

North Eastern Railway
Gorakhpur-273 012

Office of Controller of Stores


Sub: Procedure Order for placement of Supply Order against
DGS&D Rate Contract

Ref.: Railway Board's Letter No.2005/RS(G)/779/13Pt. dt.23.07.2015

In reference to above, please find enclosed Procedure Order to be followed by all concerned in HQ (including Construction Organization), all Depots, all the Divisions & Field Units over NE Railway for placement of Supply Orders against DGS&D's Rate Contract.

This Procedure Order is being issued with the approval of COS.

Encl.: As above
(in Two (02) Pages)


(Rajesh Tiwari)
Dy.CMM/Sales
for Controller of Stores
NE Railway, Gorakhpur.

No.S/P.Cell/RBS/Circulation/Part-I

Date: 16.02.2016

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Procedure Order for placement of Supply Orders against DGS&D Rate Contracts

In supersession to NER's all existing Office Orders on the subject matter, following Procedure Order for placement of Supply Orders against DGS&D's Rate Contract (RC); which covers HQ (including Construction Office), all Depots, all the Divisions & Field Units over NE Railway, is issued with immediate effect:

- 1.0 DGS&D Rate Contract, by the very definition, fixes the rate with different suppliers. For some RCs, there may be a lower value limit below which Supply Orders may not be entertained by RC holder. This has to be kept in view while placing Supply Orders.
- 2.0 For selecting the DGS&D Rate Contract holders for ordering, the following factors may be kept in view:
 - (i) The Rate Contract Price;
 - (ii) The past performance of firm with reference to their capacity, quality of supplies as well as timely delivery of the goods;
 - (iii) The delivery date committed by the firm with respect to the delivery requirement of the Railways;
 - (iv) The proximity of the Rate Contract holder, wherever the proximity is considered crucial for timely delivery, ease of progressing and from the point of view of logistics and Contract management etc.; and
 - (v) The need for reputed brands in the case of sensitive, critical and selective applications.
- 3.0 User preference, if indicated, to be considered but not mandatorily followed; in case it is contravening other criteria in this Procedure Order unless justifiable reasons exist which are to be recorded in writing by RC Order finalizing Officer. However, economic prudence should not be lost sight of.
- 4.0 RC holders with no past performance but having lower rates may be considered for restricted Ordering based upon merits of the case. In general, such ordering may be for small quantity; restricted upto maximum 20% for the new vendors and all clubbed items taken together. This will have the advantage of knowing the performance of such new RC holding vendors for future ordering.
- 5.0 All available demands (even though from different Consignees) of same / similar items covering all the sizes / varieties etc. under a particular RC may invariably be clubbed & consolidated in the same Proposal for placement of Supply Order(s).
- 6.0 A Database should be kept in the respective Purchase Section (either manually or Computerized) for monitoring the performance which will contain the past qualitative and quantitative performance of the RC holders as per the following Format by the Ch.OS / OS of the concerned Purchase Section.

SN	Item Particulars Pt. No. & Description	Case No.	Total Qty.	RC Awarded on	Qty.	Original DP & Extd. DP	Actual Date of Delivery	Acceptance Particulars (Qty. supplied in Original DP & Qty. Supplied in Extd. DP)	Rejected Qty.	Balance Qty. of Supply Order	Remarks
1	2	3	4	5	6	7	8	9	10	11	12

Firm-wise details of the complaints received shall also be kept into a Register. Also, proper record of After Sales Service for Appliances / Equipments etc. to be maintained. All these performance records may be kept in view while deciding the RC coverage Proposals.

- 7.0 Proposal for placement of RC Supply Order may be initiated by Ch.OS/OS of the concerned Purchase Section; in a self-contained Note, bringing out all the factors mentioned above. The Proposal should cover:

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- (a) Names of all Indentors alongwith indented quantity.
 - (b) Quantity Review.
 - (c) Details of all the RC holders for the items to be procured alongwith comparative Price ranking on landed (all-inclusive) Rate.
 - (d) Details of Slab Discounts / rebates etc. offered by RC holding firm.
 - (e) Past Performance of RC holders w.r.t. quality of supplies, timely delivery and After Sale Service / Warranty Support etc. - ✓)
 - (f) Complaint(s) received against RC holders, if any.
 - (g) Representation(s) received from RC holders, if any.
 - (h) Recommendation(s) from Indentor, if any.
 - (i) Other relevant information(s) for deciding RC coverage, if any.

Ch.OS/OS of the concerned Purchase Section will give Certificate in the Proposal that all relevant RCs with all Amendments have been linked & considered while pulling-up the Proposal. He will also give Certificate that all available Demands (even though from different Consignees) of same / similar items covering all the sizes/ varieties etc. under a particular RC have been clubbed & consolidated in the Proposal for placement of Supply Order(s).

8.0 Basis for Deciding Level of RC Coverage:

- (a) For Stock items, normally, procurement is done on annual basis and hence level for deciding RC coverage Proposal would be the total annual requirement worked out covering same / similar items of all the sizes / varieties under a particular RC.
- (b) For Non-Stock items, level for deciding RC coverage would be total value of items in the Proposal covering same / similar items of all the sizes / varieties under a particular RC. For Non-Stock items, coverage be done consolidating all available demands of same / similar items of all the sizes / varieties under a particular RC. Frequent piece-meal Non-Stock demands from indentors should be discouraged. Still if these continue to be received then all such demands received in a month should be consolidated and put up to appropriate authority for acceptance.

9.0 Officer finalizing RC coverage will record reasons wherever RC holding firm having lower rates are not considered for ordering.

10.0 While finalizing Orders against DGS&D RC, compliance to directives issued by Railway Board regarding "Preference to Domestically Manufactured Electronic Products in Procurement" vide letter No.2011/RS(G)/779/9 dt.04.07.2014 be ensured.


11.0 In addition to above, the following aspects should also be considered:

- (a) Wherever, there are failures against the Rate Contract in terms of timely delivery and quality of goods, such failures should be reported to DGS&D and direct alternate procurement action may be taken if other suitable RC firm doesn't exist in order to ensure timely availability of quality materials to meet the needs of the Railways.
- (b) It should be stipulated in the Supply Orders that outstanding quantities which are not executed within the stipulated Delivery Period shall be liable to automatic cancellation and such defaulted quantities are liable to be entrusted to better performing RC holders.

12.0 Intimation regarding Complaints:

DGS&D should be kept informed about unsatisfactory performance by RC holders, including supply and quality issues in materials received against RC.

This Procedure Order is being issued with the approval of COS.


 (Rajes. Tiwari)
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 for Controller of Stores
 NE Railway, Gorakhpur