

TENDERERS PLEASE NOTE

- (I) PLEASE READ THE INSTRUCTION TO TENDERERS, THE GENERAL AND SPECIAL TENDER CONDITIONS, IRS CONDITIONS OF CONTRACT AND ADDITIONAL SPECIAL CONDITIONS OF CONTRACT BEFORE FILLING UP THE TENDER FORM.
- (II) YOUR SIGNING AND SUBMITTING OFFER WILL BE INDICATIVE THAT YOU HAVE READ AND ACCEPTED THE CONDITIONS AS ENCLOSED AND REFERRED.

Tender documents consist of the following:-

- (a) Tender Schedule and Offer Form.
- (b) Instructions to the tenderers
- (c) General Tender Conditions
- (d) Special Tender Conditions (Wherever applicable)
- (e) IRS conditions of Contract & additional special conditions of Contract.
- (f) **Standard Pro-forma to be used for: -**
 - (i) Bank Guarantee for Earnest Money (Annexure-I)
 - (ii) Bank Guarantee for Security Deposit (Annexure-II)
 - (iii) Bank Guarantee for warranty (Annexure-III)
- (g) NEFT Mandate Form. (Annexure-IV)

INSTRUCTIONS TO THE TENDERERS

- 1.0 On behalf of the President of India, the Controller of Stores, East Coast Railway, Bhubaneswar (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.
- 1.1 The Stores tenders published by the Controller of Stores, East Coast Railway are uploaded on the Indian Railways e-Procurement Internet site i.e. in www.ireps.gov.in. This site also permits submitting the offer on line. The intending tenderers may visit this site and submit their offer.
- 1.2 Your digital signature on the E-Tender form will be considered as your confirmation that you have read and accepted all the conditions laid down in the documents as well as schedule of tender, consisting of techno-commercial offer form (including special conditions attached to E-Tender) and Financial offer form, unless specific deviation is quoted in the techno-commercial offer form.
- 1.3 Tenderers can download E-Tender form only after payment of tender document cost either online through payment gateway facility provided on the web site or after submitting the details of tender document cost paid offline in the form of Demand Draft drawn in a Nationalized Bank in favour of "FA&CAO/East Coast Railway payable at Bhubaneswar/Cash Receipt (for payment made to Chief Cashier of the Railway/Production Unit) etc. The tenderers exempted for deposit of tender document cost have to declare the same specifying the clause under which they are exempted. They must upload a scanned copy of relevant document (such as NSIC certificate) in support of their claim.
- 1.4 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 rejected summarily without any consideration.

2.0 Payment through NEFT:

EAST COAST RAILWAY is arranging payments to the suppliers through (National Electronic Fund Transfer) NEFT/RTGS system for quick money transfer to the supplier's/Tenderer's account.

- i) Tenderer shall give consent in the mandate form for getting payment through NEFT/RTGS.
(As per the form given at Annexure-VI of this document)
- ii) Tenderer shall provide the details of their Bank Account in line with RBI guidelines for the payment through NEFT. These details are Bank Name, Branch Name & Address, Account type, Bank Account No; Bank & Branch code as appearing on MICR Cheque issued by bank and IFSC code of the banker.
- iii) Tenderer shall attach certificate from their bank certifying the correctness of all above-mentioned information (as mentioned in Para -ii above).
- iv) In case payment could not be arranged through NEFT/RTGS due to any reason either from Railway side or where NEFT/RTGS facility is not available, payment will be arranged through Account Payee Cheque where Railway is having drawing account.

3.0 Submission of Offers and Filling up of Tender Forms :

The tenderer (s) should be duly filled in (on the assigned space), duly signed with digital signature and submitted on line: and the cost of tender document and Earnest Money Deposit should be sent in a sealed cover addressed to The Controller of Stores, East Coast Railway, Bhubaneswar super-scribed with the following words:-

"Tender No COS/ECOR/OT/_____/_____, due date of opening Opening time....., IREPS tender: Not for manual opening "

4.0 **Earnest Money Deposit:**

4.1. **Earnest Money Deposit (EMD) shall have to be deposited by all tenderers against advertised tenders subject to following exemptions:**

- a. Vendors registered with NSIC upto the monetary limit of their registration for the items tendered.
- b. Vendors registered with Railways upto monetary limit of their registration for the items tendered/trade groups of the items tendered.
- c. Vendors on approved list of RDSO/Production Units of Railways (CLW/DLW/ICF/RCF/DMF)/CORE/Railways etc for those specific items for which they are on the approved list.
- d. Manufacturers and their accredited agents with valid documentary support.
- e. Other Railways and Government Departments.
- f. Tenderers seeking waiver of/exemption from payment of Earnest Money shall have to submit requisite documentary evidence in support of their claim. For the remaining tenderers, Earnest Money as stipulated in the Notice for Invitation of Tenders (NIT) will have to be paid.
- g. In deserving cases, relaxation from payment of Earnest Money may be considered on merits.
- h. Tenderers other than those who are exempted from paying Earnest money or in whose favour Earnest Money payment may be waived as detailed in the preceding paragraphs shall be required to give Earnest Money failing which, their offers shall be liable to be ignored.

i. **Action to be taken on the firms exempted from giving Earnest Money and resiling from its offer within the validity period:**

1. In case any firm resiles from its offer within the validity period for the first time, amount equivalent to Earnest Money would be recovered from the other contracts of the firm within the same Railway or/other Railways.
2. For the second time, if the firm is resiling from its offer within the validity period, the concerned firm will be de-listed for 3 years by the approving agency. In this case, recovery equivalent to Earnest Money need not be made.

j. **Forfeiture of Earnest Money:** When the Tenderers undertake to keep the offers valid for a particular period and if the offer is withdrawn or revised within the validity period, Railway Administration is entitled to forfeit such Earnest Money deposit.

k. No interest will be paid on Earnest Money.

4.2. The amount of EMD to be taken in advertised tenders, wherever applicable, will be 2% of the estimated tender value subject to an upper limit of:

- (a) Rs. 5 lakhs for tenders valuing upto Rs. 10 crores and
- (b) Rs. 10 lakhs for tenders valuing above Rs. 10 crores.

4.3. EMD should remain valid for a period of 45 days beyond the final bid validity period.

4.4. Return of EMD: a) EMD of unsuccessful bidders shall be returned to them within 30 days after expiry of final bid validity. b) EMD shall be refunded to the successful tenderers on receipt of Security Money.

5.0 **Security Deposit: (This tendered item is a SAFETY/Other than Safety item)**

(i) **For Safety Items:**

The Security Deposit (SD)/Performance Guarantee shall be taken from all firms for contracts for all safety items placed against advertised tenders and Global tenders except from the vendors registered with NSIC upto the monetary value of their registration for the ordered items only in case of value of the supply upto 10 lakhs. In case of supply of safety items, valued above 10 lakhs, Security Deposit shall invariably be taken from the firms irrespective of their registration with NSIC.

(ii) Other than Safety Items:

The Security Deposit (SD) shall be taken from all firms for contracts for items other than safety items placed against advertised tenders and Global tenders subject to following exemptions:

- (a) Vendors registered with NSIC up to the monetary limit of their registration for the items ordered.
- (b) 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 Railway, Govt. Departments on their specific request and on merits of the case as considered by tender Committee.

(iii) 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.

(iv) The amount of SD to be taken, wherever applicable, will be 10% of the total value of contract subject to upper ceiling of Rs.10 lakhs for contracts valuing upto Rs.10 Crores and Rs.20 lakhs for contract valuing above Rs.10 crores.

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

5.2 After completion of all contractual obligations, SD should be returned to the successful supplier within 60 days.

NB: The applicability of Security Deposit (SD) shall be prevailed for the corresponding category mentioned above duly considering the tendered item being safety/other than the safety item, as the case may be.

6. The Earnest Money and Security deposit is to be paid in any of the manner prescribed below: -

- (i) A deposit in cash to be made in any of the cash offices of East Coast Railway under allocation "Deposit Miscellaneous Stores" in favour of FA & CAO, E.Co.Rly (Cash receipt is to be produced).
- (ii) Government securities at 5 per cent below the market value.
- (iii) Deposit Receipts, Pay Orders, Demand Drafts and Guarantee Bonds of the State Bank of India or any of the Nationalised Banks.
- (iv) Deposit Receipts, Pay Orders, Demand Drafts and Guarantee Bonds issued by any Scheduled Commercial Bank.
- (v) Deposit Receipts of the Post office Saving Bank.
- (vi) The Bond of Indian Railway Finance Corporation (In case of bonds issued under non-cumulative interest scheme, post dated interest warrants should be submitted along with the bonds and interest warrants could be given back as and when the interest become due) and KRCL Bonds of Rs. 1000/- each.

(Standard proforma of Earnest Money Bank Guarantee and Security Deposit Bank Guarantee are enclosed at Annexure-I & Annexure-II respectively)

N.B: Bank Guarantees (BGs) for SD to be submitted by the suppliers/contractors should be sent directly to this office by the issuing Bank under registered post with AD). Payment of Security Deposit and Earnest Money in the form of Pay Order/Demand Draft should be made in favour of FA&CAO/East Coast Railway/Bhubaneswar only.

7.0 Drawings and Specifications:

7.1 Unless Drawings and Specifications as mentioned in the tender schedule /enquiry/ offer form are provided with the tender documents or made available in E. Co. Railway website for downloading by the tenderers, these may be obtained in the manner shown below:

- (i) Specification/STR/Drawing of RDSO/ICF/DLW/ CLW/ CORE etc may be obtained from the concerned authority who has issued these, on payment.
- (ii) Drawings and Specifications framed by the concerned authority of E. Co. Railway may be obtained from office of the Controller of Stores, East Coast Railway, Chandrasekharpur, Rail Vihar, Bhubaneswar –751023 or address indicated in tender schedule/condition. However, in these cases, the tenderers shall have to:-
 - (a) Produce the documentary evidence for having paid the cost of tender documents by them unless they are provided with these documents free of cost because of their entitlement/eligibility. In the latter case, the tenderer will have to produce documentary evidence that they have been provided with free tender documents.
 - (b) For such tenderers who download the tender documents, they have to produce the proof of such download while asking for such drawings and specifications.

7.2 If any tenderer happens to quote with their own Drawing No / Part No / Specification, then, they shall have to, necessarily, submit all the requisite documents and information in support of their offer being in conformity with the tender Drawing/Specification. Furthermore, copies of such drawings/ specifications/catalogue are also to be enclosed, failing which the offer will be liable to be rejected.

8.0 **Tender Opening:** - No Tenderers shall be required to be present in the Office of Controller of Stores, Railvihar, Chandrasekharpur, Bhubaneswar for any E-Tender opening process. They can obtain totally transparent bid tabulation statement by logging on to the web-site. Railway does not guarantee opening of tenders at the specified date and time due to reasons beyond control and hence tenders can be opened after due date and time also. It will however be ensured that no bids are submitted after tender closing Date and Time. Tenderers can not submit any offer or attach any file after the due date and time as stipulated under the Tender Notice.

9.0 **Documents to be attached/uploaded along with E-Bid:**

Scanned copy of the following documents should be uploaded along with the E-Bid:-

- 9.1. Performance statement against Railways Orders for supply of same or similar items. Correct status/supply position of pending orders if any should be invariably indicated. Supporting documents are to be enclosed.
- 9.2. Details of Machinery and Plant, other equipments, testing facilities, quality management /control systems and details of technical manpower available.
- 9.3. Tenderers should submit documentary evidence in respect of their RDSO approval indicating current validity and approval of their QAP by RDSO wherever necessary.
- 9.4. Copies of the supply/purchase orders along with the Inspection Certificates by RITES/RDSO and Receipt Notes should be enclosed for ready reference, along with tender to substantiate their past performance.
- 9.5. The Tenderers should also indicate their registration number with East Coast Railway if any with monetary limit, trade groups for which registered and, validity date of registration.
- 9.6. NSIC Certificate if Registered with NSIC.
- 9.7. Proof for having paid Earnest Money Deposit or grounds in favour of exemption/waiver.

10. **Rate, Taxes and Duties:-**

- 10.1. Tenderers should clearly indicate separately ex-works basic price, packing charges, forwarding charges, Excise Duty, Educational Cess, Sales Tax/VAT and Freight charges upto destination, applicable for each unit tendered. Duties and Taxes are not payable on freight charges including packing and forwarding charges. Therefore, if the tenderer happens

to quote a composite price, due break-up is to be given showing freight and forwarding charges separately.

10.2. Tenderers are requested to quote in the following terms:-

- (i) FOR Destination basis, duly indicating separately break-up of Ex works Price, Duties, Taxes, packing, forwarding and Freight charges.
- (ii) The tenderers are required to quote in the same rate units (Nos./Kgs./Sets/ mtrs/ kmtrs etc.) as given in the tender schedule. Any deviation in this aspect will make the offer liable to be ignored.

11. Excise Duty:-

Tenderers are requested to refrain from quoting vague terms like “Excise Duty extra as applicable’ and mention clearly the rate of ED leviable for the tendered stores. If the quoted rate is inclusive of ED, the tenderer must indicate the ED element clearly. If it is not done so, then, the offer will be taken as inclusive of ED at the highest rate obtained in the tender batch. General phrases as “Excise duty extra as applicable” shall not be accepted. Please mention clearly if excise duty is applicable on the tendered item or not.

- a) If Excise Duty (ED) is charged extra, then the tenderers should clearly indicate the exact rate of ED applicable in their offers.
- b) If Concessional ED is applicable at the time of quoting of offers and the tenderers wish that actual ED at the time of supply should be paid, then they should clearly indicate that ED will vary based on the turn over value and must also indicate the maximum rate of ED payable. Tenders will be evaluated on the basis of maximum rate of ED, which may become applicable. However, ED will be reimbursed at actual and within the upper ceiling of the maximum ED rate considered for evaluation purpose.
- d) If ED is not claimed in the offer and no mention is made about Excise duty, then no ED will be payable. If ED is claimed in the offers with exact rate and statutory variation is also claimed by the firm in the offer, the same will be considered duly evaluating the offers with exact rate of ED.
- e) In no case the variation in ED due to increase in turnover during the currency of contract will be admissible unless specifically mentioned in the offer.
- f) If tenderers misclassify the goods under relevant excise tariff rules, the Railway will not pay increased Excise Duty due to such misclassification.
- g) ED will be paid subject to documentary evidence and government notifications only.

12. Payment of Excise Duty:

12.1. The purchaser will not be responsible for payment of taxes and duties paid by the supplier under misapprehensions of law or misclassification and in such cases even if the suppliers bill contain an element of tax or duty which is not payable by the purchaser, such payment would be disallowed.

12.2. The claim for ED on each bill should be supported by the following certificates.

- (a) The rate of ED is advalorem. The ED at present legally leviable in this case is Rs.....i.e. on Rs.....being the unit value of the Stores assessed by the concerned authority of the Excise department.
- (b) Certified that the ED charged on this bill is not more than that legally leviable and payable under the provision of the relevant act or rules made there under.
- (c) Certified that the amount of Rs.....claimed towards ED in this bill is in accordance with the provision of the rules in all respects and the same has been actually paid to the excise authorities in respect of the stores covered by the bills.
- (d) Quarterly certificate to the effect that no refund of ED already reimbursed against this contract has been obtained during the quarter ending. In the event of any such refund being obtained by the seller, the same should be passed on to the purchaser.

12.3 **MODVAT Certificate**:-The tenderers will have to give the following certificates in their offer:-
“We hereby declare that in quoting the above price, we have taken into effect, the full effect of the duty set-off on 'Central excise and counter veiling duties' available under the existing MODVAT scheme. We further agree to pass on such additional duties and set off as may become available in future in respect of all the inputs used for the manufacture of the final product, on the date of the supply under MODVAT scheme, by way of reduction in price and advise the purchaser accordingly.”

12.4 **Special MODVAT Condition for all the Lead Acid Batteries**: The tenderer has to give details of MODVAT benefit on raw material (lead), which will be passed on to the purchaser. The tenderer should indicate weight of 'Lead' used in manufacturing one battery as 'Raw Material' input. Modvat benefits/additional duty set-off on the goods supplied, if any, accrued to the tenderer will have to be passed on to the Railways (purchaser) under the MODVAT Scheme by way of reduction in prices.

13. **Sales Tax/Value Added Tax:**

Sales Tax/Value Added Taxes should be quoted extra if applicable.

Issue of form "D" towards CST on inter-State purchase by Railways is withdrawn. Consequent upon the withdrawal of "D" form the rate of CST on inter-state sale to Railways shall be the rate of VAT/State Sales Tax applicable in the State of the selling dealer.

Wherever Value Added Tax is applicable, the following may be noted: -

- (a) **The Tenderer should quote the exact percentage of VAT/ST that they will be charging extra.**
- (b) **While quoting the rates, tenderer should pass on (by way of reduction in prices) the setoff/input tax credit that would become available to them by switching over to the system of VAT/ST from the existing system of Sales Tax, duly stating the quantum of such credit per unit of the item quoted for.**
- (c) **The tenderer while quoting their rates should give the following declaration:**
“ We agree to pass on such additional setoff/input tax credit as may become available in future in respect of all the inputs used in the manufacture of the final product on the date of supply under the VAT/ST scheme by way of reduction in price and advise the purchaser accordingly.”
- (d) **The suppliers while claiming the payment shall furnish the following certificate to the paying authorities (Railways).**
“We hereby declare that additional set offs/input tax credit to the tune of Rs. -----
- has accrued and accordingly the same has to be passed on to the purchaser and to that effect the payable amount may be adjusted”.
- (e) **Even for the contracts where CST is payable, this input tax credit may become admissible to the supplies where the supplier happens to be located in the state in which VAT/ST has been implemented. Accordingly a certificate under Para (d) above should also be obtained in all such existing contracts where CST is payable.**
- (f) **For the states in which the VAT has not yet been introduced, the existing system of Sales Tax shall continue.**
- (g) **Railway will, however, not be responsible for the payment of any tax or duty made by the supplier under misapprehension of law.**

14. **CENTRAL SALES TAX (CST)**

14.1. With the Amendment of Central Sales Tax Act 1956, the concessional tax regime so far available to the Government Departments has been withdrawn w.e.f 01.4.07. Government Departments will have to pay CST @ normal VAT/ST rates prevalent in the seller's state for purchase involving inter-state movement of goods. Issue of Form 'D' towards CST on inter-state purchase by Railways is withdrawn. Consequent upon the withdrawal of 'D' Form, the

rate of CST on inter-state sale to Railways shall be the rate of VAT/State Sales Tax applicable in the state of the selling dealer.

- 14.2. However, goods of special importance (called declared goods) as incorporated in Section 14 of CST Act will continue to suffer/enjoy Concessional rate of Tax since State Govt. cannot impose tax at higher rates than envisaged in CST Act.

N.B:

- (i) If any surcharge on Tax is applicable the same should be indicated clearly in their offer.
- (ii) If Excise Duty and Sales Tax are not quoted in the offer, it shall be construed that no Excise Duty/Sales Tax is applicable.
- (iii) If the tenderers submit their offer regarding taxes/duties with the remark "as applicable" then such offers will be treated as incomplete offers and Railway will be at liberty to load the highest rate of such taxes and duties for evaluation of such offers in determining inter-se merit position.

15. Entry Tax/Octroi Duty:

- 15.1. Suppliers/contractors may quote Entry Tax/Octroi specifically in their offer. In case Entry Tax/Octroi is not quoted specifically it will be construed that Entry Tax/Octroi element is already included in their offered rates. In other words, Railway will not reimburse any Entry Tax/Octroi to the contractors/suppliers.

Contractors/suppliers quoting with the remarks "Entry Tax/Octroi to Purchaser's account or Entry Tax/Octroi extra as applicable" , their offers will be loaded with prevailing rate of Entry tax/Octroi of the concerned state of the consignee with a view to assess/fix the inter-se merit position along with other offers.

In all these cases Railway will reimburse Entry Tax/Octroi to the Contractors/supplier on production of documentary evidence towards payment of such amount and Railway will not issue way bill /road permit/Octroi exemption certificate.

- 15.2. Suppliers/contractors quoting in their offers for road permit/way bill/Octroi exemption certificate to be issued by railways may please note that issuance of road permit/ way bill/ octroi exemption certificate amounts to payment of entry tax/Octroi to the concerned state authorities. In these cases, their offers will be loaded with prevailing rate of Entry tax/Octroi of the concerned state of the consignee with a view to assess/fix the inter-se merit position along with other offers.

16. Raw Material, Machinery and Plant:

The responsibility for procurement of all the required inputs/raw materials/ machinery/Plants for the manufacture of tendered item shall be the sole responsibility of the supplier.

17. Price Variation Clause:-

17.1 Railways, in general, prefer firm price contracts.

- 17.2. However, there may be cases of procurement of stores which are raw material (Steel/ Non-Ferrous) intensive and there are rapid fluctuations in the prices of raw material etc and stipulation of price variation clause seems inevitable, the tenderers may quote with Price Variation clause. Such Price Variation Clause must be unambiguous and having clear price variation formulae. Ambiguous conditions like "Price Variation Clause applicable" will not be acceptable and such offers shall be summarily rejected.

- 17.3. Following Price Variation Clauses are generally recognized by the Railways.

- i) IEEMA PVC for the items covered by IEEMA formulae.
- ii) Railway Board's PVC for items covered by such formulae.

iii) DGS&D's PVC for the items which are covered by such formulae.

Note:-Tenderers whose offers are with IEEMA PVC, Railway Board's PVC/DGS&D's PVC are to quote with the prices of input raw materials ruling on the base date as stipulated in the relevant PVC (IEEMA/ Railway Board/ DGS&D).

For example in case of IEEMA PVC, if the Tender opening date falls in May of a year, the applicable prices of input raw materials may be those prevailing on the 1st April of that year. If any Tenderer quotes with any other base date (for prices of input raw materials), then all such offers shall be updated to the common base date as stipulated in the PVC of IEEMA/Rly Board/ DGS&D as the case may be. For example, in the case of IEEMA PVC for a tender opened in May of a year, if any tenderer quote with prices of input raw materials ruling on a base date other than 1st April of that particular year, quoted rates shall be updated to the base date of 1st April of that particular year (for input raw materials) for the purpose of evaluation of offers and determination of inter –se ranking of the offers.

17.4 For those items which are not covered by any of the aforesaid PVC, other PVC specific for such stores may be considered and accepted if found to be in order. However, in all such cases, the contract prices upward/downward will be regulated with reference to the date of inspection of stores and will be applicable to the stores placed for inspection to the inspecting authority after a period of not less than one month from the date of change/variation in the price of relevant input material by the specified agencies like SAIL, HZL, NALCO, HCL etc. The date on which stores are offered for inspection will be treated as the date of supply for the purpose of Price Variation Clause. Further, the base month for such input materials will be one month prior to that of tender opening. Admission of any claim in this regard will be subject to the suppliers furnishing all the supporting documents.

Offers received with Price Variation Clause (with formulae) shall be up-dated to a common base date for the purpose of evaluation of the offers and determination of inter-se ranking of the offers.

17.5 Tenderers who quote with price escalation on account of raw material in the tenders will please note that such escalation claims will be subject to verification by the Financial Adviser and Chief Accounts Officer of the Railway with reference to the records that may be called for from them. Successful tenderer will be required to produce complete records including position of ground stocks available at the time of submission of tender for verification / examination of their claims under price escalation before their claims are accepted. If the tenderer fails to establish his claim by producing satisfactory records before the FA & CAO of this Railway their claim will be disallowed and/ or proportionately reduced.

18. **I.T.C.C:** This will be governed by extant rules of the Government of India.

Tenderers are to indicate the Income-Tax PAN details and enclose a Photocopy of the same.

19. **Validity:**

Tenderers are to keep validity of their offer open for a minimum period of 120 days. Offers with validity period of short duration may be taken as unresponsive to Railway's requirements and are liable for rejection.

20.0 **Evaluation Criteria:**

- 20.1 Rates quoted by the Tenderers with discounts if any linked to quantity will be considered for determining inter-se position of the offers. Discounts with conditions attached to early payment, early Receipt notes etc., will be ignored for calculating inter-se position. However, Railway may avail the discounts linked to early payment, early receipt notes etc. if otherwise, firm's offer is found to be acceptable.
- 20.2 Inter-se ranking of the offers will be determined on item wise and consignee wise Total Unit Rate basis which will include basic rate, ED, Educational Cess, VAT/CST, freight including packing and forwarding charges, insurance and any other charge or cost quoted by the tenderer. In case of offers with P.V. Clause, the quoted rates shall be updated to a common base date for such assessments.
- 20.3 **The criteria for evaluation of inter-se-position of bidders shall be item wise and destination wise unless otherwise some other evaluation criteria are specifically mentioned in the tender.**
- 21.0. Wherever all or some of the approved firms quote equal rate and/or cartel formation or non-competitive bidding is suspected, Railway reserves the right at its own discretion to place order on one or more firms with exclusion of the rest without assigning any reasons.

GENERAL TENDER CONDITIONS

1 Acceptance of the Offers: -

The Controller of Stores is not bound to accept the lowest or any offer nor to assign any reason for doing so and reserve the right to accept any offer in respect of the whole or any portion of the item specified in the tender and contractor shall be required to supply at the accepted rate.

2 Quantity to be ordered:

- (i) Railway reserves the right to cancel the tender for full or part quantity tendered without assigning any reason thereof. The rates quoted by the tenderers for the full quantity would be taken as valid.
- (ii) Wherever necessary by the purchaser, the quantity to be ordered can be split by the purchaser amongst two or more sources for ensuring better availability of material keeping in view the vital/critical nature of item, quantity to be procured, delivery requirements, capacity and past performance of the firms. Delivery Period may suitably be reduced in case part quantity is ordered.

3 CRITERIA FOR SPLITTING OF TENDER QUANTITY:

In all cases of split tendering, the following criteria will be applicable: -

- (i) 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.
- (ii) Whenever such distribution/splitting of the tendered/procurable quantity is made, the quantity distribution will depend (in an inverse manner) upon the differential of rates quoted by the tenderers (other aspects i.e. adequate capacity-cum-capability, satisfactory past performance of the tenderers, outstanding orders load for the Railway making the procurement, quoted delivery schedule vis- a vis the delivery schedule incorporated in the tender inquiry etc. being same/similar) in the manner detailed as under.

Price differential between L1 and L2.	Quantity distribution ratio between L1 and L2.
Upto 3%	60:40
More than 3% and upto 5%	65:35
More than 5%	At least 65% on the L1 tenderer. For the quantity to be ordered on the L2 tenderer , Railway would decide keeping in view the conditions laid down in Para- 3 (c) v & 3 (c) vi below.

- a) If the price differential between the L-1 and L-2 eligible tenderers is upto 3%, then the distribution ratio between L1 & L-2 will be 60:40 (60% for the L-1 tenderer).
 - b) If the price differential between the L-1 and L-2 eligible tenderers is more than 3% and upto 5%, then the distribution ratio between L1 & L-2 will be 65:35 (65% for the L-1 tenderer).
 - c) If the price differential between the L-1 and L-2 eligible tenderers is more than 5%, then at least 65% should be ordered for the L-1 tenderer and TC/TAA should decide the quantity to be ordered on L-2 tenderer keeping in view the extant guideline issued by Railway Board from time to time on the matter of splitting of tendered quantity.
- (iii) If splitting of quantity is required to be done by ordering on tenderers higher than the L-2 tenderers, then the quantity distribution proportion amongst the tenderers will be decided by transparent/logical/equity based extrapolation of the model/example indicated above.

- (iv) The purchaser reserves the right to counter offer the lowest acceptable rate for bulk ordering to the higher tenderer(s). In the event of rejection of such counter offer(s), the purchaser will reserve their right to decide on the quantity distribution ratio/proportion.
 - (v) The rate of the highest eligible tenderer within the Zone of consideration has to be, per-se, reasonable to the purchaser.
 - (vi) In the cases of inadequate capacity-cum-capability, dissatisfactory past performance, large quantity of outstanding orders (liquidation of which will take very long time) etc., the purchaser shall have the right to distribute the procurable quantity amongst tenderers with due consideration to these constraints and in such a manner as would ensure timely supply of materials in requisite quantity to meet the needs of operation, maintenance, safety etc of the Railways, regardless of inter-se ranking of the tenderers and in a fair and transparent manner with due conformity to the principle of natural justice and equity.
 - (vii) Counter Offer to L-1, in order to arrive at an acceptable price, shall amount to negotiation. However any counter offer there after to L-2, L-3 etc. (at the rate accepted by L-1) in case of splitting of quantity, as pre-disclosed in the tender, shall not be deemed to be a negotiation. However in the cases where the rate of highest tenderer within the zone of consideration, per-se, is reasonable, and a counter offer is made only to economies the purchase, then the same may be done simultaneously to all the tenderers within the zone of consideration.
4. In the tenders for fixed quantity contracts for procurement of materials of which the requirements are of continuing nature and the tender value is more than Rs. 75 lakh, the Purchaser reserves the right to increase and /or decrease the order quantity by a quantity not exceeding 30% of the ordered quantity on the same price and terms and conditions during the currency of the contract, with suitable delivery schedule for the enhanced quantity.
- 4.1 The Purchaser also 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.
5. **Procurement from Approved Sources:**
- 5.1. **Approved by RDSO:**
Wherever necessary, as per policy of procurement, bulk purchases will be made only from those firms who have been approved by RDSO for such ordering i.e. Part-I vendors before opening of tender to manufacture and supply the item. The tenderers are to enclose copies of RDSO approval letters along with their quotation. The status of the firm will be reckoned as on the date of tender opening and not thereafter. But, in case of downgrading/removal/suspension/banning etc. after opening of tender, such changes shall be taken into account while considering the offers i.e. at the time of finalization of Tenders.
- 5.2 Orders on firms approved by RDSO as Part-II vendors shall be Developmental Orders, normally. Ordering on Part-II approved vendors, as per extant directives of Railway Board shall not construe splitting of the procurable quantity.
- 5.3 *Orders on firms approved by RDSO as Part-II vendors shall be limited upto 15% quantity normally.*
- 5.4 The ordering on a Part II approved source with competitive price ranking can be considered beyond 15% in case that source has successfully executed a larger quantity order in the same Railway unit or other Railway units/PUs in the preceding 3 years. Successful executions will be signified by both quantitative and qualitative performance. Upper limit of quantity to be ordered on such a source will not exceed 25% of the net procurable quantity in a given procurement case with another 5% on new source in deserving cases and with strict compliance of extant procedure on such educational ordering. That is to say, the ordering quantity on a Part -II source can be up to 15% or the highest quantity of a past order, successfully executed in the

preceding 3 years in the same Railway unit or other Railway units/P.U.s, whichever is higher subject to maximum of 25% of the net procurable quantity in the given procurement case.

5.5 Aggregate quantity to be ordered on all Part – II approved vendors taken together, however, will not exceed the 25% of the net procurable quantity, in a given procurement case.

5.6 All the Part -II approved vendors must submit attested photo copies of P.Os, inspection certificates and Receipt notes/certificates related to the maximum quantity of the material under procurement, successfully supplied by them in any single order placed on them over a preceding 3 years by any zonal Railway/P.U. Such tenderers are to note that non-submission of such documents shall be taken as their not having any such past performance and their offers shall be considered further as per extant rules and no back reference in this regard will be made to them.

5.7 If the tendering firm(s) is not approved by RDSO as mentioned above either for placement of bulk order or for developmental orders, then they must submit their credentials details i.e. Machinery and Plant, Testing Facilities, QAP, Technical Manpower, etc. In deserving cases, their offers may be considered for developmental orders after assessment of capacities/capabilities by RDSO. Failure to furnish requisite credentials as mentioned above will make their offer liable to be ignored.

5.8 **Approved by DLW/CLW/ICF/CORE/RCF:**

Same conditions shall apply as in the case of RDSO approved sources as detailed in Para 5.1 above with the exception that wherever “RDSO” is appearing, the same should be replaced by DLW/CLW/ICF/CORE/RCF.

5.9 **Procurement of materials falling in the category other than those in Para 5.1 and 5.2 above:**

In these cases, the Railway reserves the right to make bulk procurement from the tenderers who conform to/comply with the eligibility criteria (as detailed in the special conditions of tender) whereas developmental orders may be considered for placement on other sources whose offers are competitive and who have submitted adequate evidence towards their capacity-cum-capability and prima facie the Railways are satisfied they are capable of executing the orders but whose capacity to supply bulk quantity has not been established in the past.

6. **Purchase / Price Preference Clause:-**

The purchaser reserves the option to give a purchase / price preference to the offers from Public Sector units and /or from Small Scale/Cottage Industries Units, over those from other firms, in accordance with the policies of the Govt. from time-to-time. The price preference above cannot however, be taken for granted and every endeavor need be made by them to bring down cost and achieve competitiveness.

There will not be purchase preference for products and services of CPSE w.e.f. 31-03-2008 except for preferential purchase policies framed for specific sectors, separately.

7. **Purchase Preference Clause:-**

Purchase preference to Central Public Sector Undertakings if applicable as per relevant guidelines of Government of India may be granted in the following manner:-Other thing being equal, purchase preference will be granted to the Central Public Sector Enterprises (CPSEs) at lowest valid price bid (L1) if the price quoted by a CPSE is within 10% of the L1 price. The salient features of the policy are as under:

(i) Purchase Preference Policy (PPP) support will be extended to the contracts of the value of Rs. 5 Crores and above but not exceeding Rs.100 Crore. *For deciding the applicability of PPP, the value of option quantity shall not be taken into consideration.* If civil works are included as part of the contract for supply of goods and/or if the contract is a turnkey contract, such

contracts would also be covered by PPP, subject to the condition that the total value of the contract does not exceed Rs.100 Crore.

- (ii) PPP will apply only to CPSEs and their subsidiaries (i.e. where PSE owns 51% or above shareholding), but not to a joint venture owned by a PSE and a private sector partner.
- (iii) A minimum value addition of 20% by the CPSEs/ subsidiary companies by way of manufacturing and / or services would be a prerequisite for availing of purchase preference.

8. Time Preference Orders/Acceptance of Higher Tender for Earlier delivery:-

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

9. Quotations for Imported items:-

9.1 Quotations in Foreign Currency:-

- 9.1.1 Please note that, in case of Quotations in Foreign Exchange the firms should quote on FOB basis.
- 9.1.2. Any additional expenditure incurred by the purchaser on account of increased Custom Duty, Freight charges as also extra cost which may arise on account of Variation in Exchange rate during the extended delivery schedules, shall be borne by the Contractor.

9.2 Imported Stores offered by Indian Agents in Indian Currency:

Any authorized dealer / agent / recognized industrial distributor quoting on behalf of their foreign principal in Indian Rupees shall have to comply with the following:-

- i. To quote with tender specific authorization from the foreign manufacturer.
- ii. (a) While quoting on behalf of foreign principals, tenderers are required to furnish the principal's invoice/ proforma invoice along with their quotation.
(b) Proforma invoices however, may be accepted in exceptional cases where, it is not possible to obtain the invoices before the contract is placed.
- iii. The tenderer shall have to undertake in the tender to comply with the following –
 - a) Consent to furnish copy of customs out passed bill of entry for the goods, relevant to each consignment Manufacturer's Test and Guarantee certificate issued by the manufacturer, Copy of Bill of Lading/AWB relevant to the consignment; Copy of commercial invoice of the foreign manufacturer/principals relevant to each consignment.
 - b) Current and valid authorization/dealership certificate of foreign manufacturer/principal.
 - c) Compliance of sea/air worthy packing condition in manufacturer's original packing with manufacturer's tamper proof seal and compliance of the Packing condition as laid down in IRS Conditions of Contract Para-1800. Failure to comply with any of the aforesaid conditions as referred above will make the offer liable to be rejected.
- iv. Tenderer has to indicate the following while submitting the offer:
 - (a) The precise relationship between the foreign manufacturer/principal and their agents/associates.
 - (b) The mutual interest which the manufacturer/principal and the Indian agent/ associates have in business of each other is to be indicated.
 - (c) Indian agent's Permanent Account Number is to be indicated.
- v. Any additional expenditure incurred on account of Customs Duty and Exchange Rate variation during pendency of the Contract will be on contractor's account.

- vi. For bearings manufactured in foreign countries, visual inspection by RITES inside India after receipt is acceptable with import documents and original manufacturer's test and Warranty/ Guarantee certificate. Firm should consent to deposit security money as per IRS conditions for due execution of the contract if asked to do so. This is irrespective of the fact whether the firm is registered with this Railway or not.

10. Payment Terms: -

- 10.1 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.
- 10.2 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.
- 10.3 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.
- 10.4 However, in this connection it is to be made clear that for orders valuing upto Rs.5 lakhs, no advance payment will be made and only 100% payment will be made against receipt and acceptance of the material by the consignee i.e., against Receipt Note.
- 10.5 In deserving cases, 98% / 2% payment can also be considered within the framework of extant rules and procedures.
- 10.6 **For Machinery & Plant items:** 80% payment will be allowed after receipt of the machine in good and acceptable condition at consignee's end against inspection certificate and the supplier's challan certified by the consignee Gazetted Officer. Balance 20% payment will be made on successful installation, commissioning and testing of the machine and also furnishing of a Bank Guarantee towards warranty obligations of the contractor for 10% of the value of the machinery or plant.

11. Inspection Clause: -

- 11.1 Material peculiar to Railways such as parts and fittings of rolling stock except raw material, which have been found rectified during inspection and which could not be rectified, are required to be defaced by the inspecting authority to avoid recycling of such rejected material and to avoid ultimate failures to assets. All such rejected materials peculiar to Railways should be mechanically defaced to prevent sale to Railways again.
- 11.2 (i) Material to be pre-inspected by RDSO or RITES at Railway's option, or as stated in this Tender Enquiry/Tender Conditions. Tenderers are requested to quote accordingly. At a later date any request for change in inspection clause will not be considered.
- (ii) In case the firm fails to offer the material for inspection against inspection call issued to the inspecting agency or if the material have to be re-inspected due to rejection of the material at firms premises by the inspecting agency or due to non dispatch of material within validity of Inspection Certificate, then 50% of the inspection charges applicable for the offered quantity subject to maximum of Rs 5,000/- and actual cost of the test charges incurred will be paid by the supplier to the inspecting agency.
- (iii) Traders/authorized agents are required to offer material for inspection at manufacturer's premises only.
- 11.4 **Final inspection and acceptance of the supplied material will be done by the Consignee after receipt of the material.**
- 11.5 **The rejected material for exclusive use of Railways will be defaced to ensure that the rejected item are not recycled and supplied to other Railways or purchasers.**

12. **Terms of Delivery:**

- 12.1 Mode of dispatch should be preferably by road.
- 12.2 Suppliers should clearly quote-FOR Conditions i.e. station of dispatch or destination. If firm's offer is FOR Destination then applicable freight charges should be clearly indicated.
- 12.3 Transit Insurance for risk in transit should be arranged by the supplier, since risk in transport in all such cases rests with the supplier.
- 12.4 The firms who offer to dispatch the stores by Road on FOR Station of dispatch basis, but freight prepaid upto the destination may seek re-imburement of such freight charges. Such re-imburement shall be made at actual and against documentary evidence within the upper ceiling of freight charges as indicated by them or Rail freight by passenger train whichever is lower. However for evaluation of offers, it is the quoted freight which will be considered.

13. **Delivery Schedule: -**

- 13.1 The tenderers are to note the Railway's required delivery schedule given in the Tender schedule/ Offer Form and quote accordingly. Vague Delivery terms like 2/ 4 weeks etc must be avoided and if quoted will be taken as commercially unresponsive to Railway's requirement.
- 13.2 Time for and the Date of delivery as specified in the Purchase Order is the essence of the Contract. However extension of Delivery date may be considered in deserving cases where genuine reasons exist. Such extensions of delivery date shall be considered with Liquidated damages and Denial Clause as per IRS conditions of Contract Para-702 (a), subject to a maximum of 10% of the value of the delayed supplies. The upper limit for recovery of liquidated damages will be 10% of value of the delayed supplies unless otherwise provided specifically in the Contract.
- 13.3 Unless otherwise agreed, the delivery period will be counted from the date of issue of Purchase Order/Acceptance Letter issued by the Purchaser.
- 13.4 In respect of manufacturing items where phased delivery is required the tenderers shall clearly and specifically indicate in their offer the earliest possible date of commencement of supply and the monthly rate at which the materials would be supplied and the date of completion of supplies.

14. **Cartel Formation:-**

- 14.1 Whenever all or most of the approved firms quote equal rates and cartel formation is suspected, Railways reserves the right to place order on one or more firms with exclusion of the rest without assigning any reason thereof.
- 14.2 Firms are expected to quote for a quantity not less than 50% of the tendered quantity. Offers for quantity less than 50% of tendered quantity will be considered unresponsive and liable to be rejected in case Cartel Formation is suspected. Railways however reserve the right to order on one or more firms any quantity.
- 14.3 The firms who quote in cartel may be warned that their names are likely to be deleted from list of approved sources.
- 14.4 Wherever there is suspected cartel formation from approved sources, the Railways reserve the right to place orders on Part-II sources and new sources beyond limits of 15% and 5% respectively.

15. **Liquidated damages for failure to complete supplies within delivery period/during extended delivery period.**

- 15.1 **Liquidated damages for failure to complete supplies within delivery period:** In case of failure on the part of the supplier to arrange supplies as per the delivery schedule/instalments fixed in advance, save force majeure conditions and 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 delayed quantity which have remained unsupplied for that period.

- 15.2 **Liquidated damages for delayed supplies during the extended delivery period:** Railway should recover from the contractor as agreed liquidated damages and not by way of penalty, a sum equivalent to 2% (two percent) of the price of any store (including element 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 subject to a maximum of 10% of the value of the delayed supplies.
16. **Warranty/Guarantee:** - Unless otherwise as per the tender condition, the Warranty/Guarantee shall be specified in the IRS Conditions of the Contract. Suppliers are advised to ensure that the materials are invariably stamped with manufacturer's name, month and year of manufacture as may be detailed in Drawing/Specification of material, so that Warranty shall be correctly acted upon.
17. **Test Certificates:** -
- 17.1 In case tests are prescribed in the specification, it is obligatory for the successful tenderer to furnish the manufacturer's Test Certificate specified in the tender along with the supply of stores. In the event of their inability to furnish the Test Certificate, the cost of the Test to be carried out will be to the Tenderer's account.
- 17.2 The decision of General Manager, East Coast Railway, shall be final and binding and conclusive to all the parties to this contract on all questions relating to the meaning of the specifications.
18. The Purchaser shall not bound to accept any tender or to assign any reason for non acceptance or rejection of a tender. The purchaser reserves the right to cancel or to accept any tender in respect of the whole or any portion of supply specified in the tender papers or to subdivide the quantum of supply among different tenderers or to reduce the quantum of supply or to accept any tender for less than tendered quantities without assigning any reason whatsoever.
19. The purchaser shall be entitled to appropriate towards the payment due to him by the supplier in respect of any unfulfilled contract whatsoever from any payment due to the supplier or from the Security Deposit or both lying with the purchaser or any other Indian Railway or other Central Govt. Departments or the State Govt.
20. **Termination of Contract/Risk Purchase:**
- 20.1. **For Safety Items:** The Security Deposit (SD)/Performance Guarantee shall be taken from all firms for contracts for all safety items placed against advertised tenders and Global tenders except from the vendors registered with NSIC upto the monetary value of their registration for the ordered items only in case of value of the supply upto 10 lakhs. In case of supply of safety items, valued above 10 lakhs, Security Deposit shall invariably be taken from the firms irrespective of their registration with NSIC. In case of default by such firms, the Security Deposit shall be forfeited apart from taking note of their poor performance in future tenders.
- 20.2. **For other than safety items:** In respect of orders for materials other than safety items, where 10% Security Deposit has been taken from the firms except from the vendors registered with NSIC upto the monetary value of their registration for the items ordered & 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 Railway, Govt. Departments, Security Deposit shall be forfeited in case of default by such firms.

- NB:** (i) In such case as covered under 20.1 & 20.2 above i.e. where Security Deposit have been submitted to Railways, the quantities unsupplied shall be procured independently without risk and cost of the original firm/supplier.
- (ii) Such failure/adverse performance of such firms may be recorded and to be intimated to the approving authority and also to be taken into account in future tender cases on merit.

20.3 The Risk Purchase will be applicable as per relevant Clauses of IRS Conditions of Contract with respect to firms who are exempted from depositing Security Deposit as per Clause: 20.1 & 20.2 above

21. **Time for making Risk Purchase:** - Whereas this will be governed by the relevant clauses of IRS Conditions of Contract, such Risk Purchase shall be made within 9 months from the date of breach of Contract.

22. **Warranty Bank Guarantee:** -

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 enclosed herewith at Annexure-III.

23. **Marking of Material Supplied:** -

The tenderer should agree to indicate the Manufacturer's Name, Month and Year of manufacturing by casting/stamping/etching/embossing at an appropriate place of each piece supplied, without affecting the functional utility and structural stability of the components/material.

24. **Procurement from Manufacturers authorized agents/ Distributors:** -

Only Manufacturers or their authorized dealers/ distributors need to quote with tender specific authorization from the manufacturers failing which offers are liable to be ignored.

Where a manufacturer appoints an agent or a distributor on the basis of a written agreement with him for a specific territory or specific set of items, he shall give an undertaking to the following effect: -

24.1 Inspection by RITES/RDSO at the manufacturing premises of the relevant manufacturer. RITES/RDSO shall categorically confirm in the Inspection Certificate, that inspection of the material has been actually made in the manufacturing premises of the manufacturers and not in the ware house/go-down/ Shop of the dealer.

24.2 Direct dispatch from the premises of the manufacturer to the Railways consignee after inspection and acceptance by RITES/RDSO.

24.3 Submission of manufacturer's Test and Guarantee Certificate with each lot of supplies.

24.4 The authorized agents/distributors price will not exceed that which the manufacturer would have quoted.

24.5 "One Agent cannot represent two Suppliers or quote on their behalf in a Particular tender".

25. **Fall Clause:** -

Fall clause as mentioned below shall be applicable to all rate contracts; and to Fixed Quantity/ Running Contracts wherever specifically provided in the special conditions of tender: -

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

25.2 "If at any time during the said period the contractor reduces the sale price, sells or offers to sell such stores to any persons, organizations including the purchaser or any Department of Central Government or any Railway Office or any Railway Undertaking as the case may be

at a price lower than the price chargeable under the contract, they shall forthwith notify such reduction or sale or offer of sale to the purchaser and the price payable under the contract for the stores supplied after the date of coming into force of such reduction or sale or offer of sale, shall stand correspondingly reduced”.

25.3 The Contractor shall furnish the following certificate to the concerned Accounts Officer along with each bill for payment of supplies made against the contract.

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

26. **Procurement of M&P items: -**

For procurement of M&P items, the following conditions will be applicable: -

26.1 **Element of Freight for indigenous purchase:**

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

ii. In case where the consignees are four or less, tenderers are required to quote FOR station of dispatch prices with actual freight for each Individual consignee, which will be added to FOR Station of dispatch price to get FOR station of dispatch price to get FOR destination prices for each individual consignee.

26.2 **Timely Commissioning of M&P: -**

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

26.3 **Warranty:**

- i. Warranty period for M&P will be 24 (Twenty four) months from the date of commissioning and proving out of M&P. A Maximum period of 2 (Two) weeks will be allowed for attending and rectification of faults during the warranty period.
- ii. Maximum down time during the warranty period will be 2% (Two percent) for on-the-line M&P and 10% (Ten percent) for off line M&P calculated on quarterly basis.
- iii. A penalty of 0.5% (Zero point five percent) per week of the contract value will be levied for delay in response time for attending and rectification of faults beyond specified time during the warranty period as detailed above.
- iv. Maximum penalty to be levied on account of warranty failure will be 5% (Five percent) of the contract value calculated during whole of warranty 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 of 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.
- v. The validity of the Warranty/Bank Guarantee should be 6 months beyond the warranty period i.e. 30 months from the date of commissioning.

26.4 **Annual Maintenance Contract:**

- i. Tenderers are required to quote for post Warranty Annual Maintenance for a period of five years after expiry of the warranty period of the M&P along with their offers.
- ii. Tenderers are required to mention such AMC schedule of such Annual Periodic Maintenance along with offers giving the charges for AMC maintenance schedule and other details of items to be used in such preventive maintenance.
- iii. The charges of Annual Preventive Maintenance schedule for five years along with the cost of items to be used in preventative schedule during these five years are payable to supplier and sum total of these charges would be included in the FOR destination price quoted for M&P for the purpose of comparative evaluation of offer.
- iv. Tenderers are required to give the cost of essential spares and service charges for each item of works of repair of M&P outside preventive maintenance contract. These charges will not be included in the price of M&P for the purpose of comparative evaluation of offers.
- v. The terms & conditions of AMC must clearly specify the maximum down time and maximum response time.
- vi. Tenderers, who are OEM, must give undertaking for supply for spare parts for a period of expected life of the machine/equipment other tenderers must submit undertaking from OEM for supply of spare parts for a period of expected life of the machine/equipment.

26.5 **Training:** - The contractor during commissioning of the equipment will also train Railway Staff in operation and maintenance of equipment supplied free of cost.

26.6 **Maintenance Manual and Spare Parts:** Contractor is required to supply 2 copies of operation and Maintenance Manual and lists of Spare Parts along with the equipment.

26.7 **Payment Terms:**

- i. **Payment to foreign supplier:** Payment against foreign supplies shall be made through letter of credit. All charges, including the confirmation charges or 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: -
 - a. 80% of the payment on proof of inspection certificate and receipted challan to be made within 30 days of receipt of documents as specified.
 - b. Balance 20% payment within 90 days after satisfactory installation/commissioning and proving test of M&P subject to submission of Bank Guarantee for an amount of 10% of Contract value, value as warrantee security valid for six months beyond warrantee period.
- ii. **Payment against indigenous supply:** The standard payment terms subject to recoveries if any, under the liquidated damages clause and General Condition of Contract will be as under: -
 - a. 80% of the payment on proof of inspection certificate and receipted challan to be made within 30 days of receipt of documents as specified.
 - b. Balance 20% payment within 90 days after satisfactory installation/commissioning and proving test of M&P subject to submission of Bank Guarantee for an amount of 10% of Contract value, value as warrantee security valid for six months beyond warrantee period.

27.0 **Payment through NEFT/RTGS**

National Electronic Fund Transfer (NEFT) is mandatory from 01-01-2008. No Registration/Renewal of Firms will be granted without NEFT system after 01-01-2008. **All payments after 01.04.2008 are made only through NEFT/RTGS.** Firms/Tenderers have to fill and attach the Mandate Form (as per Annexure-VI) along with their offers, if not already executed. Purchase order will not be issued without mandate forms duly filled and attached scanned copy duly signed by the authorized representative.

PROFORMA FOR BANK GUARANTEE TOWARDS EARNEST MONEY DEPOSIT

(N.B: Bank Guarantees (BGs) to be submitted by the suppliers/contractors should be sent directly to this office by the issuing Bank under registered post with AD.)

To:

The President of India
Acting through the Controller of Stores,
East Coast Railway, Chandrasekharpur, Rail Vihar,
Bhubaneswar-23.

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In consideration of the President of India (hereinafter called " the Government ") having agreed to accept from(hereinafter called "the said Tenderer(s)") earnest money in the form of Guarantee Bond, under the terms and conditions of tender dated..... in connection with (Hereinafter called "the said Tender") for the due observance by the said Tenderer of the stipulation to keep the offer open for acceptance for a period of 180 days from the date of opening of tenders, to execute an agreement within the time specified, to start work within the period specified after notification of the acceptance of his/their tender and the deposit of Earnest Money in cash or furnish fresh Bank Guarantee for the said amount as part of security for the due and faithful fulfillment of the contract on acceptance of the tender on Production of a Bank Guarantee for Rs-----/- (Rupees.....only), we, Bank Ltd., do hereby undertake to pay on demand to the Government, the sum of Rs.-/- in the event of the said tender having incurred forfeiture of Earnest Money/Security Deposit as aforesaid for the breach of any of the terms or conditions of the stipulations aforesaid and contained in the said tender under an order of the authority competent to invite tender.

We, Bank Ltd. further agree that the guarantee herein contained shall remain in full force and effect till the authority competent to invite the tender discharges the guarantee, subject however that the Government shall have no right under this Bond after the expiry of one year from the date of its execution and our liability under the bond shall be discharged if the demand for payment is not made within this period, we,..... Bank Ltd. lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

Dated.....day of

ForBank' Name.
(Bank's common seal)

MODEL FORM OF BANK GUARANTEE BOND FOR SUBMISSION OF SECURITY DEPOSIT

(N.B: Bank Guarantees (BGs) to be submitted by the suppliers/contractors should be sent directly to this office by the issuing Bank under registered post with AD)

To:

The President of India
Acting through
The Controller of Stores,
East Coast Railway,
Chandrasekharapur, Rail Vihar,
Bhubaneswar-23.

GUARANTEE BOND

In consideration of the President of India (hereinafter called "the Government") having agreed to exempt ----- (hereinafter called "the said Contractor(s)") from the demand under the terms and conditions of an Agreement dated ----- made between -----and -----for ----- (hereinafter called "the said Agreement"), of security deposit for due fulfillment by the said Contractor (s) of the terms and conditions contained in the said Agreement on production of a bank Guarantee for Rs ----- (Rupees ----- only) we ----- (Indicate the name of the bank) (hereinafter referred to as "the Bank") at the request of ----- contractor(s) do hereby undertake to pay to the Government an amount not exceeding Rs. -----/- (Rupees-----only) 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.

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

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.

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

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

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

We -----(Indicate the 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 ----- 20--

For -----
(Indicate the name of Bank)
(Bank's common seal)

PROFORMA FOR WARRANTY/ GUARANTEE BOND

(N.B: Bank Guarantees (BGs) to be submitted by the suppliers/contractors should be sent directly to this office by the issuing Bank under registered post with AD.)

To
THE PRESIDENT OF INDIA
Acting through the Controller of Stores,
East Coast Railway,
Chandrasekharpur, Rail Vihar,
Bhubaneswar-23.

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

1. WHEREAS M/s ----- one of our constituents, hereinafter called the "Sellers" have agreed to sell to you (hereinafter referred to as "the Government") ----- Nos. of ----- (give description) as per contract No ----- dated ----- (hereinafter called "the said contract").
2. AND WHEREAS according to the terms of said contract, it has been stipulated that payment of 10 per cent of the value of the stores would be made, provided that the Sellers furnish to the Purchaser a Bank Guarantee from a 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 upto a maximum amount of ----- (Rs. -----) representing 10 per cent of the value of the Stores dispatched under the said contract in case the Sellers make default in paying the said sum or make any default in the performance observance or discharge of the guarantee contained in the said contract.
5. We agree that the decision of the Government whether any default has occurred or has been committed by the Sellers in the performance, observance or discharge of the guarantee aforesaid shall be, conclusive and binding on us.
6. Government shall be at liberty, from time-to-time, to grant or allow extension of time or give other indulgence to the said Sellers or to modify the terms and conditions of the contract with the said Sellers without affecting or impairing this guarantee or our liability hereunder.
7. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Sellers in any suit or proceeding pending before any Court or Tribunal relating there to our liability under this present being absolute and unequivocal.
The payment so made by us under this bond shall be a valid discharge to our liability for payment 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. upto ----- (date), hereinafter called the said date.
9. This guarantee will not be discharged due to the change in the constitution of the Bank or the Sellers
10. That no claim under this guarantee shall be entertained by us unless the same has been preferred by the Government within the said date.

Date -----

Signature -----

Place -----

Printed Name -----

Witness -----

Read and Accepted
Signature of Tenderer-----
(Designation)
(Bank's common seal)

NATIONAL ELECTRONIC FUNDS TRANSFER MANDATE FORM

From : M/s. -----

To:
FA & CAO

Date :-----

East Coast Railway, Bhubaneswar.

Sub: NEFT payments.

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

NATIONAL ELECTRONIC FUNDS TRANSFER MANDATE FORM

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	
Cell Phone Number of the Supplier to whom details with regard to the status of bill submitted to Accounts Office i.e. Co6, Co7 & Cheque Purchase orders particulars can be intimated through SMS.	
Supplier's E-mail ID	

Confirmed by Bank Signature of supplier with Stamp and address
Enclose a copy of crossed cheque.