GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2018/ RS(I)/ 874/108/1841 **New Delhi, dated : 31.07.2018**

M/s Timken India Ltd.,
Shrachi Tower,
686, Anandpur, Kasba,
1st Floor, Block C & D,
EM By Pass, RB Connector Junction,
Kolkata - 700107.

Dear Sirs,

Sub : Contract No. 2018/RS(I)/874/108/1841 dated 31.07.2018 for manufacture and supply of Cartridge Tapered Roller Bearings (CTRB).

Ref :
(i) E-Tender No. 2018RSI8741TC opened on 07.05.2018.
(ii) Your e-offer against this tender.
(iii) Board's Counter Offer No. 2018/RS(I)/874/1 TC dated 25.07.2018.
(iv) Your unqualified acceptance No. Nil dated 27.07.2018.

1.0 In consideration of your offer under reference (ii) and unqualified acceptance of the counter offer at reference (iii) vide your letter at reference (iv) above, the President of India, acting through Executive Director, Railway Stores (S), Ministry of Railways (Railway Board), hereafter called the "Government" is pleased to enter in a Running contract on you for manufacture and supply of Cartridge Taper Roller Bearings complete with Components with Narrow Jaw Adapters and mounting charges (Standard Bearing) for wagon stock, suitable for fitment on cast steel bogies for 20.3 T/ 22.9 T Axle Load application as per details given hereunder:

2.0 PARTICULARS OF ORDER:

DESCRIPTION	SPECIFICATION	QUANTITY (IN SETS)	BASIC RATE PER UNIT (₹)
PL No. - 38037350 AAR approved Cartridge Taper Roller Bearing Class 'E' (6" X 11") complete for use on freight stock of Indian Railways.	Indian Railways STR No. AB/RB-39-2002 (REV.3) of December 2006 with Amendment No.1 of Jan.2008, Amendment No.2 of Nov.2008 & Amendment No.3 of Oct., 2016 or latest Amendment, if any.	42,852	11,801/-

2.1 **Total Contract Value:** ₹59,67,21,813.36 /- (Rupees Fifty Nine Crore, Sixty Seven lakh, Twenty One Thousand, Eight Hundred Thirteen and Paisa Thirty Six only) including GST @ 18%.

2.2 **PRICE BREAK UP:**

The price break-up of CTRB is as follows:

S.No	Description	Basic Price (in ₹)
1.	AAR approved Cartridge Taper Roller Bearing Class 'E' (6"x11") complete including Double Cap, Cones, Rollers, Retainers, Spacer, Wear Rings, Grease Seals and Grease.	10,310/-
2.	Side Frame Key with Nuts & Bolts, Washer & Split Pins as per RDSO Drawing No. SK 69594, Alt. 34 or latest, Locking Plate to RDSO Drawing No. WD 87019/S-1 or latest, Axle End Cap with Cap Screws.	275/-
3.	Backing Ring.	330/-
4.	Narrow Jaw Adapter.	830/-
5.	Labour charges for Mounting.	56/-
	TOTAL	**11,801/-**

2.3 Railways reserve the right to procure CTRBs without Adapters & without Accessories within overall contract quantity.

3.0 Prices are firm and on F.O.R. Jamshedpur basis. No price variation is applicable.

4.0 Prices indicated in Para 2.0 & 2.2 above are exclusive of GST @ 18% and extra GST @ 18% will be reimbursed against documentary evidence, as may be legally applicable at the time of dispatch. The firms will submit the following certificate with their bills for payment :

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

5.0 **Entry, Exit Tax/Octroi Duty:** The purchaser will not bear any Octroi charges, entry tax, exit tax etc. and if required, only Octroi exemption certificate will be issued by the Consignees.

6.0 **TERMS AND CONDITIONS:** The contract shall be governed by Indian Railway Standard Conditions of Contract, conditions indicated in the Bid Document in so far as these are not inconsistent with the conditions given in the contract:

7.1 **PLACE OF DELIVERY** : F.O.R. - JAMSHEDPUR.

7.2 **PLACE OF MANUFACTURE** : JAMSHEDPUR

7.3 **PAYING AUTHORITY** : PFA(RBC), Eastern Railway, Kolkata.

7.4 The above order is also subject to the following:

(i) You will get your drawings & Quality Assurance Plan (QAP) approved by RDSO before commencement of supply against this contract.

(ii) All references, clarifications, amplifications regarding technical matters pertaining to specifications, drawings, design etc. as required by Director General, RDSO, Manak Nagar, Lucknow may be furnished to them.

(iii) The payments for supplies will be made only after receipt of the complete sets and not in parts.

(iv) In terms of the STR, initial greasing must be done. All conditions of STR should be accepted unconditionally and complied with.

(v) You will have to comply with the clause 6.2 of STR in toto.

(vi) **MAINTENANCE MANUALS & MECHANICAL TRACING:** You will have to submit one set of "as made drawings" to RDSO, notwithstanding past supplies, as per clause 8 of STR. Maintenance manuals are also to be supplied strictly as per clause 9.1 of STR.

(vii) Any statutory variations during the original currency of the contract will be on purchaser's account.

8. **OPTION CLAUSE:** The purchaser reserves the right to increase or decrease the ordered quantity up to 30% of the ordered quantity during the currency of the contract on the same price and terms and conditions with suitable extensions in delivery period for the increased quantity.

9. **DELIVERY:** Supply to be completed within 12 months from the date of placement technically and commercially clear order as per allocation given by CMM/BI.

10. **MODE OF DELIVERY:** Material to be dispatched by Road/Rail. Preferred mode of dispatch is by road.

11. **FREIGHT:** Freight will be reimbursed against documentary evidence at

a. Actuals, in case of rail dispatch.

b. Lower of actual freight by road or rail freight, in case of dispatch by road.

12. **INSPECTION:** Inspection by Director General, RDSO/Lucknow or his authorized representative as per Clause 6 of STR.

12.1 The cost of test at Government Test House or other institution will be to contractor's account.

12.2 On the original copy of the Inspection Certificate the word "COPY FOR PAYMENT" and on all other copies "NOT FOR PAYMENT" should be printed.

12.3 Side Frame Key, Narrow Jaw Adapters, End cap and Cap screws should be procured either from RDSO approved sources or you may obtain prior clearance of RDSO for taking these items from other sources.

13. **MOUNTING:** Director Wagon (I&L), RDSO, Manak Nagar, Lucknow or his nominee or CME's of all Indian Railway or their authorized representative will issue mounting certificate.

13.1 **REJECTION DURING MOUNTING:** Adequate packing of bearings should be provided to withstand the vagaries of transit and storage. All bearing rejected during mounting should be replaced by you free of cost.

13.2 **SERVICE ENGINEER:** The Contractor shall make available at their own cost, competent technical personnel for mounting the Roller Bearings and Technical Services.

13.3 It will be the responsibility of the suppliers to ensure correct mounting, loking plate and initial lubrication of CTRB. Necessary equipment and other tools for this purpose will have to be arranged by the firm. Electric power supply will be provided by Railways for mounting of CTRBs on wheels free of cost.

14. **TERMS OF PAYMENT:** Subject to recoveries, if any, under the Liquidated Damages Clause 0702 of the Indian Railways Standard Conditions of the Contract, payments will be made as under:-

14.1 For dispatches to Zonal Railways

14.1.1 95% payment for the stores or each consignment (excluding mounting charges) thereof will be made against Inspection Certificate and proof of dispatch. For dispatch of material by road, it is the challan of the supplier duly certified by the consignee Gazetted Officer towards receipt of material in good condition at consignee's end will constitute the proof of dispatch

for the purpose of payment. For rail dispatch, clear and unqualified RR/ PWB may be considered as the proof of dispatch.

14.1.2 Balance 5%, payment will be made on receipt and acceptance of stores by the consignee, signified by granting of Receipt Note. In other words, balance 5% payment shall be made against Receipt Note.

14.2 For dispatches to Wagon manufacturer

14.2.1 100% of the value of the invoice will be made against inspection certificate and receipt documents issued by authorized representative of Wagon manufacturers certifying that the material has been received and accepted in good condition.

14.3 Mounting charges @ ₹ 56 (being part and parcel of unit price) per CTRB with GST @18% will be paid after the CARTRIDGE TAPERED ROLLER BEARING have been satisfactorily mounted on the wheel-sets, the claim for which should be supported by a certificate from the authorities indicated in clause 13.0 that the "Cartridge Tapered Roller Bearings have been satisfactorily mounted".

15. **PENALTY FOR DELAY IN SUPPLIES:** In case of failure on your part to arrange supplies as per the delivery schedule/installments fixed in advance, save force majeure conditions or delays attributable to Purchaser, the purchaser reserves the right to levy Liquidated Damages which shall be levied as under:

Liquidated damages and not by way of penalty, a sum of equivalent to 2% (two percent) of the price of any stores (including elements of taxes, duties freight etc.) which the contractor has failed to deliver within the period fixed for delivery in the contract or as extended for each month or part of a month during which the delivery of such stores may be in arrears where delivery thereof is accepted after expiry of the aforesaid period, subject to a maximum of ten percent of value of the delayed supplies.

16. **SECURITY DEPOSIT:** The contractor shall deposit as security a sum of ₹ 20,00,000/- (Rupees Twenty Lakh only) with the paying Authority. In case, this is done through a Nationalized Bank Guarantee Bond, it should be in a format approved by the Paying Authority and a copy thereof should be sent to this office. Security deposit bond should be valid for a period of 60 days beyond the terminal date of Delivery Period. In case of failure on your part to execute the contract, save Force Majeure conditions, the above security deposit shall be forfeited.

17. **GUARANTEE / WARRANTY:** The bearings complete and their components (in case supplied individually) shall be guaranteed for satisfactory performance for a period of 48 months after supply or 36 months after putting into service whichever is late as per clause 11 of STR. The guarantee shall cover design, material and workmanship. The contractor at his own expense shall replace the defective lot of CTRBs and components supplied against this contract.

17.1 **Bank Guarantee towards Guarantee obligation** : You will have to furnish a bank guarantee of 10% of Material value to cover your guarantee obligation. The format of the Guarantee bond is annexed. Bank Guarantee (BG) to be submitted by you should be sent directly to the concerned paying authorities by the issuing bank under Registered Post AD.

18. **PAYMENT & MAINTANCE OF ACCOUNTS:** Paying Authority indicated in para 7.3 will maintain accounts and arrange all the payments in terms of clause 2300 and 2302 of the Indian Railway Standard Conditions of the contract.

19. **PACKING:** The Cartridge Bearings shall be suitably packed to protect them against ingress of dust, dirt and moisture. The supplier will be responsible for proper packing methods and should ensure that these packing methods are adequate for handling at Indian Ports and Inland Rail/Road Transport.

20. The Contract is issued by order and in the name of the President of India.

21. Copies of the dispatch particulars of all the consignment along with copies of inspection certificate should be sent to this office.

22. Monthly Progress Report of supplies should be submitted, indicating supplies made during the month, cumulative, supplies upto the month quantities outstanding. This Progress Report should reach this office by 7th of every month.

23. No technical & commercial deviations are acceptable.

24. **FORCE MAJEURE CLAUSE:**

Force Majeure means an event beyond the control of the contractor and not involving the contractor's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts and freight embargoes, however, it should not be used by a party to effectively escape liability for bad performance.

If there is delay in performance or other failures by the contractor to perform its obligation under its contract due to event of a Force Majeure, the contractor shall not be held responsible for such delays/failures.
If a Force Majeure situation arises, the contractor shall promptly notify the purchaser in writing of such conditions and the cause thereof within twenty-one days of occurrence of such event with reasonable evidence thereof. Unless otherwise directed by the purchaser in writing, the contractor shall continue to perform its obligations under the contract as far as reasonably practical and shall seek all reasonable alternate means for performance not prevented by the Force Majeure event.

If the performance in whole or part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side.

There may be a Force Majeure situation affecting the purchase organization also. In such a situation, the purchase organization is to take up with the supplier on similar lines as above for further necessary action.

25. **ARBITRATION** : As per Para 2900 of IRS conditions of Contract.

26. Other terms & conditions will be as per tender document and IRS conditions of contract.

27. Please convey your unconditional acceptance addressed to the President of India within 5 days from the date of issue of this Contract through "Executive Director, Railway Stores(S), Ministry of Railways (Railway Board), Rail Bhavan, New Delhi", endorsing a copy of the same to the Paying & Inspecting Authorities as well as Chief Material Manager (BI), Eastern Railway, Kolkata. One copy of the Contract signed on each and every page as a token of acceptance should be returned to this office for record.

Yours faithfully,

(G.S Raja)
Director, Railway Stores (W)
For and on behalf of the President of India

No. 2018/ RS(I)/ 874/108/1841 **New Delhi, dated : 31.07.2018**

Copy to:

1. PFA(RBC), Eastern Railway, Kolkata. Payment may be made only after receipt of unqualified acceptance from the firm, submission of security deposit as per Clause 16.0, submission of BG towards Warranty obligation as per clause 17.1 and against submission of bills supported by the original Inspection Certificate inscribed with the words "COPY FOR PAYMANT" from RDSO and on proof of delivery/ receipt. Debits of payments made for supplies made for wagon manufacturing activity should be raised to RSP number indicated in the Supply Orders. Debits of payments made for supplies against maintenance activity should be raised to respective Zonal Railways against their indents.
2. Dy. CA&G (Railways), Room No.224, Rail Bhavan, New Delhi.
3. Director of Audit, Northern Railway, New Delhi.
4. A/Cs.IV(BO), RS(B), RS(T), F(S)I & RS(PF&EC) Branches of Board's office.

for Financial Commissioner/Railways

No. 2018/ RS(I)/ 874/108/1841 **New Delhi, Dated : 31.07.2018**

Copy to:-

1. CMM(BI), Eastern Railway, 3, Koilaghat Street (Top Floor), Kolkata-700001 (with 2 spare copies). For deliveries to be made to the wagon manufacturers, RSP details of the wagon contract may be indicated in the Supply Orders so that debits for the payments made may be raised accordingly.
2. Executive Director (QA), RDSO, Manak Nagar, Lucknow-226011
3. Executive Director(Standard)/Wagon, RDSO, Manak Nagar, Lucknow.
4. Director General (I&L), RDSO, Manak Nagar, Lucknow-226011.
5. Director Standard Wagon, RDSO, Manak Nagar, Lucknow-221160.
6. Director (I&L), RDSO, behind Shankar Market, New Delhi-110001. Inspection may be undertaken only after receipt of unqualified acceptance from the firm and to inscribe the words "COPY FOR PAYMENT" on the original copy of inspection certificate and on all others "COPY NOT FOR PAYMENT".

Yours faithfully,

(G.S Raja)
Director, Railway Stores (W)

Annexure-X

GUARANTEE BOND (for Security Deposit and Warranty Obligation)

In consideration of the President of India (hereinafter called "the Government") having agreed to exempt..... [hereinafter called "the said Contractor(s)"] from the demand, under the terms and conditions of an Agreement dated ..... made between ..... and ..... for .....(hereinafter called "the said Agreement"), of security deposit for the due 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, ...Bank Ltd., (hereinafter referred to as "the Bank") 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, ...Bank Ltd., do hereby undertake to pay the amount due and payable under this guarantee without any demur, merely on a demand from the Government stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the Contractor(s) failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.....

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

4. We, ...Bank Ltd., further agree with the Government that the Government shall have the fullest liberty without our consent and without effecting 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.

5. We, ... Bank Ltd., lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

Dated the ..... day of 2018

For ..... Bank Ltd.