



RAIL WHEEL FACTORY
Indian Railways
OFFICE OF THE CONTROLLER OF STORES

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Tender conditions for Limited Tenders

(To be read with IRS conditions of Contract &
Special Conditions for Limited Tenders)

(WITH EFFECT FROM: 01.02.2016)

Quality Policy

To achieve and maintain excellence in quality in the manufacture of wheels, axles and wheelsets conforming to the requirement of our customers and to strive for continuous improvement .

Environmental Policy

This Plant has secured ISO:14001 certification for its Environment Management System. We request our esteemed suppliers to kindly make all endeavours to adopt eco-friendly processes and packing material with regard to the products manufactured in general and in particular for the items manufactured for use by RWF.

Special Note:

As RWF is ISO 9001, ISO 14001-2004 AND OHSAS 18001-1999 certified organization, tenderers shall comply with the requirements of these standards while dealing with RWF.

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Indian Railway Standard Conditions of Contract: Available on RWF portal in IREPS. Also available on on RWF website www.rwf.indianrailways.gov.in .		
Special conditions for Limited Tenders : Available on RWF portal in IREPS.		

SECTION – I

INSTRUCTIONS FOR LIMITED E-TENDERS

1.0 GENERAL:

- 1.1 The Controller of Stores, Rail Wheel Factory, Bangalore on behalf of the President of India, duly authorised, invites e-bids from established and reliable manufactures or their authorised dealers/authorised agents for the supply of the items as set forth in the e-tender enquiry. The price should be quoted in Indian Rupees.
- 1.2 RWF's specifications and drawings will be made available along with the e-tender, wherever applicable.
- 1.3 Vendors desirous of taking part in e-tenders floated by RWF should mandatorily be registered with IREPS. The -pre-requisites for registering with IREPS, the process of registration and quoting against e-tenders etc., is explained in the links "Learning Centre and "FAQ" available in the home page of the IREPS website www.ireps.gov.in. Vendors are advised to go through these links and register themselves with IREPS. After registering with IREPS, vendors are advised to intimate RWF, the user ID allotted to them by CRIS and the vendor code allotted by RWF.
- 1.4 Tenderers are advised to carefully read all the Instructions, the General and Special Conditions of tender, and Indian Railway Standard (IRS) Conditions of Contract, before submitting their e-bids. By submission of e-bids along with declaration signed digitally, it will be considered as confirmation that the tenderer has read, understood and accepted all the conditions of the tender document and those referred therein and undertake to abide by the same. In case of any contradiction in the terms and conditions appearing in IRS Conditions of Contract and General/Special conditions specified in the tender documents, the latter will prevail.

2.0 LOCAL CONDITIONS:

It shall be obligatory on the part of tenderers to fully acquaint themselves of all the local conditions and factors, which may have effect on the performance of the contract and cost of the stores. The Purchaser shall not entertain any request for clarifications from the tenderers regarding such local conditions after the purchaser accepts the bid.

3.0 SUBMISSION OF TENDERS/E-BIDS:

- 3.1 The e-bid should be submitted in the prescribed Offer Form as available under "bid process" and the "rate page" under IREPS portal only. Bids/offers received in any other form i.e., manual offers, /e-mail offers/scanned copy of offers on firm's letter heads/ any other form received shall be considered as invalid and rejected summarily.
- 3.2 Every on-line tender submitted duly signed with a valid Digital Signature Certificate and received before the closing date and time of tender, shall be acknowledged by the system and HTML receipt will be generated indicating tender ID as well as date and time of receipt of the tender.
- 3.3 Firms are advised to ensure that for address furnished by them for getting digital signature certificate from accredited agencies are same as that furnished to and available with the centralized source approving authorities such as RDSO/CLW/DLW/ICF etc. They are further advised that for registering them in the IREPS for participation in e-procurement system the same address as above is filled up, to avoid any vitiation of any information and consequent impairment in their credentials.
- 3.4 **REVISED BIDS:** Vendors can submit a revised commercial bid any time before the stipulated closing date and time and in such case the last revised bid submitted shall be considered as the bid for the tender, superseding all the previously submitted bids for that item/items of the tender.

- 3.5 Final electronic offers once digitally signed and submitted for one or all the item/items, cannot be accessed or revised later and shall remain fully secured confidentially stored into the locked e-tender box in an encrypted form till the due date and closing time of tender/ opening time of tender.
- 3.6 Adequate and proper care shall be taken by the bidders in submission of offers specially indicating the rate/percentage of duties /taxes in the bid form. The purchaser shall bear no responsibility for incorrect evaluation of total unit rate and / or ranking of a tender if the offer form is not filled in completely / filled ambiguously. No claim or clarification of the tenderer regarding applicability, inclusion or exclusion of any element of tax or duty or any other change in the offer shall be entertained after opening tender.
- 3.7 In case the due date of the tender closing/opening day happens to be a holiday for RWF, the locked e-tender box shall be opened on the next working day. However bidders cannot submit/revise offer or attach document beyond the closing time and date of the e-tender. Only e-bids as received in the electronic box available on the website www.ireps.gov.in within the due date of tender closing/opening date will be considered.
- 3.8 The electronic procurement system does not permit submission of any offer after the closing date and time of tenders. Hence, there is no scope of late/delayed offers in the on-line bidding process.
- 3.9 Tenderers must look out for NIT as soon as it is available in IREPS website and upload their offer well in advance without waiting for closing date and time, to avoid last minute hassle in their own computer system for communication line. RWF is not responsible for non-participation of vendors due to any technical problems on the day of tender closing time.

4.0 VALIDITY OF THE E-BIDS:

- 4.1 The bid shall be kept valid for acceptance for a minimum period of Sixty (60) calendar days from the date of opening of tenders (inclusive of tender opening date), within which period, the tenderer shall not withdraw the bid. In case the final validity date of the bid happens to be a holiday for RWF, the bid shall be valid till the next working day. No separate notice shall be issued in this behalf.
- 4.2 The purchaser may ask for the tenderer's consent to an extension of the period of validity of the bid. If necessary, the purchaser may seek clarifications on the bids by requesting for such information which will not change the substance or price of the original offer, from any or all the tenderers in writing. Tenderers will not be permitted to change the substance or price of their original bid, after the tenders have been opened.

5.0 EARNEST MONEY DEPOSIT (EMD):

- 5.1 All the tenderers are required to furnish Earnest Money Deposit along with their tenders for all items subject to following exemptions:
- i) Vendors registered with NSIC upto the monetary limit of their registration for the items tendered.
 - ii) Micro and Small Enterprises registered with any of the agencies listed at Para 6.1 (i) below, for the item tendered are exempted from payment of earnest money, subject to complying with conditions laid down under Para 6.2 and 6.3 below.
 - iii) Vendors registered with RWF, Other Railways and Government Departments upto the monetary limit of their registration for the items tendered/trade groups of the items tendered.
 - iv) Vendors on the approved list of RDSO/PUs/CORE/Railway etc. for those specific items for which they are on the approved list.

- v) Manufacturers and their accredited agents.
- 5.2 Tenderers seeking waiver of / exemption from payment of EMD must submit requisite documentary evidence in support of their claim. The documentary evidence should be attached to their e-bid as attached document.
- 5.3 The amount of EMD to be furnished, will be 2% of the estimated tender value subject to an upper limit of:
- i) Rs.5lakhfor tenders valuing upto Rs.10croresand
 - ii) Rs.10 lakh for tenders valuing above Rs10crores.
- 5.4 Railway reserves the right to enhance the upper limit amount of EMD for high value tender cases and such upper limit will be specified in the tender documents, if any.
- 5.5 Tenderers other than those who are exempt from payment of earnest money as detailed in the preceding paragraph, shall be required to submit earnest money, failing which their bids are liable to be ignored. Earnest Money amount as stipulated in the notice for invitation of tenders (NIT) will have to be paid online through payment gateway link (if, enabled) or either manually (i.e., off line) in any one of the following forms:
- i) Deposit Receipts, Pay Orders, and Demand Drafts, in favour of "Financial Advisor & Chief Accounts Officer, Rail Wheel Factory, Bangalore – 560064".
 - ii) Guarantee Bonds issued by Nationalised or Scheduled Commercial Banks (as per Annexure-II). Bank Guarantees shall be directly sent by the issuing Bank to The Controller of Stores, Rail Wheel Factory, Yelahanka, Bangalore-560 064, under registered post A/D.
 - iii) Bonds of Indian Railway Finance Corporation or KRCL Bonds. (In case of Bonds issued under non-cumulative interest scheme, post dated interest warrants should be submitted along with the bonds and the interest warrants could be given back as and when the interest becomes due).
- 5.6 EMD should remain valid for a period of 45 days beyond the final bid validity period. If the validity of the offer is extended, the Earnest Money Deposit/Bank Guarantee furnished shall also be extended, failing which the offer after the expiry of the aforesaid period shall not be considered by the Purchaser.
- 5.7 Under any circumstances, cheques will not be accepted towards EMD.
- 5.8 Tenderers while depositing the EMD should furnish the tender number, as well as the particulars of tender issuing authority as specified in the tender notice.
- 5.9 Neither the standing deposit, if any lodged with this Railways nor any other deposit against any other tender will be accepted as EMD for the purpose of this tender.
- 5.10 No interest will be payable by the Purchaser on the Earnest Money Deposit/Bid Guarantee, submitted in any of the above forms.
- 5.11 Earnest Money Deposit of all unsuccessful tenderers will be returned by the Purchaser after expiry of the final bid validity or after placement of contract on successful bidder. The Earnest Money of the successful tenderer may be adjusted towards part of the Security Deposit and in case where such tenderer furnishes full Security Deposit as per the tender conditions, EMD will be refunded after receipt of full Security Deposit.
- 5.12 Any e-bid not accompanied by EMD in any one of the prescribed forms given above may be rejected by the purchaser as un-responsive, unless the tenderer is entitled for the exemption from payment of EMD.

5.13 Forfeiture of Earnest Money: The Earnest Money deposited is liable to be forfeited if the tenderer withdraws or amends, impairs or derogates from the offer in any respect within the period of validity of his bid or if the successful tenderer fail to submit the Security Deposit as per tender conditions.

6.0 BENEFITS AND PREFERENTIAL TREATMENT TO MICRO AND SMALL ENTERPRISES:

- 6.1 (i) Micro and Small Enterprises registered with any of the following are exempted from payment of tender document cost for the item tendered.
- a. District Industries Centres
 - b. Khadi and Village Industries Commission
 - c. Khadi and Village Industries Board
 - d. Coir Board
 - e. National Small Industries Corporation
 - f. Directorate of Handicraft and Handloom
 - g. Any other body specified by Ministry of MSME.
- (ii) MSEs registered with the above agencies for the item tendered are exempted from payment of Earnest Money Deposit.
- (iii) In tenders, participating MSEs quoting a price within price band of L1 + 15% shall be allowed to supply a portion of the requirement by bringing down their price to L1 in a situation where L1 price is from someone other than a MSE and such MSE/MSE's can be together ordered upto 20% of the value out of the net procurable quantity with proportionate distribution of quantity for supply.
- (iv) Out of 20% target of annual procurement of MSEs, a sub-target of 4% is earmarked for procurement from MSEs owned by Scheduled Caste (SC) / Scheduled Tribe (ST) entrepreneurs. However, in event of failure of such MSEs to participate in tender process or meet tender requirements and L1 price, above earmarked sub-target of 4% procurement will be met from other MSEs.
- (v) Definition of MSEs owned by SC/ST enterprises:
- a) In case of proprietary MSE, proprietor(s) shall be SC/ST.
 - b) In case of partnership MSE, the SC/ST partners shall be holding at least 51% shares in the unit.
 - c) In case of private limited companies, at least 51% shares shall be held by SC/ST promoters.
- 6.2 MSEs who are interested in availing themselves of the above benefits should attach with their e-bid the proof of their being MSE registered with any of the agencies mentioned in the notification of Ministry of MSE indicated above at 6.1(i) above.

6.3 The MSEs must also indicate the terminal validity date of their registration.

6.4 Failing 6.2 and 6.3 above, such bids will not be liable for consideration of benefits detailed in MSE notification No.503 dated 23.3.12 of Government of India.

7.0 PREFERENCE TO DOMESTICALLY MANUFACTURED ELECTRONIC PRODUCTS:

7.1 Purchase preference will be given to domestically manufactured electronic products as per the various provisions under the policy issued by Ministry of Communications and Information Technology, Department of Electronic and Information Technology, (DEITY) letter no: 33(3)/2013-IPHW dated 23.12.2013, as amended from time to time and as prevailing on the date of tender opening for procurement of such of electronic products as notified by the Ministry of Railways from time to time.

8.0 COMPLIANCE OF TECHNICAL REQUIREMENTS:

- 8.1 The stores/equipments offered should be in accordance with the stipulated item-description/drawings/ specifications/make/ brand etc., as called for in the e-tender enquiry.
- 8.2 Details of deviations from the drawings and specifications, if any, should be clearly indicated under technical deviation statement (Part E of Techno Commercial Offer). The Purchaser, however, reserves the right to accept or reject these deviations and his decision thereon shall be final.
- 8.3 The Purchaser may accept internationally accepted alternative specifications which ensure equal or higher quality than the specifications mentioned in the tender specifications. However, the decision of the Purchaser in this regard shall be final.
- 8.4 Remarks such as "Best Make' etc. will be assumed to indicate 'Best Make' not conforming to the tendered specification, unless it is specifically mentioned by the tenderer that the material offered is to the tendered specification.
- 8.5 In case tender calls for certain preferred 'makes', tenderers shall invariably indicate the 'make' offered in their bid among the preferred makes in the tender, Bid without 'make' (wherever preferred) shall be liable to be rejected.
- 8.6 The tenderer should avoid ambiguity in their bid, e.g., if the bid is to their standard sizes/length/ dimensions, they should specifically state them in details without any ambiguity. Brief descriptions such as "standard lengths" etc. should not be used in the bids.

9.0 COMPLIANCE OF GENERAL, COMMERCIAL AND SPECIAL CONDITIONS:

- 9.1 E-bids submitted shall be as per the IRS Conditions of Contract, General conditions of tender and Special Conditions given in the e-tender enquiry. Tenderers must confirm acceptance of IRS terms and conditions of contract in all respects.
- 9.2 The tenderer shall indicate his acceptance or otherwise against each mandatory clauses like, terms and conditions, performance statement, technical specification, and Special Conditions of tender (if available) and list of documents attached. In case the tenderer wishes to deviate from any clause mentioned in the tender, such deviations shall be indicated in the "deviation statement" during the "bid process".
- 9.3 The Purchaser, however, reserves the right to accept or reject these deviations and his decision thereon shall be final.

10.0 PRICE BASIS:

- 10.1 The tenderers should quote their lowest possible price, for door delivery to RWF/Yelahanka, Bangalore. Tenderers are required to quote in the same rate units (numbers/kilograms/ metres/litres/kilo litres etc) as specified in the e-tender enquiry. Any deviation in this aspect will make the offer to be summarily rejected.
- 10.2 Prices quoted in the financial bid should be on "firm price basis" and not subject to any variation, unless specified in the e-bid document / tender condition/special condition of tender. Any deviation in this aspect may make the offer liable to be rejected.
- 10.3 Tenderers shall indicate the manufacturer's name and address and brand of the stores offered, wherever necessary as per drawing / specification. Otherwise offers are liable to be rejected.

- 10.4 Packing charges and forwarding charges, wherever applicable, should be indicated separately under the respective column during the bid process. Applicability of excise duty and sales tax on the packing charges wherever applicable, and forwarding charges must be clearly stated. ED and ST will be considered only on packing charges, and not on forwarding charges. If consolidated amount or percentage is quoted towards packing and forwarding charges, ED and ST will not be considered on such consolidated packing and forwarding charges and will not be payable.
- 10.5 The rate or amount of taxes and duties, must be spelt out separately in the break-up to be furnished in the prescribed form. Even where the rate or amount of taxes/duties included in the rate is Nil, this should be specifically stated in the bid.
- 10.6 No claim regarding applicability of taxes/duties or otherwise will be entertained after opening of the tenders. The purchasers will reserve the right not to pay such taxes and duties not specifically claimed or not indicated clearly by the tenderers.
- 10.7 DISCOUNTS: Tenderers should show the discounts, in the rate schedule /financial bid only, instead of anywhere else in the offer. Discounts not shown at designated place will be summarily ignored for assigning inter-se ranking of offers. However, the same shall be availed while placing order(s).
- 10.8 All e-tenders are invited for free delivery/door delivery at RWF/YNK basis and hence tenderers shall quote on the same basis i.e., the rates quoted for shall be for free delivery (door delivery) at RWF/YNK. Break up such price must be clearly specified in the e-bid. In case the tenderers quote prices on Ex-Works or Ex-Godown basis specific amount of freight charges must be quoted instead of vague freight charges such as "extra at actuals". Freight charges will be reimbursed at actuals against documentary evidence, subject to the maximum quoted by the firm.
- 10.9 In case, the tenderer does not specifically state about the place of delivery in his tender, it shall be assumed that the tenderer shall bear the freight charges and offer is for free delivery at the destination i.e., FOR door delivery at RWF/YNK. This assumption shall be final and binding on the tenderer and will not be subject to any legal dispute or arbitration in future.
- 10.10 The purchaser will not be responsible for any incorrect evaluation and consequent impact on inter-se ranking, if the tenderer does not fill the bid form correctly or submits incomplete, ambiguous or misleading rates of taxes, duties and other charges.
- 10.11 The Controller of Stores or any other officer authorised on behalf of General Manager does not bind himself to accept the lowest or any offer and reserves himself the right to cancel, reduce or divide the contract on more than one source without assigning any reason for such action.
- 11.0. UNLOADING:**
- 11.1 Unloading will be done by RWF unless otherwise specified in the Special Conditions of Tender or in the contract.
- 12.0 PURCHASE ACCORDING TO SAMPLES:**
- 12.1 Samples, if required, will be indicated in the tender form. Samples must strictly conform to the tendered specification, drawing and description. Any sample submitted will be considered as supplement and not to supersede the tendered specification unless otherwise specifically indicated. In the absence of a specified acceptance in writing of any variation, the purchaser shall be entitled to reject a claim for acceptance of a supply embodying such variation.
- 12.2 Samples where called for, should be sent duly sealed to the Office of the Controller of Stores, Rail Wheel Factory before the date and time of closing of tender, failing which offer is liable to be rejected. Samples should be supplied without any charge and on freight paid basis.

- 12.3 The tenderers who deposit samples with their offers are required to collect the samples so offered within 6 months from the date of opening of tenders. If the samples are not collected within 6 months, they will be disposed off and no claims whatsoever will be entertained thereafter.

13.0 IDENTIFICATION MARK:

- 13.1 All manufactured stores must carry identification mark of the manufacturer and month/year of manufacture in embossed form at the location specified in drawing/specification. In case this is not mentioned in drawing or specification, the location should not be subject to wear and should not affect the functionality, utility, operation and structural stability of the item. Inspecting agency and consignee will be entitled to reject the supplies not conforming to this clause.

14.0 PROCUREMENT OR STORES WITH ISI MARKING:

- 14.1 In case of tenders for procurement of goods as per BIS specifications, the purchaser intends to purchase only ISI marked stores against the tender. However, the purchaser reserves the right to purchase stores strictly conforming to BIS specifications. In the event of placement of order for ISI marked stores, it shall be the responsibility of the contractor to ensure that only such stores are supplied against the contract. Failure to do so will entitle the purchaser for action in terms of governing IRS terms and conditions of contract. Firms offering stores with ISI marking should indicate details of ISI License held by them and its validity period. A copy of the ISI License should also be submitted with the offer.

15.0 IMPORTED STORES OFFERED BY INDIAN AGENTS IN INDIAN CURRENCY:

Any authorised dealer / agent / recognised industrial distributor quoting on behalf of other foreign principal in Indian Rupees shall have to comply with following:

- 15.1 To quote with tender specific authorisation from the foreign manufacturer, in the format given at Annexure-II.
- (i) While quoting on behalf of foreign principals, tenderers are required to furnish the principal's invoice/proforma invoice along with their quotation.
 - (ii) Proforma invoices however, may be accepted in exceptional cases where, it is not possible to obtain the invoices before the contract is placed.
- 15.2 The tenderer shall have to undertake in the tender to comply with the following:
- (i) 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.
 - (ii) Current and valid authorisation /dealership certificate of foreign manufacturer/principal.
 - (iii) Compliance of sea/air worthy packing condition in manufacturer's original packing with manufacturer's tamper proof seal and compliance of the packing condition as laid down in IRS Conditions of Contract Para-1800. Failure to comply with any of the aforesaid conditions as referred above will make the offer liable to be rejected.
- 15.3 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 PAN is to be indicated.

- 15.4 Any additional expenditure incurred on account of customs duty and exchange rate variation during pendency of the contract will be on contractor's account.
- 15.5 For bearings manufactured in foreign countries, visual inspection by RITES inside India after receipt is acceptable with import documents and original manufacturer's test and warranty/guarantee certificate. Firm should consent to deposit security money as per IRS conditions for due execution of the contract if asked to do so. This is irrespective of the fact whether the firm is registered with this Railway or not.

16.0 ELIGIBILITY CRITERIA:

- 16.1 Such of the tenderers to whom the Limited e-tender is extended to, based on their proven satisfactory past performance or registered for the trade-group/item tendered for or registered with other Rlys/RDSO/PUs/CORE or prima-facie the firms are capable of supplying similar items, are eligible to submit their e-bids.
- 16.2 If the manufacturer receives the e-tender enquiry and intends to quote through their authorised agents such manufacturers shall intimate RWF to include the name of their authorised dealer /agent with full name and address in the tender to enable them to participate with tender specific authorisation letters and submit the bid on behalf of the manufacturer. The authorised agents / dealers shall necessarily furnish :
- (i) the manufacturer's /principals name in their bid/quotation.
 - (ii) upload the Authorised Dealership Certificate along with their offer, failing which, such offers shall be summarily rejected
 - (iii) upload their income tax Permanent Account Number at the time of submission of bid.
- 16.3 In a tender, the authorised dealer / authorised agent on behalf of the Principal /OEM or Principal /OEM itself can bid, but both cannot bid simultaneously for the same item/product in the same tender.
- 16.4 If an authorised dealer / authorised agent bid on behalf of the Principal / OEM, the same dealer / agent shall not submit a bid on behalf of another Principal/OEM in the same tender for the same item/product.
- 16.5 Offers from brokers and middlemen will not be accepted.
- 16.6 Tenderer not submitting the requisite information may note that their bid is liable to be ignored.

17.0 EVALUATION OF OFFERS :

- 17.1 The all inclusive rate worked out as per the bids submitted, and financial tabulation statement generated on IREPS comprising the basic rate, packing /forwarding charges, quoted duties and taxes, insurance and other charges, if any, and freight charges upto destination, shall be considered for evaluation.
- 17.2 All offers will be arranged in the ascending order of the all-inclusive rate.
- 17.3 In case of tender for multiple items, the inter-se position of the bidders will be decided item wise and not on the basis of total value of tender as a whole, unless and otherwise specified separately.
- 17.4 All offers will be evaluated as per the tax regime as applicable on the date of tender opening.
- 17.5 Conditional discounts (for quantity, early payment, delivery at other than specified location etc) will not be considered for the purpose of determining inter-se ranking.

18.0 CONSIDERATION OF OFFERS:

- 18.1 The Controller of Stores is not bound to accept the lowest or any offer and reserves himself the right to accept any offer in respect of the whole or any portion of the item specified in the tender and contractor shall be required to supply at the rate quoted. In case of items of critical nature, the purchaser reserves the right to order the entire or bulk quantity on sources with proven past performance.
- 18.2 Railways reserves the right to cancel the tender for full or part quantity tendered without assigning any reason. The rates quoted by the tenderers for the full quantity would be taken as valid for acceptance of part quantity.
- 18.4 Railways reserves the right to make bulk procurement from the established and regular suppliers of RWF who comply with the eligibility criteria and tender conditions, and whose offers are found technically suitable and otherwise acceptable.
- 18.5 In case proven suppliers of RWF do not respond in the tender or the performance of such suppliers not satisfactory or exorbitant rates are quoted by them or cartel formation is suspected, then offers of the untried/new firms or the RWF past suppliers for similar items may be considered for regular order for bulk or entire quantity or part quantity where prima-facie the purchaser feels and is satisfied about their capability to supply tendered items based on the information submitted by the tenderers along with the offer. Otherwise, RWF reserves the right to re-tender the tender finally depending upon the merit of the subject tender.
- 18.6 Bids not conforming to the schedule of requirements for the tendered item and not complying to tender conditions may be rejected without further reference.
- 18.7 DOCUMENTS FOR VERIFICATION: RWF reserves the right to call from the tenderers, to produce original copy of any of the scanned documents attached to the e-bids by the tenderers, for scrutiny.
- 18.8 SUBMISSION OF FALSE INFORMATION: In case a tenderer is found submitting false information or suppressing the facts suitable penal action as deemed fit shall be taken against such tenderers, which will include banning of business dealings with the Railways.

19.0 CARTEL FORMATION:

- 19.1 Wherever all or most of the approved firms quote equal rates and cartel formation is suspected, Railway reserves the right to place order on one or more firms with exclusion of the rest without assigning any reasons thereof.
- 19.2 Wherever cartel formation is suspected. Purchaser reserves the right to place orders on any firm/firms for any quantity without assigning any reason thereof.
- 19.3 The firms who quote in cartel are warned that their names may be deleted from list of approved sources. In addition, Railways will refer such cases to the Competitive Commission of India for necessary penal action as it is considered necessary by the commission.

20.0 SPLITTING OF QUANTITY:

- 20.1 The purchaser shall reserve the right to distribute the procurable quantity on one or more of the eligible tenderers wherever necessary for reasons, such as, vital/critical nature of the tendered items, quantity to be procured, delivery requirements, past performance and capacity of the tenderer, etc. Zone of consideration of such eligible tenderers will be the right of the purchaser.
- 20.2 Whenever such distribution/ splitting of the tendered/ procurable quantity is made, the quantity distribution will depend (in an inverse manner) upon the differential of rates quoted by the tenderers (other aspects, i.e., adequate capacity-cum-capability, satisfactory past performance of the tenderers, outstanding orders load for

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

Price differential between L1 and L2	Quantity distribution ratio between L1 and L2.
Upto 3%	60 : 40
More than 3% and upto 5%	65 : 35
More than 5%	At least 65% on the L1 tenderer. For the quantity to be ordered on the L2 tenderer, purchaser will decide keeping in view conditions as to delivery requirement in the tender and conditions laid down in the subsequent para

- 20.3 The rate of the highest eligible tenderer within the zone of consideration has to be per-se reasonable to the purchaser.
- 20.4 In case of inadequate capacity-cum-capability, dissatisfactory past performance, large quantity of outstanding orders (liquidation of which will take a 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 it would ensure timely supply of materials in requisite quantity to meet the needs of operation, maintenance, safety etc of the Railways, regardless of inter-se ranking of the tenderers and in a fair and transparent manner with due conformity to the principle of natural justice and equity.
- 20.5 If splitting of quantity is required to be done by ordering on tenderers higher than the technically suitable 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 table in above para.
- 20.6 The purchaser reserves the right to counter offer the lowest acceptable rate for bulk ordering to the higher tenderer(s). In the event of rejection of such counter offer(s), the purchaser will reserve their right to decide on the quantity distribution ratio/proportion.
- 20.7 For cases where RWF has entered into ToT/JV agreements, RWF reserve the right to place orders on all such ToT/JV agreement partners. However, for ratio/proportion of quantity distribution among such ToT/JV agreement partners, conditions as detailed in Para 20.2, 20.5, 20.6 above with the exception of conforming to the condition "the rate of the highest eligible tenderer within the zone of consideration has to be per-se reasonable to the purchaser".

21.0 NEGOTIATION:

- 21.1 Selection of contractors by negotiation is an exception rather than a rule and will be resorted to only in exceptional circumstances as per instructions of the Ministry of Railways issued time to time. Therefore, tenderers in their own interest should quote the most competitive rates at the first instance itself while responding to the tenders.
- 21.2 In the event of conducting negotiation, the tenderer with whom the negotiation is to be conducted, shall be informed of the parameters of their original offer on which revision(s) is/are solicited. It shall be noted by the tenderer that at the time of submission of negotiated offer, any variation in the negotiated offer, by the tenderer on such aspects of offer on which revision was not solicited during negotiation, will render the negotiated offer unfit for consideration.

GENERAL CONDITIONS OF TENDER

1.0 COMMUNICATION OF ACCEPTANCE:

- 1.0** Advance Acceptance/ Letter of Acceptance of the bid will be communicated by FAX /e-mail/on-line through IREPS, direct to the tenderer or through his authorised dealer/agent. In case, where Advance Acceptance/Letter of Acceptance is sent by FAX/e-mail/on-line through IREPS , the formal purchase order will be forwarded to the contractor as soon as possible by registered post/speed post, but communication of Advance Acceptance of tender/ Letter of Acceptance sent through FAX /e-mail/on-line, would deem to conclude the contract.
- 1.2** **Communication by Post:** In case of communication by RWF is sent under Registered Post Acknowledgement Due/Speed Post or other means of recorded delivery through Department of Post and Telegraph, such communication shall be deemed have been delivered on the same date of recorded delivery.
- 1.3** **Communication by FAX/e-mail/through on-line on IREPS:** All communication of letters/replies by the contractor through fax/e-mail/on-line on IREPS and Advance Acceptance/purchase orders/ amendments to purchase orders/letters sent by RWF, on any date shall be deemed to have been delivered on the same date of such communication by either parties. Fax/e-mail/on-line communication shall be followed by original signed copy by registered / speed post, wherever called for by the purchaser.

2.0 Price Variation Clause:

- 2.1** Normally, tenderers must submit their bids on fixed price basis only, that is, the quoted prices should be firm and not subject to any variation, unless specified in the e-bid document / tender condition/special condition of tender. Where e-bids are submitted with PVC when PVC is not part of e-bid document / tender condition/special condition of tender OR where e-bids are submitted on fixed / firm price basis when PVC is stipulated in the e-bid document/tender condition/special condition/, such e-bids will be summarily rejected.
- 2.2** In case a tender has been invited with PVC formula and base month, and offers are received with different PVC formula and base month, such offers will be summarily rejected.
- 2.3** The Railways generally recognize following standard PVCs:
- i) IEEMA formulae.
 - ii) Railway Board's PVC for items covered by such formulae.
 - iii) DGS&D's PVC for the items which are covered by such formulae.
 - iv) Tenderers whose offers are with IEEMA, Railway Board's or DGS&D's PVC, must quote with the prices with base date as stipulated in the relevant PVC. For example, in case of IEEMA PVC, if the tender opening date falls in May of a year, the applicable prices of input raw materials should be those prevailing on the 1stApril of that year. If any tenderer quotes with prices of input raw materials ruling on a base date other than 1stApril of that particular year, quoted rates shall be updated to the base date of 1stApril of that particular year for the purpose of evaluation of offers and determination of inter-se ranking of the offers.
- 2.4** However, in all such cases, the contract prices upward/downward will be regulated with reference to the date of inspection of stores and price variation will be calculated on the price of input material by the specified agencies, like SAIL, HZL, HCL etc., prevailing one month prior to date on which the stores are tendered for inspection. The date on which stores are offered for inspection will be treated as the date of supply for the purpose of price variation clause. Furthermore, the base month for such input materials will be one month

- prior to that of tender opening. Admission of any claim in this regard will be subject to the suppliers furnishing all the supporting documentary evidence for price variation.
- 2.5 Tenderers who quote with price escalation on account of raw material in the tenders must note that any escalation claims will be subject to verification by the Financial Adviser and Chief Accounts Officer of RWF with reference to the records that may be called for from them, such as, records of position of ground stocks available at the time of submission of tender for verification/examination of their claims under price variation clause before their claims are accepted. If the tenderer fails to establish his claim by producing satisfactory records before the FA & CAO of this Railway their claim will be disallowed and/ or proportionately reduced.
- 2.6 Ambiguous conditions, such as, "Price Variation Clause applicable" will not be acceptable and such offers may be rejected.
- 2.7 The tenderers are required to quote PVC as per the formula given in the tender documents. In case, the tenderer deviates from this and quotes their own PV formula, the offers will be summarily rejected.
- 3.0 EXCISE DUTY (ED):**
- 3.1 Wherever Excise duty (ED) is to be charged extra, the exact amount/percentage of ED to be charged must be specified under the relevant column during the bid process. Whenever ED is included in the basic rate/unit, the exact amount of ED included must be specified. If it is not done so, then the bid will be considered as inclusive of ED at the maximum rate obtained in the tenders or at the prevailing rate known to the purchaser. The purchaser's decision in this regard will be final.
- 3.2 Tenderers must note that the ED is not applicable on the freight (transportation) charges from the place of despatch to the place of delivery.
- 3.3 If Authorised dealer or Authorised Agent is submitting on behalf of the manufacturer, the name of the manufacturer shall be indicated in their e-bid with the information that ED Gate Pass shall be issued by the manufacturer as pre-inspection shall take place at manufacturer's works.
- 3.4 If the amount of ED being charged extra or included in the basic rate is at a concessional rate, reasons for the same should be clarified without any ambiguity. In the absence of clear reason regarding amount of ED being charged by the tenderers, or the tenderers wish that actual ED at the time of supply should be paid, evaluation of tender will be carried out on the basis of maximum rate chargeable for the item, as known to the purchaser as on the tender opening.
- 3.5 Claim of ED due to increased turn over after entering into contract shall not be entertained under any circumstances.
- 3.6 If tenderers quote a lower amount / percentage of Excise Duty due to erroneous classification of the goods under Central Excise Tariff Head and if subsequently ED is paid at higher rate, the purchaser will not pay increased amount/percentage of ED.
- 3.7 ED will be reimbursed at actuals and within the upper ceiling of the maximum ED rate considered for evaluation purpose. Only statutory variation in the ED will be permitted within the original delivery period if claimed in the tender and would be admissible on production of the documentary evidence.
- 3.8 In case of any reduction in the rate of ED at the time of supply, actual amount of ED only shall be payable, wherever ED has been claimed in the tender and included in the purchase order.
- 3.9 If ED is not claimed in the offer and no mention is made about Excise duty, then no ED will be payable.

3.10 CESS ON ED: Cess on ED wherever applicable shall be stipulated in percentage on ED amount, under the relevant column during the financial bid process.

4.0 CENVAT:

4.1 Whenever the basic rate is quoted inclusive/exclusive of Excise Duty, the tenderer shall quote the price after taking into account the credit available on inputs under CENVAT scheme, as amended time to time. The tenderers must give the following declaration in their tender:

"We hereby declare that in quoting the above price, we have taken into account the entire credit on duty set-offs available under the CENVAT Scheme amended from time to time. We further agree to pass on such additional duties as set off as may become available in future in respect of all the inputs used in the manufacture of the final product on the date of the supply under the CENVAT by way of reduction of price and advise the purchaser accordingly.

4.2 In case tenderer has failed to declare as above, it will be deemed that the tenderer has taken into consideration that full effect of the duty set off on taxes and duties and quoted the rate.

5.0 SALES TAX / VAT:

5.1 State Sales Tax/Central Sales Tax (ST/CST), or Value Added Tax (VAT) wherever applicable, and intended to be claimed from the purchaser, must be clearly quoted in percentage.

5.2 While quoting the rate of VAT, tenderer should pass on (by way of reduction in the prices) the set off/input tax credit that would become available to them by the system of VAT, duly stating the quantum of such credit per unit of the item quoted for.

5.3 The tenderer while quoting, IS DEEMED TO HAVE GIVEN THE following declaration:

" We also agree to pass on such additional set off/ input tax credit as may become available in future in respect of all the inputs used in the manufacturer of the final product on the date of supply under the VAT scheme by way of reduction in price and advise the purchaser accordingly."

5.4 The suppliers while claiming the payment shall be required to furnish the following certificate to the paying authorities:

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

5.5 Even for contracts where CST is payable, this input tax credit may become admissible to the supplies where the supplier happens to be located in the state in which VAT has been implemented. Accordingly the certificate under Para 5.4 above should also be submitted in all such contracts where CST is payable. The supplier is deemed to have submitted the certificate while quoting in the event of the certificate not being submitted exclusively.

5.6 For the States in which the VAT has not yet been introduced, the existing system of sales tax shall continue.

5.7 Facility of inter State purchases by Government Departments against Form-D has been withdrawn by the Government with effect from 01.04.2007. As such, RWF shall not issue Form-D or Form-C and the rate of CST on inter State sale shall be the rate of ST/VAT applicable in the State of the seller. Hence, tenderers are required to quote actual percentage of the Sales Tax or VAT as applicable for the tendered item in their state

duly enclosing the documentary proof, i.e., notification of the concerned State Govt., for quoted rate of ST/VAT.

5.8 If Sales tax is not quoted in the offer, it shall be assumed that no sales tax is applicable.

5.9 STATUTORY VARIATION CLAUSE: Statutory variation during the original delivery period of the contract is permissible. However, tenderers are required to quote SVC specifically in their offers.

6.0 OCTROI DUTY:

6.1 Purchaser will not pay any Octroi duty. If required, Purchaser will issue the Octroi Exemption Certificate, in respect of road deliveries. Where the Municipal/Local authorities do not accept the Octroi Exemption Certificate, the Octroi duty shall be borne by the Seller.

7.0 TERMS OF DELIVERY:

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

7.2 Lorry Way Bill (LWB): If the materials are despatched through trucks, the consignee copy of Lorry Way Bill (LWB) shall be faxed immediately to the consignee indicated in the purchaser order, followed by despatching a copy by speed post within 48 hours. Failure to do so may lead to delay in account of the material and issue of Receipt Note.

8.0 **SERVICE TAX DECLARATION:** In case of material despatched by road and transport charges are paid extra, suppliers are required to submit service tax declaration.

9.0 WEIGHMENT CLAUSE:

9.1 In case of stores ordered on weight basis, the gross weight as per RWF weighbridge shall be recorded and net weight will be arrived at by deducting the weight of packing. This net weight will be compared with the net weight indicated in the supplier's invoice. The net weight recorded at RWF or the net weight indicated in the supplier's invoice, whichever is less shall be considered for account and payment.

10.0 RISK IN TRANSIT AND INSURANCE:

10.1 Risk in transit will be to the supplier's account.

10.2 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 e-bid under other charges.

10.3 The consignee, will advise the tenderer within 45 (forty five) days of the arrival of goods at the destination, any loss/damage etc. of the goods and it shall be the responsibility of the tenderer to lodge the necessary claim on the carrier and/or insurer and pursue the same. The tenderer shall, however, at his own cost replace/rectify immediately, to the entire satisfaction of the consignee, the goods lost/damaged, without waiting for the settlement of the claim.

11.0 SECURITY DEPOSIT:

- 11.1 Unless otherwise agreed between the Purchaser and the contractor, the successful tenderer shall be required to submit within 14 days from the date of issue of the acceptance, Security Deposit with the Railway concerned as detailed in the subsequent para.
- 11.2 In case of safety items, all the successful tenderers, shall be required to submit Security Deposit (SD)/Performance Guarantee for due fulfilment of the contract before placement of the contract.
- 11.3 In case of other than safety items, Security Deposit (SD) shall be submitted by all successful tenderers, subject to following exemptions:
- i) Vendors registered with NSIC upto the monetary limit of their registration for the items ordered.
 - ii) Vendors registered with Railways upto the monetary limit of their registration for the items tendered/trade groups of the items tendered.
 - iii) Vendors on the approved list of RDSO/PUs/CORE/Railway etc. for those specific items for which they are on the approved list.
 - iv) Other Govt. Departments on their specific requests and on merits of the case.
- 11.4 However, all successful tenderers who are unregistered/unapproved for the tendered items will be required to submit security deposit. Any authorised dealer / agent / recognised industrial distributor quoting on behalf of foreign principal in Indian Rupees, irrespective of their registration status with any of the above agencies listed at 2.3 above, shall have to submit security deposit.
- 11.5 The amount of SD to be submitted, wherever applicable, will be 10% of the total value of contract.
- 11.6 SD should be furnished in any one of the following forms:
- i) Deposit Receipts, Pay Orders, and Demand Drafts, in favour of "Financial Advisor & Chief Accounts Officer, Rail Wheel Factory, Bangalore – 560064".
 - ii) Guarantee Bonds issued by Nationalised or Scheduled Commercial Banks.
 - iii) Bonds of Indian Railway Finance Corporation or KRCL Bonds.
 - iv) Government Securities and
 - v) A deposit in the Post Office Saving Bank.
- 11.7 No claim shall lie against the Purchaser in respect of interest on cash deposits or Government Securities or depreciation thereof.
- 11.8 Bank Guarantees (BGs) to be submitted by suppliers/Contractors should be sent directly to the concerned authorities by the issuing Bank under registered post A.D.
- 10.9 Security deposit shall remain valid for a minimum period of 60 days beyond the date of completion of all contractual obligations of supplier.
- 11.10 Security Deposit is to be submitted by the successful tenderer within 14 days from issue of the Letter of Acceptance. If the contractor, having been called upon by the Purchaser to furnish security fails to make and to maintain a security deposit within the specified period, it shall be lawful for the Purchaser:
- i) 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

- ii) to cancel the contract or any part thereof and to purchase or authorize the purchase of the stores at the risk and cost of the contractor and in that event the provisions of Clauses 0702 shall apply as applicable.
- 11.11 Security deposit will be returned to the successful supplier after completion of all contractual obligations.
- 11.12 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 fulfilment 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.
- 11.13 Risk purchase (Clause 19 of Section-II) clause shall not be made applicable for contracts where the contractor has submitted Security Deposit of 10% of the contract value. Whenever such contracts are rescinded due to the default by such contractors, security deposit shall be forfeited and such failure shall be recorded and will be considered by railway on merit in future cases.

12.0 DELIVERY PERIOD:

- 12.1 Tenderers must refer to the delivery schedule specified in the Schedule of Requirements. Delivery period quoted must conform to the delivery requirement specified in the Schedule of Requirements and should not be vague such as “as per your requirement” or “2 to 12 months”.
- 12.2 The delivery terms and the delivery schedule shall be specified under the relevant columns during the bid process. Against each delivery schedule, the total time required for delivery of entire tendered quantity shall be indicated. In the delivery schedule column, the lot wise delivery proposed shall be indicated clearly stating the starting date and the ending date and quantity proposed against each consignment.
- 12.3 In case a monthly rate of delivery is quoted, the purchaser will have the right to define the delivery period of each instalment.
- 12.4 The time and the date specified in the contract for the delivery of the stores shall be the essence of the contract and the delivery must be completed not later than the date so specified therein. However, extension of delivery date may be considered in deserving cases where genuine reasons exist. Such extensions of delivery date may be considered with liquidated damages and denial clauses as per IRS Conditions of Contract by which the contract shall be governed.

13.0 EXTENSION OF DELIVERY DATE:

- 13.1 The time and the date specified in the contract for the delivery of the stores shall be the essence of the contract and the delivery must be completed not later than the date so specified. However, extension of delivery date may be considered in deserving cases where genuine reasons exist. Such extensions of delivery date may be considered with liquidated damages and denial clauses as given under Clause No.17 below.

14.0 INSPECTION:

- 14.1 The inspection will be conducted by the agency nominated by the purchaser, such as, M/s RITES/RDSO/DQA or the representative of the RWF or any other agency as specified in the contract at the manufacturer's

- premises and/or on receipt of the stores at the destination. The tenderer's acceptance of the same will be implied unless his offer stipulates inspection clause to the contrary.
- 14.2 Stores shall be despatched directly from the premises of the manufacturer to the consignee after inspection and acceptance by the nominated inspection agency. Manufacturer's Test and Guarantee Certificate, wherever applicable, will be submitted with each lot of supplies.
- 14.3 The inspection agency will not inspect the material where the material does not have the date of manufacture and name of manufacturer on material.
- 14.4 Material peculiar to railways, such as, parts and fittings of rolling stock except raw materials, which have been found rejected by the inspecting agency and could not be rectified during inspection, are required to be defaced by the inspection authority to avoid recycling of such rejected material and to avoid ultimate failure of assets. All such rejected materials peculiar to railways should be mechanically defaced to prevent sale to railways again.
- 14.5 In case the firm fails to offer the materials for inspection against inspection call issued to inspection agency or if the materials have to be re-inspected due to rejection of the material at firm premises by inspection agency or due to non-disposal of material within validity of inspection certificate, then 50% of the inspection charges applicable for the offered quantity subject to maximum of Rs.5,000/- and the actual test charges incurred will be paid by the supplier to the inspecting agency.
- 14.6 Wherever the inspecting authority is specified in the tender documents, tenderers are requested to quote accordingly. At a later date any request for change in inspection clause will not be considered, except in exceptional circumstances to be decided by the purchaser.
- 15.0 Payment Terms:**
- 15.1 100% payment shall be made after receipt and acceptance of stores by the consignee. Payment will be made on submission of bills in the prescribed format, which may be obtained from the Purchaser's Office or downloaded from RWF's website, accompanied with the required documents and in accordance with the instructions given in the letter of acceptance/purchase order.
- 15.2 Payment through NEFT/RTGS:
- Tenderers are required to give consent in a mandate form (given in Annexure-I) for receipt of payment through NEFT/RTGS:
 - Tenderers must provide the details of Bank A/c in line with RBI guidelines for the same. These details will include Bank Name, Branch Name & address, Account type, Bank A/c No., and Banks & Branch Code as appearing on MICR cheques issued by the bank.
 - Tenderers shall attach certificate from their bank certifying the correctness of all above mentioned information (as mentioned in (b) above).
- 15.3 The payment shall be subject to recoveries, if any, under the Liquidated Damages clause in the IRS Conditions of Contract or deduction of any amounts for which the contractor may be liable under the contract against this tender or any other contract in respect of which the President of India is the Purchaser.
- 15.4 Request for making payment before 30 days will not be accepted.
- 16.0 Warranty:**
- 16.1 Unless otherwise specified in the tender documents, the stores shall be subject to Indian Railway Standard warranty clause, as per which, the contractor guarantee that the said goods/stores/articles would continue to conform to the description and quality of aforesaid, for a period of 30 months after their delivery or 24 months from the date of placement in service whichever shall be sooner, and this warranty shall survive

notwithstanding the fact that the goods /stores/articles may have been inspected, accepted and payment therefore made by the Purchaser, and as detailed in the IRS conditions of contract.

- 16.2 Suppliers are advised to ensure that the materials are invariably stamped with manufacturer's, name, month and year of manufacture as may be detailed in the drawing/specification of material, so that warranty can be correctly acted upon.

17.0 HANDLING REJECTION OF PRE-INSPECTED ITEM AND WARRANTY REJECTION:

Two kinds of rejection occur in case of pre-inspected supplies made by the suppliers.

- (i) Pre-inspected material rejected by consignee at the time of receipt.
- (ii) Material rejected in warranty.

The methodology of handling the above rejections are detailed below:

- 17.1 Pre-inspected material rejected by consignee at the time of receipt:

- (a) **REJECTION ADVICE:** In case of rejection of pre-inspected goods at consignee end, the material Rejection Advice/Rejection Memo shall be sent by the consignee to all concerned i.e., the supplier, Purchase Officer, pre-inspecting agency, paying authority etc.,
- (b) **FINANCIAL RECOVERY:** In case payment has been made to the supplier for the material, the paying authority concerned should note the Rejection Advice details in its recovery register for effecting recovery of payments made, as the case may be.
- (c) **JOINT INSPECTION:** If the supplier desires to have joint inspection, joint inspection of rejected material will be held with pre-inspecting agency and the supplier. In case of failure of either of the two parties to associate with joint inspection, the joint inspection shall 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 be completed within 21 days of communication of Rejection Advice to the supplier (in line with IRS conditions of contract Clause 703). For imported material, this time limit will be 45 days.
- (d) Supplier may be permitted to collect the rejected goods only after the supplier has deposited the payments already made by Railway (if any) to the supplier or equivalent amount has been recovered for this purpose.
- (e) In case of replacement supply against the rejected goods, the same shall be pre-inspected by same pre-inspecting agency who passed the material earlier. In line with IRS conditions of contract clause 703, no inspection charge will be paid by Railway to the inspection agency for the replacement supply.
- (f) However, in case of component level rejection in an pre-inspected item (which is an assembly) the replacement supply of that component will be accepted based on supplier's internal inspection certificate /guarantee certificate and final inspection by consignee.

17.2 MATERIAL REJECTED IN WARRANTY:

Material are rejected in warranty in the following situations:

- (a) the material rejected was issued by General Stores Depot/RWF (for stock items).
- (b) the material rejected was received by the user directly (Consignee/RWF for the Non-stock item in RWF).

17.2.1 The methodology of lodging warranty claims for the above is given below:

- (a) **WARRANTY CLAIMS FOR SL NO. 17.2 (a) :** for warranty failure in shop for material (stock items) issued from General Stores Depot/RWF:

All warranty claims will be lodged by the Depot Officer after getting the warranty rejected material from user, under advice note or return stores with reasons of warranty rejection indicated therein. Before lodging the warranty claim the Depot Officer will satisfy himself about the correctness of PO and ensure that other details including reasons (s) of warranty rejections are available with the advice note of return stores. The warranty claim will be processed following the procedure indicated in sub para 17.1 (a), (b), (c) & (d) above except for the following changes:

The rejection advice mentioned in Para 17.1(a) will be replaced by 'Warranty Rejection Advice'.

The time for completion of the modality of joint inspection as per Para 17.1(c) will be 45 days for indigenous items from the date of communication of Warranty Rejection Advice to the supplier and this time limit for imported materials is 90 days.

- (b) WARRANTY CLAIMS FOR SL NO.SI no.17.2(b) above: for warranty failure in shop for material (non-stock items) received by the Consignee:

All warranty claims will be lodged by the Consignee, with copy of the claim marked to the Purchase Officer. The Purchase Officer shall withhold Performance Warranty amount wherever submitted by the contractor either in the form of cash/Bank Guarantee. The warranty rejected material will be kept in safe custody by the consignee/end user. Before lodging the warranty claim the Consignee will satisfy himself about the correctness of PO and ensure that other details including reasons (s) of warranty rejections are available on record. The warranty claim will be processed following the procedure indicated in sub para 17.1 (a), (b), (c) & (d) above except for the following changes:

The rejection advice mentioned in Para 17.1(a) will be replaced by 'Warranty Rejection Advice'.

The time for completion of the modality of joint inspection as per Para 17.1(c) will be 45 days for indigenous items from the date of communication of Warranty Rejection Advice to the supplier and this time limit for imported materials is 90 days.

17.2.2 WARRANTY QUANTITY REPLACEMENT:

The warranty quantity replacement will be accounted under Warranty Receipt Note issued by General Stores Depot/RWF for stock items or the respective Consignee/RWF for non-stock items.

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

17.2.3 INSPECTION AND REPLACEMENT SUPPLY AGAINST WARRANTY REJECTION:

- (a) For cases of replacement supply against warranty failure falling in the category of SI No.17.2.1(a):
The replacement supply shall be normally inspected by the same inspecting agency, which inspected and passed original supply. Payment of inspection charges will be borne by the supplier.

Any change in inspecting authority for the warranty replacement will necessitate a formal amendment in contract.

- (b) For cases of replacement supply against warranty failure falling in the category of SI No.17.2.1(b):
- (i) The replacement supply shall be normally inspected by the same inspecting agency, which inspected and passed original supply. Payment of inspection charges will be borne by the supplier.
- (ii) In some cases, where it may be difficult to re-use the services of inspecting agency which passed the original supply and where the consignee is not having requisite inspection facility/expertise, the replacement supply can be made by firm's own internal inspection certificate. The decision on the above will rest with the authority which raised the warranty claim as indicated in the warranty claim notice.

- (c) In case of warranty failure is of a component of an assembly supplied, the component can be accepted on firm's own Guarantee Certificate/Internal Inspection Certificate and consignee's final inspection for both the above categories under 17.2.1 (a) and 17.2.1(b).

17.2.4 PLACE OF WARRANTY REPLACEMENT:

For warranty replacement under category of SI No. 17.2.1(a) and 17.2.1(b) above, in order to ensure correct accountal of warranty replacement, the place of warranty replacement will be General Stores Depot/RWF for stock items OR Consignee/RWF for non-stock items, which received the original supply.

- 17.2.5** For warranty replacement under category of SI No. 17.2.1(a) above, due care will be taken by the end user that accountal of replacement supply of the rejected material etc, are properly taken care of. After settlement of warranty claim, the rejected material shall be handed over to General Stores Depot for returning to the supplier.

- 17.3** The rectification wherever required by the supplier, of the pre-inspected material rejected by the consignee at the time of receipt and the materiel rejected in warranty shall be permitted within railway premises only, after the supplier has refunded the payment (if already made by Railway) or equivalent amount has been withheld for this purpose.

(a) However from the date of communication of Rejection Advice, the rectification activity has to be completed within 21/45 days for indigenous / imported material respectively for rejection of pre-inspected material at the time of receipt.

(b) For rejection of material in warranty, the rectification activity has to be completed within 45/90 days for indigenous / imported material respectively.

If more time is taken beyond the above stipulations, applicable ground rent will be levied on the supplier.

18.0 Liquidated damages:

- 18.1 If the contractor fails to deliver the stores or any instalment thereof within the period fixed for such delivery in 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 recover from contractor as agreed liquidated damages and not by way of penalty a sum equivalent to 2% of the price of any stores (including elements of taxes, duties, freight etc) which the contractor has failed to deliver within the period fixed for delivery in the contract or as extended for each month or part of a month (not calendar month or part thereof) during which the delivery of such stores may be in arrears where delivery thereof is accepted after expiry of the aforesaid period , subject to a maximum of 10% of value of delayed supplies, irrespective of delays, unless otherwise provided, specifically in the contract.

19.0 Risk Purchase:

- 19.1 If the contractor fails to deliver the stores or any instalment thereof within the period fixed for such delivery in 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 cancel the contract or a portion thereof and if so desired purchase or authorise the purchase of the stores not so delivered or other of a similar description (where stores exactly complying with particulars are not in the opinion of the Purchaser, which shall be final, readily procurable) at the risk and cost of the contractor.

- 19.2 Where action is taken as above, the contractor shall be liable for any loss which the purchaser may sustain on that account provided the purchase, or, if there is an agreement to purchase, such agreement is made, in case of failure to deliver the stores within the period fixed for such delivery in the contract or as extended within 6 (six) months from the date of such failure and in case of repudiation of the contract before the expiry of the aforesaid period of delivery, within six months (or nine months*) from the date of cancellation of contract. The contractor shall not be entitled to any gain on such purchase and the manner and the method

of such purchase shall be in the entire discretion of the Purchaser. It shall not be necessary for the Purchaser to serve a notice of such purchase on the contractor.

*NOTE: In respect of stores which are not easily available in the market and where procurement difficulties are experienced, the period for making risk purchase shall be 9 (nine) months instead of 6 (six) months provided above.

20.0 Corrupt practices:

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

21.0 Arbitration:

- (a) In the event of any question, dispute or difference arising under these conditions or any special conditions of contract, or in connection with this contract (except as to any matters the decision of which is specially provided for by these or the special conditions) the same shall be referred to the sole arbitration of a Gazetted Railway Officer appointed to be the arbitrator, by the general Manager in the case of contracts entered into by the Zonal Railways and Production Units; by any member of the Railway Board, in the case of contracts entered into by the Railway Board and by the Head of the Organisation in respect of contracts entered into by the other Organisations under the Ministry of Railways. The Gazetted Railway Officer to be appointed as arbitrator however will not be one of those who had an opportunity to deal with the matters to which the contract relates or who in the course of their duties as railway servant have expressed views on all or any of the matters under dispute or difference. The award of the arbitrator shall be final and binding on the parties to this contract.
- (b) In the event of the arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason, or his award being set aside by the court for any reason, it shall be lawful for the authority appointing the arbitrator to appoint another arbitrator in place of the outgoing arbitrator in the manner aforesaid.
- (c) It is further a term of this contract that no person other than the person appointed by the authority as aforesaid should act as arbitrator and that if for any reason that is not possible, the matter is not be referred to arbitration at all.
- (d) The arbitrator may from time to time with the consent of all the parties to the contract enlarge the time for making the award.
- (e) Upon every and any such reference, the assessment of the cost incidental to the reference and award respectively shall be in the discretion of the arbitrator.
- (f) Subject as aforesaid, the Arbitration Act, 1940 and the rules thereunder any statutory modifications thereof for the time being in force shall be deemed to apply to the arbitration proceedings under this clause.

- (g) The venue of arbitration shall be the place from which the acceptance note is issued or such other places as the arbitrator at his discretion may determine.
- (h) In this clause the authority to appoint the arbitrator includes, if there be no such authority, the officer who is for the time being discharging the functions of that authority, whether in addition to other functions or otherwise.

22.0 Book Examination Clause: The Government reserves the right for "Book Examination" as follows:

- (i) The Contractor shall whenever called upon and requiring to produce or cause to be produced for examination by any Government Officer duly authorised in that behalf, cost or other account book of account, voucher, receipt, letter, memorandum, paper or writing or any copy of or extract from any such document and also furnish information any way relating to such transaction and procedure before the duly authorised Government Officer returns verified in such manner as may be required relating in any way to the execution of this contract (the decision of such Government Officer on the question of relevancy of any document, information of return being final and binding on the parties). The obligation imposed by this clause is without prejudice to the obligation of the contractor under any statute, rules or order shall be binding on the contractor.
- (ii) The contractor shall, if the authorised Government Officer so requires (whether before or after the prices have been finally fixed), afford facilities to the Government Officer concerned to visit the contractor's works for the purpose of examining the processes of manufacture and estimating or ascertaining the cost of production of the articles. If any portion of the work be entrusted or carried out by a sub-contractor or any of its subsidiary or allied firm or company, the authorised Government Officer shall have power to examine all the relevant books of such sub-contractor or any subsidiary or allied firm or company shall be open to his inspection as mentioned in clause (i).
- (iii) If on such examination, it is established that the contracted price is in excess of the actual cost plus reasonable margin of profit, the Purchaser shall have the right to reduce the price and determine the amount to a reasonable level.
- (iv) Where a contract provides a book examination clause, the contractor or its agency is bound to allow examination of its books within a period of 60 days from the date of notice is received by the contractor, or its agencies called for the production of documents as under clause (i) above. In the event of contractor's or his agency's failure to do so, the contract price would be reduced and determined according to the best judgement of the purchaser which would be final and binding on the contractor and his agencies.

ELECTRONIC FUND TRANSFER (EFT) MANDATE

<p>I/We _____ am/are expressing my/our consent for getting my/our payment directly credited to my/our Bank Account/s towards supply of stores to RAIL WHEEL FACTORY (Ministry of Railways), Yelahanka, Bangalore-560 064,</p>	
<p><u>Company's Seal & Signature of Authorised Signatory</u></p> <p>----- ----- -----</p> <p>Date -----</p>	
Name of the Company/Supplier	
Vendor/Supplier's Code	
Postal Address	
Name of the Bank & Branch Address (with Telephone No.)	
09 Digits MICR Code of the Bank :	
Account No. (15 Digits only)	
Type of Account	
Income Tax P A N No.	
Please attach following:	<ol style="list-style-type: none"> 1. Copy of Cancelled cheque leaf. 2. Copy of PAN Card
	<p>Signature of Authorised Signatory & Date</p> <p>-----</p>
<p>The above Account No. has been verified and found correct.</p>	
<p>Bank Seal & Signature</p> <p>-----</p>	

ANNEXURE-II

PROFORMA FOR AUTHORITY FROM MANUFACTURERS This letter of authority should be on the Letter-Head of the manufacturing business concern and should be signed by a person competent and having the power of attorney to bind the manufacturer.

Ref No. _____

Date _____

To,
The President of India, acting through the CONTROLLER OF STORES
RAIL WHEEL FACTORY
MINISTRY OF RAILWAYS
YELAHANKA, BANGALORE – 560 064.

Dear Sir,

Subject: Rail Wheel Factory e-tender no. _____ opened on _____
for supply of _____.

We _____ (full address with PAN number) established
manufacturer of _____ having factory / factories at
_____ do hereby authorise M/s
_____ (company's name, full address with PAN number) to
represent us, to bid, negotiate and conclude the contract on our behalf with you against your e-tender
no. _____.

It is also certified that:

- a) No Company / firm or individual other than M/s _____ is authorised to represent us in regard to this business against this specific tender.
- b) Inspection by RITES/RDSO/Consignees representative will be allowed at our manufacturing premises and not in the ware house /godown shop of the dealer.
- c) Inspected and accepted material will be directly despatched from our manufacturing premises to RWF/Yelahanka.
- d) We stand guarantee for the material supplied and Manufacturer's Test and Guarantee Certificate will be submitted against each lot of supply.
- e) We stand guarantee for successful execution of the contract.

Yours faithfully

(Signature, Name & designation)

For and on behalf of M/s _____ (Name and address of the manufacturer)

(NOTE: NO CHANGE IN WORDING OF THE ABOVE PROFORMA IS PERMITTED)