



INTEGRAL COACH FACTORY

Indian Railways

Stores Department

Head Quarters, Integral Coach Factory, Chennai- 600038.

BID DOCUMENT

This document is applicable to the tenders issued by Principal Chief Materials Manager, Integral Coach Factory, Chennai.

Section I	Instructions to tenderers
Section II	General Conditions of Tenders
Section III	Annexures
Section IV	IRS conditions of contract
Note : 1. All tenderers are required to go through the tender documents carefully before submitting their offers. 2. This tender complies with Public Procurement Policy Order 2017 dated 15.06.2017 dated 16.09.2020 and any further amendments issued by DPIIT from time to time.	

Principal Chief Materials Manager
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Version -02dated 28.01.21

SECTION- I**INSTRUCTIONS TO THE TENDERERS****1.0 General:**

- 1.1 The Principal Chief Materials Manager, Integral Coach Factory, Chennai-600038 on behalf of the President of India (hereinafter referred to as the Purchaser), duly authorised, invites e- tenders from established and reliable manufactures or their authorised agents for the supply of the items as set forth in the tender document. The tender document hereinafter refers the document which is uploaded on IREPS website indicating the tender number, item tendered, drawings, specifications, quantity, consignee, type of tender, closing date, schedule of technical requirements, special conditions, etc. specific to the tender.
- 1.2 Tenderers are advised to carefully read all the instructions, the general and special conditions of tender, and Indian Railway Standard (IRS) Conditions of Contract before submitting the offer. By submission of offer with the tenderer's digital signature in the format of techno-commercial bid and financial rate of the IREPS website, hereinafter stated as e-tender form for brevity, it shall be construed that the tenderer has read, understood and accepted all conditions of the bid document and tender document including all conditions uploaded for the tender and corrigendum, if any, and undertakes to abide by the same.
 - 1.2.1 For detailed instructions specific to tender conditions, such as, Price, GST, delivery terms, etc., tenderers must refer to General Conditions of Tender given in Section-II of this bid document.
- 1.3 Tenderers must submit all information in English. Information in any other language must be accompanied with its authenticated translation in English. Failure to comply with this may render the offer liable to be rejected. In the event of any discrepancy between an offer in a language other than English and its English translation, the English translation shall prevail.
- 1.4 Tenderers must ensure that the conditions laid down for submission of e-tenders detailed in subsequent paras, are completely and correctly complied with. Tenders which are not complete in all respect as stipulated in the bid document and tender document, are liable to be rejected.
- 1.5 The Principal Chief Materials Manager or any other officer authorised on behalf of the President of India is not bound to accept the lowest or any tender or to assign any reason for doing so and reserves himself the right to cancel the tender, to reduce or divide the contract or to accept any tender in respect of the whole or any portion of the items specified in the e-tender and the successful tenderer shall be required to supply the same at the rate quoted.
- 1.6 In case of any contradiction in the terms and condition appearing in IRS Conditions of Contract and General Conditions specified in the bid document, the later will prevail. In case of any contradiction between the General Conditions and Special Conditions specified in the tender document, the later will prevail. If technical specification prescribe any condition involving

financial repercussion, which is in conflict with IRS conditions of contract, General Conditions specified in the bid document and Special Conditions specified in the tender document (except warranty/guarantee period), then same will be ignored for tender evaluation purpose unless made a special condition of tender.

1.7 Local conditions:

It will be imperative on each tenderer to fully acquaint himself/herself of all the local conditions and factors, which would have any effect on the performance of the contract and cost of the stores. The Purchaser shall not entertain any request for clarifications from the tenderer regarding such local conditions. No request for the change of price, or time schedule for delivery of stores will be entertained on this ground after the Purchaser accepts the offer.

1.8 Pre-requisites for vendors desirous of participating in e-tenders:

- 1.8.1 Vendors intending to participate in the e-tenders available on the Indian Railways e-procurement website “www.ireps.gov.in” will have to obtain a Digital Signature Certificate (DSC) ‘Class III’ type in tenderer’s name from an approved certifying agency. The list of certifying authorities issuing the Digital Signature Certificates is available on the website www.cca.gov.in.
- 1.8.2 With the Digital Signature Certificate, vendors will have to register themselves on-line using the link “New Vendors” option available on the home page of the website www.ireps.gov.in duly filling the complete information as required in the web page and attaching their digital signature using “Sign & Submit” button. Upon registration, the website will provide a registration number, which the vendors may note for future correspondence.
- 1.8.3 Vendors are advised that Centre for Railway Information Systems (CRIS) New Delhi, the Web Master, will require minimum of 3 (three) clear working days to provide the user-ID and password which will be sent to the e-mail address provided by vendor during the registration process. In case of any difference in the information provided by the vendor during registration on website and that available in the digital signature certificate, the request will be rejected and an e-mail will be sent duly communicating the reasons for rejection. CRIS will not be responsible for vendor’s failure to participate in a tender due to any technical problems arising during the process of registration or submission of offers.
- 1.8.4 The digital signature certificates (DSC) are issued with limited currency / validity date. The vendors are required to re-register themselves with the website ‘www.ireps.gov.in’ whenever their DSC is renewed.
- 1.8.5 Vendors are advised to familiarize themselves with the e-tendering process with the help of “User Manual” available at home page of website “www.ireps.gov.in” under Learning Center and Help Desk/Frequently Asked Questions (FAQ)/ e-Tender on the same website.

2.0 Updation :

- 2.1 Tenderers may note that the IREPS software is continuously being upgraded and the forms may be subject to changes. Tenderers are advised to keep themselves updated with the latest changes, by referring to the latest versions of user manuals available on the website, and by taking note of the messages sent by the IREPS administrator from time to time. Tenderers should also make themselves fully acquainted with all the available templates/forms, before they submit their offer. No claim shall be entertained from a tenderer, on account of non-familiarity with the any of the templates and forms available on the IREPS website.
- 2.2 Tenderers can upload individual file having capacity of 3.5 to 3.7 MB as attached document, however there is no limitation on number of files which can be attached. CRIS is under the process of increasing the capacity of files to be uploaded. Tenderers are advised to upload the documents well in advance to avoid last minute rush and complication. All documents which are submitted should be in A4 size to facilitate printing.

3.0 Corrigenda:

Purchaser reserves the right to issue corrigenda to the tender document before the due date of opening of the tender and additional time if warranted, may be given for such corrigenda. It is the responsibility of the tenderer to regularly check any correction or modifications to the tender documents published through corrigendum on the website and download the same, and such corrigendum shall invariably be taken into account while submitting the offer. Tenderer can submit revised offer after considering the effect of corrigendum, in case he has already submitted any offer prior to publication of the corrigendum.

4.0 Submission of Offers:

- 4.1 Tenderers are required to submit their offers by filling up the e-tender form on the website itself after making the payment of the requisite Earnest Money Deposit (EMD), unless exempted as per provisions under Para 6.0 below.
- 4.2 All the e-tenders in prescribed electronic offer form on the IREPS website www.ireps.gov.in should be submitted before the due date and time fixed for the receipt of e-tenders as set forth in the tender document. The offer is to be submitted with digital signature by the pre-authorised personnel of the tenderer already registered with IREPS website.
- 4.3 Manual offers sent by post/fax or in person shall not be accepted, 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.
- 4.4 The scanned copies of all necessary documents must be uploaded with the offer. In case offers are not accompanied with the required documents, same are liable to be rejected without assigning any reason. However, Railway reserves the right to consider the offers received without supporting documents, on merits in deserving cases.

- 4.5 On submitting the e-tender with Digital Signature Certificate, it shall be assumed that the personnel of the tenderer digitally signing the e-tender form is a legally authorized signatory, that is, he/she is-
- i) the sole proprietor of the concern or the authorized attorney of the sole proprietor,
 - ii) a partner of the firm, in case of a partnership firm, or
 - iii) a Director, Manager or Secretary in the case of a Limited Company, duly authorised by a resolution passed by the Board of Directors or in pursuance of the Authority conferred by Memorandum of Association of the company.
- 4.6 In the case of a firm not registered under the Indian Partnership Act, it shall be deemed that person digitally signing the e-tender is the attorney duly authorised by all the partners. A certified copy of power of attorney or other documents empowering the individual to digitally sign the e-tender, should also be uploaded as a part of the offer.
- 4.7 The IREPS website does not permit submission of any offer after closing date and time of the e-tender. Hence there is no scope of any late or delayed offer in the online bidding process.
- 4.8 Integral Coach Factory makes payment through NEFT system as well as through letter of credit (LC). The tenderers may choose the payment mode as NEFT or Letter of credit in the e-tender form while submitting their offer. The tenderers shall ensure that they enter the correct bank details like account number, IFSC etc. in IREPS portal. The payment to their bills will be made through NEFT to the account no. available in the IREPS / iMMS purchase order. The instructions for tenderers on LC mode of Payments are furnished as Annexure-V.
- 4.9 In case, any clarification is required by the tenderers for submitting offers, same should be sought for from the Purchaser well before the tender opening date. It may be noted that no clarification will be given on date of tender opening.
- 4.10 Submission of Technical Bid & Initial Price Offer for tenders involving e-Reverse Auction (e-RA):**
- a) Bidder shall be simultaneously required to electronically submit a Technical & Commercial Bid and Initial Price Offer.
 - b) Offers found eligible for bulk order shall be categorized as 'Qualified for Bulk Order for the purpose of RA' and offers found eligible for Developmental order shall be categorized as 'Qualified for Development Order for the purpose of RA'.
 - c) Offers not complying with essential technical & commercial requirements of the tender shall be declared as 'Ineligible for award of contract'.

- d) Initial Price Offer of only those bidders categorized as Qualified for Developmental Order or Qualified for Bulk Order, shall be opened and Initial Price Offers shall be tabulated by system separately, category wise as per instructions applicable for electronic tabulation.

5.0 Specifications and Drawings:

- 5.1 Specifications and drawings issued by ICF and mentioned in the description will alone be uploaded as a part of the tender document, wherever applicable. The Principal Chief Materials Manager will not provide or upload IRS/BIS/RDSO/RCF/CLW/DLW/CORE/DGS&D specifications or drawings and those issued by other organisations. Such drawings and specifications must be obtained by the tenderer from the appropriate authorities concerned who issue them on payment, if required.
- 5.2 If tenderers happen to quote with their own Drawing No./ Part No./ Specification/catalogue, etc., then they shall have to necessarily upload copies of all such drawings/specifications/catalogues, etc. and all the requisite documents and information as part of their offer to support that it is in conformity with the tendered drawings/specifications, failing which the offer will be liable to be rejected.

6.0 Earnest Money Deposit (EMD):

- 6.1 All bidders shall be exempted from submission of EMD in all tenders except those disqualified from such exemption vide para 6.2 below subject to submission of bid securing declaration. All bidders shall be required to sign the bid securing declaration as per Annexure VI (a). Failure to submit declaration as per annexure VI (a) will render the offers summarily rejected.
- 6.2 The bidders who withdraw or modify the bids during the period of validity, or on award of the contract and on being called upon to submit the performance security/ Security Deposit, fail to submit the performance security/ Security Deposit before the deadline defined in the request for bid document/ Notice Inviting Tender/Tender documents shall be debarred from exemption of submitting Bid Security/ Earnest Money Deposit and performance security/ Security Deposit for a period of 6 (six) months from the date they are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period.
- 6.3 There shall be no exemption to such bidders who have been debarred from exemption of submitting EMD and SD as per para 6.2 above. Such bidders shall be required to pay Earnest Money Deposit as per para 6.5 below, failing which their offers shall be summarily rejected.
- 6.4 In exceptional cases, Railways reserve the right to seek EMD which will be indicated in the tender document. In such cases, there shall be no exemption from submission of EMD for any tender or by any tenderer subject to provisions under clause 6.4.1 below except following :

- i) Limited tenders with estimated value upto Rs. 25 lakh (including single tenders, global limited tenders) except cases where competent authority incorporates the condition to call for EMD.
- ii) Public Sector Undertakings (PSUs)
 - a. PSUs owned by Ministry of Railways and
 - b. PSUs for the group of items that are manufactured by them.
- iii) In terms of Public Procurement Policy (Preference to MSEs), detailed vide para 13.0 below, Micro and Small Enterprises (MSEs) having current and valid registration for the tendered item with any of the agencies as under:
 - a. District Industries Centers
 - b. Khadi and Village Industries Commission
 - c. Khadi and Village Industries Board
 - d. Coir Board
 - e. National Small Industries Corporation (NSIC)
 - f. Directorate of Handicraft and Handloom
 - g. Any other body specified by Ministry of MSME
- iv) In terms of Public Procurement Policy (Preference to MSEs), detailed vide para 13.0 below, MSEs who are having UdyogAadhar Memorandum/Udyam Registration will also be eligible for exemption from payment of EMD.
- v) Other Railways, Indian Ordinance factories and Govt. Departments.
- vi) In exceptional cases, where EMD exemption is specifically incorporated in tender conditions.
- vii) Vendors registered with the office of the Principal Chief Materials Manager, ICF for the trade group of the item tendered.
- viii) Regular and development vendors appearing on the approved vendor lists of RDSO/PUs/CORE for those specific item for which they are on the approved list, subject to approval status being valid on the date of tender closing.
- ix) Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of EMD for these items.
- x) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting EMD. KVIC and ACASH shall be exempted from EMD for items supplied by them.

- 6.4.1 Tenderers seeking exemption from payment of EMD must upload the requisite documentary evidence in support of their claim for exemption from payment of EMD along with the offer. All vendors exempted from submitting EMD, as per para 6.4 above, irrespective of type of tender, i.e. single, limited or open, shall be required to sign a bid securing declaration as per Annexure VI(b). In case the firm's claim for exemption from submission of Earnest Money Deposit is not found valid as per terms of the tender, Railways has unquestionable right to summarily reject their offer and their offer shall not be considered for ordering. In case the firm withdraw or modify their offers during the period of validity, or fail to submit the Security Deposit before the deadline defined in the tender document on being called upon to submit the Security Deposit on award of contract, the firms shall be debarred from exemption of submitting Earnest Money Deposit and Security Deposit for a period of 6 (six) months, from the date they are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period.
- 6.4.2 There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are so disqualified as per the declaration signed by them.
- 6.4.3 This para shall not be applicable for Govt. Departments/Ordinance factories/other Railways/Railway PSUs/KVIC/ACASH and matter shall be taken up with them departmentally/administratively.
- 6.4.4 Tenderers other than those who are eligible for exemption from paying Earnest Money as detailed in Para 6.4.1, shall be required to pay Earnest Money Deposit on or before tender opening date, failing which their offers shall be summarily rejected.
- 6.5 The amount of EMD shall be as under :

Estimated value of tender	EMD (rounded off to nearest higher Rs.10 (ten)
Above Rs.25 Lakh and upto Rs.50 Crore	@2% of the estimated value of the tender subject to maximum of Rs.20 Lakhs
Above Rs.50 Crore	Rs.50 Lakhs

- 6.6 EMD should be submitted online only through the payment gateway as available on IREPS website.
- 6.7 No interest shall be payable by the Purchaser on the Earnest Money Deposit or any other payment made to Railways.
- 6.8 EMD shall be refunded when any one of the following conditions is satisfied.
- After finalisation of tender, the bidder is an unsuccessful bidder.
 - Validity of offer expires and validity extension is not sought.

- c) Validity of offer expires and bidder refuses to extend validity of offer.
- d) After finalisation of the tender successful bidder submits required SD.

6.8.1 EMD of bidders or tenderers shall be released immediately after it is due for release as per above criterion.

6.8.2 The Earnest Money of the successful tenderer may be adjusted towards Security Deposit and in case where such tenderer furnishes Security Deposit as per the tender conditions, EMD will be refunded after receipt of full Security Deposit.

6.9 The Earnest Money Deposited is liable to be forfeited, if the tenderer withdraws or amends, impairs or derogates from the offer in any respect within the period of validity of his offer. In case where available EMD amount is less than required SD and the successful tenderer does not deposit the balance SD amount within stipulated time, then EMD shall be forfeited and case be dealt with as that of withdrawal of offer by the tenderer.

7.0 Compliance of IRS, General, Special and Other Tender Conditions:

The offer shall comply with the IRS Conditions of Contract (as updated till the date of tender opening), General Conditions of Tender given in the bid document and Special Conditions of Tender given in the tender document. The details of deviations from the said tender conditions, if any, should be clearly indicated in the Techno Commercial bid details under "Commercial Deviation Statement" of e-tender form and if space available is not adequate, tenderers can upload a Statement of Deviations which shall include remarks and justifications for deviations against various clauses of the tender conditions for each deviation and the scanned copy of the same must be uploaded as a part of the offer, and a reference of uploaded deviation statement shall be given in "Commercial Deviation Statement". The Purchaser, however, reserves the right to accept or reject any of the deviations and his decision thereon shall be final. If there is no deviation, tenderer should indicate "No Deviation" in Commercial Deviation Statement.

8.0 Compliance of Technical Requirements:

8.1 The stores/equipments offered should be in accordance with the stipulated description, drawings and specifications mentioned in tender document. The details of deviations from the drawings and specifications, if any, should be clearly indicated in the Techno Commercial bid details under the heading "Technical Deviation Statement" and if space available is not adequate, tenderers can upload a Statement of Deviations which shall include remarks and justifications for deviations against various clauses of technical specifications/drawings for each deviation, and the scanned copy of the same must be uploaded as a part of their offer. A reference of uploaded deviation statement shall be given in "Technical Deviation Statement" of e-tender form. The Purchaser, however, reserves the right to accept or reject any of the deviations and his decision thereon shall

be final. If there is no deviation, tenderer should indicate "No Deviation" in Technical Deviation Statement.

- 8.2 The Purchaser may accept internationally accepted alternative specifications which ensure equal or higher quality than the specifications mentioned in the tender specifications. However, the decision of the Purchaser in this regard shall be final.
- 8.3 Remarks such as "Best Make" etc. will be assumed to indicate 'Best Make' conforming to the tendered specification, unless it is specially mentioned by the tenderer that the material offered is not to the tendered specification.
- 8.4 The tenderer should avoid ambiguity in his offer, e.g., if his offer is to his standard sizes/length/dimensions, etc. he should specifically state them in details without any ambiguity. Brief descriptions such as "standard lengths", etc. should be avoided in the offer.

9.0 Eligibility Criteria:

- 9.1 Offers directly from the actual manufacturers of the tendered item are desirable. The offers from the authorized dealers/agents of manufacturer of tendered item will be considered subject to compliance of the conditions given in para 9.2.2 below.
- 9.2 The tenderers shall upload necessary scanned copies of documents to show that:
 - i) he/she is a licensed manufacturer who regularly manufactures the items offered and has adequate technical knowledge and practical experience;
 - ii) he/she has adequate plant and manufacturing capacity to manufacture and supply the items offered within the delivery schedule offered by him;
 - iii) he/she has an established quality control system and organization to ensure that there are adequate controls at all stages of all manufacturing process.
 - iv) he/she 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;
- 9.2.1 For the above purposes, the tenderers should upload the scanned copies of the following documents:
 - i) a performance statement, in format as per Annexure-IX, giving a list of major supplies effected in the recent past for the tendered item/similar items shall be furnished in "Performance Statement" of e-tender form, with proof of having executed the contracts satisfactorily. While doing so, the tenderer should upload scanned copies of relevant documents, i.e., Purchase orders along with proof of supplies against those purchase orders like Inspection Certificates, Receipt Notes, etc.

ii) a statement, in format as per annexure-X, indicating details of equipment employed and quality control measures adopted, including the following:

- a. Quality assurance plan proposed for manufacture of the tendered item.
- b. Details of major machinery and equipments available and proposed to be used for manufacturing the tendered item as required by relevant specifications/drawings.
- c. Process chart.
- d. Inspection stages and inspection plans.
- e. Place of manufacture and inspection.
- f. Details of competent technical personnel employed at firm's premises and in the field.

iii) A report, as per annexure-XI from a recognized bank or a financial institution to show that the firm has adequate financial stability and status to meet the obligations under the contract arising out of the tender for which he is quoting.

9.2.2 In case tenderer is not a manufacturer of tendered item and he quotes on behalf of his principal/manufacturer, he shall invariably comply with the following:

- i. Indicate the manufacturer's/ Principal's name and address in his offer.
- ii. Upload the tender specific authorization letter from his principal/manufacturer to submit offer against this tender as per annexure II.
- iii. Upload the details as mentioned in Para 9.2 and 9.2.1 above for his principal/manufacturer.
- iv. Upload his own past performance particulars if any, in the similar manner as for their principal/manufacturer with documentary evidence for same/similar items in the past 3 years.
- v. Upload the scanned copies of documents for his own credentials, such as, constitution of firm, GST registration, banker's certificate and balance sheet of latest or previous three years duly certified by Chartered Accountant etc.

9.2.3 In addition to the above, further information regarding his capacity/capability etc., if required by the Purchaser, shall be promptly furnished by the tenderer.

9.2.4 The OEM/Authorized Dealers/Agents must comply with the following conditions:

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

- ii) If an authorized agent/dealer submits bid on behalf of the Principal/OEM, the same agent/dealer should not submit a bid on behalf of another Principal/OEM in same tender for the same item/product.
 - iii) In case of failure to comply with the above conditions, offers will be considered on merits of the case.
- 9.3 Specific Eligibility Criteria if any, mentioned in tender document published on IREPS website and Special conditions shall also be applicable in addition to the above.
- 9.4 Tenderers not uploading the requisite documents may note that their offers are liable to be rejected without further reference.
- 9.5 Participation in the tender is open to all, including unapproved, unregistered and/or untried firms. However, such tenderers will have to submit their offers electronically along with all the supporting documents as described in the tender documents to establish their capacity, including those brought out in para 9.2, 9.2.1 and 9.2.2 above. If the tenderer fails to upload the required documents, his offer is liable to be rejected.
- 9.6 The eligibility conditions with respect to prior turnover and/or prior experience, if any stipulated in the tender document, may be relaxed for all start-ups and Micro and Small Enterprises having technical capability to manufacture and supply the tendered items, subject to meeting of quality and technical specifications, for placement of developmental order. All other requirements as mentioned in the tender document including machinery and plant details, clause wise comments for the schedule of technical requirements (STR), capacity and capability to manufacture and supply the tendered goods, shall be satisfied by such start-ups and MSEs for consideration of their offers.
 - 9.6.1 The firm has to submit the declaration that the firm is a start-up under Government of India initiative "Startup India" for claiming such benefit.
- 9.7 Onus of proving capacity cum capability to supply and/or fitment for tendered item shall lie with the tenderer.
- 9.8 **Orders of Ministry of Finance, Department of Expenditure: (Public Procurement Order No.1,2 & 3) :**
 - 9.8.1 Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority. Tenderers shall refer Public Procurement order no.2 issued by the Department of Expenditure, Ministry of Finance which provides exclusion from restrictions under rule 144 (xi) of GFR for those countries (even if sharing land border with India) with whom Government of India has extended lines of credit or in which Government of India is engaged in developmental project.

9.8.2 “Bidder” (including the term ‘tenderer’, ‘consultant or ‘service provider’ in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.

9.8.3 “Bidder from a country which shares a land border with India” for the purpose of this Order means:-

- a. An entity incorporated, established or registered in such a country; or
- b. A subsidiary of an entity incorporated, established or registered in such a country; or
- c. An entity substantially controlled through entities incorporated, established or registered in such a country ; or
- d. An entity whose beneficial owner is situated in such a country; or
- e. An Indian (or other) agent of such an entity ; or
- f. A natural person who is a citizen of such a country ; or
- g. A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.

9.8.4 The beneficial owner for the purpose of 9.8.3 above will be as under :

- i. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting along or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation –

- a. “Controlling ownership interest” means ownership of or entitlement to more than twenty-five percent, of shares or entitlement to more than twenty-five percent, of shares or capital or profits of the company;
- b. “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
- ii. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership ;
- iii. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical

person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;

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

v. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

9.8.5 An Agent is a person employed to do any act for another, or to represent another in dealings with third person.

9.8.6 The tenderers shall submit the following certificate regarding compliance with this order. " I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India: I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. (Where applicable, evidence of valid registration by the Competent Authority shall be attached.)" If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law.

9.8.7 Registration should be valid at the time of submission of bids and at the time of acceptance of bids.

9.8.8 The certificate as per 9.8.6 to be uploaded with the offer failing which offer will be summarily rejected. In case the restrictions under this clause are not applicable, the tenderer must provide a 'Nil' certificate along with the offer failing which the offer may liable to be rejected.

10.0 Price Basis:

10.1 All tenderers must quote in Indian Rupees (INR) only, failing which the offers are liable to be rejected.

10.2 Tenderers are required to quote only one rate for each item/consignee in the prescribed fields of Financial Rate Page of e-tender form and nowhere else. In case, the tenderer quotes any rate/or any condition, which affects the all inclusive rate in the Financial Rate Page, at any other place in the offer or in any document uploaded with their offer, then the rates mentioned in the Financial Rate Page will only be considered for determining inter-se ranking of the offer, unless otherwise specified in the tender document. Further, Purchaser reserves the right to consider such offers even as invalid offers and same are liable to be rejected.

- 10.3 All the mandatory fields of the Techno Commercial Bid Details and Financial Rate Page have to be filled up by the tenderers. All inclusive rate on FOR destination basis shall be automatically calculated by the system and same will be shown to the tenderers before submission of offer.
- 10.4 The tenderers should quote their lowest possible price for each 'unit' specified in the "Tender Document" for the tendered item. Tenderers are not allowed to change the 'unit' of the tendered item and if they quote their price for any different 'unit', unless specified in the tender document, their offers are liable to be rejected.
- 10.5 The quoted rate should be firm and not subject to any variation, unless specified in the tender documents. In case of deviation in this aspect, the offer will be treated as unresponsive and will be rejected.
- 10.6 Wherever multiple consignees and multiple items are mentioned in the tender document as published on IREPS website, tenderers shall quote separately for each consignee and for each item, unless otherwise specified.
- 10.7 The rates quoted shall not be more than the Maximum Retail Price (MRP) of the tendered item, if any. In case Railway detects at any time that the amounts have been quoted and paid over and above the MRP of any item, goods, then Railway reserves the right to recover any such additional amounts paid for supplying, in full or in part, for such items, over and above the MRP prevailing at the time of supplies actually made. Such recoveries can be made at any time, including after the completion of the contract. In case such over pricing is detected during the course of the contract then Railway reserves the right to pay only the amounts maximum upto the MRP of such items.

11.0 Delivery Period:

- 11.1 Tenderers must refer to the delivery schedule specified in the tender document. Delivery period quoted must conform to the delivery requirement specified in the tender document and should not be vague such as "2 to 12 months. That is, offer should mention the starting time, monthly/quarterly rate of supply and completion time, such as, to commence in _____ days/months @ _____ per month/week and completed in _____ days/months from date of issue of the purchase order.
- 11.2 The tenderer should quote specific monthly rate of supplies they intend to deliver and the completion date/month of the lot. The Purchaser will have the right to define the separate delivery period for each instalment and purchase order with the instalment deliveries shall be a severable contract.

- 11.3 Notwithstanding above, tenderers must note that the delivery schedules indicated in the tender document are tentative, Purchaser reserves the right to reschedule the delivery according to its production requirement at the time of finalization of tender as well as at post purchase order stage.
- 11.4 The purchaser reserves the right to accept higher offer for part/full quantity for early delivery period, wherever so specified in the tender specific special conditions.

12.0 Validity of the offer:

- 12.1 The offers shall be kept valid for acceptance for a minimum period of Ninety (90) calendar days (120 calendar days for M&P Items) from the date of opening of tenders or as specified in the tender, within which period, the tenderer shall not withdraw his offer. Offers with validity period of short duration may be considered as unresponsive and those offers are liable to be rejected, unless validity of offer is extended as per the tender condition.
- 12.2 The purchaser may ask for the tenderer's consent for an extension of the period of validity of offer. A tenderer granting the request for validity extension shall not be permitted to modify its tender.
- 12.3 Offers shall be deemed to be under consideration immediately after they are opened and until such time the official intimation of award is made by the Purchaser to the successful tenderer. While the offers are under consideration, tenderers and/or their representatives or other interested parties are advised to refrain from contacting the Purchaser by any means.

13.0 Benefits to Micro and Small Enterprises (MSEs):

- 13.1 As per the extant Public Procurement Policy of the Government of India, Micro and Small Enterprises (MSEs) having current and valid registration for the tendered item with any of the below specified agencies are entitled for benefits and preferential treatments specified in Clause 13.4 below. MSEs who are interested in availing themselves of these benefits must upload with their offer, the proof of their being MSE registered with any of the agencies mentioned in the notification of the Ministry of MSME and indicated below:

- i) District Industries Centers
- ii) Khadi and Village Industries Commission
- iii) Khadi and Village Industries Board
- iv) Coir Board
- v) National Small Industries Corporation (NSIC)
- vi) Directorate of Handicraft and Handloom
- vii) Those having UdyogAadhar Memorandum/Udyam Registration
- viii) Any other body specified by Ministry of MSME

Note: Trading enterprises are not covered under the definition of Micro and Small Enterprises.

- 13.2 The MSEs must also indicate the terminal date of validity of their registration.
- 13.3 Non compliance of requirements of para 13.1 and 13.2 above, such offers will not be liable for consideration of benefits detailed in para 13.4 given below.
- 13.4 MSEs registered with any of the agencies mentioned in para 13.1 are entitled for the following benefits:
- i) MSEs registered with any of the agencies for the item tendered will be exempted from payment of Earnest Money.
 - ii) In tenders, participating MSEs 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 MSEs can be together ordered up to 25% value out of the net procurement quantity.
 - iii) A minimum of 4% of total procurement, within the 25% earmarked for MSEs will be from MSEs owned by Scheduled Caste/ Scheduled tribe (SC/ST) Entrepreneurs. In the event of failure of such MSEs to participate in the tender process or meet tender requirements and L-1 price, 4% earmarked from MSEs owned by Scheduled Caste/ Scheduled Tribe (SC/ST) Entrepreneurs be met from other MSEs.
 - iv) A minimum of 3% of total procurement, within the 25% earmarked for MSEs will be procured from women owned MSEs.
 - v) In case tendered item is non-splitable or non-dividable, etc. Purchaser may award the full/complete supply of total tendered value to MSE quoting price within price band L1+15%, considering spirit of policy for enhancing the Govt. procurement from MSE.
- 13.4.1 Traders and agents are not eligible to avail the benefits extended under the Public Procurement Policy for MSEs.
- 13.5 An MSE shall be considered as that owned by SC/ST in following cases:
- a) In case of proprietary MSE, proprietor(s) shall be SC/ST.
 - b) In case of partnership MSE, the SC/ST partners shall be holding at least 51% shares in the unit.
 - c) In case of Private Limited Companies, at least 51% share shall be held by SC/ST promoters.
- 13.6 In case, the tenderer is a Micro or Small Enterprises (MSE), the tenderer shall also furnish the following details in their offer:
- i) The category of the tenderer:
 - a) Whether vendor is Micro Enterprise or
 - b) Whether vendor is Small Enterprise.

ii) Each of the above categories must further mention the sub-classification whether the tenderer is an enterprise –

- a) Owned by Scheduled Castes (SC)
- b) Owned by Scheduled Tribes (ST)
- c) Owned by women entrepreneurs
- d) Owned by other than the above three categories.

Note: Tenderers shall submit self-declaration that the enterprise is owned by Scheduled Castes (SC)/ Scheduled Tribes (ST)/ women entrepreneurs to claim the benefit under these sub-classification, failing which it will be presumed that they have no claim under these sub-classification.

iii) Confirm the following:

- a) Whether documentary proof of being registered with any of the specified agencies indicated in Para 13.1 above has been submitted with their offer.
- b) Whether the terminal date of validity of the registration with the specified agencies has been indicated in their offer.

13.7 In case, the tendered item is restricted for placement of bulk orders on approved sources, then the criteria for placement of orders on MSEs under the Public Procurement Policy for MSEs will additionally require that the MSE firms are one of the valid approved sources for the tendered item.

14.0 The tenderers who are large Scale vendors of Railway Units or who come under consortia of MSEs (as vendors to Railway Units) formed by NSIC, are also required to upload with their offers, the procurement and percentage of sub-contract to be made from MSEs for goods to be supplied against this tender, and also furnish the details as in para 13.6 above for the portion sub-contracted to MSEs.

15.0 **Preference to Domestically Manufactured Electronic Products:** In furtherance to the Public Procurement (Preference to Make in India), order 2017 and in supersession of the policy for providing preference to domestically manufactured electronic Products, preference will be provided to domestically manufactured electronic products as per the aforesaid order as per the notification of Ministry of Electronics and Information Technology and the list of electronic products are notified vide office memorandum no. W-43/4/2019-IPHW-MELTY dated 07.09.20 and any amendments issued from time to time shall be applicable.

16.0 **Public Procurement Policy for Preference to Make in India:**

16.1 The Government has issued Public Procurement (Preference to Make in India), Order 2017 laying down the policy to encourage 'Make in India' and promote manufacturing and production of goods and services in India. The salient features of the aforesaid Order are as under:

16.1.1 For the purpose of this Order, the definitions are as under:

- i. 'Local content' means the amount of value added in India which shall, unless otherwise prescribed in the special conditions, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent. Local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them.
- ii. a) 'Class –I local Supplier' means a supplier or service provider whose goods, services or works offered for procurement meets the minimum local content of 50%.

b) 'Class –II local Supplier' means a supplier or service provider whose goods, services or works offered for procurement meets the minimum local content of 20%.

c) 'Non local Supplier' means a supplier or service provider whose goods, services or works offered for procurement has local content less than that prescribed for 'Class –II local Supplier'.
- iii. 'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.
- iv. 'Margin of purchase preference' means the maximum extent to which the price quoted by a "class-I local supplier" may be above the L1 for the purpose of purchase preference which is 20%. However, it will be taken as per the status of the policy reckoned as on the date of tender opening.

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

16.1.3 In cases of procurement for a value in excess of Rs. 10 Crore, the 'Class-I local supplier/Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practising cost accountant or practising chartered accountant (in respect of suppliers other than companies) giving the percentage of local content in the prescribed format as per Annexure – VII.

16.1.4 The certificates mentioned in para 16.1.2/16.1.3, as the case may be has to be submitted in the prescribed format only along with the offer. Failure of submission of the certificates along with the offer may render the offer deprived of the benefits provided under this order, viz. offer shall become ineligible for consideration in case of items identified by Railways as to be procured from 'class-I local supplier' detailed in 16.1.6 (i) below and for other items, it will be presumed that the tenderer have no claim for Purchase Preference under "Make in India" Policy etc.

16.1.5 False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules issued by the Ministry of Finance 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.

16.1.5.1 A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities.

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

(i) a) In procurement of all goods, services or works in respect of which the Railway Ministry has communicated that there is sufficient local capacity and local competition, only 'Class I local supplier', as defined in para 16.1.1 (ii) above, shall be eligible to bid irrespective of purchase value and the vendors who do not qualify to be Class-I Local Suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class-I Local Suppliers for the tendered item participates in the tender it does so at its own risk and cost and Railways shall not be liable for any loss or damage caused to the vendor.

b) Railway Board has notified that sufficient local capacity and local competition exists for all spares and components required for manufacture and maintenance of LHB coaches, including hardware and consumables, except for ten items as on date which is listed at Annexure – I. Goods which get included in this list subsequently based on instructions issued by Railway ministry from time to time will be notified in the tender document of the respective item. As most of the items procured by ICF are covered in this category, tenderers are advised to verify the category of the item before submitting the offer. Only 'Class I local supplier' are eligible to bid for these items irrespective of purchase value. In such cases, 'Class-I local supplier' shall be required to provide a certificate as detailed in para 16.1.2 and 16.1.3 above along with the offer, failing which their offer shall not be considered as 'class-I local supplier' and the case will be dealt accordingly.

(ii) Only Class-I local supplier' and 'Class-II local supplier', as defined in para 16.1.1 (ii) above, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub-para (i) above, and with estimated value of purchases less than ₹ 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.

16.1.6 A. Purchase preference:

(i) Subject to the provisions of this order and to any specific instructions issued by Indian Railways or in pursuance of this order, purchase preference shall be given to 'Class –I local supplier' in all procurements undertaken by procuring entities in the manner specified hereunder:

(ii) In procurement of goods which are covered under para 16.1.6.(ii) above and which are divisible in nature, the 'class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

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

b. If L1 bid is not a 'Class-I local supplier', participating 'Class-I local suppliers' quoting a price within price band of L1 + Margin of Preference (%) shall be allowed to supply a portion of the requirement by bringing down their price to L1 price and such 'Class-I local suppliers' can be together ordered up to 50% value out of the net procurement quantity. In case some quantity is left uncovered on 'Class-I local suppliers', then such balance quantity will also be ordered on the L1 bidder.

(iii) In procurement of goods or works, which are covered under para 16.1.6.(ii) above and which are not divisible in nature and in procurement of services where the bid is evaluated on price alone, the 'class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

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

b. If L1 is not from a 'Class-I local supplier', the lowest bidder among the 'class-I local suppliers' will be invited to match the L1 price subject to 'Class-I local supplier's' quoted price falling within the margin of purchase preference (%), and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.

- c. In case lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local suppliers' within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.

(iv) 'Class-II local suppliers' will not get any purchase preference in any procurement undertaken by procuring entity.

16.1.6. B. Applicability in tenders where contract is to be awarded to multiple bidders:

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

- a. In case there is sufficient local capacity and competition for the item to be procured, as notified by Railways, only class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'class I local suppliers'.
- b. In other cases, 'Class II local suppliers' and 'Non-local suppliers' may also participate in the bidding process along with 'class I local suppliers' as per provisions of this order.
- c. If 'Class I local suppliers' qualify for award of contract for atleast 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidder as per award criteria stipulated in the bid documents. However, in case 'Class I local suppliers' do not qualify for award of contract for atleast 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/'Non local suppliers' provided that their quoted rate falls within 20% margin of preference of the highest quoted bidder considered for award of contract so as to ensure that the 'class I local suppliers' taken in totality are considered for award of contract for atleast 50% of the tendered quantity.
- d. First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'class-I local supplier', falling within 20% margin of purchase preference, and so on.

16.1.7 The Principal Chief Materials Manager shall have full power to take decisions on complaints relating to implementation of this order.

16.1.8 Fee for filing a complaint under the order shall be ₹10,000/- per case. The complaint shall be filed in the office of the Principal Chief Materials Manager, ICF. The fee shall be deposited with the office of the Principal Financial Advisor, ICF.

16.1.9 Entities of countries which have been identified by Railways as not allowing Indian Companies to participate in their Government procurement for any item related to Railways shall not be allowed to participate in Government procurement in India for all items of Railways, except for notified items permitting their participation.

17.0 Preference to Domestically Manufactured Iron & Steel Products in (DMI&SP) Government Procurement

The policy of preference to DMI&P is applicable to Iron & Steel Products as provided in the table below, as prevailing on 01.12.2017:-

Sr.No.	Iron and Steel Products	Inputs (Imported or Domestic)	Minimum Value Addition
1	Ductile Iron Pipe	Pig iron/ Liquid iron	15%
2	Wire Rod & TMT Bar	Billet	15%
3	Structural/ sections	Bloom	15%
4	HR coils, strips, sheets & plates	Slab	15%
5	HR Universal/ Quarto plates	Slab	15%
6	CR coils/ strips	HR coils	15%
7	Coated flat steel products/ GP/ GC sheets/Al-Zn coated	Slab/ HR coil/ Cold rolled coils/ strips	15%
8	Colour coated, painted sheets	Slab/ HR coil/ Cold rolled coils/ strips	15%
9	All kinds of steel pipes & tubes	Slabs/ Plates/HR coils	15%
10	Seamless tubes & pipes	Bloom	15%
11	Rails	Bloom	15%

17.1 This policy shall be applicable to procurement of iron and steel products listed in para 17.0 having estimated value of Rs. 50 Crore or more, forming part of the steel intensive supply or overall supply of stores. The list of Iron & Steel Products and the minimum value addition as notified by Ministry of Steel, Government of India, from time to time, shall be applicable for the purpose of tender finalization. The status as on the date of tender opening shall be considered for the purpose.

17.2 Definition:-

- i. Bidder may be a domestic/foreign manufacturer of steel or their selling agents/authorized distributors/authorized dealers/authorized supply houses or any other company engaged in the bidding of projects funded by Government agencies.

- ii. “Domestically Manufactured Iron & Steel Products (DMI&SP)” are those iron and steel products which are manufactured by entities that are registered and established in India, including in Special Economic Zones (SEZs). In addition, such products shall meet the criteria of domestic minimum value-addition as mentioned in table at para 17.0.
- iii. Domestic Manufacturer is a manufacturer of domestically manufactured Iron & Steel Products (DMI & SP).
- iv. Government for the purpose of the policy means Government of India.
- v. Government agencies include Government PSUs, Societies, Trusts and Statutory bodies set up by the Government.
- vi. MoS shall mean Ministry of Steel, Govt. of India.
- vii. Net Selling Price shall be the Ex-works/Ex-factory price comprising of the landed cost of imported steel at the plant and all other cost elements forming part of the conversion cost inclusive of nominal return on investment. This price is exclusive of any duties and taxes applicable ex-factory.
- viii. Semi-Finished Steel shall mean billet, blooms, slabs (cast products), which can be subsequently processed to finished steel.
- ix. Finished Steel means Flat and Long Products, which can be subsequently processed into manufactured items.
- x. Iron & Steel Product(s) shall mean such Iron and Steel product (s) which are mentioned in table at para 17.0.

17.3 The bidders who are sole selling agents/authorized distributors/authorized dealers/authorized supply houses of the domestic manufacturers of iron & steel products are eligible to bid on behalf of the domestic manufacturers under the policy. However, this shall be subject to the following conditions:

- i. The bidder shall furnish the tender specific authorization certificate issued by the domestic manufacturer for selling domestically manufactured Iron & Steel products.
- ii. The bidder shall furnish the Affidavit of self-certification issued by the domestic manufacturer to the procuring agency declaring that the iron & steel products is domestically manufactured in terms of the domestic value addition prescribed.
- iii. It shall be the responsibility of the bidder to furnish other requisite documents required to be issued by the domestic manufacturer to the procuring agency as per the policy.

17.4 Value addition

17.4.1 Value addition shall be the difference between the net selling price and the landed cost of imported input steel (of immediate prior process) at a manufactured plant in India.

17.4.2 In case, the iron & steel products are made-

- i. Using domestic input steel (semi-finished/finished steel), invoices of purchases from the actual domestic producers along with quantities purchased and the other related documents must be furnished to procuring Government agency.
- ii. Using a mix of imported and domestic input steel, the invoices of purchases from the actual producers along with quantities purchased and the other related documents must be furnished separately. To derive the extent of domestic value addition, the weighted average of both (imported & domestic) input steel shall be considered to ensure that the minimum stipulated domestic value addition requirement of the policy is complied with.
- iii. Using only imported input steel, the following formula shall apply to calculate the percentage of domestic value-addition:

$$\text{Domestic value addition (\%)} = (\text{Net selling price} - \text{Landed cost of imported Input steel at the plant}) * 100 / \{\text{Landed Cost of imported input steel at the plant}\}$$

Each bidder participating in the tender process should calculate the domestic value addition using the above formula so as to ensure the domestic value addition claimed is consistent with the minimum stipulated domestic value addition requirement of the policy.

- 17.5 Each domestic manufacturer shall furnish the Affidavit of self-certification to the procuring Government agency declaring that the iron & steel products are domestically manufactured in terms of the domestic value addition prescribed. The bidders who are sole selling agents/authorized distributors/authorized dealers/authorized supply houses of the domestic manufacturers of iron & steel products are eligible to bid on behalf of domestic manufacturers under the policy. The bidder shall furnish the Affidavit of self-certification issued by the domestic manufacturer to the procuring agency declaring that the iron & steel products are domestically manufactured in terms of the domestic value addition prescribed. The Affidavit of self-certification shall be furnished in Annexure III.
- 17.6 It shall be the responsibility of the domestic manufacturer to ensure that the products so claimed are DMI&SP in terms of the domestic value addition prescribed for the product. The bidder shall also be required to provide a value addition certificate on half-yearly basis (as on Sep 30 and Mar 31), duly certified by the Statutory Auditors of the domestic manufacturer, that the claims of value addition made for the product during the preceding 6 months are in accordance with the Policy. Such certificate shall be submitted within 60 days of commencement of each half year, to the concerned Government agencies and shall continue to be submitted till the completion of supply of the said products.
- 17.7 The onus of demonstrating the correctness of the Affidavit of self-certification regarding domestic value addition shall be on the bidder.

- 17.8 In case a complaint is received against the claim of a bidder regarding domestic value addition in Iron & Steel products, the procuring agency shall have full rights to inspect and examine all the related documents and take a decision. The bidder shall be required to furnish the necessary documentation in support of the domestic value addition claimed in iron & steel products within 2 weeks of asking for the same.
- 17.8.1 In case, the matter is referred to the Grievance Redressal Committee under the Ministry of Steel (MoS), the bidder shall be required to furnish the necessary documentation in support of the domestic value addition claimed in iron & steel products to the Grievance Redressal Committee under MoS within 2 weeks of the reference of the matter. If no information is furnished by the bidder, the Grievance Redressal Committee may take further necessary action, in consultation with Government Agency to establish the bonafides of the claim.
- 17.8.2 The cost of assessing the prescribed extent of domestic value addition shall be borne by the procuring agency if the domestic value addition is found to be correct as per the certificate. However, if it is found that the domestic value addition as claimed is incorrect, the cost of assessment will be payable by the bidder who has furnished an incorrect certificate.
- 17.8.3 In case of mis-declaration by the tenderer of the prescribed domestic value addition, action may be taken as per the provisions of this order. If the mis-declaration is detected after placement of purchase order, then the firm shall pay the difference the purchase order value and the value of the lowest technically acceptable offer over which preference was granted to the ordered quantity. This shall be without prejudice to the Purchaser's other rights under the contract.
- 17.8.4 In case of reference of any complaint to MoS by the concerned bidder, there would be a complaint fee of Rs.10 Lakh or 0.2% of the value of the DMI&SP being procured (subject to a maximum of Rs.20 Lakh), whichever is higher, to be paid by Demand Draft deposited with the grievance redressal committee under MoS along with the complaint. In case, the complaint is found to be incorrect, the Government Agency reserves the right to forfeit the said amount. In case, the complaint is found to be substantially correct, deposited fee of the complainant would be refunded without any interest.

18.0 Tender Opening:

- 18.1 No vendor shall be required to be present in the Railway office for any e-tender opening process. They can obtain totally transparent bid tabulation statement by logging on to the website.
- 18.2 Railway does not guarantee opening of tenders at the specified date and exact time due to reasons beyond control and hence tenders can be opened after due date and time also. It should, however, be noted that vendors can not submit any offer or attach any file after the due date and time stipulated under the tender notice.

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SECTION – II**GENERAL CONDITIONS OF TENDER****1.0 Price:**

- 1.1 Tenderers should quote their rates for free delivery (Door Delivery) at premises of consignees as mentioned in the tender document. Break up of such price must be given completely and unambiguously in the Financial Rate Page under Financial Bid Details of the e-tender form in the IREPS website. In case the tenderers quote prices on ex-works or ex-godown basis, specific amount of freight charges must invariably be quoted instead of vague freight charges, such as 'extra at actuals'.
- 1.1.1 In case the tenderer does not specifically state anything about the place of delivery or does not quote freight charges in his offer/e-Bid, it shall be assumed that the tenderer shall bear the freight charges and that the offer is for free delivery at the destination, i.e., for door delivery at consignees' premises as mentioned in the tender document. This assumption shall be final and binding on the tenderer and will not be subject to any legal dispute or arbitration in future.
- 1.1.2 All tenderers shall quote in Indian Rupees (INR) currency only, failing which such offers are liable to be ignored.
- 1.2 The rate or amount of taxes and duties, if any, must be spelt out clearly in the break-up to be furnished in the prescribed Financial Rate Page under Financial Bid Details of the e-tender form. Even where the rate or amount of taxes/duties included in the rate is Nil, this should be specifically stated in the offer.
- 1.2.1 Packing and forwarding charges, wherever applicable, should be quoted clearly. Applicability of GST on the packing and forwarding charges shall be as per the GST Law.
- 1.2.2 If there is any ambiguity in respect of rates of taxes and duties other than GST, if any, the purchaser shall evaluate the offers by taking into account the highest rate of such taxes and duties as known to the purchaser for determining the inter-se ranking of the offers. Purchaser's decision in this regard shall be final and no claim regarding applicability of taxes/duties or otherwise will be entertained after opening of the e-tenders. The purchasers will, however, reserve the right not to pay such taxes and duties not specifically claimed or not indicated clearly/unambiguously by the tenderers in the Financial Rate Page under Financial Bid Details of the e-tender form.
- 1.2.3 The purchaser will not be responsible for any incorrect evaluation and consequent impact on inter-se ranking, if the tenderer does not fill the prescribed e-Tender offer form or submits incomplete, ambiguous or misleading rates of taxes, duties and other charges.

1.3 Price Variation Clause:

- 1.3.1 Unless otherwise specified, wherever no price variation clause is specified, tenderers must submit their offers/e-Bids on fixed price basis only, that is, the quoted prices should be firm and not subject to any variation, otherwise the offer shall be summarily rejected. Ambiguous conditions, such as, "Price Variation Clause applicable", will not be acceptable and such offers will be summarily rejected.
- 1.3.2 If any price variation clause (PVC) is specified in the tender documents, tenderer shall submit offer /e-Bid according to such PVC. If the tenderer quotes different PVC or fixed price, then the offer is liable to be rejected.
- 1.3.3 Tenderers who quote with price escalation on account of raw material in the tenders must note that any escalation claims will be subject to verification by the Principal Financial Adviser of Integral Coach Factory (ICF) with reference to the records that may be called for from them, such as, records of position of ground stocks available at the time of submission of tender for verification/examination of their claims under price variation clause before their claims are accepted. If the tenderer fails to establish his claim by producing satisfactory records before the PFA of ICF, their claim will be disallowed and/ or proportionately reduced.

2.0 Goods and Services Tax (GST):

- 2.1 GSTIN of ICF is **33AAAGM0289C1ZQ**.
- 2.2 All the bidders/tenderers should ensure that they are GST compliant and their quoted tax structure/rates are as per GST law. All tenderers who are registered under CGST/IGST/UTGST/SGST Act shall submit GSTIN (Goods and Services Tax Identification Number) details. Tenderers will examine the various provisions of the Central Goods and Services Tax Act, 2017 (CGST)/Integrated Goods and Services Tax Act, 2017 (IGST)/ Union Territory Goods and Services Tax Act, 2017 (UTGST) respective State's State Goods and Services Tax Act, 2017 (SGST), as notified by Central/ State Government and as amended from time to time and applicable taxes before tendering/bidding.
- 2.3 All tenderers to incorporate HSN code of item/items being quoted along with the offer. It will be the responsibility of the bidder to quote correct HSN Code and corresponding GST rate. The offers shall be evaluated based on the GST rate quoted by each bidder and the same will be used for determining the inter-se ranking.
- 2.4 Whenever tender calls for set consisting of many items; tenderer/bidder has to quote clearly the break up rates of various components, showing individual item's description, Basic rate and GST rate as applicable.
- 2.5 Wherever installation and commission charges are quoted, taxes applicable on such charges have to be clearly mentioned by the tenderer.

- 2.6 The Purchaser shall not be responsible for any misclassification of HSN Number or incorrect GST rate, if quoted by the bidder. Any increase in GST rate due to misclassification of HSN number shall have to be absorbed by the supplier. 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 rate incorporated in the purchase order or billed. Vendors will be required to adjust 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.
- 2.7 Any amendment in GST rate shall be governed by the contractual conditions under Statutory Variation Clause (SVC). However, increase in GST rate amendments shall be considered for quoted HSN only, against documentary evidence, provided such increase of GST rates takes place after the date of tender opening. The benefit of reduction in GST rate shall have to be passed on to railways.
- 2.8 While quoting the rates, the tenderer shall pass on, by way of reduction in prices, the full input tax credit that may become available in respect of all the inputs used in the supply of final goods/or services under GST scheme and submit a declaration in their offer of the same.
- 2.9 Tenderers while quoting for tenders would also give the following declaration:
- “I/We agree to pass on such additional input tax credit as may become available in future under GST scheme, in respect of all the inputs used in the manufacturing and/or supply of the final goods and service on the date of supply by way of reduction in price and advise the purchaser accordingly.”
- 2.10 In case the successful tenderer is not liable to be registered under CGST/IGST/UTGST/SGST Act, the railway shall deduct the applicable GST from his/their bills under Reverse Charge Mechanism (RCM) and deposit the same to the concerned tax authority.
- 2.11 If any tenderer is opting for ‘Composite Levy Scheme’ of GST Act, SVC shall not be applicable to such firms in case of opting out of the Composition Levy Scheme in future.
- 2.12 While making the supply, the firm shall comply with the following:
- i) Submit the invoice/bill clearly indicating the appropriate HSN and applicable GST rate thereon duly supported with documentary evidence.
 - ii) Give a declaration that any additional Input Tax Credit benefit, if become available to supplier, the same has been passed on to Purchaser.
- 2.13 The suppliers must submit the bills as per the prescribed format along with the GST certificates provided in the ICF website [https://icf.indianrailways.gov.in/works/uploads/File/gstnewbillform\(1\).pdf](https://icf.indianrailways.gov.in/works/uploads/File/gstnewbillform(1).pdf). Suppliers shall refer the ‘User manual for vendors on Post contract activities’ in IREPS portal for digital bill submission procedure.

3.0 Statutory Variations:

- 3.1 Statutory variation will be considered during the original delivery period and against documentary evidence only. However increase in taxes or duties on account of misclassification or misapprehension of law shall not be allowed. Tenderers are thus advised to include Statutory Variations Clause correctly and explicitly in their offers.

4.0 Delivery Period Extension and Liquidated Damages:

- 4.1 The time and the date specified in the contract for the delivery of the stores shall be the essence of the contract and the delivery must be completed not later than the date so specified. The delivery period shall be reckoned from the date of issue of Advance PO/Letter of Advance Acceptance/Letter of Acceptance. In case the delivery date falls on a gazetted holiday or is subsequently declared as such, the purchase order will be deemed to be re-fixed up to the next working date. In such cases, modification advise for extension of delivery period will not be issued.
- 4.2 However, extension of delivery period may be considered in deserving cases where genuine reasons exist. Such extensions of delivery period may be considered with liquidated damages as per IRS Conditions of Contract and denial clause. Accordingly, Railway shall recover from the contractor as agreed Liquidated Damages and not by way of penalty, a sum equivalent to 1/2% (half percent) 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 week or part of a week 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% (ten percent) of the value of the delayed supplies unless otherwise provided specifically in the contract.
- 4.3 In the cases where supply is made in the extended period of D.P. (with or without LD), Price Variation (PV) as applicable on the terminal date of the original D.P shall be payable unless price has decreased after the terminal date of the original delivery period, in which case, the decreased rate will be applicable.
- 4.4 In the cases where supply is made in the extended period of D.P. (with or without LD), the following Denial Clauses are applicable:
- 4.4.1 No increase in price on account of any statutory increase in or fresh imposition of tax & duty or on account of any other tax or duty leviable in respect of the stores specified in the Contract which takes place after the date of the delivery period originally stipulated in the contract shall be admissible on such of the said store as are delivered after the date of the delivery originally stipulated in the contract.
- 4.4.2 Notwithstanding 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 originally stipulated in the Contract shall be admissible on such of the said stores as are delivered after the expiry of the delivery period originally stipulated in the Contract.

- 4.4.3 Nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of tax & duty or on account of any other tax or duty or on any other ground as stipulated in the price variation clause, which takes place after the expiry of the date of delivery originally stipulated in the Contract.

5.0 Terms of Delivery:

Material should be delivered by road transport or personal courier service, direct to the consignee on freight prepaid and door delivery basis.

6.0 Risk in Transit and Insurance:

- 6.1 The Purchaser will not pay separately for transit insurance and the supplier shall be responsible till the entire stores contracted to arrive in good condition at destination. Where the tenderer intends to insure the goods, the insurance charges should be clearly indicated under Other Charges in the Financial Rate Page under Financial Bid Details of the e-tender form.
- 6.2 The consignee, will advise the supplier within 45 (forty five) days of the arrival of goods at the destination, any loss/damage etc. of the goods and it shall be the responsibility of the supplier to lodge the necessary claim on the carrier and/or insurer and pursue the same. The supplier shall, however, at his own cost replace/rectify the goods lost/damaged immediately, to the entire satisfaction of the consignee, without waiting for the settlement of the claim. In case, supplier fails to give replacement against lost/damaged goods within 45 days from the date of intimation, the Purchaser may arrange procurement at the risk and cost of supplier.
- 6.3 Notwithstanding any packing condition stipulated in the tender documents or in the tendered drawings/specifications, it shall be the responsibility of the Contractor to appropriately pack the stores so that they are received by the consignee at destination without any loss, destruction, damage or deterioration due to any cause whatsoever.
- 6.3.1 Suppliers may please ensure plastic sheets less than 50 micron thickness is not utilised for packing, before despatch.
- 6.4 Special condition for items procured in sets where each set consists of multiple items/assemblies/sub-assemblies:
- 6.4.1 The supplier will submit the packing list for each consignment truck-wise and paste/print/paint labels on individual items mentioning the item description and reference as mentioned in packing list to facilitate ease of receipt and account at depot.
- 6.4.2 To facilitate ease of identification and acknowledgement of receipt, supplier should submit photo-album (hard copy as well as soft copy) of all the items constituting a set indicating the name of

individual part. This photo-album may be submitted only once which will help depot officials in identifying the items on receipt thereof.

6.4.3 Wherever feasible, supplier will pack items set-wise to facilitate receipt and account of materials. As far as possible, packing should be done in such a way that it will facilitate easy stacking and vertical space utilization.

6.4.4 Supplier should also indemnify the depot officer for correctness of supply of items in sets as per packing list as per the format given below:

FORMAT OF INDEMNITY FOR CORRECT SUPPLY

(to be submitted on firm's letter head only)

I, the authorized signatory of M/s. having received Purchase Order No..... Dated for supply of Quantity Nos/sets valued at Rs..... (Rupeesonly) hereby indemnify Dy.Chief Materials Manager/.....; Integral Coach Factory, Chennai acting through & on behalf of the President of India that in the event of that supplied stores are found not as per the packing list provided and quantities of parts in set is not as per tendered drawing and/or specification due to any reason whatsoever, will make good the shortfall within a reasonable period.

I, also indemnify the consignee against the loss which may accrue to the said shortage.

Station:

For
(Signature with Name and Designation)

Date:

Company Seal

7.0 Failure and Termination:

7.1 Default and Risk Purchase: In case, the tenderer after placement of the purchase order, defaults to supply the material within the delivery date /extended DD, the purchaser reserves the right to initiate action as under:

a. Wherever SD has been taken, in respect of orders for Safety as well as non- safety items, SD will be forfeited & unsupplied quantity will be procured independently without risk and cost of the original firm / supplier of the defaulted contract. In these cases, adverse performance of the supplier will be recorded and intimated to the approving agencies (i.e.RDSO/PUs/CORE/NSIC etc.) wherever applicable, which shall be taken into account in future tender.

b. In respect of orders, where no security deposit has been taken from firms, Risk Purchase action will be initiated against the supplier as per IRS conditions of Contract. The period of initiating

Risk Purchase will be 9 months from the date of last delivery date or extended delivery date as provided in clause No.702 (c & d) of IRS Conditions of Contract.

- c. Notwithstanding anything contained herein the Railway Administration shall be at liberty to forfeit the Security Deposit and/or recover and adjust from the Security Deposit and other amounts of the Contractor that may be lying with the Railway, any loss suffered on account of the breach of contract arising on account of refusal or failure on the part of the Contractor to perform the contract.

7.2 General damages : 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 expiry of such period, purchaser would be entitled for action as per clause 0702 of IRS conditions of contract. However where risk purchase as per clause 0702(c & d) could not be resorted to, due to any reason, the purchaser would be entitled to claim from the contractor the difference between the contract rate and the market rate on the date of breach of contract. In case the established market rate is not ascertained, 10% of the defaulted value of contract would be taken as "General Damages" cancelling the contract. Further to the extent SD has been taken {say of value 'A' (which is less than 10% value of contract), in such cases, the GD will be leviable only for the difference amount i.e. GD leviable (say 'B') will be equal to 10% of outstanding value of contract minus the value of SD submitted (A). In such cases, SD amount 'A' shall be forfeited and the 'GD' amount 'B' shall be recovered from the firm

7.3 Termination : Purchaser reserves the right to terminate the contract in part or full during its currency based on performance etc. of the supplier within a notice period of twenty-one days from the date of notification duly taking action as mentioned in para 7.1 and/or 7.2.

8.0 Weighment clause and Unloading:

8.1 In case of stores ordered on weight basis, the net weight recorded at the consignee's premises or the net weight indicated in the supplier's invoice whichever is less shall be considered for accountal and payment.

8.2 Unloading will be done by consignee unless otherwise specified in the Special Conditions of Tender or elsewhere in the contract.

9.0 Evaluation of the Offers:

Unless otherwise specified, evaluation of offers will be done as under:

9.1 To facilitate evaluation and comparison, all inclusive rate will be worked out by system comprising of the basic rate, packing /forwarding charges, insurance and other charges, if any, freight charges upto destination and the applicable taxes. All inclusive cost comprising of the basic rate, packing

charges, forwarding charges, insurance (if any) freight charges up to destination, any other charges as quoted and applicable taxes shall be reckoned for inter-se ranking of offers.

- 9.2 As stipulated under clause 1.2, the Purchaser shall evaluate the offers based on the GST rate as quoted by each bidder and same will be used for determining the inter se ranking.
- 9.3 In case the offers are received with price variation clauses with different base dates/base prices, all-inclusive rates shall be calculated for all tenderers corresponding to a common base date/base price which shall correspond to the tender opening date, unless otherwise specified in tender document in respect of the various inputs indicated in the price variation clause quoted, so that the tenders are not vitiated on account of variations in the prices of various inputs due to different base dates/prices.
- 9.4 Conditional discounts, such as, discounts for quantity, early payment, delivery at other than specified location, etc., will not be considered for the purpose of determining inter-se ranking of the offers. That is, the rates quoted without any attached conditions shall only be considered for the evaluation purpose. Purchaser however, reserves the right to use any of discounted rate(s) appropriate for acceptance or to counter offer to the successful tenderer(s).
- 9.5 Unless otherwise specified in the tender documents, in case of tender for multiple items, multiple consignees, the inter-se position of the bidders shall be decided item wise/consignee wise and not on the basis of total value of tender as a whole.
- 9.6 For evaluation of inter-se ranking of tenders, the tax regime as applicable on the date of tender opening for statutory taxes/duties, shall be applicable subject to the condition as detailed at para 9.2 above.
- 9.7 All offers will be arranged in the ascending order of the all-inclusive rate.
- 9.8 In case, tenderer quote for delivery of entire tendered quantity to one consignee against Railway's requirements of delivery to multiple consignees, such offer shall be considered valid only for quantity required as per tender schedule by the consignee to whom delivery is offered by the tenderer and it shall be considered that there is no offer for remaining consignees.
- 9.9 In case of Machinery and Plant (M&P) items, the Net Present Value (NPV) of Annual Maintenance Charges (AMC) for various years will also be added to arrive at all inclusive FOR destination rate as per clause 24.4 (iii) of Special Conditions for Machinery and Plant (M&P) Items. The rate of discounting for the NPV calculation shall be pre-disclosed in the tender documents uploaded on the IREPS website.

10. Consideration of Offers:

- 10.1 The Purchaser is not bound to accept the lowest or any offer nor to assign any reason for doing so and reserve to himself the right to accept any offer in respect of the whole or any portion of the item specified in the tender and contractor shall be required to supply at the rate quoted. In case of items of critical nature, the Purchaser reserves the right to order the entire or bulk quantity on sources with proven past performance, or the sources who comply with the eligibility criteria specified separately in the tender documents, if any, and whose offers are found technically suitable and otherwise acceptable.
- 10.2 The Purchaser reserves the right to cancel the tender for full or part quantity tendered without assigning any reason. The rates quoted by the tenderers for the full quantity would be taken as valid for acceptance of part quantity.
- 10.3 Offers of only manufacturers or their authorized dealers/distributors/agents with the tender specific authorization from the manufacturers will be considered as brought out in para 9.2 of 'Instructions to the tenderers'. Offers of authorized dealers/distributors/ agents without tender specific authorization are liable to be ignored.

10.4 Developmental Orders:

- 10.4.1 Developmental order may be given upto 20% of the Net Procurable Quantity (NPQ) on developmental/unregistered/untried firms about whom the Purchaser is prima facie satisfied that they are capable of executing the order, depending upon the credentials and/or experience with ICF/other production units / zonal Railways/ other government departments etc. , provided that their offers are technically suitable and are competitively placed compared to rates of firms eligible for bulk order and they have submitted/uploaded adequate evidence to establish their capacity-cum-capability, clause wise comments of the schedule of technical requirements if any provided with the tender, past performance etc., subject to verification of the capability claimed/exhibited in the tender, if considered necessary by the Purchaser. While deciding the quantity to be ordered on developmental/unregistered/untried firms, the status of the firm i.e. new entrant or already assessed, outstanding order if any etc. will be taken into consideration.
- 10.4.2 However, there may be some cases of procurement of materials where Railway may not be willing to undertake the risk of the failure on the part of the supplier on whom the developmental orders have been placed. In such cases, Railway may go in for increased purchase quantity and keeping in view of budgetary and other aspects, so that 100 percent order is placed on registered/approved suppliers and quantity not more than 20% of NPQ can be ordered against developmental orders outside the NPQ.
- 10.4.3 In case of item to be procured from approved sources,

- a) The sources listed in the developmental category of the vendor directory of the tendered item shall be considered for placement of developmental orders within ICF requirement upto 15% of NPQ.
- b) New firms not listed in the developmental category of the vendor directory of the tendered item but found technically suitable based on the eligibility criteria mentioned in the tender document shall be considered for developmental order outside ICF requirement upto 5% of NPQ subject to capacity assessment.
- e) In case no sources other than developmental category list are found technically suitable, then sources listed in the developmental category of the vendor directory shall be considered for developmental orders upto 20% within ICF requirement.
- f) Minimum two tenderers from approved developmental category and minimum two tenderers from new/un-tried firms will be considered for placement of developmental orders provided their rates are competitively placed compared to rates of firms eligible for bulk order and offer found suitable based on criterion brought-out vide Para 10.4.1.

10.4.4 In case of item not listed in the vendor directory,

- a) Tenderers found eligible for development order based on the eligibility criteria for developmental order in tender document shall be considered for developmental orders 15% of NPQ provided they have supplied same or similar items.
- b) Other sources found eligible for development order based on the eligibility criteria for developmental order but have not supplied same or similar item shall be considered for developmental order outside ICF requirement upto 5% of NPQ.
- c) In case all the tenderers found eligible for development order based on the eligibility criteria for developmental order have past supply performance for same or similar items, then developmental order shall be placed upto 20% of NPQ within ICF requirement.
- d) In case there are no sources who have supplied same or similar item, then sources found eligible for development order based on the eligibility criteria for developmental order shall be considered for developmental orders upto 20% of NPQ. Proportion of quantity within or outside the ICF requirement may be decided by TC/TAA based on the past supply credential of the firm with ICF, nature/criticality of item etc.
- e) Minimum two tenderers from those falling in category (a) and minimum two tenderers falling in category (b) will be considered for placement of developmental orders provided their rates are competitively placed compared to rates of firms eligible for bulk order and offer found suitable based on criteria brought-out vide Para 10.4.1.

- 10.4.5 The splitting of quantity among developmental orders shall be done as per the splitting criteria indicated in para 11.2 below. However, developmental orders may be placed at differential rates within reasonable limits.
- 10.4.6 If new/un-trying tenderers have already been considered for placement of developmental orders for same/similar items in previous two tenders for the same/similar item (similar item as defined in tender document) and/or their capacity and capability assessment is pending/ firm has not reached to a stage of offering prototype, such firms shall not be considered for further developmental order till their capacity and capability assessment is successfully completed/ firm offers prototype for inspection in pending cases.
- 10.4.7 For consideration of a vendor for placement of a developmental order, their rate should be lower than the rate of vendors, considered for placement of regular orders except for the firms' considered eligible for purchase preference.
- 10.4.8 In normal course, quantity on a developmental order will not be more than the quantity on any of the regular orders.
- 10.5 In case proven suppliers of Railway/Production Unit do not respond in the tender or the performance of such suppliers not satisfactory or exorbitant rates are quoted by them or cartel formation is suspected, then offers of the untried/new firms or the ICF past suppliers for similar items may be considered for regular order for bulk or entire quantity or part quantity where prima-facie the purchaser feels and is satisfied about their capability to supply tendered items based on the information submitted by the tenderers along with the offer. Otherwise, ICF reserves the right to re-invite the tender depending upon the merit of the case.
- 10.6 Railways reserves the right to procure stores with preferential treatment as per the following Public Procurement Policies of Government of India as brought out in 'Section-I, Instructions to Tenderers' as amended from time to time:
- i. Public procurement policy for goods produced and services rendered by Micro and Small Enterprises as brought under para 13.4 of 'Section-I, Instructions to Tenderers'.
 - ii. Preference to Domestically manufactured electronic products as brought under para 15.0 of 'Section-I, Instructions to Tenderers'.
 - iii. Public procurement policy for preference to Make in India as brought under para 16.1.6 read with 16.1.1 (iii) of 'Section-I, Instructions to Tenderers'.
 - iv. Policy for providing Preference to Domestically Manufactured Iron & Steel Products in Government Procurement as brought out under para 17.0 of 'Section-I, Instructions to Tenderers'.
- 10.7 Offers not conforming to the tender requirements and not complying to tender conditions, may be rejected outright without further reference.

10.8 If necessary, the purchaser may seek clarifications on the offers by requesting for such information from any or all the tenderers, either in writing or through personal contact, as may be considered necessary. However, tenderers will not be permitted to change the substance of their offers after the offers/e-Bids have been opened.

10.9 The tender opening date will be the reference date for assessing the performance of a firm in a tender and any improvement in performance by a firm after tender opening shall not be factored in purchase decision.

10.10 Ordering on approved sources:

10.10.1 Wherever necessary, as per procurement policy of the Government, Purchaser reserves the right to order either the entire or bulk quantity from firms for such items which are reserved for procurement of entire/bulk requirements from approved sources who have been approved by RDSO, Production Units (PUs), CORE, etc. as Approved vendors to manufacture and supply the tendered item. The tenderers are required to upload copies of such approval letters along with their offers. The approval status of the tenderer will be reckoned as on the date of opening of the e-tender and not thereafter. However, in case of downgrading/removal/suspension/banning after opening of e-tender, such changes shall be taken into account while considering the offers. The tenderers who are on the approved list of RDSO, Production Units (PUs), CORE, etc. for the tendered item as regular or developmental as on date of tender opening need not submit any other document in support of their performance, equipment & quality control and financial stability. However these vendors while quoting for other items shall be required to submit all the credentials as per the eligibility criteria.

10.10.2 Minimum 80% of the net procurement quantity shall be ordered on regular approved vendors.

10.10.3 Wherever sources have been approved by nominated agency, the placement of developmental orders can be considered in the following circumstances –

- i) where the approved sources are not adequate or for developing indigenous sources for imported items or for new product development.
- ii) where the rate received from new sources are lower than those applicable to approved sources and where new sources are having potential for supply of quality material and are having infrastructure of plant and machinery and testing equipment.
- iii) whose offers are technically suitable.
- iv) who meet the pre-defined eligibility/qualifying Criteria and technical capability specified in the tender document. The credentials of having met the pre-defined criteria shall be based on the details uploaded by the tenderer like past performance, infrastructure details such as machinery and plant, testing facilities, Quality Assurance Plan, technical

manpower, etc, in absence of which the tenderer may not be considered for placement of any order.

10.10.4 However, development order may be given upto 20% of net procurement quantity on unregistered/untried firms about whom Railway is prima facie satisfied that they are capable of executing the order as brought out in para 10.4 above.

10.10.4.1 For Items which are to be procured from RDSO approved sources:

- i) Where there are not more than three Indian Suppliers categorized as approved vendor for a particular item, developmental vendors can be considered for placement of bulk order without any quantity restrictions. However, while considering such vendors, factors including past performance, capacity, delivery requirements, quantity under procurement, nature of item, outstanding order load etc. shall be considered in a transparent manner, subject to rates being reasonable. Quantity allocation among eligible vendors shall be based on pre decided tender criteria. Such orders shall be treated as bulk orders.
- ii) For the above purpose, Indian supplier shall be as defined in para 10(e) of Public Procurement (Preference to Make in India) Order, 2017, which is as follows:

A supplier or bidder shall be considered to be from India if (i) the entity is incorporated in India, or (ii) a majority of its shareholding or effective control of the entity is exercised from India, or (iii) more than 50% of the value of the item being supplied has been added in India.

10.11 Cartel Formation:

- 10.11.1 Wherever all or most of the approved firms quote equal rates and cartel formation is suspected, Railway reserves the right to place order on one or more firms with exclusion of the rest without assigning any reasons thereof.
- 10.11.2 Firms are expected to quote for quantity not less than 50% of tendered quantity. Offers for a quantity less than 50% of tendered quantity will be considered unresponsive and liable to be rejected.
- 10.11.3 Wherever cartel formation is suspected, Purchaser reserves the right to place orders on any firm/firms for any quantity without assigning any reason thereof.
- 10.11.4 The firms who quote in cartel are warned that their names may be deleted from list of approved sources.
- 10.11.5 Whenever tender is floated with purchase restriction from sources approved by nominated authorities and there exists a suspected cartel situation by approved sources or the rates

available from approved source/ sources are adjudged unreasonably high, despite fair efforts as permissible, the purchaser reserves the right to place orders on firms outside the approved vendors list, even beyond prescribed limits, if any.

- 10.11.6 In the event of the offers conforming to any aspect of the definition of cartel mentioned in “The Competition Act 2002 (12 of 2003)”, in addition to the existing remedies, the purchaser also reserves the right to refer the matter to the Competition Commission of India (CCI), which is a statutory body constituted under “The Competition Act 2002 (12 of 2003)”, for providing necessary relief to the Purchaser who represent Central Government organisation serving the public. In addition, the purchaser also draws attention of the tenderers to Chapter VI of the “The Competition Act 2002 (12 of 2003)” which deals with Penalties. This will be in addition to other rights and remedies available to the Railway Administration under the Contract and Law.

10.12 Special Condition for e-Reverse Auction:

10.12.1 Selection of bidders for conduct of Reverse Auction (e-RA):

Following conditions and procedure shall be followed in selection of bidders for conduct of Reverse Auction (e-RA):

- a) Selection of vendors for Reverse Auction(e-RA) for bulk ordering:

Number of tenderers Qualified for Bulk Order	Number of tenderers to be selected for RA	Remarks
Less than 3	Nil	The bids disallowed from participating in the Reverse Auction(e-RA) shall be the highest bidder(s) in the tabulation of Initial Price Offer. In case the highest bidders quote the same rate, the Initial Price Offer received last, as per time log of IREPS, shall be removed first, on the principle of last in first out, by IREPS system itself.
3 to 6	3	
More than 6	50% of vendors Qualified for Bulk Order (rounded off to next higher integer)	

Note: If the number of tenderers qualified for Bulk Order/Award of Contract is less than 3, RA shall not be done and tender may be decided on the basis of Initial Price Offer(s).

- b) Selection of vendors for Reverse Auction(e-RA) for developmental ordering:

Offers qualified for Development Order, with Initial Price offer lower than the highest initial price offer of a vendor Qualified for Bulk Order and selected for Reverse Auction after elimination, shall be allowed to participate in RA.

- c) MSE Criteria: All MSEs (Micro & Small Enterprises) found Qualified for Bulk/Development Order/Award of Contracts but could not be selected for Reverse Auction as per criteria stipulated in Para 10.12.1 (a) and 10.12.1 (b) above, but are within the range of 15% of lowest Initial Price Offer of the bidder qualified for bulk order shall be permitted to participate in the Reverse Auction irrespective of their inter-se ranking on the basis of initial Price Offer. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per para 10.12.1 (a), 10.12.1(b) above. In case of Stores Tenders lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order. However in case of all the bidders qualifying for bulk as well as for developmental order (before applying elimination criteria) are within MSE category, this clause shall not apply.
- d) Make in India criteria: All bidders eligible for benefits under Public Procurement (Preference to Make in India) Order – 2017, found qualified for Bulk/Developmental Order/Award of Contract and are within the specified range of price preference, under the Make in India Policy, of lowest Initial Price offer of the vendor qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price offer. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per para 10.12.1 (a) and 10.12.1 (b) above. However, if all the bids qualified for bulk order as well as for developmental order (before applying elimination criteria) also qualify under “Make in India Order, 2017” criteria, this clause shall not apply.
- e) Lowest initial price bid referred to in sub-para (c) and (d) above shall mean lowest initial price bid of vendor qualified for bulk order.

After evaluation of the technical bids and selection of bidders as above, date and time of start of e-RA shall be communicated to the qualified tenderers selected, through system generated e-mail to their registered e-mail id/ SMS to the registered mobile no.

10.12.2 Procedure for conduct and reporting of e-RA:

- a) Purchaser shall fix the following, depending upon the nature of tendered item and complexity of case on hand.
 - i) Initial e-RA period (Initial Cooling off period): This shall be the initial time interval for e-RA. e-RA shall be open for this duration.
 - ii) Auto extension period (Subsequent cooling off period): In case any offer is received in the time period equal to auto extension period before close of initial e-RA period, the e-

RA shall be extended for time equal to auto extension period from the time of last bid. There shall be no upper limit on number of auto extensions. When no offer is received in the last auto extension period, e-RA shall close.

- iii) Minimum decrement in percentage of value of the last successful bid.
- b) Date and time of start of e-RA shall be communicated to the qualified tenderers selected, through system generated e-mail to their registered e-mail id/ SMS to the registered mobile no. as brought out above.
- c) Reverse Auction among bidders categorized as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders.
- d) Qualified Bidders shall be able to see both the auction screens i.e. auction screen of Reverse Auction amongst bidders qualified for bulk order and auction screen of Reverse Auction amongst bidders qualified for developmental order. However, bidders shall only be permitted to bid on the respective screens relevant to them as per their qualification.
- e) During Reverse Auction(e-RA) period, identities of the participating tenderers will be kept hidden.
- f) Bidders will not be allowed to revise the taxes and other levies, after submission of initial price bid.
- g) Starting point for Reverse Auction(e-RA) shall be the lowest initial price bid of the tenderer eligible for award of contract. During Reverse Auction(e-RA) process, bidders shall not be allowed to bid a rate higher than the lowest Initial Price offer. Minimum admissible bid value will be last bid value minus minimum decrement as specified by the tendering authority before starting of Reverse Auction(e-RA).
- h) Purchaser can also view the bidding history in chronological order.
- i) Bidders shall not be allowed to withdraw their last offer.
- j) L-1 will be defined as the lowest bid obtained after the closure of e-RA.

10.12.3 After obtaining the final price offers through Reverse Auction the lowest bid of only those bidders who had participated in the Reverse Auction shall be tabulated and considered for ordering. The offers of bidders which were eliminated from Reverse Auction in terms of Para 10.12.1 shall be tabulated separately and shall not be considered for any ordering. All the relevant policies of Government of India at the relevant time shall be applicable.

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

10.13 Firms and their associates who are banned from business dealing with Indian Railways will not be considered for placement of order.

10.14 Purchaser reserves the right to discharge and/or re-tender the case, in case the technically suitable L-1 tenderer withdraws/modifies their offer. In case the firm withdraw or modify their offer during the period of validity, the Earnest money deposited will be forfeited as per para 6.7 of section-I of bid document. In case of firms claiming exemption from payment of EMD, penal action shall be taken which shall include downgrading/delisting from vendor directory and the firms shall be debarred from exemption of submitting Earnest Money Deposit and Security Deposit for a period of 6 (six) months, from the date they are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period as per para 6.3 and 6.4.2 of section-I of bid document.

11.0 Splitting Criteria:

11.1 In case of no prior decision to split the order:

11.1.1 Normally full order would be placed on L-1 firm. However, if after due processing, it is discovered that the quantity to be ordered is more than what L1 alone is capable of supplying and there is no prior decision to split the quantities, then the quantity being finally ordered will be distributed among the other bidders in a manner that will be fair, transparent and equitable. The manner of splitting will take specific note of the following parameters:

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

11.1.2 In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 11.2.2 below.

11.2 In case of pre-decided split ordering:

11.2.1 Purchaser will specify in the special conditions 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.

11.2.2 Following provisions shall be applicable in all such cases of pre-decided split ordering:-

- (A) The Purchaser reserves the right to distribute the procurable quantity on one or more than one of the eligible tenderers. Zone of consideration of such eligible tenderers will be the right of the Purchaser. The zone of consideration will be a dynamic mix of inter-se position of firms, supply performance of the firms, quantity being procured, criticality of and lead time of supply of the item, number of established suppliers, their capacity, etc.
- (B) Whenever such splitting of the procurable quantity is made, the quantity distribution will depend (in an inverse manner) upon the differential of rates quoted by the tenderers (other aspects, i.e., adequate capacity-cum-capability, satisfactory past performance of the tenderers, outstanding order load for the Railway making the procurement, quoted delivery schedule vis-à-vis the delivery schedule incorporated in the tender enquiry, etc. being same/similar) in the manner detailed in the table below:

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, Purchaser shall decide.

In the phrase 'differential rates quoted by the tenderers', the quoted rate would mean-

- (i) When no price negotiation has been called for, the original rates as obtained at the time of tender opening.
- (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), as obtained at the time of tender opening.
- (C) If splitting of quantity is required to be done by ordering on tenderers higher than the L2 tenderer, then the quantity distribution proportion amongst the tenderers will be decided by transparent/logical/equity based extrapolation of the model as indicated in the above para.

11.2.3 Under exceptional circumstances, Purchaser reserves the right not to split the ordered quantity even in cases of where pre-decided splitting criteria is specified in the tender document.

11.2.4 In the cases of inadequate capacity-cum-capability, dissatisfactory past performance, large quantity of outstanding orders (liquidation of which will take very long time), etc., the Purchaser shall have the right to distribute the procurable quantity amongst tenderers with due consideration to these constraints and in such a manner that would ensure timely supply of material in requisite quantity to meet the needs of operation, maintenance, safety etc. of the

Railways, regardless of inter-se ranking of the tenderers and in a fair and transparent manner with due conformity to the Principles of Natural Justice and Equity.

- 11.3 For cases where the Rlys/PUs had entered into ToT/JV agreements, Railway reserves 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 11.2.2 (B) shall apply.

12.0 Communication of Acceptance:

- 12.1 Acceptance of tender will be communicated by digitally signed email, FAX or formal acceptance of tender direct to the tenderer or through his authorised agents. In case where acceptance is indicated by email or FAX, the formal acceptance of tender will be forwarded to the contractor as soon as possible, but the communication of email or FAX shall be deemed to conclude the contract.
- 12.2 If any terms or conditions mentioned in the 'Letter of Acceptance' or 'Modification Advise' are not as per the offer submitted, the same should be represented within 7 working days failing which, it will be deemed unconditional acceptance of the supplier and no representation thereafter will be entertained by the purchaser on this account.

13.0. Security Deposit:

- 13.1 There shall be no exemption from submission of Security Deposit (SD) for any tender or by any tenderer except following:
- i) The contracts of value upto Rs. 25 (twenty five) lakh.
 - ii) Other Railways, Indian Ordinance Factories and Govt. Departments on their specific requests.
 - iii) PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them.
 - iv) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting SD. KVIC and ACASH shall be exempted from SD for items supplied by them.
 - v) Vendors registered with the office of Principal Chief Materials Manager, ICF for the trade group of the item tendered shall be exempted from SD for orders valued upto their monetary limit of registration.
 - vi) Vendors appearing on the approved vendor lists of RDSO/PUs/CORE for those specific item for which they are on the approved list, subject to approval status being valid on the date of tender closing.

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

NOTE:

Apart from claiming damages from vendors, in case of failure to comply with the contractual obligations, Railways shall record poor performance of the vendors for taking suitable penal action as per extant instructions.

- 13.1.1 In case, vendors exempted from submitting EMD, as per para 6.1 and 6.4 of section-I above, withdraw or modify their offers during the period of validity, or fail to submit the Security Deposit before the deadline defined in the tender document on being called upon to submit the Security Deposit on award of contract, the firms shall be debarred from exemption of submitting Earnest Money Deposit and Security Deposit for a period of 6 (six) months, from the date they are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period. There shall be no exemption to such bidders from submitting SD for all tenders published during the period of time they are so disqualified as per the declaration signed by them.
- 13.1.2 In case of vendors exempted from submitting EMD in exceptional cases as per Para 6.4 of section I above, Para 13.1.1 shall not be applicable for Govt. Departments/Ordinance factories/other Railways/Railway PSUs/KVIC/ACASH and matter shall be taken up with them departmentally/administratively.
- 13.1.3 Irrespective of the supplier being eligible for exemption from payment of security deposit as per 13.1 above, purchaser reserves the right to seek security deposit from suppliers based on the past performance or prior experience or any other reason, if felt necessary.
- 13.1.4 Irrespective of the supplier being eligible for exemption from payment of security deposit as per 13.1 above, there shall be no exemption from payment of security deposit for developmental orders of untried/unregistered firms, until the prototype supply against the previous order is cleared by ICF.
- 13.2 In exceptional cases exemption from seeking SD shall be decided prior to issue of tender (including Global tenders) and suitably incorporated in the tender conditions.
- 13.3 The amount of security deposit to be submitted is as under:

Contract value	SD (rounded off to nearest higher Rs.10 (ten))
Above Rs.25 Lakh and upto Rs.50 Crore	@ 3% of contract value subject to maximum of Rs.50 Lakh
Above Rs.50 Crore	Rs.1 crore or @ 3% of contract value whichever is less

13.3.1 In exceptional cases, Railways reserves the right to increase the upper ceiling of Security Deposit, upto 10% of the contract value.

13.4 Security Deposit (SD) shall be furnished in any one of the following forms:

- i) By depositing cash with the Chief Cashier, Integral Coach Factory, Chennai.
- ii) Fixed Deposit Receipts (FDR), Pay Orders, and Demand Drafts, in favour of Principal Financial Advisor/ICF. The FDR must be issued with auto renewal facility.
- iii) Guarantee Bonds issued by Nationalised or Scheduled Commercial Banks as per format at Annexure-IV.
- iv) Bonds of Indian Railway Finance Corporation or KRCL Bonds. (In case of Bonds issued under non-cumulative interest scheme, postdated interest warrants should be submitted along with the bonds and the interest warrants could be given back as and when the interest becomes due).
- v) Government Securities and
- vi) A deposit in the Post Office Saving Bank.

13.5 Bank Guarantees (BGs) to be submitted by tenderer shall be sent to this office directly by the issuing bank under Registered Post AD/Speed Post/Courier. In exceptional cases, where the BGs are received through the tenderers, the issuing bank shall be requested to immediately send by Registered Post AD/Speed Post/Courier an unstamped duplicate copy of the Bank Guarantee directly to this office with a covering letter to compare with the original BG and to confirm that it is in order.

13.6 Security deposit shall remain valid for a minimum period of 60 days beyond the date of completion of all contractual obligations, unless otherwise specified in the tender documents.

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

13.8.1 Security Deposit from successful tenderer should be received in purchase office within 21 days from the date of communication of acceptance with respect to the Purchaser. In the event of successful tenderer(s) failing to deposit/submit SD in acceptable form within the prescribed period as aforesaid, it shall be lawful for the Purchaser:

- i) to automatically adjust the EMD submitted by such successful tenderer(s) towards SD.
- ii) In cases where available EMD amount is less than required SD and the successful tenderer does not deposit the balance SD amount within stipulated time, then EMD shall be forfeited and case be dealt with as that of withdrawal of offer by the tenderer.
- iii) In case of vendors exempted from submitting EMD as per para 6.1 and 6.4.1 (Section-I) above fail to submit the Security Deposit before the deadline defined in the tender document on

being called upon to submit the Security Deposit on award of contract, the firms shall be debarred from exemption of submitting Earnest Money Deposit and Security Deposit for a period of 6 (six) months, from the date they are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period.

13.8.2. Wherever the supplies are to be delivered in more than one installment, each such installment forms a severable contract. In case of failure by contractor to meet deliveries for any installment, purchaser may cancel the contract for defaulted part by forfeiting SD commensurate to that installment.

13.9 Security deposit will be returned to the successful supplier after completion of all contractual obligations and submission of following proforma:

No Claim Certificate

PO/Contract No. Date
 For supply of(Brief description of material)
 Quantity

The above contract has been completed and I/We have no claim on Integral Coach Factory in respect of the said contract. The security deposit amount of Rs. (Rupees) lodged by us with Integral Coach Factory, Chennai-600038 may therefore please be refunded to me/us.

Place:

Date:

Signature and full address of the Contractor

13.10 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 deposit at its original limit by making further deposits, 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.

14.0 Inspection:

- 14.1 The inspection will be conducted by the agency nominated by the Purchaser, such as, M/s RITES/RDSO/DQA or the representative of the ICF or any other agency as specified in the contract at the manufacturer's premises and/or on receipt of the stores at the destination. The tenderer's acceptance of the same will be implied unless his offer stipulates inspection clause to the contrary. The tenderers shall indicate the place of manufacture and inspection in their offers.
- 14.2 In case the purchase order is placed on the traders/agents for items which are peculiar to the railways, the Purchaser reserves the right to carry out the inspection at the manufacturer's premises. Authorised dealers/agents of manufacturers should indicate the details of manufacturer in their quotation and confirm inspection of stores at the manufacturer's premises.
- 14.3 Stores shall be despatched directly from the premises of the manufacturer to the consignee after inspection and acceptance by the nominated inspection agency, if any. Manufacturer's Test and Guarantee Certificate, wherever applicable, will be submitted with each lot of supplies.
- 14.4 The inspection agency will not inspect the material where the material does not have the date of manufacture and name of manufacturer on material. All manufactured stores must carry identification mark of the manufacturer and month/year of manufacture in embossed form at the location 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 functionality, utility, operation and structural stability of the item. Inspecting agency and consignee will be entitled to reject the supplies not conforming to this clause.
- 14.5 Wherever the inspecting authority is specified in the tender documents, tenderers are requested to quote accordingly. At a later date any request for change in inspection clause will not be considered, except in exceptional circumstances to be decided by the Purchaser.
- 14.6 Material peculiar to railways, such as, parts and fittings of rolling stock except raw materials, which have been found rejected by the inspecting agency and could not be rectified during inspection, are required to be defaced by the inspection authority to avoid recycling of such rejected material. All such rejected materials peculiar to railways will be mechanically defaced to prevent sale to railways again.
- 14.7 In case material needs to be re-inspected the following re-inspection charges will be paid by the supplier to the inspecting agency:
- i) Failure to offer material for inspection:
 - a. Before the visit of Inspecting Engineer (IE): 50% of inspection charges upto maximum of Rs. 11000/-.
 - b. After the visit of IE: Twice the charge payable in 'a' above.

- ii) Material has to be re-inspected due to rejection of material at firm's premises:100% inspection charges + actual test charge
 - iii) Material has to be re-inspected due to non-despatch:100% inspection charges + actual test charge
 - iv) Whenever testing is required to be done by the inspecting agency (eg. RITES) outside the manufacturer's premises as per IRS Conditions of Contract 1303 & 1304, all testing will be done by inspecting agency either in its own lab/labs approved by it or in NABL accredited lab.
- 14.8 If purchase order is placed directly on an ISI licenced manufacturer for ISI marked product, then the material can be accepted on firm's WTC, without any need of third party inspection provided that the Purchaser agrees for inspection clause as 'Acceptance on firm's WTC.'
- 14.8.1 The WTC should contain the following details:
- i) Details and types of tests that are prescribed to be conducted for the material.
 - ii) Certification to the effect that all relevant tests have been carried out and that the material supplied qualifies and satisfies the relevant parameters and values assigned for such tests.
 - iii) Name and capacity / designation (stamp) of the authorised signatory who has conducted such test(s) and passed the material.
- 14.9 Rejection of pre-inspected item by consignee on receipt-
- (i) In case of rejection of pre-inspected goods at consignee end, the material rejection advice/rejection memo will be sent by consignee to all concerned i.e., firm, purchaser, pre-inspecting agency, paying authority as per the contract etc.
 - (ii) Financial recovery: In case payment has been made to the firm for the material, the concerned paying authority as per contract will be advised to note the rejection advice details in its recovery register for effecting recovery of payments made, as the case may be.
 - (iii) If the firm desires to have joint inspection, joint inspection of the rejected material will be held with pre-inspecting agency and the firm. In case of failure of either of the two parties to associate with the joint inspection, the joint inspection will be held by the consignee with whichever of the two parties comes for joint inspection. Irrespective of whether the party(ies) attend the joint inspection or not, the modality of joint inspection etc. shall be completed within 21 days of communication of rejected advice to the supplier (in line with IRS Conditions of Contract clause 703). For imported material, the time limit will be 45 days.
 - (iv) Firm may be permitted to collect the rejected goods only after the firm has deposited the payments already made by Railway (if any) to the firm or equivalent amount has been recovered for this purpose.

- (v) In case of replacement supply against the rejected goods, the same will need to be pre-inspected by the same pre-inspecting agency who passed the material earlier. In line with IRS Conditions of Contract clause 703, no inspection charge will be paid by Railway to the inspection agency for the replacement supply.
- (vi) However, in case of component level rejection in an pre-inspected item (which is an assembly) the replacement supply of that component can be accepted based on firm's internal inspection certificate/guarantee certificate and final inspection by consignee.

- 14.9.1 At the option of the depot officer/end-user, rectification of the material may be permitted within railway premises by the firm only after the firm has refunded the payment (if already made by Railway) or equivalent amount has been withheld for this purpose. However, from the date of communication of rejection, the rectification activity has to be completed within 21/45 days for indigenous/imported material respectively. If more time is taken beyond this, applicable ground rent will be levied on the firm.
- 14.10 In case of rejection of items, railways reserves the right to recover any such amount due to railways from the supplier, on account of inspections conducted on the items, from any pending bills or supplier's deposits available with ICF or with any other zonal railways/PUs/units under Ministry of Railways. The inspection charges levied by railways shall be final and no claim of the supplier will be entertained on any grounds whatsoever.
- 14.11 Purchase reserves the right to change the inspection agency stipulated in the e-tender document at post contract stage, in case of extreme emergencies/urgencies.

15.0 Advice of despatch of stores:

- 15.1 The supplier should ensure that Lorry Receipt under which the material is sent to the Railway consignee are prepared in the favour of "consignee" and on door delivery basis only" failing which they will be required to take the delivery themselves and deliver the consignment to the consignee.
- 15.2 All despatch documents i.e. Lorry Receipt (LR), Invoice cum challan, Inspection certificate etc. must be sent to the consignee and copies of advice of despatch should also be sent to the Principal Chief Materials Manager, Integral Coach Factory, Chennai- 600038.
- 15.3 In case of pre-dispatch inspection by third party (e.g RITES/RDSO), wherever testing of material is involved, relevant test certificate/test reports/lab reports should be submitted, duly endorsed by the authority nominated to conduct inspection, along with supply apart from inspection certificate. This shall also be applicable in cases of inspection by nominated third party against Manufacturer's test certificate.

16.0 Payment Terms:

- 16.1 Unless otherwise agreed upon, 100% payment shall be made after receipt and acceptance of stores by the consignee. Payment will be made on submission of bills in the prescribed format, which may be downloaded from ICF's website, accompanied with the required documents and in accordance with the instructions given in the purchase order.
- 16.2 In deserving cases, payment upto 95% against Provisional Physical Receipt Certificate (PPRC) duly signed/counter signed by a Gazetted Officer physically or digitally, and original copy of the Inspection Certificate may be considered as per IRS Conditions of Contract. In such cases, balance payment will be made after receipt and acceptance of stores by the consignee. The purchaser's decision as to whether a tenderer is of repute and of sound financial standing will be the final.
- 16.2.1 In exceptional cases, 98% and 2% payment can also be considered within the framework of extant rules and procedures.
- 16.2.2 For supply and installation contracts, payment upto 80% of the supply portion shall be made on proof of inspection certificate and Provisional Physical Receipt Certificate and balance payment of 20% of the supply portion along with 100% installation charges will be made after receipt, acceptance of stores by the consignee based on the installation certificate issued by competent authority.
- 16.3 **Payment through EFT/RTGS:**
- Payments are made by ICF electronically through NEFT/RTGS, and therefore, tenderers must comply with para 4.8 of the 'Instructions to the Tenderers'.
- 16.3.1. For tenders valued more than Rs. 10 lakhs, payment is also made through a letter of credit (LC), provided such an option is exercised by the tenderers. Further, option once exercised, shall be final and no change shall be permitted, thereafter, during execution of contract. Tenderers should read "Instructions for tenderers on LC mode of payment" (Annexure-V) and confirm compliance.
- 16.4 Payment terms for Machinery & Plant (M&P) items shall be as provided in the Special Conditions for procurement of M&P items specified separately under subsequent para.
- 16.5 The payment shall be subject to recoveries, if any, under the liquidated damages clause of the IRS Conditions of Contract or deduction of any amounts for which the Contractor may be liable under the contract against this tender or any other contract in respect of which the President of India is the Purchaser.
- 16.6 Request for making early payment within 30 days etc. will not be accepted.
- 16.7 Payment for the stores or each consignment thereof will be made to the Contractor on submission of bill accompanied with the prescribed documents mentioned in the contract. In cases where Price Variation Clause (PVC) is part of the contract, a working sheet along with documents in support of the PVC must be submitted at the time of claiming payment.
- 16.8 Following declarations will be required from the firm (supplier) while claiming payment:

- a. "It is certified that the GST % at which has been charged for the item billed for herein is as per relevant sections of CGST/SGST/IGST Acts and is legally leviable. If, however, it is found later that the rate at which the GST tariff rate has been charged is not correct, we indemnify the Integral Coach Factory, Chennai 600038 against any loss on this account."
- b. "It is certified that no refund of GST already reimbursed to me/us on the order/contract has been obtained by me/us during the quarter. And that in respect of refund/increase of refund of GST obtained on this order/contract will be passed on to the purchaser."
- c. No additional duty setoffs on the goods supplied have accrued under the GST Act or any future scheme which may be introduced while submitting the present bill.
- d. Any additional Input Tax Credit benefit, if become available to supplier, the same shall be passed on to purchaser without any undue delay.

OR

It is declared that additional input tax credit to the tune of _____ has accrued and accordingly the same is being passed onto the purchaser and to that effect the payable amount may be adjusted.

17.0 Option Clause:

- 17.1 If applicability of option clause is stipulated as a special condition in the tender document, then following provisions will apply for that particular tender only,
- 17.2 Purchaser reserves the right to increase/decrease the ordered quantities of each description of stores shown in the contract up to 30 percent at the same price, terms and conditions anytime during the currency of the contract i.e., any time within the stipulated or extended delivery period, such that the contractor has reasonable time/notice for executing such increase/decrease.
- 17.3 The increase in quantity with respect to the tender quantity can be done even at the time of ordering and the tenderer shall be bound to accept the quantity so ordered on the basis of his original offer. The purchaser shall be entitled to exercise plus 30 percent option in one or more than one installment as long as the total variation in quantity does not exceed the limit of 30 percent of ordered quantity. Any increase of quantity under option clause after expiry of delivery period can be considered with the consent of the firm/contractor.
- 17.4 'Reasonable notice' mentioned above is only for the purpose of allowing the Contractor suitable time to make necessary arrangements for the supplies and not for seeking any consent from the Contractor towards exercise of the contractual option clause. A reasonable delivery schedule for the enhanced quantity will be stipulated in the relevant amendment to the contract.

- 17.5 The purpose of reasonable notice for exercise of (-) 30% Option Clause consequent to decrease in prices subsequent to the placement of contract is to give 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. Where the Contractor does not unconditionally agree to accept such lower rate, no further consent from the Contractor shall be necessary for exercise of (-) 30% option clause.

18.0 Warranty:

- 18.1 Unless otherwise specified in the tender documents/ specifications of tendered item, the warranty clause shall be as specified in the IRS Conditions of Contract.

- 18.2 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 the drawing/specification of material, so that warranty can be correctly acted upon.

18.3 Warranty rejections:

Material are rejected in warranty in the following situations:

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

- 18.3.1 For warranty failure in shop/shed of material issued from its associate stores depot: All warranty claims will be lodged by the associate depot officer after getting the warranty rejected material from user with reasons of warranty rejection indicated therein. The warranty claim will be processed following procedure indicated in para 14.9 (i), (ii), (iii) and (iv) above except that 'rejection advice' will become 'warranty rejection advice'. The time which can be taken for the completion of modality of joint inspection will be 45 days in case of warranty rejection from the date of communication of rejection advice to the supplier. More time is given for joint inspection because this is a case wherein supplies have already been taken into the usage system of Railways and either the pre-inspection agency or the firm or the railways may like to have a more detailed understanding of the failure.

- 18.3.2 For Warranty failure in shop/shed of material received from a Production Unit (PU) of the railway, including as a purchased component of rolling stock manufactured at the PU, etc.:

- (i) In cases where it may not be convenient for the end user to return the material to the stores depot to which the original supply was made by the vendor, the warranty rejected material will be kept in safe custody by the end user and the stores depot which received the original supply will be advised by the end user about the warranty rejection duly indicating the reason(s) of rejection with a confirmation that the rejected material is under end user's custody.

- (ii) The stores depot which received the original supply will raise warranty claim on the firm. The warranty claim will be processed following procedure indicated in para 14.9 (i), (ii), (iii) and (iv) above except that 'rejection advice' will become 'warranty rejection advice' and the time which can be taken for the completion of modality of joint inspection in case of warranty rejection will be 45 days from the date of communication of rejection advice to the supplier. More time is being given for joint inspection because this is a case wherein supplies have already been taken into the usage system of Railways and either the pre-inspection agency or the firm or the railways may like to have a more detailed understanding of the failure. For imported material, the time limit will be 90 days. Financial recovery (if any made) against the warranty failure will be refunded to the firm on warranty quantity replacement.

18.3.3 Inspection of the replacement supply against warranty rejection:

- (A) For cases of replacement supply against warranty failure falling in the category 18.3.1, the replacement supply should normally be inspected by the same inspection agency which inspected and passed original supply. Thus for clause 18.3.1, any change in inspecting authority for the warranty replacement will necessitate a formal amendment in contract.

- (B) For warranty rejection falling under the clause 18.3.2:

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

OR

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

OR

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

- (ii) The decision on the above will rest with the depot officer who raised the warranty claim and will be indicated in the warranty claim notice.
- (C) However, in case the warranty failure is of a component of an assembly supplied, the component can be accepted on firm's own Guarantee Certificate/internal inspection certificate and consignee's final inspection under both the clauses 18.3.1 and 18.3.2 of warranty failure.

18.3.4 Place of warranty replacement- For warranty replacement of cases under clause 18.3.1, in order to ensure correct account of warranty replacement, the place of warranty replacement will be the depot which received the original supply. For warranty replacement of failure falling under clause 18.3.2, an exemption can be made and the place of replacement supply can be indicated by the depot officer (at his option) in the warranty claim notice to the firm to be the end-user's place.

18.3.5 After settlement of warranty claim the rejected material will be handed over by the end user to the firm's representative. The end user will also inform the depot officer who raised warranty claim about the replacement.

18.3.5 At the option of the depot officer/end-user, rectification of the material rejected may be permitted within railway premises by the firm only after the firm has refunded the payment (if already made by Railway) or equivalent amount has been withheld for this purpose. However, from the date of communication of rejection, the rectification activity has to be completed within 45/90 days for indigenous/imported material respectively. If more time is taken beyond this, applicable ground rent will be levied on the firm.

19.0 Procurement of Stores with ISI marking:

In case items which are to be purchased to IS specification and where ISI certified manufacturers exist, the purchase of such items will be made for ISI marked product only if their offers are technically suitable and licence acceptable. In the case of placement of purchase order directly on an ISI licensed manufacturer for ISI marked product, the material can be accepted on firm's WTC, without any third party inspection. In such cases, the tenderers shall submit copy of valid ISI/BIS licence along with the offers, failing which their offers are liable to be passed over.

20.0 Purchase according to Samples:

20.1 When samples are required, this fact shall be indicated in the tender documents. Samples must strictly conform to the tendered specification, drawing and description. Any sample submitted will be considered as supplement and not to supersede the tendered specification unless otherwise specifically indicated. In the absence of a specified acceptance in writing of any variation, the Purchaser shall be entitled to reject a claim for acceptance of supply embodying such variation.

20.2 Samples where called for, should be sent duly sealed to the Stores Department of ICF before the date and time of opening of tender failing which offer shall be summarily rejected. Samples should be supplied without any charge and on freight paid basis.

20.3 The tenderers are required to collect their samples within 15 days from the date of intimation to do so. If the samples are not collected within the specified period, they will be disposed off and no claims whatsoever will be entertained thereafter.

21.0 Risk Purchase:

21.1 Risk purchase shall be applicable as per IRS conditions of contract.

22.0 Force Majeure Clause:

- 22.1 If at any time during the continuance of the contract, the performance in whole or in part by either party of any obligation under this contract shall be prevented or delayed by the reasons beyond the control of the supplier, such as, but not restricted to, reasons of any war, hostility, acts of the public enemy, civil commotion, sabotage, fires, floods, explosion, epidemics, quarantine restrictions, strikes, lockouts and freight embargoes (hereinafter referred to as such acts) provided notice in writing of happening of any such event is given by either party to the other within 21 days from the date of occurrence with reasonable evidence thereof, neither party shall by reasons of such event, be entitled to terminate this contract nor shall either party have any claim for damages against the other in respect of such non-performance or the delay in performance, and deliveries under the contract shall be resumed as soon as practicable after such event has come to an end or ceased to exist, and the decision of the Purchaser as to whether the deliveries have been so resumed or not, shall be final and conclusive.

Provided further that if the performance in whole or part of any obligation under this contract is prevented or delayed by reason of any such act or event for a period exceeding 60 days, either party may at its option terminate the contract provided also that the Purchaser shall be at liberty to take over from the Contractor at a price to be fixed by Purchaser, which shall be final, all unused, undamaged and accepted material, bought out components and stores in course of manufacture in the possession of the Contractor at the time of such termination or such portion thereof as the Purchaser may deem fit excepting such materials, bought out components and stores as the contractor may with the concurrence of the Purchaser elect to retain.

- 22.2 Force Majeure Clause will not be used by any party to effectively escape liability for bad performance and Contractor shall seek all reasonable alternative means for performance not prevented by Force Majeure events.
- 22.3 There may be a Force Majeure situation affecting the Purchaser's Organization and in such a situation, Force Majeure Clause shall be available and applicable to the Purchaser also and Purchaser shall be entitled to cancel the contract without any financial repercussion on either side.

- 23.0 Fall Clause:** In case special condition specifically exist in the tender document that Fall Clause is applicable, then following provisions will apply for that particular tender only:

- i) 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. Such 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.
- ii) 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.

- iii) 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 any 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.

24.0 Special Tender Conditions pertaining to procurement of Machinery and Plant (M&P) Items :

24.1 Elements of freight for indigenous purchase:

- (a) In case where the consignee are more (say more than 4 or so), the tenderers are required to quote for FOR station of despatch prices with an average freight for all consignees, which will be added to FOR station for despatch price to get FOR destination price.
- (b) In case where the consignees are four or less, tenderers are required to quote FOR station of despatch price with an actual freight for each individual consignee, which will be added for FOR station for despatch price to get FOR destination prices for each individual consignee.

24.2 Timely Commissioning of M&P:

- i) The supplier has to conduct joint inspection along with the consignee's representative at the time of opening the cases after receipt of the cases at consignee's site.
- iii) The installation, commissioning & demonstration will have to be done by the supplier immediately after the joint inspection at the consignee's site.
- iii) In the event of Contractors' 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.

24.3 Warranty:

- i) Warranty period for M&P items 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 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 failures 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 warrantee/guaranty Bonds. Such cases the bad performance of firm during the warranty period will be recorded and circulated to all Railways for deciding future orders on the firm and when evidence to the contrary is not available, the firm's offer may even be rejected.

24.4 Annual Maintenance Contract:

- i) 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&P along with their offers. The scope of AMC will include preventive and break down maintenance. AMC charges will include all costs of personnel, spares etc., except the cost of consumables required for day-to-day operation and daily maintenance checks.
- ii) The maximum downtime and maximum response time as also penalties for failure to adhere to the same will be as specified in the tender documents. AMC payment terms would be linked to the performance parameters.
- iii) The tenderers should quote AMC rates for each of the five years. The AMC price 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&P for the purpose of comparative evaluation of offer, if so specified in the tender documents. In order to equitably compare different AMC charges for different years. The concept of NPV (Net Present Value) will 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 pre-disclosed in the tender document /Tender Schedule.

- iv) 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&P beyond the AMC period. These charges will not be included in the price of M&P for the purpose of comparative evaluation of offers
- v) Tenderers who are OEM, must give undertaking for supply of spare parts for a period of expected life of the machine/equipment. Other tenderers must submit undertaking from OEM for supply of spare parts for a period of expected life of the machine/equipment.
- viii) The actual contract agreement will show the AMC charges as a separate Schedule/Annexure to distinguish it from the transaction value of M&P, to avoid undue custom duty/taxes, or levies.

24.5 Validity:

The tenderers must keep the offer for M&P items valid for a minimum period of 120 calendar days from the date of opening of tender.

24.6 Payment Terms for M&P items:

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 Provisional Physical Receipt Certificate 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/Warranty Guaranty Bond for an amount of 10% of contract value as per Annexure–IV towards warranty performance/warranty security.

24.7 Training:

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

24.8 Maintenance manual, consumables and spare parts:

- i) Contractor is required to supply 2 copies of operation and maintenance manual to enable the railway staff in operation and maintenance to be conversant with the machine.

- ii) Consumables that may be required during the warranty period and are not covered in the warranty, same needs to be listed out including the quantity required along with the price.

24.9 Site preparations and installation:

- i) The successful tenderer whose offer is accepted and on whom purchase order is placed, will promptly provide all the requisite details relating to the site preparations, including the lay out drawings and details of the foundations/superstructure/shed/roof as may be required, but not later than 6 weeks unless otherwise specified, to avoid delay in site preparation and installation and commissioning.
- ii) If the circumstances so warrant, the supplier will be permitted to work in more than one shift for commissioning the machine, provided a request is made by the contractor. This may be permitted if the same leads to reduction of commissioning time.

24.10 Performance/Warranty Bank Guarantee:

For Machinery and Plant items, costly equipment, and capital spares, the Security deposit submitted by the supplier for 10% value of the contract value can be used to cover their warranty obligations, if same is valid for warranty period plus six (6) months claim period.

25.0 Green Transport Policy:

- i) Suppliers shall not engage trucks/vehicles of more than 15 years old for transport of goods to ICF.
- ii) All vehicles entering into factory premises should carry valid PUC (Pollution under Control) certificate and valid insurance policy.
- iii) Vehicles may undergo surprise check by ICF for general conditions such as tyres, pressure tanks etc. and report submitted to concerned CMMs.
- iv) Suppliers should ensure speed controllers are installed in all new heavy vehicles.
- v) RTA norms should be strictly maintained for drivers competence.

26.0 Vendor / service provider shall be governed by relevant statutory acts / rules / regulations as required by central/state/local government authorities (i.e. state & central pollution control boards, factories / electrical inspectorate, chief controller of explosives etc.) During manufacture, testing, packing of ordered material, supply, stocking and transportation to and within ICF premises. No restricted or hazardous material(s) shall form a part of the manufacturing process or transportation, as required by Indian, international or concerned country laws.

27.0 Special conditions for all Supply and Installation contracts:

27.1 Contractor is to abide by the provisions of Payment of Wages act and Minimum Wages act in terms of clause 54 and 55 of Indian Railways General Condition of Contract. In order to ensure the same, an application has been developed and hosted on website

www.shramikkalyan.indianrailways.gov.in. Contractor shall register their firm/company etc. and upload requisite details of labour and their payment in this portal. These details shall be available in public domain. The Registration/updation of Portal shall be done as under:

- a) Contractor shall apply for onetime registration of their company/firm etc. in the ShramikKalyan portal with requisite details subsequent to issue of Purchase Order. The Gazetted officer of consignee shall approve the contractor's registration on the portal within 7 days of receipt of such request.
- b) Contractor once approved by the Gazetted officer of consignee can create password with login ID (PAN No.) for subsequent use of portal for all Purchase Orders issued in their favour.
- c) The contractor once registered on the portal, shall provide details of their Purchase Order on ShramikKalyan portal within 15 days of issue of any Purchase Order for approval of concerned Gazetted officer of consignee. The Gazetted officer of consignee shall update (if required) and approve the details of Purchase Order filled by contractor within 7 days of receipt of such request.
- d) After approval of details of Purchase Order by the Gazetted officer of consignee, Contractor shall fill the salient details of contract labours engaged in the contract and ensure updating of each wage payment to them on shramikkalyan portal on monthly basis.
- e) It shall be mandatory upon the contractor to ensure correct and prompt uploading of all salient details of engaged contractual labour and payments made thereof after each wage period.

27.2 While processing payment of any 'Final bill' or release of 'Performance Guarantee/Security deposit', contractor shall submit a certificate to the Gazetted officer of consignee or their representative that I have uploaded the contract details of contract labourers engaged in connection with this contract and payments made to them during the wage period in Railway's shramikkalyan Portal at "www.shramikkalyan.indianrailways.gov.in" till ____ Month ____ Year.

27.3 Installation: Only police verified labour to be engaged to work at ICF. Installation required as per assembly Drawing and duly following under mentioned conditions.

- i) The welders/Fitters/Technicians employed by the contractor should be duly qualified and produce necessary certificate viz. ITI or Apprentice or certificate issued by the Government/PSU/reputed firms.
- ii) The supervisors employed by firm should be minimum Diploma holder.
- iii) The tools/equipment/consumables required for work shall be in the scope of contractor.
- iv) Water, compressed air and electricity will be proved by ICF
- v) The contract employees should use all safety gadgets required for the work and should wear distinct uniform.

27.4 If applicable, the vendor / service provider shall arrange to take consents / licenses / authorizations from the concerned authorities. Lifting tools and tackles / chains, cranes, hydra, ropes and

pressure vessels brought inside the premises shall be tested by competent person and certificates in respect of the same shall be provided.

27.5 Certain jobs undertaken inside the premises (e.g. working at height, confined spaces, hot work, live energy lines, excavation etc.) Requires work permit to be taken, the vendor / service provider shall ensure the same through our safety and concerned department(s)

27.6 In case any hazardous / dangerous / explosive material, fuel, oil, compressed gas, chemicals, paints etc. is handled, transported or supplied, safety symbols shall be displayed and informative material like material safety data sheets, transport emergency cards, do's and don'ts shall accompany the material(s). Personnel involved in handling or transportation of such dangerous goods shall be knowledgeable to prevent the inherent hazards and its control.

27.7 Any wastes, hazardous wastes generated due to vendor's working shall be disposed off properly by vendor to authorised agencies without causing any harm to personnel and environment. General wastes are to be disposed off in ICF provided bins or as per instructions provided.

27.8 Vendor shall provide information about approved sources/processes for disposal of hazardous waste of material/component and packing material supplied by him. Where applicable, vendor shall carry all statutory approvals and papers (e.g. licenses, pollution under control certificates, test certificates, vehicle fitness etc.) During transportation in accordance with the central motor vehicles act and rules.

27.9 The expenses, whatsoever, incurred by vendor on account of the above (including testing of equipments & machinery, providing personal protective equipments, medical /health check up) shall be borne by the vendor / service provider. Safety department of ICF may be consulted for any further clarifications and guidance.

28.0 Time preference clause :

28.1 If time preference clause is stipulated in the tender document, Purchaser reserves the right to place order on higher tenderer, in preference to the lowest acceptable offer, in consideration of offer of earlier delivery. It should be noted that the higher tenderer will be liable to pay to the Government the difference between the contract rate and of the lowest acceptable tenderer on the basis of final price, F.O.R. destination including all elements of freight sales tax, local taxes, duties and other incidentals, in case of failure to complete supplies in terms of such order within the date of delivery specified in the tender and incorporated in the purchase order.

29.0 ARBITRATION: The revised arbitration clause of IRS conditions of contract is reproduced as under:

2900: SETTLEMENT OF DISPUTES

2901. Conciliation of disputes: All disputes and differences of any kind whatsoever arising out of or in connection with the contract, whether during the currency of the contract or after its completion and whether before or after the determination of the contract, shall be referred by any of the parties to the concerned "Chief Materials Manager (CMM) " through "Notice of Dispute". CMM shall, within 30 days after receipt of "Notice of Dispute", notify the name of sole conciliator to the parties. The Conciliator shall assist the parties to reach an amicable settlement in an independent and impartial manner within the terms of contract. If the parties reach agreement on settlement of the dispute, they shall draw up a written settlement agreement duly signed by parties and conciliator. When the parties sign the settlement agreement, it shall be final and binding on the parties.

The parties shall not initiate, during the conciliation proceedings, any arbitral or judicial proceedings in respect of dispute that is the subject matter of the conciliation proceedings.

The conciliation proceedings shall be terminated:

- (1). By the signing of the settlement agreement, on the date of agreement; or
- (2). By written declaration of the conciliator, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of declaration; or
- (3). By a written declaration of any party to the conciliator to the effect that the conciliation proceedings are terminated, on the date of declaration;

2902 Matters Finally Determined by the Railway: All disputes and differences of any kind whatsoever arising out of or in connection with the contract, whether during the currency of the contract or after its completion and whether before or after the determination of the contract, shall be referred by the contractor to the General Manager (for the purpose of para 2900 the term General Manager shall imply General Managers for Production Units, and the General manager shall, within 120 days after receipt of the representation, make and notify decisions on all matters referred to by the Contractor in writing. Provided that matters for which provision has been made in any Clause of the Special or General Conditions of the Contract shall be deemed as 'excepted matters' (matters not arbitrable) and decisions of the Railway authority, thereon shall be final and binding on the Contractor; provided further that 'excepted matters' shall stand specifically excluded from the purview of the Arbitration Clause. **Provided further that where Railways has raised the dispute, para 2902 shall not apply.**

2903: Demand for Arbitration:

2903(i): In the event of any dispute or difference between the parties hereto as to the construction or operation of this contract, or the respective rights and liabilities of the parties on any matter in question, dispute or difference on any account, or if the Railway fails to make a decision within 120 days (as referred in 02), then and in any such case, but except in any of the "excepted matters" referred to in Clause 02 of these Conditions, parties to the contract, after 120 days but

within 180 days of their presenting their final claim on disputed matters shall demand in writing that the dispute or difference be referred to arbitration. Provided that where the claim is raised by Railways para 2903(i) shall not apply.

2903(ii)(a): The demand for arbitration shall specify the matters which are in question, or subject of the dispute or difference as also the amount of claim item-wise. Only such dispute or difference, in respect of which the demand has been made, together with counter claims or set off, shall be referred to arbitration and other matters shall not be included in the reference.

2903(ii)(b): The parties may waive off the applicability of Sub-Section 12(5) of Arbitration and Conciliation Act 1996 (as amended), if they agree for such waiver in writing, after dispute having arisen between them.

2903(iii)(a): The Arbitration proceedings shall be assumed to have commenced from the day, a written and valid demand for arbitration is received by the Railway.

2903(iii)(b): The claimant shall submit his claims stating the facts supporting the claims along with all the relevant documents and the relief or remedy sought against each claim within a period of 30 days from the date of appointment of the Arbitral Tribunal.

2903(iii)(c): Respondent shall submit its defence statement and counter claim(s), if any, within a period of 60 days of receipt of copy of claims from Tribunal, unless otherwise extension has been granted by Arbitral Tribunal.

2903(iii)(d): Place of Arbitration: The place of arbitration would be within the geographical limits of the Division of the Railway where the cause of action arose or the Headquarters of the concerned Railway or any other place with the written consent of both the parties.

2903 (iv): No new claim shall be added during proceedings by either party. However, a party may amend or supplement the original claim or defence thereof during the course of arbitration proceedings subject to acceptance by Tribunal having due regard to the delay in making it.

2904: Obligation During Pendency of Arbitration: Supplies under the contract shall, unless otherwise directed by the Purchase Officer, continue during the arbitration proceedings, and no payment due or payable by the Railway shall be withheld on account of such proceedings, provided, however, it shall be open for Arbitral Tribunal to consider and decide whether or not supplies should continue during arbitration proceedings.

2905: Appointment of Arbitrator:

2905(a): Appointment of Arbitrator where applicability of section 12 (5) of Arbitration and Conciliation Act has been waived off:

(i): In cases where the total value of all claims in question added together does not exceed 1,00,00,000/- (Rupees One Crore only), the Arbitral Tribunal shall consist of a Sole Arbitrator

who shall be a Gazetted Officer of Railway not below Junior Administrative Grade, nominated by the General Manager. The sole arbitrator shall be appointed within 60 days from the day when a written and valid demand for arbitration is received by General Manager.

- (ii): In cases where the total value of all claims in question added together exceeds 1,00,00,000/- (Rupees One Crore only),** the Arbitral Tribunal shall consist of a panel of three Gazetted Railway Officers not below Junior Administrative Grade or 2 Railway Gazetted Officers not below Junior Administrative Grade and a retired Railway Officer, retired not below the rank of Senior Administrative Grade Officer, as the arbitrators. For this purpose, the Railway will send a panel of at least four (4) names of Gazetted Railway Officers of one or more departments of the Railway which may also include the name(s) of retired Railway Officer(s) empaneled to work as Railway Arbitrator to the Contractor within 60 days from the day when a written and valid demand for arbitration is received by the General Manager.

Contractor will be asked to suggest to General Manager at least 2 names out of the panel for appointment as Contractor's nominee within 30 days from the date of dispatch of the request by Railway. The General Manager shall appoint at least one out of them as the Contractor's nominee and will, also simultaneously appoint the balance number of arbitrators either from the panel or from outside the panel, **duly** indicating the 'presiding arbitrator' from amongst the 3 arbitrators so appointed. General Manager shall complete this exercise of appointing the Arbitral Tribunal within 30 days from the receipt of the names of Contractor's nominees. While nominating the arbitrators, it will be necessary to ensure that one of them is from the Accounts Department. An officer of Selection Grade of the Accounts Department may be considered of equal status to the officers in Senior Administrative Grade of other departments of the Railway for the purpose of appointment of arbitrator.

- (iii):** The serving railway officer working in arbitral tribunal in the ongoing arbitration cases as per clause 2905(a)(i) and clause 2905(a)(ii) above, can continue as arbitrator in the tribunal even after his retirement.

2905 (b): Appointment of Arbitrator where applicability of Section 12 (5) of Arbitration and Conciliation Act has not been waived off:

- (i)** In cases where the total value of all claims in question added together **does not exceed 50,00,000/- (Rupees Fifty Lakh only),** the Arbitral Tribunal shall consist of a Retired Railway Officer, retired not below the rank of Senior Administrative Grade Officer, as the arbitrator. For this purpose, the Railway will send a panel of at least four (4) names of retired Railway Officer(s) empaneled to work as Railway Arbitrator duly indicating their retirement dates to the Contractor within 60 days from the day when a written and valid demand for arbitration is received by the General Manager. Contractor will be asked to suggest to General Manager at least 2 names out of the panel for appointment as arbitrator within 30 days from the date of dispatch of the request by Railway. The General Manager shall appoint at least one out of them as the arbitrator.

- (ii) In cases where the total value of all claims in question added **together exceeds 50,00,000/- (Rupees Fifty Lakh only)**, the Arbitral Tribunal shall consist of three (3) retired Railway Officers, retired not below the rank of Senior Administrative Grade Officer,. For this purpose, the Railway will send a panel of at least four (4) names of retired Railway Officer(s) empaneled to work as Railway Arbitrators duly indicating their retirement date to the Contractor within 60 days from the day when a written and valid demand for arbitration is received by the General Manager.

Contractor will be asked to suggest to General Manager at least 2 names out of the panel for appointment as Contractor's nominee within 30 days from the date of dispatch of the request by Railway. The General Manager shall appoint at least one out of them as the Contractor's nominee and will, also simultaneously appoint the balance number of arbitrators either from the panel or from outside the panel, duly indicating the 'Presiding Arbitrator' from amongst the 3 arbitrators so appointed. General Manager shall complete this exercise of appointing the Arbitral Tribunal within 30 days from the receipt of the names of Contractor's nominees. While nominating the arbitrators, it will be necessary to ensure that one of them has served in the Accounts Department.

2905(c)(i): If the contractor does not suggest his nominees for the arbitral tribunal within the prescribed timeframe, the General manager shall proceed for appointment of arbitral tribunal within 30 days of the expiry of such time provided to contractor.

2905(c)(ii) If one or more of the arbitrators appointed as above refuses to act as arbitrator, withdraws from his office as arbitrator, or vacates his/their office/offices or is/are unable or unwilling to perform his functions as arbitrator for any reason whatsoever or dies or in the opinion of the General Manager fails to act without undue delay, the General Manager shall appoint new arbitrator/arbitrators to act in his/their place in the same manner in which the earlier arbitrator/arbitrators had been appointed. Such re-constituted Tribunal may, at its discretion, proceed with the reference from the stage at which it was left by the previous arbitrator (s).

2905(c)(ii)(a) Fast Track procedure: Parties to the arbitration agreement, may, at any stage either before or at the time of appointment of the arbitral tribunal, agree in writing to have their dispute resolved by fast track procedure specified in Section 29B of the Arbitration & Conciliation Act, 1996, as amended.

2905(c)(ii) (b) Before proceeding into the merits of any dispute, the Arbitral Tribunal shall first decide and pass its orders over any plea submitted/objections raised by any party, if any, regarding appointment of Arbitral Tribunal, validity of arbitration agreement, jurisdiction and scope of the Tribunal to deal with the dispute (s) submitted to arbitration, applicability of time 'limitation' to any dispute, any violation of agreed procedure regarding conduct of the arbitral proceedings or plea for interim measures of protection and record its orders in day to day proceedings. A copy of the proceedings duly signed by all the members of tribunal should be provided to both the parties.

2905(c)(iii): (i) Qualification of Arbitrator (s):

- (a) Serving Gazetted Railway Officers of not below JA Grade level.
- (b) Retired Railway Officers not below SA Grade level, one year after his date of retirement.
- (c) Age of arbitrator at the time of appointment shall be below 70 years.
- (ii) An arbitrator may be appointed notwithstanding the total number of arbitration cases in which he has been appointed in the past.
- (iii) While appointing arbitrator(s) under Sub-Clause 2905(a)(i), 2905(a)(ii), 2905(b)(i) & 2905(b)(ii) above, due care shall be taken that he/they is/are not the one/those who had an opportunity to deal with the matters to which the contract relates or who in the course of his/their duties as Railway servant(s) expressed views on all or any of the matters under dispute or differences. A certification to this effect as per annexure shall be taken from Arbitrators. The proceedings of the Arbitral tribunal or the award made by such Tribunal will, however, not be invalid merely for the reason that one or more arbitrator had, in the course of his service, opportunity to deal with the matters to which the contract relates or who in the course of his/their duties expressed views on all or any of the matters under dispute.

2905(d)(i): The arbitral award shall state item wise, the sum and reasons upon which it is based. The analysis and reasons shall be detailed enough so that the award could be inferred there from.

2905(d)(ii): A party may apply for corrections of any computational errors, any typographical or clerical errors or any other error of similar nature occurring in the award of a Tribunal and interpretation of a specific point of award to Tribunal within 60 days of receipt of the award.

2905(d)(iii): A party may apply to Tribunal within 60 days of receipt of award to make an additional award as to claims presented in the arbitral proceedings but omitted from the arbitral award.

2906: In case of the Tribunal, comprising of three members, any ruling on award shall be made by a majority of members of Tribunal. In the absence of such a majority, the views of the Presiding Arbitrator shall prevail.

2907: Where the arbitral award is for the payment of money, no interest shall be payable on whole or any part of the money for any period till the date on which the award is made.

2908(a): The cost of arbitration shall be borne by the respective parties. The cost shall inter-alia include fee of the arbitrator(s), as per the rates fixed by Railway Board from time to time and the fee shall be borne equally by both the parties. Further, the fee payable to the arbitrator(s) would be governed by the instructions issued on the subject by Railway Board from time to time irrespective of the fact whether the arbitrator(s) is/are appointed by the Railway Administration or by the court of law unless specifically directed by Hon'ble Court otherwise on the matter.

2908(b): Sole arbitrator shall be entitled for 25% extra fee over the fee prescribed by Railway Board from time to time.

2909: The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 provides parties to a dispute (where one of the parties is a Micro or Small Enterprise) to make a reference to Micro and Small Enterprises Facilitation Council, if the dispute is in regard to any amount due under Section 17 of the MSMED Act, 2006. In case a Micro or Small Enterprise, being a party to dispute, makes a reference under the provisions in MSMED Act 2006, the provisions of the MSMED Act 2006, shall prevail over conciliation and arbitration agreement as contained in the contract.

2910: Subject to the provisions of the aforesaid Arbitration and Conciliation Act 1996 and the rules there under and relevant para of IRS Conditions of Contract and any statutory modifications thereof shall apply to the appointment of arbitrators and arbitration proceedings under this Clause.

Annexure

Certification by persons under consideration to be nominated as Arbitrator.

1. Name

2. Contact Details:

3. I hereby certify that I have retired from Railways w.e.f. in grade.
Or

I hereby certify that I am serving Railway Officer and am presently posted as in grade.

4. I have no any past or present relationship in relation to the subject matter in dispute, whether financial, business, professional or other kind.

Or

I have past or present relationship in relation to the subject matter in dispute, whether financial, business, professional or other kind. The list of such interests is as under:

5. I have no any past or present relationship with or interest in any of the parties whether financial, business, professional or other kind, which is likely to give rise to justifiable doubts as to my independence or impartiality in terms of the Arbitration and Conciliation Act 1996.

Or

I have past or present relationship with or interest in any of the parties whether financial, business, professional or other kind, which is likely to give rise to justifiable doubts as to my independence or impartiality in terms of the Arbitration and Conciliation Act 1996. The details of such relationship or interest are as under:

6. There are no concurrent circumstances which are likely to affect my ability to devote sufficient time to the arbitration and in particular to finish the entire arbitration within twelve months.

Or

There are circumstances which are likely to affect my ability to devote sufficient time to the arbitration and in particular to finish the entire arbitration within twelve months. The list of such circumstances is as under:

29.1 Pre- Arbitration Meetings:

To avoid the cumbersome & time consuming process of arbitration, pre-arbitration meeting with the suppliers can be held for settlement of claim of contractors. However such meeting/discussions shall be without prejudice to the Railway's interest in the matter. If an understanding is reached between the administration and the supplier, discussions will be recorded indicating the claim admitted to the extent and the claim not admitted and the supplier's no claim certificate taken on that basis. In either case subsequent action shall be proceeded and the residual disputes if any, shall be referred to arbitration in terms of clause/Para 29.0 above.

XXXXXXX

SECTION - III**ANNEXURE – I**

Items identified by Railways as having sufficient local capacity and local competition for which only class-I local suppliers are eligible to bid.

All spares and components required for manufacture and maintenance of LHB coaches, including hardware and consumables, **except for the following items:**

SN	Item
1	Automatic Sliding Doors/ Automatic Entrance Plug Door
2	Sealed Gangway/ Dust sealed Inter Car Gangway
3	CCTV Cameras
4	UIC-130 pre-sealed, pre-set and pre-lubricated Cartridge Tapered Roller Bearing for use on coaches of LHB design
5	Axle Mounted Disc Brake System (LHB) as per RDSO spec RDSO/2011/CG-04 (Rev-01 with amendment -01)
6	Non-Asbestos based Organic Brake Pads for LHB type coaches equipped with Disc Brake System as per RDSO spec no. RDSO/2013/CG-01 (Rev-0 with amendment-01)
7	Air spring assemblies -120kN capacity as per RDSO/2020/CG-01
8	Direct Mounted double row self-aligning Spherical Roller Bearings (ICF) as per RDSO spec no. C-8527 (Rev-01) with amendment no. 4.
9	Forged Axles and Wheels for LHB coaches.
10	Steel: For procurement of Steel the notification of Ministry of Steel on Policy for providing preference to domestically manufactured Iron & Steel Products in Government procurement (Ministry of Steel Gazette notification dated 29/05/2019, latest amended) shall apply.

ORIGINAL EQUIPMENT MANUFACTURER (OEM)
MANUFACTURER'S AUTHORIZATION FORM

Tender No.: _____ Date : _____

To
PCMM
Integral Coach Factory
Chennai-600023

Dear Sir,

We manufacturers of original equipments at (address of factory) do hereby authorize M/s. (Name and address of Agent) to submit a bid, negotiate and receive the order from you against your tender enquiry. No company or firm or individual other than M/s. _____ is authorized to bid, and conclude the contract in regard to this business. We hereby extend our full guarantee and warranty as per Conditions of Contract for the goods and services offered by the above firm.

Yours faithfully,
(Name)
(Name of manufactures)

Note: This letter of authority should be on the letterhead of the manufacturer and should be signed by a person competent and having the power of attorney to bind the manufacturer. It should be included by the Bidder in its techno-commercial bid.

FORMAT FOR AFFIDAVIT OF SELF CERTIFICATION REGARDING DOMESTIC VALUE ADDITION IN IRON & STEEL PRODUCTS TO BE PROVIDED ON RS. 100/- STAMP PAPER

I, _____ S/o, D/o, W/o, _____ Resident of _____ hereby solemnly affirm and declare as under:

That I will agree to abide by the terms and conditions of the policy of Government of India issued vide Notification No: _____.

That the information furnished hereinafter is correct to the best of my knowledge and belief and I undertake to produce relevant records before the procuring agency (ies) for the purpose of assessing the domestic value addition.

That the domestic value addition for all inputs which constitute the said iron & steel products has been verified by me and I am responsible for the correctness of the claims made therein.

That in the event of the domestic value addition of the product mentioned herein is found to be incorrect and not meeting the prescribed value addition criteria, based on the assessment of procuring agency (ies) for the purpose of assessing the domestic value addition, I will be disqualified from any Government tender for a period of 36 months. In addition, I will bear all costs of such an assessment.

That I have complied with all conditions referred to in the Notification No. _____ wherein preference to domestically manufactured iron & steel products in Government procurement is provided and that the procuring agency (ies) is hereby authorized to forfeit and my EMD. I also undertake to pay the assessment cost and pay all penalties as specified in the tender document.

I agree to maintain the following information in the Company's record for a period of 8 years and shall make this available for verification to any statutory authority.

- i. Name and details of the Bidder
(Registered Office, Manufacturing unit location, nature of legal entity)
- ii. Date on which this certificate is issued
- iii. Iron & Steel Products for which the certificate is produced
- iv. Procuring agency to whom the certificate is furnished
- v. Percentage of domestic value addition claimed and whether it meets the threshold value of domestic value addition prescribed
- vi. Name and contact details of the unit of the manufacturer (s)
- vii. Net Selling Price of the iron & steel products
- viii. Freight, insurance and handling till plant

- ix. List and total cost value of input steel (imported) used to manufacture the iron & steel products
- x. List and total cost of input steel which are domestically sourced
- xi. Please attach value addition certificates from suppliers, if the input is not in-house.
- xii. For imported input steel, landed cost at Indian port with break-up of CIF value, duties & taxes, port handling charges and inland freight cost.

For and on behalf of _____ (Name of firm/entity)

Authorized signatory (To be authorized by the Board of Directors)

<Insert Name, Designation and Contact No.>

MODEL FORM OF BANK GUARANTEE BOND**GUARANTEE BOND FOR (Mention purpose of BG)**

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 Letter of Acceptance/ Agreement No. ----- dated ----- made between -----and -----for ----- (hereinafter called "the said Letter of Acceptance/ Agreement"), of security deposit for due fulfilment by the said Contractor (s) of the terms and conditions contained in the said Letter of Acceptance/ Agreement on production of a bank Guarantee for Rs ----- (Rupees ----- only)

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

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

3. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s)/Supplier(s) in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this Bond shall be a valid discharge of our liability for payment thereunder and the Contractor(s)/ Supplier(s) shall have no claim against us for making such payment.

1. 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 Letter of Acceptance/ Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Letter of Acceptance/ 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 Letter of Acceptance/ Agreement has been fully and properly carried out by the said Contractor(s) and accordingly discharges the Guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the ----- we shall be discharged from all liability under this Guarantee thereafter.

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

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

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

Dated the ----- day of ----- 20---

For ----(Indicate the name of Bank)-----

Instructions for tenderers on LC mode of Payments

Scheme of Letter of Credit for Domestic Supplies (including all service and maintenance contracts) tenders, having estimated value of Rs 10 lakhs and above:

- a. All Tenders invited by Zonal Railways and Production Units, having estimated value of Rs 10 lakhs and above, shall have an option for the supplier/contractor to take payment from Railways through a letter of credit (LC) arrangement.
- b. The LC will be a sight LC.
- c. The option for taking payment due against the said tender, through LC arrangement shall be an integral part of the bidder's offer.
- d. Option once exercised shall be final and no change shall be permitted, thereafter, during execution of contract.
- e. The incidental cost @ 0.15% of LC value, towards issue of LC and operation thereof shall be borne by the supplier/contractor and shall be recovered from their bills.
- f. State Bank of India through its branches shall be the Banker for Railways for opening domestic letters of credit for ensuing year. The arrangement would cover all such contracts finalized against tender issued during the said period and shall extend till final execution of these contracts.
- g. The schedule of payment liability arising in the contract shall be established by the Railways based on the prescribed delivery schedule/stages of supply.
- h. The acceptable, agreed upon document for payments to be released under the LC so opened, shall be a Document of Authorization.
- i. The supplier/ contractor shall submit their bills for completed supply to the bill processing authority mentioned in supply/ contract agreement to issue Document of Authorisation to enable supplier/ contractor to claim the authorized amount from their Banker.
- j. Accounts Officer responsible for passing the claim will issue the Document of Authorization.
- k. The supplier/ contractor shall take print out of the Document of Authorisation available on IREPS portal and present his claim to his banker (advising bank) for necessary payments as per LC terms and condition. The claim shall comprise LC Document of Authorisation, Bill of Exchange and Invoice.
- l. The bank shall also recover any amount as may be advised by railway against the contractor/ supplier.
- m. The contractor /vendor shall indemnify and save harmless the Railway from and against all losses, claims and demands of every nature and description brought or recovered against the Railways by reason of any act or omission of the contractor /vendor, his agents or employees, in relation to the Letter of Credit (LC). All sums payable/borne by Railways on this account shall be considered as reasonable compensation and paid by contractor /vendor.

Annexure-VI a**Bid securing declaration to be signed by bidders**

"I/we hereby understand and accept that if / we withdraw or modify my/ our bids during the period of validity, or if / we are awarded the contract and on being called upon to submit the performance security/ Security Deposit, fail to submit the performance security/ Security Deposit before the deadline defined in the request for bid document/ Notice Inviting Tender/Tender document, we shall be debarred from exemption of submitting Bid Security/ Earnest Money Deposit and performance security/ Security Deposit for a period of 6 (six) months from the date I/we are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period.

Annexure-VI b**Bid securing declaration to be signed by bidders availing exemption from submission of EMD where EMD is sought specifically**

"I/We certify that my/our offer is eligible for exemption from submission of bid security/Earnest Money Deposit, in terms of the tender conditions.

In case my/our claim to exemption from submission of bid security/Earnest Money Deposit is not found valid as per terms of the tender, I/we understand and accept that Railways has unquestionable right to summarily reject my bid and my offer shall not be considered for ordering. Further, I/we hereby understand and accept that if I/we withdraw or modify my/our bids during the period of validity, or if I/we are awarded the contract and on being called upon to submit the performance security/Security Deposit, fail to submit the performance security/Security Deposit before the deadline defined in the request for bid document/Notice Inviting Tender, I/we shall be debarred from exemption of submitting Bid Security/Earnest Money Deposit and performance security/Security Deposit for a period of 6 (six) months, from the date I/we are declared suspended disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period".

Annexure – VIICertificate of Local Content for Availing “ Make in India” Preference

Tender No.:

Opening Date:

Item Description:

I/We have examined the information, records and books of Accounts presented before me/us by our client(s) (Name and complete address of the company) and certify that the local content, which is the amount of value added in India (i.e. the total value of the item procured excluding net domestic indirect taxes, minus the value of the imported content, if any, of the above mentioned item including all custom duties), as a proportion of the total value, in percent is (percentage of local content)

We understand that this certificate is being produced by our client named above, for the purpose of availing purchase preference under Public Procurement (Preference to Make in India), Order 2017, in the above mentioned tender. We are aware that any false declarations in this respect will be in breach of the Code of integrity under Rule 175(1) (i) (h) of the General Financial Rule for which our client or its successors can be debarred for up to two years as per 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

I/We are also aware that I/We am/are liable to be taken up under Section 22 of the Chartered Accountants Act, 1949 along with such other actions as may be permissible under the Company and other relevant laws, in case of any false/incorrect certification of local content mentioned as above, by us.

Date:

(Seal & Signature of the Auditor/Cost Accountant)

List of certificates to be submitted along with the offer

Mandatory certificates:

1. Documentary evidence for complying with eligibility as per para 9.2, 9.2.1, 9.2.3 & 9.3 of section – I Instructions to tenderers shall be submitted.
2. In cases of procurement for a value in excess of Rs. 10 Crore, 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 in the prescribed format as per Annexure – VII (clause 16.1.3 of section - I Instructions to Tenderers of Bid document) shall be submitted.

Note: The non-submission of the above certificates will render the offer liable to be rejected.

Optional certificates

1. In case of claiming EMD exemption, documentary evidence in support of their claim as per para 6.1 of section-I – Instructions to tenderers and bid securing declaration as per Annexure VI shall be submitted.
2. If manufacturer has not quoted directly, tender specific authorization letter to bid on behalf of the manufacturer shall be submitted. Documentary evidence for complying with eligibility as per para 9.2, 9.2.1, 9.2.2, 9.2.3 & 9.3 of section – I Instructions to tenderers shall be submitted.
3. Authenticated English translation of all documents which are in foreign language shall be submitted.
4. In case, the tenderer is a Micro or Small Enterprises (MSE), the tenderer shall also furnish the details as per para 13.6 of section-I Instructions to tenderers in their offer.
5. The tenderers who are large Scale vendors of Railway Units or who come under consortia of MSEs (as vendors to Railway Units) formed by NSIC, are also required to upload with their offers, the procurement and percentage of sub-contract to be made from MSEs for goods to be supplied against this tender, and also furnish the details as in para 13.6 of section-I Instructions to tenderers for the portion subcontracted to MSEs.
6. Statement of deviation shall be submitted as per para 7.0 and 8.0 of section-I Instructions to Tenderers of bid document.

Statement of details of previous supplies made during the last three previous financial years and the current financial year upto the date of opening

Year of supply	Purchase order No. & Date	Item Description in Purchase order	Qty of tendered item supplied individually (In Unit as per Tender)	Qty of tendered item supplied as a components of Kits /assemblies	Date of supply	*Documents of Proof of supply (like Inspection Certificate No & Date, Receipt Note No & Date)	Contract Value of supplied items (In Rs.)
Current Year							
CY-1							
CY-2							
CY-3							
TOTAL QUANTITY					TOTAL VALUE		
Grand Total Quantity Supplied (Individual + Composite, if any)							

*The date of the document produced as the proof of supply, will be considered as date of supply in case date of supply is not expressly shown in that document. Onus of submission of these documents lies completely with the tenderer only though ICF may utilize the Performance Records, if readily available with it.

In case of composite contracts that include the component of supply of similar item/items along with other supply/service components, quantity/value (as applicable as per eligibility criteria) of relevant supply component of similar items will be allowed to be considered for compliance of this clause, provided composite contract provides for a separable value/quantity (as applicable as per eligibility criteria) of the similar item.

Copies of above tabulated Purchase orders/Contracts along with the Inspection Certificates, Receipt Notes, have been uploaded on ireps website in compliance of eligibility criteria. It is certified that the items supplied were manufactured by the tenderer itself and was not out sourced.

Name & Signature of authorised signatory

In-house Key Infrastructural Facilities

Firm should manufacture the tendered Item using the Processes, M&P, Testing facilities etc. as per the Drawing/Specification/Schedule of Technical Requirement (STR), referred in the description of the tender item/tender schedule.

Firm must submit a declaration of having the key/essential infrastructure facilities (Machines & Plant, Testing facilities, Quality system's requirement etc.) in-house, as specified in relevant Drawing/Specification/Schedule of Technical Requirement (STR). Details of these key/essential infrastructure facilities should also be submitted by the firm along with its e-offer. The format for submission of above mentioned details is as follows:-

i. Details of available Key/Essential Machinery and Plant				
Machine type/ function	Capability/Capability of machine	Make of machine and model no	Year of Manufacture or Purchase	Special technology used in Machine functioning, if any
ii. Details of available Key/Essential Testing Facilities				
Testing equipment type/function	Capability/Capability of testing equipment	Make of equipment and model no	Year of Manufacture or Purchase	Special technology used in Equipment functioning, if any
iii. Details of available Key/Essential Quality Systems				
Name of activity	Use of Machine/ Equipment for activity, if any	Process control method	Inspection Method/stages	Remarks, if any like Place of manufacture and inspection etc
iv. Details of competent technical personnel employed at firm's premises and in the field				
Name	Qualification	Experience	Details of specialized training	Remarks, if any

ICF reserves the right to verify the key/essential infrastructural facilities declared by the firm in the tender, at any point of time - before or after the placement of the contract. In case, declaration is found to be false by ICF, appropriate actions including cancellation of contract, administrative action and recovery of damages etc. can be taken against the firm.

Name & Signature of authorised signatory

Financial Capability

Firm to submit a summary of financial year wise Gross Revenue from Operations/Gross Sales Value to show the compliance of this condition, duly supported by the copies of Income & Expenditure Statement or Profit & Loss account pertaining to the period of current financial year & previous three financial years (period to be reckoned as on the date of tender opening). The above mentioned documents must be submitted by the tenderer along with e-offer. The format for submission of abovementioned details is as follows:-

Financial Year	Value of Gross Revenue from Operations/Gross Sales for the Financial Year	Audited Income & Expenditure Statement or Profit & Loss account attached for given financial year? State Yes/No

Total Value of Gross Revenue from Operations/Gross Sales as Audited for above mentioned financial years:-

Section-IV

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 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 SubContractor, 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 nondelivery, 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 notwithstanding 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 thereafter 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 Contractor 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 thereof 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 Contractor's 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 [31] 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 with in 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 with in 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 75 per 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 though 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.
