



Stores Department

This document is applicable to all tenders issued by the Principal Chief Materials Manager, NORTH EASTERN RAILWAY, GORAKHPUR. This document covers the following:

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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 Raw Material 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 pre defined 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. Option Clause:** Unless specifically indicated Non-application of this clause in the schedule of requirements, bidders should confirm unqualified acceptance of option clause in the tender in which $\pm 30\%$ option clause is specifically indicated in the special condition of Tender. **Non acceptance of this clause or acceptance of this clause with any riders will lead to summary rejection of the bid.** Any mention such as option clause is acceptable with mutual consent, will be treated as non-acceptance of the option clause. In case it is neither confirmed nor denied, it would be presumed that bidder has accepted this condition.
- 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. Rate page) 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** Delivery is required to be made at the place as stated in the tender. Any deviation from the same may be considered as commercially unresponsive and offers are liable to be rejected.
- 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:**
- 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 for the tendered item(s) with any of the following shall be eligible for exemption from payment of Earnest Money-
- a) District Industries Centre
 - b) Khadi and Village Industries Commission
 - c) Khadi Village Industries Board
 - d) Coir Board
 - e) National Small Industries Corporation
 - f) Directorate of Handicraft and Handloom
 - g) Any other body specified by Ministry of MSME
- 1.11.2.** In tenders, participating and registered MSEs quoting price within price band of (L₁+15%) shall be allowed to supply of 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)
- 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 and also indicate the terminal validity date of their registration.
- The registration certificate should also include information about the status in regard to their Category i.e. the ownership MSE pertains to SC/ST/Other category clearly. Absence of any such information in the registration certificate would be taken as MSE failing in the category as "others".
- 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, (http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stores/downloads/circular/RS%20G/Relaxation_Norms_Startup210717.pdf) 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.
- 1.12. Drawings and Specifications:**
- 1.12.1.** If any tenderer happens to quote with his own Drawing No / Part No/ Specification, then, he shall have 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 reasons beyond 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:**
- 1.18.1.** There shall be no exemption from submission of EMD for any tender of by any tenderer except following exemptions
- (a) Tender cases of value up to Rs. 5 (five) lakhs.
 - (b) Micro and Small Enterprises (MSEs) registers 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 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.

- 1.18.2.** Offer submitted without EMD shall be summarily rejected.
- 1.18.3. (a)** Estimated value of tender above Rs.5 lakhs and upto Rs.20 crore, EMD amount shall be @2% of the estimated value of the tender {(rounded off to nearest higher Rs.10 (ten))} subject to Max. Rs.20 lakhs.
- (b)** Estimated value of tender above Rs.20 crore and upto Rs.100 crore, EMD amount shall be @1% of the estimated value of the tender {(rounded off to nearest higher Rs.10 (ten))} subject to Max. Rs.50 lakhs.
- (c)** Estimated value of tender above Rs.100 crore, EMD amount shall be @ 0.5% of the estimated value of the tender {(rounded off to nearest higher Rs.10 (ten))} subject to Max. Rs.1 crore.

(In terms of Railway Boards letter no.2018/Trans Cell/Stores Procurement Dated 02.01.2019 and 2004/RS(G)/779/11 Pt. Dated 27.03.2019)

- 1.18.4.** 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)

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

1.18.6. Automatic release of EMD of unsuccessful tenderers after tender is finalized:

- (a) The EMD of unsuccessful bidders or tenderers shall be released immediately after finalization of tender. The purchaser may intimate the process of release just after the tender is finalized, or in online systems the information through system about settlement of tender, will be sufficient for release of the EMD of the unsuccessful bidders or tenderers without any additional action required from the purchaser.
- (b) System for online release of EMD has been rolled out by CRIS. Automatic release of EMD of unsuccessful tenders should be ensured. in terms of above Para 1.18.6.(a).

(In terms of Railway Boards letter no.2018/Trans Cell/Stores Procurement Dated 02.01.2019 and 2004/RS(G)/779/11 Pt. Dated 27.03.2019)

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

- 1.18.8.** 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 Contract except M&P :

- 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. 1 (one) lakh.
- (b) Other Railways and Government Department in terms of Railway Board's letter No. 2004/RS/(G)/779/11 dated 24.07.2007.
- (c) Indian Ordnance 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.

- 1.19.2.** Security Deposit (SD) amount shall be 10% of the contract value, subject to Max. of Rs.5 crores, rounded off to nearest higher Rs.10 (ten). There shall, however, be no ceiling for SD in Global Tenders for procurement of Stores.

(In terms of Railway Boards letter no.2018/Trans Cell/Stores Procurement Dated 02.01.2019 and 2004/RS(G)/779/11 Pt. Dated 27.03.2019)

- 1.19.3.** Security Deposit (SD) amount shall be for a period of 60 days, beyond the date of completion of all contractual obligations.

- 1.19.4.** 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 as 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 Defence Bond
 - i. Scheduled Bank.
- 1.19.5.** The successful tenderer shall have to deposit SD within 14 days of issue of Letter of Acceptance. No Extension of time for submission of SD shall be granted..
- 1.19.6.** 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 tenderer(s) shall be automatically adjusted towards SD. 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.
- 1.19.7.** In case, the MSEs exempted from submission of EMD fail to submit SD in stipulated time, damage shall be levied, for failure to act as per offer with regards to condition relating to SD, equal to EMD amount, as would have been applicable if the offer was form of non-MSE vendor. These damages shall be treated as recoveries outstanding against the vendor and dealt with accordingly.
- 1.19.8.** In severable contracts, 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.
- 1.19.9.** Risk Purchase clause shall not be applicable wherever SD clause is applicable. Where SD is not taken, risk purchase will be made as per extant guidelines.
- 1.20 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.
- 1.21 Advance Acceptance/Counter offer & Delivery Period;**
- The delivery period shall be reckoned from the date of issue of Advance Acceptance/Letter of Acceptance
- 1.22 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 ad 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.

2.4 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 rate and 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. Items sourced from RCF/ RDSO/ ICF/ CLW/ DLW/ DLMW/ CORE approved vendors:

2.8.1. Wherever necessary as per policy of procurement and is so indicated in the tender schedule, regular purchase order for bulk quantity will be normally placed only on approved vendors by authorized vendor approving unit for respective items viz.: -

- a) RCF/KXH,
- b) RDSO,
- c) ICF,
- d) CLW,
- e) DLW,
- f) DLMW,
- g) CORE

2.8.2. The approval status of the firm will be reckoned as on the date of the tender opening and not thereafter except in case of downgrading / removal / suspension / banning etc. after opening of tender, when changes shall be taken into account while considering the offer.

2.8.3. If the works address indicated in the offer is different from what is indicated in the approval certificate issued by the respective vendor approval agency, then such offer will be treated as if the same has been received from an unapproved source.

2.8.4. Minimum 80% quantity of NPQ shall be placed on approved vendors in terms of para 2.13. Balance quantity may be considered for educational order on new source(s) in deserving cases and with strict compliance of extant procedure on such educational ordering as per para 2.9.2.

Note: Offers from authorized agents will be considered only if they submit tender specific authorization from the manufacturer along with requisite documents regarding performance as per Para 2.9.1, **failing which their offer will be ignored summarily without making any further reference to them.**

2.9. Items for which no approved vendor list has been issued:

In such cases, for being eligible for a regular order(s), the tenderer must have 'Relevant past performance as ' as defined in the following 2.9.1. Further, upto 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 Para-2.9.2.

2.9.1 Relevant 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] for a minimum of 20 percent of total tendered quantity during three year. This period of three years shall be counted with respect to tender opening.

[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.

2.9.2 "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.

2.9.3.1 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 or decrease the ordered quantity, after giving reasonable notice, by a maximum of 30% (i.e. $\pm 30\%$) after the placement of order during the currency of the contract. The increase in quantity, however, is subject to keeping the overall quantity increase on all the successful tenderers within 30% of the bid quantity.

2.10.1. As per extant instruction, operation of the option clause can be made any time within delivery period of the contract giving reasonable time to the firm to supply the enhanced quantity. It may be noted that for invocation of the option clause, validity of the contract will be considered upto the delivery period mentioned in the contract even though the supplies have been completed in advance

2.10.2. For operation of the (-) 30% option clause, consequent to decrease in the prices in subsequent contracts, reasonable notice will be served by giving reasonable opportunity to the contractor to unconditionally agree to accept such lower rates for the unsupplied quantity on the date of issuing such notice. In the event of the firm not agreeing for reduction in rate for the unsupplied quantity, the purchaser reserves the right to operate (-) 30% of the ordered quantity or the unsupplied quantity, whichever is lower. Notwithstanding anything stated above, purchaser reserves the right to operate the option clause upto (-) 30% of the ordered quantity or the unsupplied quantity, whichever is lower after giving reasonable notice.

2.10.3. Reasonable notice as mentioned in above Para is only for purpose of allowing the contractor to make necessary arrangements and same is not for seeking any consent from the contractor towards exercise of contractual option clause.

2.10.4. In case of Delivery Period is extended in the contract with (+) 30% option clause either for full ordered quantity or a part quantity which remained unsupplied on the date of expiry of the original Delivery Period, then during the extended Delivery Period also, quantity variations can be made on the total ordered quantities.

2.11. 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 delivery requirement 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 2.13.6} shall be applicable in all such cases of pre-decided split ordering:-

- A) The purchaser reserves the right to distribute the procurable quantity on one or more 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 tenderer. 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 part quantity. For example, say L1 firm 'A' is part I firm, L4 is part I firm (and both considered suitable for bulk quantity order) and splitting is to be done between these two part-I firms. But there are two part-II firms 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 firm. The balance quantity is to be distributed as follows:

- (a) Allocate the Pt II L2 and Pt II L3 within the overall ceiling of 15%/25% (of 35% of NPQ)
- (b) Allocate the balance quantity to L4 firm.

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

2.13.2.3 In case of pre-decided splitting, if the purchaser decides not to split the ordered quantity, the reason for the same should be recorded in TC minutes/acceptance in direct acceptance cases.

2.13.2.4 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.

2.13.3 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.

2.13.4 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 not mentioned 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 to bring 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. Risk Purchase Clause:- Deleted

2.16. Time for Making Risk Purchase: Whereas this will be governed by the relevant clauses of IRS Conditions 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 contract) 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 2.21.1 above.

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

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 @ 2% per month of value of goods subject to maximum of 10% will be 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 immediately after the award of contract, without which no payment shall be released to the contractor. 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.

2.23 Preference to Domestically Manufactured Electronic Products:-

- 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.

2.24 Public Procurement Policy for Preference to Make in India:

2.24.1 Following provisions will be applicable for items to be procured under Public Procurement (Preference to Make in India)

- a) Local content: The minimum local content shall be 50% or as indicated in the tender enquiry.
- b) Margin of Purchase Preference: The margin of purchase preference is 20%.
- c) Fee for complaints: Fee for filling a complaint under the order shall be Rs. 10,000/- per case. The complaint shall be filed in the office of the PCMM/NER. The fee shall be deposited with the office of the PFA/NER.

2.24.2 Verification of local content:

- a) The local supplier at the time of tender, bidding or solicitation shall be required to 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 is made.
- b) In case of procurement for a value in excess of Rs. 10 Crores, the 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) 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 upto two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- d) A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment.
- e) **Debarment of bidders:** 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 CPPP so that ongoing procurements are not disrupted.

2.24.3 Requirement of Purchase Preference: 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 local suppliers in all procurements under taken by procuring entities in the manner specified hereunder:

- a) In procurement of goods in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is Rs. 50 Lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods is more than Rs. 50 Lakhs, the provisions of sub-paragraph (b) or (c) as the case may be, shall apply.
- b) In the procurements of goods which are not covered by paragraph (a) above and which are divisible in nature, the following procedure shall be followed:-
 - i) Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - ii) If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Therefore, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher 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 local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- c) In procurements of goods not covered by sub-paragraph (a) above and which are not divisible and in procurement of services where the bid is evaluated on price alone the following procedure shall be followed:-
 - i) Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
 - ii) If L1 bid is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price for the subject to the local supplier's quoted price falling within the margin of purchase preference and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii) In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on, and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price, then the contract may be ordered on the L1 bidder.

2.24.4 Exemption of small purchases: Notwithstanding anything contained in Para 3.0 procurements where the estimated value to be procured is less than Rs. 5 Lakhs shall be exempted.

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 the preferred method for procurement for Stores tenders valued more than Rs.10 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:

- 1) *If the number of tenderers qualified for Bulk Order/Award of Contract in less than 3 RA shall not be done and tender may be decided on the basis of Initial Price Offer(s).
 - 2) In case of Stores Tenders, selection of vendors for Reverse Auction for Developmental ordering: All bids found Qualified for Developmental Order shall participate in Reverse Auction for Developmental Orders.
 - 3) **MSE Criteria (Not applicable for Works):** All MSEs (Micro & Small Enterprises) found Qualified for Bulk Order/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in para 2.25.2.2 a above, but are within the range of 15% of lowest Initial Price Bid shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Bid. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per Para 2.25.2.2 a. In case of Stores Tenders, lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order.
 - 4) **Make in India Criteria:** All bidders eligible for benefits under Public Procurement (Preference to Make in India), found Qualified for Bulk Order/Award of Contract and are within the specified range of price preference of lowest Initial Price Bid shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Bid. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per Para 2.25.2.2 a.
- 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 bids categorised as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders. Bidders shall only be able to see the auction screens relevant to them for both categories on line.

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 bids of the Reverse Auction, tenders shall be finalised as per existing policy (including price preference to MSEs and Make in India Order, 2017, (wherever applicable) and in case of Stores tenders, procedures based on the eligibility and quantity distribution criteria, as pre-defined in the tender document. All the relevant policies of Government of India at the relevant time shall be applicable.

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 finalise 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.10 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 20% of NPQ is to be followed for all Goods and Services Tenders.
- 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)

- d) Withdrawal of L-1 offer: In case of withdrawal of offer of L-1 bidder, the tender need not necessarily be discharged in case of tenders for procurement of Goods and Services (Other than Consultancy) subject to the conditions mentioned in RB Letter No. 2017/Trans/01/Policy dt. 17.11.2017 being fulfilled.
(http://www.indianrailways.gov.in/railwayboard/uploads/directorate/Transformation_Cell/Transformation_%20Process_17112017.pdf)

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.

2.26 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. Material rejected in warranty:-

1. Material are rejected in warranty in the following situations:-

- a) The material rejected was issued to the user(shop/shed etc) from its associate stores depot.
- b) The material rejected was received by the from a PU or from a stores depot which is not the associate stores depot of the user.

Cat. B.1(a): *For warranty failure in shop/shed of material issued from its associate stores depot:* All warranty claims will be lodged by the associate depot officer after getting the warranty rejected material from user under advice note of return stores with reasons of warranty rejection indicated therein. Before lodging the warranty claim the associate depot officer will satisfy himself about the correctness of PO and ensure that other details including reason(s) of warranty rejection are available with the advice note of return stores. The warranty claim will be processed following the procedure indicated in sub-para A(i), (ii), (iii) and (iv) of para 1.1A above except for the following changes: The 'rejection advice' mentioned in para 1.1A(i) will be replaced by the 'warranty rejection advice'. The time which can be taken for the completion of modality of joint inspection as per para 1.1A(iii) will be 45 days (instead of 21 days) from the date of communication of rejection advice to the supplier. More time is being given for joint inspection because this is a case wherein supplies have already been taken into the usage system of Railways. Thus, either the pre-inspection agency or the firm or the railways may like to have a more detailed understanding of the failure:

Cat B1(b): *For warranty failure in shop/shed of material received from PU (either under sale issue note or as a purchased component of rolling stock manufactured at the PU) Or from a stores depot (under inter depot transfer/sale issue note) which is not the associate stores depot of the end user:*

- (i) In such cases it may not be convenient for the end user to return the material to the stores depot (against which the original supply was made by the vendor to railway). Thus in all such cases, the warranty rejected material will be kept in safe custody by the end user and the stores depot (which received the original supply) will be advised by the end user about the warranty rejection duly indicating the reason(s) of rejection with a confirmation that the rejected material is under end user's custody.
- (ii) The stores depot (which received the original supply) will raise warranty claim on the firm. Before lodging the warranty claim, the depot officer will satisfy himself about the correctness of PO and ensure that other details including reason(s) of warranty rejection are available from the end user. The warranty claim will be processed following procedure indicated in sub-para A (i), (ii), (iii) and (iv) of para 1.1A above except for the following changes. The 'rejection advice' mentioned in para 1.1A(i) will be replaced by the 'warranty rejection advice'. The time which can be taken for the completion of modality of joint inspection as per para 1.1A(iii) will be 45 days (instead of 21 days) from the

date of communication of rejection advice to the supplier. More time is being given for joint inspection because this is a case wherein supplies have already been taken into the usage system of Railways. Thus, either the pre-inspection agency of the firm or the railways may like to have a more detailed understanding of the failure.

For imported material, the time limit in Cat I(a) and Cat I(b) will be 90 days.

- II. Warranty quantity replacement: The warranty quantity replacement will be accounted under warranty R-note by the depot officer (which raised the warranty claim as in sub-para B.I (a) above).

Financial recovery (if any made) against the warranty failure will be refunded to the firm on warranty quantity replacement.

- III. Inspection of the replacement supply against warranty rejection:

(A) For cases of replacement supply against warranty failure falling in the category B.I (a) above, the replacement supply should normally be inspected by the same inspection agency which inspected and passed original supply. Thus for B.I.(a), any change in inspecting authority for the warranty replacement will necessitate a formal amendment in contract.

(B) In case of warranty rejection of item of the category B.I (b) above, it may in some cases be difficult to re-use the services of inspecting agency which passed the original supply. Similarly for some items, the end user/consignee may not have the requisite inspection facility/expertise.

Thus for warranty rejection falling in the category B.I (b) above:-

(i) The replacement supply can be inspected by the same inspecting agency which inspected and passed the original supply. Payment of inspection charges will be borne by supplier.

OR

The replacement supply can be inspected by authorised representative of consignee.

OR

The replacement supply can be made by firm's own internal inspection certificate.

(ii) The decision on the above will rest with the depot officer who raised the warranty claim and will be indicated in the warranty claim notice.

(C) However in case the warranty failure is of a component of an assembly supplied, the component can be accepted on firm's own Guarantee Certificate/internal inspection certificate and consignee's final inspection for both the categories {cat B.1(a) and Cat B 1 (b)} of warranty failure.

(IV) Place of warranty replacement:- For warranty replacement of category B.I (a), in order to ensure correct account of warranty replacement, the place of warranty replacement will be the depot which received the original supply. For warranty replacement of failure falling in category B.I (b) above, an exemption can be made and the place of replacement supply can be indicated by the depot officer (at his option) in the warranty claim notice to the firm to be the end-user's place.

(V) For warranty replacement of category B.I (b), due care will be taken by the end user to ensure that account of replacement supply etc, are properly taken care of After settlement of warranty claim the rejected material will be handed over by the end user to the firm's representative. The end user will also inform the depot officer who raised warranty claim about the replacement.

2. At the option of the depot officer/end user, rectification of the material rejected {under category 1.1 (A) and 1.1 (B)} may be permitted within Railway premises by the firm only after the firm has refunded the payment (if already made by Railway) or equivalent amount has been withheld for this purpose. However, from the date of communication of rejection advice, the rectification activity has to be completed within 21/45 days for indigenous/Imported material respectively for the rejection of the category 1.1 (B). If more time is taken beyond this, applicable ground rent will be levied on the firm.

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Section 3

Special Conditions of Tenders for Imported Items

3. Imported Items:

NER Invites OEMs or the Overseas Manufacturers to quote directly, without intercession 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/Manufacturer quoting 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 legally tenable '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.

- 3.3.4.** 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.
- 3.3.5.** 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 is specified 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.

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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 and receipt/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 incurred 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 & Quality Control

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 _____ Placed on _____ M/ s

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

2. AND WHEREAS according to the terms of said contract, it has been stipulated that payment of 10 per cent of the value of the stores would be made, provided that the Sellers furnish to the Purchaser a Bank Guarantee from a 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. _____) representing 10 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 _____

Witness

(Banks common Seal)

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
Annexure 5.5

Annexures

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 |