recovered amount and adjusted
Recovery against Warranty Claim till full amount recovered
a. Has Fresh replacement supplies been received before recovery but material taken into Ledger by user after recovery
b.Re-inspection or Rectification allowed before recovery but material taken into Ledger by user after recovery
c.Amount deposited by vendor before recovery but details of such deposition entered by user after recovery
d.Warranty Rejection Advice withdrawn altogether after recovery
e.Any other incidence like Court /Arbitration Judgement/Order etc. after recovery
Yes (a to e)
Issue of Recovery refund letter
Vendor to submit supplementary bill
Refund details from IPAS updated on IMMS/UDM
Closure of Warranty advice
Yes

Annexure 13

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

1. Attention of Tenderers/Bidders is invited to IRS conditions of contracts 2025, which are the governing conditions of contract. Particular attention is invited to IRS conditions of contracts 2025 paras 7.2(C),7.3 and 6.2 to 6.10

2. In terms of IRS conditions of contract 2025, 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 Contracts 2025, particularly in Para 6.4 to 6.6 and 4.6 of IRS conditions of contracts 2025, 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-dispatch 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 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 re inspection	**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.

Annexure – 14
For tenders which include CAMC

A) The rate of discounting is 10%, unless otherwise specified in the tender document.
B) NPV calculation is furnished below: Model calculation of NPV (Net Present Value) at rate of 10% discounting for five years for comparative evaluation of CAMC offer in order to equitably compare different CAMC charges for different years at the same footing in the assessment of FOR destination price.
NET PRESENT VALUE – PRESENT VALUE OF CASH FLOWS MINUS INITIAL INVESTMENTS.
FORMULA: $P=NPV\{1+r/100\}^n$
Where r= rate of discounting
n= number of years
P= offered value
If offered value of P for 1st year is say Rs.100- and if rate of discounting is 10%
Then 100= NPV {1+10/100}1
= NPV {1+0.1}
= NPV X 1.1
NPV = 100/1.1 = 90.90
NPV for Rs.100/- for 1st year = 90.909
Then NPV factor for 1st year = 0.9091

Similar NPV factor for second, third, fourth and fifth year is calculated & shown below:

Sl. No.	**Year**	**Cost (₹)**	**PV Factor @ 10% per annum**	**Total Cost of CAMC after Discounting Factor (₹)**
1	First Year AMC Cost	P1	0.9091	P1 × 0.9091
2	Second Year AMC Cost	P2	0.8264	P2 × 0.8264
3	Third Year AMC Cost	P3	0.7513	P3 × 0.7513
4	Fourth Year AMC Cost	P4	0.6830	P4 × 0.6830
5	Fifth Year AMC Cost	P5	0.6209	P5 × 0.6209
	TOTAL COST			**P**

NB: 1) The total CAMC cost will be calculated after multiplying the quoted rates with PV factor i.e., after discounting annual cost @ 10% per annum.
2) In above table total cost "P" after calculating shall be taken for evaluation of financial ranking.