भंडार विभाग

यह दस्तावेज़ प्रमुख मुख्य सामग्री प्रबंधक, पूर्वोत्तर रेलवे, गोरखपुर द्वारा जारी सभी निविदाओं पर लागू होगा। इस दस्तावेज़ में निम्नलिखित बातें शामिल हैं:

बोली दस्तावेज़ संस्करण 31.0 (12.06.2023 से प्रभावी)

विषय सूची

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Office of the
Principal Chief Materials Manager,
NORTH EASTERN RAILWAY, GORAKHPUR

Section 1
Instructions to Tenderers for E-Tenders

1. **Before filling up the tender form,** please read the

(A) Instruction to Tenderers for E-Tenders,
(B) General Conditions of Contract
(C) Special Conditions of Contract
(D) IRS Conditions of Contract (As Applicable).
(E) Schedule of Requirement
(F) Notice Inviting Tender

THESE ARE AVAILABLE ON THE WEB PAGE OF NORTH EASTERN RAILWAY, GORAKHPUR (www.ner.indianrailways.gov.in) AS ALSO ON THE IREPS WEB PAGE www.ireps.gov.in. THE CONTRACT WILL BE GOVERNED BY THESE CONDITIONS. YOUR DIGITAL SIGNATURE ON THE E-TENDER FORM WILL BE INDICATIVE THAT YOU HAVE READ AND ACCEPTED ALL THE CONDITIONS AND UNDERTAKE TO ABIDE BY THESE CONDITIONS UNLESS SPECIFICALLY DENIED / MENTIONED BY YOU IN YOUR OFFER.

1.1. On behalf of the President of India, Principal chief Material Manager, North-Eastern Railway (Gorakhpur), (hereinafter referred to as the 'Purchaser' or 'NER' or 'Railways') invites electronic tenders for the supply of items as set forth in the "Notice Inviting Tender" and "Item Details" page attached with "Financial Rate Page screen" of each electronic tender. The Contract, placed on successful tenderer(s), shall be governed by (i) the latest version of IRS Conditions of Contract, (ii) Instructions to tenderers for e-tenders (iii) General Conditions of Contract and (iv) Special Conditions of contract.

1.2. It will be presumed that the firms who have submitted the e-bid, have gone through and accepted all the terms and conditions of tender, until and unless firms specify the deviations from those conditions and so indicated specifically under the headings – "Technical Deviation Statement" and "Commercial Deviation Statements".

1.3. **E-Tender Document:** E-Tender documents consist of:

(A) Instruction to Tenderers for E-Tenders,
(B) General Conditions of Contract
(C) Special Conditions of Contract
(D) IRS Conditions of Contract (As Applicable).
(E) Schedule of Requirement
(F) Notice Inviting Tender
(G) Techno-commercial offer form including attachments (if any)
(H) Financial Offer Form

1.4. Manual offers shall NOT be accepted against E-Tenders. All such manual offers shall be considered as invalid offers and shall be rejected summarily without any consideration.

1.5.1 **Payment through ECS / EFT:**

1.5.1. The tenderer should give consent in a mandate form for receipt of payment through ECS / EFT (Annexure 5.4).

1.5.2. Tenderer should provide the details of Bank Account in line with RBI guidelines for the same.
These details will include Bank's Name, Branch Name & Address, supplier's Account Type, supplier's Bank Account Number, and Bank & Branch Code (IFSC) as appearing on MICR cheque issued by bank.

1.5.3. Tenderer should attach certificate from their bank certifying the correctness of all above-mentioned information.

1.5.4. In case of non-payment through ECS/ EFT or where ECS / EFT facility is not available; payment may be released through cheque, depending upon merit. However, payment through ECS is preferable.

1.5.5. The bidder shall furnish following details in their offer to be incorporated in the purchase order;

(i) Supplier's Account no. (Type)
(ii) Bank Name & Code.
(iii) Branch name & Address. IFSC
(iv) Whether payment is through ECS / EFT or Cheque.

1.6. Important conditions, deviation to which shall lead to summary rejection of offers

1.6.1. Price Variation Clause (PVC): Tenderers are advised to quote as per specific Price Variation (PV) formulae and base date for RawMaterial prices given in the schedule of requirement. Offers with deviation in the PV formula and/or base date of price(s) of input raw material(s) other than as specified in the tender schedule, will be summarily rejected. **Offers from bidders quoting with fixed price where tender incorporates predefined PVC will also be summarily rejected.**

1.6.2. In case no PVC has been incorporated in the schedule of requirement, bidders must quote on fixed price basis only. **Offers with PVC in such cases will be summarily rejected.**

1.6.3. Validity of offers: Unless otherwise specified, offers should be valid for 60 days for Limited and Bulletin Tenders and 90 days for Advertised Tenders after closing date of tender. Any offer having lesser validity shall be deemed as **commercially unresponsive and will be summarily rejected.**

1.6.4. DELETED

1.6.5 "offer received in other than Indian currency (INR) against indigenous tender will be summarily rejected "

1.7 Bidder should invariably indicate GSTIN Number and HSN Code of the offered stores duly enclosing the documentary evidence.

1.8 Procurement of raw material must be done by the supplier as per the specified base dimensions only without taking any advantage of tolerance limit. The procurement document of the raw material must be produced by the supplier whenever asked by the inspecting agency.

1.9 Filling of E-Tender Form:

1.9.1. Tenders should be duly filled in (on the assigned spaces), duly signed with the digital signature and submitted online. All mandatory fields marked with (*) have to be filled by the tenderers.

1.9.2. Tenderers must fill-in the techno-commercial offer form (consisting of eligibility criteria, terms and conditions, performance statement, deviation statement, checklist & special conditions etc.), financial offer form and attach scanned copies of necessary documents. The tenderers must note that they will be considered fully responsible for scanned copies of documents submitted by them under their digital signature and as per IT Act they will not be allowed to disown any submissions under the said digital signature.

1.9.3. All the mandatory fields of the Techno-commercial offer form and financial offer form (i.e. Ratepage) including basic rate, all taxes and duties or any other taxes/duties which may become applicable during the currency of the contract, freight upto destination and any other charges have to be filled up by the vendor. The unit of rate shall be as indicated in the tender schedule and cannot be altered by the vendor. All-inclusive rates on FOR destination basis shall be automatically calculated by the system and shown to the vendor through a Pop-up window before final submission of offer.

1.9.4. Tenderers should show discount, if any, at the specified place in the rate schedule only, instead of anywhere else in the offer. Discounts not shown at designated place will be summarily ignored for assigning inter-se ranking of offers. Further, conditional discount(s) linked with quantity, payment, Inspection agency, destination, delivery place etc. will not be considered while adjudging the inter-se position of offers received.

Purchaser, however reserves the right to avail any such conditional discount for placement of contract(s) and/or for counter-offering to the successful tenderers where considered warranted.

1.9.5 DELETED

1.9.6. Mode of Delivery: Deliveries are preferably to be made by Road transport.

1.9.7. Manufacturer's name and address and Brand of the stores offered must be stated, if and wherever required as per drawing/ specification. Otherwise offers are liable to be rejected.

1.9.8. Corrigendum: Purchaser reserves the right to issue any corrigendum to the tender up to five days prior to the due date of opening of the tender, excluding the date of opening. Tenderers are also advised, in their own interest, to regularly check, till the opening of the tender, the website www.ireps.gov.in to see whether any such corrigendum to the tender has been issued or not and for submitting their e-bids or revising their e-bids.

1.9.9. The Tenderers are required to quote their rates in the tendered units (e.g. Nos./Kgs./Sets/Mtrs/Kmtrs etc.) as per the tender schedule.

1.10. Original offer, Alternate Offer and Revised Offer:

1.10.1. The vendors can submit a revised commercial offer any time before the stipulated date and time of submission of bid and in such a case, the last revised offer submitted shall be considered valid. Tenderers must note that only last Revised offer, which is deemed to supersede all previous offers shall be tabulated.

1.10.2. The tenderers can also submit "Alternate Offer". An Alternate offer will be so considered by the system, tabulated and placed at its appropriate position in the tabulation statement.

1.11. Purchase Preference And Other Benefits To Micro And Small Enterprises MSE:

Purchase Preference and Other Benefits To Micro And Small Enterprises MSE: In supersession of earlier policy of price preference and other benefits to the small scale and in keeping with the "Public Procurement for Micro and Small Enterprises (MSEs) order, 2012" issued by the Ministry of Micro Small and Medium Enterprises, Government of India, benefits/preference will be extended to the registered Micro and Small Scale Enterprises as follows: -

1.11.1. MSEs registered with any of the following shall be eligible for exemption from payment of Earnest Money

1. Udyam Registration.
2. Udyog Aadhar Memorandum (valid upto 30.06.2022 or as extended by Ministry of Micro, Small & Medium Enterprises)

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

1.11.2. In tenders, participating and registered MSEs quoting 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 Tender other than an MSE.

(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%. (In terms of Railway Board letter No.2010/RS(G)/363/1 dated 13.02.2019) **(Not in the specific tender)**

1.11.3. MSEs interested in availing themselves of these benefits must enclose, along with their offer, a copy of proof of their registration with any of the above-mentioned agencies

1.11.4. Failing submission of certificate as per Para 1.11.1 above, such offer will not be eligible for consideration of benefits detailed in MSE notification of Government of India dated 23.09.2012.

1.11.5. In terms of Railway Board letter no 2010/RS(G)/363/1 dated 04.07.17, while considering orders on startup and micro & small enterprises, criterion of prior turnover and prior experience is relaxed, subject to their meeting of quality and technical specification.

1.11.6 An MSE shall be considered as that owned by SC/ST in following cases:

a) In case of proprietary MSE, proprietor(s) shall be SC/ST.

b) In case of partnership MSE, the SC/ST partners shall be holding at least 51% shares in the unit.

c) In case of Private Limited Companies, at least 51% share shall be held by SC/ST promoters.

Note: Tenderers shall upload valid documents as per MSE policy showing that the enterprise is owned by Scheduled Castes (SC)/ Scheduled Tribes (ST)/ women entrepreneurs to claim the benefit under this sub-classification, failing which it will be presumed that they have no claim under this sub-classification. For this purpose tenderers to submit details of share holding pattern & controlling stakes with Scheduled Castes (SC)/ Scheduled Tribes (ST)/ women entrepreneurs duly certified by Chartered Accountant.

1.11.7 Traders/distributors/sole agent/works contract are not eligible to avail the benefits extended under the Public Procurement Policy for MSEs as they are excluded from the purview of the policy.

1.11.8 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.

1.11.9 The benefits of PPP should be given to all eligible MSEs irrespective of relevance of product Category.

1.11.10 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.

1.12. Drawings and Specifications:

1.12.1. If any tenderer happens to quote with his own Drawing No / Part No/ Specification, then, he shallhave to necessarily submit all the requisite documents and information in support of his offer being in conformity with the tendered Drawing / Specification. Furthermore, such drawings / specifications / catalogue are also to be uploaded, failing which the offer will be liable to be rejected. Tenderers should further note that in the event of their quoting as per their own drawing and/or specification, they should necessarily indicate the deviations in their drawing vis-a-vis tendered drawing in the form of "technical deviation" failing which the offer will be deemed as incomplete and will be dealt on its merits.

1.12.2 All parameters/Clauses of specification should either be complied with or commented upon**.**

Deviation(s) in respect of those parameters/clauses, which are part of the technical specification, would be treated as technical deviation (s). Bidders are advised to bring those deviation(s) clearly in the technical deviation statement. In case, these deviations are not indicated in the technical deviation statement, it will be presumed that offer is as per the tendered specification in all respect. Any ambiguity shall be to the disadvantage of the bidder.

1.13. Documents to be attached / uploaded along with e-Bid:
Scanned/soft copies of the following documents should be uploaded along with the e-Bid:

1.13.1. Performance statement against Railways' orders for supply of same or similar items in the prescribed proforma. Supporting documents in support of supply of material such as Supply/purchase orders, inspection certificates, Receipt Notes/Receipt Order etc. to substantiate their past performance are required to be uploaded.

1.13.2. Tenderers own drawing/specification, if applicable.

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

1.13.4. Letter of approval from RDSO / Railways indicating current validity and approval of their QAP by RDSO, wherever applicable.

1.13.5. Tenderers should also indicate their registration number with the concerned railway with monetary limit, trade groups for which registered, and validity date of registration,

1.13.6. Current and Valid NSIC/DIC Certificate, if registered with NSIC/DIC for the tendered item.

1.14. Check Sheet for Vendors:
Vendors are advised to complete the "Check Sheet" as it appears as Part-'G' in Techno-Commercial offer form of IREPS.

1.15. Bid Submission:

1.16.1. E-bid along with the relevant documents must be uploaded and digitally signed with the digital signature of the pre-authorized personnel of the tenderer already registered with the IREPS web site. Digital signature used must be "Class IIIB with Company Name" obtained from an Authority approved by the Controller of Certifying Agency, Ministry of Information Technology, Government of India.

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

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

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

1.17. Tender Opening:

1.17.1. Electronic tender boxes will be opened only after stipulated date and time of the tender as shown on the IREPS Website.

1.17.2. After opening of the tender The icon will turn .

1.17.3. All the participating vendors who have submitted valid electronic offers can view their own offer details as well as the tender tabulation statement, after tender is opened, using internet access by visiting the web site www.ireps.gov.in instantly by clicking on the icon.

1.17.4. Railway does not guarantee opening of the tenders at specified date and time due to reasonsbeyond its control and hence tenders can be opened after the due date and time also. Vendors, however, cannot submit/modify any offer or attach any file to it after the closing date and time for submission of bid as stipulated in the tender notice as System does not permit the same after closure of the virtual tender box regardless of the fact whether tender has been opened or not.

1.18. Earnest Money Deposit (EMD) for Stores Tenders: (As per Railway Board's L/No. 2004/RS(G)/779/11/Pt. dated 23.12.2019).

1.18.1. EMD amount shall be mentioned in all tenders irrespective of the nature of the tender as per the EMD amount mentioned in clause 1.18.3 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 1.19.8 below except following :

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

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

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

(c) Other Railways and Government Department 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/RSS/(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.

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

(i) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting from EMD. KVIC and ACASH shall be exempted from EMD for items supplied by them.

1.18.2 All vendors exempted from submitting EMD as per para 1.18.1 above, irrespective of type of tender i.e. single, limited or open, shall be required to sign a bid securing declaration as per Annexure 5.8.

1.18.3 Offer submitted without EMD shall be summarily rejected.

1.18.4Amount 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.

1.18.5 Deleted

1.18.6 In order to digitize the tendering process in Indian Railways, it has been decided that for all indigenous offers, the tender cost, EMD, BSV will be accepted only via the online system as

available on IREPS. (In terms of Railway Board letter No.2016/RS(M)/Payment Gateway dated 26.07.2016)

1.18.7 **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.

1.18.8 Automatic release of EMD wherever due:

1.18.8.1 EMD shall be refunded when only one of the following conditions is satisfied.

(a) After finalization of tender the bidder is an unsuccessful bidder.
(b) Validity of offer expires and validity extension is not sought.
(c) Validity of offer expires and bidder refuses to extend validity of offer.
(d) After finalization of the tender successful bidder submits required SD.

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

1.18.8.3 System for online release of EMD has been rolled out by CRIS. Automatic release of EMD of unsuccessful tenders should be ensured.

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

1.18.9 The offers not accompanied by requisite EMD will be ignored summarily, unless falling in exempted category. 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.

1.19. Security Deposit (SD)/Performance Security for Stores Contracts except M&P : (As per Railway Board's L/No. 2004/RS(G)/779/11/Pt. dated 23.12.2019).

1.19.1. There shall be no exemption from submission of Security Deposit (SD) for any tender or by any tenderer except the 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 Railway and PSUs for the group 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 favour PAC has been issued shall be exempted from submitting from SD. KVIC and ACASH shall be exempted from SD for items supplied by them.

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

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

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

Note : Apart from claiming damages from vendors, in case of failure to comply with contractual obligation, Railways shall record poor performance of the vendors for taking suitable action as per extent instruction.

1.19.2. Amount of S.D:

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

Rs. 50 cr.	lakh.
Above Rs. 50 cr.	Rs. 1 cr.

1.19.3. Railway are permitted to raise the upper ceiling of SD, upto 10% of the contract value in high value cases.

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

1.19.5. The successful Tenderers will be required to deposit Security Deposit with PFA, North-Eastern Railway, Gorakhpur as required by the Administration for proper fulfillment of the contract. The Security Deposit may be made in any of the following manners:

a. Deposit in Cash
b. Government Securities to be valued at 5% below the market value.
c. Deposit receipt of any nationalized Bank.
d. Guarantee Bonds executed by any nationalized Bank or Scheduled Bankas per Annexure 5.2.
e. Demand Draft of any nationalized Bank.
f. A deposit in Post Office Savings Bank.
g. National Savings Certificate.
h. National Defense Bond

1.19.6. 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**.**

1.19.7 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 the successful tenerer(s) shall be automatically adjusted towards SD in view of the fact that in most of the cases, EMD amount would be adequate to meet the SD amount. In case where available EMD amount is less than required SD and the successful tenderer does not deposit the balance SD amount within stipulated time, then EMD shall be forfeited and case be dealt with as that of withdrawal of offer by the tenderer as per extant instruction. This will resolve the problem faced by purchaser to great extent due to intentional delay in submission of SD by successful tenderer(s).

1.19.8 (i) All vendors, exempted from submitting EMD, as per para 1.18.1 above, irrespective of type of tender, i.e. single, limited or open shall be required to sign a bid securing declaration as Annexure 5.8 .

(ii) There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are so disqualified as per 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 power 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 Govt. Department/ ordnance factories/ other Railways / Railway PSUs / KVIC/ ACASH and matter shall be taken up with them departmentally/ administratively.

1.19.9 Wherever SD had been exempted, for any reason, and the supplier fails to supply goods as per condition of contract, as amended from time to time, Purchaser shall have right to levy damages from the supplier for failing to comply with the contractual condition, not by way of penalty, an amount equal to SD amount, as would have been applicable if the contract was with non-exempted vendor. These damage shall be treated as recoveries outstanding against the vendor and dealt with accordingly. A suitable tender condition to be incorporated in the tender document**.**

1.19.10 Purchaser should ensure that the contracts are awarded so as to conclude severable contracts for each lot, in case of failure of contractor to meet deliveries for any lot, Railway may cancel the contract

for defaulted part by forfeiting SD commensurate to that lot. Authority available to Consignee/ Depot Officer vide Para 27 & 28 of Railway Board's letter No. 88/RS(G)/779/14 Pt. dated 06.01.2017 shall continue.

1.19.11 Risk Purchase clause shall not be applicable.

1.19.12 Deleted

1.20 Deleted

1.20 a Temporary provision of Security Deposit (SD)for stores tender as per Railway Board Letter No-2020/RS(G)/779/16. Dt- 31.12.21.

1.20.1 Deleted

1.20.2 All tenders/ contracts issued /conclude till 31.03.2023 shall have performance security as per existing instructions or 3 % whichever is lower.

1.20.3 In case of any conflict between earlier provision of EMD & SD mentioned in Para 1.18 &1.19 and newly inserted temporary provision of SD mentioned in Para 1.20,Later shall prevail

1.20.4 In all **c**ontract where Performance Security has been reduced to 3% in view of above stipulations, , the Reduced percentage of performance security shall continue for the entire duration of the contract and there should be no subsequent increase of performance security even beyond 31/03/23.Similarly , in all contracts entered into with the reduced percentage of performance security of 3%,there will be no subsequent increase in performance security even beyond 31/03/23.

1.21 Traceability details of coach items for warranty claims:

All the manufacturer/suppliers shall indelibly mark the manufacturing details comprising of Manufacturer name, month & year of manufacture at a inconspicuous location on each of the items. Absence of proper traceability details will be considered as rejectable defect.

1.22 Advance Acceptance/Counter offer & Delivery Period;

(j) Deleted

(ii) The delivery period in store Procurement cases shall be reckoned from the date of issue of Advance PO/ Letter of Advance Acceptance/ Letter of Acceptance
(As per Railway Board's L/No. 2004/RS(G)/779/11/Pt. dated 23.12.2019).

1.23 Liquidated Damage (LD) on delayed Supply:
Recovery of Liquidated Damage (LD) shall be levied **@ ½% (half percent)** of the price of the store per week or part of the week during which delivery is accepted and the upper limit for recovery of LD in supply contracts is 10% (ten percent) of the value of contract irrespective of delays, unless otherwise provided, specifically in the contract.

Office of the
Principal Chief Materials Manager,
NORTH EASTERN RAILWAY, GORAKHPUR

Section 2

General Conditions of Contract

2.2. Cartel Formation:

2.2.1. The Tenderers are expected to quote most competitive prices.

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

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

2.2.4. The firms who quote in cartel are warned that their names may be deleted from list of approved sources in addition of referring the matter to The Competition Commission of India (CCI)

2.2.5. Whenever tender is floated with purchase restrictions from sources approved by nominated authorities and there exists a suspected cartel situation by approved sources or the rates available from approved source/sources are adjudged unreasonably high, despite fair efforts as permissible, the purchaser reserves the right to place orders on firms outside the approved vendor list, without any restrictions.(as per RB letter No 2001/RS(G)/779/7 Dated 29.06.2017) (http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stores/downloads/circular/2017/Ordering_approved_sources_Vendor_approval_290617.pdf)

2.3. Inspection of Stores:

2.3.1. Stores are to be inspected by an Inspecting Agency indicated in the tender, only at the manufacturer's works before dispatch. Firms are expected not to offer/seek any deviation from the Inspecting Agency indicated in the tender/contract.

2.3.2. In case the firm fails to offer the material for inspection against inspection call issued to inspecting agency or if the material have to be re-inspected due to rejection of the material at firm's premises by inspecting agency or due to non dispatch of material within validity of inspection certificate, then the inspection charges applicable for the offered quantity and actual test charges incurred will be paid by the supplier to inspecting agency.

2.3.3. In case, the purchase orders are placed on traders / agents for the items, which are peculiar to the Railways, traders / agents should indicate the source of supply and inspection to be carried out at their manufacturer's premises rather than traders'/agents' premises, to ensure genuineness of quality of the materials. Above conditions will not be applicable for the items where inspection is being carried out against WTC/MTC/GC or by the Consignee in view of urgency.

2.3.4. Test Certificates: In case tests are prescribed in the specification, it is obligatory for the successful tenderer to furnish the manufacturer's Test Certificate or any other Test Certificate specified in the specification along with the supply of stores. In the event of their inability to furnish the Test Certificate, the cost of the test to be carried out will be to the tenderer's account.

2.3.5. An approved firm has to note that, unless stated otherwise in a purchase order, pre-dispatch inspection shall be carried out at their work's address indicated in the approval certificate.

2.3.6. Special Conditions Related to Third-Party inspection

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Situation	**Charges to be recovered from Supplier (plus GST extra)**
At the time of physical visit call is cancelled due to: Goods are not ready for inspection OR Goods, raw materials, components or sub	Y/2, subject to a maximum of Rs 11000/-

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)	
Goods, raw materials, components or sub components, as the case may be, rejected in Stage Inspection excluding the final Stage, in cases involving stage	Y
inspection	
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.

Authority : Railway Board Letter No 2022/RS(G)/779/8. Dated :04/01/2023

2.4 Payment Terms:

2.4.1. Normal payment term of Railway is 100% payment after receipt and acceptance of material by consignee. Payment for the full stores or each consignment thereof will be made to the contractor on submission of bill accompanied by the prescribed documents mentioned in the contract.

2.4.2. Payment terms of 95% + 5%:

2.4.2.1. Payment of 95% for the stores or each consignment thereof will be made against Inspection Certificate and proof of dispatch. For dispatch of material by road, it is the challan of the

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

2.4.2.2. Balance 5%, payment will be made on receipt and acceptance of stores by the consignee, signified by granting of Receipt Note. In other words, balance 5% payment shall be made against Receipt Note.

2.4.3. However, for orders valuing up to Rs. 5 Lakhs, 100% payment against receipt and acceptance of the material by the consignee i.e., against Receipt Note shall be preferred.

2.5. Time Preference Clause:

It should be noted that if a contract is placed on a higher tenderer as a result of invitation of tender, in preference to a lower acceptable offer, in consideration of offer of earlier delivery, the contractor will be liable to pay the Railway (the purchaser) the difference between the contract rateand that of the lowest acceptable tender on the basis of final price F.O.R. destination including all elements of freight, taxes and duties and other incidentals, in case of failure to complete supplies in terms of such contract within the date of delivery specified in tender and incorporated in the contract. This is in addition and without prejudice to other legal rights available to the purchaser under the terms of contract.

2.6. Terms of Delivery:

2.6.1. Mode of dispatch should be preferably by road / personal courier service, directly to the respective consignee.

2.6.2. Suppliers should clearly quote the FOR Conditions - whether station of dispatch or destination. If firm's offer is not FOR Destination, then applicable freight charges should invariably be indicated under the 'Freight' column in the rate page. In the event, any Tenderer does not specifically indicate anything about the place of delivery in his offer, it will be assumed that the offer is for delivery at the destination and the Tenderer will bear the freight. This assumption will be final and binding on the Tenderer and will not be subject to any legal dispute or arbitration in future.

2.7. Evaluation Criteria:

2.7.1. Rates:

Rate, taxes, duties, freight, un-conditional discount etc having financial implications must be quoted on the financial rate page only (refer to instructions to tenderers for e-tenders). Remarks having financial implications indicated elsewhere will not be considered for evaluation of offer. Tenderers must note that financial offer made by them at the 'Rate page' of the e-tender form is complete and final and it cannot be revised, qualified or supplemented by any qualifying remarks elsewhere in their offer.

2.7.2. Evaluation criteria for multi-consignee / multi-items tenders

(a) Unless otherwise specified, the evaluation of tender will be done item wise and consignee wise.

(b) For multi consignee items, the rate should be quoted by firm on FOR Destination basis for each consignee separately. The inter-se ranking of the offers will be decided for each consignee separately.

(c) In tenders where schedule of requirement consists of several items, the inter-se ranking will be decided for each item separately. The firms are required to quote the rate for each item separately.

(d) In tenders where several items are grouped in a "KIT" or "SET" and the tendered quantity is in sets, the firm should quote single rate for the tendered kit/set of items. In such cases, the inter-se ranking shall be decided on the rate quoted by the firm for "Kit" or "Set" of items.

2.8 QUALIFYING REQUIREMENTS OF TENDERERS

2.8.1 The tenderer shall clearly indicate whether he is registered with PCMM/NORTH EASTERN Railway for supplying the quoted item, and if so, he must mention his registration number along with monetary limit, if any, under remarks column in the 'Financial Rate Page for Supply' form. If the tenderer is registered with NSIC, he must also attach in the Attach Documents template on 'Techno Commercial Bid Details' form a scanned copy in PDF format, of valid NSIC certificate showing monetary limit and the items for which registered. In case the tenderer is approved by RCF/CLW/DLW/ICF/RDSO/CORE/DMW etc. for the quoted item, he must attach in the Attach Documents template on 'Techno Commercial Bid Details' form a scanned copy in PDF format of the registration/approval certificate.

2.8.2 If the tenderer is not registered with NORTH EASTERN Railwayor NSIC, or is not an approved source for the tendered item with RDSO/DLW/CLW/ICF/RCF/CORE/DMW etc., he shall provide a satisfactory evidence acceptable to the Purchaser by attaching scanned copies of such documents in PDF format in the Attach Documents template on 'Techno-commercial Bid Details' form to show that:-

a. he is an established manufacturer, who regularly manufactures the items offered and has adequate Capacity cum capability, technical knowledge and past supply experience;

b. he has adequate financial stability and status to meet the obligations under the contract for which he is required to submit a copy of the report from a recognized bank or a financial institution;

c. he has adequate plant and manufacturing capacity to manufacture the items offered and supply within the delivery schedule offered by him;

d. he has established quality control system and organization to ensure that there is adequate quality control at all stages of the manufacturing process.

2.8.2.1 if the tenderer himself is not the manufacturer of the item offered by him, he shall be duly authorized by the manufacturer of such item. Such tenderers must enclose with their offer a certificate of authorization from the manufacturer, as per proforma given in **Annexure- 5.6** of this document, to participate in the specific electronic tender being submitted

2.8.2.2 The OEM/Authorized Dealers/Agents must comply the following conditions, failing which their offer(s) will be ignored:

(a) In a tender, either the authorized agent/dealer on behalf of the principal /OEM or the Principal/OEM itself can bid but both cannot bid simultaneously for the same item in the same tender.

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

2.8.3 For the purpose of **Para 2.8.2** the tenderer should additionally attach:-

(a) A performance statement in the Performance Statement template on 'Techno-commercial Bid Details' form by entering a list of major supplies effected in the recent past, of the items offered by him, giving details of the purchaser's name and address, order no. and date, quantity supplied and whether the supply was made within the delivery schedule. Alternatively tenderers can also create such performance statement in PDF format separately as per the format given in **Annexure-5.7**, which can be attached in the Attach Documents template of 'Techno-commercial Bid Details' form.

(b) A statement in PDF format indicating details of equipment, staff employed and quality control measures, as per the format given in **Annexure-5.1** of this document, attached in the Attach Documents template of 'Techno-commercial Bid Details' form.

2.8.4 Tenderers not furnishing the requisite information may note that their offer is liable to be ignored.

2.8.5 Procurement of Items reserved to be procured from approved sources -

2.8.5.1 Sources approved by RDSO:

[a] Purchaser reserves the right to procure Bulk or Entire quantity from RDSO approved vendors for tendered item.

[b] Offers received from tenderers appearing in the RDSO Vendor list as 'Vendors for Developmental Orders' shall be considered eligible for Developmental Orders up to 20 percent of net procurable quantity (NPQ) in regular tenders.

[c] If the tendering firm(s) is not approved by RDSO as approved Vendor and also not appearing in the Vendor directory as 'Vendors for Developmental orders, they must submit their credential details i.e. Machinery and plant, testing facilities, QAP, Performance report, Technical Manpower, etc. as an attachment to their E-bid. In case the Railway is prima facie satisfied that they are capable of executing the order, then after confirmation of their capacities/capabilities by RDSO, offers from such firms may be considered for developmental order. Failure to furnish and attach such requisite credentials as mentioned above will make their offer liable to be ignored.

[d] Total quantity ordering in developmental category considering para [b] and [c] above shall not exceed 20 percent of the net procurable quantity (NPQ)

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[e] 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 as per **Para 2.13.2** of **General Conditions of Contract**. Such orders shall be treated as bulk orders.

Indian Supplier shall be defined 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

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[f] All vendors appearing in the approved vendor list of multiple vendor approving agencies for same item shall be considered as approved source for all the railways and PUs.

Authority;- Railway Board letter No. 2001/RS(G)/779/7/Pt.4 Dt.06.10.2020.

NOTE: The status of the vendor (i.e. approved or developmental vendor of RDSO) shall be reckoned as on the date of tender opening and not thereafter. However, cases of downgrading/removal/ suspension/ banning etc., after opening of tender, shall be taken into account while considering the offers.

2.8.5.2 Sources approved by DLW/CLW/ICF/CORE/RCF etc:

[a] The Railway reserves the right to procure bulk or entire quantity from the approved sources for the tendered item.

[b] Offers received from tenderers appearing in the Source Approving Authority Vendor list as 'Vendors for Developmental Orders' shall be considered eligible for Developmental Orders of up to 20 percent of net procurable quantity (NPQ) in regular tenders.

[c] If the tendering firm(s) is not approved by Source Approving Authority as approved Vendor and also not appearing in the Vendor directory as 'Vendors for Developmental orders, they must submit their credential details i.e. Machinery and plant, testing facilities, QAP, Performance report, Technical Manpower, etc. as an attachment to their E-bid. In case the Railway is prima facie satisfied that they are capable of executing the order, then after confirmation of their capacities/capabilities by Source Approving Authority, offers from such firms may be considered for developmental order. Failure to furnish and attach such requisite credentials as mentioned above will make their offer liable to be ignored.

[d] Total quantity ordering in developmental category considering para [b] and [c] above shall not exceed 20 percent of the net procurable quantity (NPQ).

[e] Where there is no "DLW/CLW/ICF/CORE/RCF" or any other vendor approving Railway unit approved vendor for an item and all the vendors appearing in "DLW/CLW/ICF/CORE/RCF" or any other vendor approving Railway unit Vendor list as 'Vendors for Developmental Orders' even such vendors can be considered for placement of bulk order without any quantity restrictions. In such cases, the purchaser reserves the right to split the order quantity between one or more firms **and Para 2.13.2** of **General Conditions of Contract** shall be applicable

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[f] All vendors appearing in the approved vendor list of multiple vendor approving agencies for same item shall be considered as approved source for all the railways and PUs.

Authority;- Railway Board letter No. 2001/RS(G)/779/7/Pt.4 Dt.06.10.2020.

[g] 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 as per Para 2.13.2 of General Conditions of Contract. Such orders shall be treated as bulk orders. Indian Supplier shall be defined 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.

NOTE: The status of the vendor (i.e. approved or developmental vendor of "DLW/CLW/ICF/CORE/RCF" or any other vendor approving Railway unit) shall be reckoned as on the date of tender opening and not thereafter. However, cases of downgrading/removal/ suspension/ banning etc., after opening of tender, shall be taken into account while considering the offers.

2.8.5.3 Items for which no approved vendor list has beenissued:

In such cases, for being eligible for a regular/bulk order(s), the tenderer must have "Relevant Past Performance" with any Zonal Railways / Production Unit as defined in the following para 2.8.5.3.1 below. Further, up to 20% of the NPQ may be ordered on new sources also, as developmental order(s), on the basis of "Capacity-cum-Capability" of the source as defined in para2.8.5.3.2 below.

2.8.5.3. 1Relevant Past performance for Regular orders:

[A] Bulk Order: Bulk order will be placed on the manufacturer or its authorized agent having proven performance. The manufacturer firm must have satisfactorily executed at least one single purchase order of Zonal Railways/ PUS/CORE for the tendered item [OR for the items having same description, but of different sizes / ratings /capacities **OR similar item(s)***] for a minimum of 20 percent of the total tendered quantity during three year. This period of three years shall be counted with respect to tender opening. ***Similar item(s) may** be defined by tender inviting authority as a special condition of tender. If it is not mentioned in special condition then performance will be considered for tendered item [OR for the items having same description, but of different sizes / ratings /capacities] only**.**

[B] The onus of submission of requisite documents in support of supply { [i] Receipt Notes/Proof of acceptance of material by consignee OR [ii] Inspection Certificate with self declaration by the bidder that supply has been accepted by consignee. Furnishing of false

declaration shall render termination of contract and further action as per terms and conditions of contract} lies with tenderers. In case the tenderers do not submit the requisite documents as detailed above along with their offer, the tender will be decided on the basis of their past supply performance records as available with NER [if any] and no back reference shall be made in this regard.

[C] In case tenderer participates as an authorized agent, then the performance as required above shall be that of Principal authorizing the agent. It may so happen that the agent has credentials of past supply for a different Principal but this will not be considered as performance for placing bulk order in case of change of Principal.

[D] In case none of the firms who have participated in the tender, fulfill the criteria specified in para [A] above, then the purchaser reserve the right to procure bulk quantity from the tenders who have participated based on other credential submitted by them in support of their offer.

2.8.5.3.2 "Capacity-cum-Capability" for Developmental order:

For consideration of developmental orders upto 20% of NPQ, the tenderes must be able to demonstrate their Capacity-cum-Capability to manufacture the tendered item. For this purpose they should submit alongwith their offer, documented past performance reports of same or similar items of equivalent rating or equivalent performance parameters, details of M&P, testing facilities, QAP (if available), technical manpower available with them, registration for same/similar item(s) with other Government agencies or PSUs etc. or any other details as may be warranted as per the technical specification and drawing. Such tenderers are to note that non submission of such documents as per Annexure 5.1 shall be taken as their not having any such past performance and/or capacity, and their offer shall be considered further as per extant rules and no back reference in this regard will be made to them.

2.9 Material to be procured from OEM or their authorized dealers / distributors:

(a) Wherever so specified, the Railways reserve the right to place orders for either entire or bulk quantity on OEMs or their authorized dealers.

(b) Any firm quoting on behalf of OEM must submit tender specific authorization certificate along with their offer and agree for inspection by the nominated agency (as the case may be) at the premises of their principals, failing which their offer shall be liable to be rejected.

(c) The following would be preferred in such cases:

- (i) Inspection by RITES/RDSO/Nominated agency at the manufacturing premises of the relevant manufacturer. RITES/RDSO/Nominated agency shall categorically confirm in the Inspection Certificate, that inspection of the material has been actually made in the manufacturing premises of the manufacturers and not in the warehouse/Godown/Shop of the dealer
- (ii) Direct dispatch from the premises of the manufacturer to the Railways consignee after inspection and acceptance by RITES/ RDSO.
- (iii) Submission of Manufacturer's Test and Guarantee Certificate with each lot of supply.

(d) The OEM / Authorized dealers / agents must comply the following conditions, failing which their offer(s) will be ignored:

(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) 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.

2.10. Option Clause:

Unless otherwise indicated Railway reserves the right to cancel the tender for full or part tendered quantity without assigning any reason. However, purchaser will have discretion to accept an offer for quantities which are up to 30% higher than the tendered quantity. The rates quoted by the tenderers for the full quantity would be taken as valid.

Purchaser also reserves the right to increase the ordered quantity, after giving reasonable notice, by a maximum of 30% after the placement of order during the currency of the contract. valuing minimum of Rs 1.5 Crores for fixed quantity contracts. The increase in quantity, however, is subject to keeping the overall quantity increase on all the successful tenderers within 30% of the bid quantity.

For running contracts ,Para 3800 of IRS Conditions of Contract on contractual quantity variations will apply.

However ,the provision of – (minus) 30% option clause shall not be applicable.

Authority;- Railway Board letter No.2021/RS(G)779/5 Dt. 04.03.2022

2.10.1. Deleted

2.10.1 (A) Option Clause can be exercised anytime within the Delivery period or extended Delivery period ,by giving reasonable notice **.**

2.10.2. Deleted

2.10.2 (B) '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.

2.10.3. Deleted

2.10.3.(C) Deleted

2.10.4. Deleted

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

2.11. Pilot Sample:

2.11.1. Whenever, in terms of the contract, firm is required to submit pilot sample, they will be required to submit minimum three samples for approval, if not specified otherwise. Out of that, one sample, if found suitable after testing, will be returned to the firm for reference purpose and for the guidance of the Inspection Agency, if required. One sample duly approved shall be retained by the Depot officer. The 3rd sample, if get destroyed during the testing, shall be accounted for by the Depot officer, provided same gets passed and found suitable during testing.

2.11.2. In the event of a pilot sample failing the inspection/tests, all the samples whether intact or broken during a destructive test as the case may be, shall be returned to the supplier along with the inspection report, if any, provided by the inspecting/testing agency.

2.11.3. Submission and collection of the sample shall be sole responsibility of the supplier.

2.12. Quantity to be ordered:

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

2.12.2. Wherever considered necessary by the purchaser, the quantity to be ordered can be split amongst two or more sources for ensuring better availability of material keeping in view the vital / critical nature of item, quantity to be procured, delivery requirements, capacity of the firms and past performance of the firms, in fair, transparent and equitable manner. In such cases the provisions of para 2.13 shall be normally applicable

2.12.3. The Controller of Stores or any officer authorized on behalf of President of India acting through, General Manager is not bound to accept the lowest or any offer nor to assign any reason for doing so and reserves the right to accept any offer in respect of the whole or any portion of the item specified in the tender and contractor shall be required to supply at the rate quoted.

2.13 Splitting of tendered quantity

2.13.1 Case of no prior decision to split the order

2.13.1.1 Normally full order should be placed on L-1 firm. However, if after due processing, it is discovered that the quantity to be ordered is more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities , then this aspect should be decided by the purchaser. The quantity being finally ordered will be distributed among the other bidders in a manner that will be fair, transparent and equitable. The manner of splitting will take specific note of the following parameters: :

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

2.13.1.2 In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 2.13.2 below.

2.13.2 Case of pre-decided split ordering:-

2.13.2.1 Railway may decide in advance to have more than one source of supply on account of deliveryrequirement in tender, past performance and capability of bidders, quantity under procurement and vital/safety nature of items.

2.13.2.2 Following provisions {2.13.2.2 (A) to 2.13.2.B(ii) shall be applicable in all such cases of pre-decided split ordering:-

A) The purchaser reserves the right to distribute the procurable quantity on one or more than 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, criticality of and lead time of supply of the item, number of established suppliers, their capacity etc.

B) Whenever such splitting of the procurable quantity is made, the quantity distribution will depend (in an inverse manner) upon the differential of rates quoted by the tenderers (other aspects i.e. adequate capacity-cum-capability, satisfactory past performance of the tenderers, outstanding order load for the Railway making the procurement, quoted delivery schedule vis-à-vis the delivery schedule incorporated in the tender schedule incorporated in the tender enquiry etc. being same/similar) in the manner detailed in the table below:

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

In the phrase'differential rates quoted by the tenderers, 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 ratio will be the original rate of L1 firm (suitable for bulk quantity)- say firm "A"- as obtained at the time of tender opening.

B (I) If splitting of quantity is required to be done by ordering on tenderers higher than the L2 tenderer, then the quantity distribution proportion amongst the tenderers will be decided by transparent/logical/equity based extrapolation of the model as indicated in the above para.

B (II) There could be a situation when between the lowest firm considered suitable for bulk Qty. (L1 firm 'A') and another firm considered suitable for bulk quantity order, there are firms who are considered suitable only for developmental order. For example, say L1 firm 'A' is approved vendor, L4 is approved vendor (and both considered suitable for bulk quantity order) and splitting is to be done between these two approved vendors. But there are two developmental vendors in between who are suitable for part quantity. In such cases, L1 should be given its proportion based on its rate differential with respect to L4,(say by this, L1 gets 65% of NPQ). The balance Qty. (say 35% of NPQ) is to be distributed among other firms. The balance quantity is to be distributed as follows:

(a) Allocate the developmental vendor L2 and developmental vendor L3 within the overall ceiling of 20% (of 35% of NPQ)
(b) Allocate the balance quantity to L4 firm.

Since the developmental vendors are being given the order in relation to its lower position w.r.t. L4 (approved vendor), it will not attract the provision of 'order on developmental vendor should not be at higher rate than approved vendor as the reference rate for comparison of L2 developmental vendor and L3 developmental vendor rate is the L4 approved vendor rate.

2.13.2.3 Notwithstanding the above, there can be exceptional situations where Purchaser may come to a conclusion that splitting is neither possible nor feasible and/or not desirable in the administrative interest. In such exceptional situations, Purchaser reserves the right not to split the quantity despite pre-decided splitting clause in the tender condition.

2.13.2.4 For cases where the Rlys./PUs had entered into Tot/JV agreements, the following clause should be stipulated as tender conditions:
As the Rly. has entered into Tot/JV agreement with …….. no. of firms, they reserve the right to place orders on all such ToT/JV agreements partners. However, for ratio/proportion o quantity distribution among such agreement partners, conditions as detailed in para 2.13.2.2 (B) shall apply with the exception that the aspect of 'per-se responsibility.

2.13.2.5 In the cases of inadequate capacity-cum-capability, dissatisfactory past performance, large quantity of outstanding orders (liquidation of which will take very long time) etc., the purchaser shall have the right to distribute the procurable quantity amongst tenderers with due consideration to these constraints and in such a manner that would ensure timely supply of material in requisite quantity to meet the needs of operation, maintenance, safety etc. of the Railways, regardless of inter-se ranking of the tenderers and in a fair and transparent manner with due conformity to the Principles of Natural Justice and Equity.

2.14. Warranty/Guarantee:

2.14.1. Warranty period mentioned in specification/MDTS is applicable. If warranty period is notmentioned in respective specification/MDTS, standard warranty period as mentioned in IRS conditions is applicable.

In case, there is a discrepancy regarding warranty period mentioned in specification/MDTS and standard warranty clause, then warranty period mentioned in specification/MDTS shall prevail.

Tenderers should further note that if the Guarantee/Warranty is a part of the tendered specification and/or tender schedule, then any deviation on this count, shall be treated as a technical deviation, which may render their offer technically unsuitable. **Bidders are advised tobring such deviation(s) clearly in the technical deviation statement. In case, this deviation is not indicated in the technical deviation statement, it will be presumed that offer is as per the tendered specification in all respect. Any ambiguity in this regard or any other respect shall be to the disadvantage of the bidder.**

Further, Suppliers shall ensure that the materials are invariably stamped with manufacturers name and month & year of manufacture as may be detailed in drawing/specification of material to enable correct reckoning of warranty.

2.14.2. Bank Guarantee towards Warranty obligation:

For items like machinery and Plant, Costly equipment, capital spares, the tenderer, wherever called upon to do so, shall furnish a Bank Guarantee of 10% of Material value to cover their warranty obligation. The model proforma of the Warranty/Guarantee bond is annexed as Annexure 5.3. It would

be the responsibility of the contractor to ensure that Bank Guarantee (BG) required to be submitted by them, should be sent directly by the issuing Bank under registered Post to the concerned Purchasing Authority and, in no case should be brought by the tenderer. That is to say, the firm shall not involve themselves in transmission of the BG between the issuing bank and the purchaser.

2.15. Deleted

2.16. Time for Making Risk Purchase: Whereas Risk Purchase will be governed by the relevant clauses of IRSConditions of Contract, such Risk Purchase shall be normally made within 9 months from the date of breach of Contract.

2.17. Arbitration Clause:

2.17.1. In the event of any dispute or difference of opinion between the North-Eastern Railway administration and Contractor(s) as to respective right and obligation of the parties hereunder or of onus to the true intent and meaning of these present and of any articles of conditions thereof such dispute of difference of opinion (except the matter regarding which the decision has been specifically provided for in the terms of the contact) shall be referred to the sole arbitration as per para 2900 of IRS Conditions of Contract.

2.17.2. Pre- Arbitration Meetings:
To avoid the cumbersome &time consuming process of arbitration, pre-arbitration meeting with the contractors can be held for settlement of claim of contractors. However such meeting/discussions shall be without prejudice to the Railway's interest in the matter. If an understanding is reached between the administration and the contractor, discussions will be recorded indicating the claim admitted to the extent and the claim not admitted and the contractor's no claim certificate taken on that basis. In either case subsequent action shall be proceeded and the residual disputes if any, shall be referred to arbitration in terms of clause/Para 2.17.1 above.

2.18. Jurisdiction of courts:
The Courts of the place from where the acceptance of tender has beenissued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.

2.19. Compliance of provisions contained in Contract Labour (Regulation and Abolition) Act, 1970 shall be ensured by the Supplier wherever applicable in fulfilling the contractual obligations as per the scope of supply within the supply contract.

2.20. Conditions for Installation and Commissioning of items other than M&P:
In cases, where the installation and commissioning of stores supplied is to be done by the supplier, the following conditions will also apply:

(i) The installation and commissioning charges should be shown separately. Firm must quote these charges separately in their offer in appropriate column.
(ii) The payment for installation and commissioning will be done after the successful installation and commissioning by the firm.
(iii) Firm should emboss/put permanent sticker/engraving showing date of manufacturing for each of the component requiring installation and commissioning.
(iv) Call for installation and commissioning will be given by shop officers against specific PO with a copy to Depot Officers.
(v) Firm shall depute the staff for installation and commissioning within 15 days of call, failing which LD **@ ½% (half percent)** per week or part of the week of value of goods subject to maximum of 10% will be6 recovered.
(vi) Bills for installation and commissioning will be submitted to the Depot Officers along with installation and commissioning certificate issued by shop officers.
(vii) Depot Officers will have to submit the bills to Accounts Department. for payment and will maintain record of payment of installation and commissioning charges against various POs in each case.

2.21. Conditions for Fabrication Contracts:

a. The raw material shall be issued to the contractor against bank guarantee. The contractor shall submit a bank guarantee equivalent to the cost of raw material (to be advised by the

consignee) within 07 days of the placement of order failing which a penalty of Rs.1000/-per day shall be imposed.

b. The contractor shall lift the raw material within three days of the demand placed by Depot Officer or his authorised representative.

c. Any intimation by telephone, telex or fax by Depot Officer or his authorised representative for lifting of material shall also be deemed to valid demand.

d. Any delay in lifting the raw material by contractor beyond 03 days of demand, shall attract a penalty @ ¼% per day of fabrication value of material for which raw material has been offered to contractor per day.

e. Any delay in returning the fabricated material beyond the delivery period shall attract a penalty of @ ¼ % per day of fabrication value of the material for which raw material has been given to the contractor.

2.22. Migration to GST regime-Special Tender Conditions :

2.22.1. The GST has been implemented with effect from 01.07.2017 :
For the tenders opening after roll out GST- All the bidders/tenderers should ensure that they are GST compliant and their quoted tax structure/rates are as per GST LAW.

2.22.2. The successful tenderer who is liable to be registered under CGST/IGST/UTGST/SGST act shall submit GSTIN along with other details required under CGST/IGST/UTGST/SGST act to railway. The contractor shall be responsible for deposition of applicable GST to the concerned authority.

2.22.3. In case of 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 authorities.

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

2.22.5. As the GST regime has been implemented from 01.07.2017 against the previous regime of ED, ST, VAT and Entry Tax etc., therefore, the tenderers shall submit their bill while claiming payment regarding their registration with GST regime for availing Input Tax Credit (ITC). If they are availing ITC, they shall take in to account the entire credit on inputs available under GST regime while claiming payment and furnish a declaration to this effect along with confirmation that any further benefit available in future on account of ITC will be passed on to the purchaser.

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

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

2.22.8. Wherever the successful bidder (s) invoice (s) the goods at GST rate or HSN number which is different from that incorporated in the purchase order, payment shall be made as per GST rate which is lower of the GST rate incorporated in the purchase order or billed.

2.22.9. Vendor (s) is/are informed that they would be required to adjust their basic price to the extent required by higher tax billed as per invoice to match the all inclusive price as mentioned in the purchase order (s).

2.22.10. Any amendment to GST rate or HSN number in the contract shall be as per the contractual conditions and statutory amendments in the quoted GST rate and HSN number, under SVC.

2.22.11 " 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 beimmediately forwarded by Purchaser to the Jurisdictional Assessing Officer mentioned in the Tenderer's bid."

2.23 <u>Preference to Domestically Manufactured Electronic Products:-</u>

2.23.1 The purchaser reserves the right for providing preference to Domestically Manufactured Electronic Products (DMEP) in terms of the extant policy of the Government which can be downloaded from DietY Website, i.e. URL http://meity.gov.in/esdm/pma. Purchase preference for domestic manufacturer, methodology of its implementation, value addition to be achieved by domestic manufacturers, self certification and compliance and monitoring shall be as per the aforesaid guidelines/notifications. The guidelines/notifications on the subject will be treated as an integral part of the tender documents.

2.23.2 Briefly, the preference for Domestically Manufactured Electronic Products (DMEPs) shall be operated as follows subject to status of the policy applicable as on date of tender opening and subject to the bidder complying with all other requirements specified in the tender document:

i) As per extant policy of the Government of India, the electronic products for which preference will be provided to domestic manufacturers are as notified by the Concerned Ministry/Department which are as under as on 23.08.2017

SN	Product Name	Notifying Ministry/ Department	Notification No. and date
1.	Telecom Products	Department of Telecom	18.07/2010-IP dt. 05.10.2012 read with notification dated 11.01.2017
2.	Desktop PCs and Dot Matrix Printers	Department of Electronics and Information technologies, Ministry of Communication and IT	F.No. 33(3)/2013-IPHW dt. 22.05.2014
3.	Laptop PC	Department of Electronics and Information technologies, Ministry of Communication and IT	F.No. 33(3)/2013-IPHW dt. 22.05.2014
4.	Tablet PC	Department of Electronics and Information technologies, Ministry of Communication and IT	F.No. 33(3)/2013-IPHW dt. 22.05.2014
5.	Smart Card	Department of Electronics and Information technologies, Ministry of Communication and IT	F.No. 33(3)/2013-IPHW dt. 22.05.2014
6.	LED Products	Department of Electronics and Information technologies, Ministry of Communication and IT	F.No. 33(3)/2013-IPHW dt. 22.05.2014
7.	Biometric IRIS sensors	Department of Electronics and Information technologies, Ministry of Communication and IT	F.No. 33(3)/2013-IPHW dt. 22.05.2014
8.	Biometric Access Control/ Authentication devices	Department of Electronics and Information technologies, Ministry of Communication and IT	F.No. 33(3)/2013-IPHW dt. 01.10.2014
9.	Biometric finger print sensors	Department of Electronics and Information technologies, Ministry of Communication and IT	F.No. 33(3)/2013-IPHW dt. 01.10.2014

ii) Copies of all the notifications can be downloaded from http://meity.gov.in/esdm/pma.

iii) The quantity of procurement for which the preference will be provided to domestic manufacturers shall be percentage of the net procurable quantity as specified in the relevant notifications issued by Concerned Ministry/Department indicated in sub para (i) above and can be downloaded from the websites of respective ministries/departments.

iv) Percentage of domestic value addition which qualifies the electronic product to be classified as domestically manufactured shall also be as specified in the relevant notifications issued by Concerned Ministry/Department indicated in sub para (i) above and can be downloaded from the websites of respective ministries/departments.

2.23.3 In terms of above referred guidelines, domestic manufacturers are required to upload the domestic value addition in terms of Bill of Materials (BOM) for the quoted product alongwith their offer in the following format, failing which their offer will not be eligible for purchase preference under this policy:-

Item No.	Item Description	Domestic value addition in percentage
1.		
2.		

2.23.4 The tenderers, claiming to bid in the status of domestic manufacturer must also give and upload an undertaking in the format as given as 'Form 1' of the guidelines, copy at Annexure-II. Furnishing of false information on this account shall attract pen provisions as per relevant guidelines/notifications.

2.23.5 Procedure for award of contracts involving procurement of specified electronic products from domestic manufacturers shall be as under:

"For each electronic product proposed to be procured, among all technically qualified offers, the lowest quoted price will be termed as L1 and rest of the offers shall be ranked in ascending order of price quoted as L2,L3,L4 and so on. If L1 offer is of a domestic manufacturer, the said tenderer will be awarded full value of the order. If L1 offer is not from a domestic manufacturer, the value of the order awarded to L1 tenderer will be the balance of procurement value after reserving specified percentage of the total value of the order for the eligible domestic manufacturer. Therefore, the lowest tenderer among the domestic manufacturers, whether L2, L3, L4 or higher, will be invited to match L1 offer in order to secure the procurement value of the order earmarked for the domestic manufacturer. In case first eligible tenderer (i.e. domestic manufacturer) fails to match L1 offer, the tenderer (i.e. domestic manufacturer) with next higher offer will be invited to match L1 offer and so on. However, Railway may choose to divide the order among more than one successful tenderer as long as all such tenderer match L1 and the criteria for allocating the tender quantity amongst a number of successful tenderer is clearly articulated in the tender document itself. In case, all eligible domestic manufacturers fail to match the L1 offer, the actual tenderer holding L1 offer will secure the order for full procurement value. Only those domestic manufacturers whose offers are within 20% of the L1 offer would be allowed an opportunity to match L1 offer".

2.23.6 In case of turnkey/system integration projects, eligibility of a tenderer as a domestic manufacturer would be determined on the domestic value addition calculated only for the value of notified DMSPs forming part of the turnkey/system integration projects and not on the value of whole project.

2.23.7 Mechanism for calculating for local content for certain electronics products mentioned in the notification dated 07.09.2020 of Ministry of Electronics and Information Technology's (MeitY) shall be as per Ministry of Electronics and Information Technology's notification No. W/43/4/2019-IPHW MeitY dated 07.09.2020 communicated by Railway Board vide letter no. 2020/RS (G)/779/2 Pt.1 dated 21.12.2020 same is enclosed as Annexure 5.12.
Other condition mentioned in other notification shall also be applicable.

2.24 <u>Revised Public Procurement (Preference to Make in India), Order -2017:</u>
<u>(Railway Board's L/No. 2020/RS(G)/779/2dated 12-06-2020 and Northern Railway Modification)</u>

Now, following provisions will be applicable for items to be procured under Public Procurement (Preference to Make in India)

2.24.1 This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.

2.24.2 **Definitions:** For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%, as defined under this Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content more than 20% but less than 50%, as defined under this Order.

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than or equal to 20%, as defined under this Order

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'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.

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

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

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

2.24.3 Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'! Non-local suppliers' for different types of procurement

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

(b) In procurement of all goods, services or works, not covered by sub- para **2.24.3**(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. Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries. 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

(d) Railway Board vide Letter No.2020/ Rs (L)/779 a/1 Dated –03.05.2021 has advised to Incorporate:

Ministry of Finance (Department of Expenditure), vide O.M. dated 05-04-2021 (ref.vi above), has Issued following clarification on the subject :

"It is clarified that this office OM No.12/17/2019-PPD dated 15/05/2020 does not apply to procurement By Indian Mission and by offices of government agencies/undertaking located outside India Further,OM dated 15/05/2020 is also not applicable where the place , at which goods, services or works are to be supplied, is outside India."

Authority Ministry of Finance (OM) No F:4/1/2021-PPD Dated-05.04.21

(e)Not with standing any provision stated above ,The administrative Department undertaking the procurement (including procurement by any entity under its administrative control) may exempt the procurement of supplier required for containment of COVID -19 global pandemic from the applicability of this Order/any provision thereof ,after written approval of Secretary of the Department concerned or any Authority having been assigned power by the Secretary of Department concerned The aforesaidexemption shall be applicable only till 30-09-2021**.**

Authority :-Rly Board letter No.2020/RS(G)779/2 Part-1 Dated-10.06.2021 and **Ministry of Commerce &Industries**Vide No-P-45021/2/2017-P-P(Be-II) Dated 13 May 2021

2.24.3A.Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

(b) In the procurement of goods or works, which are covered by **para 2.24.3 (b)** above and which are divisible in nature, 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per the following procedure.

(i) Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.

(ii) If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the 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 bidder.

(c) In the procurements of goods or works, which are covered by **para2.24.3 (b)** above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.

ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to 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 L 1 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 be awarded to the L1 bidder.

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

2.24.3 B Presently Brake Disc (Wheel Mounted) for Vande Bharat Trains is reserved to be procured from Class-I suppliers only with minimum local content for class I as 50 %. In an endeavour to promote manufacturing of this item in India with higher local content under Make in India Policy, a review of the scenario of local content the item has been done in consultation with ICF and it has been decided that-

i. Minimum local content for Class-ll suppliers is enhanced from 20% to minimum 50% upto less than 75%.

ii. Minimum local content for Class-I suppliers is enhanced to 75% or more

iii. Item is not reserved for exclusive purchase from Class-I sources only.

Accordingly. bidders offering local content less than 50 % shall not be eligible to participate in domestic tenders. Class I suppliers offering more than 75 % local content shall be eligible for preference over Class Il suppliers as per Make in India Policy

Authority :- Rly Board letter No.2015/RS(G)/779/5(Vol III) (E3317111) Dated :-06/06/2023.

2.24.4 Exemption of small purchases: Notwithstanding anything contained in paragraph 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.

2.24.5 Minimum local content: The local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local supplier' shall be as defined in the **Para "2.24.2** " of the Order. No change is permissible on this account..

2.24.6 Margin of Purchase Preference: The margin of purchase preference shall be 20%.

2.24.7 Requirement for specification in advance: The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

2.24.8 Verification of local content:

a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local

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

b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.

d. 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.

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

f. False declarations will be in breach of the Code of Integrity under Rule 175 (1) (i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

g. 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 procurement entities, in the manner prescribed under paragraph **2.24.8 h** below.

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

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

ii. 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);

iii. 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 procurements are not disrupted.

2.24.9. Other procurement solicitations:

i) If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and /or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.

ii) For the purpose of sub-paragraph **2.24.9 (i)** above, a supplier or bidder shall be considered to be from a country if (a) the entity is incorporated in that country, or (b) a majority of its shareholding or effective control of the entity is exercised from that country; or (c) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mea those entities which meet any of these tests with respect to India."

2.24.10 Implementation of Public procurement (preference to Make in India) Order, 2017.(Railway Board's L/No. 2015/RS(G)779`/5(VOI.III) dated 22.06.2020)

para-**3(a)** of the public procurement (preference to Make in India)Order,2017 as amended issued vide reference ii above, stipulates as under – vide para **2.24.3 (a) above.**

In procurement of all goods ,services or works in respect of which the nodal ministry/department has communicated that there is sufficient local capacity and local competition, only" Class-1 local supplier as defined under the order ,shall be eligible to bid irrespective of purchase value and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering .In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender it does so at its own risk and cost and Railway shall not be liable for any loss or damage caused to the vendor .

Govt. has desired that Ministries/Departments shall expeditiously issue notification for the items where there is sufficient local capacity and competition and where public procurement shall be done only from 'Class-I local suppliers' under clause 3(a) of PPP-MII, Order ,04/06/2020.

(1) Accordingly, the matter has been reviewed and it has been decided that in respect of following items(List A and List B),For which sufficient local capacity and local competition exists, only class I local suppliers shall be eligible to bid for supply of these items irrespective of the purchase value:-

List A

SN	Item	Reference
1	Point Machine	D.5
2	Signal Unit	C.1
3	Shunt Signal-Position Light Type	C.2
4	Electric Point & Lock Detector	D.2
5	Electric Key Transmitter	D.3
6	Double Line Block Instrument	A.4
7	Single line Token Block Instrument (Handle Type)	A.5
8	Single line Neal's Ball Token Block Instrument	A.6
9	Nylon Insulted joints	H.8
10	Electric lifting Barrier	J.1
	Above References/S. Nos. are from DOC No.QS-M-8.2.1-1Version1. 0. issued by RDSO i.e. VENDOR DIRECTORY (SIGNAL &TELECOM) (Validity 01.01.2019 to 30-06-2019	

List B

SN	Item	Reference
1	**Cable(All Types)**	**B**
2	**LED Signal-Lighting Units for Railway Signaling**	**C-7**
3	**LED Signal Lamps for Main Color light Signal for Railway Signaling**	**C-8**
4	**Electric Point Machine (Non-Trainable Type**	**D-5**
5	**Motors for Electric Signal Machine**	**D-6**
6	**ARA Terminal Blocks and Fuse Blocks- Made PBT/polycarbonate**	**E-2**
7	**Battery Charger for Railway S&T Installations**	**F-1**
8	**Track Feed Battery Charger**	**F-2**
9	**'SITEL' Primary Cells (Dry, Lachlanche Type) for Railway S&T Installations**	**F-7**
10	**Low Maintenance Lead Acid Stationary Secondary Cell for S&T Installations**	**F-8**
11	**Solar photo-Voltaic Module**	**F-10**
12	**RELAYS - Universal Plug –in type AC Lamp Proving Relay (M to C Contact) for LED Signal Lamp**	**G-1**
13	**Relays –'Q' Series Neutral Line (ACI & Non-ACI)**	**G-3**
14	**RELAYS-Plug-in type, Track Relay 9&4Ohm 9(ACI and Non -ACI**	**G-4**
15	**Relays-Special Type(Metal to Carbon)**	**G-5**
16	**Choke Coil For Single Rail Track Circuits on 25 KV 50 Hz AC electrified sections**	**H-6**
17	**Thermoplastic poly Urethane Insulators for Railway Signaling**	**H-8**
18	**Fail Safe Electronic Time Delay Device for Railway Signaling**	**I-3**
	Above Reference/S. Nos. are From DOC No.Qs-M-8.2.1-2 issued by RDSO i.e. VENDOR DIRECTORY(SIGNAL &TELECOM)(Validity 01.01.2020 to 31.06.2020)	

(2) Wagons and items required for manufacture and maintenance of wagons
(Railway Board's L/No. 2015/RS(G)779/5(VOl.III) dated 12.07.2020)

Further to above, a similar review of wagons and items required for manufacture and maintenance of wagons has been conducted. Accordingly, it has been decided that, in view of sufficient local capacity and local competition, all types of wagons and all spares and components required for manufacture and maintenance of wagons, including hardware and consumables, shall be procured, irrespective of the purchase value, from Class I Local Suppliers only, except for the following items, in procurement of which this restriction shall not apply.

SN	Item
1	Automatic Twist Lock to RDSO Document No. CONTR-01-MSG-ATL-2011 and envelope drg no. CONTR-9405/S/21.
2	Grease for CTRB Class E & Class K to RDSO specification No. WD-24-MISC-2003.
3	Steel: For procurement of Steel the notification of Ministry of Steel on Policy for providing preference to domestically manufactured Iron & Steel Products in Government procurement (Ministry of Steel Gazette notification dated 29.05.2019, latest amended) shall apply.
4	Grease seal to RDSO Specification No.WD-63-MISC -2020 of Low Torque Grease seal for AAR standard upgraded class 'E' (6"x11") Cartridge Tapered Roller Bearings Used in Freight Stock) **(Railway Board Letter No:2015/RS(G)779/5(Vol.III) Dated 07.07.2021)**

3.0 Further to above, a similar review of LHB coaches and items required for their manufacture and maintenance has been conducted. Accordingly, it has been decided that, in view of sufficient local capacity and local competition **all spares and components required for manufacture and maintenance of LHB Coaches, including hardware and Consumables, shall be procured, irrespective of the purchase value, from Class I Local suppliers only, EXCEPT for the following items, in procurement of which this restriction shall not apply :**

SN	Item
1	**Automatic sliding Door/Automatic Entrance plug Door**
2	**Sealed Gangway/Dust sealed inter Car Gangway**
3	**CCTV Cameras**
4	**UIC-130 pre-sealed pre-set and pre-lubricated Cartridge Tapered Roller Bearing for use on Coaches of LHB design.**
5	**Axle Mounted Disc Brake System (LHB) as per RDSO spec. RDSO/2011/CG-04(Rev.01) with amendment -01**
6	**Non- Asbestos based Organic Brake Pads for LHB type coaches equipped with Disc Brake system as per RDSO spec. No. RDSO/2013/CG-01 with amendment -01)**
7	**Air spring assemblies – 120 kN capacity as per RDSO/2020/CG-01**
8	**Direct Mounted double row self-aligning Spherical Roller Bearing (ICF) as per RDSO spec.No. C-8527(Rev.01) with amendment no. 4**
9	**Forged Axles and wheels for LHB Coaches.**

(4) Railway Board has reviewed and considered that sufficient local capacity and local competition exist for the following item:

"**Design, development manufacture, supply, integration, testing and commissioning of IGBT based 3-phase propulsion, control and other equipments** including transformers, lightning arrestors, converters, motors, train control and management systems (TCMS), speed indicating cum recording system, brake interface unit, load weighing system with associated equipments, bogie assembly, event recorder, voice communication system, passenger information system, onboard infotainment system, passenger announcement and passenger information system (including CCTVs, speakers), fire detection system , driver cabin with all equipments, passenger car surveillance system, batteries with accessories, cables, cable harnesses, cable jumpers, cable accessories, inter vehicular couples (Power and control) with coach jumper assembly, pantograph with concomitant accessories, APC receivers, electrically operated wiper system, interface equipments with laptops, special tools for assembly/disassembly of various assemblies, supervision of installation, training, brake controller, circuit breakers, lighting system, Air conditioning systems auxiliary power system and comprehensive annual maintenance for some or all of the systems/subsystems **for train sets suitable for operation of 25 KV AC OHE system conforming to applicable RDSO and other specification"**

It has, therefore, been decided that in respect of above item only Class I local suppliers shall be eligible to bid and supply, irrespective of the purchase value. .It has been further decided that the minimum local content for the local supplier, of the above item, to be categorized as Class-I local suppliers shall be 75%.

(5) Railway Board has reviewed and considered that sufficient local capacity and local competition exists for the following item (s) -

Item-1

" Design, development, manufacture, supply, testing and commissioning of microprocessor controlled IGBT based 3-phase propulsion equipment including transformers, lighting arrestors, converts, motors, train controlled and management system (TCMS) pneumatic systems compressing of air compressor, circuit breakers, pantograph with concomitant accessories, cables, driver disk with all equipments lighting system including fans, circuit breakers, parking break equipments, Break binding, Load weighing sensors, passenger information and communication system inter-vehicular couplers, speed indicating cum recording system, cab air-conditioning unit, networking system including CCTV cameras, cable transit system, cable trays, HT room filters, earthling switches , coach display unit, inter face equipments with laptops, special tool for assembly/disassembly of various assemblies supervision of installation and training of MEMU (On Board) confirming to applicable RDSO and other specification"

Item-2

" Design, development, manufacture, supply, testing and commissioning of microprocessor controlled IGBT based 3-phase propulsion equipment including transformers, lighting arrestors, converts, motors, train controlled and management system (TCMS), oil pumps and oil cooling blowers, pneumatic systems compressing of air compressor, circuit breakers, pantograph with concomitant accessories, cables, driver disk with all equipments shunting desk with all equipments, lighting system including fans, circuit breakers, parking break equipments, APC receiver, Break binding, Load weighing sensors, passenger information and communication system inter-vehicular couplers, speed indicating cum recording system, air filter, cab air-conditioning unit, networking system including CCTV cameras, cable transit system, cable trays, earthling switches, coach display unit, inter face equipments with laptops, special tool for assembly/disassembly of various assemblies supervision of installation and training of EMU (On Board) confirming to applicable RDSO and other specification".

It has therefore, been decided that in respect of item mentioned in Para 2.24.10(5) only class I local suppliers shall be eligible to bid and supply, irrespective of the purchase value. It has been further decided that the minimum local content for the local supplier, of the item mentioned in Para 2.24.10(5)to be categorized as "Class-I local supplier" shall be 60%.

(6) RE items under para-3(a) of PPP-MII Order.

Further to above as per Railway Board ' Letter No. 2015/RS(G)/779/5(Vol.III) Dated:19.02.2021 there is Sufficient Local Capacity and local competition exist for all the material/items used in Railway Electrification as they are indigenously manufactured and supplied except (i) short neutral section assembly'(ii)150 sq.mm HDGC Contact wire '(iii)'193 sq .mm HDGC Contact wire', .(Railway Board No.2015/RS(G)/779/5(Vol.III) . Dt :- 20.01.2023) which is an RDSO approved items, ,Hence of the Purchase value. It has been further decided that the minimum local content for the local supplier, of the above item, to be categorized as 'Class-I Local supplier' shall be 50%.Other term and condition regarding preference to Make in Indiais applicable as per previous Railway Board Make in India letter.

(7) Deleted

(8) To be Read at Para 2.24.11 (Page 36)

(9) Review of track fittings and sleeper items has been conducted at Railway Board, and, it has been decided that, in view of sufficient local capacity and local competition, following track fittings and sleeper items shall be procured, irrespective of the purchase value, from Class I Local Suppliers only:

S.No.	Item
1.	Spheroidal Graphite Cast Iron Insert
2.	Elastic Rail Clips- Mk-III&ERC-J
3.	Elastic Rail Clips Mk-V
4.	Glass Filled Nylon-66 Insulating Liners
5.	Polyethylene Dowel

6.	Nyion Cord Reinforced Elastomeric Pad
7.	Metal Liners
8.	Glued Insulated Rail Joints
9.	Fibre Glass Cloth Woven Roving-360
10.	High Tensile Fish Bolts & Nuts
11.	Glue
12.	Fabricated Switches
13.	Fabricated Crossings
14.	Cast Manganese Steel Crossings
15.	Switch Expansion Joints (SEJ)
16.	Single Coil Spring Steel Washer
17.	Fish Plates
18.	Fish Plates Bars
19.	SSD for or Curved Switches
20.	Improved Switch Expansion Joint for 65mm gap (max.)
21.	Improved Switch Expansion Joint for 80mm gap (max.)
22.	Composite Grooved Rubber Sole Plates (6.2mm & 10mm thick)
23.	Grooved Rubber Sole Plates (6mm & 10mm thick)
24.	Fusion Welding of Rails by Alumino-thermic Process
25.	Thick Web Switch
26.	Zero Toe Load Fastening (ZTLF) System
27.	PSC sleepers
28.	H Beam sleeper
29.	Steel Channel sleeper

(10) Railway Board has reviewed and considered that sufficient local capacity and local competition exists for 136 items listed in annexure. These items are required for manufacture and maintenance of 3 Phase Electric Locomotive.

It has, therefore, been decided that in respect of these listed items, only Class I local suppliers shall be eligible to bid and supply, irrespective of the purchase value. It has been further decided that the minimum local content for the local supplier, of the above item, to be categorized as 'Class-I local supplier' shall be 50%.

SN	ITEM	CLWPLNO	DRG/SPECNNO
1	Motor for Compressor	29511008	CLW/ES/3/0100 RDSO/SPEC/ E-10/3/09 (motor)
2	Blower for Machine Room	29440105	CLW/ES/3/0020
3	Motor for Machine Room Blower	29440105	RDSO Spec No. E-10/3/09 (Motor), ABB drg no. 3EHP590467R001 CLW/ES/3/0020
4	Blower Scavange for Machine Room	29440129	CLW/ES/3/0022
5	Blower for Traction Motor	29440075	CLW/ES/3/0019
6	Motor for Traction Motor Blower	29440075	CLW/ES/3/0019 RDSO Specn. No. E-10/3/09 (motor)
7	Blower Scavange for Traction Motor and Oil Cooler	29440117	CLW/ES/3/0021
8	Motor for Scavange Blower to TM / Oil cooling	29440117	CLW/ES/3/0021 RDSO Spec. No. E-10/3/09 (motor)
9	Oil Cooling Unit for transformer / converter with impeller and casing	29470043	CLW/ES/3/0647 RDSO/2016/EL/SPEC/ 0123 Rev.1
10	25KW Motor for oil cooling unit for Three Phase Locomotive		TECH .SPEC/E-10/3/09 (Motor) (3 Phase Drive Looco), with Amendment No 1 to4. CLW/ES/3/0023

11	30kW Motor for oil cooling unit for Three Phase Locomotive		RDSO Spec. No. E-10/3/09(Motor) with Amendment slips no. 1 to 5
12	30KW Motor for oil cooling unit (Centrifugal Design) for Three Phase Locomotive		RDSO Spec No. E-10/3/09 (Motor), with Amendment No 1 to 5.
13	Aluminium impeller for Oil cooling unit		CLW/ES/3/0647
14	Transformer Tranela- 15 (Aux. Transformer)	29690079	CLW/ES/3/0098
15	Earth Fault Relay Harmonic Filter / Auxiliary Converter	29660014	CLW/ES/3/0090
16	Main Transformer for WAG-9 Loco (6531 KVA)	29731008	CLW/ES/3/0456
17	Main Transformer for WAP-5/WAP-7 (7475 KVA)	29735014	CLW/ES/3/0315
18	Main Transformer 7775 KVA Type Lot 7500 for WAP-7 & WAP-5 Locos	29731057	CLW/ES/3/0660/A
19	Set of Metallic Pipe for Main Transformer	29230044	CLW/ES/3/0253
20	Transformer Module Primary Voltage	29690092	CLW/ES/3/0083
21	Cab Heater/Ventilation	29170011	CLW/ES/3/0109
22	Crew Fan	29470080	CLW/ES/3/0110
23	Master Controller	29860015	CLW/ES/3/0031
24	Cab Air Conditioning System	29811028	RDSO/2007/EL/SPEC/0055(REV.”1”)
25	Complete HB1/2, SB1/2 (without electronics), filter & F-cubicles along with all equipments and cabling.	29171180 29171192 29171209 29171210	CLW/ES/3/0191; 0192; 0193; 0194; 0195 & 0652
26	Pantographs for Freight Locos (ACapplication)	29880026	RDSG/2008/EL/SPEC/0066Rev.’0’dated 20.6.2008andAmend1 Dtd. 31.12.08
27	Metalised Carbon Strip for Pantographs		RDSO/2009/EL/SPEC / 0097 Rev. ‘1’ Sept. 2013
28	Vacuum Circuit Breaker (single bottle)	29711046	CLW/ES/C-47
29	Pantograph Disconnecting + Earthing Device	29810050	CLW/ES/3/0008
30	Set of Roof Bars	29810115 29815009	CLW/ES/3/0063 CLW/ES/3/0036
31	Resistor Harmonic Filter for WAG-9 /WAP-7	29650033	CLW/ES/3/0015
32	Resistor Harmonic Filter for WAP-5	29655006	CLW/ES/3/0307
33	Conduit for Cables (Metallic)	29605064 29600595	IA0 51-00112
34	SRBGF Items & Set of Fibre Glass Cable Cleat for TM (Type-4)	29720795 29615045	CLW/ES/3/0056 & CLW/ES/3/0414
35	Set of Cable Clips	29210409 29210410 29210422	CLW/ES/3/0133

36	Cable Lug	29610011 29612615 29612652 29615434 29615446 29615458	CLW/ES/3/0130/1
37	Al. Cable Cleat	29611702 29725150	CLW/ES/3/0039
38	Set of Cable Cleat with DIN rail for TM	29615094	CLW/ES/3/0045
39	Set of cable disconnection	29615008 29612810	CLW/ES/3/0424 CLW/ES/3/0128
40	Set of Cable Tray	29612950 29612949 29615150	CLW/ES/3/0132 CLW/ES/3/0316
41	Copper Sleeves & Set of copper sleeves	29610370 29615392	CLW/ES/3/0205
42	Set of Steel Sleeves	26612008	CLW/ES/3/0205
43	Set of Insulators	29721180 29725057	CLW/ES/3/0145
44	Set of Rubber Items	29250134 29255065	CLW/ES/3/0151
45	Set of Gasket for WAG-9/WAP-7&WAP-5 Loco.	29255041 29250018	CLW/ES/3/0142
46	Set of Neoprene Hoses	29230068	CLW/ES/3/0094
47	Hose for Cab Heater	29232685	CLW/ES/3/0436
48	Set of Other Hoses	29611489 29611519	CLW/ES/3/0099
49	LED Based Flasher Light	29612937	i) ELRS/SPEC/LFL/0017 (Rev1, Oct 2004) ii) CLW/ES/SK-3/L-21/C
50	Head Light Housing	29610965	CLW/ES/3/0114
51	Driver's Desk & Assistant Driver's Desk Illumination	29170023	CLW/ES/3/0042
52	Latching Push Button Corridor Lighting	29700097	CLW/ES/3/0044
53	LED Based Marker Light	29612925	i) ELRS/SPEC/PR/0022 (Rev1, Oct 2004) ii) CLW/ES/SK-1/L-29
54	Set of Copper Braid	29612779	CLW/ES/3/0138
55	Set of Non Metallic Plate	29170965	CLW/ES/3/0451
56	Set of Bus Bar	29615525 29615537 29615574 29615562 29615549 29611550	CLW/ES/3/0118 CLW/ES/3/0412
57	Set of Spacer	29610448 29611490	CLW/ES/3/0156
58	Set of Union & Fittings	29610345	CLW/ES/3/0163

59	Set of Non-metallic Pipe (Smoke Detection Pipe)	29230020 29235054	CLW/ES/3/0254 for WAG-9 CLW/ES/3/0413 for WAP-5
60	Axle Box Complete without Bearing (WAG-9 & WAP-7)	29010044 29015005	CLW/MS/3/003, 1209-01.111-005 ,1209-01.111-006 1209-01.111-007
61	Axle Guide Bearing (WAP-5)	29055015	IA011-00379
62	Bar for bogie head beam	29101025	1209-01.312-171
63	Traction Motor Cooling Bellows	29940023	CLW/MS/3/006,
64	Bolt (Pin) 12	29300836	1209-01.413-011
65	Bolt	29301117	1209-01.315-017
66	Fixing Cables (Safety Sling for Push- Pull Rod)	29100239 29105195	1209-01.318-018, 1209-01.318-019, IA016-00260, IA016-01095, IA016-01096
67	Leather Bellow with Mounting Arrangement and Hardware in a set for WAG-9 /9H /WAP-7	29940436	1209-01.018-024 Alt 1
68	Gear & Pinion for WAP-5 (67:35:17); WAP-7 (72:20); WAG-9 (107:21) or (77:15)	29425086 29420120 29420131	RDSO Spec- MPO, 2800.19,Rev-0 (Oct'05), SKDP-3473&74 ,SKDP-3435&36, SKDP-3847&48, IA011-230, 231, 232 for WAP-7/WAG-9
69	Gear Case-Complete	29030018	1209-01.013-014
70	Holder for TM suspension	29100150	1209^01.118-002
71	Housing	29100057	1209-01.113-002
72	Set of Insulating base	29725021	1209-01.415-015 1209-01.315-016
73	Suspension Tube and its assembly components for Three Phase Traction motor type 6FRA 6068 of Electric Locomotives (Motor Suspension Unit)	29100288	CLW/MS/3/201
74	Pivot	29140134	1209-01.112-002
75	Sealing (cu. Washer)	29100320	1209-01.412-069
76	Spring guide	29101001	1209-01.212-003
77	Elastic Stop (lateral & vertical)	29250470	CLW/MS/3/010 1209-01.315-021, 1209-01.315-022
78	Tubes	29230512 29105158	CLW/MS/3/055
79	Threaded Bolt	29305007 29300850	IA016-00272 CLW/MS/10/060 1210-01.415-021 1209-01.315-020
80	Tube	29232673	1209-01.312-160
81	Push / Pull Rod	29100069 29100094	1209-01.113-006
82	Brake Gear Arrangement & Details for WAP-7 Loco	29140225	1209-01.116-059

83	a) Wheel Set Guide (Steel Casting)	29050017	1209-01.115-004 for WAG-9
84	Bogie Frame Complete for Co-Co Locomotives	29100422	1209-01.112-202 CLW/MS/3/Bogie/003
85	Torque Support	29100380	1209-01.218.003
86	Battery Box Assly.	29680013	CLW/MS/3/037 1209-06. 138-001 1209-06.138-003
87	Blind Installation	29170059	CLW/MS/3/035
88	Filter Assly.	29480103	CLW/MS/3/012 1209-11.235-132
89	Fire Extinguisher	29170631	CLW/MS/3/016 1209-13-240-025
90	FRP under panel of Cab	29720412	CLW/MS/3/018
91	Gasket (non-metallic)	29250651 29250602 29250043	CLW/MS/3/062 CLW/MS/10/020
92	Grommet for wiper pipe pass	29250432	1209-03.330-240
93	Inter Lock Assly.	29170047 29171003	CLW/MS/3/111
94	Plywood (Impregnated Compressed laminated)	29170217 29175148	1209-08.231-013 1209-08.231-014 1209-08.331-015 1209-08.331-016
95	Rubber Hose for Scav. Blower	29255030	1209-11.344-046 1209-11.344-052 1209-11.339-037
96	New Design Cattle Guard for WAP-5 Locos suitable for high speed 160 Km/hr.	29125080	IA021 -00029 CLW/MS/3/107
97	Safety flooring PVC	29170552	RDSO/2006/CG-12(Rev-1)
98	Copper Pipe fittings	29230081	CLW/MS/3/067 CLW/MS/10/017
99	Copper Tubes	29170333	CLW/MS/3/030
100	Flexible Hose assly.	29230123 29234980 29235005	CLW/MS/3/033 CLW/MS/10/035
101	Nylon Tubes	29185026	CLW/MS/3/079 CLW/ES/3/0260
102	Saddle light stauff	29170072 29175288	1209-18.406-053,
103	Steel Pipe fittings	29230366 29180107 29230184	CLW/MS/3/068 CLW/MS/10/018
104	Wiper Assly.	29162026	CLW/MS/3/050
105	Reservior above 50 litres	• 29162105 29162099	CLW/MS/3/110 (For3-Ph) 0/3/65/234(P) 0/3/65/136(P) 0/3/65/136

106	Standard Hardware (MS)	25949470	IS: 1364 IS:1365 IS:2232
107	Non- Standard Hardware	25949329	
108	Spring Washer	29350025	CLW/MS/3/085
109	Set of terminal block (Screw type)	29615161	CLW/ES/3/0645
110	Cubicle HB1&HB2 (Bare) Cubicle SB1 & SB2 (Bare) Filter Cubicle (Bare) SS Louvre Assembly	29170643 29170667 29170655 29480139 29170205	CLW/MS/3/047 CLW/MS/3/098 CLW/MS/3/046 CLW/MS/10/009 CLW/MS/3/097
111	Cubicle 'F Deriver Cab Filter Frame Assly. (Fly screen) Piano Hinge SS Sheets & Plates Transition Duct Assly. Cover Assly. Security Lock Sand box Assly(WAP-5) Stainless Steel Trough for AC Cab for WAP-5 -OCO Roof Hatch Retainer Assly. For WAG-9H/WAP- 7 Loco. (Each Loco set is consisting of 4 items)	29170175 29480115 29171179 29120147 29175010 29470079 29120100 29075002 29175021 29175392	CLW/MS/3/045 1209-11.244-024 1209-11.144-025 1209-06.327-040 CLW/MS/3/039 CLW/MS/10/028 1209-11.244-024 1209-11.144-025 1209.02.127.037 CLW/MS/10/038 1210-07-138-002 1210-07-138-003 1210-07-138-004 1209-08.230-518 1209-10.237-051 1209-10.437-055 1209-10.337-077 1209-10.337-054
112(A)	Group-A Circuit Breaker Box Assly. Extractor Ventilator Rotary Shutter SS Pressed Section Set of Metallic plate Set of Bracketted sheet Set of casing Set of cover for WAP5 Set of cover Set of panel plate	29170310 29170140 29175045 29612860 29610254 29611507 29610242 29170620	1209-06.142-003 1209-08.330-185 1209-08.330-186 CLW/MS/3/038 CLW/MS/10/027 CLW/ES/3/0450 CLW/ES/3/0153 CLW/ES/3/0134 CLW/ES/3/0406 CLW/ES/3/0139 CLW/ES/3/0453
(B)	(Group-2) Lock Quarter turn Set of clips for pipes /hose Set of looming bars Set of Shackle Set of clamp Hinge base assly. Gasket (Metallic)	29171155 29612858 29612834 29611805 29610266 29250614	1209-18.306-004 CLW/ES/3/0136 CLW/ES/3/0119 CLW/ES/3/0152 CLW/ES/3/0135 1209-11.439-044
(C)	(Group-3) Set of Bracket for WAP5 Set of Bracket Set of Support Oil Pump Bracket fixing	 29615057 29610436 29615318 29615290 29615306 29612871 29615070 29530106	 CLW/ES/3/0411 CLW/ES/3/0121 CLW/ES/3/0159 CLW/ES/3/0148
113	Door Aassly. Window Assly.	29170280 29172028	CLW/MS/3/013 CLW/MS/3/014

114	Wind Screen Assly. Air Diffuser	29170291 29540021	CLW/MS/3/027 1209-08.430-181
115	Al. Chequarred Plate Al. pressed section Al. Sheets & Plates Al. Perforated sheet Cable tray cover Assly. Al. Roof Ladder Aluminium Inspection Cover for Floor Ventilation Ducting for WAP-5 Loco.	29170618 29170783 29400107 29175355 29170229 25606839 29475065	1209-09.331-039 CLW/MS/3/072 CLW/MS/3/075 CLW/MS/3/074 1209-08.130-167 CLW/MS/10/047
116(A)	Drivers Desk (Bare)	29171143	CLW/MS/3/117
(B)	Duct Assly. for WAG-9, WAP-5 & WAP-7	29470067 29475041	CLW/MS/3/099 CLW/MS/10/048
(C)	General Arrangement of floor ventilation ducting	29470092 29470109	IB-021-0326
(D)	Junction Box Assly. & Body Side & Floor Secondary Member for WAG-9/WAP-7	29200052	IB051-00176
117	Built up steel section		1209-08.430-029 1209-08.430-030 1209-08.330-033
	Steel chequarred plates Step Assly. Step Arrangement(WAP-5)	29170266 29120202 (MINOR) 29125110	CLW/MS/3/077 1209-06.242-008 IA011-00321
	Foot Step Assly.(WAG-9) Merchant Flat bars V/F (For Cab, Sidewall & Roof) .Platform Assly. Grill Assly.(Protection Grill for Wind Screen)	29120196 29125078 29170898 29175483 29175483	CLW/MS/3/103 CLW/MS/3/106 IB081-00421 CDD-HL-E72-031 03/1/38/99 Alt.1
	Coduits of Cables Wire Rope Safety Sling for TM 6FRA 6068 for WAG-9H/WAP-7 Safety Sling for Hanger Lever for WAP-7 Stool for WAP-5 Loco Bracket Outer Bracket Inner for WAG-9 Loco Steel Chequred Plate Doorway Surround (Lower)	29601009 29120135 29140201 29140237 29175380 29120366 29170266 29170710	1209.02-426-126, 129,132,134 1209.02-327-083 1210-03.125-002 IA036-00047 IA036-00043, IA031-00035, IA032-00029 1209-02.341-004 , 1209-02.341-003 CLW/MS/3/077 IB091-00024
	Group-II Air Outlet Assly. Capacitor Box Assly Sand Box Assly for WAG-9 & WAP-7 Flange Set of Fabricated Items with Hotel Load Converter for WAP-7 Loco. Mounting Bracket for WAH-9H/WAP-7 Loco	294050020 29771043 29070259 29125157 29741105 29171015	1209-10.337-081 IA106-00507 IA066-00095 IA066-00098 1209-01.138-031. 1209-01.138-032 03/4/20/2 Alt. 1 CDD-HL-P71-002A IB026-0106 1209-07.232-022 IB031-0325 IB031-0327

	Group- 111 Door Latch Assly Channel Unistruct Din Rails Clips-Pneumatic items Clamps-Pneumatic items Protection Plate Assembly for WAG-9/WAP-7 (Set of Protection Plate for WAG-9/WAP-7) Shim and Pad (06 Items) Set of Accessory for Hand Brake Arrangement for WAP-7 Loco. Hinge for WAG-9/WAP-7 Loco	29170084 29480127 29101062 29210094 29215080 29210010 29235078 29180053 29250511 29140286 29175239	1209-09.233-018 CLW/MS/3/070 CLW/MS/3/058 1209-01.413-013 1209-18.406-087 1209-18.406-094 CLW/MS/3/059 CLW/MS/10/045 IB011-00479 IB076-00259 IB016-00451 IB016-0476 1209-0.9.433-080 05/4/59/15 Alt-3, 05/4/59/22 Ait-22, 05/4/59/80 Alt-8 1209-00.240-201 ref.10
118	Roof Assly. complete for WAG-9/ WAP-7	29170941 29175343	CLW/MS/3/154 IB 101-00124 IB 101-00125 IB 101-00122
119	Side Wall Assly for WAG-9 / WAG-9H/ WAP-7	29171040	CLW/MS/3/154 IB031-00275-1 (RH) IB031-00276-1 (LH) 1209-03.035.187 (For WAG-9H along with above)
120	Cab Assly Complete for WAG-9/WAP-7	29170953	CLW/MS/3/154 IB 081-00313, 00479,00467, 00473; 1209-10.237-213; 1209-08.231-074;
121	Head Stock Assly. Complete for WAG-9/9H/WAP-7 Loco.	29120240 29120251 29125182	CLW/MS/3/154 IB 021-00313
122	Centre Sill Assly. Complete for WAG-9/9H/WAP-7 Loco	29120299 29120317	CLW/MS/3/154 ,1209-02-126-012
123	Centre Sill Assly. Complete For WAP-5	29125133	IA-021/00045
124	Central Linder Frame Assly. for WAP-5 Loco.	29125200	CLW/MS/3/154
125	Central Underframe Assly For WAG-9 & WAP-7	29120305	IB021-00254
126	Side Sill Assly. for WAP-5	29125145	CLW/MS/3/154, IA021-00026, IA021-00043, IA021-00044.
127	Side Sill Assly. for WAG-9 / WAP-7	29171052	IB021-00346, IB021-00374, IB021-00376
128	Bolster Assly. for WAG-9H/WAP-7	29100460 29100471	CLW/MS/3/154 IA021-00390, IB021-00350
129	Bolster Assly. for WAP-5	29107568	CLW/MS/3/154 IA021-00006,
130	Side Wall Assly for WAP-5	29175320	CLW/MS/3/154, 1210-03.135.001, 1210-03.135.002 , 1210-03.135.065,1210-03.135.066,1210-03.135.045 1210-03.135.046 1210-03.135.047
131	Head Stock Assly. for WAP-5	29125182	CLW/MS/3/154, IA021-00003,

132	Roof Hatch Assly for WAP-5 Loco	29175343	CLW/MS/3/154
133	Complete Shell Assembly for WAG-9/9H	29171027	CLW/MS/3/152,
134	Under Frame Assly. for WAG-9/9H Loco	29120329	CLW/MS/3/154 IB021-00317, IB021-00380
135	Spares for AM 12 or IR 01 or PAN 01 type Pantograph		RDSC/2008/EL/SPEC/0066 Rev.'O' dated 20.6.2008 and Amend 1 Dtd 31.12.08
136	Transformer Repair/rehabiliation		

Authority : Railway Board Letter No 2015/RS(G)/779/5(Vol.III) Dated :09/02/2021

2.24.11 Revision regarding Public Procurement (Preference to Make in India) Order , 2017

(1) Railway Board's Letter No.2020/RS(G)779/2 / Pt.1 Dated:25.09.2020

(2) Office Memorandum No:P-45021/2/2017-PP(BE-II) Dated 16.09.2020 issues by Ministry of Commerce and Industry Department for Promotion of Industry and Internal Trade(Public Procurement Section) In reference to the above, the revised 'Public Procurement(Preference to Make in India)Order,2017' has been issued by the Ministry of Commerce and Industry (Department for Promotion of Industry and Internal Trade)vide their Order No.P-45021/2/2017-PP(BE-II)dated16.09.2020,which is reproduced as under for guidance and implementation/compliance .

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued:

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.

2. Definitions: For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Class-1 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-1 local supplier' under this Order.

Class-ll 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-ll local supplier' but less than that prescribed for 'Class-1 local supplier' under this Order.

'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-ll local supplier' under this Order.

'L1 ' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-1 local supplier" may be above the L1 for the purpose of purchase preference.

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

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

'Works' means all works as per Rule 130 of GFR- 2017, and will also include *'turnkey works'.*

3. Eligibility of 'Class-I local supplier'/ 'Class-ll local supplier'/ 'Non-local suppliers' for different types of procurement

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

(b) Only 'Class-I local supplier' and 'Class-ll local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-ll local suppliers'. In procurement of all goods, services or works, not covered by subpara 3(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 Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-ll local supplier' as well as 'Non-local supplier', as per following procedure:

i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.

ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the 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 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.

ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to 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 be awarded to the L1 bidder.

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

3B. Applicability in tenders where contract is to be awarded to multiple bidders - In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

a) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class I Local suppliers'.

b) In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of this Order.

c) If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/ 'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.

d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.

e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure

for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub-paras above.

4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 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.

5. **Minimum local content:** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-ll 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-1 local supplier'/ 'Class-ll local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-1 local supplier'/ 'Class-ll local supplier' respectively.

6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.

7. **Requirement for specification in advance** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

8. **Government E-marketplace:** In respect of procurement through the Government E- marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.

9. **Verification of local content:**

   a. The 'Class-1 local supplier'/ 'Class-ll local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-1 local supplier'/ 'Class-ll local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.

   b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-ll local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

   c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.

   d. 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.

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

f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

g. 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 procurement entities, in the manner prescribed under paragraph 9h below.

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

i. 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;

j. . 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);

k. i. 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 procurements are not disrupted.

10. **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 endeavour 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 supplier'/ 'Class-ll local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.

c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs a' and 'b' above.

d. **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, State 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 DPI IT as amended from time to time.

e. 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 nonavailability 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.

f. "All administrative Ministries/Departments whose procurement exceeds *Rs.* 1000 Crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

10A. 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 actions shall be sent to the Standing Committee.

11. **Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

12. **Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.

13. **Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an

Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

14. **Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

    a. reduce the minimum local content below the prescribed level; or
    b. reduce the margin of purchase preference below 20%; or
    c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

    A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

    Secretary, Department for Promotion of Industry and Internal Trade—Chairman
    Secretary, Commerce—Member
    Secretary, Ministry of Electronics and Information Technology—Member Joint Secretary (Public Procurement), Department of Expenditure—Member Joint Secretary (DPIIT)—Member-ConvenorThe Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. **Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

    a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
    b. shall annually assess and periodically monitor compliance with this Order
    c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
    d. may require furnishing of details or returns regarding compliance with this Order and related matters
    e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
    f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
    g. may consider any other issue relating to this Order which may arise.

18. **Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.

2.24.11 Guidelines for implementing the provisions of Public Procurement (Preference to Make in India) Order (PPO), 2017 revision related to procurement of Goods & Services in pharmaceutical Formulations –reg.

Whereas Department for Promotion of Industry and Internal Trade (DPIIT), pursuant to Rule 153(iii) of the General Financial Rules 2017, has issued Public Procurement (Preference to Make in India) Order (PPO), 2017 vide no P4502/2/2017-B.E.-II dated 15.06.2017 , which is partially modified by Order no. P-45021/2/2017-PP(BE-II) dated 28.05.2018 , Order no .P-45021/2/2017 –PP (BE-II) dated 29.05.2019 , Order no .P-45021/2/2017 –PP (BE-II) dated 04.06.2020 and Order no .P-45021/2/2017 –PP (BE-II) dated 16.09.2020.

Whereas it is the policy of the Government of India to encourage 'make in India ' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas DPIIT ,in order to facilitate the implementation of the PPO,2017,vide D.O.No. P-45021/2/2017-BE-IIdated 14.08.2017 has identified Department of Pharmaceuticals (DoP)as the Nodal Department for implementing the provision of the PPO,2017 relating to goods &services related to Pharmaceuticals Sector .

Now , therefore Department of Pharmaceuticals (DoP), in supersession of the guidelines issued earlier by DoP vide F.No.31026/4/2018-Policy dated 01.01.2019 ,F.No. 31026/4/2018–Policy dated 14.01.2019 and F.No. 31026/4/2018 –Policy dated 25.02.2019 , issues the following guidelines for implementation of the provisions of Public procurement (Preference to Make in India)order (PPO),2017 as revised by DPIIT on 16.09.2020, with respect to public procurement of Good & Services in Pharmaceutical Formulation:-

1. Local Content: ' Local content 'means the amount of value added in India which shall be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties)as a proportion of total value, in percent.

2. Formulation: 'Formulation' , as defined in the Drugs (Price Control) Order,2013,means, a medicine processed out of or containing one or more drugs with or without use of any pharmaceutical aids, for internal or external use for or in the diagnosis , treatment ,mitigation or prevention of disease and , but shall not include:

i. any medicine included in any bonafide Ayurvedic (including Sidha) or Unani (Tibb) systems of medicines;
ii. any medicine included in the homeopathic system of medicine ; and
iii. any substance to which the provisions of the Drugs and Cosmetics Act , 1940 (23 of 1940) do not apply .

3. In exercise of provision of Para 5 of Public Procurement (preference to Make in India)Order,2017 revision dated 16.09.2020 of DPIIT, the minimum local content for Pharmaceutical Formulations are fixed as under :

i. **Class-I Local supplier** means a supplier or service provider , whose goods , services or works offered

for procurement , has local content equal to or more than 80%.

ii. **Class-II Local supplier** means a supplier or service provider , whose goods , services or works offered for procurement , has local content more than 50% but less than 80%.

iii .**Non-Local supplier** means a supplier or service provider , whose goods , services or works offered for procurement , has local content less than or equal to 50%.

4. verification of Local Content :

a. The Class-I Local supplier **' /**Class-II local Supplier ' at the time of tender ,bidding or solicitation shall be required to indicate percentage of local content and provide self –certification that the item offered meets the local content requirement for Class-I Local supplier'/ Class- II local Supplier' , as the case may be. They shall also give details of the location (s) at which the local 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 supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content .

c. The following Committee is being formed for independent verification of self declarations and auditor's/accountant's certificate on random basis and in the case of complaints –

1.Chairman-MD, Karnataka Antibiotics &Pharmaceuticals Limited.
2.Member-Representative from NIPER Ahmedabad
3. Member-Representative from NPPA
4. Member-Representative from the CDSCO
5. Member-joint Director (Pricing), D/o Pharmaceuticals.

d. In the case of reference of any complaint by the concerned bidder , there would be fee of Rs.2 lakh or 1% of the value of the Pharmaceutical formulations being procured (subject to a maximum of Rs .5 Lakh), whichever is higher , to be paid by way of a Demand Draft to be deposited with the procuring entity , along with the complaint by the complainant .In case , the complaint is found to be incorrect ,the complaint fee shall be forfeited. In case , the complaint is upheld and found to be substantially correct, deposited fee of the complainant would be refunded without any interest.

5. These guidelines shall be applicable to all Central Sector Schemes /Centrally Sponsored Schemes for procurement made by States and local bodies if project or scheme is fully or partially funded by Government of India .

6. All other provisions of Public Procurement (preference to Make in India) Order 2017 ,as revised by DPIIT on 16.09.2020 shall be applicable as such and shall be adhered to by all procuring agencies for procurement of any pharmaceutical formulation.

7. These guidelines shall remain applicable , until further orders , from the date of issuance.

8. These guidelines will supersede the guidelines issued earlier by DoP vide Order No 31026/4/2018-Policy dated 01.01.2019 ,Order No. 31026/4/2018-policy dated 14.01.2019 and O.M. No.31026/4/2018-Policy dated 25.02.2019

2.25 Guidelines for Electronic Reverse Auction

2.25.1 Selection Criteria for tender cases of stores proposed through Reverse Auction (e-RA) Route:-

a) In the first phase following method of purchase through Reverse Auction shall be preferred method for procurement for Stores tenders valued more than Rs.5 Cr. in each case and for Works and Services for tenders valued more than Rs.50 Cr. in each case.

b) The process of procurement through Reverse Auction shall be followed only in case of tenders where there are at least three approved vendors 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/parameters only shall be allowed.

2.25.2 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) Conduct and reporting of Reverse Auction shall be as per Annexure I to this letter.
c) Each tender should clearly specify essential technical and commercial parameters in a transparent manner. No deviation to such essential Technical & Commercial conditions shall be permitted to the vendors in the electronic bid form.

2.25.2.1 Technical Bid and Initial Price Offer:

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

d) Technical & Commercial evaluation of bids shall be done by a Tender Committee, as per extant guidelines, delegation and the estimated value of tender. Recommendations of Tender Committee shall be considered by Tender Accepting Authority, as per existing guidelines.

e) Initial Price Offer of only those bidders categorised as Qualified for Award of Contract in case of Works and Services Tenders shall be opened and tabulated by system separately. In case of Stores tenders Initial Price Offer of only those bidders categorised as Qualified for Developmental Order or Qualified for Bulk Order, shall be opened and tabulated by system separately, category wise, Extant instruction for electronic tabulations shall apply for tabulation of Initial Price Offers.

2.25.2.2 Financial Bid:

Financial Bid shall comprise of Final Price Offer obtained through Reverse Auction. Following conditions and procedure shall be followed in selection of bidders 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 tenderers Qualified for Award of Contract/Bulk Order	Number of Tenders to be selected for Reverse Auction	Remarks
< 3	Nil*	The bids disallowed from participating in the Reverse Auction shall be the highest bidder(s) in the tabulation of Initial Price Offer. In case the highest bidders quote the same rate, the Initial Price Offer received last, as per time log of IREPS, shall be removed first, on the principle of last in first out, by IREPS system itself.
3 to 6	3	
More than 6	50% of Vendor Qualified for Bulk Order/award of contract (rounded off to next higher integer)	

Note:

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

(ii) In case of Stores Tender , Selection of vender for Reverse Auction for developmental ordering:

1 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.

2 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 rate applicable for offers categorized as Qualified for Bulk Order (ref para 2.1 (b) (ii) of Board's letter dated 28.03.2018 (under ref (i) above), all bids categorized as Qualified for Developmental Order shall be allowed to participate in Reverse Auction.

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

Note- In case applicable para is not specified in tender para (i) shall be applicable.

(iii) MSE Criteria (Not applicable for Works): All MSEs (Micro & Small Enterprises) found Qualified for Bulk/Development Order/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in **Para 2.25.2.2 a and Para 2.25.2.2 a Note (ii)** above, but are within the range of 15% of lowest

Initial Price Offer of the bidders 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 2.25.2.2 a and Para 2.25.2.2 a Note (ii)** above. In case of Stores Tenders, lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order. However, in case all the bidders qualifying for bulk as well as for developmental order (before applying elimination criteria) are within MSE category, this clause shall not apply.**(As per Rly Bd's L/No. RS(M)/2011/EPS/01 Pt. dated 18-10-2019).**

(iv) Make in India Criteria: All bidders eligible for benefits under Public Procurement (Preference to Make in India) Order-2017, found Qualified for Bulk / Developmental Order/Award of Contract and are within the specified range of price preference, under the Make in India Policy, of lowest Initial Price offer of the vendor qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price offer. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per **Para 2.25.2.2 a and Para 2.25.2.2 a Note (ii)** above. However, if all the bids qualified for bulk order as well as for developmental order (before applying elimination criteria) also qualifiy under "Make in India Order,-2017" criteria, this clause shall not apply.**(As per Rly Bd's L/No. RS(M)/2011/EPS/01 Pt. dated 18-10-2019).**

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

2.25.2.3 (i) Reverse Auction among bids categorised as Qualified for award of contract in case of Works and Services Tenders shall be conducted on IREPS/Suitable Platform. Bidders shall be able to see the auction screens.

(ii) Reverse Auction among bidders categorised as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders. Qualified Bidders shall be able to see both the auction screens i.e. auction screen of Reverse Auction amongst bidders qualified for bulk order and auction screen of Reverse Auction amongst bidders qualified for developmental order.. However, bidders shall only be permitted to bid on the respective screens relevant to them as per their qualification. Purchaser shall not be permitted to see any of the auction screens. Purchaser should only be 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.**(As per Rly Bd's L/No. RS(M)/2011/EPS/01 Pt. dated 18-10-2019).**

2.25.2.4 In case of Stores Tenders, quantity to be covered on developmental orders shall be limited to 20% of 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. (http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stores/downloads/circular/2015/Development_130115.pdf)

The quantity covered on developmental orders may be within or outside NPQ, which may be decided by TC/TAA, before conduct of Reverse Auction.

2.25.2.5 After obtaining the final price offers through Reverse Auction, the lowest bid of only those bidders who had participated in the Reverse Auction shall be considered for ordering. The offers of bidders which were eliminated from Reverse Auction in the terms of **Para 2.25.2.2** 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. **(As per Rly Bd's L/No. RS(M)/2011/EPS/01 Pt. dated 18-10-2019)**

2.25.2.6 The level of Tender Committee to consider the Final Price Offers shall be determined on the basis of lowest Initial Price Offer of bid Qualified for award of contract in case of Works and services tenders and qualified for Bulk Order in case of Stores tenders, as opened prior to Reverse Auction. In case the level of Tender Committee which evaluated technical & commercial bids as per Para 2.1(d) was higher than the level of TC competent to consider lowest Initial Price Offer on bid Qualified for award of contract/Bulk Order, the higher level TC shall continue to finalize such tender cases.

2.25.3 Other Instructions :

a) Two Packet Single Stage System of tendering may normally be followed for Stores tenders Through e-R.A. Tenders above Rs 5 crore provided there are at least three approved vendors or at least three proven/likely competitive sources, prima facie competent for execution of contract.

b) MSME Criteria of considering offers from MSEs quoting within L-1 + 15% for 25% of NPQ is to be followed for all Gods and Services Tenders. 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%.

c) Make in India Preference order is to be followed for all Goods, Services and Works tenders wherever applicable as per guidelines/ Copies RB letter No. 2015/RS(G)/779/5 dt. 27.12.2017. (http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stores/downloads/circular/2017/Public_Procurement_Order_Make_in_India.pdf)

iii) Deleted

2.25.4 Procedure for Conduct and Reporting of R.A. :

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

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

a. Initial e-RA period: This shall be the initial time interval for e-RA, e-RA shall be opened for this duration.

b. Auto extension period: In case any offer is received in the time period equal to auto extension period before close of initial e-RA period, the e-RA shall be extended for time equal to auto extension period from the time of last bid. There shall be no upper limit on number of auto extensions. Where no offer is received in the last auto extension period, e-RA shall close.

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

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

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

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

6. Minimum admissible bid value will be last bid value minus minimum decrement as specified by the tendering authority before starting of reverse auction. Starting point for reverse auction shall be the lowest Initial Price Bid of the tenderer eligible for award of contract.

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

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

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

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

2.25.5 On submission of final price offers through Reverse Auction, it shall be construed that the tenderer has revalidated the original validity of the offer for further ninety (90) days from the date of e-RA.

2.26 Handling of rejection of pre-inspected item and warranty rejections :

1. As per CVC guidelines, following steps are required to streamline the existing procedure to deal with handling of rejection in pre-inspected items and warranty rejections.

1.1 Two kinds of rejection occur in case of pre-inspected supplies made by vendors.

A. Pre-inspected material rejected by consignee at the time of receipt
B. Material rejected in warranty.

The methodology of handling these rejections are dealt with below:

A. Pre-inspected material rejected by consignee at the time of receipt

(i) In case of rejection of pre-inspected goods at consignee end, the material rejection advice/memo should be sent by consignee to all concerned i.e. firm, purchaser, pre-inspecting agency, paying authority as per the contract etc. without fail.

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

(iii) joint inspection of 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 joint inspection, the joint inspection should be held by the consignee with whichever of the two parties comes for

joint inspection. Irrespective of whether the party(ies) attend joint inspection or not, the modality of joint inspection etc will have to be completed within 21 days of communication of rejection advices to the supplier (in line with IRS Conditions of Contract clause 703). For imported material, the time limit will be 45 days.

(iv) Firm may be permitted to collect the rejected goods only after joint inspection(in case it is pre-inspected) and the firm has also 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 should be pre-inspected by same pre-inspecting agency who passed the material earlier. In line with IRS conditions of Contract clause 703, 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.

B. Deleted

C. 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 5.13

2.27 Deleted

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2.28 Mode of payment through Letter of Credit (LC)

North Eastern Railway has introduced an additional mode of payment through Letter of Credit (LC) for all tenders invited for supplies (including all service and maintenance contracts) having estimated value of Rs 10 lakhs and above. The bidder, at the time of bidding itself, shall exercise an option, in favour of taking payment due against the said tender, through LC arrangement. The option so exercised, shall be an integral part of the bidder's offer.
In case the bidder opts for payment through LC, the instructions for tenderers for LC mode of payment would be as per para 2.28.1 below-

2.28.1 Scheme of Letter of Credit for Domestic Supplies (including all service and maintenance contracts) tenders would be as under:

a. All Tenders invited by North Eastern Railway, 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 bidder, at the time of bidding itself, shall exercise an option, in favour of taking payment due against the said tender, through LC arrangement. The option so exercised, shall be an integral part of the bidder's offer.

d. Option once exercised shall be final and no change shall be permitted, thereafter, during execution of contract.

e. The incidental cost @ **0.023%** of LC value, towards issue of LC and operation thereof shall be borne by the supplier/contractor and shall be recovered from their bills.**(As per Rly Bd's L/No. 2019/AC-II/9/17 dated 30-01-2020)**

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

g. The schedule of payment liability arising in the contract shall be established by the Railways based on the prescribed delivery schedule/stages of supply.

h. The acceptable, agreed upon document for payments to be released under the LC so opened, shall be a Document of Authorization.

i. The supplier/ contractor shall submit their bills for completed supply to the bill processing authority mentioned in supply/ contract agreement to issue Document of Authorization to enable supplier/ contractor to claim the authorized amount from their Banker.

j. Accounts Officer responsible for passing the claim will issue the Document of Authorization.

k. The supplier/ contractor shall take print out of the Document of Authorization available on IREPS portal and present his claim to his banker (advising bank) for necessary payments as per LC terms and 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 this account shall be considered as reasonable compensation and paid by Contractor/Vendor.

2.29 . Force Majeure Clause:

2.29.1 If at any time during the continuance of the contract, the performance in whole or in part by either party of any obligation under this contract shall be prevented or delayed by the reasons of any war, hostility, acts of the public enemy, civil commotion, sabotage, fires, floods, explosion, epidemics, quarantine restrictions, strikes, lockouts or act of God (hereinafter referred to as such acts) provided notice in writing of happening of any such event is given by either party to the other within 21 days from the date of occurrence thereof, neither party shall by reasons of such event, be entitled to terminate this contract nor shall either party have any claim for damages against the other in respect of such non-performance or the delay in performance, and deliveries under the contract shall be resumed as soon as practicable after such event has come to an end or ceased to exist, and the decision of the Purchaser as to whether the deliveries have been so resumed or not, shall be final and conclusive, PROVIDED FURTHER that if the performance in whole or part of any obligation under this contract is prevented or delayed by reason of any such event for a period exceeding 60 days, either party may at its option terminate the contract provided also that the purchaser shall be at liberty to take over from the Contractor at a price to be fixed by Purchaser, which shall be final, all unused, undamaged and accepted material, bought out components and stores in course of manufacture in the possession of the Contractor at the time of such termination or such portion thereof as the Purchaser may deem fit excepting such materials, bought out components and stores as the contractor may with the concurrence of the Purchaser elect to retain.

2.29.2 Force Majeure Clause will not be used by any party to effectively escape liability for bad performance and Contractor shall seek all reasonable alternative means for performance not prevented by Force majeure events. There may be a Force Majeure situation affecting the Railway Organization and in such a situation, Force Majeure Clause shall be available and applicable to the Railway also and Purchaser shall be entitled to cancel the contract.

2.30. Special Conditions related to Restrictions under Rule 144 (xi) of the General Financial Rules (GFRs), 2017 in compliance to Rly Bd's L/No. 2020/RS(G)/779/2 dated 06-08-2020 and O.M. F.No.6/18/2019-PPD dated 23.07.2020 & F.No.6/18/2019-PPD dated 23.07.2020 issued by Public Procurement Division of Department of Expenditure under Ministry of Finance.

2.30.1 Requirement of registration:

Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Competent Authority, specified in **Annexure- 5.9**

2.30.2 Definitions:

i) **"**Bidder" for the purpose of this Order (including the term 'tenderer', 'consultant 'vendor' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency, branch or office controlled by such person, participating in a procurement process.

ii) . "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 a citizen of such a country; or
g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above

2.30.3. **"Beneficial owner"** for the purpose of paragraph 8 above will be as under:

(i) 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(s), 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 the 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;

(ii) In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;

(iii) 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;

(iv) Where no natural person is identified under (i) or (ii) or (iii) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;

(v) 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.

2.30.4. **"Agent"** for the purpose of this Order is a person employed to do any act for another, or to represent another in dealings with third persons.

2.30.5.Sub-contracting in works contracts : The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

2.30.6. Certificate regarding compliance : Bidder*must* submit a certificate as per **Annexure- 5.10** along with the bid for a compliance of Public Procurement Division, Department of Expenditure, Ministry of Finance Order dated 23-07-2020. If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law. Non- submission of Certificate may lead to summarily rejection of offer.

2.30.7.Validity of registration: 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 bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution.

2.30.8 Notwithstanding anything contained therein, it is hereby clarified that the above provisions will not apply to bidders from those countries (even if sharing a land border with India) to which the Government of India has extended lines of credit or in which the Government of India is engaged in development projects. Updated lists of countries to which lines of credit have been extended or in which development projects are undertaken are given in the website of the Ministry of External Affairs.

2.30.9 The above provisions shall also not apply to special cases mentioned in under **Annex 5.11**

Office of the
Principal Chief Materials Manager
NORTH EASTERN RAILWAY, GORAKHPUR

Section 3

Special Conditions of Tenders for Imported Items

3. Imported Items:

NER Invites OEMs or the Overseas Manufacturers to quote directly, without intersession of an agent, against NER's tender enquiries and, therefore, they are advised to quote directly. However, past experience shows that offers in respect of Imported items fall within one of the following: -

a) Overseas OEM/Manufacturer quoting against NER's tender
b) Overseas OEM/Manufacturer quoting directly against NER's tender involving Indian Agent.
c) An Indian Agent quoting in Indian Rupees (INR) on behalf of their foreign principals or OEM/Manufacturer.

3.1. Overseas OEM/Manufacturer quoting against NER's tender: Overseas OEM/Manufacturerquoting against NER's tender have to comply with the tender conditions contained in the Bid Documents.

3.2. Overseas OEM/Manufacturer quoting directly against NER's tender involving Indian Agent: Where an overseas OEM/Manufacturer quotes directly involving an Indian Agent, following provisions must be adhered to: -

3.2.1 **An 'Agency Agreement' between them and their agent should be submitted along with their offer, which is mandatory, and non submission of the same shall cause summary rejection of the offer**. Therefore it is advised that the overseas OEMs or principals ensure existence of a legallytenable 'Agency Agreement' before the offer is submitted for consideration and the same is submitted.

3.2.2. The 'Agency Agreement' should, inter-alia contain the following: -

a) The precise relationship between the foreign manufacturer or the principals and their Indian Agents;
b) The mutual interest which the manufacturer/principal and the Indian Agents have in the business of each other,
c) Any payment which the Agent receives in India or abroad from the manufacturer/Principal whether as a commission for the contract or as a general retainer fee,
d) All services to be rendered by the Agent whether of general nature or in relation to the particular contract and the facilities/infrastructure available with them for the same,
e) Indian Agent's Income-Tax Permanent Account number.

3.2.3. Tenderer are to note that in case any of the requirements in the above para is/are not included in the Agency agreement between the Agent and the Principal, the same should be separately indicated.

3.2.4. The foreign bidder shall disclose Amount of commission and/or remuneration included in the quoted price(s) for such agent/representative in India.

3.2.5. The foreign bidder should confirm to agree that the commission or remuneration or payment of any amount on any other ground or in any other name, included in the quoted price(s) and payable to their Indian Agent shall be paid by NER in India in equivalent, Non-convertible Indian Rupees, after satisfactory execution of the contact.

3.3. An Indian Agent quoting in Indian Rupees (INR) on behalf of their Foreign principals or OEM/Manufacturer: Where an Indian Agent submits offer for imported goods, in Indian Rupees(INR) on behalf of their foreign principals or OEM/Manufacturer, the following conditions shall be fulfilled: -

3.3.1. Indian agent should submit 'Pro-forma Invoice' from their foreign principals along with their offer.

3.3.2. Submission of an 'Agency Agreement' along with their offer is mandatory and non submission of the same shall render the offer to be summarily rejected. Therefore it is advised that the overseas OEM or principal ensure existence of a legally tenable Agency Agreement before the offer is submitted for consideration and the same is submitted in due time.

3.3.3. The 'Agency Agreement' should, inter-alia contain the following: -

a) The precise relationship between the foreign manufacturer or principals and their Indian Agents,
b) The mutual interest which the manufacturer/principal and the Indian Agents have in the business of each other,
c) Any payment which the Agent receives in India or abroad from the manufacturer/Principal whether as a commission for the contract or as a general retainer fee,
d) All services to be rendered by the Agent whether of general nature or in relation to the particular contract and the facilities/infrastructure available with them for the same,
e) Indian Agent's Income-Tax Permanent Account number.

3.3.4. Tenderer are to note that in case any of the requirements in the above para is/are not included in the Agency agreement between the Agent and the Principal, the same should be separately indicated.

3.4. In a tender, either the Indian agent on behalf the Principal/OEM or Principal/OEM itself can bid but both cannot bid simultaneously for the same item/product in the same tender.

3.5. 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.

3.6. The agent is official representative of Manufacturer/Principal/Bidder. Accordingly Manufacturer/ Principal/Bidder shall be fully responsible for the conduct of their appointed agent. This may please be noted.

3.7. The Indian agent will be required to submit a certificate, along with their Agency Commission Bill, confirming that the amount claimed as Agency Commission in the bill has been spent/will be spent strictly to render services to the foreign principal, in terms of Agency Agreement. The purchaser or their authorized agencies and/or any other authority of Government of India shall have rights to examine the books of the Indian Agent and defect or misrepresentation in respect of the afore indicated confirmation coming to light during such examinations will make the foreign principal (i.e. the contractor) and their Indian Agent liable to be banned/suspended from having business dealings with Indian Railways, following laid down procedure of such banning/suspension of business dealings.

3.8. The amount of agency commission payable to the Indian agent will not be more than what isspecified in the Agency agreement between the tenderer (i.e the foreign principal) and the Indian agent. A certified photocopy of the Agency commission agreement must be submitted along with the offer.

3.9. The Indian agent will be required to submit a certificate, along with their Agency Commission Bill,confirming that the amount claimed as Agency Commission in the bill has been spent/will be spent strictly to render services to the foreign principal, i.e. M/s… (i.e. the contractor) in terms of agency agreement. The purchaser or their authorized agencies and/or any other authority of Government of India shall have rights to examine the books of the Indian Agent and defect or misrepresentation in respect of the afore indicated confirmation coming to light during such examinations will make the foreign principal (i.e. the contractor) and their Indian Agent liable to be banned/suspended from having business dealings with Indian Railways, following laid down procedure of such banning/suspension of business dealings. (ref No.89/RS(G)/779/6 dt 22.1.09)

3.10 The tenderers are advised to fill the check sheet included as annexure 5.5 with the section 5 of the tender documents.

3.11 OEMs or their Indian agent(s), as the case may be, will also furnish import documents including the bill of Entry or bill of lading alongwith supplies, Suppliers must note that any figure e.g rate of import (invoice value), freight, insurance or any tax etc. should not be made illegible.

Office of the
Principal Chief Materials Manager
NORTH EASTERN RAILWAY, GORAKHPUR

Section 4

Special Conditions of Tenders for Machinery & Plants Items

4. Technical Compliance:

The tenderers should give para-wise comments on the technical specification to indicate whether the equipment offered fully meets the tender specifications. The offer should be accompanied with complete details of technical parameters.

4.1. Authorisation Letter:

In case the tenderer is an agent of the manufacturer, he should clearly indicate the same and also enclose current and valid authorization certificate from the manufacturer to this effect and also mention the place where the equipment will be offered for pre-inspection before dispatch.

4.2. Validity:

The offer should be kept valid for 150 days from the date of opening of the tender.

4.3. After Sales Service:

The tenderers should confirm that they will render quick after sales service during the warranty period of the machine and advise details of their after sales net-work/office which will render the said service.

4.4. Annual Maintenance Contract (AMC):

4.4.1. Tenderers shall also quote charges on an annual basis, separately for the proper upkeep and maintenance of the tendered equipment. The offers will be loaded with quoted AMC charges for comparative evaluation of bids. Railways reserve the right for entering into Annual Maintenance Contract (AMC) on the basis of rates quoted by the firm in their tender against AMC charges.

4.4.2. Tenderers along with their offers shall also quote charges on an annual basis, separately for post warranty annual maintenance for a period of 5 years after expiry of warranty period, for the proper upkeep and maintenance of the tendered equipment. Railways reserve the right for entering into Annual Maintenance Contract (AMC) on the basis of rates quoted by the firm in their tender against AMC charges.

4.4.3. Tenderers are required to mention such AMC schedule of such Annual periodic maintenance along with offers giving the charges for AMC maintenance schedule and other details of items to be used in such preventive maintenance. The terms & conditions of AMC must clearly specify the maximum down time and maximum response time.

4.4.4. The charges of Annual preventive maintenance schedule for five years alongwith the cost of items to be used in preventive maintenance schedule during these five years as payable to supplier and sum total of these charges would be included in the FOR destination price quoted for M&P for the purpose of comparative evaluation of offer.

4.4.5. Tenderers are required to quote the cost of essential spares and service charges for each items of work of repair of M&P outside preventive maintenance contact. These charges will not be included in the price of M&P for the purpose of comparative evaluation of offers.

4.4.6. 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.

4.5. Commissioning & Proving Out Test:

4.5.1. The contractor shall arrange commissioning of the equipment at the consignee's premises. The tenderers shall carry out necessary proving test to demonstrate the performance of equipment, after its successful commissioning, to the entire satisfaction of the consignee.

4.5.2. The Contractor or his agents shall commission the machine within stipulated time as shown in the contract. This time frame will be applicable from the date of intimation from the consignee in respect of readiness of the machine for commissioning in cases where the machine is to be installed by the consignee. The time schedule includes the time for installation in cases where installation is also to be undertaken by the contractor.

4.5.3. The time allowed for commissioning of machine shall be deemed to be the essence of the contract. In case of delay in commissioning of the machine on the Part of the contractor, the purchaser shall be entitled to recover from the Contractor shall be liable to pay liquidated damages at the rate of 2% of the total contract value for each month or part thereof for which commissioning is delayed, provided the amount of liquidated damages under the provision of this clause shall not exceed 10% of the total contract value. Failure to install/commission the machine within stipulated time after intimation from the consignee will be taken as breach of contract and purchaser will be at liberty to forfeit the Security Money furnished by the supplier without any prejudice to other rights under the contract.

4.5.4. Continuance of commissioning work after expiry of stipulated time will also constitute default for the purpose of the above. The decision of the Purchaser, whether the delay in commissioning attributable to the Contractor, shall be final.

4.6. Training:

The contractor during commissioning of the equipment will also train Railway staff in operation and maintenance of equipment supplied.

4.7. Maintenance Manual & Spares Parts:

Contractor is required to supply 2 copies of operation and maintenance manual and lists of Spare Parts along with the equipment.

4.8. Warranty:

4.8.1. The contractor shall warrant that the equipment supplied shall be free from defects on materials & workmanship. Manufacturing quality should be of the highest grade consistent with the established and generally accepted standard and in full conformity with the tender specifications.

4.8.2. Unless otherwise mentioned in the specification, the equipment offered should be warranted against defective design, material, workmanship etc. for a period of 30 months from the date of delivery at ultimate destination or 24 months from the date of commissioning and proving test at destination, wherever, the contract stipulates, or from the date of placement in service whichever is earlier provided defects and/or claims are notified to Contractor within 2/3 months of such date.

(a) The Contractor shall, if required, replace or repair the equipment or such portion thereof as is found defective by the Purchaser, free of cost at the ultimate destination or at the option of the purchaser, the Contractor shall pay to the Purchaser value thereof at the contract price and such other expenditure and damages as may arise by reason of the breach of the condition herein specified.
(b) The decision of the Purchaser in regard to Contractor's liability and the amount, if any, payable under this warranty shall be final and conclusive.
(c) Warranty clause is also applicable for spare parts/assemblies.

4.9. Payment Terms:

4.9.1. For orders valued upto Rs. 5 lakh - 100% payment will be made after inspection andreceipt/installation and acceptance of equipment by the consignee.

4.9.2. For orders valued above Rs. 5 lakh

I) For general purpose machines

a) 90% payment of net value of equipment with Packing & Forwarding charges, Optional Accessories Spares & Consumable but excluding Agency Commission (if any), Training and installation and commissioning charges will be made on receipt of the material duly pre-inspected and receipted at site by the consignee in good condition.

b) Balance payment will be made on furnishing a Bank Guarantee for an amount equal to 10% of the contract value, fully indemnifying the Purchaser against all losses incur red by the Purchaser against all losses incurred by the Purchaser during the guarantee period stipulated in the Warranty Clause within 30 days of the receipt of Bill after successful completion of proving test in which the machine performance would have been demonstrated by the supplier or his agent after its commissioning at the Consignee's premises. Where, however, the installation and commissioning of the machine is delayed or put off beyond 90 days of the receipt of the goods at the ultimate destination due to express written instructions of the Purchaser/Consignee, the balance 10% payment shall be released to the supplier on his furnishing the necessary Bank Guarantee.

II) For special purpose machines being procured for the first time or for other developmental/ trial order the payment term will be 80% on completion of performance trials at the firm's premises and receipt of machine at consignee's end in good condition, 10% on successful commissioning of machine at the consignee's premises and balance 10% on successful completion of the warranty period. For procurement of such M&P item for production units, a representative of the concerned production unit will also be included as a joint inspection authority.

Office of the
Principal Chief Materials Manager
NORTH EASTERN RAILWAY, GORAKHPUR

Section 5 (Annexures)

Annexure 5.1

Proforma for Equipment, Staff Employed & Quality Control Measures

Tender No._____Date of Closing_____Time _____Hrs

1. Name & Full address of the firm:
2. Telephone/ Fax No. Office/ Factory/ Works
3. Location of the Factory/ Works
4. Location of the Factory/ Works
5. Details of Industrial licence, wherever required as per statutory regulations
6. Details of Plant & machinery erected and functioning in each department (monograph & description pamphlets be supplied, if available)
7. Details of the process of manufacture in the factory in brief
8. Details of stocks of raw material held
9. Production capacity of the 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 equipments etc.
11. Details of staff

11.1. Details of technical supervisory staff-in-charge of production & quality control

11.2. Skilled labour employed

12. Maximum number of workers (skilled & Unskilled) employed on any day during the 18 months preceding the date of application
13. Are you registered with the Directorate General of Supplies & Disposal, New Delhi, India or any of the Zonal Railways/ Production units? If so, furnish particulars of registration, period of currency, etc.
14. Are you a small scale unit registered with the NSIC, India? If so, furnish particulars of registration, period of currency, etc.
15. Is your unit an ISO certified unit? If so, furnish particulars of registration, period of currency, etc.

Date:
Place:

Signature & Seal of the Bidder

Annexure 5.2

Model Form of Bank Guarantee Bond For Submission of "Security Deposit"

To:
The President of India
Acting through Principal Financial Adviser,
NORTH EASTERN RAILWAY, GORAKHPUR

GUARANTEE BOND

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

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

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

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

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

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

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

Date the _____ day of _____ 20__

For _____ (Indicate the name of Bank)

Annexure 5.3

Proforma for Warranty /Guarantee Bond

To
THE PRESIDENT OF INDIA
Acting through Principal chief Material Manager,
NORTH EASTERN RAILWAY,
GORAKHPUR

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

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

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

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

4. That in consideration of the promises and at the request, of the said Sellers, we hereby irrevocably undertake and guarantee to pay to the Government of India or at such other place as may be determined by you forthwith on

demand and without any demur, any sum upto a maximum amount of (Rs. _____) representing10 per

cent of the value of the Stores despatched under the said contract in case the Sellers make default in paying the said sum or make any default in the performance observance or discharge of the guarantee contained in the said contract.

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

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

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

8. This Bank guarantee comes in to force when the balance ten percent of the value of the stores shipped per Vessel _____ vide Bill of Lading No. _____ dated _____ (in the case of Import contracts) or R/ R No. _____ dated _____ (in the case of indigenous contracts) under the said contract, has been paid and will remain in full force and effect up to _____ i.e. for _____ months counted from the _____

date of placing the stores in services, and shall continue to be enforceable for further six months i e. upto (date), hereinafter called the said date.

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

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

Date: _____
Place: _____

Signature _____

Printed Name _____

(Banks common Seal)

Witness

Signature _____

Name _____

Address

Annexure 5.4
Electronic Clearing Service (Credit Clearing) Model Mandate Form

1) Investor / customer's name :

2) Particulars of Bank Account :

A. Name of bank :

B. Name of branch :

Address :

Telephone No. :

C. 9-Digit code number of the bank and branch :

D. Type of account (SB, Current, or Cash Credit) with code (10/11/13)

E. Ledger and Ledger Folio Number :

F. Account number (as appearing on the cheque book) :

(In lieu of bank certificate to be obtained as under, please attach a blank cancelled cheque or photocopy of a cheque or front page of your savings bank passbook issued by your bank for verification of the above bank particulars)

3) Date of effect :

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsible. I have read the option invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme.

_____
Signature of Investor / Customer
Date:

Certified that the particulars furnished above
are correct as per our records.

Bank's Stamp

Section 5 Annexures

Annexure 5.5

Check List

(i)	Have you submitted the authorization letter authorizing your agent to quote on this tender?	Yes/No
(ii)	Have you indicated the complete name and address of the agents and details of the services to be rendered by the agents?	Yes/No
(iii)	Is the agent going to render after sale service?	Yes/No
(iv)	In case the answer to (iii) is yes, confirm that the agent has necessary infrastructure and competent staff to render the same	Yes/No
(v)	Have you submitted a copy to your agreement with your Indian agent?	Yes/No
(vi)	Manufacturer or their sole selling agents may note that an agent can represent only one firm in a tender and any manufacturer cannot submit two offers against a tender through different sole selling agents or one directly and one through sole selling agent. In such a situation both the offers will be rejected.	Noted
(vii)	Have you indicated your Indian Agent's Income Tax Permanent Account Number?	Yes/No
(viii)	Are you aware that any payment against the contract, if placed, to your Indian agent directly by you in currency other than in Indian rupees is against the Indian Laws ?	Yes/No
(ix)	Are you aware that failure to disclose the full amount of remuneration/ agency commission payable to your Indian agent shall render the contract void?	Yes/No
(x)	Mode of payment through Letter of Credit (LC)	Yes/No

ANNEXURE-5.6

PROFORMA FOR AUTHORITY FROM MANUFACTURERS

NO..... DATED.....

TO.

THE PRESIDENT OF INDIA,
Acting through the PCMM,
North Eastern Railway
Gorakhpur- 273012

Dear Sir,

Subject:- PCMM./N.E.Rly/GKP Tender No.....

We .....an established and reputed manufacturer of.....having factories at.....do hereby authorize M/s..... ..... (Name and address of Agents) to represent us, to bid, negotiate and conclude the contract on our behalf with you against Tender No.....

No company/firm or individual other than M/s.....are authorized to represent us in regard to this business against this Specific tender.

Yours faithfully,

(NAME)……
For & on behalf of M/s. .....
(Name of Manufacturers)

Note: This letter of authority should be on the Letter-Head of the manufacturing concern and should be signed by a competent person authorized to sign on behalf of the manufacturer.

ANNEXURE-5.7

PROFORMA FOR PERFORMANCE STATEMENT

(FOR A PERIOD OF LAST 3 YEARS)

Tender No..... Date of opening ..... Time ..... Hrs.

Name of the Firm .....

.....

No	Order placed by(full address of purchaser)	Order No. & date	Description of stores	Quantity ordered	Date of completion of delivery				Have the stores been satisfactory supplied & any adverse comment from purchaser/user
					Unit price E.D. ST & FOR items	As per Contract	Actual	Remarks indicating reasons for late delivery, if any	

Note: Copy of last three P.O should be enclosed by firm.

Signature and seal of the manufacturer/Tenderers

ANNEXURE-5.8

(Railway Board's L/No. 2004/RS(G)/779/11/Pt. dated 23.12.2019).

Bid securing declaration to be signed by bidders availing exemption from submission of EMD. Annexure- 5.8 shall be applicable to all tenders issued after 31.12.2021

" 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 period."

ANNEXURE- 5.8(a)

(Railway Board letter no .2020/RS (G)/779/16) Dated 27.11.2020

ANNEXURE- 5.8(a)Shall be applicable to all tender issued till 31.12.2021

"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-5.9

(As per Rly Bd's L/No. 2020/RS(G)/779/2 dated 06-08-2020) and **O.M. F.No.6/18/2019-PPD dated 23.07.2020 & F.No.6/18/2019-PPD dated 23.07.2020 issued by Public Procurement Division of Department of Expenditure under Ministry of Finance.)**

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.

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

D. On receipt of an application seeking registration from a bidder 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 bidder 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 rocurement 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 bidder, and the bidder 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 bidder.

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

ii. 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-5.10

Certificate for Compliance of O.M. F.No.6/18/2019-PPD dated 23.07.2020 & F.No.6/18/2019-PPD dated 23.07.2020 issued by Public Procurement Division of Department of Expenditure under Ministry of Finance

"I have read the order regarding restrictions on procurement from a bidder of a country which shares a land border with India vide order ref. F No. 6/18/2019-PHD dt. 23.04.2020 {Containing office memorandum order (Public procurement no. 1) & order (Public procurement No.2} order reference F.No. 6/18/2019/PHD dt. 23.07.2020 [Order (public procurement No.3)] issued by joint secretary (PHD), Department of expenditure, Ministry of Finance, GoI and OM No. DPE/7(4)/2017-Fin. Part-I dt. 30.07.2020 issued by the Director, Dept. of Public Enterprises, GoI :

I/We hereby certify that I/We are not from such a country and are eligible to be considered.

Or

If firm such a country, I/We have been registered with the competent authority as mentioned in the above Govt. order dt. 23.07.2020. I/We hereby certify that, we fulfill all requirements in t his regard and are eligible considered (Where applicable, evidence of valid registration by the competent Authority shall be attached.)

(Select whichever is applicable.)

ANNEXURE-5.11

Special Cases

A. Till 31st December 2020, procurement of medical supplies directly related to containment of the Covid-19 pandemic shall be exempt from the provisions of this Order.

B. Bona fide small procurements, made without knowing the country of the bidder, shall not be invalidated.

C. In projects which receive international funding with the approval of the Department of Economic Affairs (DEA), Ministry of Finance, the procurement guidelines applicable to the project shall normally be followed, notwithstanding anything contained in this Order and without reference to the Competent Authority. Exceptions to this shall be decided in consultation with DEA.

D. This Order shall not apply to procurement by Indian missions and by offices of government agencies/ undertakings located outside India.

ANNEXURE-5.12

NOTIFICATION

Subject: Public Procurement (Preference to Make in India) Order 2017-Notifying Electronic Products in furtherance of the Order

Reference: Department for Promotion or Industry and Internal Trade (DPTIT) Order No. P- 45021/2/2017-B.E.-II dated 15.06.2017, as amended by Orders dated 28.05.2018, 29.05.2019 and 04.06.2020

The Government has issued Public Procurement (Preference to Make in India) Order 2017 vide the Department for Promotion of Industry and Internal Trade (DPIIT) Order No. P- 45021 /2/20 l 7-B.E.-11 dated 15.06.2017, as amended by Orders dated 28.05.2018. 29.05.2019 and 04.06.2020, to encourage 'Make in India' and promote manufacturing and production of goods and services in India ,with a view to enhancing income andemployment.

In furtherance of the Public Procurement (Preference to Make in India) Order 20I7 [PPP- M II Order 20I7] notified vide reference cited above. and in suppression of the Electronic Product Notification Nos.33(1)/2017-IPIIW dated 14.09.2017 and 33(5)/2017-IPH W ,Dated 01.08.20I8 issued there under. the Ministry of Electronics and Information Technology (MeitY) hereby notifies that preference shall he provided by all procuring entities to locally manufactured Electronic Products as per the aforesaid Order. as amended from time to time.

2. For the purpose of thisnotification:

a. The definition of Class-I local supplier. Class-II local supplier and Non-local supplier shall be as per paragraph 2 of the DPIIT PPP-MII Order 2017 No.P-45021/2/2017- PP(BE-II) dated 04.06.2020, as amended from time to time. The mechanism for calculation of local content has been prescribed for each notified Electronic Product in this notification, in accordance with paragraph 5 of the D PI IT PPP-MIi Order 20 l 7 No .P- 45021/2/20 l 7-PP(BE-11) dated 04.06.2020. as amended from time totime.

b. Paragraph 3A of the DPIIT PPP-MII Order 2017 No.P-45021/2/2017-PP(BE-II) dated 04.06.2020. as amended from time to time. shall be referred for

percentage of procurement for which preference to domestically manufactured Electronic Products is to be provided (in valueterms).

2.1 Railway Board vide Letter No. 2020/RS(G)/779/2Part-1 Dated 17/05/2021 has advised to incorporate:

"It is clarified that the bidders offering imported products will fall under the category of Non-local suppliers. They can't claim themselves as Class-1 local suppliers / Class-II local suppliers by claiming the services such as transportation ,insurance, installation, commissioning, training and after sales service support like AMC/CMC atc local value addition."

Authority Ministry of Commerce and Industry (OM) No-P-45021/102/2019-Be-II Part (1) (E-50310) Dated-04.03.2021

3. Following Electronic Products are notified under the Public Procurement (Preferenceto
Make in India) Order 2017:

Desktop Personal Computers(PCs)

(A) Definition:

For the purpose of this Notification, a Desktop PC shall necessarily consist of a CPU, Memory, Hard disk drive. Keyboard. Mouse and a separate or integrated display unit and should be able to operate independently.

(B) Mechanism for calculation of localcontent:

The domestic Bill of Material (BOM) of Desktop PC would be the sum of the cost of main inputs as specified in Column I of the following table. provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in DOM/stages for manufacture of Desktop PC	**Value addition/local content required forthe input to be classified as domestic BOM**
1	2

Main Board / Motherboard and CPU / GPU	Domestic PCB Assembly* and testing from imported/domestically manufacturedparts and components. including the value of Semiconductors** and CPU/GPU** and excluding the value of bare PCB. However, the weightage of total value of CPU shall not exceed 30% of the total BOM of theDesktop **PC.**
Memory Module	Domestic PCB Assembly* and testing from imported/domestically manufactured memory chips** and parts/componentson imported/domestically manufactured bare PC B, excluding the value of bare PCB.
Hard Disk Drive / Solid State Drive (SSD)	Domestic PCB Assembly• and final product assembly and testing from imported / domestically manufactured parts and component s, excluding the value of bare PCB .
LCD/LED Monitor	Domestic assembly and testing of LCD / LED Monitor from parts consisting of imported/domestically assembled LCD/ LED Panel and Domestic PCB Assembly*, Domestic plastic moulding and Domestic stamping of metal parts excluding the value of barePCB.
DVD Drive	Domestic assembly and testing from imported/ domestically manufactured parts and components.

Cabinet + SMPS	Domestically manufactured Cabinet and Domestic PCB Assembly* and the final assembly and testing of SMPS from imported/ domestically manufactured parts and components , subject to the condition that the domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 20% (of the total value of parts and components used in the manufacture of **"SMPS").**
Keyboard/Mouse	Domestic PCB Assembly* and the final assembly and testing from imported / domestically manufactured parts and components.
Bare PCB	Domestically manufactured from imported / domestically manufactured inputs.

(i) Final Assembly/ Testing and (ii) Design / Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic **BOM.**

** II is essential that the Printed Circuit Board Assembly (PCBA) r l the CPU(s)/ GGPU/ processor(s) parts/ components on !he bare PCB using the SMT process should mandatorily be done inIndia.*

*** This shall be reviewed when the Semiconductor FAB in India is operational.*

ThinClients

(A) Definition:

For the purpose of this Notification, a Thin Client (TC) shall necessarily consist of a CPU. Memory. DOM , Keyboard. Mouse and a separate or integrated display unit and should be able to operate independently.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Thin Client would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of thetable:

Main inputs in BOM / stages for manufacture of ThinClient	**Value addition / local content required for the input to be classified as domesticBOM**
1	2
Main Board / Motherboard and CPU	Domestic PCB Assembly* and testing from imported/domestically manufactured parts and component s. including the value of Semiconductors** and CPU** and excluding the value of bare PCB. However. the weightage of total value of CPU shallnot exceed 30% of the total BOM of the Thin Client.
Memory Module/ DOM	Domestic PCB Assembly* and testing from imported/domestically manufactured memory chips+♦ and pans/ components on imported / domestically manufactured barePCB. excluding the value of barePCB.

S MPS / Power Adapter	Domestically PCB Assembly* and the final assembly and testing of SMPS/ Power Adapter from imported/ domestically manufactured parts and components. subject to the condition that the domestically manufactured parts and components used in the assembly of " SMPS" will be minimum 20% (of the total value of parts and components used in the manufacture of "SMPS").
LC D/ LED Monitor	Domestic assembly and testing of LC D/ LED Monitor from parts consisting of imported / domestically assembled LC D/ LED Panel and Domestic PCB Assembly* , Domestic plastic moulding and Domestic stamping of metal parts, excluding the value of barePCB.
Cabinet	Domestically manufactured.
Keyboard/Mouse	Domestic PCB Assembly* and the final assembly and testing from imported / domestic all y manufactured parts and components.
Bare PCB	Domestically manufactured from imported/ domestically manufacturedinputs.

J) Final Assembly / Testing and (ii) Design / Development	(i) Domestically assembled/ tested and {ii) intellectual Property (IP) resident in India for any of the above items. The value of f P resident in India for any of the above items shall be reduced from its value in domestic **BOM.**

• *Iiis essential that the Printed Circuit Board Assembly (PCBAJ of the C PU(s)I processor(s)I parts/ components on the bare PCB using the SMT process should mandatorily be done inIndia.*

•• *This shall be reviewed when the Semiconductor FA Bin India is operational.*

Laptop Personal Computers(PCs)

(A) Definition:

for the purpose of this Notification, a Laptop PC (commonly known in the market as Laptop/ notebook/ net book / Ultrabooketc.) shall necessarily consist of a CPU. Memory, Harddisk drive. Keyboard. Touchpad am. I/ or Trackpoint. an integrated displayunit , integrated batteryand should be able to operate independently.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Laptop PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 ofthe table:

Main inputs , BOM/ stages for manufacture of LaptopPC	**Value addition / local content required for the input to be classified domesticBOM**
J	2
Main Board/ Motherboard and CP U/ GPU	Domestic PCB Assembly* and testing from imported/domestically manufactured parts and components, including the value of Semiconductors** andCPU/ GPU** and excluding the value of bare PCB.However. theweightageoftotalvalueofCPUshallnot exceed 35% of the total BOM of the Laptop PC.

Power Module	Domestic PCB Assembly* and testing from imported / domestically manufactured parts andcomponents.
Memory Module	Domestic PCB Assembly* and testing from imported/domesticallymanufacturedmemory chips*"' and parts/ components on imported/ domestically manufactured bare PCB. excluding the value of barePCB.
Hard Disk Drive/ Solid State Drive (SSD)	Domestic PCB Assembly* and final product assembly and testing from imported/ domestically manufactured parts and components, excluding the value of barePCB.
Display Panel (LCD, LED, etc.)	Domestic assembly into the Back Cover and Bezel and final testing from imported/ domestically assembled Display Panel, LED Back light. Antennae, excluding the value of the Back Cover and Bezel.
DVD Drive	Domestic assembly and testing from imported / domestically manufactured parts and components.
Power Adapter	Domestic assembly with domestic PCB Assembly* and final testing from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum40% (of the total value of parts and components used in the manufacture of "Power Adapter").

Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.

Keyboard / Touchpad and/ or Trackpoint	Domestic assembly and testing from imported/ domestically manufactured parts andcomponents.
Battery	Domestic assembly and testing from imported/ domestically manufactured pa11s andcomponents.
Cabinet/ Chassis of Laptop including bottom cover. back cover. Keyboard face bezel and Display face bezel and Hinges	Domes1ically manufactured through injection moulding/ stamping using imported/ domestic inputs.
(i) Final Assembly / Testing and ii) Design/ Development	(i) Domestically assembled / tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

* *Jt is essential that the Print ed Circuit Board Assembly (PCBA) of the CPU(s}I GPU/ processor{;)/parts/componentsontheharePCBusingtheSMTprocessshouldmandatorilybe done in India.*

•• *This shall be reviewed ·when the Semiconductor FAB in India is operational.*

ComputerMonitors

(A) Definition:

For the purpose of this Notification, a Computer Monitor (commonly known in the market as Monitor)shall necessarilyconsistofaLCD/LEDDisplayassembly,Logiccard,PowerSupply Adaptor and Cabinet with Display Ports for connecting it to a Desktop PC or Laptop PCor Tablet PC.

(B) Mechanism for calculation of localcontent:

The domestic Bill of Material (BO M) of a Computer Monitor would be the sum of the cost of main inputs as specified in Column I of the following table. provided the inputs individually satisfy the value addition requirement specified in Column 2 of thetable:

Main inputs in BOM/ stages for manufacture of ComputerMonitor	Value addition/ local content required for the input to be classified as domesticBOM
1	2
Logic Cards/ Micro controller	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components including value of Semiconductors** and excluding the value of barePCB.
LCD / LED Panel	Domesticintegration and testing of imported/ domestically assembled LCD/ LED Panel*** into the Monitor Cabinet/ Chassis, excluding the value of the Cabinet/ Chassis. However, the weightage of total value of LC D/ LED Panel shall not exceed 35% of the total BOM of the ComputerMonitor.
Cable s	Domestically manufactured and tested from imported/ domestically manufactured inputs.
Power Adapter	Domestic assembly with domestic PCB Assembly* and final testing from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 40% (of the total value of parts and components used in the manufacture of" Power

	Adapter").

Bare PCB	Domestically manufactured from imported/ domestically manufacturedinputs.
Cabinet/ Chassis	The Monitor Bezel. Back cover, Stand, Base and Chassis wherein the plastic mouldings and the stamping of metal parts 1s done domestically using imported / domesticinputs.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ testedand (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

** It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s) / GPU processor (s)/ parts / components on the bare PCB using the SMT process should mandatorily be done in India.*

" This shall be reviewed when the Semiconductor FAB in India is operational.*

*** This shall be reviewed when LC D/LED Panel mam1facturing o(Computer Monitors (of each size and type) in India isoperational.*

Tablet Personal Computers(PCs)

A. Definition:

For the purpose of this Notification, a Tablet PC shall necessarily consist of an Integrated Motherboard with on board CPU/Processor, Memory and Power Module: Display Panel

(Touch Panel + LCD /LED Module) and integrated batter y and should be able to operate independently.

(B) Mechanism for calculation of localcontent:

The domestic Bill of Material (BOM) of Tablet PC would be the sum of the cost of main inputs as specified in Column I of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of thetable:

Main inputs in BOM/ stages for manufacture of TabletPC	**Value addition/ local content required for the input to be classified as domestic BOM**
I	2
Integrated Motherboard with on board CPU/ GPU/ Processor	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components. including value of Semiconductors** and Processor/CPU/ GPU** and excluding the value of bare PCB. However. the weightage of total value of CPU shall not exceed 35% of the total BOM of the TabletPC.
Memory and Power Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, excluding the value of bare PCB.
Display Panel (Touch Panel + LCD/ LED Module)	Domestic assembly and testing from imported/ domestically manufactured Touch Panel, LCD/ LED Module or combination, subject to the condition that backlight assembly and testing of Display Panel shall be donedomestically.

Power Adapter	Domestic assembly and testing from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components used m the assembly of "Power Adapter" will be minimum 40% (of the total value of parts and components used in the manufacture of "PowerAdapter").
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.

Casing	Domestically manufactured Casing.
Battery	Domestic assembly and testing from imported/ domestically manufactured parts andcomponents.
Accessories (Camera. Speaker, WiFi Antenna. etc.)	Domestic assembly and testing from imported/ domestically manufactured parts andcomponents.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

* *it is essential that the Printed Circuit Board Assembly (PCBA) of the CPU/ G PU / processor! parts/ components on the bare PCB using the SMT process should mandatorily be done in India.*

** *This shall be reviewed ·when the Semiconductor FAB in India is operational*

Dot MatrixPrinter

(A) Definition:

A Dot Matrix Printer is a type of impact printer that forms dot on paper by a metal pin of diameter 0.2 mm to 0.3 mm which is driven by electromagnet based on solenoid principle and required character matrix is produced by horizontal and vertical resolution of dot matrix printhead. Dot Matrix Printer can create carbon copies and carbonless copies based on mechanical pressure ofpin.

(B) Mechanism for calculation of localcontent:

The domestic Bill of Material (BOM) of a Dot Matrix Printer would be the sum of the cost of main inputs specified in Column l of the following table. provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages **for manufacture of Dot Matrix Printer**	**Value addition/ local content required for the input to be classified as domestic BOM**
1	**2**
Main PCB	DomesticPCBAssembly*andtestingfrom imported / domestically manufactured parts and components, subject to the condition that value of domestically manufactured parts and components used in the assembly of "Main PCB" will be minimum 15% (of thetotal value of parts and components used in the manufacture of " Ma i n PCB") , excluding the value of barePCB.
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
SMPS	Domestic assembly and testing fromimported/ domestically manufactured parts and components , subject to the condition that value of domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 20% (of the total value of parts and components used **in** the manufacture of "SMPS").

Carriage Motors and Pap er Feed Motors	Imported as sub-assemblyand tested domestically along with main Printer Mechanism.
Front Control Panel	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Home Position/Paper End Sensors	Domestic assembly and testing from imported/ domestically manufacture parts and components.
Main Printer Cabinet and other small plastic components	Domestic moulding of Printer Cabinet and other parts.
Printer MechanismAssembly	Domestic assembly using domestically manufactured Rubber Platens, small rubber pan s, sheet metal components. plastic gears and other plastic parts with turned steel shafts and above mentioned sensors andMotors.
Print Heads and Interconnecting Cables	Imported sub- an tested a assembly d Printer s along with main domestically Mechanism.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value indomestic BOM.

"' *It is essenth1I that !he Printed Circuit Board Assembly (PCBA) fthe parts/ components on the bare PCB using the SMT process should mandatorily be done in India.*

SmartCards

(A) Definition:

For the purpose of this Notification, Smart Card is usually a Credit Card sized plastic Card with an Integrated Circuit (IC) contained inside. The IC contains a microprocessor and memory. Smart Cards can be contact, contactless or dual interface (both contact and contact less). Some of the applications of Smart Card are Identity Card, Banking Card. Health Card. Vehicle Registration Cardetc.

I(B) Mechanism for calculation of local content for Contact Smart Cards

The domestic Bill of Material (BOM) of a Contact Smart Card would be the sum of the cost of main inputs as specified in Column l of the following tab le , provided the inputs individually satisfy the value addition requirement specified in Column 2 of thetable:

Main inputs in *BOMJ* stages for manufacture of Contact SmartCard	**Value addition/ local content required for the input to he classified as domestic BOM**
1	**2**
Plastic Card Body	Domestic manufacturing including sheet cutting &punching, printing, lamination and testing using imported/ domestically manufactured raw materiaI, parts andcomponents.
IC Chip Module	Domestic assembly. packaging and testing of IC Chip Module using imported/ domestically manufactured raw material, parts and components•.

Milling and Embedding of IC Chip Module on PlasticCard	Milling and Embedding of IC Chip Module on Plastic Card done domestically.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items , including fusionof domestically developed Operating System.The value of IP resident in India for any of theabove items shall be reduced from its value m domestic BOM.

- *This shall be reviewed when the Semiconductor FAB in India isoperational.*

II(B) Mechanism for calculation of local content for Contactless Smart Cards

The domestic Bill of Material (BOM) of Contactless Smart Card would be the sum of the cost of main inputs as specified in Column I of the following table. provided the inputs individuallysatisfy the value addition requirement specified in Column 2 of thetable:

Main inputs in BOM/stages for manufacture of Contactless SmartCard	**Value addition/local content required for the input to be classified as domesticBOM**
1	**2**
Plastic Card Body	Domestic manufacturing including sheet cutting &punching, printing, lamination and testing using imported/ domestically manufactured raw material, partsand components.

Card inlay (Antenna)	Domestic assembly and testing from imported/ domestically manufactured raw material, parts andcomponents.
IC Chip Module	Domestic assembly. packaging andtesting of ICChipModuleusingimported/domestically manufactured raw material. parts and components•.
Milling and Embedding of IC Chip Moduleon Plastic Card	Milling and Embedding of IC Chip Module on Plastic Card done domestically.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled / tested and (ii) Intellectual Property (IP) resident in India for any of the above items. including fusion of domestically developed Operating System. The value of IP resident in India for any ofthe above itemsshall be reduced from its valuein domestic BOM.

• *This shall be reviewed when the Semiconductor FAB in India is operational.*

LEDProducts

(A) Definition:

For the purpose of this Notification. LED products are those whose function is to utilize light produced by LED's and spanning applications in the areas of: (i) Illumination, (ii) Optical Displays including True LED TVs. (iii) Backlighting. (iv) Signaling & Indication and (v) Transportation.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of LED Products would be the sum of the cost of main inputs as specified in Column 1 of the following table. provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table. However, the weightage of total value of (d) Heat Sink or Thermal Management Solutions, (e) Secondary Optics and (f} System Fixture and Fitting shall not exceed 20% of the total BOM of the LEDProduct:

Main inputs in BOM/ stages for manufacture of LED Products	**Value addition/ local content required for the input to be classified as domestic BOM**
I	**2**
LED Emitter	Packaging from imported/ domestically fabricated Bare LED Die ,subject to the condition that the Bare LED Die shall be domestically fabricated using imported/ domestically manufacturedinputs.
Driving Electronics	Domestic assembly from imported/ domestically manufactured parts and components , subject to the condition that the value of domestically manufactured parts and components (excluding the value of bare PCB) used m the assembly of "Driving Electronics" will be minimum 30% ofthe total value of parts and components usedin the manufacture of "Driving Electronics".
Bare PCB including MCPCB	Domestically manufactured using imported/ domestically manufactured inputs.
Heat Sink or Thermal Management Solutions	Domestically manufactured using imported/ domestically manufacturedinputs.
Secondary Optics	Domestically manufactured using imported/ domestically manufactured inputs.
System Fixture and Fitting	Domestically manufactured.
Final Assembly/ Testing	Domestically assemble d/ tested meeting Indian Standards as notified from time to time.

Biometric Access Control/AuthenticationDevices

(A) Definition:

For the purpose of this Notification. Biometric Access Control/ Authentication Device shall include *inter-alia* a Finger Print Sensor/ Iris Sensor. Controller Module and Power supply. It may or may not contain a display unit. Some of the applications of Biometric Access Control/ Authentication Device are Physical access control. Time and Attendancecontrol etc.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Biometric Access Control/ Authentication Device would be the sum of the cost of main inputs as specified in Column I of the following table. provided the inputs individually satisfy the value addition requirement specified in Column 2 of thetable:

Main inputs in BOM/ stages for manufacture ofBiometric Access Control/ Authentication Device	**Value addition/ local content required For the input to be classified as domes tic BOM**
1	2
Finger Print Sensor/ Iris Sensor	Domestically manufactured as notified (refer Paragraphs 4. 10 and 4.11).
Main PCB (Controller Module)	Domestic assembly and testing from imported / domestically manufactured parts and components, excluding the value of barePCB.
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
PO\-Ver Suppl y/ Battery(if separate)	Domestic assembly and testing from imported / domestically manufactured parts and components.
Display Unit	Domestic assembly and testing from imported/ domestically manufactured parts and components.

Optional features such as Camera, Keyboard, RF ID, Smart Card Reader, GPRS Module, Wi-Fi, Blue Tooth etc.	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Plastic Housing	Domestically manufactured from imported/ domestically manufacturedinputs.
USB Cables	Domestically manufactured from importeddomestically manufacturedinputs.
(i) Final Assembly andTesting (ii) Design/Development	(i) Domestically assembled/ testedand (ii) Intellectual Property (IP) resident inIndia for any of the above items. The value of IP resident in India for any **or** the above itemsshall be reduced from its value in domestic BOM.

Biometric Finger PrintSensors

(A) Definition:

For the purpose of this Notification. Biometric Finger Print Sensor consists of a Controller Module , CMOS Sensor and Optics. The applications of the Biometric Finger Print Sensor are personal identification and verification, etc.

(B) Mechanism for calculation of localcontent:

The domestic Bill of Material **(BOM)** of Biometric Finger Print Sensor would be the sum of the cost of main inputs as specified in Column I of the following table. provided the inputs individually satisfy the value addition requirement specified in Column 2 of thetable:

Main inputs in BOM/stages for manufacture of Biometric Finger Print Sensor	**Value addition/local required for the input to be classified as domesticBOM**

1	2
Main PCB (Controller Module)	Domestic assembly and testing using imported / domestically manufactured parts and components, excluding the value of barePCB.
Optics	Domestically manufactured from imported/ domestically manufactured inputs.
C MO S Sensor	Domestic assembly, packaging and testing of CMOS Sensor using imported/ domestically manufactured inputs•
Bare PCB	Domestically manufactured from imported / domestically manufacturedinputs.
Plastic Housing	Domestically manufactured from imported/ domestically manufactured inputs.
USB Cables	Domestically manufactured from imported/

	domestically manufactured inputs.
(i) Final Assembly andTesting (ii) Design/Development	(i) Domestically assemble d/ testedand (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domesticBOM.

* *This shall be reviewed when the Semiconductor FAB in India is operational.*

Biometric IrisSensors

(A) Definition:

For the purpose of this Notification, Biometric Iris Sensor consists of a Controller Module CMOS Sensor and Optics. The applications of the Biometric Iris Sensor are personal identification and verification,etc.

(B) Mechanism for calculation of localcontent:

The domestic Bill of Material (BOM) of Biometric Iris Sensor would be the sum of the cost of main inputs as specified in Column I of the following table , provided the inputs individually satisfy the value addition requirement specified in Column 2 of thetable:

Main inputs in BOM/stages for manufacture of Biometric Iris Sensor	**Value addition/local content required for the input to be classified as domesticBOM**
1	**2**
Main PCB (Controller Module)	Domestic assembly and testing using imported / domestically manufactured parts and components except value of barePCB.
Optics	Domestically manufacture from imported/ d

	domestically manufactured inputs.
CMOS Sensor	Domestic assembly. packaging and testing of CMOS Sensor using imported/ domestically manufacturedinputs*
Bare PCB	Domestically manufactured from imported / domestically manufacturedinputs.
Plastic Housing	Domestically manufactured from imported/ domestically manufacturedinputs.
USB Cables	Domestically manufactured from imported / domestically manufacturedinputs.
(i) Final Assembly andTesting (ii) Design/Development	(i) Domestically assembled/ testedand (ii) Intellectual Property (IP) resident m India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domesticBOM.

**This shall be reviewed when the Semiconductor Fab in India is operational.*

Servers

(A) Definition:

For the purpose of this Notification. a Server shall necessarily consist of a Mother Board , CPU. Memory (RAM). Hard Disk Drive (H OD)/ Solid State Storage Drive (SSD), Power Supply Unit (SMPS). Chassis, Connecting Cables and Firmware &OS.

(B) Mechanism for calculation of localcontent:

The domestic Bill of Material (BOM) of a Server would be the sum of the cost of main inputs as specified in Column I of the following table. provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for **manufacture of Server**	Value addition /local content required for the **input to be classified as domestic BOM**

1	2
Server Boa rd / Mother Board and CPU(s)/ GPU(s)	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components , including the value of Semiconductors•• and CPU(s)/ G PU(s)** and excluding the value of bare PCB.
Memory Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured memory chips** and parts/ components on imported / domesticallymanufactured barePCB, excluding the value of bare PCB.
Hard Disk Drive/Solid State Storage Drive (SSD)	Domestic assembly and testing from imported / domestically manufactured parts and components.
Cabinet+ SMPS	Domestically manufactured Cabinet and domestic assembly and testing of **SMPS** from imported / domestically manufactured parts and components, subject to the condition that value of domestically manufactured parts and components used in the assembly of **"SMPS"** will be minimum 25% (of the total value of parts and components used in the manufacture of "SMPS").
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Accessories **(Power** Cab les , Connect ors, etc.)	Domestic assembly and testing from imported/ domestically manufactured parts and components.

(i) Final Assembly and Testing	(i) Domestically assembled/ tested and

(ii) Design andDevelopment	(ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shallbereducedfromitsvalueinthedomestic BOM.

** It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s) I GPU(s)I processor(.5), parts/ components on the hare PCB using the SMT process should mandatorily be done inIndia*

*** This shall be reviewed when the Semiconductor FA B in India is operational.*

Cellular MobilePhones

(A) Definition:

For the purpose of this Notification. a Cellular Mobile Phone (Feature Phone or Smart Phone) shall necessarily consist of a Main Printed Circuit Board (PCB), Battery Pack, Display Unit, Key Pad/ Touch Panel. Charger/ Adapter, Microphone &Receiver, Vibrator Motor/ Ringer and Mechanics.

(B) Mechanism for calculation of local content:

The domestic BOM of Cellular Mobile Phones would be the sum of the cost of main inputs as specified in Column I of the following table. provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in DOM/stages for manufacture of Cellular Mobile Phone	**Value addition/ local content required for the input to be classified as domestic BOM**
1	**2**
Main PCB*	Domestic assembly and testing from imported / domestically manufacturedparts and components including Processor and Semiconductor** BOM (i.ethe semiconductor Chips and Modules onMain PCB), and excluding value of bare PCB.

Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Battery Pack	Domestic assembly and testing of imported/ domestically manufactured inputs.
Charger/ Adapter	Domestic assembly and testing from imported/ domestically manufacturedinputs.
Wired Headset	Domestic assembly and testing from imported/domestically manufactured inputs.
Mechanics***	Domestic assembly and testing from imported/ domestically manufacturedinputs.
Die Cut Parts***	Domestic assembly and testing from imported / domestically manufactured inputs.
Microphone and Receiver	Domestic assembly and testing from imported/ domestically manufacturedinputs.
Key Pad	Domestic assembly and testing from imported/ domestically manufacturedinputs
USS Cable	Domestic assembly and testing from imported/ domestically manufacturedinputs.
Camera Module	Domestic assembly and testing from imported/ domestically manufacturedinputs.
Connectors	Domestic assembly and testing from imported/ domestically manufacturedinputs.
Display Unit	Domestic assembly and testing from imported/ domestically manufactured inputs.

Touch Panel/ Cover Glass Assembly	Domestic assembly and testing from imported/ domestically manufacturedinputs.
Vibrator Motor/ Ringer	Domestic assembly and testing from imported/ domestically manufacturedinputs.
(i) Final Assembly andTesting (ii) Design andDevelopment	(i) Domestically assembled/ testedand (ii) intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in the domestic BOM.

** flis essential that the Printed Circuit Board Assembly (PCBA) of the processor/ components*
on the bare PCB using the SA1T process should mandatorily be done in India.

*** This shall he reviewed when the Semiconductor FA Bin India is operational*

****Refer Annexure*

4. The Notification comes into effect immediately. This Notification shall remain valid till the revised Notification isissued.

5. No Electronic Product Notification under the Public Procurement (Preference to Make in India) Order 2017 shall have retrospectiveeffect.

6. Purchase Preference shall be provided as per the provisions cited in the Public Procurement (Preference to Make in India) Order 20 I 7 dated 04.06.2020 for the procurement of aforesaid electronicsproducts.

7. The notification would also be applicable to all Central Schemes (CS)/ Central Sector Schemes (CSS) for the procurement of electronic products made by States and local bodies, if project or scheme is fully or partially funded by Governmentof lndia.

8. Procedure for calculating local content/ domestic valueaddition

Bill of Material sourced from domestic manufacturers (Dom-BOM) may be calculated based on one of the followings depending on data available. Each of these calculations should provide consistent result.

a. Sum of the costs of all inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit/ set-off can be taken) and which have not been imported directly or through a domestic trader or an intermediary.

h. Ex-factory Price of product minus profit after tax minus sum or imported Bill of \1.aterial used(directlyorindirectly)asinputsinproducingtheproduct(includingdutiesandtaxeslevied on procurement of inputs except those for which credit / set-off can be taken) minus warranty costs.

c. Market price minus post-production freight. insurance: and other handling costs minus profit after tax minus warranty costs minus sum of Imported Bill of Material used as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can he taken) minus sales and marketingexpenses.

Total Bill of Material (Total-SOM) may be calculated based on one of the following depending on data available. Each of these calculations should provide consistentresult.

a. Sum of the costs of all inputs which go into the product (including duties and taxes levide on procurement of inputs except those for which credit / set-off can betaken).

b. Ex-Factory Price of product minus profit after tax. minus warrantycosts.

c. Market price minus post-production freight insurance and other handling costs minus profit after tax. minus warranty costs minus sales and marketingexpenses.

The percentage of domestic value-addition may he calculated based on information furnished as per the followingformula:

$$\text{Percentageoflocalcontent/domesticvalue-addition} = \frac{\text{DOM} - \text{BOM}}{\text{Total - BOM}} \times 100$$

It is recommended that each agency assessing should calculate the domestic local content/ value- addition usi ng at least two of the above formulae so as to validate the assessments in this regard and ensure that the domestic value addition that is claim d is consistent.

9. Verification of local content/ Domestic ValueAddition

a. The local supplier at the time of tender, bidding or solicitation shall provide self:-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition ismade.

b. In cases of procurement for a value in excess of Rs .10 crore. the local supplier shallprovide 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 oflocal content.

c. In case a complaint is received by the procuring agency or the concerned

Ministry/Department against the claim of a bidder regarding local content / domestic value addition in an electronic product, the same shall he referred toSTQC.

d. Any complaint referred to STQC shall be disposed of within 4 weeks. The bidder shall he required to furnish the necessary documentation in support of the domestic value addition claimec.1 in an electronic product to STQC. If no information is furnished by the bidder. such laboratoriesmaytakefurthernecessaryaction.toestablishthebonafidesoftheclaim.

c.*A* complaint fee of Rs.2 Lakh or l% of the value of the domestically manufactured electronic products being procured (subject to u maximum of Rs. 5 Lakh), whichever is higher. to he paidby Demand 11ra to he deposited with STQC. In case, the complaint is found to be incorrect.thecomplaintfeeshallheforfeited.Incasethecomplaintis upheldandfounc.1tohe substantiallycorrect,depositedfee ofthecomplainantwould berefundedwithoutanyinterest.

f. False declarations willbe in breach of the Code of Integrity under Rule 175(l)(i)(h) or the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the GeneralFinancial Rules along with such other actions us may he permissible underlaw.

10. MeitY shall be the Nodal Ministry to monitor the implementation of the Electronic Products Notification.

l. In case or a question whether an item being procured is an electronic product to be covered under the Public Procurernent(Preference to Make in India) Order *20* l 7, thematter would be

referredtotheMinistryof ElectronicsandInformationTechnology.forclarification.

Annexure

Indicative List of Mechanics and Die Cut Parts

A. Mechanics

I. Battery Cover (HS39209999)
2. Front Cover (HS39209999)
3. Front Cover (With Zinc Casting) (HS39209999)
4. Middle Cover (HS39209999)
5. GSM Antenna/ Antenna ofany technology (HS 39209999)
6. . Side Key (HS85389000)
7. Main Lens (HS39209999)
8. Camera Lens (HS39209999)
9. Screw (HS73181500)
10. Mic Rubber Case (HS 401 69990)
11. Sensor Rubber Case/ Sealing Gasket including sealing gaskets/ cases from Rubbers like:SBR,EPDM,CR,CS.Siliconeandallotherindividualrubbersorcombinationcombinations of rubbers (HS 40 169990)

11.1 PU Case/ Scaling Gasket (HS 39269091) Other articles of Polyurethane foam like sealing gaskets/ cases.

11.2 Sealing Gaskets/ Cases from PE. PP, E PS. PC and all other individual polymers or combination / combinations of polymers (HS 39269099)

12. SIM Socket / Other Mechanical items (Metal) (HS73269099)
13. SIM Socket/ Other Mechanical items (Plastic) (HS 39269099)
14. Back Cover (HS39209999)

B. DicCutParts

1. Conductive Cloth (HS39269099)
2. Heat Dissipation Sticker Battery Cover (HS39199090)
3. Sticker-Battery Slot (HS39199090)
4. Protective Filmfor Main Lens (HS39199090)
5. Mylar for LCD FPC (HS39199090)
6. LCD Conductive Foam (HS39269099)
7. Film front Flash (HS39199090)
8. LCD foam {HS39269099)
9. **BT** Foam **(HS**39269099)

Annexure 5.13

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 ertc

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, enduser shall register the warranty complaints with reasons and other details, as required, on the Page 3 of 12 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 Page 4 of 12 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 Replacementa.

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 Page 5 of 12 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 / Reinspection / 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 enduser). "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 (iii) 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/subassemblies 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 subPara iii 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. Page 10 of 12 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-xiii) 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.

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 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.