Date: 2025.10.14
15:29:39 IST
Reason: IREPS
Document
Location: IREPS-CRIS

South Western Railway

Materials Management Department

General Conditions Of Tenders For Supply Contract

Dated:06/10/2025

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***In the event of conflict between Tender document and condition mentioned in Tender Booklet, condition mentioned in tender document will prevail.**

1.0 GENERAL INSTRUCTIONS

1.1 On behalf of the President of India, the Principal Chief Materials Manager, South Western Railway, Hubli, India (hereinafter referred to as the Purchaser), invites electronic tenders for the supply as set forth in the Notice Inviting Tender (NIT) and tender document uploaded on the Indian Railways E Procurement System website (www.ireps.gov.in), herein after referred to as IREPS website. The tenders are invited in terms of 'IRS Conditions of Contract (Latest version)', 'Instructions to Tenderers and General Conditions of Tender for Supply Contract', and 'Special Conditions of Contract' uploaded on the IREPS website, and other conditions incorporated in the tender documents.

1.2 Electronic tender document consists of: -

a. NIT and Tender Document
b. Latest version of IRS conditions of contract (Uploaded in IREPS)
c. General Conditions of Tenders for supply contract (Uploaded in IREPS)
d. Special Conditions of Contract
e. All the documents attached with tender document
f. Drawing /Specification uploaded if any.

1.3 **Registration of Vendors on IREPS website**: The vendors will have to get themselves registered on IREPS website (www.ireps.gov.in). Detailed instructions regarding registration processes are available in 'User's Manual for Vendors' which can be accessed through Learning Center link available on the Home page of IREPS website (www.ireps.gov.in).

1.4 The vendors will have to submit their offer on IREPS website only (www.ireps.gov.in) through their Login-ID. Detailed instructions are available in 'User's Manual for Vendors' which can be accessed through Learning Center link available on the Home page of IREPS website (www.ireps.gov.in).

1.5 Manual offers delivered by post/fax or in person, or offers sent by e-mail or telex shall not be accepted against electronic tenders, even if such offers are received in time. All such offers shall be considered as invalid offers and shall be rejected summarily, without any consideration.

1.6 The digital signature of the tenderer on submission of offer in IREPS will be considered as confirmation that the tenderer has read, understood and accepted all the conditions laid down in the documents referred to in Para 1.2 above, unless special deviation is quoted by the tenderer in the Deviation Tab of their offer.

1.7 The stores offered should be in accordance with stipulated description, drawings and specifications and as detailed in the tender document.

1.8 The details of deviations, if any, from tender specification and other conditions should be clearly indicated in the Technical Deviation and Commercial Deviation templates provided on 'Deviations Tab' only. Tenderers may note that conditions deviating from the tender conditions/ description/specifications may render the offer liable to be ignored.

1.9 Tenderers are required to quote in the same rate unit (i.e. Number, set etc.) as given in the tender schedule. Any deviation in this aspect shall render the offer unresponsive and shall be summarily rejected.

1.10 **Currency of Offer:** The price should be quoted only in Indian Rupees. The offers submitted in other currencies shall not be considered.

1.11 **Validity of Offer:** The offer shall be kept valid for acceptance as mentioned in the NIT header of the tender document. The tenderers must keep their e-bids valid for acceptance for a minimum period of 90 calendar days from the date of opening of the tender for all types of tenders except in tenders with e-RA wherein minimum validity period of offer shall be 120 calendar days and for M&P and Global Tenders, the minimum validity period of offer shall be 150 calendar days. In case the tenderer stipulates validity lesser than that mentioned in the NIT header the offer is liable to be treated as unresponsive and ignored.

1.12 Tenderers are advised to follow the instructions given by the IREPS website while submitting their online offer. Detailed instructions are available in 'User's Manual for Vendors' which can be accessed through Learning Center link available on the Home page of IREPS website (www.ireps.gov.in).

1.13 The onus of genuineness of documents submitted in the tender lies on the firm only. If the tenderer(s) deliberately gives / give wrong information in his / their tender/offers or creates /create circumstances for the acceptance of his / their tender/offers, the Railway reserves the right to reject such tender/offers at any stage or the contract may be rescinded at any stage.

1.14 Requests for amendment of those purchase orders that are available in IREPS Module under CONTRACTS shall be submitted through IREPS only. If any conditions/Clauses in this purchase order is not as per the offer of the firm, the same should be represented within 7 working days from date of issue of purchase order, failing which, it will be deemed unconditional acceptance by the supplier and no representation thereafter will be entertained by the purchaser on this account.

1.15 Railways have started making online payments through NEFT system for quick money transfer to the tenderers account as per the Bank/account details provided by tenderer while registering themselves or updated thereafter on IREPS website.

1.16 Corrigendum: Purchaser reserves the right to issue any corrigendum to the tender even upto five days prior to the due date of opening of the tender. Tenderers are also advised to check the website for the purpose of submitting their e-bids or revising their e-bids, whether any such corrigendum to the tender has been issued or not.

1.17 It will be imperative on each tenderer to fully acquaint himself 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 of delivery of stores shall be entertained after the Purchaser accepts the offer.

1.18 In case, any clarification is required by the tenderers for submitting offers, same should be sought from purchaser well before tender opening date. It may be noted that no clarification will be given on date of tender opening.

2.0 QUALIFYING REQUIREMENTS OF TENDERERS

2.1 (a) The tenderer shall clearly indicate in their offer whether he/she is registered with PCMM/SOUTH WESTERN Railway for supplying the quoted item, and if so, he/she must mention his registration number along with monetary limit, if any, during bid submission in IREPS. In case the tenderer is approved by RCF/CLW/BLW/ICF/RDSO/CORE/MCF etc. status of approval will be verified from Vendor directory as available on UVAM portal only.

(b) Status of vendor (i.e. approved or developmental vendor) shall be reckoned as on date of tender opening and not thereafter. However, Case of downgrading/removal/suspension/banning etc., after opening of tender, shall be taken in to account while considering the offers.

2.1.1 If the tenderer is himself not the manufacturer of the item offered by him, he/she shall be duly authorized by the manufacturer of such item. Such tenderers must enclose with their offer a certificate of Tender Specific authorization from the manufacturer, as per proforma given in **Annexure-4** of this document, to participate in the tender.

2.1.2 Inspection by nominated Third Party Inspection (TPI) agency at the manufacturer's premises and direct dispatch from the premises of the manufacturer after the material has been inspected and passed by nominated Third Party Inspection (TPI) agency.

2.2 <u>Procurement of items reserved to be procured from approved sources-</u>

2.2.1 Sources approved by Source Approving Authority (RDSO/BLW/CLW/ICF/CORE/RCF/MCF etc):

(i) The Railway reserves the right to order bulk quantity on the approved sources. The status of approval of tenderer shall be reckoned as on the date of tender opening and not thereafter, unless it is a case of

downgrading/removal/suspension/banning.

(ii) (a) If the tendering firm(s) has been placed as developmental source in vendor directory, then offers from these firms may be considered for developmental order upto maximum of 20% of the Net Procurable Qty. "Developmental Vendors" are only such vendors which are listed as developmental vendors on UVAM without any condition.

(b) Developmental Vendors with any condition in UVAM shall not be considered for any order.

(Ref: RB letter No. 2021/RS(G)/779/7 dtd 09/05/25)

(iii) "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."

2.3 Procurement of items for which no approved vendor list has been issued:

In such cases, for being eligible for a regular order(s), the tenderer must have 'Relevant past performance as' as defined in the following 2.3.1. Further, upto 20% of the NPQ may be ordered on new sources also, as developmental order(s), on the basis of 'capacity cum capability' of the source as defined in Para-2.3.2.

2.3.1 Relevant Past performance for Regular orders:

[A] Bulk Order: Bulk order will be placed on the manufacturer or its authorized agent having proven performance. The bidder or its OEM (themselves or through reseller) should have supplied same or similar item for minimum 20% of tendered quantity against orders placed, in any one of the last THREE FINANCIAL YEARS or current financial year up to date of tender opening to any Central/State Govt. Organization/PSU.

[B] If such past performance level is lower, then the offer may be considered as responsive for placement of developmental order not exceeding 20 % of the tendered quantity. For consideration of such development orders the renderer must also submit along with their letter past performance report, details of M and P, Testing facilities, QAP if available ,technical manpower available, etc.

[C] The onus of submission of requisite documents in support of supply *{[i] Receipt Notes/Proof of acceptance of material by consignee OR [ii] Inspection Certificate with self-declaration by the bidder that supply has been accepted by consignee. Furnishing of false declaration shall render termination of contract and further action as per terms and conditions of contract}* lies with the tenderer. In case the tenderers do not submit the requisite documents as detailed above along with their offer, the tender will be decided on the basis of their past supply performance of SWR [if any].

[D] In case tenderer participates as an authorized agent, then the performance as required above shall be that of Principal authorizing the agent. It may so happen that the agent has credentials of past supply for a different Principal but this will not be considered as performance for placing bulk order in case of change of Principal.

[E]) *In case the bidders do not submit the requisite documents as detailed above along with their offer, the tender will be decided on the basis of their past supply performance of SWR*.

*Similar item may be defined by tender inviting authority as a special condition of tender. If it is not mentioned in special condition then performance will be considered for tendered item only.

2.3.2 "Capacity-cum-Capability" for Developmental order:

For consideration of developmental orders upto 20% of NPQ, the tenderers must be able to

demonstrate their Capacity-cum-Capability to manufacture the tendered item. For this purpose they should submit along with their offer, documented past performance reports of same or similar items of equivalent rating or equivalent performance parameters, details of M&P, testing facilities, QAP (if available), technical manpower available with them, registration for same/similar item(s) with other Government agencies or PSUs etc. or any other details as may be warranted as per the technical specification and drawing. Such tenderers are to note that non submission of such documents shall be taken as their not having any such past performance and/or capacity, and their offer shall be considered further as per extant rules and no back reference in this regard will be made to them.

2.4 Procurement of items reserved to be procured from Micro & Small Enterprises (MSEs):

a) For items reserved to be procured from Micro & Small Enterprises (MSEs), the MSE tenderers must enclose with their offer a copy of Udyam Registration Certificate only. MSE benefits will not be admissible based on any other document.

b) Bulk order will be placed on MSEs having past performance for a minimum of 20 percent of total tendered quantity as per Para 2.3.1 [A] above. Other MSEs may be considered for Developmental Order for up to 20% of the Net Procurable Quantity.

c) Regarding submission of requisite documents in support of supply performance, Para 2.3.1 [B] above is also applicable.

NOTE: Item reserved from MSEs to be verified as per the list available at https://msme.gov.in/. As on publishing of this booklet, a total 358 items are reserved.

2.5 Additional qualifying requirements for Imported Stores offered by Indian Agents in Indian Currency:

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

a) To quote with tender specific authorization from the foreign manufacturer.

b) While quoting on behalf of foreign principal's, tenderers are required to furnish the principal's invoice/ proforma invoice along with their quotation.

c) The tenderer shall have to undertake in the tender to comply with the following;

- Consent to furnish copy of customs out passed bill of entry for the goods relevant to each consignment, Manufacturer's Test and Guarantee certificate issued by the manufacturer, Copy of Bill of Lading/AWB relevant to the consignment; Copy of commercial invoice of the foreign manufacturer/principals relevant to each consignment.
- Current and valid authorization/dealership certificate of foreign manufacturer/principal.

d) The tenderer has to indicate the following while submitting the offer;

i. The precise relationship between the foreign manufacturer/principal and their agents/associates.
ii. The mutual interest which the manufacturer/principal and the Indian agent/associates have in business of each other is to be indicated.
iii. Indian agent's Permanent Account Number is to be indicated.
iv. Any additional expenditure incurred on account of Tax and Exchange Rate variation during pendency of the Contract will be on contractor's account.

e) For bearings manufactured in foreign countries:

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

3.0 BENEFITS/PREFERENTIAL TREATMENT TO MICRO & SMALL ENTERPRISES (MSEs)

(a) (I) MSEs participating in the tender as stipulated at Para (b) below, will be exempted from payment of Earnest Money.

(II) In tenders, participating MSEs, as per Para (b) below, quoting a price within price band of L-1 + 15% shall be allowed to supply a portion of the requirement by bringing down their price to L-1 price in a situation where L-1 price is from someone other than MSE and such MSEs can together be ordered up to 25% value out of the net procurable quantity.

(b) (I) MSEs, who are interested in availing themselves of these benefits, will enclose with their offer a copy of Udyam Registration Certificate only. MSE benefits will not be admissible based on any other document.

(II) Further, as per Gazette notification Dt. 18.10.2022, in case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise shall continue to avail of all non-tax benefits of the category (micro or small or medium) it was in before the re-classification, for a period of three years from the date of such upward change. All MSEs shall be eligible for benefits of public procurement policy irrespective of product category under which MSEs are registered. The MSE status of any firm from UDYAM will be reckoned from last three years from date of tender opening. Any firm enclosing UDYAM certificate for which the status on UDYAM portal has not been updated for last three years from date of tender opening shall be treated as Non-MSE firm.

(c) In case, the tenderer is a Micro or Small Enterprises (MSE), the tenderer shall 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 other than the above two categories.
   d) Owned by Women

However, traders/authorized dealers will not be eligible for such benefits.

4.0 TENDER DOCUMENT COST

4.1 For tender documents downloaded by bidders in IREPS website, no tender document cost is required to be submitted.

5.0 EARNEST MONEY DEPOSIT (EMD)

5.1 Tenderers are required to deposit Earnest Money online only through IREPS equivalent to the amount mentioned in the tender document. Any other mode of submission is not acceptable and in such cases, it will be considered that the offer is without EMD. Tenderers not submitting Earnest Money should clearly indicate in their offer the reasons for the same, and failure to do so will be taken as unwillingness on their part to deposit the Earnest Money.

5.2 Tenderer not falling in the exempted categories mentioned in the subsequent para shall remit the Earnest Money online through Payment Gateway Facility available on the IREPS website. Earnest money shall be accepted via online payment gateway as available on IREPS portal. No other mode of submission of Earnest money is acceptable.

5.2.1 Amount of EMD (rounded off to nearest higher Rs. 10 (ten)) to be taken in tenders, Wherever applicable.

a) It will be @ 2% of the estimated tender value upto Rs. 50 Cr. subject to maximum EMD of Rs. 20 lakh.
b) EMD will be Rs. 50 lakh for tenders above Rs. 50 Cr.

5.3. (i) Exemption from Submission of Earnest Money: The under noted categories of tenderers need not deposit Earnest Money: -

a. Firms registered with MSE as specified in para-3(b) above.
b. Tender cases of value upto and including Rs. 25 lakh unless otherwise mentioned in the tender.
c. Other Railways and Government departments.

d. Indian Ordinance factories.
e. PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them.
f. Vendors registered with Railways for the trade group of the item tendered in any zonal railways.
g. Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing.
h. Vendors registered with Railways for supply of medicine, medical equipment's and consumables shall be exempted from submission of EMD for these items.
i. 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.

(ii) However, EMD is not exempted- If the tenderer participating in the tender is a trader/Dealer.

(iii) If a tenderer directly participates in the tender stipulating in IREPS that the order be placed on authorized dealer, EMD exemption will be applicable as per status of the tenderer, not as per status of authorized dealer. (**Ref: RB letter no. 2004/RS(G)/779/11 Pt. dtd 23.12.2019).**

5.4 Offers of tenderers who do not submit Earnest Money, and are also not exempted from submission of Earnest Money shall be summarily rejected.

5.5 The purchaser reserves the right to forfeit the Earnest Money Deposit if the tenderer withdraws or revises his offer within the validity period or fails to deposit Security Money in terms of Clause-6 of this document.

5.6 No interest shall be payable by the purchaser on the Earnest Money. EMD of unsuccessful bidders and tenderers shall be released immediately after finalization of the tender.

6.0 SECURITY DEPOSIT (SD)

6.1 The successful tenderers shall, within 21 days after written notice of acceptance of tender has been posted to him, deposit Security Deposit a sum equal to

(a) 5% of contract value subject to maximum of Rs.50 lakh for contracts above Rs 25 lakh and upto Rs 50 crore.

(b) Rs 1 Cr or as fixed by Railway authorities in tender document for contract value above Rs 50 Crore, as security for satisfactory fulfillment of the contract unless otherwise SD waival is specifically mentioned in tender/LOA.

6.2 The Security money can be deposited in any of the following forms:

6.2.1 Deposit receipts, Pay orders, Demand Drafts, Guarantee Bonds issued by Nationalized or Scheduled Commercial Banks, Bonds of Indian Railway Finance Corporation and KRCL Bonds, Government Securities and deposit receipts in the post office saving banks. The Guarantee Bonds/Bank Guarantee should be submitted in the prescribed form as per **Annexure-5.**

6.2.2 Payment of Security money in the form of pay order/demand draft shall be made in favour of PFA, South Western Railway payable at Hubli.

6.2.3 Security deposit shall remain valid for a minimum period of 60 days beyond the date of completion of all contractual obligations of the supplier. SD shall be refunded after supply/supply & commissioning as the case may be.

6.3 The Security Deposit (SD) shall be taken from all vendors for contracts above Rs.25 lakh subject to following exemptions**:**

a. The store contract cases of value upto Rs. 25 lakh
b. Other Railways and Government departments.
c. Indian Ordinance factories.
d. PSUs owned by the Ministry of Railways and PSUs for the group of items that are manufactured by them.
e. 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.

f. Vendors registered with Railways for the trade group of the item tendered in any zonal railways shall be exempted from SD for orders valued upto their monetary limit of registration.

g. Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing.

h. Vendors registered with Railways for supply of medicine, medical equipment's and consumables shall be exempted from submission from 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.

(**Ref: RB letter no. 2004/RS(G)/779/11 Pt. dtd 23.12.2019)**

6.3.1. However, SD is not exempted- If the tenderer participating in the tender is a trader/Dealer.

6.3.2 If a tenderer directly participates in the tender stipulating in IREPS that the order be placed on any other authorized dealer, they should enclose consent of the authorized dealer along with the offer. In such cases, Security Deposit (if applicable) from the dealer and not from the Principal tenderer.

6.3.1 Tenderers submitting Security Money in the form of Bank Guarantee (BG) should ensure the following, to avoid rejection/return of the BG:

1. The Bank Guarantee should be executed on non-judicial stamp paper of appropriate value as applicable at the place where the bank guarantee is executed.

2. The non judicial stamp paper used for executing the Bank Guarantee should have been purchased in the name of executants Bank.

3. The Bank Guarantee should be duly attested by notary public along with notarial stamps of appropriate value affixed thereon.

4. Every page of Bank Guarantee should be signed by the authority executing it and the Bank Guarantee should be duly numbered.

5. All corrections/alterations, if any, made in the Bank Guarantee should be duly attested by the executants Bank and the notary public as well.

6. The Bank Guarantee should be in the prescribed format **(Annexure – 5)** and completely in the typed form.

6.4 The refund of security deposit becomes due when the contract is satisfactorily completed in accordance with terms & conditions of the contract. Purchaser's decision in this regard shall be final and binding on the supplier.

6.5 If the contractor, having been called upon by the Purchaser 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 in that event the provisions of Clauses 13 of IRS conditions of contract 2025 shall apply as far as applicable.

6.6 No claim shall lie against the Purchaser in respect of interest on cash deposits or Government Securities or depreciation thereof. No interest shall be payable upon the Bid Security and Security Deposit.

6.7 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.

6.9. Whenever SD has been exempted, for any reason, and the supplier fails to supply goods as per conditions of contract, as amended from time to time, Purchaser shall have right to levy damages from the supplier for failing to comply with the contractual conditions, not by way of penalty, an amount equal to SD amount, as would have been applicable if the contract was with a non-exempted vendor. These damages shall be treated as recoveries outstanding against the vendor and dealt with accordingly.

7.0 SUBMISSION OF OFFERS

7.1 Procedure for submission of electronic offers

7.1.1 The tenderers should visit IREPS website at the address www.ireps.gov.in and submit online offers after logging into the website using their login ID, Password and Digital Signature. Detailed instructions are available in 'Users Manual for Vendors' which can be accessed through the Learning Center link available on the Home page of IREPS website (www.ireps.gov.in).

7.1.2 **Revised bids:** Vendors can submit a revised commercial offer ("Financial Rate Page for Supply' form) any time before the stipulated closing date and time and in such case the last revised offer submitted at a later time and date shall be considered as the offer, superseding all the previously submitted offers for that item/items of the tender.

7.1.3 **Late Offers**: The Indian Railway E-procurement application software does not permit vendors to submit their offers after the designated tender closing date and time.

7.1.4 The tenders are uploaded in IREPS website well in advance of closing time to give sufficient time to the vendors to participate in the tender. Vendors are advised in their own interest to submit their offers well in advance before the tender closing time. South Western Railway shall not be responsible for non-participation of vendors due to any technical problems such as network connectivity etc. on the tender opening day.

8.0 GOODS and SERVICE TAX (GST)

(i) The bidders should ensure that they are GST compliant and their quoted tax structure/rates are as per GST law.

(ii) The bidders are required to indicate the rate of GST applicable for the tendered item in their bids separately in the 'Financial Offer Tab' provided in the IREPS System.

(iii) The bidders while submitting their bids will be deemed to have given following declaration:
"We hereby declare that in quoting the above price, we have taken into account the full effect of Input Tax Credit available under GST. We further agree to pass on any financial gain/benefit as may become available in future in respect of all the input tax credit on the date of supply by way of reduction in price and advise the purchaser accordingly. We also undertake that we are aware of the provisions of section 171 of the CGST Act and consequences thereof if we fail to comply with the same. b) We shall file GSTR-1 and GSTR-3B for transaction with Railways in due time preferably every month so that ITC benefit can be availed by Railway."

(iv) 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 Authority.

(v) The offers shall be evaluated based on the GST rate as quoted by each bidder and the same will be used for determining the inter se ranking. While submitting an offer, it shall be the responsibility of the bidder to ensure that they quote correct GST rate and HSN code bidders should invariably indicate GSTIN Number and HSN code of the offered stores duly enclosing the documentary evidence.

(vi) Purchaser shall not be responsible for any misclassification of HSN number or incorrect GST rate if quoted by the bidder.

(vii) 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.

(viii) Vendor is informed that she/he would be required to adjust her/his 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.

(ix) Any amendment to GST rate or HSN number in the contract shall be as per the contractual conditions and statutory amendments in the quoted GST rate and HSN number, under SVC.

(x) Tenders in which procuring authority has pre disclosed the HSN code, Firms are suppose to quote GST rate applicable to HSN code mentioned in the tender. Firms who quote different rate (not applicable to HSN code mentioned in tender), their offer will be liable to be rejected.

(xi) The GSTIN number of Railway for **Karnataka** based consignee is **29AAAGM0289C1ZF and** Goa based Consignee is 30AAAGM0289C1ZW**.**

8.1 **Statutory Variation Clause**:

(a) Statutory Variation in taxes and duties, or fresh imposition of taxes and duties by State/ Central Governments in respect of the items stipulated in the contract (and not the raw materials thereof), within the original delivery period stipulated in the contract, or last unconditionally extended delivery period shall be to Railways' account. Only such variation shall be admissible which takes place after the submission of bid. No claim on account of statutory variation in respect of existing tax/duty will be accepted unless the tenderer has clearly indicated in his offer the rate of tax/duty considered in his quoted rate. No claim on account of statutory variation shall be admissible on account of misclassification by the supplier/ contractor.

(b) Statutory Variation Clause is applicable on all Statutory levies such as Duties, Taxes etc. during the Original Currency of Contract subject to production of documentary evidence.

(c) Statutory Variation Clause: This clause is applicable in all tenders except if it is denied explicitly in the Terms & Conditions of NIT.

9.0 OPENING OF ELECTRONIC TENDERS

9.1 The tender shall be opened electronically by railway official(s), authorized to do so by South Western Railway, by logging on the IREPS website with their Login ID and Password, by authenticating themselves through their Digital Signature Certificate, as well as applying secure decryption key of SOUTH WESTERN Railway for decryption of electronic offers.

9.2 The tender shall normally be opened on the stipulated closing date, after the stipulated opening time. In case the closing date falls on a holiday, the tender shall be opened on the next working day. However, due to unavoidable reasons, the tender may not be opened on the stipulated closing date, and may be opened on a later date. However, no revision or modification of the offer shall be allowed after the closing date and time, even if there is any delay in the tender opening.

9.3 Immediately after the opening of tender, financial and Techno-commercial tabulation statements are generated by the IREPS module. Vendors who have submitted valid offers against electronic tenders against ‘Open’ and ‘Special Limited’ tenders are not required to come to South Western Railway office to witness the

tender opening process and know the offer details, as they will be able to access the tabulation statements and bids, immediately after tender opening, by visiting the IREPS website and logging in with their Login ID, Password and Digital Signature.

9.4 **e-Reverse Auction Tenders (e-RA):** For e-RA tenders, the conditions as per **ANNEXURE-1** will be applicable.

9.5 Railway does not guarantee opening of tenders at the specified Date and Time due to reasons beyond control and hence tenders can be opened after due date and time also. It will, however, be ensured that no bids are submitted after tender closing Date and Time. Vendors can not submit any offer or attach any file after the due date and time as stipulated under the tender notice.

NOTE: For floating tender with e Reverse Auction conditions, RB letter no. **2020/RS(G)/779/17**
dtd 21.11.2024
to be followed.

10.0 EVALUATION OF OFFERS

10.1 The commercial offer details shall be submitted by vendors using 'Financial Offer Tab' form having separate entry box for each element of rate. The vendors must fill in basic rate and other rate components such GST, unconditional discount on basic rate, if any, packing charges on basic rate, forwarding charges, freight charges, other charges, if any, in the boxes provided in the 'Financial Offer Tab' form. The all inclusive rate per unit shall be calculated automatically considering all the elements of rate components, as filled by vendor before submitting the offer, and will be displayed before vendor submits his digitally signed electronic offers. Tenderers should check all rate entries before submission and before digitally signing their electronic offers. Tenderers are therefore advised to check and revise any or all the entries in the Financial Offer Tab before the same is digitally signed and submitted. All offers will be evaluated after taking into account the all inclusive destination rate per unit, which will also be displayed to the vendor before submission of his electronic offer.

10.2 Tenderers should quote financial terms and conditions in the nominated fields of 'Financial Offer Tab' only. Any financial terms and conditions mentioned in the fields other than the nominated fields will be ignored and will not be considered for purpose of evaluation of offer to determine the inter-se ranking of the offer. Tenderers are advised not to quote any terms and conditions having financial bearing in any other template of bidding Process except the 'Financial Offer Tab'. Similarly, any financial terms and conditions enclosed as attachments or received through post will be ignored and not considered for purpose of evaluation of offer to determine the inter-se ranking of the offers. However, Railways at their own discretion may avail the benefit of such conditions while placing purchase order, if the offer is considered for placement of order.

Nothing extra shall be payable over and above the all inclusive rate shown in the financial offer, except on account of Price Variation clause, and Statutory Variation, if applicable. Digital Signature of the tenderer on final bid submission shall be construed as confirmation that the tenderer has read and accepted this condition.

10.3 The tenderers shall quote specific freight charges in the relevant field of 'Financial Offer Tab'. Ambiguous remarks like 'freight extra at actuals', 'freight shall be charged extra', 'Railway freight shall be charged extra' etc., mentioned in the 'PVC and remarks' field or elsewhere in the electronic offer or attachments shall not be considered for evaluation, and may render the offer liable to be ignored. However, freight charges shall not be payable if the offer is considered.

10.4 Rates quoted by the tenderers with discounts, if any, linked to quantity will be considered for determining inter-se position of the offers, provided it is submitted by the Tenderer as an Alternate bids. Discounts with conditions attached to early payment, early Receipt Notes etc. will be ignored for calculating inter-se position. However, Railways may avail the discounts linked to early payment, early Receipt notes etc. if otherwise firm's offer is found to be acceptable.

10.5 The tenders will be evaluated by the Purchaser on free delivery to destination basis, to ascertain the best and lowest acceptable tender, as specified in the specifications and tender documents. Wherever more

than one consignee/items are involved, unless specified otherwise in the tender document, tender would be evaluated and inter-se ranking of the tenderer would be made for each item and/or each consignee separately.

10.6 The inter-se ranking shall be determined by considering the taxes & duties applicable as quoted by the tenderer and the inter-se ranking arrived at in such manner shall be taken as final.

In case of reduction in taxes, the same will be paid as per rate thereof prevailing on the date of supply.

Statutory variation in taxes shall be allowed only where the tenderers have specifically sought such statutory variation in their offer(s).

10.7 Claim for any tax not stipulated in the quotation will not be admitted at any stage on any ground whatsoever.

11.0 ACCEPTANCE OF TENDER

11.1 The purchaser may accept a tender for a part or whole of the quantity offered, reject any tender without assigning any reason and may not accept the lowest or any offer. The rates quoted by the Tenderers for full tendered quantity would be taken as valid for part quantity also.

12.0 DELIVERY SCHEDULE

12.1 The tenderers should quote the delivery period/delivery schedule carefully, because the time and date for the delivery of stores shall be the essence of the contract and delivery must be completed not later than the date so specified.

12.2 The delivery period and delivery schedule as per South Western Railway's requirement are indicated in the respective fields in the electronic tender. Tenderers are advised to adhere to the delivery period/delivery schedule stipulated in the tender, as deviation from the same may render their offer liable to be ignored. Tenderers should invariably quote firm delivery period in their quotation. If the quoted delivery period spreads over several months, the date of commencement, monthly rate of delivery and the date of completion of delivery must be indicated.

12.3 In case of delivery by Rail, the date on which stores are placed on Rail (i.e. RR/PWB date) will be date of delivery for FOR place of dispatch. In case of local delivery, the date of delivery to consignee will be taken as date of delivery. For outstation dispatches, if sent by lorry, the date of receipt of material by consignee will be taken as date of delivery.

12.4 No transit time shall be allowed beyond the delivery date stipulated in the contract.

12.5 Tenderers must refer to the delivery schedule specified in the Tender Schedule. Delivery period quoted must conform to

12.6 the delivery requirement specified in the Tender Schedule and should not be vague such as "2 to 12 months".

12.7 Time Preference Clause: It should be noted that if a contract is placed on a higher tenderer as a result of invitation of tender, in preference to the lower acceptable offer, in consideration of offer of earlier delivery, the contractor will be liable to pay to the Government the difference between the contract rate and of the lowest acceptable tender on the basis of final price F.O.R destination including all elements of freight, GST and other incidentals in case of failure to complete supplies in terms of such contract within the date of delivery specified in tender and incorporated in the contract. This is in addition and without prejudice to other rights under the terms of contract.

13.0 DELIVERY TERMS

13.1 The purchaser will prefer free delivery by road at consignee's end.

13.2 Tenderers are required to clearly indicate the freight charges in the relevant field in the 'Financial Offer Tab'. The freight charges to be paid shall in no case exceed the freight charges quoted by the tenderer in the relevant field in the 'Financial Offer Tab'.

13.3 In case an offer is submitted on 'FOR-Station of despatch' basis, 'FOR- Ex-Works' basis or 'FOR- Ex-Godown basis' and 'Nil' freight charges are quoted by the tenderer in the relevant field on the 'Financial Offer Tab', the supplier shall agree to despatch the stores by rail/road on free delivery to consignee. No freight charges shall be payable in such cases.

13.4 The purchaser will not pay separately for transit insurance and supplier will be responsible till the entire stores contracted for are received by the consignee in good condition at destination.

14.0 LIQUIDATED DAMAGES AND GENERAL DAMAGES

14.1 Liquidated Damages and General Damages will be applicable as per Clause 0700, 0701 and 0702 of IRS Conditions of Contract.

14.2 Failure and Termination –

If the Contractor fails to deliver the goods or any installment 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 ½ (half) per cent of the price of any goods (including elements of taxes, duties, freight, etc.) which the Contractor has failed to deliver within the period fixed for delivery in the contract for each week or part of a week during which the delivery of such goods may be in arrears where delivery thereof is accepted after expiry of the aforesaid period. Upper limit for recovery of liquidated Damages in Supply Contracts will be 10 % (Ten Per cent) of value of delayed supplies irrespective of delays, unless otherwise provided, specifically in the contract, or

(b) Without prejudice to the Purchaser's right to record adverse performance of the contractor for taking appropriate administrative action, cancel the contract or a portion thereof and forfeit the security deposit.

(c) Wherever Security deposit has been exempted for any reason, levy damages from the supplier, not by way of penalty, an amount equal to Security Deposit amount, as would have been applicable had he not been an exempted vendor. These damages shall be treated as recoveries outstanding against the Contractor and dealt with accordingly.

15.0 RISK PURCHASE- This clause stands deleted.

16.0 INSPECTION

16.1 The inspection of stores at manufacturer's premises before dispatch will be conducted by an agency nominated by the purchaser viz. Third Party Inspection (TPI) Agency or the representative of consignee. Final inspection of stores will be done by the consignee on receipt at destination. Detailed instructions regarding Third Party Inspection (TPI) Agency is available at **ANNEXURE-10.**

16.2 Tenderers are required to confirm acceptance of the Inspection Clause mentioned in the tender document, and non-acceptance of the same shall render the offer liable to be ignored.

16.3 Traders/ authorized agents are required to offer material for inspection at manufacturer's premises only.

16.4 In case the firm fails to offer the material for inspection against inspection call issued to the inspecting agency or if the material have to be reinspected due to rejection of the material at firms premises by the inspecting agency or due to non despatch of material within validity of Inspection Certificate, then the charges as per terms and conditions of Third Party Inspection (TPI) Agency will be paid by the supplier to the inspection agency.

16.5 **Requirement of BIS Certification for raw Materials:**
If the specification of material used to manufacture the tendered item comes under the mandatory certification of BIS,(the details of mandatory certification are indicated on the Bureau of Indian standards(BIS) website-www.bis.org.in under "Product Certification" _ Mandatory Certification") the firm will ensure the purchase of material from the sources which are having BIS License and with ISI mark. The necessary related documents will be required to be submitted by the firm if the same is asked for by inspecting agency or any third party. The firm will produce the trail of documents and test certificates to show that the said item has been sourced from BIS license and with ISI mark. This will be applicable to individual item and/ or a part in the assembly/ Fabricated item. ISI stamp should be demonstrated by the vendor/supplier/ Contractor on the item or its salvage, which should be available in vendor's Premises.

17.0 ADVICE OF DESPATACH OF STORES

17.1 The supplier should ensure that Railway receipts/PWB under which the material is booked to a Railway consignee are prepared in the favour of 'consignee' and not self' failing to which they will be required to take the delivery themselves and deliver the consignment to the consignee. When suppliers submit the original RR/PWB along with other documents to paying authority for claiming advance payment, a photocopy of RR/PWB should be sent simultaneously to consignee.

17.2 All dispatch documents i.e. RR/PWB, Challan, Inspection certificate etc. should be sent to the consignee.

17.3 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 goods delivered or dispatched under the contract.

17.4 **Risk in transit will be to the supplier's account**: The Purchaser will not pay separately for transit insurance and the supplier will be responsible till the entire stores contracted for arrive in good condition at destination. Where the tenderer intends to insure the goods, the insurance charges should be clearly indicated, separately in the break-up in the prescribed E-Tender Offer Form.

17.5 **Weighment clause:** 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.

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

18.0 PAYMENT TERMS

18.1 The standard payment terms subject to recoveries, if any, under the IRS conditions of Contract are as under:-

a. 95% Payment against Inspection Certificate and Delivery Challan duly signed by Gazetted officer of the consignee after receipt of material and balance 5% against acceptance of the material by the consignee.

b. 100% payment against receipt and acceptance of material by the consignee after inspection and acceptance at destination.

For contracts valued upto Rs.50.0 Lakh, payment terms as per (b) above only will be accepted.

Part Payment: It is applicable in all the orders if value of PO sr. is more than Rs.10 Lakhs. However, Purchase officers at their discretion may allow the same for lower value contract also

18.2 In case of dispatch by rail, unqualified Railway Receipt/Parcel Way Bill will be taken as the proof of dispatch. In case of dispatch by other means such as road transport, receipted challan signed by the Gazetted Officer at consignee's end will be taken as proof of delivery for the purpose of para 18.1.a. above.

18.3 Tenderers are advised to accept the standard payment terms incorporated in the tender, as

deviation from the same shall render the offer liable to be ignored.

18.4 In deserving cases, South Western Railway, at their sole discretion may accept deviation from the standard payment terms, as per existing guidelines/ instructions.

18.5 **For Machinery & Plant items:** 80% payment will be allowed after receipt of the machine in good and acceptable condition at consignee's end against inspection certificate and the supplier's challan certified by the consignee Gazetted Officer. Balance 20% payment will be made on successful installation, commissioning and testing of the machine and also furnishing of a Bank Guarantee towards warranty obligations of the contractor for 10% of the value of the machinery or plant.

18.6 Payment of bills having WPI based PVC based formula shall be as follows- (1)100% payment subject to production of Price Variation by the Firm as per the PVC formula mentioned in the concerned Purchase Order, taking proper price indices (not provisional). (2) 90% payment, if Price Variation not submitted by the Firm along with submission of bill. The balance 10% payment is to be made on submission of Supplementary bill by the Firm along with PV. Negative Price Variation (if applicable) will be deducted from concerned Supplementary bill during payment by Bill Paying Authority.

19.0 MODE AND PROCEDURE OF STORES BILL PAYMENT:

a) Payment of the bills of suppliers will be done through ELECTRONIC FUND TRANSFERS only like NEFT, RTGS etc. For this, firms will submit their Bills online in IREPS. Firms must ensure that they submits Tax Invoice; complete in all respects. Firms will also ensure that their Account Details in IREPS System remains updated all the time, as payment of bills will be done in that Account only.

Separate Mandate Form/NEFT Bank Mandate Form giving Bank Account details is not required now during the submission of bills.

b) To ensure that bills are submitted correctly and paid expeditiously, the checklist given at **ANNEXURE-6** may be referred by the firms.

20.0 SAMPLES, DRAWINGS & SPECIFICATIONS

20.1 **Samples -**

20.1.1 The offers should strictly conform to the specified description and drawing/specification in schedule of requirements and no samples need be submitted unless so mentioned in tender form. When samples are required, the same must strictly conform to description, drawing/specification as mentioned in the tender documents. Samples submitted will be considered as supplemental and not in supersession to any specification mentioned and such samples will only be considered in relation to those points which are not defined in the specification. The onus of drawing attention to any particular item in which a tenderer wishes his samples to supersede or vary from the tender description/specification lies on tenderer. In the absence of specific acceptance in writing to any variation, the purchaser shall be entitled to reject any claim for acceptance of supply embodying such variation. When samples are called for, they should be marked, sealed and labeled so as to correspond with the item of the tender. They should be sent "Freight Paid" to the same address as per the tender, and arrangements should be made to see that they arrive by the opening time and date of the tender; otherwise the offer will be summarily rejected.

Samples submitted by the tenderer which are of the value of Rs. 500/-or less will not be returned to them. For samples valuing above Rs. 500/-the tenderer must state on the tender form if he requires the return of unaccepted samples failing which they will be retained by the purchaser. Unaccepted samples will be returned to firms on application who may arrange collection of the same from concerned office of stores department.

Firms with whom orders are placed should refrain from sending advance samples unless called for and should make supplies strictly as per tenders or orders placed with them.

20.1.2 Wherever the tenders have been invited as per approved sample, tenderers may contact purchaser/consignee for accessing approved sample.

20.2 **Drawings & Specifications-**

20.2.1 Where the tenders have been invited as per IRS/RDSO drawings or specifications, the tenderer shall obtain such drawings or specifications from RDSO (Research Designs and Standards Organization, Manak Nagar, Lucknow-226011) on payment of the cost of drawings/specifications, or download from the/drawing source approving authority website well in advance of the closing date. Similarly, where the tender has been invited as per drawings or specifications issued by ICF (Integral Coach Factory, Perambur, Chennai, Tamilnadu)/RCF (Rail Coach Factory, Kapurthala, Punjab)/CLW(Chittaranjan Loco Works, Chittaranjan, West Bengal)/BLW (Banaras Locomotive Works, Varanasi, Uttar Pradesh)/CORE (Central Organization for Railway Electrification, Allahabad, Uttar Pradesh), the tenderer shall obtain such drawings/specifications from the respective issuing authorities, on payment of cost of the drawing/specification or download from the /drawing source approving authority website Where the tender has been invited as per BIS specifications or any other standards, it shall be the responsibility of the tenderer to arrange such documents from the respective issuing authority. South Western Railway shall provide no assistance to the vendors in this regard, and shall not be responsible for non- participation of vendors on account of delay in arranging such drawings/specifications.

20.2.2 Where the tenders have been invited as per South Western Railway drawings or specifications, scanned copies of such drawings/specifications shall normally be attached with the electronic tender. However, where it is not possible to do so, the drawings/specifications can be seen/ obtained from the Office of the Principal Chief Materials Manager, South Western Railway, Hubli- 580020, during office hours, on any working day before the closing date and time of the tender.

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

21.0 PRICE VARIATION CLAUSE

21.1 Unless otherwise specified in the Tender Schedule, Tenderers are advised to quote firm prices only. Offers of Tenderers quoting with PVC in such cases shall be summarily rejected.

21.2 However, wherever considered desirable by the purchaser, a Price Variation Clause may be incorporated in the Tender Schedule itself. In all such cases, where PVC formula and PVC base date/base rate has been incorporated in tender, the Tenderers are advised to submit their offers as per the PVC formula and Base Date/Base Rate incorporated in the tender document and offers received with fixed prices or with a different Price Variation formula or different base date/base rate shall be summarily rejected.

21.3 Tenderers who quote with PVC as stated in Para 21.2 above on account of escalation in price of raw materials may please note that such escalation claims will be subject to verification by the PFA with reference to the records that may be called for from them. Successful Tenderers will be required to produce complete records for verification/examination of their claims under price escalation before acceptance of such claim. If the tenderers fail to establish their claim by producing satisfactory records before the PFA/SWR, their claim will be disallowed and/or proportionately/suitably reduced.

21.4 For Price Variation Clause (PVC) payment in the cases where supply is made in the extended period of D.P. (with or without LD), it is clarified that unless otherwise specified – In case of delayed supply, Price Variation (PV) as applicable on the terminal date of the original D.P. is payable unless Price has decreased after the terminal date of the original Delivery Period, in which case, the decreased rate will be applicable.

22.0 PRICE/PURCHASE PREFERENCE

Purchase Preference will be given to MSEs as per details specified In Clause-3.0 ‘BENEFITS/PREFERENTIAL TREATMENT TO MICRO & SMALL ENTERPRISES (MSEs)’ of this document.

23.0 CARTEL FORMATION:

(a) Wherever all or most of the approved firms quote equal rates and cartel formation is suspected, Railways reserve the right to place order on one or more firms with exclusion of the rest without assigning any reasons whatsoever.

(b) 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, without any restrictions.

(c) Firms are required to quote for a quantity not less than 50% of the total tendered quantity for consideration of eligibility for regular ordering, and quantity not less than 10% of the total tendered quantity for consideration of eligibility for developmental ordering, as per the eligibility requirement of the tender. Offers for quantity less than 50% of total tendered quantity from vendors eligible for regular ordering and offers for quantity less than 10% of total tendered quantity from vendors eligible for developmental ordering will be considered unresponsive and will be summarily rejected. This condition will not be applicable if part quantity bidding is permitted in NIT. This however will be without any prejudice to Railway's right to distribute the tendered quantity & place order on one or more firms

(d) Firms who quote in cartel be warned that their names are likely to be deleted from list of approved sources.

(e) In the event of the offers confirming 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 statutory body constituted under "The Competition Act 2002 (12 of 2003)", for providing necessary relief to the purchaser who represent Central Government organization 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.

(f) **Discharge of Tenders: (In the event of lowest (L1) bidder withdrawing from the procurement process):**
If the bidder, whose bid has been found to be the lowest evaluated bid withdraws or whose bid has been accepted, fails to sign the procurement contract as may be required, or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, *the Procuring Entity shall cancel the procurement process and retendering in a transparent and fair manner. The authority may in such a situation call for limited or short notice tender if so justified in the interest of work and take a decision on the basis of lowest tender.*

24.0 OPTION CLAUSE:

24.1 Unless otherwise specified in the tender document, the purchaser shall be entitled to increase the order quantity by (+) 30% anytime within the delivery period (including extended delivery period). 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. As per extant instruction, operation of the option clause can be made any time within contractual delivery period giving reasonable time to the firm to supply the enhanced quantity. It may be noted that for invocation of the option clause, validity of the contract will be considered upto the contractual delivery period even though the supplies have been completed in advance.

24.2 In a contract that provides for quantity option clause, in case delivery period is extended either for the full ordered quantity or a part quantity which remained unsupplied on the date expiry of the original delivery period, then during the extended delivery period also, quantity variations can be made on the total ordered quantities.

24.3 Tenderers may please note that option clause is mandatory for Contracts valuing above Rs.1.5 Crores and where item is of continuing nature. However, Railway reserves the right to put the option clause in the

lower value contracts also.

Ref: RB letter no. **2021/RS(G)/779/5** dtd 04/03/22

25.0 SPLITTING OF TENDERED QUANTITY

25.1 Case of no prior decision to split the order-

(A) Normally a full order shall be placed on L-1 firm. However, if it is discovered that the quantity to be ordered is more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then the quantity being finally ordered will be distributed among the other tenderers 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 tenderers
(ii) Capacity of tenderers
(iii) Delivery requirements in the tender
(iv) Quantity under procurement
(v) Vital/safety nature of the items

(B) In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in Para 25.2.1 below.

25.2 Case of pre-decided split ordering –

25.2.1 Wherever pre-decided split ordering is mentioned in the tender document in advance to have more than one source of supply on account of delivery requirement in tender, past performance and capability of bidders, quantity under procurement and vital/safety nature of items, provision 25.2.1(a) to para 25.4 shall be applicable.

(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 orders load for the Railway making the procurement, quoted delivery schedule vis-a-vis the delivery schedule incorporated in the tender enquiry etc being same/similar) in the manner detailed in the table below:

Price Difference Between L1 AndL2	**Quantity distribution ratio between L-1 and L-2**
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 L-2 tenderer, the 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 were obtained at the time of tender opening. However, the rate of the highest eligible tenderer within the zone of consideration has to be per se reasonable.

(ii) When price negotiation has been called for, the reference L-1 rate for assessment of ratio will be the original rate of L-1 firm (suitable for bulk quantity)- say firm “A” –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.

25.2.2 However, in exceptional circumstances Railway reserves the right not to split the order quantity in cases of pre decided splitting.

25.3 For cases where the Rlys/PUs had entered into ToT(Transfer of technology)/JV agreements the following shall be applicable.
"As the Rly has entered into TOT/JV agreement with no. of firms, they reserve the right to place orders on all such TOT/JV agreement partners. However for ratio/proportion of quantity distribution among such agreement partners, conditions as detailed in Para 26.2.1(b) shall apply with the exception that the aspect of 'per-se reasonability' will not be applicable."

25.4 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 materials in requisite quantity to meet the needs of operation, maintenance, safety etc of the Railways, regardless of inter-se ranking of the tenderers and in a fair and transparent manner with due conformity to the Principles of Natural Justice and Equity.

Ref: RB letter no. **99/RS(G)/779/2 pt.** Dtd 11/02/2016

26.0 FALL CLAUSE

It stands deleted. If it is to be incorporated, the same should be done by specifically putting a clause in the Terms and conditions of the tender document.

Ref: RB letter no. **2022/RS(G)/779/2** dtd 14/02/22

27.0 REJECTION OF MATERIAL

27.1 Materials peculiar to railways such as parts and fittings of rolling stock except raw materials, which have been rejected during inspection and which could not be rectified are required to be defaced by the inspecting authority to avoid recycling of such rejected materials, and to avoid ultimate failures of assets. All such rejected materials peculiar to railways should be mechanically defaced to prevent sale to railways again.

27.2 **Handling of Rejection cases by Consignees:**

27.2.1 **A. Pre-inspected material rejected by consignee at the time of receipt-**

(i) Incase of rejection of pre-inspected goods at consignee end, the material rejection advice/ rejection memo should be sent by consignee to all concerned i.e. Firm, Purchaser, Pre-inspecting agency, paying authority as per contract etc. without fail.

(ii) **Financial recovery:** Incase payment has been made to the firm for the material, the concerned paying authority as per contract should note the rejection advice details in the recovery register for effecting recovery of payments made, as the case may be.

(iii) Joint Inspection is mandatory. Joint inspection of rejected material will be held with pre-inspecting agency and firm. In case of failure of either of the two parties to associate with joint inspection should be held by the consignee with whichever of the two parties comes for joint inspection. Irrespective of whether the party (ies) attend joint inspection or not, the modality of joint inspection etc will have to be completed within 21 days of communication of rejection advice to the supplier (inline with IRS conditions of Contract 2025 clause 7.6). 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) Incase of replacement supply against the rejected goods, the same should be pre-inspected by same pre-inspecting agency which passed the material earlier. No inspection charges will be paid by Railway to the inspection agency for the replacement supply.

(vi) However incase of component level rejection in an pre-inspected item (which is an assembly), the replacement supply of the component can be accepted based on firm's internal inspection certificate and final inspection by consignee.

B. Handling of Warranty Rejection

Materials are rejected under warranty in the following situations:

(A) Material rejected was issued to the user (shop/shed etc) from its attached Stores Depot or attached User Depot (both Stock & Non-stock).

(B) Material rejected was received from a PU or a Stores Depot or a User Depot which is not the attached depot of the end user including that received directly through centralized procurement (both Stock & Non-stock).

(C) Material was rejected in the field and was fitted at some other Workshop/Shed/Depot. Material either received or fitted through Supply Contract, Works Contract or Service Contract or any other type of contracts (both Stock & Non-stock).

(D) Failure of components of Rolling Stocks received from Railway PUs/ PSUs/ Workshops/ Private Manufacturers.

The Detailed Methodology of handling these rejections will be as given at **ANNEXURE- 9** on the subject- **'Handling of Warranty Rejections'**.

28.0 MARKING OF STORE

28.1. Contractor/Manufacturer must inscribe/ engrave/ screen-print/ emboss vendor's name/identification marks as well as month and year of manufacture on item supplied to South Western Railway. The location of these identification should be such that they do not affect the functional utility and structural stability of the components/materials, and also do not get obliterated on wear and tear. For very small items where marking on individual item is not possible, the vendor will arrange to print Vendor's name/identification marks as well as month and year of manufacture on standard packing, after obtaining specific approval from the purchaser in each case. The decision of the purchaser on whether such approval is to be granted or not shall be final and binding.

28.2 IRS Conditions of contract 2025 Para 6.2: Marking of Goods is also applicable.

29.0. PUBLIC PROCUREMENT (Preference to Make in India):

The Public Procurement (Preference to Make in India) Order, 2017 -Revision dated 19.07.2024 (further circulated by Railway Board vide letter No-202/RS(G)/779/2/Pt.1(E3322671) dated 20.08.2024) issued by Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Government of India shall be applicable,

29.1 **LOCAL CONTENT**: 'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, 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.

(a) 'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement meets the minimum local content as prescribed for 'Class-I local supplier' under this order.

Generally, the local content to categorize a supplier as 'Class-I local supplier' is minimum 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 as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' under this order. For 'Class-II local supplier', the local content requirement is minimum 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' under this order.

(d) Margin of Purchase Preference: The margin of Purchase preference shall be 20%. '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

(e) Fee for complaints:
Fee for filing a complaint under the order shall be Rs.10,000/- per case. The complaint shall be filed in the office of the PCMM/SER. The fee shall be deposited with the office of the PFA/SER.

29.2 <u>Verification of local content:</u>

a. The 'Class-I local supplier'/'Class-II local supplier' at the time of tender, bidding or solicitation 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 location(s) at which the local value addition is made.

b. In case of procurement for a value in excess of Rs.10 crores, the local supplier is required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content as specified in above order mentioned in Para 29.0.

c. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

d. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment.

e. Debarment of bidders:
In respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading of CPPP so that ongoing procurements are not disrupted.

f. Reciprocity Clause:
Entities of countries which have been identified by the Nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that Ministry/Department shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/Department, except for the list of items published by the Ministry/Department permitting their participation.

The term 'Entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.

29.3 Requirement **of Purchase Preference:**

Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this order, purchase preference shall be given to 'Class-I local supplier' in all procurements undertaken by procuring entities in the manner specified hereunder:

a) In procurement of all goods, services or works in respect of which the Nodal Ministry/Department has

communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the order, 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'.

c) In the procurements of goods or works, which are covered by Sub Para 29.3 (b) 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:

(i) 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.

(ii) If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Therefore, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on 'Class-I local supplier', then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurements of goods or works, which are covered by Sub Para 29.3 (b) 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:

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

ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', 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.

iii. In case such 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 supplier' within the margin of purchase preference matches the L1 price; the contract may be awarded to the L1 bidder.

(d) 'Class-II local supplier' will not get purchase preference in any procurement undertaken by procuring entities.

(e) 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 L 1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure.

(i) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, 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'.

(ii) 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.

(ii). (a) If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in

any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 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 purchase preference of the lowest 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 at least 50% of the tendered quantity.

(ii). (b) 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.

29.4 Exemption of small purchases:

For small value procurements where the estimated value to be procured is less than Rs.5 lakhs shall be exempted from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

29.5 Procurement of spare parts, consumables for closed systems and maintenance/Service contract with Original Equipment Manufacturer/original Equipment Supplier/Original Part Manufacturer shall be exempted from this order.

29.6 In keeping with the public procurement (preference to Make in India) Order, 2017, as amended, wherever it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore public procurement of the item is restricted to Class-I local suppliers only 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 supplier for the tendered item participates in the tender it does so at it's own risk and cost and railways shall not be liable for any loss or damage caused to the vendor.

30.0 SPECIAL CONDITIONS OF TENDERS FOR MACHINERY & PLANT ITEMS:

i) Technical Compliance:

The tenderers should give para-wise comments on the technical specification to indicate whether the equipment offered meets the tender specifications. The offer should be accompanied with complete details of technical parameters.

ii) Authorization Letter:

In case, the tenderer is an agent of the manufacturer, they should clearly indicate the same and also enclose tender specific authorization certificate from the manufacturer to this effect and also mention the place where the equipment will be offered for pre-inspection before despatch.

iii) Validity

The offer should be kept valid for 120 days from the date of opening of the tender otherwise the offer is liable to be treated as unresponsive and ignored.

iv) After Sales Service

The tenderers should confirm that they will render quick after sales service during the warranty period of the machine and advise details of their after sales net-work/ office which will render the said service.

v) Commissioning & Proving Test:

a) The contractor shall arrange commissioning of the equipment at the consignee's premises. He shall carry out necessary proving test to demonstrate the performance of equipment, after its successful commissioning, to entire satisfaction of the consignee.

b) The Contractor or his agents shall commission the machine within stipulated time as stipulated in the contract. This time frame will be applicable from the date of intimation from the consignee in respect of readiness for commissioning of the machine in cases where the machine is to be installed by the consignee. The time schedule includes the time for installation in cases where installation is also to be undertaken by the contractor.

c) The time allowed for commissioning of machine shall be deemed to be the essence of the contract. In case of delay in commissioning of the machine on the part of the contractor, the purchaser shall be entitled to recover and the Contractor shall be liable to pay liquidated damages at the rate of 0.5% of the total contract value for each and every week or part thereof for which commissioning is delayed, provided always that the entire amount of liquidated damages to be paid under the provision of this clause shall not exceed 10% of the total contract value. Failure to install/ commission the machine within stipulated time after intimation from the consignee will be taken as breach of contract and purchaser will be at liberty to forfeit the Security Money furnished by the supplier without any prejudice to other rights under the contract.

d) Continuance of commissioning work after expiry of stipulated time will also constitute a default for the purpose of the clause (c) above. The decision of the Purchaser, whether the delay in commissioning has taken for reasons attributed to the Contractor, shall be final.

vi) Training:

The contractor during commissioning and installation of the equipment will also train Railway staff free of cost in operation and maintenance of equipment supplied.

vii) Maintenance manual & Spare Parts:

Contractor is required to supply 2 copies of operation and maintenance manual and lists of spare parts along with equipment.

viii) WARRANTY:

a) Warranty period for M&P will be 24 (twenty four) months from the date of commissioning and proving out of M&P. A Maximum period of 2 (two) weeks will be allowed for attending and recertification of faults during the warranty period.

b) 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.

c) 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 rectifications of faults beyond specified time during the warranty period as detailed above.

d) Maximum penalty to be levied on account of warranty failure will be 10%(Ten percent) of the contract value calculated during whole of warrantee period and after that if there is any delay on the part of supplier, purchaser shall be entitled for encashment of WG Bonds. In such cases the bad performance of firm during the warranty period, the same should be recorded and circulated to all Railways. The same should be given due regard in deciding future orders on the firm and when evidence to the contrary is not available, the firm's offer may be even rejected.

ix) Payment terms:

(i) Payment to foreign supplier: Payment against foreign supplies shall be made through the Letter of Credit. All charges including the confirmation charges of L.C., levied by foreign Banks, shall be borne by the supplier. The standard payment terms subject to recoveries if any, under the liquidated damages clause and general conditions of contract will be as under:

(a) 80% of the payment against irrevocable L.C. on proof of inspection certificate and shipping documents within 30 days of receipt of shipping documents as specified.

(b) Balance 20% payment within 90 days after installation/commissioning and proving out test of M&P subject to submission of bank guarantee for an amount of 10% of contract value, as warranty security valid beyond six months from the expiry of warranty period.

(ii) Payment against indigenous supply: The standard payment terms subject to recoveries if any, under the liquidated damages clause and general conditions of contract will be as under:-

(a) 80% of the payment on proof of inspection certificate and Rail/Road Challan to be made against documents as specified.

(b) Balance 20% payment after satisfactory installation/commissioning and proving test of M&P subject to submission of bank guarantee for an amount of 10% of contract value, as warranty security valid beyond six months from the expiry of warranty period.

x) Element of Freight for indigenous purchase-

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

(b) In case where the consignees are four or less, tenderers are required to quote FOR station of despatch price with actual freight for each individual consignee, which will be added to FOR station of despatch price to get FOR destination price for each individual consignee.

xi) Timely commissioning of M&P-

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

xii) Annual Maintenance Contract-

(a) Tenderers are required to quote for post warranty Annual Maintenance for a period of five years after expiry of the warranty period of the M&P along with their offers.

(b) Tenderers are required to mention such AMC schedule of such Annual periodic maintenance along with offer giving the charges for AMC maintenance schedule and other details of items to be used in such preventive maintenance.

(c) The charges of Annual preventive maintenance schedule for five years alongwith the cost of items to be used in preventative maintenance schedule during these five years are payable to supplier and sum total of these charges would be included in the FOR destination price quoted for M&P forthe purpose of comparative evaluation of offer.

(d) Tenderers are required to give the cost of essential spares and service charges for each items of work of repair of M&P outside preventive maintenance contract. These charges will not be included in the price of M&P for the purpose of comparative evaluation of offers.

(e) The terms & conditions of AMC must clearly specify the maximum down time and maximum response time.

(f) 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 machinery/equipment.

(g) Rate of Discounting will be 10% for tenders with AMC unless otherwise specified in tender document.

xiii) Inspection:- As stipulated in Terms and condition of Tender Document.

31.0 INCLUSION OF MODE OF PAYMENT THROUGH LETTER OF CREDIT (LC) AS OPTION IN SUPPLY/WORKS CONTRACTS

1. Ministry of Railways decided that henceforth, all Tenders invited by Zonal Railways and Production Units, both for Supplies/ Works (including all service and maintenance contracts) having estimated value

ofRs.10 lakhs and above, shall include in tender conditions, an option for the supplier/contractor to take payment from Railways through a letter of credit (LC) arrangement. This would be subject to the following:-

(i) The bidder, at the time of bidding itself, shall exercise an option in writing, in favour of taking payment due against the said tender, through LC arrangement.
(ii) The option so exercised, shall be an integral part of the bidder's offer. Option once exercised shall be final and no change shall be permitted, thereafter, during the course of execution of contract.
(iii) The incidental cost towards issue of LC and operation thereof (LC operating charges, including bank charges for opening of LC) shall be borne by the supplier/ contractor.
(iv) The above arrangement should be made a part of the Tender conditions and Contract conditions.
(v) The LC will be a sight LC.

2. The Banker for Railways for the ensuing one year, for opening domestic letters of credit shall be State Bank of India through its branches. The arrangement would cover all such contracts finalized against tender issued in the said year and shall extend till final execution of these contracts.

3. The schedule of payment liability arising in the contract shall be established by the Railways based on the prescribed delivery schedule/stages of supply/ work, in consultation with supplier/contractor. The Railway's Banker should also be involved in the process to assess value of LC and terms and conditions of LC.

4. The LC condition of Railways shall inter-alia provide that Railways will issue a Document of Authorization on claims preferred by supplier/ contractor, for completed Work/ Supply to enable them to claim the authorized amount from their Banker. The Document of Authorisation will be issued against each Bill submitted for payment by supplier/ contractor, after exercising laid down checks as per Railways' Codes and Manuals, in executive and accounts branches. The accounts Officer responsible for passing the claim will issue the Document of Authorization. Issue of Document of Authorization will be captured in IPAS and IREPS to ensure that there is no duplicate payment against the said Bill and also to enable the supplier/ contractor to view status of the claim. The Letter of Credit signed between the bank and Railways should specifically mention that any excess/ wrong payment made by the bank and later detected by the Railways, will be recovered from the bank.
5. The Railways will ensure that Document of Authorization is generated well within the time prescribed in para (iv) Railway Board's letter no. 2017/AC II (CC)/37/16 dated 27.10.2017 (RBA No. 15/2017). Non issue of Document of Authorization must be communicated, with reasons thereof, to concerned supplier/ contractor electronically as envisaged in para v of RBA 155/2017.

6. The supplier/ contractor will present the Document of Authorization to his/her Banker for necessary payments as per LC terms and condition. After release of payment to the supplier, the banker of the supplier/ contractor will send this Document to the Railways' Banker for release of payment to them (supplier's Banker). The Railway's Banker will reimburse, claim made by Banker of supplier/ contractor, against original Document of Authorization after verifying signatures of authorized signatory of Railways and Bill of Exchange issued by contactor / supplier.

7. The LC charges paid by the Railways for opening and operation of LC shall be charged to the relevant expenditure head:

Misc Advance (LC charges paid to bank)	Dr.
Misc. Adv. GST (IGST/CGST/SGST)	Dr.
Cheques & Bills	Cr.

The amount of GST paid shall be available for set off against output liability.

8. On issue of Document of Authorization, following accounting entries shall be made: -

Relevant Expenditure head	Dr.
Misc. Adv.	Cr.

(Clearance of LC charges paid to bank from LC operating charges collected from party GST on incidental charges shall be paid by the party on reverse charge basis)

Sundry Other Earnings	Cr.

(Amount recovered over and above LC charges paid to Bank)

Demands Payable/ Misc Advance Cap.* Cr.
(As the case may be as per letter of authorization - *Demands Payable for Revenue and Misc. Advance Cap for capital transaction)
An invoice shall be issued against party for collecting the incidental charges at the time of issue of Document of Authorization.

9. The reimbursement procedure in case of accredited banks selected as Railways' banker will be directly debiting the amount to the government account through scrolls. In case of non-accredited banks, the Accounts Officer concerned while authorizing a non-accredited bank to open LC will send copy of their letter to RBI/ Public Accounts Department/ Mumbai and after verification/ checks regarding authorization, RBI/ PAD will forward the papers to RBI/ CAS/ Nagpur with appropriate instructions for debiting Govt. account and make reimbursement to the paying bank on demand. After making the payment, the non-accredited bank authorized to open LC wil send documents and also Accounts Officer's letter in original to RBI/ CAS /Nagpur for debiting Govt. account and getting reimbursement. After making payment to the party, the paying bank will also send a copy of the scrolls/ documents to the PAO who issued the authorization for opening of LC. (Authority: Ministry of Finance's letter no. 1(13)(6)/2000/TA/338 DATED 17.06.2004 circulated vide Board's letter no. 2003/AC-II/9/3/Pt. dated 12.8.2004). A copy of the scroll will also be sent to Focal Point Branch of the bank for settlement and reporting as per extant system in vogue. The scroll should contain LCDA no. on scroll to facilitate reconciliation. Daily MIS thereof shall also be sent to CRIS.
10. On receipt of debit scrolls/ documents, the Accounts Office will conduct necessary checks and debit Demands Payable / Misc. Advance (Cap) by credit to suspense head 8660 PSB Suspense. This suspense will be cleared by the Accounts Officer on receipt of the clearance memo from CAS/Nagpur.

11. The Railways will get confirmation from their Banker once the payment is released to supplier's/ contractor's Banker. Acknowledgement will be placed in Purchase Order/ Contract file and Contractors Ledger and Works Register/ Purchase Suspense Ledger will be updated accordingly.

12. It is expected that Railways would see reduction in rates offered in works and supply contract. The impact of release of payment through LC should, therefore, be evaluated after a year and reported to Board for appraisal.

Format of Document of Authorization as an annexure is below.

Annexure

LC/DA No. ……
Dated: _____

Document of Authorization

1. It is certified that Work Job assigned in Contract No dated

…… under Inland Letter of Credit No dated

Or

Goods received/ Works order completed Stage – Phase 1/2/3/4/5.

2. The beneficiary of Letter of Credit M/s is entitled to receive payment aggregating INR Out of a total LC amount of INR …….. against the first/ second * commercial Invoice No. …….. dated for INR raised against the above contract on the strength of this Certificate.

3. PAYMENTS ALREADY MADE :

1. Invoice No.
2. Invoice No. & so on Total

4. THIS PAYMENT:

5. LC BALANCE AFTER THIS PAYMENT :

Signature & Seal of Applicant
(Railway Authority)

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 bidder, at the time of bidding itself, shall exercise an option, in favour of taking payment due against the said tender, through LC arrangement. The option so exercised, 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.

32.0 SHARING LAND BORDER WITH INDIA CLAUSE:(Rule 144(xi) of GFR -2017)

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. Further, any bidder (including bidder from India) having specified Transfer of Technology (ToT) arrangement with an entity from a country which shares a land border with India, shall also require to be registered with the same competent authority.

32.1 "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. "Bidder (or entity) 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.

32.2 The beneficial owner for the purpose of 32.1 (d) above will be as under:

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

(i) "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;

(ii) "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;

(b) 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;

(c) 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;

(d) Where no natural person is identified under (a) or (b) or (c) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;

(e) 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.

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

32.4 The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

32.5 Bidders will submit the certificate for Compliance as per **Annexure-8** of this document along-with their Bid/Offer.

32.6 The registration shall be valid at the time of submission of bid and at the time of acceptance of bid. Wherever applicable, evidence of valid registration by the Competent Authority shall be attached /uploaded along with the bid/offer.

32.7 If the bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution.

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ANNEXURE-1

GUIDELINES FOR ELECTRONIC REVERSE AUCTION

Conduct and reporting of reverse auction shall be as per following Paras:

1. Offers not complying with essential technical and commercial requirements of the tender shall be declared as ineligible for award of contract.

2. Technical and commercial evaluation of bids shall be done by a tender committee, as per extant guidelines, delegation and the estimated value of tender. Recommendations of tender committee shall be considered by tender accepting authority, as per existing guidelines.

3. (a) Financial bid: Financial bid shall comprise of final price offer obtained through reverse auction. Following conditions and procedure shall be followed in selection of bidders for conduct of reverse auction.

Selection of vendors for reverse auction for award of contract in bulk ordering in stores tenders:

Number of tenders qualified for award of contract/bulk order	Number of tenderers to be selected for reverse auction	Remarks
<3	Nil *	The bids disallowed from participating in the reverse auction shall be the highest bidder(s) in the tabulation of initial price offer. In case the highest bidders quote the same rate, the initial price offer received last, as per time log of IREPS, shall be removed first, on the principle of last in first out, by IREPS system itself.
3 to 6	3	
More than 6	50% of vendors qualified for bulk order/award of contract (rounded off to next higher integer).	

NOTE :

(I) *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).

(II) In case of stores tender selection of vendors for Reverse Auction for developmental ordering : Offers qualified for Developmental 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.

(III) MSE criteria : All MSEs (Micro and Small Enterprises) found Qualified for Bulk /Developmental Orders/Award of Contract but could not be selected for Revere Auction as per criteria stipulated in para 3(a) and 3 (a) Note (ii) 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 in para 3(a) and 3 (a) Note (ii) 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.

(IV) 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 in para 3(a) and 3 (a) Note (ii) 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.

3 (b). During reverse auction process, bidders shall not be allowed to bid a rate higher than the lowest initial price offer.

4. 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. 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. Purchaser shall not be permitted to see any of the auction screens. Purchaser should only be intimated on website about the status of reverse auction i.e. when the auction will start/ had started, whether the auction is live or whether the auction has closed.

5. 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 the bidders which were eliminated from Reverse Auction in terms of Para 3(a) above 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.

6. (a) MSME criteria of considering offers from MSEs quoting within L-1 + 15% for 25% of NPQ is to be followed for all goods and services tenders. Details are given in GCC.
(b) Make in India preference order is to be followed for all goods, services and works tenders wherever applicable as per guidelines. Details are given in GCC.

(c) Withdrawal of L-1 offer: In case of withdrawal of offer of L-1 bidder, the tender need not necessarily be discharged in case of tenders for procurement of goods and services.

7. Procedure for conduct and Reporting of R.A.

(i) Convener of the tender committee shall fix the following on case to case basis, depending upon the nature of item/work/service and complexity of case on hand. These shall be indicated in the tender for e-RA itself.
   (a) Initial e-RA period: this shall be the initial time interval for e-RA, e-RA shall be open for this duration.
   (b) Auto extension period: in case any offer is received in the time period equal to auto extension period before close of initial e-Ra period, the e-Ra shall be extended for time equal to auto extension period from the time of last bid. There shall be no upper limit onnumber of auto extensions. When no offer is received in the last auto extension period, e-RA shall close.
   (c) Minimum decrement in percentage of value of the last successful bid.

(ii) Date and time for start of e-RA shall be communicated to qualified tenderers by the convener after evaluation of the technical bids.
(iii) After submission of initial price bid, tenderers will not be allowed to revise the taxes and other levies.
(iv) During auction period, identities of the participating tenderers will be kept hidden.
(v) Minimum admissible bid value will be last bid value minus minimum decrement as specified by the tendering authority before starting of reverse auction. Starting point for reverse auction shall be the lowest initial price bid of the tenderer eligible for award of contract.

(vi) After close of the RA, tabulation of last (minimum) bids received from all the tenderers will be generated and made visible to railways and participating tenders.
(vii) Railway users can also view the bidding history in chronological order.
(viii) Bidders not be allowed to withdraw their last offer.
(ix) L-1 will be defined as the lowest bid obtained after the closure of RA session for goods, works and services tenders.

ANNEXURE-2

PROFORMA FOR PERFORMANCE STATEMENT

(FOR A PERIOD OF THREE PRECEDING COMPLETED FINANCIAL YEAR AND CURRENT YEAR UPTO DATE OF TENDER OPENING)

(Please submit details year-wise)

Tender No.		Date of opening	
Name of Firm		Time	

Sr.	Order Placed by	Order No.	Description of stores	Quantity ordered	Quantity actually supplied	Delivery completion date	Have the stores been satisfactorily supplied and any adverse comment from Purchaser/user

Copies of qualifying Purchase Orders and execution documents like R Notes/Inspection Certificates/Receipted Challan(in case of Non-stock items) etc. should be attached by the tenderer.

Signature and seal of the manufacturer/Tenderer

ANNEXURE-3

PROFORMA FOR EQUIPMENT AND QUALITY CONTROL

Tender No.		Date of opening	
Name of Firm		Time	

Note: All details required only for the items tendered.

1. Name & full address of the firm.
2. Telephone & FAX No. office/factory/Works.
3. E-Mail address.
4. Location of the manufacturing factory.
5. Details of industrial license. Wherever required as per statutory regulations.
6. Details of plant & machinery erected and functioning in each Deptt. (Monographs & description pamphlets be supplied if available.)
7. Details of the process of manufacture in the factory in brief.
8. Details & stocks of raw materials held.
9. Production capacity of item(s) quoted for with the existing plant & Machinery.

9.1 Normal

9.2 Maximum

10. Details of arrangement for quality control of products such as laboratory testing equipment etc.
11. Details of staff

11.1 Details of technical supervisory staff-in-charge of production & quality control

11.2 Skilled labour employed

11.3 Unskilled labour employed

11.4 Maximum No. of workers (skilled & unskilled) employed on any day during the 18 months preceding the date of application.

12. Whether stores are tested to any standard specification, if so copies of original test certificates should be submitted in triplicate.
13. Are you registered with the Directorate General of supplies & Disposals, New Delhi? If so, furnish full particulars of registration, period of currency etc.
14. Are you a small scale unit, registered with the National Small Industries Corporation ltd.? If so, furnish full particulars of registration, currency period etc.

Signature and seal of the manufacturer/Tenderer

ANNEXURE-4

PROFORMA FOR TENDER SPECIFIC AUTHORIZATION FROM MANUFACTURERS

Authorization Letter No……

Dated……

To,
The President Of India,
Acting through the Principal Chief Materials Manager,
South Western Railway
Hubli -580020

Dear Sir,
Subject: - PCMM./S.W.Rly/GRC Tender No.....Due on ……

We .....an established and reputed manufacturer of.....having factories at…….....do hereby authorize M/s……(Name and address of Agents) to represent us, to bid, negotiate and conclude the contract on our behalf with you against Tender No.....dated……

No company/firm or individual other than M/s……is authorized to represent us in regard to this business against this Specific tender.

Yours faithfully,

Signature and seal

(NAME)……

For & on behalf of M/s. .....

(Name of Manufacturers)

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

ANNEXURE-5

PROFORMA FOR BANK GUARANTEE TOWARDS SECURITY DEPOSIT (SD)

TO,

The President Of India,
Acting through Principal Financial Advisor,
South Western Railway
Gadag Road, HUBLI – 580020

GUARANTEE BOND

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

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

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

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

5. We ---------- (Indicate name of the bank) further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Contractor(s) or 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 name of bank) lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing. Date the ---------- day of----------.

For----------(Bank's name)
(Bank's common seal)

ANNEXURE-6

CHECK LIST FOR SUBMITTING THE ONLINE BILLS FOR PAYMENT

1. R/Note should be checked to ensure that the particulars of PO's, I/C, MA's etc. mentioned there are correct. If any discrepancies is found, the firm should contact the consignee officer to get it corrected by issue of Alteration Memo. Such Alteration Memo should also be submitted along with the Bill.

2. In view of Rly. Bd.'s Circular No. 2008/RS(G)/777/1 dt. 10.01.2019, the relationship between the purchaser and consignee, for supply of goods on Indian Railways, does not make purchaser as the 'Third Person' under section 10(1)(B) of the IGST Act.
   Hence, the following should be noted and ensured:
   (i) GSTR1 to be filled according to Tax Invoice data in time with proper Rly. GSTIN i.e. Consignee's GSTIN only.

3. Following documents needs to be submitted along with the Bills:
   a) ITC Declaration,
   b) Aggregate Turnover Declaration to be uploaded in IREPS. However, for GEM bills, it is to be submitted in every case.
   c) Declaration of HSN Code and GST Rates. If there is any change of GST applicable, the corresponding Amendment of PO should also be enclosed.
   d) If the Bill submitted before due date of GSTR1 filing, then a declaration towards commitment to timely filing of GSTR1 is required by mentioning P.O No., Invoice No., Firm's GSTIN, Rly. GSTIN, Nature of Tax (IGST or CGST and SGST), Tax Amount etc.
   e) Guarantee/Warrantee Certificate, Freight payment Documents [if Freight charges applicable], R.R Documents [if F.O.R conditions applicable] should be uploaded along with Bill.

4. The following are also to be ensured:
   a) The system does not permit passing of two Bills with same Invoice number even if these pertain to different Zonal Railways. Please ensure to have unique Invoice number for each Invoice.
   b) Bill data, Tax Invoice/e-Invoice data & GSTR1 data (such as Tax Invoice No., Taxable Amount, IGST or CGST and SGST Amount) should be identical.
   c) Bill Qty. should be equal to full Invoice Qty.

5. Bill for release of SD or release of BG/FDR is entertained only after full payment against the corresponding PO is made. Such bills should be accompanied with No Claim Declaration by the Firm.

ANNEXURE-7

PROFORMA FOR WARRANTY GUARANTEE BOND

TO,
THE PRESIDENT OF INDIA,
Acting through Principal Financial Advisor,
South Western Railway
Gadag Road, HUBLI – 580020

Sub: Guarantee No. --------- for ---------- (Amount) Covering Machine(s) Serial No supplied to (Consignee/s) - ----------.

Ref: Contract No. ---------- dated -------placed on M/ s. ----------

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

2 AND WHEREAS according to the terms of said contract, it has been stipulated that payment of 10 per cent of the value of the stores would be made, provided that the Sellers furnish to the Purchaser a Bank Guarantee from a recognized Bank, acceptable to the Purchaser for 10 per cent of the value of the said contract, valid for a period covering in full the Guarantee Period as per the Warranty clause of the said conditions of the contract, being the conditions attached to and forming part of the said contract.

3 AND WHEREAS the Sellers have approached us to give the said Bank Guarantee on their behalf in your favour for an amount representing 10 per cent of the value of the contract which you have agreed to accept.

4 That in consideration of the promises and at the request, of the said Sellers, we hereby irrevocably undertake and guarantee to pay to the Government of India or at such other place as may be determined by you forthwith on demand and without any demur, any sum up to a maximum amount of ---------- (Rs.----------) representing 10 per cent of the value of the Stores despatched under the said contract in case the Sellers make default in paying the said sum or make any default in the performance observance or discharge of the guarantee contained in the said contract.

5 We agree that the decision of the Government whether any default has occurred or has been committed by the Sellers in the performance, observance or discharge of the guarantee aforesaid shall be, conclusive and binding on us.

6 Government shall be at liberty, from time to time, to grant or allow extension of time or give other indulgence to the said Sellers or to modify the terms and conditions of the contract with the said Sellers without affecting or impairing this guarantee or our liability hereunder.

7 We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Sellers in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge to our liability for payment there under and the Sellers shall have no claim against us for making such payment.

8 This Bank guarantee comes in to force when the balance ten percent of the value of the stores shipped per Vessel ---------- vide Bill of Lading No. ---------- dated ---------- or R/ R No. ---------- dated------(in the case of indigenous contracts) under the said contract, has been paid and will remain in full force and effect up to ---------- i.e. for months counted from the date of placing the stores in services, and shall continue to be enforceable for further six months i.e. up to ---------- (date), hereinafter called the said date.

9 This guarantee will not be discharged due to the change in the constitution of the Bank or the Sellers.

10 That no claim under this guarantee shall be entertained by us unless the same has been preferred by the Government within the said date.

Date - - - - - - - Signature - - - - - - - - - - -

Place ---------- Printed Name ----------

Witness _

Read and Accepted.

Signature of Tenderer ----------
(Designation)
(Banks common Seal)

ANNEXURE-8

LAND BORDER SHARING POLICY

Certificate from Bidder for compliance
(To be uploaded/attached along with their Bid/Offer)

I have read the clause/Para regarding restrictions on procurement from a bidder of a country which shares a land border with India or bidder who has a specified Transfer of Technology (T.O.T) arrangement with an entity from a country which shares a land border with India and on sub-contracting to contractors from such countries.

B. I certify that M/s…….. (Name of Bidder) is from such a country or have a specified Transfer of Technology (T.O.T) arrangement with such an entity from a country which shares a land border with India and has been registered with the Competent Authority. I also certify that M/s---------- has products/services of entity from such countries and these entity/entities are also registered with the Competent Authority. I also certify that M/s----------has sub-contracted some work to a contractor from such countries and that such contractor is registered with the Competent Authority.

I hereby certify that M/s----------(Name of Bidder) fulfills all requirements in this regard and is eligible to be considered.

I hereby acknowledge that in the event of acceptance of my bid on above certificate and if the certificate is found to be false at any stage, the false certificate would be a ground for immediate termination of contract and further legal action in accordance with the Law.

(Signature & Name of Authorized person of the Bidder)
Name & address of the Bidders with Stamp

Note:

1. Bidders to give certificate as per their status.
2. Where applicable, evidence of valid registration by the Competent Authority shall be attached/uploaded along with the bid/offer.
3. Bidders are advised to attach/upload the certificate duly signed by authorized person of the Bidder and duly stamped along with their Bid/Offer.

ANNEXURE-9

WARRANTY REJECTIONS

1. Materials are rejected under warranty in the following situations:

(A) Material rejected was issued to the user (shop/shed etc) from its attached Stores Depot or attached User Depot (both Stock & Non-stock).

(B) Material rejected was received from a PU or a Stores Depot or a User Depot which is not the attached depot of the end user including that received directly through centralized procurement (both Stock & Non-stock).

(C) Material was rejected in the field and was fitted at some other Workshop/Shed/Depot. Material either received or fitted through Supply Contract, Works Contract or Service Contract or any other type of contracts (both Stock & Non-stock).

(D) Failure of components of Rolling Stocks received from Railway PUs/ PSUs/ Workshops/Private Manufacturers

The Methodology of handling these rejections are dealt with below:

(A) For Warranty rejection in Shop/Shed etc where rejected material was issued from its attached Stores Depot or attached User Depot (both Stock and Non-stock items)-

i. In case the material was accounted for in Stores Depot in iMMS after receipt from vendor, end- user shall register the warranty complaints with reasons and other details, as required, on the

systems like CMM/FMM/WISE/SLAM/MU etc. available with them & electronically transfer such data to UDM through integrated system or shall register the warranty complaints directly in UDM (as convenient and practical for the end- user) and issue “Advice Note” of returned stores on UDM with the approval of competent authority (Gazetted Officer) to return the rejected material to attached Stores Depot for issuing “Warranty Rejection Advice” (i.e. warranty claims lodging) by attached Stores Depot.

However, in case the material was accounted for in User Depot in UDM after receipt from the vendor, there is no need for issuing “Advice Note” & to return the rejected material to attached Stores Depot.

“Warranty Rejection Advice” (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end consignee of attached Stores Depot/ User Depot (depending upon where rejected material was accounted for after receipt from vendor) on iMMS/UDMafter getting the warranty rejected material from end-user.

Before, issuing the “Warranty Rejection Advice”, the concerned user of iMMS/UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO (Purchase Order) and applicability of warranty period and ensure that other details including reason(s) for warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract. This should be decided within 15 days.

ii. Rejected material shall be taken out from the ledger of Stock-Holder in iMMS/UDM (as the case may be). The “Warranty Rejection Advice” shall be issued on iMMS/UDM by attached Stores Depot/ User Depot to all concerned i.e. firm, purchaser, pre-inspecting agency, vendor approving agency, paying authority etc. as per the contract- without fail.

iii. In the Warranty Rejection Advice, the vendor shall be called upon for replacement of rejected stores or for

deposition of equivalent amount of rejected material, within a period of 60 days from the date of Warranty Rejection Advice. Date of issue of Warranty Rejection Advice by gazetted officer to be taken as date of Warranty Rejection Advice.

iv. It shall be ensured that initiation of warranty complaint by user and issue of Warranty Rejection Advice in UDM/iMMS is not delayed by concerned officials/officers and warranty rejection advice should be issued within 15 days of detection of warranty complaint. However, if the warranty complaint is detected within warranty period, the "Warranty Rejection Advice" must be issued within warranty period.

On issue of "Warranty Rejection Advice", the "Warranty Rejection Register" should automatically get updated.

v. On getting 'warranty rejection advice', inspection agency shall take suitable action for any system improvements required to improve inspection process. Recovery of inspection charges from the concerned inspecting agency for the rejected item(s) shall be made by any bill paying authority across IR only in case of epidemic failures after holding joint inspection when it is established that such rejection has taken place due to failure attributable to the inspection agency as per its role under the purchase order. in such cases, after joint inspection, 'inspection charges recovery advice' shall be issued by officer issuing 'warranty rejection advice'. Claim for recovery of inspection charges against the concerned 3rd party inspecting agency (like RITES etc) shall automatically get noted into 'centralized recovery register' maintained in IPAS on the basis of 'inspection charges recovery advice', which shall specifically mentioned the name of inspecting agency and rate of inspection charges on pro-rata basis for the quantity rejected. After recovery of inspection charges by any bill paying authority, 'centralized recovery register' w.r.t. recovery of inspection charges to be automatically updated in IPAS to that extent so as to avoid multiple recoveries of inspection charges by different railways and communicate the recovered amount to iMMS/UDM.

vi. Deleted.

vii. Firm shall be allowed to collect the rejected materials only after deposition of payments already made by Railway (if any) to them or after recovery of equivalent amount by Accounts or against replacement quantity. Rejected material should be suitably defaced before handing-over to the firm to avoid re-use and necessary provision about digital capturing in respective modules may be done.

viii. Warranty Quantity Replacement-

a. Replacement of rejected quantity shall be made to the end consignee at the Stores Depot/User Depot which received the original supply from the firm.

b. The warranty quantity replacement will be supplied and accounted for in iMMS through R/Note & RO if "Warranty Rejection Advice" has been issued through iMMS. However, where "Warranty Rejection Advice" has been issued through UDM, the warranty quantity replacement will be supplied and accounted for in UDM through CRN. R-Note/CRN should be clearly marked as "Warranty Replacement CRN/R-Note, Not for Payment".

c. Item/equipment supplied against a particular warranty claim should be used to close that warranty claim only. Any alternate use of the material can be done only with the written consent of the firm.

ix. Replaced/rectified material shall have warranty for the replaced/rectified goods till the original warranty period plus the time from the warranty rejection advice to material replacement/rectification. Record for the same shall be maintained by the system.

x. Vendor would be permitted to lift the rejected material (subject to clause 1 (A) (vii) above) 'free of cost' within the period mentioned in Para 1 (A) (iii) above (i.e. 60 days from the date of warranty rejection advice). After

this time, ground rent shall be applicable.

In cases where firm fails to lift the warranty rejected material within the time period mentioned in Para Clause 11 of IRS conditions of contract 2025 (i.e. 3 months from the date of issue of warranty rejection advice by the gazetted officer), at the expiry of the period, no claim whatsoever shall lie against the purchaser in respect of the said goods, 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 goods' and 'failure' and 'termination' shall apply. However, in case the material under warranty rejection is not lying in railway premises but is running online or being actively used by railways, this clause shall not be applicable.

xi. In case disposal/closure/settlement of the warranty rejection advice is not done by firm within the period of 60 days, recovery advice of equivalent amount of rejected material for which warranty claim has not been disposed/closed/settled shall be automatically sent from iMMS/UDM (depending upon from where warranty rejection advice has been issued) to IPAS and the 'centralized recovery register' of IPAS shall be automatically updated for recovery. Any bill paying authority across IR shall recover the amount mentioned in 'centralized recovery register' from firm's bill(s), if any. Paying authorities should not delay the recovery and ensure recovery expeditiously. Even if the payable amount against a bill are not enough for the full recovery against a warranty claim, the paying authority should proceed with partial recovery to the extent of payable amount against that bill and balance recovery amount will remain in the 'centralized recovery register' for further recoveries from other bill(s).

After recovery, the 'centralized recovery register' should be automatically updated immediately to avoid multiple recoveries by different railways and communicate the recovered amount to iMMS/UDM.

xii. (a) Generally, there should not be any cases where warranty rejection is not disposed/settled/closed by the vendor within a period of 60 days. R-Note/CRN should be promptly issued in such cases within 60 days period only. Even if warranty is closed/disposed/settled at the gag end of 60 days period, efforts should be made to issue R-Note/CRN within 60 days period only so that no recovery is done.

(b) Once recovery has been made by accounts or the recovery amount has been deposited by vendor, replacement/rectification/re-inspection of the warranty rejected quantity should not be allowed after period of 60 days from date of issue of warranty rejection advice. While receiving fresh replacement supplies/allowing re-inspection/rectification by vendor against warranty rejection advice after the period of 60 days, user in iMMS/UDM must ensure that these activities are allowed only to the extant the claim amount has not been recovered by railways. Once recovery of the warranty claim amount is made in IPAS/deposition by the firm, user will not be allowed to initiate process of receipt of fresh replacement supplies/re-inspection/rectification to the extent recovery of the warranty claim amount has been completed in IPAS/deposited by firm against warranty rejection advice.

(c) However, cases where due to extreme urgency affecting out-turn, operation etc it is in railways' own interest to allow replacement/rectification/re-inspection after a period of 60 days from issue of warranty rejection advice, it may be permitted with the approval of SAG level officer of the officer issuing warranty rejection advice. In such cases 'recovery refund letter' should be issued by minimum JA grade officer of the office issuing warranty rejection advice to the extent permission is granted and warranty rejection is disposed/settled/closed by the vendor. However, ground rent as per clause 1 (A) (ix) above shall be applicable in such cases also.

(d) 'Recovery refund letter' shall also be issued by minimum JA grade officer of the office issuing warranty rejection advice in the following cases:-

i. If warranty is closed/disposed/settled within 60 days period and R-Note/CRN is issued after 60 days period

ii. Amount deposited by vendor before recovery but details of such deposit entered by user after recovery;

iii. Warranty rejection advice withdrawn altogether after recovery; and

iv. In other instances like court/arbitration judgement/order, etc after recovery.

v. Cases where, inspite of issue of warranty rejection advice, the item under warranty rejection has been actively running online or being actively used by railways due to practical considerations. However, firm should be advised to close the warranty as early as possible. In the normal course, such situations should not arise and should be exception only.

(e) The vendor may submit his supplementary bill on the basis of 'recovery refund letter' to the concerned paying authority which has deducted the refundable amount online or offline depending upon the case whether the bill against which recovery has been made was submitted online or offline.

(f) IPAS shall pass on information of such refunds against recovery refund order and warranty rejection advice to iMMS/UDM so that this information can be made available to all stakeholders. Necessary checks and balances should be provided in IPAS to ensure that vendor is not refunded a recovery amount more than recovery amount or the amount mentioned in recovery refund order.

(g) However, if the recovery amount has been transferred by recovering railway to the railway issuing warranty rejection advice, such information shall be passed on to all stakeholders by IPAS including to the vendor also to claim his refund. In such cases supplementary bill shall be submitted to the railway where amount has been transferred.

xiii. **Inspection of Replacement Supply**- In line with IRS Conditions of Contract 2025 clause 6.4, Vendor shall bear all cost of such replacement including freight, cost of inspection and inspection charges to inspecting agency, if any, on such replacing and replaced stores but without being entitled to any extra payment on that or any other account.

The replacement supply shall normally be inspected by the same inspection agency which inspected and passed the original supply. However, inspection clause for replacement of quantity rejected under warranty can be changed from 3rd Party Inspection (RITES/RDSO etc.) to Consignee Inspection with the approval of minimum JA grade level officer of the office issuing Warranty Rejection Advice, duly considering practicability of the case due to low quantity/value, criticality of the item, quality issues involved etc.

xiv. (a) Warranty rejection advice (claim) withdrawal:

In case claim issued for incorrect quantity/value or issued on some other vendor incorrectly or when warranty is not admissible due to any reason, warranty rejection claim shall be withdrawn and 'warranty rejection advice (claim) withdrawal letter' by minimum JA grade officer of the office issuing warranty rejection advice, shall be issued for withdrawal of warranty claim.

(b) The status of lodged warranty claims due to failures not admissible as warranty claim due to any reason must be reviewed by zonal railways (JAG level officer as per Para 6 (i) regularly for early resolution and withdrawal.

(c) Zonal Railways/Pus shall nominate a SAG level officer from each of the concerned user departments to regularly monitor the status of pending warranty claims, timely closure of warranty claims in cases where user has already confirmed the closure and disputed warranty rejection cases and ensure that these disputes are decided timely.

(B) For Warranty rejection in Shop/Shed etc of the material received from a PU or a Stores Depot or User Depot which is not the attached Depot of the end user including that received directly through

centralized procurement (both Stock and Non-stock items)-

i. In such cases it may not be convenient for the end user to either return the material or communicate to the Stores Depot/User Depot (where the accountal of supply received from vendor was originally made). Thus, in all such cases, the warranty rejected material shall be kept in safe custody of the end user. End User shall register the warranty complaints with reasons and other details, as required, on the system like CMM/FMM/WISE/SLAM/MU etc. available with them and electronically transfer such data to UDM through integrated system or shall register the warranty rejections directly in UDM (as convenient and practical for the end- user). "Warranty Rejection Advice" (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end user on UDM after linking with PO, R/Note/CRN/Accountal Details.

Before, issuing the "Warranty Rejection Advice", the concerned user of UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO and applicability of warranty period and ensure that other details including reason(s) of warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract

ii. The "Warranty Rejection Advice" shall be issued on UDM by End User to all concerned i.e. firm, purchaser, pre-inspecting agency (if known), vendor approving agency, paying authority etc without fail.

iii. Warranty Quantity Replacement-

a. Replacement of rejected quantity shall be made at the end of end user.

b. The warranty quantity replacement will be supplied and accounted for in UDM through CRN. The CRN should be clearly marked as "Warranty Replacement CRN, Not for Payment".

iv. Other provision shall be as per sub-Para (iii) to (xiv) of Para 1(A) above, except Para (viii) of 1(A)

(C) For Warranty rejections in the field where material rejected was fitted at some other Workshop/Shed/Depot- Material either received or fitted through Supply Contract or Works Contract or Service Contract (both Stock and Non-stock items)-

i. In such cases it may not be convenient for the end user to either return the material or communicate to the Stores Depot/User Depot (where the accountal of supply received from vendor was originally made) or to the concerned Workshop where items were fitted.

ii. Such case shall also be dealt as per Para 1(B) above.

2. Rectification of the rejected stores-

i. In case the vendor requests for rectification/repair of rejected stores in terms of Para 2, rectification/repair to be permitted in exceptional circumstances and only if the item can be effectively rectified/repaired at the user end and with specific prior approval of the officer next in hierarchy (minimum JA grade officer) to the gazetted officer issuing Warranty Rejection Advice. At the option of the Depot Officer/ officer of end-user (depending upon who has issued the "Warranty Rejection Advice"), rectification/repair of rejected stores by the firm shall be permitted within railway premises only.

ii. If firm requests to rectify/repair the rejected stores at its own premises, same shall be allowed only if the item has unique traceability to ensure that the rejected item cannot be supplied to any other consignee/user and if supplied, it can be traced. For taking out the rejected quantity for rectification/repair, equivalent value of rejected item shall be deposited by the firm.

iii. However, the rectification activity shall have to be completed within timelines given in sub- Para iii of case 1(A) from the date of issue of "Warranty Rejection Advice." After this, process for recovery shall be initiated.

3. All efforts should be made to link the warranty rejected item with P.O. However, if it is not possible to link the PO, warranty period mentioned in drawing/specification shall be taken into consideration or if not mentioned therein, it shall be as per IRS conditions of Contract. In such cases the warranty period shall be applicable from the end of month next to manufacturing month mentioned on material (assuming that stores are supplied after inspection after 30/45 days from the actual date of manufacture).

   The Warranty settlement in such cases shall be as per para 1(B) above, except following-

a. As PO details shall not be available, details of PO, R Note, CRN etc may not be included in Warranty Rejection Advice and other communications.
b. The value of rejected materials shall be decided on the basis of rate of component as per latest PO available.
c. If Inspecting Agency of the rejected store is not known, warranty rejection advice shall not be sent to inspecting agency and para 1(A)(v) shall not be applicable.
d. If Inspecting Agency of the rejected store is not known, the inspecting agency for the replacement supplies shall generally be as per the inspection policy followed for normal procurement or as per Para 1(A-xiii) above.

4. Authority to adjudicate the disputed warranty cases and authority to decide appeal-

i. For all warranty rejection cases, the controlling officer of minimum JAG level of the office issuing 'Warranty Rejection Advice" shall be adjudicating the disputed cases. His decision shall be binding on all the parties.

ii. All the disputes, legal matters, etc. arising out of warranty claim shall be handled directly by the office issuing the "Warranty Rejection Advice".

5. Handling Epidemic Failures-

Any recurring/large scale rejections from a particular lot will lead to epidemic failure.

i. Whenever the quantity rejected anytime during the warranty period exceeds 5% of the total supplied lot against a particular contract, it will be considered as Epidemic Failure. However, in case of failures related to items which are extremely critical from safety consideration (like critical components or sub-parts of air brake system, wheel discs, axles, propulsion system etc.), RDSO/PU may pre-define a lower percentage for considering the occurrence of epidemic failure. This condition should be declared in the tender document for procurement of such items.

ii. Same steps as mentioned at para 1, as applicable, to be followed. However, instead of rejecting only defected quantity, entire lot should be rejected. Even if some quantity of such lot has been used/fitted, the same may also be identified and called back from service, to the extent possible, by the concerned technical department for issuing warranty rejection.

iii. Joint Inspection shall be conducted as per extant provisions.

iv. In case warranty rejection is established in joint inspection, the vendor shall replace entire lot (as available, refer point ii above) duly inspected by inspecting agency as per contract on his own expenses.

v. Replacement supply should be inspected by the same agency which has previously inspected the supplies.

vi. Epidemic failure is essentially considered as very poor quality performance and should be reflected on the performance of vendor/Inspecting agency accordingly.

vii. Concerned Inspection /Quality monitoring/Vendor approving agencies should conduct root cause/failure analysis of the failure and QAP of vendor shall have to be re-validated. They should also suggest improvement in inspection methodology/Quality Assurance Plan to avoid failures.

6. In case the vendor disputes the Warranty Rejection as per Warranty Rejection Advice, representation from vendor should be sent through IREPS system to the officer issuing Warranty Rejection Advice within 7 days from the issue of Warranty Rejection Advice. In such case a joint inspection shall be organised by the officer issuing Warranty Rejection Advice for the grounds of warranty rejections mentioned in the Warranty Rejection Advice.

7. In all cases of warranty rejections where items are appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agency as per Para 1 (vi) above for performance monitoring and capability/capacity assessment/delisting/down gradation of the vendor and review of the design/specifications/STR if required. If required, based on merit of the case, Vendor approving agencies may take appropriate decision on suspension of inspection.

8. Data of the warranty rejections shall be analysed item-wise and vendor-wise by the Quality monitoring/vendor approving agency to identify the areas for improvements in systems, processes and design/specification.

9. The recovered amount from the vendor should be credited in the same allocation of the end use in which the item was originally procured.

(D) Failure of components of Rolling Stocks received from Railway / P us /PSUs/ Workshops/ Private Manufacturers: This clause shall be dealt as per applicable RB guideline

ANNEXURE-10

OPERATIONALIZATION OF ENGAGEMENT OF THIRD-PARTY INSPECTION (TPI) AGENCIES

1. Empanelled Agency for Product Inspection
    - M/s Intertek India Private Limited .
    - M/s RITES Limited .
    - M/s Bureau Veritas India Private Limited .
    - M/s TUV India Private Limited .
2. Empanelled Agency for Process Inspection:
    - M/s TUV India Private Limited
    - M/s Bureau Veritas India Private Limited
    - M/s RITES Limited
    - M/s Intertek India Private Limited

All procuring entities (Railway Board, Zonal Railways, PUs, other entities etc.) shall explicitly provide for the following through Special Conditions of tender/contract for information of vendors and other stakeholders:

- Recovery of inspection charges from Vendors in case of rejection, call cancellation, revalidation of inspection certificate/re-inspection etc.
- Charges to be recovered from the vendors as above shall be mentioned in the tender/contract for information of vendors
- Right of Railways to change the TPI Agency mentioned in Purchase Order through modification advice.

Pre-inspection of material in Purchase Orders valuing less than Rs. 5 lakhs is governed by Railway Board letter No. 2000/RS(G)/379/2 dated 09-08-2006 (latest amended). The TPI agency contracts provides for pre-inspection of materials even if PO value is below 5 lakh. However, the inspection charges payable in such cases will be those applicable for PO valuing 5 Lakhs.

Important provisions of the engagement are attached in the form of following
Schedules: Schedule A: Product Inspection
Schedule B: Process Inspection

<u>Schedule A: Product Inspection</u>

1. The Authority through its Procuring Entities procures Goods from Vendors located throughout the country and in some cases abroad by placing Purchase Order. The Purchase Order contains detailed description, drawings, specifications, place of inspection, terms and conditions governing contract which may inter-alia include IRS conditions of contract, special conditions of contract. The Purchase Order also specifically mentions the name of the TPI Agency assigned the responsibility for inspection. Unless mentioned otherwise, the inspection by the TPI Agency in Purchase Order means Pre- dispatch Inspection. Vendor is required to offer the Goods for inspection to the TPI Agency in one or more lots, as the case may be, before dispatch. After the Goods have been inspected and accepted by the TPI Agency through issue of Inspection Acceptance Certificate, the Goods are finally dispatched to the consignee mentioned in the Purchase Order.
2. TPI Agency during the Engagement Period shall carry out the Work, as may be entrusted to them in accordance with provisions of this Agreement.
    - The activities to be carried out by the TPI Agency are described as below: Preparation of Inspection Scheme

      After registration of the inspection call, detailed description, drawings, specifications, quality assurance plan and standards, as applicable, and referred to therein shall be studied by the TPI Agency. Based on the study, an Inspection Scheme shall be prepared with the approval of the concerned GM(QA) of the TPI Agency. In cases, where the inspection test plan in whole or part

is provided for in the detailed description, drawings, specifications, quality assurance plan or standards, the same shall be incorporated in the Inspection Scheme prepared by the TPI Agency. In cases where inspection test plan are deficient or not available in drawings and specifications, the Inspection Scheme may be prepared based on the inspection test plan of last pre-inspected supply successfully executed by Vendor or inspection test plan provided by the Procuring Entity. Further, in case of any difficulties, the matter shall be referred to the Procuring Entity for removal of difficulties process laid down in the Agreement.

The Inspection Scheme prepared by the TPI Agency shall include sampling plan, measurement/testing methodology, criteria for acceptance/rejection and such other information as may be necessary for conducting inspection.

After finalizing the Inspection Scheme, the TPI Agency shall prepare an inspection schedule. Normally the inspection shall be scheduled on a first come first serve basis. However, in case of urgency expressed by the Procuring Entity of the Authority, inspection against such calls may, to the extent reasonably feasible, be accorded overriding priority.

While preparing the Inspection Scheme and Inspection Schedule, the TPI Agency shall ensure that the date of physical visit for inspection is scheduled at a date not later than 7 (seven) calendar days from the date of Call Registration.

GM (QA) shall be accountable and responsible for correctness, reasonableness, robustness and adequacy of the Inspection Scheme.

- **Assignment of inspection duty**

  GM(QA) of the TPI Agency may undertake inspection himself personally on the inspection schedule allocated or may delegate the physical visit and inspection to the Authorized Inspector for carrying out the inspection. Assignment of Authorized Inspector shall be case specific. The TPI Agency shall ensure that the Authorized Inspector assigned by GM(QA) concerned for each inspection possess the qualification and experience as detailed in the agreement.

  The details of inspection schedule, test plans, name & contact information of assigned Authorized Inspector and GM(QA) shall be made available to Vendor concerned and the concerned Procuring Entity through the online system.

- **Physical visit and inspection at Vendor's premises**

  Unless specifically mentioned in the Purchase Order to the contrary, the third-party inspections are to be carried out at Vendor/Manufacturer's premises.

  The Authorized Inspector of TPI Agency shall physically visit the Vendor premises as per allocated inspection schedule to carry out necessary inspection as per Inspection Scheme prepared in terms of Para 3.1 above.

  The Authorized Inspector shall draw samples and subject them to necessary tests/examinations/measurements as per Inspection Scheme.

  Once samples have been drawn from a lot, the entire lot shall be sealed and marked with a unique identification hologram/seal/mark by the Authorized Inspector in order to ensure traceability of inspected Goods.

  Normally, the Authorized Inspector shall carry out tests of Goods within the premise of the Vendor. However, if facilities for the tests are inadequate/not available within the Vendor premise, then the Authorized Inspector may have the relevant tests done at a suitable NABL accredited laboratory outside the Vendor premise. In case of disagreement between Vendor and the TPI Agency, matter shall be referred to the Procuring Entity, whose decision shall be final and binding in this behalf.

  In case, the Authorized Inspector, on visit to Vendor premise, finds that Goods are not yet ready for inspection, the inspection call shall be cancelled duly notifying Vendor and the Procuring Entity by issuance of Call Cancellation Certificate along with recording the observation through the online system.

- **Compilation of test/inspection results**

  Once results of all measurements/examinations/tests as per Inspection Scheme become available, the Authorised Inspector shall compile the report to arrive at the draft inspection outcome.

  The final inspection outcome Acceptance or Rejection, as the case may be, shall be finalized with the approval of the GM (QA) concerned or his authorized representative, however, the responsibility of accuracy, adequacy, correctness, reliability and/or completeness of inspection outcome shall lie with GM (QA) concerned.

In case of Acceptance, the Goods shall be certified as accepted by issuing an Inspection Acceptance Certificate.

In case of Rejection, the Goods shall be certified as rejected by issuing an Inspection Rejection Certificate.

- **Reporting of inspection outcomes**

  TPI Agency shall report the outcomes of inspection in the form of Inspection Acceptance Certificate or Inspection Rejection Certificate or Call Cancellation Certificate to Vendor, Procuring Entity, Paying Authority and such others as the Authority may specify from time to time, along with inspection test plan and all measurement/examination/test/observation reports, as applicable, through online system, duly signed and authenticated digitally.

  Inspection Acceptance Certificate shall have a validity of minimum 30 (thirty) days from the date of issue.

  The certificates shall have the information as follows:

  - ***Inspection Acceptance Certificate***

    TPI Agency shall issue digitally signed Inspection Acceptance Certificate for Accepted Goods that should contain details like - unique certificate number and date, Purchase Order number with date and value, name of Vendor, date and place of inspection, offered instalment number, name of paying authority as per Purchase Order, item description, earlier inspection details with date against same Purchase Order, consignee name, Procuring Entity name, total order quantity, quantity offered now, quantity passed now, quantity still due, quantity consumed in testing if any, date of inspection call registration, date(s) of inspection, number of visits, pattern of sealing/stamping and location of seal/stamp/sticker, inspection outcomes with attached test reports, validity of Inspection Certificate, name of authorized signatory with seal/ stamp of TPIA etc.

  - ***Inspection Rejection Certificate***

    TPI Agency shall issue digitally signed Inspection Rejection Certificate for rejected Goods that should contain details like- unique certificate number and date, Purchase Order number with date and value, name of Vendor, date and place of inspection, offered instalment number, name of paying authority as per Purchase Order, item description, earlier inspection details with date against same Purchase Order, consignee name, Procuring Entity name, total order quantity, quantity offered now, quantity passed now, quantity rejected now, quantity still due, date of inspection call registration, date(s) of inspection, number of visits, pattern of sealing/stamping and location of seal/stamp/sticker, rejection reasons with attached test reports, authorized signatory with seal/stamp of TPIA etc.

  - ***Call Cancellation Certificate***

    TPI Agency shall issue digitally signed Call Cancellation Certificate that should contain details like -Purchase Order number with date with value, Vendor name with address, date of inspection call registration, inspection date, observation recorded for call cancellation, authorized signatory with seal/ stamp of TPIA etc.

3. Facilities for test and examination

Normally, necessary testing facilities are to be provided by the Vendor at the Vendor's premises. The Authorized Inspector shall carry out measurement/examination/test/observation using the facilities available at the premises of the Vendor.If facilities for the tests are inadequate/not available within the Vendor premise, then the Authorized Inspector may have the relevant tests done at a suitable NABL laboratory outside the Vendor premise. In such cases, the Authorized Inspector shall prepare a report containing observations of inadequacy/non- availability of testing facilities. This report shall be enclosed with the Inspection Acceptance Certificate or Inspection Rejection Certificate as the case may be.

4. Cost of Testing

Necessary materials, tools, labour, and assistance for any test/examination in connection with the inspection shall be provided by the Vendor at their own cost.

If facilities for the tests are inadequate/not available within the Vendor premise, then the Authorized Inspector may have the relevant tests done at a suitable laboratory outside the Vendor premise. In such cases, the cost of testing of the laboratory shall be borne by the Vendor by direct payment to the laboratory. The cost of transport of samples and any other incidental cost shall also be borne by the Vendor.

5. Stores expended in tests

5.1. In destructive testing, if any Goods are expended /consumed in testing and test results found satisfactory and Goods/any instalment thereof is accepted, the quantity of Goods expended/consumed in testing will be deemed to have been accepted, taken delivery of and is to be indicated accordingly in the Inspection Acceptance Certificate issued by the TPI Agency.

6. Special Provisions for Stage Inspection

In cases where Stage Inspection is required to be done, during the manufacturing process of the Goods, it shall be clearly specified by the Procuring Entity in the Purchase Order.

In such cases, the Stage Inspection shall be undertaken by the TPI Agency and may involve two or more physical visits for inspection.

The Inspection Scheme and schedule of inspection shall be prepared with the approval of GM(QA) concerned accordingly.

Authorized Inspector shall in Stage Inspection ensure that the raw material/components inspected in earlier stages are marked/stamped in such a way that they can be traced to the subsequent stages including final inspection of Goods. The Stage Inspection may include inspection of raw materials, components or sub components at Vendor or Sub-Vendor premises as the case may be.

The details of inspection carried out and outcome thereof shall be preserved also in digital format by TPI Agency. However, the outcome of the inspection process will be communicated on completion of all stages of inspection.

The Inspection Acceptance Certificate or Inspection Rejection Certificate finally issued on completion of Stage Inspection shall invariably include the details and documents related to inspections carried out in all previous stages.

7. Joint Inspection

If Goods, pre-inspected by TPI Agency, gets rejected at consignee end after receipt by consignee or during warranty, as the case may be, the material rejection advice/rejection memo or warranty rejection advice/rejection memo respectively will be sent by consignee through online system to all concerned and a Joint Inspection shall be scheduled as per procedure laid down in the agreement.

8. Delay in dispatch of pre-inspected Goods

If the Vendor fails to dispatch the Goods within the validity of Inspection Acceptance Certificate, the TPI Agency, on request of Vendor, may, based on merits of the case, decide to either re-validate the Inspection Acceptance Certificate or re-inspect the Goods against fresh inspection call to be placed by the Vendor. In such cases, re- validation certificate or new Inspection Acceptance Certificate issued on re-inspection shall clearly indicate the details of previous Inspection Acceptance Certificate.

Schedule B: Process Inspection

1. The Authority through its Procuring Entities may, at its sole discretion, decide to utilize services of the TPI Agency for Process Inspection.
2. The term Process Inspection shall mean any or all of the following:
    a. validation of quality of Goods through in-process inspections
    b. validation/verification of quality assurance plan, process audit, and,
    c. Goods inspection throughout or in a part of the production cycle
3. Procuring Entity, requiring Process Inspection shall communicate their intention of adopting Process Inspection methodology with relevant details such as detailed description of Goods, details of the Vendor and location, drawings, specifications, quality assurance plan, inspection test plan, work instructions etc., as applicable to the specific case. The Procuring Entity shall also communicate the approximate Man-days for which deployment of the Authorized Inspector is proposed.
4. The GM(QA) concerned of the TPI Agency, on examination of such communication may confirm, seek clarification or provide suggestions, if any, from the Procuring Entity within a period of 7 (seven) working days. The Procuring Entity after providing clarification and examining the suggestions shall issue a Process Inspection Order along with complete details including detailed description of Goods, details of the Vendor and location, drawings, specifications, standard technical requirements (STR), quality assurance plan, inspection test plan, work instructions, number of Authorized Inspectors with required skill sets and their respective deployment periods, as applicable to the specific case. The decision of the Procuring Entity shall be final.
5. A copy of the Process Inspection Order shall be provided to Vendor, TPI Agency, Paying Authority,

Authority and such others, as the Authority may specify from time to time.

6. The GM(QA) concerned of the TPI Agency, on receipt of such a Process Inspection Order, shall nominate an Authorized Inspector(s) to undertake Process Inspection. Assignment of Authorized Inspector shall be case specific. The TPI Agency shall ensure that the Authorized Inspector assigned by GM(QA) concerned for each inspection possesses the qualification and experience as detailed in the Agreement.
7. Physical visit and inspection at Vendor's premises

   Unless specifically mentioned in the Purchase Order to the contrary, the third-party inspections are to be carried out at Vendor/Manufacturer's premises.

   The Authorized Inspector of TPI Agency shall physically visit the Vendor premises as per allocated inspection schedule to carry out necessary inspection as per Process Inspection Order prepared in terms of Para 5 above. The Authorized Inspector shall study, inspect, witness, observe and record findings as per Process Inspection Order. The scope may include study/inspection of the complete system, processes, machineries, tools, plants, raw materials, raw material sourcing, qualification of personnel, draw samples and subject them to necessary tests/examinations/measurements, as may be specified in the Process Inspection Order. In cases where samples are drawn from a lot, the entire lot shall be sealed and marked with a unique identification hologram/seal/mark by the Authorized Inspector in order to ensure traceability of inspected Goods.

   Normally, the Authorized Inspector shall carry out tests of Goods within the premise of the Vendor. However, if facilities for the tests are inadequate/not available within the Vendor premise, then the Authorized Inspector may have the relevant tests done at a suitable NABL accredited laboratory outside the Vendor premise. In case of disagreement between Vendor and the TPI Agency, matter shall be referred to the Procuring Entity, whose decision shall be final and binding in this behalf.

   In case, the Authorized Inspector, on visit to Vendor premise, finds lack of readiness of Vendor for inspection as per Process Inspection Order, the inspection shall be cancelled duly notifying Vendor and the Procuring Entity along with recording the observation.
8. After completion of Process Inspection, inspection outcome shall be reported to the Vendor, Procuring Entity, Paying Authority, Authority and such others and in such form & format, as the Procuring Entity or the Authority may specify from time to time. Besides the inspection outcomes, the report shall invariably include actual Man-days utilised, attendance and call cancellation details, if any.
9. The details of various inspections carried out during the inspection process and outcomes thereof shall be preserved by the TPI Agency. However, the outcome of the Process Inspection shall be communicated on completion of the entire Process Inspection. The report submitted by the TPI Agency shall be reviewed by the Procuring Entity.
10. The Procuring Entity may either accept the report, call for data/clarifications or direct the TPI Agency to conduct further inspections by modifying the Process Inspection Order. Procuring Entity may call for such records, reports, raw data and clarifications as it may require to appreciate the report. In case of any disagreement between the Procuring Entity and the TPI Agency, the process specified in Agreement shall be invoked.
11. Acceptance of the report by Procuring Entity shall be communicated to the TPI Agency, paying authority, Authority and such others as the Authority may specify from time to time.
12. The provisions pertaining to Product Inspection as contained in para 4, 5 and 6 above to the extent applicable shall also apply in Process Inspection.

Special Conditions to be incorporated in tender as special condition for inspection

1. Attention of Tenderers /Bidders is invited as per para 6.3, 6.6, 6.9 and 6.10 IRS conditions of contracts 2025, which are the governing conditions of contract.
2. In terms of IRS conditions of contract, following specific provisions shall apply in cases of supply of pre-inspected goods through empanelled TPI agencies:

   Unless otherwise stated in the tender schedule, goods procured are required to be pre-inspected before dispatch by the Third Party Inspection (TPI) Agency appointed by Railways at its sole discretion. The TPI Agency appointed shall be indicated in the Purchase Order. It is agreed that Railway's right to appoint TPI Agency of its choice is absolute. Railway also reserves the right to change

the TPI Agency at any time through issue of modification advice against the Purchase Order.

Online inspection call shall be placed by the Supplier on IREPS after the Goods are ready for inspection.

In Purchase Orders requiring Stage Inspection, Suppliers shall place online inspection call for a particular stage after achieving readiness required at that stage duly mentioning the stage number. The Inspection for a particular stage shall be initiated only after Inspection has been carried out for all the previous stages, as may be applicable.

The Third Party Inspection Agency appointed by Railways shall examine the online inspection call and may, within 48 hrs (excluding national holidays), seek additional information, if any, from the Supplier. The Supplier shall within one calendar day (excluding Sundays and national holidays) furnish the required information/documents to the TPI Agency to enable them to register inspection call. In case of incomplete information even after providing opportunity to Supplier to furnish information, the call shall not be registered and Supplier shall be advised of observations through the online system to address the observations and place fresh inspection call. The inspection call may also be rejected by TPI Agency if sufficient time for carrying out the inspection and release of IC before end of delivery period is not available.

Supplier shall be allowed to withdraw inspection call placed, without any cost, before the inspection call has been registered by the Third-Party Inspection Agency. Once the inspection has been scheduled by the TPI Agency, withdrawal of inspection call shall not be permitted.

Inspection fee/charges will be paid directly by Railways to Third Party Inspection Agencies. However, charges/expenses specifically provided for in IRS Conditions of Contract, particularly in Para 6.4 and 6.5 of IRS conditions of contract, shall be borne by the Supplier. Inspection charges paid or due to be paid by Railways to the TPI Agency shall be recovered from Suppliers in following cases:

In case of rejection of Goods during the pre-despatch inspection (including stage inspection rejection) by Third Party Inspecting Agency, the charges recovered shall be equal to inspection charges payable to inspecting agency as specified in Para 2.8.4 below.

When the Authorized Inspector of Third-Party Inspection Agency, on visit to Supplier premises for inspection, finds that Goods offered are not yet ready for inspection, Inspection call shall be cancelled by Authorized inspector by issuing call cancellation certificate. Similarly, in case of Stage Inspection, when the Authorized Inspector of Third Party Inspection Agency, on visit to Supplier premises for inspection, finds that readiness for Stage Inspection to be conducted has not been achieved, Inspection call shall be cancelled by Authorized inspector by issuing call cancellation certificate for Stage Inspection. The Call Cancellation Charges shall be recovered from Supplier as specified in para 2.8.4 below.

Inspection Certificate revalidation or re-inspection: If the Supplier fails to deliver the pre-inspected Goods as per the terms of the purchase order within the validity period of Inspection Acceptance Certificate, the TPI Agency, on request of Supplier, may, based on the merits of the case, decide to either re-validate the Inspection Acceptance Certificate or re-inspect the Goods against fresh inspection call to be placed by the Supplier. Decision of the TPI agency in this respect shall be binding on the supplier. In such cases, the revalidation or re-inspection charges (as applicable) to be recovered from Supplier shall be as specified in para 2.8.4 below.

To summarize, following charges shall be recovered from Supplier

Situation	**Charges to be recovered from Supplier (plus GST extra)**
At the time of physical visit call is cancelled due to: Goods are not ready for inspection OR Goods, raw materials, components or sub components, as the case may be, are not yet ready for inspection, in cases involving Stage inspection (Call Cancellation through issue of Call Cancellation Certificate)	Y/2, subject to a maximum of Rs 11000/-
Goods, raw materials, components or sub components, as the case may be, rejected in Stage Inspection excluding the final Stage,in cases involving stage inspection.	Y
Goods rejected in final Stage, in cases involving stage inspection	2Y
Goods rejected in inspection, in cases without stage inspection	Y

Inspection Certificate revalidation or re-inspection	Scenario-1: Rs. 5000 or full inspection charges, whichever is lower for revalidation of inspection certificate. Scnerio-2: In case re-inspection is done afresh, inspection charges to be recovered from Vendor shall be“Y”.

Where, Y = X/100 of total value of Goods inspected as per Purchase Order, Where X is the percentage inspection charges of the concerned PO Value slab for Product Inspection. When pre-inspected Goods get rejected at consignee end joint inspection will be held as per procedure below. Moreover, in case of rejection of Goods on Joint Inspection, the replacement supply against the rejected lot of Goods shall normally be inspected by the same Third Party Inspection Agency, which inspected and passed the original supply, unless purchaser under special circumstances decides to get the lot inspected by some other inspection agency/consignee and decision of purchaser in this respect shall be binding on supplier.

3. Procedure for Joint Inspection:

I. If Goods, pre-inspected by TPI Agency, gets rejected at consignee end after receipt by consignee, the material rejection advice/rejection memo will be sent by consignee through online system to all concerned i.e. Vendor, TPI Agency, Procuring Entity and Paying Authority and to such others as required.

II. Before rejected goods are returned to the supplier, the consignee after or at the time of issue of rejection advice, at his discretion, shall call for a Joint Inspection between consignee, Vendor and TPI Agency. Such Joint Inspection shall be conducted at a place as mentioned in the notice for Joint Inspection.

III. The joint inspection is to be carried out by the consignee with the representatives of the inspecting agency

IV. In case where either the firm or the representative of inspecting authority do not turn up for Joint Inspection, Joint Inspection shall be done with whosoever of the two is available. In case neither firm nor inspection agency attend, consignees’ decision to accept or reject such goods shall be final and binding.

V. A Joint Inspection report shall be signed by the Party (ies) attending the Joint Inspection. Failure to attend Joint Inspection shall not be an excuse to dispute the findings of Joint Inspection.

VI. Irrespective of the outcome of Joint Inspection, the TPI Agency will not be entitled for any fee or charges, whatsoever, for attending such Joint Inspection. In case of rejection of Goods on Joint Inspection, the TPI Agency shall not be entitled for inspection charges for the quantity of Goods rejected. The inspection charges, if and to the extent already paid, shall be recovered from the TPI Agency.

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