

**WEST CENTRAL RAILWAY, JABALPUR**  
**e-TENDER DOCUMENT FOR SUPPLY CONTRACTS**  
**(Ver. 1.0, applicable w.e.f 26.04. 2018)**

<b>Para No.</b>	<b>Content</b>
1.0	On behalf of the President of India, the Principal Chief Materials Manager, West Central Railway, General Manager's office, 1 <sup>st</sup> floor, Core Building, Jabalpur, 482001 (hereinafter referred to as the Purchaser), invites e-tenders for the supply as set forth in the "Electronic Tender Schedule of Requirements" (E-Tender SOR) on the IREPS site.
2.0	<b>E-Tender document consists of –</b>
i.	Special Conditions as per e-tender SOR.
ii.	Techno-Commercial Offer Form including attached documents, if any & Financial offer Form. (To be submitted by the tenderer as his e-tendering offer through IREPS website.)
iii.	Instructions to Tenderers : Annexure-A
iv.	General tender conditions for supply contracts : Annexure-B
v.	Special Tender Conditions for Reverse Auction (Applicable only for Reverse Auction tenders) : Annexure-C
vi.	Special Tender Conditions regarding Preference to Make in India : Annexure - D
vii.	Special Tender Conditions for Preference to Make in India for IT & Electronics Products: Annexure D1
viii.	IRS Conditions of Contract : Annexure-E
2.1	All the above documents are available for download from the "IREPS website" under the link "Public Documents".
2.2	The contract, if placed, shall be governed by conditions incorporated in e-tender documents as per para 2.0 above.
3.0	<u>Corrigendum</u> : Purchaser reserves the right to issue any corrigendum to the tender, without postponing the due date of opening, even up to ten days prior to the due date of opening of the tender (including the date of tender opening). Tenderers are thus advised to check the website for the purpose of submitting their e-bids or revising their e-bids, whether any such corrigendum to the tender has been issued or not. In case corrigendum is issued in under 10 days then due date shall be suitably deferred.
4.0	No Manual offers sent by post/Fax or in person shall be accepted against such E-tenders even if these are submitted on the Firm's letter head and received in time. All such manual offers shall be considered as INVALID offers and shall be summarily rejected.
5.0	This tenders complies with Public Procurement Policy order 2017 dated 15.06.2017

**INSTRUCTIONS TO TENDERERS**

<b>Para No.</b>	<b>Content</b>
1.0	Please read all relevant e-tender document carefully as available on Organization's (West Central Railway) page on the IREPS web site <a href="http://www.ireps.gov.in">www.ireps.gov.in</a> . before submitting the offer.
1.1	For submitting the offer electronically, the tenderers are required to have their class III Digital Signatures Certificate and registration on Indian Railways E-Procurement (IREPS) website <a href="http://www.ireps.gov.in">www.ireps.gov.in</a> .
1.2	Firms, which are not registered on IREPS may refer to link "New vendors/ Contractors (E-Tender)" at <a href="http://www.ireps.gov.in">www.ireps.gov.in</a> .
1.3	It may be noted that it shall be the sole responsibility of prospective bidders to get themselves registered on IREPS website and to submit their bid electronically prior to due date. West Central Railway shall not extend due date of tender opening for any delay on part of the bidder in obtaining digital signature and registration on IREPS site and later on PCMM/WCR/JBP shall not entertain any complaint for not giving opportunity to the tenderer to quote against this E-tender.
1.4	The vendors are also requested to read the Vendor user manual available on IREPS website and familiarize themselves with the electronic tendering process.
2.0	E-Tender form is to be submitted with digital signatures by the pre-authorized personnel of the vendor, already registered with IREPS.
2.1	Submission of electronic offer under your digital signature will be considered as your confirmation that you have read and accepted all the conditions laid down in the E-tender documents.
2.2	Annexure-B may be referred for details regarding submission of Tender cost, Earnest money deposit (EMD), Security deposit (SD) etc. and also for Taxes, duties, Price Variation Clause (PVC) etc.
2.3	All mandatory fields marked with (*) have to be filled in by the bidders.
2.4	The stores, offered should be in accordance with stipulated drawings and specifications in "Electronic Tender Schedule of Requirements". The e-bids should comply with the Instructions to Tenderers, IRS and Special Conditions of Contract. The details of deviations if any, from tender specification and other conditions should be clearly indicated in deviation statement. The purchaser, however, reserves the right to accept or reject these deviations and his decision thereon shall be final.
2.5	The tenderers must fill in the techno-commercial offer form (consisting of eligibility criteria, terms & conditions, performance statement, deviation statement, check list & special conditions etc.), financial offer form and attach scanned copy of all the documents which are required to be submitted by the tenderer in reference to the e-tender document.
2.6	The language used in filling the tender forms and documents attached must be clear and precise and in English or Hindi only. If any other language is used the certified copy of translation must be accompanied with the tender document. In case of any discrepancy / difference, only English version will be considered.

2.7	<p>All the mandatory fields of the Techno-commercial Offer Form and Financial Offer Form (i.e. Rate page) including basic rate, all taxes &amp; duties, freight and any other charges shall have to be filled up by the tenderer. The unit of rate and unit of item shall be as indicated in the tender schedule and cannot be changed or altered by the tenderer. In case tenderer wishes to revise his offer, then a fresh offer has to be submitted.</p> <p><b>Important Note: -</b> All inclusive unit rates on FOR destination basis shall be automatically calculated by the system and shown to the vendor before submission of offer.</p> <p>All tenderers should note carefully that the entries for rate, taxes &amp; duties, freight and any other levy shall have to be made by them only in the relevant fields as provided in the financial offer form. In case, any entry made by tenderer outside the relevant field, same shall be ignored by the system. The comparative statement is prepared automatically by the system on the basis of the entries as made by tenderer in the relevant &amp; respective field only. This computer generated comparative statement forms the basis for evaluation of offers, deciding the inter-se ranking of offers and further decisions thereafter.</p> <p>For example, if freight charges are mentioned extra and are not quantified in exact amount in the appropriate column/field, then freight charges shall be taken as nil in the comparative statement prepared automatically by the EPS system.</p> <p>Therefore, it is quite essential for the vendor to note that the entries for rate, taxes/duties, freight and any other levy should not be made anywhere else except in the appropriate field/column provided in the financial offer form. There should be complete break up of all inclusive unit rate quoted by tenderer showing separately packing, forwarding, discount, taxes/duties, freight etc.</p>
3.0	<b>Drawings and Specifications:</b>
3.1	Unless Drawings and Specifications as mentioned in the e-tender SOR are provided with the tender documents or made available on Railway's website for downloading by the tenderers, these may be obtained in the manner shown below:
3.2	Specification/STR/Drawing of RDSO/ICF/DLW/CLW/ CORE etc may be obtained, from the concerned authorities who have issued these, on payment.
3.3	Drawings and Specifications framed by the concerned authority of West Central Railway may be obtained from office of the PCMM, West Central Railway, Core Building, 1st Floor, Indira Market, Jabalpur-482002. However, in these cases, the tenderers shall have to produce the documentary evidence for having paid the applicable cost (firms having valid registration certificate of NSIC for the tendered item are provided Drawings & Specifications free of cost).
3.4	Railway shall not in any way be held responsible for delay in receipt of the supply of Drawings & Specifications, it shall be the sole responsibility of the tenderer to ensure the availability of the same from Railways.
3.5	If any tenderer happens to quote with their own Drawing No./Part No./ Specification, then they shall have to, necessarily, submit copy of all the requisite documents and information in support of their offer being in conformity with the tendered Drawing / Specification. Further, copies of such drawings/specifications/catalogue are also to be attached, failing which the offer is liable to be rejected.
4.0	<b>Place of Inspection:</b> Generally third party inspection is carried out at firm's works. Hence, bidders must mention address for place of Inspection, wherever required, in order to avoid post-tender/contract correspondence.

5.0	<b><u>Payment:</u></b>
5.1	West Central Railways is making payments through NEFT system for quick money transfer to the tenderers account. For payment through EFT, tenderers are required to submit consent in the mandate form for receipt of payment through EFT /RTGS as per format given in Annexure-B6, duly filled up in all respect. A copy of cancelled cheque must be attached.
5.2	In case of non-payment through EFT/RTGS or where EFT/RTGS facility is not available payment will be released through cheque.
6.0	<b><u>E-Tender Opening:</u></b>
6.1	The tender shall be opened any time after the specified closing date and time. System automatically ensures that no bids are submitted after tender closing Date and Time and tenderers cannot submit any offer or attach any file thereafter.
6.2	No Tenderer shall be required to be present in the Railways office for any e-tender opening to know the comparative position. They can obtain system generated tender tabulation statement by logging on to the IREPS website after the tender has been opened.

**E-TENDER DOCUMENTS OF WCR**  
**General Condition for Supply Contracts**

Para	Content
<b>1.0</b>	<b>Eligibility criteria and qualifying requirements of Tenderers:</b>
1.1	<p>Eligibility criteria wherever applicable shall be as per SOR. If a tenderer is not registered with West Central Railway or is not an approved source for the tendered item with West Central Railway / Railways production units/ CORE/ RDSO, he shall provide a satisfactory evidence acceptable to the Purchaser to show that:</p> <ol style="list-style-type: none"> <li>a) He is an established manufacturer, who regularly manufactures the items offered and has adequate technical knowledge and practical experience;</li> <li>b) He has adequate financial stability and status to meet the obligations under the contract for which he is required to submit a report from a recognized bank or a financial institution and last three years' financial balance sheet / profit &amp; loss statement.</li> <li>c) He has adequate plant and machinery capacity to manufacture the items offered and supply within the delivery schedule offered by him.</li> <li>d) He has established quality control system and organization to ensure that there is adequate quality control at all stages of the manufacturing process.</li> <li>e) Firms who have no manufacturing facilities should not quote for items which are to be manufactured to drawing or samples. For all manufactured items, the name of manufacturer and the address of the workshop where the items will be manufactured must be indicated.</li> </ol>
1.1.1	For purpose of Para 1.1, the tenderer should additionally submit:-
	<ol style="list-style-type: none"> <li>a. A performance statement as in Annexure -B1, giving a list of major supplies effected in the recent past, of the items offered by him, giving details of the purchaser's name and address, contract Number and date, quantity supplied and consignee's certificate/receipt note/Inspection note in support of having executed the contract satisfactorily. While doing so the tenderer should upload copy of such documents i.e. Purchase order, Inspection Certificate and Receipt Note etc.</li> <li>b. A statement indicating details of equipment possessed and skilled manpower employed and quality control measure adopted etc. as in Annexure-B2.</li> <li>c. Tenderers must furnish details of past performance of the last 3 years along with copies of purchase orders and Receipt Notes and also full details of West Central Railway registration particulars, technical leaflets, literature etc. Omission or suppression of poor past performance would be viewed seriously.</li> </ol>
1.2	The tenderer shall clearly indicate whether he is registered with PCMM, West Central Railway for the quoted item and if so he must quote the registration number along with monetary limit, if any. If the tenderer is registered as Micro & Small Enterprise as per para 5.1 (i) he must enclose a photocopy of valid proof of the same indicating the items for which he is registered with terminal validity date of the registration. In case the tenderer is approved by RDSO/Production Units / CORE for the quoted item, a Photostat copy of the approval must be furnished with the offer. No back reference is likely to be made in this regard and responsibility will lie with the firm, if firm is considered unapproved.
1.3	For items reserved for procurement from restricted sources:
1.3.1	<p>In case item is reserved to be procured from RDSO/ CORE/ICF/RCF/CLW/DLW/DMW etc. approved firms, then: -</p> <ol style="list-style-type: none"> <li>(i) (a) As per the policy of procurement, bulk purchase will be made only from the firms approved by RDSO/CORE/ICF/RCF/CLW/DLW/ DMW etc.</li> <li>(b) The status of the firm will be reckoned as on or before the date of tender opening and not thereafter. The tenderers are to upload the copies of approval letter along with the offers. However, in case of removal/suspension/banning etc. after opening of tender, such changes shall be taken into account while considering the offers.</li> <li>(ii) In deserving cases, development order can be considered up to 20% of the net procurable quantity on unregistered/untried firms about whom railway is prima facie satisfied that they are capable of executing the order</li> </ol>

1.3.2	Total 358 items as per list published in gazette of India by notification No.503 dtd.23.03.2012 (the list of these 358 items is given under Annexure-B8.) shall be exclusively reserved for purchase from MSEs as listed In 5.1(i).
1.4	<p><b><u>CARTEL FORMATION:</u></b> In cases where cartel is suspected among approved sources, the purchaser shall be at a liberty to exercise the following:</p> <p>(a) Whenever all or most of the participating tenderers quote equal rates and cartel formation is suspected, the Purchaser reserve the right to place order on one or more tenderers with exclusion of the rest without assigning any reason thereof.</p> <p>(b) Offers for quantity less than 50% of tendered quantity will be considered unresponsive and liable to be rejected. In case cartel formation is suspected, purchaser reserves the right to order on one or more tenderers any quantity.</p> <p>(c) The firms who quote in cartel are warned that their names are likely to be deleted from list of approved sources.</p> <p>(d) Whenever tender is floated with purchase restriction from sources approved by nominated authority 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</p>
1.5	Should a tenderer have a relative employed in Gazetted capacity in the Materials Management Department of the West Central Railway or in the case of a partnership firm or company incorporated under the Indian Company Law should a partner or a relative of the partner be employed in Gazetted capacity in Stores Department of West Central Railway, the authority inviting tenders shall be informed of the fact at the time of submission of tenders, failing which the offer is liable to be rejected, or if such fact subsequently comes to light the contract may be rescinded.
1.6	Tenderers should specify, wherever required, the names of vendors from whom he intends to procure Raw Material / Component used in his offered product.
1.7	Firms who are traders, are required to indicate name & address of manufacturer works and submit the authorization letter from their manufacturer on their letterhead along with the tender in the Proforma as in Annexure-B3. The material supplied by the traders will be inspected at the Manufacturer premises by the inspecting agency before supply.
1.8	Purchaser reserves the right to discharge a tender, accept the tender for a part or whole of the quantity without assigning any reasons whatsoever. No claim in this regard shall be admissible.
1.9.0	<b>Preferential Treatment</b>
1.9.1	<p><b>Preferential treatment to MSEs</b></p> <p><b>(A)</b> Benefits/Preferential treatment to MSE's: In terms of notification no. 503 dated 23.03.2012 published in Gazette of India, the following benefits/preferential treatment shall be given to MSE's:</p> <p>(i) MSE's registered with any one of the agencies as per sub-para (B) below for the item tendered shall be exempted from payment of Earnest Money.</p> <p>(ii) In tenders, participating MSE's quoting a price within price band of L1+15% shall be allowed to supply a portion of the requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE's together can be ordered up to 20% of the total tendered value.</p> <p>(iii) 20% out of this 20% (i.e., overall 4%) of procurement of goods and services shall be from MSEs owned by Scheduled Castes or Scheduled Tribes (SC/ST) entrepreneurs. In the event of failure of such MSEs to participate in the tender process or meet tender requirement and L1 price, 4% sub-target of procurement earmarked from MSEs owned by SC/ST entrepreneurs shall be met from other MSEs.</p> <p><b>(B)</b> MSEs who are interested in availing themselves of these benefits will enclose with their offer the proof of their being MSE registered with any of the agencies mentioned in the notification of Ministry of MSME indicated below:</p> <p>A. District Industries Centers  B. Khadi &amp; Village Industries Commission.  C. Khadi &amp; Village Industries Board.  D. Coir Board</p>

	<p>E. National Small Industries Corporation.  F. Directorate of Handicraft &amp; Handlooms.  G. Any other body specified by Ministry of MSME.</p> <p>Note: All MSEs who are having Udyog Aadhar Memorandum shall be given all available benefits under public Procurement policy for MSEs.  <b>(C)</b> The MSEs shall indicate the terminal validity date of their registration.  <b>(D)</b> Failing (B) &amp; (C) above, such offers shall not be liable for consideration of benefits detailed in MSE notification of Government of India dated 23.03.2012.</p>
1.9.2	Public Procurement (Preference to Make in India) Order 2017 is applicable for all items, Tenderer claiming preferential treatment should specifically ask for the same submitting the required details in their offer(Annexure-D).
1.9.2.1	Notification for preference to Make in India for IT & Electronics (including software's) items as communicated by Ministry of Electronics & IT to be procured shall be as per Annexure-D1. Tenderer claiming preferential treatment should specifically ask for the same submitting the required details in their offer.
1.10	<p>The firms who are not MSEs such as large scale vendors of Railway Units and Consortia of MSEs (as vendors to Railway Units) formed by NSIC should furnish in respect of value of procurement and sub-contracts made with MSEs (Micro Enterprise and Small Enterprises registered with any of the agencies indicated in para 5.1 (i) by such firms under following categories:</p> <p>(a) <u>Category of vendors (MSEs) as below:</u></p> <p>(i) Micro Enterprises  (ii) Small Enterprises</p> <p>(b) Each of the above categories must further be sub-classified under the following categories:</p> <p>(i) Enterprises owned by Scheduled Castes.  (ii) Enterprises owned by Scheduled Tribes.  (iii) Enterprises owned by other than above two categories.</p>
2.0	<b>Guarantee/Warranty:</b> Guarantee/Warranty shall be as per the specification of the item/SOR & if nothing is mentioned in this regard, Guarantee/Warranty shall be as per IRS Conditions of Contract.
3.0	<p>The offers should strictly conform to the tendered description and drawing/Specification as given in schedule of requirements and no samples need be submitted unless so mentioned in tender form.</p> <p>(i) When samples are required, the same must strictly conform to description, drawing / specification as mentioned. Samples submitted will be considered as supplemental and not in supersession to any specification mentioned and such samples will only be considered in relation to those points / parameters which are not defined in the specification. The onus of drawing attention to any particular item in which a tenderer wishes his samples to supersede or vary specification lies on tenderer. In the absence of specific acceptance in writing to any variation, the purchaser shall be entitled to reject any claim for acceptance of supply embodying such variation. When samples are called for they should be marked, sealed and labeled so as to correspond with the item of the tender. They should be sent "Freight Paid" to the same address as per the tender and arrangements should be made to see that they arrive by the opening time and date of the tender, otherwise, offers are liable to be rejected.</p> <p>(ii) Samples submitted by the tenderers which are of the value of Rs. 100/- or less will not be returned to them. For samples valuing above Rs. 100/- the tenderer must state on the tender form if he requires the return of unaccepted samples failing which they will be retained by the purchaser. Unaccepted sample will be returned to firms on application who may arrange collection of the same from PCMM Office. Firms on whom orders are placed should refrain from sending advance samples unless called for and should make supplies strictly as per terms &amp; conditions of Purchase Order placed on them.</p>
3.1	The E-bids shall be kept valid for acceptance for a minimum period of 90 days from the date of opening of the tender. In case the tenderer stipulates validity period of less than 90 days, the offer may be treated as unresponsive and is liable to be ignored. If necessary, the purchaser may obtain clarification on the offers by requesting for such information from any of the tenderers as considered necessary. Tenderer will, however, not be permitted to

	revise rates and any other terms and condition of offer which alter substance of the offers after the tenders have been opened.
<b>4.0</b>	<b>Tender Cost:</b> Cost of tender document is Nil for tender document downloaded by bidders
<b>5.0</b>	<b><u>Earnest Money Deposit :</u></b>
5.1	<p>The Earnest Money Deposit (E.M.D.) shall be taken from all tenderers against advertised tenders subject to following exemptions:</p> <p>(i) MSE's who are registered for the tendered item with any one of the following listed below:</p> <p>A: District Industries Centers  B. Khadi &amp; Village Industries commission.  C. Khadi &amp; Village Industries Board.  D. Coir Board  E. National Small Industries Corporation.  F. Directorate of handicraft &amp; Handlooms.  G. Any other body specified by Ministry of MSME.</p> <p>Note: All MSEs having Udyog Aadhar memorandum are also eligible as above</p> <p>(ii) Vendors registered with West Central Railway up to the monetary limit of their registration for the items tendered/trade groups of the items tendered.</p> <p>(iii) Vendors on approved list of RDSO/PUs etc. for those specific items for which they are on approved list.</p> <p>(iv) Manufacturers and their accredited agents.</p> <p>(v) Other Railways, Govt. Departments.</p> <p>(vi) PSU's for the group of items that are manufactured by them, also for PSU's owned by Ministry of Railways, PSU's that are registered with Production units of Rlys., Zonal Rlys, WCR, RDSO or with NSIC. Further in cases where PSU's is not willing to or unable to pay earnest money, the same may be considered for waiver in consultation with associate finance.</p>
5.2	<p>The amount of EMD to be deposited in all advertised tenders, except import tenders, wherever applicable, will be as specified in Electronic Tender SOR cum offer form subject to the upper limit of.</p> <p>(i) Rs. 5 Lakhs for tenders valuing up to Rs.10 crores and</p> <p>(ii) Rs. 10 Lakhs for tenders valuing above Rs.10 crores.</p>
5.2.1	<p>For advertised/ Global Tender in case of Import tenders the Earnest Money/Bid Security will be as under.</p> <p>(i) For tenders value up to Rs.10 crores 2% of the estimated tender value subject to a ceiling of Rs.10 Lakhs.</p> <p>(ii) For tenders valued above Rs.10 crores 2% of the estimated tender value subject to a ceiling of Rs.20 Lakhs.</p>
5.3	<p>If a tenderer does not furnish the earnest money, he should clearly indicate the category under which the firm is exempted and should submit the documentary evidence for the same. Failure to do so will be taken as unwillingness on his part to deposit the earnest money and such offers are liable to be ignored.</p>



5.4	The earnest money should be deposited utilizing payment Gateway for Indian Railway e-procurement system only
5.5	No interest shall be payable on the Earnest Money
5.6	The purchaser reserves the right to forfeit the earnest money deposit; (a) If the tenderer withdraw or revise the offer within validity of offer, (b) if the tenderer fails to deposit security money in terms of item 1 of special condition of contract.
5.7	The refund / return of earnest money to the unsuccessful tenderers become due as soon as the tenders are decided & efforts will be made to return the same to unsuccessful bidder within 30 days from the date of decision on tender.
5.8	Neither the standing deposit, if any lodged with this Railway nor will any other deposit against any other tender be accepted as earnest money for the purpose of this tender.
6.0	<p><b>Security Deposit(SD):</b></p> <p>Regarding Security Deposit the tenderers should comply with the following instructions.</p> <p>(i) The Security Deposit (SD) shall be taken from all vendors for contracts above Rs. 1 lakh subject to following exemptions:</p> <ol style="list-style-type: none"> <li>a. Vendors registered with Railways up to the monetary limit of their registration for the items ordered/trade groups for items ordered or vendors on approved list of RDSO/PUs/CORE/Railways etc. for those specific items for which they are on approved list or other Railways, Govt. Departments on their specific request.</li> <li>b. On merits of the case as considered by Tender Committee/Tender Accepting Authority.</li> </ol> <p>(ii) The usual security deposit, should however be taken in case the contracts are placed on unregistered/unapproved firms or for items for which a particular firm is not registered/approved.</p> <p>(iii) Security Deposit should generally be deposited by PSU's except those which are owned by Ministry of Railways, registered with production units of Railways, Zonal Railways, WCR, RDSO for supply of those specific items for which they are registered with them. Waiver of security deposit can be considered in other deserving cases in consultation with associate finance. (In case of PSU's only).</p> <p>(iv) The amount of SD to be taken, wherever considered, shall be 10% of the total value of contract subject to upper ceiling of Rs. 50 lakhs.</p> <p>(v) Security deposit should remain valid for a minimum period of 60 days beyond the date of completion of all contractual obligations of supplier. All efforts will be made to return the Security Deposit to the successful supplier within 60 days of the completion of the contractual obligations.</p> <p>(vi) In case, if there is any conflict between the provisions in regard to security deposit (SD) given anywhere else in the tender documents on one hand, and the provisions given in Special Conditions in SOR (schedule of requirement) in regard to Security Deposit (as mentioned above) on the other, then the provisions given in SOR will hold good.</p>

6.1	Bank Guarantees (BGs), as per proforma in Annexure-B-4, to be submitted by suppliers/contractor should be sent directly to the office of PCMM, West Central Railway, Jabalpur, by the issuing bank under registered post AD. "The bank guarantee should be on the stamp paper of 0.25% of the SD amount subject to a maximum of 25,000/- or as notified by the Govt. of MP time to time" and in the format given with these documents.
6.2	If the contractor, having been called upon by the Purchaser to furnish security fails to make and to maintain a security deposit within the specified period, then relevant provisions as mentioned in the IRS conditions of contract shall apply.
<b>7.0</b>	<b><u>TIME SCHEDULE:</u></b>
7.1	Tenderers should invariably quote firm delivery period as stipulated in important terms and conditions in Electronic Tender SOR. The firms may note that their offers are likely to be ignored or may not be considered for placement of order if their offered Delivery period is in variation from Delivery Period as specified in tender documents. Thus, while quoting the DP, this aspect may be kept in view by the tenderer.
7.2	In the case of "ex-stock" offers, the dispatch of stores is to be effected within 7 days of the receipt of order. However, wherever the stores are subject to inspection by RITES/RDSO etc. before dispatch, extra time of 3 weeks will be allowed to cover time in inspection.
7.3	In case of delivery by rail with FOR station of despatch, the date on which stores are placed on rail after inspection (i.e. RR/PWB date) will be the date of delivery. In case of local delivery/ outstation dispatches sent by lorry, the date on which materials are actually received/ delivered to consignee will be taken as date of delivery. In all cases, clause 0600 of the IRS Conditions of Contract will have the over-riding effect.
7.4	The tenderers should quote the delivery period / delivery schedule carefully, because the time and date for the delivery of stores shall be the essence of the contract and delivery must be completed not later than the date / period so specified. The attention of the tenderers is invited to clauses 0700, 0701 and 0702 of the IRS Conditions of Contract, which shall govern the contract.
7.5	Contracts with staggered Delivery period: In case of failure on the part of supplier to arrange supplies as per the delivery schedule/installments fixed in advance, save force majeure conditions or delays attributable to Purchaser, the Purchaser reserves the right to levy Liquidated Damages which shall be levied as per Para 702 (a) of IRS Condition of Contract for the delayed quantity which have remained unsupplied for that period.
7.6	Delivery quoted must conform to the specified delivery in the Tender Schedule and should not be vague like "as per your requirement" or indefinite like "2 to 12 months ". It should clearly mention starting time monthly quarterly rate of supply and completion time. <b>OFFERS WITH DELIVERIES NOT AS PER THIS CLAUSE ARE LIABLE TO BE IGNORED.</b>
<b>8.0</b>	<b><u>DELIVERY TERMS:</u></b>
8.1	<p>The purchaser will prefer free delivery by road at consignee's end and tenderers may indicate freight / delivery charges in their offers. In case an offer is submitted on the basis of FOR - Station of despatch, without indicating freight / delivery charges, the supplier shall agree to dispatch the stores by road on free delivery to consignee on freight pre - paid basis. Offers with remarks like 'freight extra' or 'at actuals' shall be treated as commercially incomplete offer and shall be summarily rejected.</p> <p>(i) The tenderer should note that generally the supplier are supposed to quote delivery by road (only in exceptional cases, delivery by Rail will be accepted by WCR) and that too on FOR destination basis for each consignee as given in the Electronic Tender SOR duly indicating separate freight elements for each consignee of Electronic Tender SOR. Tenderers are requested to refer to important note below Para 9 of Annexure-A for quoting the freight charges on the financial form.</p> <p>(ii) It shall also be entire responsibility of supplier to arrange truck /trailer etc. at their end for despatches of materials by road and WCR shall not provide any assistance in this matter and no delay on part of the supplier on this account with respect to</p>

	delivery of material shall be considered as a valid reason to extend the contractual DP / waive penalty etc. by the purchaser.
8.2	In case an offer on FOR station of dispatch is accepted with mode of despatch by rail, the supplier shall agree to book the stores by goods train for wagonload consignments and passenger / parcel train for smalls.
8.3	The purchaser will not pay separately for transit insurance and supplier will be responsible till the entire stores contracted for are received by the ultimate consignee in good condition at destination.
9.0	Tenderers are required to quote rate in the same rate unit (i.e. Number, set etc.) as given in the Tender Schedule. Any deviation in this aspect will make the offer liable to be ignored.
10.0	<b>GST</b>
10.1	Tenderers may please note that the supply of goods and/or services would be subject to GST Act and Rules as applicable from time to time.
10.2	Any additional financial implication of implementation of GST, due to non- submission of break-up of all the duties/taxes/charges leviable on the tendered item viz., GST, Octroi, Entry Tax etc. will be borne by tenderers.
10.3	All the bidders/tenderers should ensure that they are GST compliant and their quoted tax structure/rates are as per the GST Law. Tenderers must indicate GST registration number while submitting their offer. The declaration should also be given that “input tax credit has been taken into consideration while submitting their offer and any benefit accrued in future on this account will be passed on to railways” Further successful tenderer/suppliers are required to pass on any input tax credit(ITC) which accrues due to change in statutory tax regime. Suppliers are required to indicate in their bills about any extra input tax credit availed by them which have been accrued under GST and also furnished certificate to the effect of the same. –Annexure B7
10.4	In case the successful tenderer is not liable to be registered under CGST/IGST/UTGST/SGST ACT. The railway will deduct the applicable GST from Firms bills under Reverse Charge Mechanism(RCM) and deposit the same to be concerned tax authority
10.5	Successful tenderer should agree and confirm that they will pay GST collected from the railway within due date and upload the payment details in GSTIN to enable railway (purchaser) to obtain input tax credit.
11.0	<b>Statutory variation clause(SVC):</b> SVC will be applicable until and unless stated otherwise.
12.0	<b>Price Variation Clause:</b> The present EPS designed system does not have a provision to make tabulation statement with different types of Price Variation Clauses automatically. Therefore, a standard Price Variation Clause (as being followed by WCR at present), wherever applicable/permitted shall be incorporated in bid conditions indicating the base price & base date of a specific agency etc. with the formula of increase and decrease in prices etc. In that case, vendors shall be asked categorically to quote exactly as per PVC formula as given in the tender document or otherwise. In case of any deviation with respect to Price Variation Clause formula as specified in bid conditions, their offers liable to be rejected.
13.0	<b><u>Evaluation criteria of offers/criteria for inter-se ranking of offers:</u></b>
	(i) In case of multi item or single item with single or multi consignees, the inter-se position will be decided item wise and consignee wise, unless otherwise some other evaluation criteria is specifically mentioned in the tender.
	(ii) Tenderers are advised to refer to instructions to tenderers for filling up of rates, taxes, duties, freight charges and other levies in the financial offer form.

Evaluation of offers shall be made on the basis of the comparative statement generated by the EPS system.

- (iii) a) 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.
- b) Purchaser shall not be responsible for any misclassification of HSN number or incorrect GST rate if quoted by the bidder.
- c) Wherever the successful bidder invoices the goods at GST rate or HSN number which is different from that incorporated in the purchase order; payment shall be made as per GST rate which is lower of the GST rates incorporated in the purchase order or billed.
- d) Vendor is 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.
- e) 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 and HSN number, under SVC.
- (iv) It shall be the responsibility of the tenderer to ascertain whether any entry tax is payable on commodity quoted as per the Madhya Pradesh/Rajasthan Tax on Entry of Goods. If entry tax is payable on the quoted commodity, the tenderer shall indicate the prevailing rate of entry tax payable on such commodity. In case, the firm does not indicate the rate of entry tax, no entry tax shall be payable by the purchaser and tenderer has to bear the same if it is levied or becomes payable in future. In case of tenderers indicating entry tax extra at actual, without specifying the rate/percentage of entry tax, no entry tax shall be payable by the purchaser and tenderer has to bear the same if it is levied or becomes payable in future.
- (v) The prices quoted shall be firm, unless otherwise permitted to quote with a specified Price variation clause only. The tenderer shall indicate price on free delivery to destination basis, which shall include GST leviable and all charges for packing, cartages, loading, forwarding, octroi charges (where Octroi exemption certificate issued by the consignee is not acceptable to concerned authorities) & Entry Tax etc. In addition, a complete break-up showing ex-factory price, GST, handling & freight charges etc. shall also require to be given by the tenderer.
- (vi) The tenders will be evaluated by the Purchaser on free delivery to destination basis, to ascertain the best and lowest acceptable tender, as specified in the specification and tender documents.
- (vii) Claim for any tax or duty not stipulated in the quotation will not be admitted at any stage on any grounds whatsoever.
- (viii) The price should be quoted only in Indian Rupees. The offers submitted in other currencies shall not be considered.
- (ix) *Offer with discounts:*
  - (a) Tenderer should quote clear offer with unconditional discounts, if any and the system shall evaluate the bid on FOR/destination basis and shall show up to the vendor before submitting e-bid.
  - (b) Conditional discounts attached to early payment and early receipt note shall not be considered and such offers shall be ignored.
  - (c) Conditional discount attached to quantity, if any is to be submitted as alternate offer and tenderer can submit multiple alternate offers in such cases.

	<p>(d) Railways may avail of the discounts linked to quantity if otherwise firm's offer is found to be suitable for placement of contract.</p> <p>(x) Offers with Delivery at other than specified location in tender schedule shall be considered as unresponsive and shall be ignored for the specified location.</p>									
<b>14.0</b>	<b><u>Splitting of tendered quantity:</u></b>									
<b>14.1.0</b>	<b>Case of no prior decision to split the order –</b>									
	<p>14.1.1 Normally full order should be placed on L-1 firm. However, if after due processing, it is discovered that the quantity to be ordered is more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then this aspect should be recorded in TC Minutes / acceptance in direct acceptance cases. The quantity being finally ordered will be distributed among the other bidders in a manner that will be fair, transparent and equitable. The manner of splitting will take specific note of the following parameters</p> <p>(i) Past Performance of bidders  (ii) Capacity of bidders to supply the tendered item per month  (iii) Delivery requirements in the tender  (iv) Quantity under procurement  (v) Vital / Safety nature of the items.</p> <p>14.1.2 In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 14.2.2. below.</p>									
<b>14.2.0</b>	<b>Case of pre-decided split ordering –</b>									
14.2.1	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.									
14.2.2	Following provisions (14.2.2(A) to 14.2.5) shall be applicable in all such cases of pre-decided split ordering –									
	(A) The Purchaser reserves the right to distribute the procurable quantity on one or more of the eligible tenderers. Zone of consideration of such eligible tenderers will be the right of the Purchaser. The zone of consideration will be a dynamic mix of inter-se position of firms, supply performance of the firms, quantity being procured, critically of and lead time of supply of the item, number of established suppliers, their capacity etc.									
	(B) Whenever splitting of tender quantity is pre-decided, such distribution/splitting of the tendered/ procurable quantity will depend (in an inverse manner) upon the differential of rates quoted by the tenderers (other aspects i.e. adequate capacity – cum – capability, satisfactory past performance of the tenderers, outstanding orders load for the Railway making the procurement, quoted delivery schedule vis-à-vis the delivery schedule incorporated in the tender enquiry etc. being same/similar) in the manner detailed in the table below:									
	<table border="1"> <tr> <td>Price differential between L1 and L2</td> <td>Quantity distribution ratio between L1 and L2</td> </tr> <tr> <td>Up to 3%</td> <td>60:40</td> </tr> <tr> <td>More than 3% and up to 5%</td> <td>65:35</td> </tr> <tr> <td>More than 5%</td> <td>At least 65% on the L1 tenderer. For the quantity to be ordered on L2 tenderer, TC/TAA shall decide.</td> </tr> </table>		Price differential between L1 and L2	Quantity distribution ratio between L1 and L2	Up to 3%	60:40	More than 3% and up to 5%	65:35	More than 5%	At least 65% on the L1 tenderer. For the quantity to be ordered on L2 tenderer, TC/TAA shall decide.
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	<p>In the phrase 'differential rates quoted by the tenderer', the quoted rate would mean</p> <p>(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.</p> <p>(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.</p> <p><b>B(I)</b> If splitting of quantity is required to be done by ordering on tenderers higher than the L2 tenderer, then the quantity distribution proportion amongst the tenderers will be decided by transparent/logical/equity based extrapolation of the model as indicated in above Para.</p>
14.2.3	In cases of pre-decided splitting if the purchaser decides not to split the ordered quantity, the reason for the same should be recorded in TC minutes/acceptance in direct acceptance cases.
14.2.4	For cases where the RIys/PUs had entered into ToT/JV agreements, the following clause should be stipulated as tender conditions. As the Rly. has entered into ToT/JV agreement with.....no. of firms, they reserve the right to place orders on all such ToT/JV agreement partners. However, for ratio/proportion of quantity distribution among such agreement partners, conditions as detailed in Para 14.2.2 (B) shall apply with the exception that the aspect of 'per-se reasonability' will not be applicable.
14.2.5	In the cases of inadequate capacity-cum-capability, dissatisfactory past performance, large quantity of outstanding orders (liquidation of which will take very long time) etc., the Purchaser shall have the right to distribute the procurable quantity amongst tenderers with due consideration to these constraints and in such a manner that would ensure timely supply of material in requisite quantity to meet the needs of operation, maintenance, safety etc., of the Railways, regardless of inter-se-ranking of the tenderers and in a fair and transparent manner with due conformity to the Principles of Natural Justice and Equity.
14.3	All tenderers must submit photocopies of POs, Inspection certificate and receipt notes related to supply of the material under procurement against the orders place on them during the preceding three years by any zonal railway/PU. The tenderers should clearly mention their monthly capacity of supply the tendered item and the outstanding load on them against existing contracts from all zonal railway/PU/any other organization as on the date of tender opening. Tenderers are to note that non-submission of such documents shall be taken as their not having enough capacity/past performance and their offers shall be considered based on the details available with this office and no back reference in this regard will be made to them.
<b>15.0</b>	<b><u>Type of contract &amp; Delivery Schedule:</u></b>
	<p>(i) The tenderer should note that at the discretion of railways, contract may be entered into on severable contract basis only &amp; therefore the PO will also be issued on <b>severable contract</b> basis with delivery of specific units of material shall be completed within each month or within specified period duly taking into account our delivery requirement as mentioned in Electronic Tender SOR. It may not be on an entire contract basis; therefore, the tenderer should take note of the same.</p> <p>(ii) The tenderer /supplier should note that failure on part of supplier to complete supplies of each installment within specified period or within specified date as indicated in PO (which will be placed only on severable contract basis with separate delivery period for each installment), shall be treated as a breach of contract on part of supplier &amp; in such situation Purchaser shall have all rights to take all necessary penal actions (for that installment quantity whose delivery period expired but supplies not made by the supplier) against the supplier as per terms and conditions of the contract.</p> <p>(iii) <b>Time preference contract:</b> It should be noted that the contract is placed on higher tenderer, as a result of this invitation of tender, in preference to the lowest acceptable offer, in consideration of offer for earlier delivery. The contractor will be liable to pay to the Government the difference between contract rate and that of</p>

	<p>the lowest acceptable tender on the basis of final price F.O.R. destination including all elements of freight, GST, Local Duties, duties other incidentals in case of failure to complete supplies in terms of such contract within the date of delivery specified in the tender and incorporated in the contract. This is in addition and without prejudices to other right under the terms of contract and particularly clause 0702 of I.R.S. conditions of contract.</p>
<b>16.0</b>	<b><u>ACCEPTANCE OF TENDER:</u></b>
16.1	The purchaser may accept a tender for a part or whole of the quantity offered, reject any tender without assigning any reason and may not accept the lowest or all the tenders.
16.2	Purchase Orders being placed through IREPS are instantly available to the vendors. An order/advance letter of acceptance, placed on the Contractor must be promptly acknowledged by him within 48 hours of receipt of order.
<b>17.0</b>	<b><u>OPTION CLAUSE:</u></b>
17.1	<p>In the tenders for fixed quantity contracts for procurement of materials of which the requirement are of continuing nature and tender value is more than Rs. 75 lakhs, the following conditions will apply:</p> <p>“The Purchaser reserves the right to vary the ordered quantity by (+) 30% at any time, till final delivery date of the contract, by giving reasonable notice, even though the quantity ordered initially has been supplied in full before the last date of Delivery Period &amp; similarly the Purchaser reserves the right to vary the ordered quantity by (-) 30% or the quantity unsupplied whichever is less at any time, before final delivery date of the contract, by giving reasonable notice,”</p> <p>The (-) 30% option clause may be involved in situation, requirement of item in reduced or it is available to railway at lower rate.</p> <p>a. <b>“Reasonable notice”</b> as mentioned above (Para 17.1), is only for the purpose of allowing the contractor suitable time to make necessary arrangements for the supplies and not for seeking any consent from the contractor towards exercise of the contractual Option Clause. To this end, a reasonable delivery schedule for the enhanced ordered quantity stipulated in the relevant amendment to the contract will suffice.</p> <p>b. The purpose of “Reasonable Notice” for exercise of (-) 30% Option Clause consequent to decrease in prices subsequent to the placement of contract should be served by giving a reasonable opportunity to the contractor to unconditionally agree to accept such lower rates for the quantity unsupplied on the date of reduction/decrease of prices or the (-) 30% quantity, whichever is less. Here also, no consent from the contractor towards exercise of the contractual Option Clause is necessary.</p> <p>c. In case Delivery Period is extended in a contract with (+) 30% Option Clause either for the full ordered quantity or a part quantity which remained unsupplied on the date of expiry of the original DP, then during the extended delivery period also, quantity variations can be made on the total ordered quantities.</p>
<b>18.0</b>	<b><u>Penalty for Delays in Supplies during delivery period:</u></b> In case of failure on the part of supplier to arrange supplies as per the delivery schedule installments fixed in advance, save Force Majeure conditions or delays attributable to purchaser, the purchaser reserves the right to levy liquidated damages which shall be levied as per para 702 (a) of IRS conditions of contract for the delayed quantities, which have remained unsupplied for that period.
<b>18.1</b>	<b><u>LD Clause:</u></b> (a) In cases of delays of contractual delivery full LD will be levied as per IRS conditions of contract and being a contractual provision no request for LD waiver will be considered, notwithstanding any past instances of such waiver or levy of token LD.

	(b) Railway should recover from contractor as agreed liquidated damages and not by way of penalty, a sum equivalent to 2% (Two percent) of the price of any stores including element of taxes, duties, freight etc. , which the contractor has failed to deliver within the 20 period fixed for delivery in the contract or as extended for each month or part of a month during which the delivery of such stores may be in arrears where delivery thereof is accepted after expiry of the aforesaid period, subject to maximum of 10 % of value of the delayed supplies.”
<b>19.0</b>	<b><u>Inspection:</u></b>
	<p>The tenderer should note that the supplier shall have to give an online communication (wherever online is not possible then written communication) of each inspection call to the concerned inspecting agency e.g. RITES/ RDSO/WCR well before the expiry of contractual DP duly taking into account the transit time needed to reach the material finally at site as per terms and conditions of purchase order. Thus the inspection call should not be made at the fag end of delivery period in terms of IRS conditions of contract. Also the copy of each inspection call of materials must be sent by the supplier to the ultimate consignee &amp; PCMM/WCR both by E-mail &amp; fax (or through Speed post where E-mail/fax is not available).</p> <p>19.1 All manufactured spares must carry identification mark initials of manufacturers and month / year of manufacture in embossed form at a location as specified in drawing / specification. In case this is not mentioned in drawing or specification, the location should not be subject to wear and should not affect the operation of the spare, INSPECTING AGENCIES AND CONSIGNEES SHOULD REJECT CONSIGNMENTS NOT CONFORMING TO THIS CLAUSE.</p>
<b>20.0</b>	<b><u>Despatch of Goods:</u></b>
20.1	The tenderer should note that the supplier shall have to give a written intimation either at the time of making despatches or immediately after the despatches of material (i.e. preferably within 48 hours of dispatch of materials) duly indicating PO's reference, brief description of item, its quantity, truck/trailer no., name and mobile no. of carrier's driver (if available) to the ultimate consignee, by fax & E-mail (where E-mail /fax is not available communication for such matter must be made by speed post), so that the ultimate consignee can make necessary arrangement for unloading the material at site.
20.2	Packing conditions: Material should be provided with standard packing, which can withstand transit damage, handling and proper storage.
20.3	Transit risk will be on the suppliers account.
20.4	Receiving Depots will entertain supplies orders up to 3 P.M. on the working days only and up to 11 a.m. on Saturdays. In special cases supplies will be accepted up to the closing of the depot, with the permission of depot officer.
20.5	<b>E Way Bill:</b> Wherever E Way Bill is required as per GST provision, a copy of same should be submitted by supplier along with the supply.
20.6	<b>Road permit :</b> The tenderer / supplier should note that for getting road permits for making despatches of material by road (after receipt of purchase order), they must send a written intimation at least 10 days in advance before likely date of despatch of materials, duly indicating no. of road permits required, the approximate quantity with brief description of item etc. and this written intimation must be sent to the ultimate consignee both by fax & E-mail (where E-mail /fax is not available, communication for such matter must be made by speed post). However, the supplier are at their liberty to make telephonic calls in this respect also to the concerned person as indicated above, but sending the intimation both by E-mail and by fax (or by Speed post where E-mail/fax is not available) is must. The supplier shall also note that before asking additional no. of road permits from the concerned ultimate consignee, the supplier shall have to ensure that all earlier issued road permits against a particular purchase order has been used by them for that particular consignee of WCR or else all unused road permits must be returned by them to the concerned officer (who have issued such road permit) but well within its validity period. In case any supplier does not fulfills this condition after entering into the contract, then the ultimate consignee shall be at liberty to take a final decision regarding issue of further road permits to such defaulting supplier (i.e. whether to issue further road permits or not) & then for any delay on this account (i.e. non-issue of road permit by consignee etc.), such



	defaulted supplier only will be held fully responsible. Firm should note that immediately after receipt of PO, they should obtain complete postal address, E-mail, fax no. etc. of all ultimate consignees for communication. Tenderer should note that, failure to comply above instructions by the supplier after receipt of PO (as these condition will also be the part of the contract) will be considered as adverse performance of the firm by WCR.
<b>21.0</b>	<b><u>Progress report:</u></b>
	(i) The tenderer should note that the supplier after getting the purchase order, shall have to furnish details of dispatches made during each month to the ultimate consignee & PCMM/WCR both by E-mail & fax (or through Speed post where E-mail/fax is not available) and such information should be sent positively within last week of each month, so that proper planning of materials may be done by WCR.  (ii) In addition, the supplier shall have to intimate in writing their next two months programme of likely despatches positively within last week of each month with full details i.e. quantity likely to be manufactured and going to put up for inspection etc. duly indicating PO number, brief description of items, approximate quantity etc., to the ultimate consignee, &PCMM/WCR both by E-mail & fax (or through Speed post where Email/fax is not available). Tenderer should note that, failure to comply above instructions by the supplier after receipt of PO (as these condition will also be part of the contract) will be considered as adverse performance of the firm by WCR.
<b>22.0</b>	<b><u>PAYMENT TERMS:</u></b> The standard payment terms subject to recoveries, if any, under the liquidated damages clause in the IRS Conditions of Contract or other recovery, if any, will be as under:
22.1	Payment for the Stores or each consignment thereof will be made to the contractor on submission of bill accompanied by the prescribed documents mentioned in the contract.
22.2	95% payment for the stores or each consignment thereof will be made against Inspection Certificate and proof of dispatch. For dispatch of material by road, it is the challan of the supplier duly certified by the consignee Gazetted Officer towards receipt of material at consignee's end will constitute the proof of dispatch for the purpose of payment. For rail dispatch, clear and unqualified RR/PWB may be considered as the proof of dispatch.
22.3	For balance 5%, payment will be made on receipt and acceptance of stores by the consignee, signified by granting of Receipt Note. In other words, balance 5% payment shall be made against Receipt Note.
22.4	However, in this connection it is to be made clear that for orders valuing up to Rs. 5 lakhs, normally no advance payment will be made and 100% payment against receipt and acceptance of the material by the consignee i.e., against Receipt Note shall be preferred.
22.5	However, in deserving cases only, 98% / 2% payment can also be considered within the framework of extant rules and procedures.
22.6	While quoting in the tender as well as submitting their invoice/bills, the firms should indicate the freight charges separately from the price of goods, failing which the supplier would be liable to pay any element of taxes that may become applicable on freight (transportation) charges.
<b>23.0</b>	<b><u>RISK PURCHASE:</u></b> Please note risk purchase period shall be 9 months instead of 6 months as provided in clause 0702(B) of IRS terms & conditions of contract. In case of default by supplier, Railway reserves the right of either go for Risk Purchase or to cancel the Purchase Order with 10% General Damages. The Risk purchase clause shall not be applicable wherever General Damages @10% is imposed on outstanding value of contract. In such cases General Damages will be recovered from the firm duly adjusting the SD amount, if any. However, in such case adverse performance of such firm may be recorded & intimated to the source approving agency & also taken into account in future tender cases.
23.1	In the event of a contract being cancelled for any breach committed and the purchaser effecting repurchase of the stores at the risk and cost of the contractor, the purchaser is not bound to accept the lowest tender of a benami or allied or sister concern of that contractor."
23.2	In the event of the supplier causing any loss to the Railway Administration through fraud, negligence or any other action (direct or contributory) or fail to pay on demand to the Railway Administration any money which he may be required to pay under or by virtues of

	the Conditions of Contract or by Law, the Railway Administration shall be at liberty to appropriate to the payment of such money either the whole or part thereof as may be necessary to satisfy the Railway's claims of any deposit made by the Supplier against contract and if the deposit amount be insufficient to pay the whole such moneys due to the Railway to cover the balance by deduction from any sum due or which may thereafter become due to the Railway to cover the balance by deduction from any sum due or which may thereafter become due to the Rail way under that contract or any other contract.
24.0	<b>General Damages(GD):</b> In case of non-completion of contract General Damages is leviable @ 10% of outstanding value of contract.
25.0	<b>Force Majeure Clause:</b> In the event of any unforeseen even directly interfering with the supply of stores arising during the currency of the contract, such as war insurrection restraint imposed by the Government, act of legislature or other authority, explosion, accident, strike, riot, lock out, or other disorganization of Labor, acts of Public enemy, acts of God, sabotage, the Contractor shall within a week from the commencement thereof notify the same in writing to the purchaser with reasonable evidence thereof. If the force majeure conditions(s) mentioned above be in force for a period of 90 days or more at any time, the purchaser shall have the option to terminate the contractor expiry of 90 days of commencement of such force majeure by giving 14 days notice to the contractor in writing. In case of such termination, no damages shall be claimed by either party against the other save and except these which had accrued under any other clause of this agreement prior to such termination.
26.0	<b>Special conditions for stores required to BIS specification</b> (i) Contract as a result of such tender enquiry will be entered into only for stores having ISI marking. In case ISI marked stores, are not available, stores strictly conforming to BIS specifications are required. (ii) Tenderers offering stores with ISI marking must indicate BIS specification number along with following: (a) Details of BIS license held by them with its validity period. (b) Must enclose a Xerox copy of BIS license with their quotation. (c) Must enclose a list of stores for which they are authorized to put ISI mark. (iii) Tenderers must confirm clearly in their quotations whether the offered stores will bear ISI mark or not. Offers for ISI marked stores should invariably be supported by photo state copy of valid BIS license showing stores specifications number failing which such offers will be liable to be ignored. Registration status shall be taken with reference to date of tender opening. (iv) In case a product is available with 'ISI' mark and purchase order is placed on ISI certified manufacturer, the material can be accepted on firm's WTC instead of 3 <sup>rd</sup> party inspection.
27.0	<b>Special conditions for Supply of bearing for Railway applications:</b>
27.1	Only manufacturers or their authorized importers/dealers should quote for these items. The authorized importers/dealers should submit valid authorization letter from their manufacturers and standing guarantee for the quality and performance of bearing, otherwise their offer will be ignored.
27.2	Tenderers submitting their offer for imported bearings desirous of claiming price variation due to exchange rate variation on quoted price should indicate clearly. The FOB price and also indicate exchange rate prevailing on date of order.
27.3	Supplies to be made in original packing of manufacturers and each bearing should be packed separately.
27.4	Tenders should decode the prefixes and suffixes of the offered bearings.
27.5	Supplies to be inspected by RITES (visual inspection). Tenderers should submit the following documents and undertakings to the Inspecting Authority and the purchaser.  (a) Visual Inspection by RITES to cover general quality and finish of the bearing and in particular to ensure that the surface finish of faces balls/rollers of bearings are smooth.  (b) That the bearings are new and have not been lying in stock for any unduly long time.

	<p>(c) That all the bearings mentioned in the contract have been offered for inspection as per delivery schedule.</p> <p>d) That all the bearings offered are of standard make and of good workmanship.</p> <p>e) That the supplier has to produce necessary documents to show that he is authorized stockiest/manufacturer and submit necessary import documents covering the quantity under inspection to the inspecting of other authorities.</p> <p>f) Firm should accept Rly's standard warranty clause submit following certifications:</p> <p>g) only manufactures should quote and if they intend to quote through dealer/Agents, authorities by the firm should be on case-to-case basis i.e. Tender specific.</p> <p>h) In case where the inspection may be required to be carried out at dealer/ Agent's premises, the manufacture shall also associate during the inspection.  "Certified that bearings supplied by us against S/Order No.....dtd ..... Are genuinely imported from our principals and are manufactured by M/s. — ..... and that the material has been tested by the Manufacturers as per SKF/FAG/TIMKEN/STEVER/NEI/STANDARDS/SPECIFICATIONS and are marked as SKF/FAG/TIMKEN/STEVER/NEI etc."</p>
<b>28.0</b>	<p><b><u>Import contract:</u></b>  Where quotations submitted involve importation, a complete break-up of the F.O.R. prices indicating C.I.F. value for which import license is required and also Indian charges, viz. Custom-duty, Landing Port and other clearance charges and Agent's commission must be shown.</p>
28.1	Offers for imported materials should be submitted on the basis of F.O.B. C.I.F. Indian Port/F.O.R. destination basis. The purchaser reserves the right to place the order on any such basis.
28.2	In case of F.O.B. offers, the prices to be quoted should be the tenderer's principals/manufacture net F.O.R. prices. The Agency Commission payable to the tenderer in terms of Agreement with his principal manufacturers should be indicated both in foreign currency as well) as in Indian Rupee to be converted by applying T. T. buying rate of Exchange ruling on date of offer. The agency commission finally payable to the tenderer under the contract will however be converted in Indian Rupees at the T.T. buying rate of exchange ruling on the date of placement of the contract and which shall not be subject to any further exchange variation. The quotations or F.O.B. basis should be supported by the manufacturer's Invoice.
28.3	<p>Indian Agents/Associates quoting on behalf of Principals/Manufacturers abroad on F.O.B./C.I.F. basis should:</p> <p>(i) Certify the net prices to be paid to their Principals/Manufacturers in foreign currency and indicate separately the amount of remuneration/ commission/profit which the Indian Agents/Associates are entitled to in terms of their Agreement with the foreign Principals/Manufacturers. Agency commission normally should not exceed 5% of F.O.B.</p> <p>(ii) Produce their Principals/Manufacturers proforma invoice or certificate indicating remuneration commission/discount etc. to be allowed in the particular transaction, to their Indian Agents Associates, and the nature of after sale-services to be rendered by the Indian Agents/Associates.</p>
28.4	Foreign firms quoting direct against the enquiry and who have Indian Agents/ Associates and/or servicing facilities in India should indicate in their offer the name of their Indian Agents/Associates or the representative they have for servicing in India. They should quote net F.O.B. prices exclusive of the amount of remuneration/commission provided for their Indian Agents/Associates. It is understood that the purchaser will indemnify the

	<p>manufacturer/Principals against payment of such 23 Commission and would undertake to pay such commission to the Indian Agents/Associates in Rupees in India in respect of a contract arising out of this invitation to Tender, where the Indian Agents/Associates remuneration/commission covers a part of the price against the tender.</p> <p>(a) 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.</p> <p>(b) 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 of their authorized agencies and/or any other authority of Govt. 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 dealing with Indian Railways, following laid down procedure of such banning/suspension of business dealings.</p>
28.5	<p>Besides the above, the following particulars should be furnished by, the tenderers (the Indian Agents and or the Foreign firms)-</p> <p>(i) The prices relationship between the foreign manufacturer/principals and their Indian Agents/Associates.</p> <p>(ii) The mutual interest which the manufacturer/Principles and the agent associate have in the business of each other.</p> <p>(iii) Any payment with the Agent/Associate is to receive in India or abroad from the manufacturer/Principals whether as a commission for the contract or as general retainer fee.</p> <p>(iv) Indian Agent's Income Tax Permanent Accounts Number;</p> <p>(v) The Foreign Supplier's Income Tax Permanent Account Number, if any;</p> <p>(vi) All services to be rendered by the Agent/Associates, whether of a general nature or in relation to the particular contract.</p>
28.6	Tenders which do not comply with the above stipulation is liable to be ignored.
28.7	<p>Offers in foreign currency, are usually received on FOB or CIF basis. These offers are to be evaluated in the following manner to arrive at total cost of the offers for determining the level of tender committee and tender accepting authority</p> <p>(a) CIF cost is to be calculated by adding freight as per rates of Shipping Corporation of India (SCI) (in case of FOB offers) &amp; insurance charges as per Board's open cover policy. In case of CIF offers, only insurance charges are to be added.</p> <p>(c) Assessable Value is to be calculated by adding Port/landing charges @ one percent</p>

	<p>with the CIF cost as per Customs Rules. Aggregate Customs Duty is to be calculated on the assessable value and the total landed cost is to be worked out by adding the assessable value with the aggregate Customs Duty.</p> <p>(d) Thereafter, other charges as leviable and as required in terms of tender conditions (viz. training, installation &amp; commissioning charges etc. as quoted, if any) are to be added to the total landed cost to arrive at the total cost of the offer.</p>
<b>29.0</b>	<b><u>Fabrication contract</u></b>
29.1	Where quotations are called for fabrication charges only, the necessary raw material will be supplied by the Railway to the successful tenderer after he has paid the necessary amount to cover the cost of raw material which will be supplied to him by the Railway. The amount to be deposited will be intimated to the successful tenderer and he will have to deposit the necessary amount with the Divisional Cashier of the Railway within the time specified and failure to do so within the specified time will be deemed as breach of contract. The amount will be refunded to him after the satisfactory completion of the contract. Fabrication charges quoted by the tenderer must include the cost of transport charges for the raw material from the Stores Depot or any other places where raw materials arranged to the tenderer's Workshop or place of business and for delivery of the fabricated material to the consignee.
29.2	The Contractor shall take delivery of raw material and remove the same, after making a cash deposit to the extent of the full value of such raw material, within the time specified in the contract from such premises as may be specified by the General Manager, West Central Railway or any other Officer or Officers who may be deputed on his behalf, Within the prescribed time stipulated in the contract. In the event of failure on the part of the contractor to remove such raw material within the period stipulated in the contract for removal thereof after making aforesaid cash deposit, the contractor shall be liable to pay to the President storage charges at the rate of 1/2% per day of the value of the said raw material not so removed against the aforesaid cash deposit subject to a minimum of Rs.10/- per day and further the said raw material shall be permitted to be removed by the contractor only after the contractor had paid the storage charges to the President at the rate aforesaid, it is also a condition of the contract that in the event of failure on the part of the contractor due to reason whatsoever to take delivery of and to remove the said raw material within the time specified in the contract for the purpose, such raw material shall be deemed to have been supplied by the President to the contractor on the last day at the period specified in the contract for the removal of the said raw material by the contractor after making the aforesaid cash deposit, notwithstanding that the said raw material was not actually taken delivery of and removed by the contractor on or before due date.
29.3	<p>There should be any loss or damage occurs to the material issued for fabrication, the Railway shall be entitled to recover any such damage or loss: -</p> <p>(a) By appropriating in part or whole the Security deposited by the supplier, if a Security Deposit has been taken against the contract or by selling or canceling any Government Promissory Note etc., forming whole or part of such security.</p> <p style="text-align: center;">OR</p> <p>(b) By deduction from any sum due or any sum which may at any time become due thereafter to the Supplier under that or any other contract.</p>
<b>30.0</b>	<b><u>SPECIAL CONDITIONS FOR MACHINERY &amp; PLANTS ITEMS.</u></b>
30.1	<b><u>Technical Compliance:</u></b>
	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. Tenderers should note that no deviation will be accepted on major technical parameters under heading of major technical specification parameters as given in tender specification if any. Such offers shall be summarily rejected without any back reference.

30.2	<b><u>Authorization Letter:</u></b>
	In case the tenderer is an agent of the manufacturer, they should clearly indicate the same and also enclose current authorization certificate from the manufacturer to this effect on the letter head of manufacturer in the Performa attached as Annexure-B3 and also mention the place where the equipment will be offered for pre-inspection before dispatch.
30.3	<b><u>Validity.</u></b>
	The offer should be kept valid for 150 days from the date of opening of the tender.
30.4	<b><u>After Sales Service:</u></b>
	The tenderers should confirm that they will render quick after sales service during the warranty period of the machine and also advise details of their after sales net - work/ office which render the said service.
30.5	<b><u>Element of Freight for indigenous purchase:</u></b>
	For each consignee as specified in SOR tenders are required to quote on FOR destination price basis only duly indicating the freight element.
30.6	<b><u>Commissioning &amp; Proving Test:</u></b>
	<p>30.6.1 The contractor shall arrange commissioning of the equipment at the consignee 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. This commission &amp; installation charges will also be added in their quoted total unit rate for the purpose of inter-se ranking, where commission &amp; installation is required to be borne by the tenderer.</p> <p>30.6.2 The Contractor or his agents shall commission the machine within stipulated time as shown in the contract. This time period will be counted from the date of intimation from the consignee in respect of readiness of the site for commissioning in cases where the machine is to be installed by the consignee. This will include the time for installation in cases where installation is also to be undertaken by the contractor.</p> <p>30.6.3 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 and the Contractor shall be liable to pay liquidated damages at the rate of 2% of the total contract value for each and every month or part thereof for which commissioning is delayed, provided that the entire amount of liquidated damages to be paid 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.</p> <p>30.6.4 Continuance of commissioning work after expiry of stipulated time will also constitute a default for the purpose of the Clause 30.6.3 above.</p>
30.7.0	<b><u>Warranty:</u></b> Unless otherwise mentioned in the SOR, following conditions shall be applicable:-
	<p>(a) Warranty period for M&amp;P will be 24 (twenty-four) months from the date of commissioning and proving out of M&amp;P. A Maximum period of 2 (two) weeks will be allowed for attending and rectification of faults during the warranty period.</p> <p>(b) Maximum down time during the warranty period will be 2% (two percent) for on line M&amp;P and 10% (Ten percent) for off line M&amp;P calculated on quarterly basis.</p>

	<p>(c) Penalty of 0.5% (Zero point five percent) per week of the contract value will be levied for delay in response time for attending and rectification of faults beyond specified time during the warranty period as detailed above.</p> <p>(d) Maximum penalty to be levied on account of warranty failure will be 5% (Five percent) of the contract value calculated during whole of warrantee period and after that if there is any delay on the part of supplier; purchaser shall be entitled for encashment of WG Bonds. In such cases the bad performance of firm during the warranty period, the same should be recorded and circulated to all Railways. The same should be given due regard in deciding future orders on the firm and when evidence to the contrary is not available; the firm's offer may be even rejected.</p>
30.7.1	<b><u>Warranty Bank Guarantee:</u></b>
	For items like machinery and Plant, Costly equipment, capital spares, the tenderer will have to furnish a Warranty Bank Guarantee of 10% of Material value to cover their warranty obligation. The Format of the Warranty bank guarantee is given in Annexure- B5.
30.8.0	<b><i>Comprehensive Annual Maintenance Contract (AMC)</i></b>
	<p>(a) Tenderers are required to quote for post warranty Annual Maintenance Contract (AMC) for a period of five years after expiry of the warranty period of the M&amp;P along with their offers. The scope of AMC will include preventive and break down maintenance. AMC charges will include all cost of personnel, spares etc. except the cost of consumables required for day-to-day operation &amp; daily maintenance checks.</p> <p>(b) The maximum downtime and maximum response time as also penalties for failure to adhere to the same shall be as specified in SOR. AMC Payment terms will be linked to these performance parameters.</p> <p>(c) The tenderers should quote AMC rates for each of the five years. The AMC prices for each year will be firm. The AMC charges shall be separately payable in Indian Rupees only. The AMC charges would be added to the FOR destination price quoted for M&amp;P for the purpose of comparative evaluation of offer. In order to equitably compare different AMC charges for different years, the concept of NPV (Net Present Value) may be used at a predetermined rate of discounting to bring the AMC charges at the same footing in the assessment of FOR destination price. The rate of discounting and the NPV calculation shall be as pre-disclosed in the SOR.</p> <p>The quoted AMC charges shall include the following:</p> <ol style="list-style-type: none"> <li>i. Cost of preventive maintenance visits during the year (yearly two visits or as indicated in SOR). Detailed itemized breakup of jobs to be done in each visit shall be furnished in the offer.</li> <li>ii. Cost of all spares required for preventive maintenance.</li> <li>iii. Cost of breakdown Maintenance visits during the year.</li> <li>iv. Cost of all spares required for breakdown Maintenance.</li> <li>v. All duties, taxes and levies applicable.</li> </ol> <p>However, the cost of consumables required for day to day operation would not be included in scope of AMC.</p> <p>(d) The post-AMC maintenance of machines will be dealt with by the end users. In order to facilitate the same, tenderers are required to give the current cost of spares required for maintenance of machine after AMC period and the current service charges for each items of work of repair of M&amp;P beyond the AMC period. These charges will not be included in the price of M&amp;P for the purpose of comparative evaluation of offers.</p> <p>(e) 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</p>

from OEM for supply of spare parts for a period of expected life of the machine/Equipment.

- (f) The actual Contract Agreement must show the AMC charges as a separate schedule/annexure to distinguish it from the transaction value of M&P, to avoid undue Custom Duty/Charges.

The AMC prices for each year will be firm/fixed. The AMC charges shall be separately payable in India Rupees only. Railways reserve the right for entering into comprehensive Annual Maintenance Contract (AMC) on the basis of rates quoted by the contractor in their tender against AMC charges.

AMC is mandatory for Medical Equipment. Therefore, offer of tenderers not quoting AMC charges for medical equipment shall be summarily rejected.

For all other M&Ps, the essentiality of AMC whether AMC required or not) is clearly indicated in schedule of requirement. However, in any case, Tenderers shall quote AMC charges for 05 years for all other M&Ps, even for the purpose of future reference/guidance of the consignee.

- (g) Evaluation criterion:

- (i) For all other M&Ps where AMC requirement has been clearly indicated in schedule of requirement(say for Medical Equipment for which AMC requirement is mandatory),the offers will be evaluated as under:-

Total Net Present Value of AMC charges for 5 year (P) calculated on predetermined % rate of discounting (RD) mentioned in schedule of rate, which is 10% at present, shall be loaded on FOR destination rate including cost of installation & commissioning charges quoted by the tenderer for the purpose of comparative evaluation of offers (inter-se ranking).The formula for calculating Net Present value of AMC charges for each year after expiry of warranty period is given as below:

AMC Charges for 1 <sup>st</sup> year after expiry of warranty period of two years	C1
AMC Charges for 2 <sup>nd</sup> year after expiry of warranty period of two years	C2
AMC Charges for 3 <sup>rd</sup> year after expiry of warranty period of two years	C3
AMC Charges for 4 <sup>th</sup> year after expiry of warranty period of two years	C4
AMC Charges for 5 <sup>th</sup> year after expiry of warranty period of two years	C5

Net Present value of AMC charges of 1 <sup>st</sup> year	$P1=0.751 \cdot C1$
Net Present value of AMC charges of 2 <sup>nd</sup> year	$P2=0.682 \cdot C2$
Net Present value of AMC charges of 3 <sup>rd</sup> year	$P3=0.621 \cdot C3$
Net Present value of AMC charges of 4 <sup>th</sup> year	$P4=0.564 \cdot C4$
Net Present value of AMC charges of 5 <sup>th</sup> year	$P5=0.513 \cdot C5$
Total net present value of AMC charges for 5 years	$P=P1+P2+P3+P4+P5$

Total Net Present Value of AMC charges for 05 years (P) shall be loaded on FOR destination rate including cost of installation & commissioning charges quoted by the tenderer for the purpose of comparative evaluation of offer (inter-se-ranking of the offers).

- (h) Tenderers must indicate AMC charges for 05 years even for M&Ps where AMC neither required nor indicated in schedule of requirement as the same may be used for future reference by the consignee. In such cases, AMC Charges shall not be loaded and only FOR destination rate including cost of installation & commissioning charges quoted by the tenderer shall be the criterion for comparative evaluation of



	<p>offers.</p> <p>(i) The AMC shall guarantee 98% availability (minimum uptime) in case of Medical Equipment or as indicated in SOR for other M&amp;Ps, which shall be calculated on a quarterly basis on the total number of working days available in the quarter. Availability shall be defined as full functionality of the machine to fulfill all requirements specified in the specification.</p> <p>(j) The Maintenance shall normally be done during working hours i.e. from 10:00 AM to 6:00 PM. However, in case of emergency, maintenance may have to be done beyond working hours and even on holidays. Prior arrangements through proper communication should be worked out in all cases by the Contractor.</p> <p>(k) The Equipment shall be considered under breakdown, if any of the requirements specified in the specification is not fulfilled. In case of Medical Equipments, all breakdowns must be attended within 48 hours of intimation by the consignee in writing (Maximum Response time). No breakdown shall stretch beyond three days consecutively (Maximum down time). The contractor, in case of Medical equipment, may provide standby Equipment in case Equipment could not be put in order within three days. The maximum response time and maximum down time for other M&amp;Ps shall be indicated in schedule of requirement.</p> <p>(l) Payment for AMC shall be made on a quarterly basis against a performance guarantee bond equal to full value of the annual contract value, valid for 15 months from date of AMC, to be furnished by the contractor at the beginning of AMC. Payment shall be made at the end of the quarter. Penalties imposed during a quarter shall be deducted from the quarterly payment due to the contractor.</p> <p>(m) A penalty of 0.25% (if not specifically indicated in SOR) of the AMC value shall be levied for each percentage point shortfall in availability. However, total penalty in a year shall not exceed 10% (if not specifically indicated in SOR) of the AMC value. In case, the total penalty exceeds the same, Railways shall have the right to cancel the AMC and forfeit the performance guarantee bond towards AMC.</p> <p>(n) After each preventive maintenance and breakdown visit, the performance of the machine/Equipment shall be monitored for two days after which a joint note shall be signed between the Contractor or his authorized officials and the consignee. The joint note shall clearly bring out the performance of the machine/Equipment to fulfill the requirements in the specifications.</p> <p>(o) The contractor shall execute the contract in conformance to all applicable laws of the land. The consignee shall not be liable in any way for any penalties, claims and charges arising out of the execution of contract by the contractor. For all such expenses and liabilities, the Contractor shall be solely responsible. This shall also include any compensation claims arising out of any accident during execution of the contract.</p> <p>(p) The contractor shall also be solely responsible for any damages suffered by the consignee's property during execution of the contract. However, the liability shall be limited to making good the damages inflicted.</p>
30.9	<b><u>Training:</u></b>
	The contractor during commissioning of the equipment will also train Railway staff in operation and maintenance of equipment supplied, free of cost.
30.10	<b><u>Maintenance Manual &amp; Spare Parts:</u></b>
	Contractor is required to supply 2 copies of operation and maintenance manual and lists of Spare parts along with the equipment.
30.11	<b><u>Payment terms:</u></b>
30.11.1	Payment to foreign supplier: Payment against foreign supplies shall be made through

	<p>Letter of Credit. All charges, including the confirmation charges of L.C., levied by foreign Banks, shall be borne by the supplier. The standard payment terms subject to recoveries if any, under the liquidated damages clause and general condition of contract will be as under: -</p> <ul style="list-style-type: none"> <li>(a) 80% of the payment against irrevocable L.C. on proof of inspection certificate and shipping documents within 30 days of receipt of shipping documents as specified.</li> <li>(b) Balance 20% payment within 90 days after installation/ commissioning and proving out test of M&amp;P &amp; acceptance of the equipment by consignee, subject to submission of bank guarantee for an amount of 10% of contract value for warranty obligations valid for 6 months beyond warranty period.</li> </ul>
30.11.2	<p><b>Payment against indigenous supply:</b> The standard payment terms subject to recoveries if any, under the liquidated damages clause and general condition of contract will be as under: -</p> <ul style="list-style-type: none"> <li>(a) 80% of the payment on proof of inspection certificate and Rail/Road Challan duly signed by the gazetted officer of the consignee as proof of receipt of equipment's in good and sound condition to be made within 30 days of receipt of documents as specified.</li> <li>(b) Balance 20% payment within 90 days after satisfactory installation/ commissioning and proving test of M&amp;P &amp; acceptance of the equipment by consignee, subject to submission of bank guarantee for an amount of 10% of contract value for warranty obligations valid for 6 months beyond warranty period.</li> </ul>

E-TENDER DOCUMENTS OF WCR-e-RA

IREPS tender conditions for tenders with reverse auction- Under revision.

**Public Procurement (Preference to Make in India)**

1. Requirement of Purchase Preference: Purchase preference shall be given to local suppliers in all procurements undertaken 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 2a 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. Thereafter, 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 the 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 1a 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 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 Price subject to 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 awarded to the L1 bidder.
2. Exemption of small purchase: Notwithstanding anything contained in paragraph 1, procurements where the estimated value to be procured is less than Rs.5 lakhs shall be exempt from the Order.
3. Minimum local content: The minimum local content shall ordinarily be 50%. until & unless stated otherwise.
4. Margin of Purchase Preference: The margin of purchase preference shall be 20%.
5. 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 cases 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 up to two years as per Rule 151(iii) of the General Financial Rules along with such other actions as may be permissible under law
  - d. A supplier who has been debarred by any procuring entity for violation of the Order shall not be eligible for preference under the Order for Procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities,
6. Complaints: The complaint relating to implementation of the Order shall be filed the office of the PCMM, West Central Railway, Jabalpur. The fee for filing complaint is Rs.10,000/- per case. The fee shall be deposited in favour of PFA/West Central Railway, Jabalpur.

**F.No.33(1)/2017-IPHW  
Government of India  
Ministry of Electronics and Information Technology**

Electronics Niketan, New Delhi  
Dated: 14<sup>th</sup> September, 2017

**NOTIFICATION**

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

**Reference: Department of Industrial Policy & Promotion (DIPP) Notification No.P-45021/2/2017-B.E.-II dated 15.06.2017**

The Government has issued Public Procurement (Preference to Make in India) Order 2017 vide the Department of Industrial Policy and Promotion (DIPP) Notification No.P-45021/2/2017-B.E.-II dated 15.06.2017 to encourage 'Make in India' and to promote manufacturing and production of goods and services in India with a view to enhancing income and employment.

2. In furtherance of the Public Procurement (Preference to Make in India) Order 2017 notified vide reference cited above, and in supersession of the policy for providing preference to domestically manufactured electronic products in Government procurement notified vide Notification No.33(3)/2013-IPHW dated 23.12.2013 and the Electronic Product Notifications issued thereunder, the Ministry of Electronics and Information Technology (MeitY) hereby notifies that preference shall be provided by all procuring entities to domestically manufactured Electronic Products as per the aforesaid Order.

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

**3.1 Desktop Personal Computers (PCs)**

**(A) Definition:**

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

(B)

<b>Percentage of procurement for which preference to domestically manufactured Desktop PCs is to be provided (in value terms)</b>	<b>Percentage local content or domestic value addition in terms of Bill of Material (BOM) required for the Desktop PCs to qualify as domestically manufactured</b>
<b>50%</b>	<b>45%</b>

(C) **Criteria for BOM to be classified as domestic:**

The domestic BOM of Desktop PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

<b>Main inputs in BOM/stages for manufacture of Desktop PC</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
Processor	Domestic ATMP /fabrication or both
Memory	Domestic assembly of imported memory chips on imported / indigenously manufactured bare PCB/ Domestic ATMP/ fabrication/ or combination
Hard Disk Drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
LCD Monitor	Domestic assembly from imported LCD Panel wherein plastic moulding and stamping of metal parts is done domestically and testing / domestic fabrication of LCD Panel or both
DVD Drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
Cabinet + SMPS	Domestically manufactured Cabinet and domestic assembly and testing of SMPS from imported / indigenously manufactured parts and components subject to the condition that value of domestically manufactured parts and components used in

<b>Main inputs in BOM/stages for manufacture of Desktop PC</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
	the assembly of “SMPS” will be minimum 20% (of the total value of parts and components used in the manufacture of “SMPS”)
Keyboard/Mouse	Domestic assembly and testing from imported / indigenously manufactured parts and components
Motherboard	Domestic assembly and testing from imported / indigenously manufactured parts and components except value of bare PCB
Bare PCB	Domestically manufactured from imported/ indigenously manufactured inputs
(i) Final Assembly/Testing and (ii) Design/ Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

### **3.2 Laptop Personal Computers (PCs)**

**(A) Definition:**

For the purpose of this Notification, a Laptop PC (commonly known in the market as Laptop/ Notebook/ Netbook/ Ultrabook, etc.) shall necessarily consist of a CPU, Memory, Hard disk drive, Keyboard, Touchpad and / or Trackpoint, an integrated display unit, integrated battery and should be able to operate independently.

**(B)**

<b>Percentage of procurement for which preference to domestically manufactured Laptop PCs is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for the Laptop PCs to qualify as domestically manufactured</b>
<b>50%</b>	<b>40%</b>



**(C) Criteria for BOM to be classified as domestic:**

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

<b>Main inputs in BOM/stages for manufacture of Laptop PC</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
Hard Disk Drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
Display Panel (LCD, LED, etc.) + Back cover + Bezel	Domestic assembly and testing from imported/ indigenously manufactured Display Panel, Back cover and Bezel or combination subject to the condition that  (i) back cover shall be domestically manufactured <u>and</u>  (ii) backlight assembly and testing of Display Panel shall be done domestically.
DVD Drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
Cabinet + Motherboard + Power Module	Domestic assembly and testing from imported / indigenously manufactured Cabinet, Motherboard, Power Module or combination except value of bare PCB and Semiconductor BOM (i.e. the Semiconductor Chips and Modules on Motherboard) subject to the conditions that:  (i) value of domestically manufactured parts and components used in the assembly of “Motherboard + Power Module” will be minimum 20% (of the total value of parts and components used in the manufacture of “Motherboard + Power Module”) <u>and</u>  (ii) Cabinet shall be domestically manufactured
Semiconductors (i.e. the Semiconductor Chips and Modules)	The value of only those Semiconductor Chips and Modules (including Processor

Main inputs in BOM/stages for manufacture of Laptop PC	Value addition required for the input to be classified as domestic BOM
<p>on Motherboard)</p> <p>Bare PCB</p>	<p>and Memory) of the Motherboard <u>less</u> the value of their indigenous design (for which IP is resident in India), on which ATMP operations are carried out domestically, will be taken as domestic BOM*</p> <p>Domestically manufactured from imported/indigenously manufactured inputs</p>
<p>Power Adapter</p>	<p>Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that the value of domestically manufactured parts and components used in the assembly of “Power Adapter” will be minimum 40% (of the total value of parts and components used in the manufacture of “Power Adapter”)</p>
<p>Keyboard/Touchpad and/or Trackpoint</p> <p>Battery</p>	<p>Domestic assembly and testing from imported/ indigenously manufactured parts and components</p> <p>Domestic assembly and testing from imported/ indigenously manufactured parts and components</p>
<p>(i) Final Assembly/Testing and</p> <p>(ii) Design/ Development</p>	<p>(i) Domestically assembled/ tested and</p> <p>(ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM</p>

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

### **3.3 Tablet Personal Computers (PCs)**

#### **(A) Definition:**

For the purpose of this Notification, a Tablet PC shall necessarily consist of an Integrated Motherboard with on board CPU/Processor, Memory and Power Module; Display Panel (Touch Panel + LCD/LED Module) and integrated battery and should be able to operate independently.

**(B)**

<b>Percentage of procurement for which preference to domestically manufactured Tablet PCs is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for the Tablet PCs to qualify as domestically manufactured</b>
<b>50%</b>	<b>45%</b>

**(C) Criteria for BOM to be classified as domestic:**

The domestic BOM of Tablet PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

<b>Main inputs in BOM/stages for manufacture of Tablet PC</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
Display Panel (Touch Panel + LCD/LED Module)	Domestic assembly and testing from imported / indigenously manufactured Touch Panel, LCD/LED Module or combination subject to the condition that backlight assembly and testing of Display Panel shall be done domestically
Integrated Motherboard with on board CPU/Processor, Memory and Power Module	Domestic assembly and testing from imported / indigenously manufactured parts and components except value of bare PCB and Semiconductor BOM (i.e. the Semiconductor Chips and Modules on Integrated Motherboard) subject to the condition that the value of domestically manufactured parts and components used in the assembly of “Integrated Motherboard” will be minimum 20% (of the total value of parts and components used in the manufacture of “Integrated Motherboard”)
Semiconductors (i.e. the Semiconductor Chips and Modules on Integrated Motherboard)	The value of only those Semiconductor Chips and Modules (including Processor and Memory) of the Integrated Motherboard <u>less</u> the value of their indigenous design (for which IP is resident in India), on which ATMP operations are carried out

	domestically, will be taken as domestic BOM*
Bare PCB	Domestically manufactured from imported/ indigenously manufactured inputs
Power Adapter	Domestic assembly and testing from imported/ indigenously manufactured parts and components subject to the condition that the value of domestically manufactured parts and components used in the assembly of “Power Adapter” will be minimum 40% (of the total value of parts and components used in the manufacture of “Power Adapter”)
Casing	Domestically manufactured Casing
Battery	Domestic assembly and testing from imported/ indigenously manufactured parts and components
Accessories (Camera, Speaker, WiFi Antenna, etc.)	Domestic assembly and testing from imported/ indigenously manufactured parts and components
(i) Final Assembly/Testing and (ii) Design/ Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

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

### 3.4 Dot Matrix Printers

#### (A) **Definition:**

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

**(B)**

<b>Percentage of procurement for which preference to domestically manufactured Dot Matrix Printers is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for the Dot Matrix Printers to qualify as domestically manufactured</b>
<b>50%</b>	<b>55%</b>

**II(C) Criteria for BOM to be classified as domestic:**

The domestic BOM of Dot Matrix Printer would be the sum of the cost of main inputs specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

<b>Main inputs in BOM/ stages for manufacture of Dot Matrix Printer</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
Main PCB	Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that value of domestically manufactured parts and components used in the assembly of “Main PCB” will be minimum 15% (of the total value of parts and components used in the manufacture of “Main PCB”) except value of bare PCB
Bare PCB	Domestically manufactured from imported/ indigenously manufactured inputs
SMPS	Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that value of domestically manufactured parts and components used in the assembly of “SMPS” will be minimum 20% (of the total value of parts and components used in the manufacture of “SMPS”)
Carriage Motors & Paper Feed Motors	Imported as sub assembly and tested domestically alongwith main Printer Mechanism

<b>Main inputs in BOM/ stages for manufacture of Dot Matrix Printer</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
Front Control Panel	Domestic assembly and testing from imported / indigenously manufactured parts and components
Home Position/Paper End Sensors	Domestic assembly and testing from imported / indigenously manufactured parts and components
Main Printer Cabinet and other small plastic components	Domestic moulding of Printer Cabinet and other parts
Printer Mechanism Assembly	Domestic assembly using indigenously manufactured Rubber Platens, small rubber parts, sheet metal components, plastic gears and other plastic parts with turned steel shafts and above mentioned sensors and Motors
Print Heads and Interconnecting Cables	Domestic assembly and testing from imported / indigenously manufactured parts and components
(i) Final Assembly/Testing and  (ii) Design/ Development	(i) Domestically assembled/tested and  (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

### 3.5 Smart Cards

#### (A) **Definition:**

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

**I(B) Contact Smart Cards**

<b>Percentage of procurement for which preference to domestically manufactured Contact Smart Cards is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for Contact Smart Cards to qualify as domestically manufactured</b>
<b>50%</b>	<b>65%</b>

**I(C) Criteria for BOM to be classified as domestic for Contact Smart Cards**

The domestic BOM of Contact Smart Card would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

<b>Main inputs in BOM/stages for manufacture of Contact Smart Card</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
Plastic Card Body	Domestic manufacturing including sheet cutting & punching, printing, lamination and testing using imported/ indigenously manufactured raw material, parts and components
IC Chip Module	Domestic assembly, packaging and testing of IC Chip Module using imported / indigenously manufactured raw material, parts and components *
Milling and Embedding of IC Chip Module on Plastic Card	Milling and Embedding of IC Chip Module on Plastic Card done domestically
(iii) Final Assembly and Testing  (iv) Design/ Development	(i) Domestically assembled/tested and  (ii) Intellectual Property (IP) resident in India for any of the above items, including fusion of domestically developed Operating System. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

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

## II(B) Contactless Smart Cards (includes dual interface cards)

<b>Percentage of procurement for which preference to domestically manufactured Contactless Smart Cards is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for Contactless Smart Cards to qualify as domestically manufactured</b>
<b>50%</b>	<b>70%</b>

## II(C) Criteria for BOM to be classified as domestic for Contactless Smart Cards

The domestic BOM of Contactless Smart Card would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

<b>Main inputs in BOM/stages for manufacture of Contactless Smart Card</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b> Plastic Card Body	<b>2</b> Domestic manufacturing including sheet cutting & punching, printing, lamination and testing using imported/ indigenously manufactured raw material, parts and components
Card inlay (Antenna)	Domestic assembly and testing from imported / indigenously manufactured raw material, parts and components
IC Chip Module	Domestic assembly, packaging and testing of IC Chip Module using imported / indigenously manufactured raw material, parts and components *
Milling and Embedding of IC Chip Module on Plastic Card	Milling and Embedding of IC Chip Module on Plastic Card done domestically
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items, including fusion of domestically developed Operating System. The value of IP resident in India for any of the above items shall be reduced



<b>Main inputs in BOM/stages for manufacture of Contactless Smart Card</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
	from its value in domestic BOM

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

### **3.6 LED Products**

#### **(A) Definition:**

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

#### **(B)**

<b>Percentage of procurement for which preference to domestically manufactured LED Products is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for the LED Products to qualify as domestically manufactured</b>
<b>50%</b>	<b>65%</b>

#### **(C) Criteria for BOM to be classified as domestic:**

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

<b>Main inputs in BOM/stages for manufacture of LED Products</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
LED Emitter	Packaging from imported/domestically fabricated Bare LED Die subject to the condition that the Bare LED Die shall be domestically fabricated using imported/indigenously manufactured inputs
Driving Electronics	Domestic assembly from imported/indigenously manufactured parts and components subject to the condition that the

	value of domestically manufactured parts and components (excluding the value of bare PCB) used in the assembly of “Driving Electronics” will be minimum 30% of the total value of parts and components used in the manufacture of “Driving Electronics”
Bare PCB including MCPCB	Domestically manufactured using imported/indigenously manufactured inputs
Heat Sink or Thermal Management Solutions	Domestically manufactured using imported/indigenously manufactured inputs
Secondary Optics	Domestically manufactured using imported/indigenously manufactured inputs
System Fixture and Fitting	Domestically manufactured
Final Assembly / Testing	Domestically assembled / tested meeting Indian Standards as notified from time to time.

### 3.7 **Biometric Access Control/Authentication Devices**

**(A) Definition:**

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

**(B)**

<b>Percentage of procurement for which preference to domestically manufactured Biometric Access Control/ Authentication Devices is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for Biometric Access Control/ Authentication Devices to qualify as domestically manufactured</b>
<b>50%</b>	<b>45%</b>

**(C) Criteria for BOM to be classified as domestic:**

The domestic BOM of Biometric Access Control/ Authentication Device would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

<b>Main inputs in BOM/stages for manufacture of Biometric Access Control/ Authentication Device</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
Finger Print Sensor/ Iris Sensor	Domestically manufactured as notified (refer Paras 3.8 and 3.9)
Main PCB (Controller Module)	Domestic assembly and testing from imported / indigenously manufactured parts and components except value of bare PCB
Bare PCB	Domestically manufactured from imported / indigenously manufactured inputs
Power Supply/ Battery(if separate)	Domestic assembly and testing from imported/ indigenously manufactured parts and components
Display Unit	Domestic assembly and testing from imported/ indigenously manufactured parts and components
Optional features such as Camera, Keyboard, RFID, Smart Card Reader, GPRS Module, Wi-Fi, Blue Tooth etc.	Domestic assembly and testing from imported/ indigenously manufactured parts and components
Plastic Housing	Domestically manufactured from imported/ indigenously manufactured inputs
USB Cables	Domestically manufactured from imported/ indigenously manufactured inputs
(i) Final Assembly and Testing	(i) Domestically assembled / tested and
(ii) Design/ Development	(ii) Intellectual Property (IP) resident in India for any of the above items. The

<b>Main inputs in BOM/stages for manufacture of Biometric Access Control/ Authentication Device</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
	value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

### 3.8 Biometric Finger Print Sensors

**(A) Definition:**

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

**(B)**

<b>Percentage of procurement for which preference to domestically manufactured Biometric Finger Print Sensors is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for Biometric Finger Print Sensors to qualify as domestically manufactured</b>
<b>50%</b>	<b>45%</b>

**(C) Criteria for BOM to be classified as domestic:**

The domestic BOM of Biometric Finger Print Sensor would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

<b>Main inputs in BOM/stages for manufacture of Biometric Finger Print Sensor</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
Main PCB (Controller Module)	Domestic assembly and testing using imported / indigenously manufactured parts and components except value of bare PCB
Optics	Domestically manufactured from imported / indigenously manufactured inputs

<b>Main inputs in BOM/stages for manufacture of Biometric Finger Print Sensor</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
CMOS Sensor	Domestic assembly, packaging and testing of CMOS Sensor using imported/indigenously manufactured inputs*
Bare PCB	Domestically manufactured from imported / indigenously manufactured inputs
Plastic Housing	Domestically manufactured from imported / indigenously manufactured inputs
USB Cables	Domestically manufactured from imported / indigenously manufactured inputs
(i) Final Assembly and Testing  (ii) Design / Development	(i) Domestically assembled / tested and  (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

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

### **3.9 Biometric Iris Sensors**

#### **(A) Definition:**

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

**(B)**

<b>Percentage of procurement for which preference to domestically manufactured Biometric Iris Sensors is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for Biometric Iris Sensors to qualify as domestically manufactured</b>
<b>50%</b>	<b>45%</b>

**(C) Criteria for BOM to be classified as domestic:**

The domestic BOM of Biometric Iris Sensor would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

<b>Main inputs in BOM/stages for manufacture of Biometric Iris Sensor</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
Main PCB (Controller Module)	Domestic assembly and testing using imported / indigenously manufactured parts and components except value of bare PCB
Optics	Domestically manufactured from imported/ indigenously manufactured inputs
CMOS Sensor	Domestic assembly, packaging and testing of CMOS Sensor using imported/ indigenously manufactured inputs*
Bare PCB	Domestically manufactured from imported/ indigenously manufactured inputs
Plastic Housing	Domestically manufactured from imported/ indigenously manufactured inputs
USB Cables	Domestically manufactured from imported/ indigenously manufactured inputs
(i) Final Assembly and Testing  (ii) Design/ Development	(i) Domestically assembled/ tested and

<b>Main inputs in BOM/stages for manufacture of Biometric Iris Sensor</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
	(ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

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

### **3.10 Servers**

**(A) Definition:**

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

**(B)**

<b>Percentage of procurement for which preference to domestically manufactured Servers is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) required for the Servers to qualify as domestically manufactured</b>
<b>50%</b>	<b>40%</b>

**(C) Criteria for BOM to be classified as domestic:**

The domestic BOM of Server would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

<b>Main inputs in BOM/stages for manufacture of Server</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
<b>1</b>	<b>2</b>
Server Board/ Mother Board/ CPU	Domestic assembly and testing from imported/ indigenously manufactured parts and components including value of Processor(s)* and excluding bare PCB

Main inputs in BOM/stages for manufacture of Server	Value addition required for the input to be classified as domestic BOM
Memory	Domestic assembly of imported memory chips on imported/ indigenously manufactured bare PCB/ Domestic ATMP/ fabrication/ or combination
Hard Disk Drive/ Solid State Storage Drive	Domestic assembly and testing from imported/ indigenously manufactured parts and components
Semiconductors (i.e. the Semiconductor Chips and Modules including Processor and Memory on Server Board/ Mother Board)	The value of only those Semiconductor Chips and Modules (including Processor and Memory) on the Server Board/ Mother Board <u>less</u> the value of their indigenous design (for which IP is resident in India), on which ATMP operations are carried out domestically, will be taken as domestic BOM**
Cabinet + SMPS	Domestically manufactured Cabinet and domestic assembly and testing of SMPS from imported / indigenously manufactured parts and components subject to the condition that value of domestically manufactured parts and components used in the assembly of “SMPS” will be minimum 25% (of the total value of parts and components used in the manufacture of “SMPS”)
Bare PCB	Domestically manufactured from imported/ indigenously manufactured inputs
Accessories (Power Cables, Connectors, etc.)	Domestic assembly and testing from imported / indigenously manufactured parts and components
<ul style="list-style-type: none"> <li>(i) Final Assembly and Testing</li> <li>(ii) Design and Development</li> </ul>	<ul style="list-style-type: none"> <li>(i) Domestically assembled/tested and</li> <li>(ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in the domestic BOM</li> </ul>



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

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

4. The Notification comes into effect immediately and would be reviewed after 31.03.2019.

5. This Notification shall remain valid till the revised Notification is issued.

6. The Electronic products Notification shall also be applicable to the Domestically Manufactured Electronic Products (DMEPs) covered in turnkey/ system integration projects. In such cases the preference to DMEPs would be applicable only for the value of notified DMEPs forming part of the turnkey/ system-integration projects and not on the value of whole project.

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

#### **8. Procedure for calculating local content/ domestic value addition**

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

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

b. Ex-Factory Price of product minus profit after tax minus sum of imported Bill of Material used (directly or indirectly) as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit/ set-off can be taken) minus warranty costs.

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

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

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

- b. Ex-Factory Price of product minus profit after tax, minus warranty costs.
- c. Market price minus post-production freight, insurance and other handling costs minus profit after tax, minus warranty costs minus sales and marketing expenses.

8.3 The percentage of domestic value-addition may be calculated based on information furnished as per the following formula:

$$\text{Percentage of domestic value-addition} = \frac{\text{Total} - \text{BOM}}{\text{Total}} \times 100$$

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

## **9. Verification of local content/ Domestic Value Addition**

- a. The local supplier at the time of tender, bidding or solicitation shall provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
- b. In cases of procurement for a value in excess of Rs. 10 crores, the local supplier shall provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practising cost accountant or practising chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- c. In case a complaint is received by the procuring agency or the concerned Ministry/ Department against the claim of a bidder regarding local content/ domestic value addition in an electronic product, the same shall be referred to STQC.
- d. Any complaint referred to STQC shall be disposed of within 4 weeks. The bidder shall be required to furnish the necessary documentation in support of the domestic value addition claimed in an electronic product to STQC. If no information is furnished by the bidder, such laboratories may take further necessary action, to establish the bonafides of the claim.
- e. A complaint fee of Rs.2 Lakh or 1% of the value of the domestically manufactured electronic products being procured (subject to a maximum of Rs. 5 Lakh), whichever was higher, to be paid by Demand Draft to be deposited with STQC. In case, the complaint is found to be incorrect, the complaint fee shall be forfeited. In case, the complaint is upheld and found to be substantially correct, deposited fee of the complainant would be refunded without any interest.
- f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

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

11. In case of a question whether an item being procured is an electronic product to be covered under the Public Procurement (Preference to Make in India) Order 2017, the matter would be referred to the Ministry of Electronics and Information Technology for clarification.

**Sd/-**  
**(Sanjay Kumar Rakesh)**  
**Joint Secretary to Government of India**  
**Tel.: 24363071**

**New Delhi, Dated: 14.09.2017**

**Copy to:**

- 1. All Ministries/Departments of Government of India**
- 2. Cabinet Secretariat**
- 3. PMO**
- 4. NITI Aayog**
- 5. Joint Secretary (DIPP), Member-Convener of Standing Committee of Public Procurement Order 2017**
- 6. Comptroller and Auditor General of India**
- 7. AS&FA, Ministry of Electronics and Information Technology**
- 8. Internal Distribution**

**Sd/-**  
**(Sanjay Kumar Rakesh)**  
**Joint Secretary to Government of India**  
**Tel.: 24363071**

**(Please see clause 1.1.1 (a))**

## PROFORMA FOR PERFORMANCE STATEMENT

(For a period of last 3 years)

Tender No..... Date of opening.....

Name of tenderer.....

Order place by (Full address of purchaser)	Purchase order No. & date	Unit Price, GST& FOR terms	Date of completion of delivery as per contract.	Actual Date of Completion of Delivery	Reasons for late delivery, if any

**Signature and Seal of Tenderer**

PROFORMA FOR EQUIPMENT AND QUALITY CONTROL

Tender No. .... Date of Opening.....Time.....Hours  
Name of the Firm .....

Note: All details required only for the items tendered: -

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

Signature and seal of the  
Manufacturer / Tenderers

PROFORMA FOR AUTHORITY FROM MANUFACTURERS

No.....

Dated.....

To

The PRESIDENT OF INDIA,  
Acting through the Controller of Stores,  
West Central Railway, Indira Market,  
Jabalpur

Dear Sir,

Subject : PCMMWCR./Jabalpur’s Tender

No.....

We.....an established  
and reputed manufacturer of .....having  
factories at

.....do hereby Authorize M/s.....

.....(Name and address of  
Agents) to represent us, to bid, negotiate and conclude the contract on our behalf with you against  
Tender

No.....  
.....

No company/firm or individual other than

M/s.....are  
authorized to represent us in regard to this business against this specific tender.

Yours faithfully,  
(NAME)

for & on behalf of

M/s.....

( Name of Manufacturers )

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

(Bank's common seal)

**ANNEXURE –B4**  
(Please see clause 6.1)

**PROFORMA FOR BANK GUARANTEE TOWARDS SECURITY DEPOSIT (SD)**

To  
The PRESIDENT OF INDIA,  
Acting through  
The Controller of Stores,  
(Railway/Production Unit)

**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 the 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 name of the bank) (Hereinafter referred to as "the Bank") at the request of -----contractor(s) do hereby undertake to pay to the Government an amount not exceeding Rs. -----against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said agreement.

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

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

4. We ----- (Indicate name of the bank) further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till ----- (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 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 for any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

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

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

Date the ----- day of -----  
For -----

**(Indicate the name of Bank)**  
**(Bank's common seal)**

PROFORMA FOR WARRANTY BANK GUARANTEE BOND

To:
The President of India
Acting through
The Principal Chief Materials Manager,
West Central Railway
Jabalpur.

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 (here in after referred to as the "Government") .....Nos. of
..... (give description) as per contract No. .... dated ..... (hereinafter
called "the said contract").
2. AND WHEREAS according to the terms of said contract, it has been stipulated that payment of 10 per cent
of the value of the stores would be made, provided that the Sellers furnish to the Purchaser a Bank Guarantee
from a recognized Bank, acceptable to the Purchaser for 10 per cent of the value of the said contract, valid for
a period covering in full the Guarantee Period as per the Warranty clause of the said conditions of the contract,
being the conditions attached to and forming part of the said contract.
3. AND WHEREAS the Sellers have approached us to give the said Bank Guarantee on their behalf in
your 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 up to 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 as 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 ex tension 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 e Sellers in an y 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 to our liability for payment there under
and the Sellers shall have no claim against us for making such payment.
8. This Bank guarantee comes in to force when the balance ten percent of the value of the stores shipped per
Vessel ..... vide Bill of Lading No. .... dated ..... or R/ R No. ....
dated ..... (in the case of indigenous contracts) under the said contract, has been paid and will
remain in full force and effect up to ..... i.e. for ..... months counted from the date of
placing the stores in services, and shall continue to be enforceable for further six months i.e. up
to.....(date), hereinafter called the said d ate.
9. This guarantee will not be discharged due to the change in the constitution of the Bank or the Sellers.
10. That no claim under this guarantee shall be entertained by us unless the same has been preferred
by the Government within the said date.

Date ..... Signature.....
Place..... Printed Name.....
Witness .....
Read and Accepted.

Signature of Tenderer .....

(Designation)
(Banks common Seal)



(Please see clause 5.1 of 'Annexure-A')

**NATIONAL ELECTRONIC FUNDS TRANSFER (NEFT) MANDATE FORM**

From: M/s.

Date:

.....

To:

FA & CAO/WST  
West Central Railway  
Jabalpur

Sub : NEFT payments.

\*\*\*\*

We refer to the NEFT being set up by Railways for remittance of our payments using RBI's NEFT scheme. Our payments may be made through the above scheme to our under noted account.

Name of City

Bank Code No.

Branch Code No.

Bank's Name

Branch Address

Branch Telephone / Fax No.

Supplier's Account No.

Type of Account

IFSC code for NEFT

IFSC code for RTGS

Supplier's name as per Account

Telephone no. of supplier

Supplier's E-mail ID

Confirmed by Bank

Signature of supplier with

Stamp and address

Enclose a copy of crossed cheque

**PROFORMA FOR– INPUT TAX CREDIT D E C L A R A T I O N UNDER GST REGIME**

Certificate

To whom so ever it may concern)

Contract/P.O. No..... dated.....

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

We hereby give undertaking that we have taken ITC (input tax credit benefit) while submitting  
our rate in the subject tender, however, any ITC benefit accrued in future on the supply of the  
item against above mentioned purchase order, the same will be passed on to Railways.  
Railways will have full authority to recover the same from this contract or any other pending  
Railway/Government contract and no dispute to this effect will be raised by us.

Dated.....

Signature with seal

**GOVERNMENT OF INDIA (BHARAT SARKAR)  
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)  
(RAILWAY BOARD)**

**INDIAN RAILWAY STANDARD CONDITIONS OF CONTRACT**

(Vide Para 417 of the Indian Railway Code for the Stores Department)

**0100. Definitions and Interpretation.**

E-Tender means Tender document duly uploaded on Railways Authorised Website 'ireps.gov.in'.

**0101.** In the Contract, unless the context otherwise requires;

**0102.** "Acceptance of Tender" means the letter of memorandum communicating to the Contractor the acceptance of his tender and includes an advance acceptance of his tender;

**0103.** "Consignee" means where the stores are required by the acceptance of tender to be despatched by rail, road, air or steamer, the person specified in the Acceptance of Tender to whom they are to be delivered at the destination; Where the Stores are required by the acceptance of tender to be delivered to a person as an interim consignee for the purpose of despatch to another person, such other persons; and in any other case the person to whom the stores are required by the acceptance of tender to be delivered in the manner therein specified

**0104.** "Contract" means and includes the invitation to tender, instructions to tenderers, acceptance of tender, Standard Conditions of Contract, Special Conditions of Contract, particulars and the other conditions specified in the acceptance of tender and includes a repeat order which has been accepted or acted upon by the contractor and a formal agreement if executed;

**0105.** The "Contractor" means the person, firm or company with whom the order for the supply is placed and shall be deemed to include the contractor's successors (approved by the Purchaser), representatives, heirs, executors and administrators as the case may be, unless excluded by the terms of the contract

**0106.** "The Sub-contractor" means the person, firm or company from whom the Contractor may obtain any material or fittings to be used in the supply or manufacture of the stores ;

**0107.** "Drawing" means the drawing or drawings specified in or annexed to the Schedule or Specifications

**0108.** "Government" means the Central Government or a State Government, as the case may be;

**0109.** "The Inspecting Officer" means the person specified in the contract for the purpose of Inspection of stores or work under the contract and includes his authorised representative;

**0110.** "Material" means anything used in the manufacture or fabrication of the stores

**0111.** "Particulars" include-

- (a) Specifications
- (b) Drawings
- (c) Pattern bearing the seal and signature of the Inspecting Officer (hereinafter called the sealed pattern) which shall include also a certified copy thereof sealed by the Purchaser for the guidance of the Inspecting Officer;
- (d) Sample sealed by the Purchaser for guidance of the Inspecting Officer (hereinafter called the certified sample) which shall include a certified copy thereof sealed by the Purchaser for the guidance of the Inspecting Officer;
- (e) Trade pattern, that is to say, a pattern, stores conforming to which are obtainable in the open market and which denotes a standard of the Indian Standard Institute or other standardising authority or a general standard of the industry;
- (f) "Proprietary mark "or "brand "means the mark or brand of a product which is owned by an industrial firm;
- (g) Any other details governing the construction, manufacture or supply of stores as may be prescribed by the contract;

**0112.** "Purchase Officer" means the officer signing the acceptance of tender and includes any officer who has authority to execute the relevant contract on behalf of the Purchaser

**0113.** "The Purchaser" means the President of India in the case of stores ordered for the Indian Government Railways and includes his successors and assignees

**0114.** "Digitally Signed E-Bid" means online offer form including rate page filled in and submitted online after digitally signing the same by the authorized vendor, with a valid digital signature certificate as per IT Act 2000.

**0115.** "Site" means the place specified in the contract at which any work is required to be executed by the contractor under the contract or any other place approved by the Purchaser for the purpose;

**0116.** "Stores" means the goods specified in the contract which the contractor has agreed to supply under the contract;

**0117.** "Supply Order" means an order for supply of stores and includes an order for performance of service;

**0118.** "Test" means such test as is prescribed by the particulars or considered necessary by the Inspecting Officer whether performed or made by the Inspecting Officer or any agency acting under the direction of the Inspecting officer;

**0119.** "Unit" and "Quantity" means the unit and quantity specified in the contract;

**0120.** "Writing" or "Written" includes matter either in whole or in part, in manuscript, type-written, lithographed, cyclostyled, photographed or printed under or over signature or seal, as the case may be;

**0121.** The delivery of the stores shall be deemed to take place on delivery of the stores in accordance with the terms of the contract, after approval by the Inspecting Officer if so provided in the contract to -

- (a) the consignee at his premises ; or
- (b) where so provided the interim consignee at his premises , or
- (c) a carrier or other person named in the contract for the purpose of transmission to the consignee, or
- (d) The consignee at the destination station in case of contract stipulating for delivery of stores at destination station.

**0122.** Words in the singular include the plural and *vice versa*

**0123.** Words importing the masculine gender shall be taken to include the feminine gender and words importing persons shall include any company or association or body of individuals, whether incorporated or not;

**0124.** The heading of these conditions shall not affect the interpretation or construction thereof;

**0125.** Terms and expression not herein defined shall have the meanings assigned to them in the **Indian Sale of Goods Act, 1930** (as amended), or the **Indian Contract Act, 1872** (as amended) or the **General Clauses Act, 1897** (as amended), as the case may be.

**0200. Parties-**

The parties to the contract are the Contractor and the Purchaser, as defined in Clauses 0105 and 0113.

**0201. Authority of person signing the Contract on behalf of the Contractor-**

A person signing the tender or any other document in respect of the Contract on behalf of the Contractor without disclosing his authority to do so shall be deemed to warrant that he has authority to bind the Contractor. If it is discovered at any time that the person so signing has no authority to do so, the Purchaser may, without prejudice to any other right or remedy of the Purchaser, cancel the contract and make or authorize the making of a purchase of the stores at the risk and cost of such person and hold such person liable to the Purchaser for all costs and damages arising from the cancellation of the contract including any loss which the Purchaser may sustain on account of such purchase. The provisions of Clause 0700 shall apply to every such purchase as far as applicable.

**0202.** Address of the Contractor and notices and communications on behalf of the Purchaser:-

- (a) For all purposes of the contract, including arbitration there under, the address of the Contractor mentioned in the tender shall be the address to which all communications addressed to the Contractor shall be sent, unless the Contractor has notified change by a separate letter containing no other communication and sent by registered post acknowledgement

due to the Purchaser. The Contractor shall be solely responsible for the consequence of an omission to notify a change of address in the manner aforesaid.

- (b) Any communication or notice on behalf of the Purchaser in relation to the contract may be issued to the Contractor by the Purchase Officer and all such communications and notices may be served on the Contractor either by registered posts or under certificate of posting or by ordinary post or by hand delivery at the option of such officer.

### **0300. Quotations of rates by Contractors**

- (a) The price quoted by the Contractor shall not be higher than the controlled price fixed by law for the stores or where there is no controlled price, it shall not exceed the prices or contravenes the norms for fixation of prices laid down by Government or where no such prices or norms have been fixed by the Government, it shall not exceed the price appearing in any agreement relating to price regulation by any industry in consultation with the Government.

In any case, save for special reasons stated in the tender, the price quoted shall not be higher than the lowest price charged by the Contractor for stores of the same nature, class or description to a private purchaser, domestic or foreign as well as Purchaser Governments.

- (b) If the price quoted is higher than the controlled price or where there is no controlled price, the price usually charged by the Contractor from a private Purchaser, domestic or foreign, as well as Purchaser Government for the stores of the same nature, class or description the Contractor will specifically mention this fact in his tender giving reasons for quoting higher price(s). If he fails to do so or makes any mis-statement, it shall be lawful for the Purchaser,
  - (i) to revise the price at any stage so as to bring it in conformity with the Sub-clause (a) above or
  - (ii) to terminate the contract and forfeit the Security Deposit.

### **0400. Contract.**

**0401.** This contract is for the supply of the stores of the description, specifications and drawings, and in the quantities set forth in the contract on the date or dates specified therein. Unless otherwise specified, the stores shall be entirely brand new and of the best quality and workmanship to the satisfaction of the Inspecting Officer. The stores shall further be in all respects acceptable to the Inspecting Officer.

**0402.** Any variation or amendment of the contract shall not be binding on the Purchaser unless and until the same is duly endorsed on the contract incorporated in a formal instrument or in exchange of letters and signed by the parties.

**0500: SECURITY DEPOSIT:**

**0501:** Unless otherwise agreed between the Purchaser and the contractor, the contractor shall, within 14 days of posting of written notice of acceptance to the contractor, deposit with the Railway concerned (in cash or the equivalent in Government Securities or approved Banker's Guarantee Bond) a sum equal to 10 per cent of the total value of the stores detailed in the contract for which, the tender has been accepted, subject to **upper ceiling of Rs. 10 Lakhs for contracts valuing upto Rs.10 Crores and Rs.20 Lakhs for contracts valuing above Rs.10 Crores.**

**SAFETY ITEMS:** The Security Deposit (SD)/Performance Guarantee shall be taken from all the firms for contracts for all Safety Items placed against Open Tenders and Global Tenders subject to following exemptions:

a) Vendors registered with NSIC upto the monetary limit of their registration for the items ordered. Bidders seeking waiver of Security Deposit on this ground shall have to submit requisite documentary evidence.

**OTHER THAN SAFETY ITEMS:** The Security Deposit (SD) shall be taken from all the firms for contracts for items other than safety items placed against Open Tenders and Global Tenders subject to following exemptions:

a) Vendors registered with NSIC upto the monetary limit of their registration for the items ordered.

b) Vendors registered with Railways upto the monetary limit of their registration for the items ordered/trade groups for items ordered or vendors on approved list of RDSO/PUs/CORE/Railways etc. for those specific items for which they are on approved list or other Railways, Govt. Departments on their specific request and on merits of the case as considered by tender committee.

c) Bidders seeking waiver of Security Deposit on this ground shall have to submit requisite documentary evidence.

The usual security deposit, shall, however be taken in case the contracts are placed on unregistered/unapproved firms or for items for which a particular firm is not registered/approved.

**Security Deposit should remain valid for a minimum period of 60 days beyond the date of completion of all the contractual obligations of the supplier.**

**0502:** If the contractor, having been called upon by the Purchase to furnish security Deposit fails to make and to maintain a security deposit within the specified period, it shall be lawful for the Purchaser: -

- a) to recover from the Contractor the amount of such security deposit by deducting the amount from the pending bills of the contractor under the contract or any other contract with the purchaser or the Government or any person contracting through the Purchaser or otherwise however, or
- b) to cancel the contract or any part thereof and to purchase or authorize the purchase of the stores at the risk and cost of the contractor and in that event the provisions of Clauses 0702 shall apply as far as applicable.

**0503:** No claim shall lie against the Purchaser in respect of interest on cash deposits or Government Securities or depreciation thereof.

**0504:** The Purchaser shall be entitled and it shall be lawful on his part to forfeit the said security deposit in whole or in part in the event of any default, failure or neglect on the part of the Contractor in the fulfillment or performance in all respects of the contract under reference or any other contract with the Purchaser or any part thereof to the satisfaction of the Purchaser and the Purchaser shall also be entitled to deduct from the said deposits any loss or damage which the Purchaser may suffer or be put by reason of or due to any act or other default, recoverable by the Purchaser from the Contractor in respect of the contract under reference or any other contract and in either of the events aforesaid to call upon the contractor to maintain the security deposits at its original limit by making further deposit, provided further that the Purchaser shall be entitled to recover any such claim from any sum then due or which at any time thereafter may become due to the Contractor under this or any other contracts with the Purchaser.

#### **0600. Delivery.**

**0601.** The Contractor shall as may be required by the Purchaser either deliver free or FOR. or CIF. at the place/places detailed in the contract, the quantities of the stores detailed therein and the stores shall be delivered or despatched not later than the date specified in the contract. The delivery will not be deemed to be complete until and unless the stores are inspected and accepted by the Inspecting Officer as provided in the contract.

**0602.** The Purchaser shall not be liable to render assistance to the Contractor in securing or to arrange for or provide transport to the Contractor unless it is so



specifically stated in the contract, notwithstanding that transport of the stores, is controlled by or under the orders of the Government.

**0603.** Notwithstanding any inspection and approval by the Inspecting Officer on the Contractor's premises, property in the stores shall not pass on to the Purchaser until the stores have been received, inspected and accepted by the consignee.

**0604.** No stores shall be deliverable to the consignee's depots on Sundays and public holidays without the written permission of the consignee.

**0700. Time for and Date of Delivery; the Essence of the Contract-**

The time for and the date specified in the contract or as extended for the delivery of the stores shall be deemed to be of the essence of the contract and delivery must be completed not later than the date(s) so specified or extended.

**0701. Progressing of Deliveries-** The Contractor shall allow reasonable facilities and free access to his works and records to the Inspecting Officer, Progress Officer or such other Officer as may be nominated by the Purchaser for the purpose of ascertaining the progress of the deliveries under the contract.

**0702. Failure and Termination:-** If the Contractor fails to deliver the stores or any instalment thereof within the period fixed for such delivery in the contract or as extended or at any time repudiates the contract before the expiry of such period the Purchaser may without prejudice to his other rights:-

- (a) recover from the Contractor as agreed liquidated damages and not by way of penalty a sum equivalent to 2 per cent of the price of any stores (including elements of taxes, duties, freight, etc.) which the Contractor has failed to deliver within the period fixed for delivery in the contract or as extended for each month or part of a month during which the delivery of such stores may be in arrears where delivery thereof is accepted after expiry of the aforesaid period, or
- (b)
  1. Risk Purchase clause is deleted for all orders for safety items, as levy of 10% Security deposit has been made compulsory in all such order/(except in case of vendors registered with NSIC upto the monetary limit of their registration for the items ordered). In case of failure of contract, Security Deposit shall be forfeited. Such failure shall be recorded & will be considered by Railways on merit in future cases.
  2. In respect of orders for materials other than safety items where 10% security deposit has been taken from firms, Risk Purchase clause is deleted and in case of default by such firms, the Security Deposit shall be forfeited.

3. In such cases as covered under (1) and (2) above, the quantities unsupplied shall be procured independently without risk and cost of the original firm/supplier.
  4. Adverse performance of such firms will be recorded and intimated to the approving authority and also to be taken into account in future tender cases on merit.
  5. Such cases which are not covered under Para (1) & (2) above. Risk Purchase provisions shall continue for them as per existing guideline as given below.
- (c) The Purchaser reserves the right to purchase or authorise the purchase of the stores not so delivered or others of a similar description (where stores exactly complying with particulars are not in the opinion of the Purchaser, which shall be final, readily procurable) at the risk and cost of the Contractor.
- It shall, however, be in the discretion of the purchaser to collect or not, Security Deposit from the firm(s) on whom the contract is placed at the risk and expense of the defaulted firm.
- (d) Where action is taken under Sub-clause (c) above, the Contractor shall be liable for any loss which the Purchaser may sustain on that account provided the purchase or if there is an agreement to purchase 1 such agreement is made, in case of failure to deliver the stores within the period fixed for such delivery in the contract or as extended within six months from the date of such failure and in case of repudiation of the contract before the expiry of the aforesaid period of delivery, within six months from the date of cancellation of the contract. The Contractor shall not be entitled to any gain on such purchase and the manner and method of such purchase shall be in the entire discretion of the Purchaser. It shall not be necessary for the Purchaser to serve a notice of such purchase on the Contractor.

**Note:** In respect of the stores which are not easily available in the market and where procurement difficulties are experienced the period for making risk purchase shall be nine months instead of six months provided above.

**0703. Consequence of Rejection-** If on the stores being rejected by the Inspecting Officer or Interim Consignee or Consignee at the destination, the Contractor fails to make satisfactory supplies within the stipulated period of delivery, the Purchaser shall be at liberty to: -

- (i) require the Contractor to replace the rejected stores forthwith but in any event not later than a period of 21 days from the date of rejection and the Contractor shall bear all cost of such replacement including freight, if any, on such replacing and replaced stores but without being entitled to any extra payment on that or any other account, or
- (ii) purchase or authorize the purchase of quantity of the stores rejected or others of a similar description (when stores exactly complying with

- particulars are not in the opinion of the Purchaser, which shall be final, readily available) without notice to the Contractor at his risk and cost and without affecting the Contractor's liability as regards the supply of any further installment due under the contract, or
- (iii) cancel the contract and purchase or authorize the purchase of the stores or others of a similar description (when stores exactly complying with particulars are not, in the opinion of the Purchaser, which shall be final, readily available) at the risk and cost of the Contractor. In the event of action being taken under Sub-clause (ii) above or under this Sub-clause, the provision of Clause 0702 above will apply as far as applicable.
  - (iv) where under the contract the price payable is fixed F.O.R despatching station, the Contractor shall, if the stores are rejected at destination by the consignee, be liable, in addition to his other liabilities, including refund of price recoverable in respect of the stores so rejected, to reimburse to the Purchaser the freight and all other expenses incurred by the Purchaser in this regard.

**0800. Extension of Time for Delivery-**

If such failure as aforesaid shall have arisen from any cause which the Purchaser may admit as reasonable ground for extension of time, the Purchaser shall allow such additional time as he considers to be justified by the circumstance of the case, and shall forgo the whole or such part, as he may consider reasonable, of his claim for such loss or damage as aforesaid. Any failure or delay on the part of sub-contractor, though their employment may have been sanctioned under Condition 1500 hereof, shall not be admitted as a reasonable ground for any extension of time or for exempting the Contractor from liability for any such loss or damage as aforesaid.

**0900. Examination of Drawing, Specifications and Patterns-**

When tenders are called for in accordance with a drawing, specification or sealed pattern the Contractor's tenders to supply in accordance with such drawing, specifications or sealed pattern shall, be deemed to be an admission on his part that he has fully acquainted himself with the details thereof and, in no circumstances, will any claim on his part which may arise on account of his insufficient examination of the said drawing, specification or scaled pattern, be considered.

**1000. Mistakes in Drawing.**

The Contractor shall be responsible for and shall pay for any alterations for the works due to any discrepancies, errors or omissions in the drawings or other particulars supplied by him whether such drawings or particulars have been approved by the Purchaser or not provided that such discrepancies, errors or omissions be not due to inaccurate information or particulars furnished to the Contractor on behalf of the Purchaser. If any dimension figure upon a drawing or

plan differ from those obtained by scaling the drawing or plan, the dimensions as figured upon the drawing or plan shall be taken as correct.

**1100. Samples.**

**1101. Advance Sample-** Where an advance sample is required to be approved under the terms of the contract, the Contractor shall submit the sample free of cost to the Inspecting Officer within the time specified in the acceptance of tender. If the Contractor is unable to do so, he must apply immediately to the Office issuing the acceptance of tender for extension of time stating the reasons for the delay. If the Purchaser is satisfied that a reasonable ground for an extension of time exists, he may allow such additional time as he considers to be justified (and his decision shall be final) with or without alteration in the delivery period stipulated in the acceptance of tender and on such conditions as he deems fit. In the event of the failure of the Contractor to deliver the advance sample by the date specified in the acceptance of tender or any other date to which the time may be extended as aforesaid by the Purchaser or of the rejection of the sample, the Purchaser shall be entitled to cancel the contract and, if so desired, purchase or authorize the purchase of the stores at the risk and cost of the Contractor, in which case the provisions of **Clause 0700** shall apply as far as applicable.

**1102.** Unless otherwise provided in the contract, all samples required for test shall be supplied by the Contractor free of cost. Where sample, which is supplied free, is rejected after examination and test, the same or whatever remains of the sample, after examination and test will be returned to the Contractor at his request and cost within three months of the date of such rejection at public tariff rate at Owner's risk.

**1103. Marking-** Samples submitted shall be clearly labelled with the Contractor's name and address and the acceptance of tender number.

**1104.** If the Contractor submits a sample whether with, before or after the tender, the same shall not govern the standard of supply except when it has been specifically stated so in the acceptance of tender.

**1105.** Where under the contract, the Contractor is required to submit an advance sample, any expenses incurred by the Contractor on or in connection with the production of stores in bulk, before the sample has been approved unconditionally, shall be borne by the Contractor and he shall not claim any compensation in the event of such sample being found unacceptable by the Inspecting Officer.

**1106.** The rejection of the sample by the Inspecting Authority or Inspecting Officer shall be final and binding on the Contractor.

**1107.** Where the contract does not require any advance sample to be approved, the Contractor may before proceeding with bulk manufacture or delivery of the stores, if he so desires, submit to the Inspecting Officer for inspection a sample of the stores in which case a quantity not less than one per cent of the total quantity to be supplied unless otherwise authorized by the Inspecting Officer shall be submitted. The Contractor shall not, however, be entitled to be shown any consideration or give any extension of time or claim to be exonerated from completing the delivery within the stipulated period only on the ground of delay in the approval of any such sample.

**1108.** If, under the contract supplies are governed by a sealed pattern the Contractor shall be bound to examine such pattern before preparing a sample or manufacturing the stores in bulk as the case may be.

**1109. Loan of Samples-** If a certified sample is lent to the Contractor; it will bear a label containing *inter alia* variations known to the Inspecting Officer between the said sample and the stores desired. If the Contractor finds any further variation between the certified sample and the particulars of specifications mentioned in the contract he shall at once refer the matter to the Inspecting Officer and the Contractors shall also give intimation of such discrepancy to the Purchase Officer. The Contractor shall follow the instructions of the Inspecting Officer as to what sample of particulars should guide the production of stores and the decision of the Inspecting Officer in the matter shall be final and binding on the Contractor.

**1110.** The Contractor shall not detach the said label from the certified sample and if for any reasons the said label gets detached the Contractor shall at once return the certified sample to the Inspecting Officer for attaching a fresh label.

**1200. Risk of Loss or Damage to Government or Purchaser's Property.**

**1201.** All the property of the Government or Purchaser loaned whether with or without deposit on terms and conditions to be separately agreed upon in respect of each particular contract to the Contractor in connection with the contract shall remain the property of the Government or the Purchaser, as the case may be. The Contractor shall use such property for the purpose of the execution of the contract and for no other purpose whatsoever.

**1202.** All such property shall be deemed to be in good condition when received by the Contractor unless he shall have within twenty-four hours of the receipt thereof notified the Purchase Officer to the contract. If the Contractor fails to notify any defect in the condition or quality of such property he shall be deemed to have lost the right to do so at any subsequent stage.

**1203.** The Contractor shall return all such property and shall be responsible for the full value thereof to be assessed by the Purchaser whose decision shall be final and binding on the Contractor. The Contractor shall be liable for loss or damage to such property from whatever cause happening while such property is in the possession of or under the control of the Contractor, his servants, workmen, or agents.

**1204.** Where such property is insured by the Contractor against loss or fire at the request of the Government or Purchaser such insurance shall be deemed to be affected by way of additional Precaution and shall not prejudice the liability of the Contractor as aforesaid.

**1300. Inspection by Inspecting Officer.**

**1301. (a)** When inspection during manufacture or before delivery or despatch is required, notice in writing shall be sent by the Contractor to the Inspecting Officer when the stores or material to be supplied are ready for inspection and test, and no stores shall be delivered or despatched until the Inspecting Officer has certified in writing that such stores have been inspected and approved by him.

**(b)** In cases where the Inspecting Authority specified in the contract requires on behalf of the Purchaser that inspection of the raw materials to be used and /or stage inspection during the manufacturing process of the component/stores, etc. is also to be done, notice in writing shall be sent by the Contractor to the Inspecting Officer to visit his premises/works to test the raw materials and/or conduct necessary inspection during the manufacturing process of the component / stores, etc. as deemed essential.

**1302. Marking of Stores-** The Contractor shall, if so required, at his own expense, mark all the approved stores with a recognized Government or Purchaser's mark. The stores which cannot be so marked shall, if so required by the Inspecting Officer, be packed at his own expense in suitable packages or cases, each of which shall be sealed and marked with such mark.

The Inspecting Officer shall also have power to mark the rejected stores with a rejection mark so that they may be easily identified, if resubmitted for inspection.

**1303. Facilities for test and Examination-** The Contractor shall, at his own expense afford to the Inspecting Officer all reasonable facilities as may be necessary for satisfying himself, that the stores are being and/or have been manufactured in accordance with the particulars. The Inspecting Officer shall have full and free access at any time during the execution of the contract to the Contractor's work for the purpose aforesaid, and he may require the Contractor to make arrangements for inspection of the stores or any part thereof or any material at his premises or at any other place specified by the Inspecting Officer

and if the Contractor has been permitted to employ the services of a Sub-Contractor, he shall in his contract with the Sub-Contractor, reserve to the Inspecting Officer a similar right.

**1304. Cost of Test-** The Contractor shall provide, without any extra charge, all materials, tools, labour and assistance of every kind which the Inspecting Officer may demand of him for any test and examination, other than special or independent test, which he shall require to make on the Contractor's Premises and the Contractor shall bear and pay all costs attendant thereon. If the Contractor fails to comply with the conditions aforesaid, the Inspecting Officer shall, in his sole judgement, be entitled to remove for test and examination all or any of the stores manufactured by the Contractor to any premises other than his (Contractor's) and in all such cases the Contractor shall bear the cost of transport and/or carrying out such tests elsewhere. A certificate in writing of the Inspecting Officer that the Contractor has failed to provide the facilities and the means, for test examination shall be final.

**1305. Delivery of Stores for Test-** The Contractor shall also provide and deliver for test, free of charge, at such place other than his premises as the Inspecting Officer may specify, such material or stores as he may require.

**1306. Liability for Costs of Special or Independent Test-** In the events of rejection of stores or any part thereof by the Inspecting Officer in the consequence of the sample which is removed to the laboratory or other places of test, being found on test not in conformity with the Contract and in the event of the failure of the Contractor for any reason to deliver the stores passed on test within the stipulated period, the Contractor shall, on demand pay to the Purchaser all costs incurred in the inspection and/or test. Cost of test shall be assessed at the rate charged by the laboratory to private persons for similar work.

**1307. Method of Testing-** The Inspecting Officer shall have the right to put all the stores or materials forming part of the same or any part thereof to such tests as he may think fit and proper. The Contractor shall not be entitled to object on any ground whatsoever to the method of testing adopted by the Inspecting Officer.

**1308. Stores Expended in Test-** Unless otherwise provided for in the contract if the test proves satisfactory and the stores or any instalment thereof is accepted, the quantity of the stores or materials expended in the test will be deemed to have been taken delivery of by the Purchaser and be paid for as such.

**1309. Powers of Inspecting Officer-** The Inspecting Officer shall have the power:-

- (i) before any stores or part thereof are submitted for inspection to certify that they can not be in accordance with the contract owing to the adoption of any unsatisfactory method of manufacture.
- (ii) to reject any stores submitted as not being in accordance with the particulars.
- (iii) to reject the whole of the installment tendered for inspection, if after inspection of such portion thereof as "he may in his discretion think fit, he is satisfied that the same is unsatisfactory.
- (iv) the Inspecting Officer's decision as regards the rejection shall be final and binding on the Contractor.

#### **1400. Charges for Work Necessary for Completion of the Contract-**

The Contractor shall pay all charges for handling, stamping, painting, marking, protecting or preserving patent rights, drawings, templates, models and gauges and for all such measures as the Purchaser or the Inspecting Officer may deem necessary for the proper completion of the contract, though special provision therefore may not be made in the specification of drawings.

#### **1500. Responsibility of the Contractor for Executing the Contract.**

**1501. Risk in the Stores-** The Contractor shall perform the contract in all respects in accordance with the terms and conditions thereof. The stores and every constituent part thereof, whether in the possession or control of the Contractor, his agents or servants or a carrier, or in the joint possession of the Contractor, his agents or servants and the Purchaser, his agents or servants, shall remain in every respect at the risk of the Contractor, until their actual delivery to the consignee at the stipulated place or destination or, where so provided in the acceptance of tender, until their delivery to a person specified in the contract as interim consignee for the purpose of despatch to the consignee. The Contractor shall be responsible for all loss, destruction, damage or deterioration of or to the stores from any cause whatsoever while the stores after approval by the Inspecting Officer are awaiting despatch or delivery or are in the course of transit from the Contractor to the consignee or, as the case may be, interim consignee. The Contractor shall alone be entitled and responsible to make claims against a Railway Administration or other carrier in respect of non-delivery, short delivery, mis-delivery, loss, destruction, damage or deterioration of the goods entrusted to such carrier by the Contractor for transmission to the consignee or the interim consignee as the case may be.

**1502. Consignee's Right of Rejection –** Notwithstanding any approval which the Inspecting Officer may have given in respect of the stores or any materials or other particulars or the work or workmanship involved in the performance of the contract (whether with or without any test carried out by the Contractor or the Inspecting Officer or under the direction of the Inspecting Officer) and not with



standing delivery of the stores where so provided to the interim consignee, it shall be lawful for the consignee, on behalf of the Purchaser, to reject the stores or any part, portion or consignment thereof within a reasonable time after actual delivery thereof to him at the place or destination specified in the contract if such stores or part, portion or consignment thereof is not in all respects in conformity with the terms and conditions of the contract whether on account of any loss, deterioration or damage before despatch or delivery or during transit or otherwise howsoever.

**Note-** *In respect of materials pre-inspected at the firm's premises the consignee will issue rejection advice within 90 days from the date of receipt.*

**1503.** Provided that where, under the terms of the contract the stores are required to be delivered to an interim consignee for the purpose of despatch to the consignee, the stores shall be at the Purchaser's risk after their delivery to the interim consignee, but nevertheless it shall be lawful for the consignee on behalf of the Purchaser to reject the stores or any part, portion of consignment thereof upon their actual delivery to him at the destination if they are not in all respects in conformity with the terms and conditions of contract except where they have been damaged or have deteriorated in the course of transit or otherwise after their delivery to the interim consignee.

**1504.** The provisions contained in Clause 2200 relating to the removal of stores rejected by the Inspecting Officer shall *mutatis mutandis* apply to stores rejected by the consignee as herein provided.

**Note-** *In respect of stores inspected during manufacture or before delivery or despatch at contractor's premises the consignee will issue communication of rejection within 90 days from the date of actual delivery thereof.*

**1505. Subletting and Assignment-** The Contractor shall not, save with the previous consent in writing of the Purchaser, sublet, transfer or assign the contract or any part thereof or interest therein or benefit or advantage thereof any manner whatsoever.

In the event of the Contractor's subletting or assigning this contract or any part thereof without such permission, the Purchaser shall be entitled to cancel the contract and to purchase the stores elsewhere on the Contractor's account and risk and the Contractor shall be liable for any loss or damage which the Purchaser may sustain in consequence or arising out of such purpose.

**1506. Changes in a Firm:-**

(a) Where the Contractor is a partnership firm, a new partner shall not be introduced in the firm except with the previous consent in writing of the

Purchaser, which may be granted only upon execution of a written undertaking by the new partner to perform the contract and accept all liabilities incurred by the firm under the contract prior to the date of such undertaking.

(b) On the death or retirement of any partner of the Contractor firm before complete performance of the contract, the Purchaser may, at his option, cancel the contract and in such case the Contractor shall have no claim whatsoever to compensation against the Purchaser.

(c) If the contract is not determined as provided in Sub-clause (b) above notwithstanding the retirement of a partner from the firm he shall continue to be liable under the contract for acts of the firm until a copy of the public notice given by him under Section 32 of the Partnership Act, has been sent by him to the Purchaser by registered post acknowledgement due.

(d) **Consequence of breach** - Should a partner in the Contractor firm commit a breach of Sub-clause 1505 above or the Contractor should commit a breach of the conditions 1506(a) of this Sub-clause, it shall be lawful for the Purchaser to cancel the contract and purchase or authorize the purchase of the stores at the risk and cost of the Contractor and in that event the provisions of Clauses 0600 and 0700 as far as applicable shall apply.

(e) The decision of the Purchaser as to any matter or thing concerning or arising out of this sub-clause or on any question whether the Contractor or any partner of the Contractor firm has committed a breach of any of the conditions in this sub-clause contained shall be final and binding on the Contractor.

**1507. Assistance to the Contractor:-**

(a) The Contractor shall be solely responsible to procure any material or obtain any import or other licence or permit required for the fulfilment of the contract and the grant by the Purchaser or any other authority of a quota certificate or permit required under any law for distribution or acquisition of iron and steel or any other commodity or any other form of assistance in the procurement of the material aforesaid or any attempt to render assistance in the matter aforesaid, or shall not be construed as a representation on the part of the Purchaser that the material covered by such licence or permit or quota certificate is available or constitute any promise, undertaking or assurance on the part of the Purchaser regarding the procurement of the same or effect any variation in the rights and liabilities of the parties under the contract. But, if by reason of any such assistance as aforesaid, the Contractor obtains any materials at less than their market price or the cost of production of the stores is lowered the price of the stores payable under the contract shall be reduced proportionately, and the

extent of such reduction shall be determined by the Purchaser whose decision shall be final and binding on the Contractor.

(b) Every effort made by the Purchaser to supply, or give assistance in the procurement of materials, whether from the Government stock or by purchase under a permit or release order issued by or on behalf of or under authority from Government or by any officer empowered in that behalf by law or under other arrangements made by the Purchaser shall be deemed to be subject to the condition that it will be performed with due regard to the other demands and only if it is found practicable to do so within the stipulated time and the decision of the Purchaser whether it was practicable to supply or give assistance as aforesaid or not shall be final and binding on the Contractor.

**1600. Use of Raw Materials secured with Government Assistance.**

- 1601.** (a) Where any raw material is procured for the execution of a contract with the assistance of the Government rendered in the form of permit, or licence or quota certificate/essentiality certificate or release order issued by or on behalf of or under the authority of the Government or by an officer empowered in that behalf, or
- (b) where the raw material is issued to the Contractor from Government stock, or
- (c) where advance payments are made to the Contractor to enable him to purchase the raw material, or
- (d) Where raw material is arranged by the Government, the Contractor:-
- (i) shall hold such material as trustee for the Government,
  - (ii) Shall use such material economically and solely for the purpose of the contract.
  - (iii) shall not dispose of the same without the previous permission in writing of the Purchaser, and
  - (iv) shall render due account of such material and return to the Government at such place as the purchaser may direct all surplus or unserviceable material that may be left after the completion of the contract or its termination for any reason whatsoever.

On returning such material, the Contractor shall be entitled to such price therefore as the Purchaser may fix, having regard to the condition of such material.

**1602.** Where the contract is terminated due to any default on the part of the Contractor, the Contractor shall pay all transport charges incurred for returning any material up to such destination as may be determined by the Purchaser and

the decision of the Purchaser in that behalf shall be final and binding on the Contractor.

**1603.** If the Contractor commits breach of any of the conditions in this clause specified, he shall, without prejudice to any other liability, penal or otherwise, be liable to account to the Government for all moneys, advantages or profits accruing from or which, in the usual course, would have accrued to him by reason of such breach.

**1604.** Where the stores manufactured or fabricated by the Contractor out of the material arranged or procured by or on behalf of the Government are rejected, the Contractor shall, without prejudice to any other right or remedy of the Government, pay to the Government, on demand, the cost price or market value of all such materials whichever is greater.

**1700. Indemnity.**

**1701.** The Contractor shall at all times indemnify the Purchaser against all claims which may be made in respect of the stores for infringement of any right protected by patent, registration of designs or trade mark. Provided always that in the event of any claim in respect of alleged breach of letters patent, registered designs or trade mark being made against the Purchaser, the Purchaser shall notify the Contractor of the same and the Contractor shall, at his own expense, either settle any such dispute or conduct any litigation that may arise there from.

**1702.** The Contractor shall not be liable for payment of any royalty, licence fee or other expenses in respect of or for making use of patents or designs with respect to which he is according to the terms of the contract, to be treated as an agent of the Government for the purpose of making use of patent or trade mark for fulfilment of the contract.

**1800. Packing.**

**1801.** The Contractor shall pack at his own cost the stores sufficiently and properly for transit by rail/road, air and/or sea as provided in the contract so as to ensure their being free from loss or damage on arrival at their destination.

**1802.** Unless otherwise, provided in the contract all containers (including packing cases, boxes, tins, drums and wrappings) in which the stores are supplied by the contractor, shall be considered as non-returnable and their cost as having been included in the contract price.

**1803.** If the contract provides that the containers shall be returnable, they must be marked " Returnable " and they will be returned to the Contractor as per terms of the contract.

**1804.** If the contract provides that returnable containers shall be separately charged, they shall be invoiced by the Contractor at the price specified in acceptance of tender. In such cases, the Contractor shall give full credit for the invoiced amount if the containers are returned to the Contractor. Return of containers shall be made within a reasonable time and in the event of any dispute or difference arising as to whether the containers were so returned, the decision of the Purchaser thereon shall be final and binding and the Purchaser may, in his discretion award, such compensations as may in his opinion be proper for any undue delay in returning the containers.

**1805.** Each bale or package delivered under the contract shall be marked by the Contractor or at his own expense. Such marking shall be distinct (all previous irrelevant marking being carefully obliterated) and shall clearly indicate the description and quantity of the stores, the name and address of the Consignee, the gross weight of the package and the name of the Contractor with a distinctive number or mark sufficient for the purpose of identification. All markings shall be carried out with such material as may be found satisfactory by the Inspecting Officer as regards quickness of drying, fastness and indelibility.

**1806.** The Inspecting Officer may reject the stores if the stores are not packed/or marked as aforesaid and in case where the packing materials are separately prescribed, if such materials are not in accordance with the terms of the contract. Such rejection of the stores by the Inspecting Officer shall be final and binding on the Contractor.

**1807.** Each bale or package shall contain a packing note specifying the name and address of the Contractor, the number and date of the acceptance of tender or supply order and the designation of the Purchase Officer issuing the supply order, the description of the stores and the quantity contained in such bale or package.

**1900. Notification of Delivery.**

Notification of delivery or despatch in regard to each and every instalment shall be made to the consignee and to the indenter immediately on despatch or delivery. The Contractor shall further supply to the consignee, or the interim consignee, as the case may be, a packing account Quoting number of the acceptance of tender and/or supply or repeat and date of despatch of the stores. All packages, containers, bundles and loose materials part of each and every instalment shall be fully described in the packing account and full details of the contents of the packages and quantity of materials shall be given to enable the consignee to check the stores on arrival at destination. The Railway Receipt/Consignment Note or Bill of Lading, if any, shall be forwarded to the consignee by registered post immediately on the despatch of stores. The

Contractor shall bear and reimburse to the Purchaser demurrage charges, if any, paid by reason of delay on the part of the Contractor in forwarding the Railway Receipt, Consignment Note or Bill of Lading.

#### **2000. Progress Reports.**

**2001.** The Contractor shall from time-to-time, render such reports concerning the progress of the contract and/or supply of the stores in such form as may be required by the Purchaser.

**2002.** The submission, receipt and acceptance of such reports shall not prejudice the rights of the Purchaser under the contract, nor shall operate as an estoppel against Purchaser merely by reason of the fact that he has not taken notice of/or subjected to test any information contained in such report.

#### **2100. Freight.**

The stores shall be despatched at public tariff rates. In the case of FOR station of despatch contract, the stores shall be booked by the most economical route or most economical tariff available at the time of despatch as the case may be. Failure to do so will render the Contractor liable for any avoidable expenditure caused to the Purchaser. Where alternative routes exist, the Purchaser shall, if called upon to do so, indicate the most economical route available, or name the authority whose advice in the matter shall be taken and acted upon. If any advice of any such authority is sought, his decision or advice in the matter shall be final and binding on the Contractor,

#### **2200. Removal of Rejected Stores.**

**2201.** On rejection of all stores submitted for inspection at a place other than the premises of the Contractor, such stores shall be removed by the Contractor at his own cost subject as hereinafter stipulated, within 21 days of the date of intimation of such rejection. If the concerned communication is addressed and posted to the Contractor at the address mentioned in the contract, it will be deemed to have been served on him at the time when such communication would be in the course of ordinary post reach the Contractor. Provided that the Inspecting Officer may call upon the Contractor to remove dangerous, infected or perishable stores within 48 hours of the receipt of such communication and the decision of the Inspecting Officer in this behalf shall be final in all respects. Provided further that where the price or part thereof has been paid, the consignee is entitled without prejudice to his other rights to retain the rejected stores till the price paid for such stores is refunded by the Contractor save that such retention shall not in any circumstances be deemed to be acceptance of the stores or waiver of rejection thereon.

**2202.** All rejected stores shall in any event and circumstances remain and always be at the risk of the Contractor immediately on such rejection. If such stores are not removed by the Contractor within the periods aforementioned, the Inspection Officer may remove the rejected stores and either return the same to the contractor at his risk and cost by such mode of transport as the Purchaser or Inspecting Officer may decide, or dispose of such stores at the Contractor's risk and on his account and retain such portion of the proceeds, if any from such disposal as may necessary to recover any expense incurred in connection with such disposals (or any price refundable as a consequence of such rejection). The Purchaser shall, in addition, be entitled to recover from the Contractor ground rent/demurrage charges on the rejected stores after the expiry of the time limit mentioned above.

**2203.** The stores that have been despatched by rail and rejected after arrival at destination may be taken back by the Contractor either at the station where they were rejected or at the station from which they were sent, after refunding the price paid for such stores and other charges refundable as a consequence of such rejection. If the contract placed for delivery f o. r. station of despatch, the Contractor shall pay the carriage charges on the rejected consignment at public tariff rates from the station of despatch to the station where they are rejected. If the Contractor elects to take back the goods at the station from which they were despatched, the goods shall in addition, be booked back to him freight to pay at public tariff rates and at owner's risk. The Contractor shall be liable to reimburse packing and incidental costs and charges incurred in such return or rejected stores in addition to other charges refundable as a consequence of rejection. The goods shall remain the property of the Contractor unless and until accepted by the Purchaser, after inspection.

### **2300. System of Payment.**

**2301.** Unless otherwise agreed upon between the parties, payment for delivery of the stores will be made on submission of bills in the prescribed form which may be obtained from the Purchase Officer in accordance with the instructions given in the Acceptance of Tender, by a cheque or demand draft on a branch of the Reserve Bank of India or State Bank of India transacting government business as may be decided by the Purchaser.

**2302.** Payment for the stores or for each consignment thereof will be made to the Contractor on submission of bills accompanied by required document in accordance with the following procedure in contracts where such a facility to the Contractor has specifically been agreed to by the Purchaser: -

- (a) 95% payments for the stores or each consignment thereof will be made to the firms against proof of inspection and dispatch. The original railway receipt should be sent to the Accounts Officer responsible for payment

along with 95% bill advising the particulars of dispatch to the consignee. The Accounts Officer after passing the 95 % bill should pass on the original railway receipt to the consignee for taking delivery of the consignment. It should, however, be ensured that there is no delay in the Accounts Office transmitting the original railway receipt to the consignee.

- (b) The balance of 5% shall be paid on receipt of the stores or each consignment thereof in accordance with the terms of the contract in good condition by the consignee, with a certificate to that effect endorsed on the copy of the Inspection Note by the Consignee which shall accompany the bill submitted by the Contractor.
- (c) In the case of F.O.B. & C. & F. contract 95 per cent of the price will be paid on presentation of shipping documents and inspection certificate and the remaining 5 per cent on receipt of the stores in accordance with the terms of the contract in good condition by the Consignee, and on producing the certificate of such receipt endorsed on one copy of the Inspection Note by the Consignee, or alternatively at the Contractor's option, the full value of the stores will be paid after inspection, on receipt of the consignment in accordance with the terms of the contract in good condition by the Consignee and on producing a certificate of such receipt endorsed on one copy of the Inspection Note.

**2303.** In all other contracts or in contracts where the Inspecting Officer also acts as the interim consignee or where inspection is carried on by the Consignee himself at destination and in all cases of local delivery full payment shall be made on submission of "Final 100 percent bill" supported by the Inspection Certificates and consignee's receipt as aforesaid to the Accounts Officer concerned.

**Note-**

*(1) The system of 95 percent and 5 percent payment is not applicable to claims amounting to Rs.1000/- or below. In such cases only a single bill for value should be submitted.*

*(2) In the case of Running Contracts, the system of payment will be similar to the above except that payment would be 98 per cent and 2 per cent instead of 95 per cent and 5 per cent specified above.*

**2400. Withholding and lien in respect of sums claimed.**

**2401.** Whenever any claim or claims for payment of a sum of money arises out of or under the contract against the Contractor, the Purchaser shall be entitled to withhold and also have a lien to retain such sum or sums in whole or in part from the security, if any, deposited by the Contractor and for the purpose aforesaid, the Purchaser shall be entitled to withhold the said cash security deposit or the



security, if any, furnished as the case may be and also have a lien over the same pending finalization or adjudication of any such claim. In the event of the security being insufficient to cover the claimed amount or amounts or if no security has been taken from the Contractor, the Purchaser shall be entitled to withhold and have lien to retain to the extent of the such claimed amount or amounts referred to supra, from any sum or sums found payable or which at any time-thereafter may become payable to the Contractor under the same contract or any other contract with the Purchaser or the Government pending finalization or adjudication of any such claim.

It is an agreed term of the contract that the sum of money or moneys so withheld or retained under the lien referred to above, by the Purchaser will be kept withheld or retained as such by the Purchaser till the claim arising out of or under the contract is determined by the Arbitrator (if the contract is governed by the arbitration clause) or by the competent court as prescribed under clause 2703 hereinafter provided, as the case may be, and that the Contractor will have no claim for interest or damages whatsoever on any account in respect of such withholding or retention under the lien referred to supra and duly notified as' such to the Contractor.

**2402.** For the purpose of Clause 2401, where the Contract or is a partnership firm or a limited company, the Purchaser shall be entitled to withhold and also have a lien to retain towards such claimed amount or amounts in whole or in part from any sum found payable to any partner/limited company, as the case may be, whether in his individual capacity or otherwise.

**2403. Lien in respect of Claims in other Contracts-**

a) Any sum of money due and payable to the Contractor (including the security deposit returnable to him) under the contract may withhold or retain by way of lien by the Purchaser or Government against any claim of the Purchaser or Government in respect of payment of a sum of money arising out of or under any other contract made by the Contractor with the Purchaser or Government.

b) It is an agreed term of the contract that the sum of money so withheld or retained under this clause by the Purchaser or Government will be kept withheld or retained as such by the Purchaser or Government till his claim arising out of the same contract or any other contract is either mutually settled or determined by the arbitrator, if the contract is governed by the arbitration clause or by the competent court under Clause 2703 hereinafter provided, as the case may be, and that the Contractor shall have no claim for interest or damages whatsoever on this account or on any other ground in respect of any sum of money withheld or retained under this clause and duly notified as such to the Contractor.

## **2500. Corrupt Practices.**

**2501.** The Contractor shall not offer or give or agree to give to any person in the employment of the Purchaser or working under the orders of the Purchaser any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the contract or any other contract with the Purchaser or Government or for showing any favour or for bearing to show disfavour to any person in relation to the contract or any other contract with the Purchaser or Government. Any breach of the aforesaid condition by the Contractor, or any one employed by him or acting on his behalf (whether with or without the knowledge of the Contractor) or the commission of any offence by the Contractor or by any one employed by him or acting on his behalf under IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act, 1947 or any other act enacted for the prevention of corruption by public servants shall entitle the Purchaser to cancel the contract and all or any other contracts with the Contractor and to recover from the Contractor the amount of any loss arising from such cancellation in accordance with the provisions of Clauses 0600 and 0700.

**2502.** Any dispute or difference in respect of either the interpretation effect or application or the above condition or of the amount recoverable there under by the Purchaser from the Contractor, shall be decided by the Purchaser, whose decision there on shall be final and binding on the Contractor.

## **2600. Insolvency and Breach of Contract.**

**2601.** The Purchaser may at any time, by notice in writing summarily determine the contract without compensation to the Contractor in any of the following events, that is to say

- (a) if the Contractor being an individual or if a firm, any partner thereof, shall at any time, be adjudged insolvent or shall have a receiving order or order for administration of his estate made against him or shall take any proceeding for composition under any Insolvency Act for the time being in force or make any conveyance or assignment of his effects or enter into any assignment or composition with his creditors or suspend payment or if the firm be dissolved under the Partnership Act, or
- (b) if the Contractor being a company is wound up voluntarily or by the order of a Court or a Receiver, Liquidator or Manager on behalf of the Debenture-holders is appointed or circumstances shall have arisen which entitle the Court or Debenture holders to appoint a Receiver, Liquidator or Manager, or

- (c) if the Contractor commits any breach of the contract not herein specifically provided for.

Provided always that such determination shall not prejudice any right of action or remedy which shall have accrued or shall accrue there after to the Purchaser and provided also the Contractor shall be liable to pay to the Purchaser for any extra expenditure he is thereby put to and Contractor shall, under no circumstances, be entitled to any given on re-purchase.

**2700. Laws governing the Contract.**

**2701.** This contract shall be governed by the Laws of India for the time being in force.

**2702.** Irrespective of the place of delivery, the place of performance or place of payment under the contract, the contract shall be deemed to have been made at the place from which the acceptance of tender has been issued.

**2703. Jurisdiction of courts-** This Courts of the place from where the acceptance of tender has been issued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.

**2704. Marking of stores-** The marking of the stores must comply with the requirements of the laws relating to merchandise marks for the time being in force in India.

**2705. Compliance with provisions of Contract Labour (Regulation and Abolition) Act, 1970:-**

- (1) The Contractor shall comply with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971, as modified from time-to-time, wherever applicable and shall also indemnify the Purchaser from and against any claims under the aforesaid Act and the Rules.
- (2) The Contractor shall obtain a valid license under the aforesaid Act as modified from time-to-time before the commencement of the contract and continue to have a valid license until the completion of the contract. Any failure to fulfill this requirement shall attract the penal provisions of the contract arising out of the resultant non-execution of the contract.
- (3) The Contractor shall pay to labour employed by him directly or through Sub-Contractors the wages as per provisions of the aforesaid Act and the Rules wherever applicable. The Contractor shall, notwithstanding the provisions of the contract to the contrary, cause to be paid the wages to

labour indirectly engaged on the contract including any engaged by his Sub-Contractors in connection with the said contract, as if the labour had been immediately employed by him.

- (4) In respect of all labour directly or indirectly employed in the contract for performance of the Contractor's part of the contract, the Contractor shall comply with or cause to be complied with the provisions of the aforesaid Act and the Rules wherever applicable.
- (5) In every case in which, by virtue of the provisions of the aforesaid Act or the Rules, the Purchaser is obliged to pay any amount of wages to a workman employed by the Contractor or his Sub-Contractor in execution of the contract or to incur any expenditure in providing welfare and health amenities required to be provided under the aforesaid Act and the Rules or to incur any expenditure on account of the contingent liability of the Purchaser due to the Contractor's failure to fulfill his statutory obligations under the aforesaid Act or the Rules the Purchaser will recover from the Contractor, the amount of wages so paid or the amount of expenditure so incurred, and without prejudice to the rights of the Purchaser under Section 20, Sub-section (2) and Section 21, Sub-section (4) of the aforesaid Act, the Purchaser shall be at liberty to recover such amount or part thereof by deducting it from the security deposit and/or from any sum due by the Purchaser to the Contractor whether under the contract or otherwise. The Purchaser shall not be bound to contest any claim made against it under Sub-section (i) of Section 20 and Sub-section (4) of Section 21 of the aforesaid Act except on the written request of the Contractor and upon his giving to the Purchaser full security for all costs for which the Purchaser might become liable in contesting such claim. The decision of the Purchaser regarding the amount actually recoverable from the Contractor as stated above, shall be final and binding on the Contractor.

**2800. Headings.**

The headings of conditions here to shall not affect the construction thereof.

**2900. Arbitration.**

- (a) In the event of any question, dispute or difference arising under these conditions or any special conditions of contract, or in connection with this contract (except as to any matters the decision of which is specially provided for by these or the special conditions) the same shall be referred to the sole arbitration of a Gazetted Railway Officer appointed to be the arbitrator, by the General Manager in the case of contracts entered into by the Zonal Railways and Production Units; by any Member of the Railway Board, in the case of contracts entered into by the Railway Board and by the Head of the Organisation in respect of contracts entered into by the

- other Organisations under the Ministry of Railways. The Gazetted Railway Officer to be appointed as arbitrator however will not be one of those who had an opportunity to deal with the matters to which the contract relates or who in the course of their duties as railway servant have expressed views on all or any of the matters under dispute or difference. The award of the arbitrator shall be final and binding on the parties to this contract.
- (b) In the event of the arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason, or his award being set aside by the court for any reason, it shall be lawful for the authority appointing the arbitrator to appoint another arbitrator in place of the outgoing arbitrator in the manner aforesaid.
  - (c) It is further a term of this contract that no person other than the person appointed by the authority as aforesaid should act as arbitrator and that if for any reason that is not possible, the matter is not to be referred to 'arbitration at all.
  - (d) The arbitrator may from time-to-time with the consent of all the parties to the contract enlarge the time for making the award.
  - (e) Upon every and any such reference, the assessment of the cost incidental to the reference and award respectively shall be in the discretion of the arbitrator.
  - (f) Subject as aforesaid, the Arbitration Act, 1940 and the rules there under and any statutory modifications thereof for the time being in force shall be deemed to apply to the arbitration proceedings under this clause.
  - (g) The venue of arbitration shall be the place from which the acceptance note is issued or such other place as the arbitrator at his discretion may determine.
  - (h) In this clause the authority, to appoint the arbitrator includes, if there be no such authority, the officer who is for the time being discharging the functions of that authority, whether in addition to other functions or otherwise.

**3000. Fall Clause. Deleted**

**3100. INSPECTION & REJECTION:-**

Where under a contract the price payable is fixed on F.O.R. station of despatch basis, the Contractor shall, if the consignee rejects the stores at destination be liable in addition to his other liabilities, to reimburse to the Purchaser the freight paid by the Purchaser.

**3101. Notification of Result of inspection.-** Unless otherwise provided in the specification of schedule, the examination of the stores will be made as soon as practicable after the same have been submitted for inspection and the result of the examination will be notified to the Contractor.

**3102. Inspection Notes.**--On the stores being found acceptable by the inspecting Officer he shall furnish the Contractor with necessary copies of Inspection Notes duly completed, for being attached to the Contractor's bill in support thereof.

**3200. Warranty/Guarantee-**

**3201.** The Contractor/Seller hereby covenants that it is a condition of the contract that all goods/stores/articles furnished to the Purchaser under this contract shall be of the highest grade free of all defects and faults and of the best materials, quality, manufacture and workmanship throughout and consistent with the established and generally accepted standards for materials of the type ordered and in full conformity with the contract specification, drawing or sample, if any and shall, if operable, operate properly.

**3202.** The Contractor also guarantees that the said goods/stores/articles would continue to conform to the description and quality as aforesaid, for a period of 30 months after their delivery or 24 months from the date of placement in service whichever shall be sooner, and this warranty shall survive notwithstanding the fact that the goods/stores/articles may have been inspected, accepted and payment thereof made by the Purchaser.

**3203.** If during the aforesaid period, the said goods/stores/articles be discovered not to conform to the description and quality aforesaid or have deteriorated, otherwise that by fair wear and tear the decision of the Purchaser in that behalf being final and conclusive that the Purchaser will be entitled to reject the said goods/stores/articles or such portions thereof as may be discovered not to conform to the said description and quality. On such rejection, the goods/stores/articles will be at the Seller's risk. If the Contractor/Seller so desires, the rejected goods may be taken over by him or his agents for disposal such manner as he may deem fit within a period of 3 months from the date of such rejection. At the expiry of the period, no claim whatsoever shall lie against the Purchaser in respect of the said goods/stores/articles, which may be disposed of by the Purchaser in such manner as he thinks fit. Without prejudice to the generality of the foregoing, all the provisions in the Indian Railways Standard Conditions of Contract relating to the 'rejection of stores' and 'failure' and 'termination' add and Clause 3100-02 above shall apply.

**3204.** The Contractor/Seller shall, if required, replace the goods or such portion there of as have been rejected by the Purchaser, free of cost, at the ultimate destination, or at the option of the Purchaser, the Contractor/Seller shall pay to the Purchaser, the value thereof at the contract price and such other expenditure and damage as may arise by reason of the breach of the conditions herein before specified. Nothing herein contained shall prejudice any other right of the Purchaser in that behalf under this contract or -otherwise.

**3300. Book Examination Clause-The Government reserves the right for 'Book Examination' as follows: -**

- (i) The Contractor shall whenever called upon and requiring to produce or cause to be produced for examination by any Government Officer duly authorised in that behalf, any cost or other account book of account, voucher, receipt, letter, memorandum, paper or writing or any copy of or extract from any such document and also furnish information any way relating to such transaction and procedure before the duly authorised Government Officer returns verified in such manner as may be required relating in any way to the execution of this contract or relevant for verifying or ascertaining the cost of execution of this contract (the decision of such Government Officer on the question of relevancy of any document, information of return being final and binding on the parties).

The obligation imposed by this clause is without prejudice to the obligation of the contractor under any statute, rules or orders shall be binding on the Contractor.

- (ii) The Contractor shall, if the authorised Government Officer so requires (whether before or after the prices have been finally fixed), afford facilities to the Government Officer concerned to visit the Contractors works for the purpose of examining the processes of manufacture and estimating or ascertaining the cost of production of the articles. If any portion of the work be entrusted or carried out by a sub-contractor or any of its subsidiary or allied firm or company, the authorised Government Officer shall have power to examine all the relevant books of such sub-contractor or any subsidiary or allied firm or company shall be open to his inspection as mentioned in clause (i).
- (iii) If on such examination, it is established that the contracted price is in excess of the actual cost plus reasonable margin of profit, the Purchaser shall have the right to reduce the price and determine the amount to a reasonable level.
- (iv) Where a contract provides for book examination clause, the Contractor or its agency is bound to allow examination of its books within a period of 60 days from the date the notice is received by the Contractor, or its agencies calling for the production of documents as under clause (i) above. In the event of Contractor's or his agency's failure to do so, the contract price would be reduced and determined according to the best judgement of the Purchaser which would be final and binding on the Contractor and his agencies.

### **3400. Inspection at the Fag End of the Delivery Period-**

In cases where only a portion of the stores ordered is tendered for inspection at the Fag end of the delivery period and also in cases where inspection is not completed in respect of the portion of the stores tendered for inspection during the delivery period, the Purchaser reserves the right to cancel the balance quantity not tendered for inspection within the delivery period fixed in the contract the risk and expense of the Contractor without any further reference to him. If the stores tendered for inspection during or at the fag end of the delivery period are not found acceptable after carrying out the inspection, the purchaser is entitled to cancel the contract in respect of the same at the risk and expense of the contractor. If, however, the stores tendered for inspection are found acceptable, the Purchaser may grant an extension of the delivery period subject to the following conditions: -

- (a) The Purchaser has the right to recover from the contractor under the provision of clause 0702 (a) of I.R.S. Conditions of Contract liquidated damages on the stores which the Contractor has failed to deliver within the period fixed for delivery.
- (b) That no increase in price on account of any statutory increase in or fresh imposition of Customs Duty, Excise Duty, Sales Tax on account of Foreign Exchange variation or on account of any other tax or duty leviable in respect of stores specified in the contract which takes place after the date of the delivery period stipulated in the contract shall be admissible on such of the said stores as are delivered after the date of the delivery stipulated in the contract.
- (c) That not with standing any stipulation in the contract for increase in price on any other ground no such increase which takes place after the date of the delivery stipulated in the contract shall be admissible on such of the said stores as are delivered after the expiry of the delivery period stipulated in the contract.
- (d) But nevertheless, the Purchaser shall be entitled to the benefit fit of any decrease in price on account of reduction in or remission of Custom Duty, Sales Tax or on account of Foreign Exchange variation or on account of any other Tax or Duty or on other ground as stipulated in the price variation, clause which takes place after the expiry of the date of delivery period stipulated in the contract.

**3401.** The Contractor shall not despatch the Stores till such time as an extension in terms of para 3400 (a) to (d) above is granted by the Purchaser and accepted by the Contractor. If the stores are despatched by the Contractor before an extension letter as aforesaid is issued by the Purchaser and the same are



accepted by the Consignee, the acceptance of the stores shall be deemed to be subject to the conditions (a) to (d) mentioned in the paragraph 3400 above.

**3402.** In case where the entire quantity has not been tendered for inspection within the delivery period stipulated in the contract and the Purchaser chooses to grant an extension of the delivery period the same would be subject to conditions (a) to (d) mentioned in the paragraph 3400 above.

**3500. (ADDITIONAL) SPECIAL CONDITIONS:-** (Vide Para 417-S)

These (special) conditions wherever they differ from the Invitation to Tender and Instruction to Tenderers over ride the latter.

In addition to Standard Conditions of Contract, the following special conditions shall apply to (Running) Contract: -

**3600. Purpose of Contract and Parties to the Contract.**

**3601.** The parties to the contract, which shall be deemed to be a "Running Contract" and which is intended for the supply of the stores of the descriptions and approximately in the quantities set forth in the contract during the period specified therein, shall be the Contractor of the one part and the authorities named in the contract hereinafter called the Purchaser (which expression shall, where the context so admits or implies, be deemed to include his successors and assigns) of the other part. The quantities shown in the said Contract, are only approximate, and cannot be guaranteed.

**3602.** The Purchaser may authorise any officer (who shall hereinafter be called Direct Demanding Officer) at any time during the period of the contract, to place orders direct on the Contractor.

**3603.**

Any variation of this contract shall not be binding on the Purchaser unless or until same is endorsed on the contract or incorporated in a formal instrument in exchange of letters and signed by the parties.

**3700. Delivery.**

**3701.** The Contractor shall as may be required by the Purchaser either deliver free or FOR or CIF at the place or places specified in the contract such quantities of the stores detailed in the said contract as may be ordered direct from the Contractor from time-to-time by the Purchaser or by the Direct Demanding Officer. The Contractor shall deliver or despatch the full quantity of the stores so ordered within the period specified in the said contract.

**3800. Increase or Decrease of Quantities: Deleted.**

**3900. Maintenance and Replacement of Stocks.**

**3901.** To meet casual demands, the Contractor shall maintain at all time in stock (until 75per cent of the requirements have been drawn), at the place (s) specified in the contract, the quantity /quantities mentioned therein. All demands should be complied with immediately they are received by the Contractor or within the period, if any, stipulated in individual orders. As soon as the Contractor is called upon to effect supplies, he shall take action to replenish the guaranteed stocks until such time as 75 percent of the total approximate requirement has been drawn and such replenishment shall be completed with the period specified in the contract, after the receipt by the Contractor of casual demands. Due notice will be given to the Contractor by the Direct Demanding Officers or by the Purchaser, if any additional quantities over and above 75 per cent of the total approximate requirements are required and Contractor shall then arrange stocks accordingly.

**3902.** The period for replenishment of stocks will be allowed only if the material is not in stock. If the material is in stock, this Provision will be in operative even tough the guaranteed stock quantity may have been supplied against the contract.

**4000. Reporting Progress of Contract.**

The Contractor shall, three calendar months before the termination of the contract or at such intervals as may be specified in the contract, submit a report to the Purchaser stating the total quantity of stores delivered or despatched under the contract.

**4100.** Special conditions where they differ from Standard Conditions override the latter.

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