GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
(RAILWAY BOARD)
****

No.2015/RS(WTA)-488A/Wheels/874/1 New Delhi, dated 6 /05/2015

M/s. KLW Wheelco S.A,
Via San Salvatore 13, P.O. Box 745
CH-6902, Paradiso- Lugano
Switzerland.

C/o:- M/s Khyati Nilum Associates Pvt. Ltd.,
"GURU KRIPA" D-60/1, East of Kailash,
New Delhi - 110 065.

Dear Sirs,

Sub:-	Contract No. 2015/RS(WTA)-488A/Wheels/874/1 dated 6/05/2015 against E-Global Tender No.WTA-488A opened on 09/10/2014 for procurement of Wheel Monobloc Rolled (Rough Machined) for ZDM2 & ZDM3 locomotives(for Kalka-Shimla section).
Ref:-	i)Your original offer No.275 dated 03/10/2014 through your Indian Agents letter No. KHYATI/KLW/WTA-488A/2014-15 dated 09/10/2014 and subsequent letter no. KHYATI/KLW/WTA-488A/31/2014-15/570 dated 13/12/2014. ii)Your Letter No. KHYATI/KLW/WTA-488A/31/2015-16/36 dated 13/04/2015 submitting the Performance Bank Guarantee No. 15/132 dated 08/04/2015 for USD 29,166.

This is in continuation of this office advance letter of acceptance No. 2013/RS(WTA)-149/Tender/488A dated 24/03/2015 and your offers/subsequent letters detailed in para 4(b) below, it is hereby advised that the President of India is pleased to place the following contract subject to the terms and conditions detailed below:-

2.	Purchaser	The President of India.
3.	Name & address of Contractor	M/s. KLW Wheelco S.A, Via San Salvatore 13, P.O. Box 745 CH-6902,Paradiso- Lugano Switzerland.
4(a)	Purchaser's references	This Ministry's e-global Tender No.WTA-488A opened on 09/10/2014 and advance letter of acceptance No.2013/RS(WTA)-149/Tender/488A dated 24/03/2015.
4(b)	Contractor's offer No. & date:	i)Your original offer No.275 dated 03/10/2014 through your Indian Agents letter No. KHYATI/KLW/WTA-488A/2014-15

		dated 09/10/2014 and subsequent letter no. KHYATI/KLW/WTA-488A/31/2014-15/570 dated 13/12/2014. ii)Your Letter No. KHYATI/KLW/WTA-488A/31/2015-16/36 dated 13/04/2015 submitting the Performance Bank Guarantee 15/132 dated 08/04/2015 for USD 29,166.

5.(a) Particulars of the order:

Item No. of Tender	**Description/ Drawing**	**Specification**	**Qty. (in nos.)**	**Net Unit (C&F Mumbai basis) Rate in US Dollar** (exclusive of agency commission	**Total (C&F value In US Dollar** (exclusive of agency commission)
1.	Wheel Monobloc Rolled (Rough Machined) for ZDM2 & ZDM3 locomotives (for Kalka-Shimla section)to Drg.No.D/WL-4905/R alt. '10'	IRS R-34-09 (Addendum No. 1)	557 nos.	USD 509 (USD 493 FOB + USD 16 Sea Freight)	USD 283,513
Total			**557 nos.**		**USD 283,513**

Total C&F Value: (exclusive of agency commission) – US DOLLAR TWO HUNDRED EIGHTY-THREE THOUSANDS AND FIVE HUNDRED THIRTEEN ONLY- EXCLUSIVE OF AGENCY COMMISSION.

Note: The Purchaser however reserves the right to take FOB supplies of wheels at the unit rate of USD 493 per wheel (US Dollar Four Hundred ninety three only) (exclusive of agency commission) as quoted by the firm and convert contract on FOB basis during the currency of contract.

5(b) **Price**: The above prices are firm & fixed and will not be subject to variation on any account.

5(c) **Quantity Variation Clause**: The Purchaser reserves the rights to increase the ordered quantity by a maximum of 30% during the currency of the contract at the same rates, terms and conditions.

5(d) **Agency Commission**: The contract prices are exclusive of Agency Commission @ US$ 5 (USD Five only) per wheel to be paid in non-convertible Indian Rupee to your Indian Agents M/s Khyati Nilum Associates Pvt. Ltd., "GURU KRIPA" D-60/1, East of Kailash, New Delhi – 110 065 on the basis of TT buying rate of exchange of US$ 1 = Rs. 61.8(Rupees Sixty One point Eight only) ruling on the date of issue of advance letter of acceptance i.e. 24/03/2015 as quoted by State Bank of India, New Delhi. The agency commission shall be paid as per provisions laid down in clause 3.4 of Instructions to Bidders (Bid Documents, Part-II) and shall not be subject to any variation in the rate of foreign exchange.

6. **Specification and Drawing**: The wheels shall be manufactured and supplied in accordance with the drawing and specification given in clause 5(a) above.

7(a) **Terms of delivery:-** C&F Mumbai/Nhava Sheva Port(India).

7(b) **Port of Loading:** Ukranian Black Sea Port, Ukraine.

8. **Port of Discharge**: As per details given in Annexure I (enclosed).

9. **Country of Origin of Goods**: Ukraine.

9(a) **Place of Manufacture**: M/s INTERPIPE NTRP, 21,Stokotov str, Ukraine.

10. **Delivery Schedule**: Delivery of wheels shall be made within six months from receipt of technically & commercially clear order.

11.(a) **Port Consignee**: The Controller of Stores, Central Railway, Mumbai.

(b) **Ultimate Consignee**: As shown in the Annexure I (enclosed).

(c) **Port of Discharge:** Mumbai/ Nhava Sheva Port.

12(i) **Wheel Marking**: Stamping (Branding) on wheels will be done strictly in accordance with contract specification/drawing.

a) For manufacturer's name code, you shall stamp words KLW.

b) Code for the particular contract to be followed in this case shall be W488A.

12(ii) **Colour Marking**: With reference to clause-12.1(c) of the Bid Documents, part-II Section-II (General Conditions of the contract), distinguishing colour marking is to be made as under:-

Colour	Drawing No.
One Green and One Black stripes	D/WL-4905/R alt.10

The stripes indicated above should be prominently displayed on the wheels in a prominent place to enable the same to be segregated instantaneously

13. **Inspection**: The inspection will be carried out by the Railway Adviser, Embassy of India, Railway Wing, Berlin (Fax No.0049 3025795809) (Email: railway@indian embassy.de) or his authorized representative at the cost of the Purchaser in terms of clause 21 of General Conditions of Contract (Section–II) of Bid Documents Part–II.

The contractor shall afford full facilities to the Indian Government Inspector to inspect the stores at all stages of manufacture. At least four weeks notice must be given to the Indian Govt. Inspector and Purchaser to enable them to arrange necessary inspection. The inspector nominated by the Purchaser shall have full powers at every stage of progress to inspect the materials at such intervals as he/they may deem fit and to reject any of the materials which do not conform to specifications of the contract and his/their decision on every question of intent and meaning of specifications shall be final and conclusive. Inspection and acceptance will be final at the Contractor's works and rejection if any shall be at the Contractor's cost subject to the provisions contained in the warranty clause.

14. **Shipping Arrangements:** Shipping Arrangements: Being a C&F contract, shipment shall be arranged by the contractor in accordance with the requirement of the Ministry of Shipping, New Delhi, India. The contractor is however, advised to utilize Indian Flag Vessels to the maximum extent possible. Shipment in vessels belonging to other countries may be used after obtaining confirmation from TRANSCHART, Ministry of Shipping, New Delhi or Shipping Corporation of India Ltd. to the effect that Indian Flag vessels are not available at the time shipment is scheduled/ planned to be effected.

The seller shall avoid use of over-aged vessel for the shipment of the goods under the contract. The cost of additional insurance, if any, on account of use of over-aged vessel shall be borne by the seller. Tramp vessels shall not be used under any circumstances.

14.1 For C&F delivery (CFR of Incoterms), the stores shall be delivered free of expenses to the Purchaser on Board the vessels with ocean transportation to named Indian Port, including any charges for unloading etc. till the cargo is safely delivered to the port consignee at the said port.

14.2 The seller shall ensure use of Lloyds classified vessel. A certificate to this effect shall invariably be sent by the seller to the Port Consignee(s) and also to the Purchaser and the Paying Authority along with other shipping documents. Any extra expenditures by way of extra insurance etc., if incurred, for use of non-classified/over-aged vessel, shall be on seller's account.

14.3 The free time for unloading/clearing the cargo shall be minimum of five (5) days. Any extra expenditure by way of demurrage/wharfage etc. due to inadequate free time shall be on seller's account.

14.4 The bills of lading should be drawn giving shipper and consignee address as under:-

Shipper: M/s. KLW Wheelco S.A,
Via San Salvatore 13, P.O. Box 745, CH-6902, Paradiso-Lugano,Switzerland acting on behalf of Government of India, Ministry of Railways(Railway Board) New Delhi.

Consignee: As given in enclosed annexure. (Name of Railway(s) to be inserted as per consignee instructions).

14.5 Two non-negotiable copies of each of the bills of lading should be forwarded to the Secretary, Shipping Co-ordination Committee, Ministry of Shipping & Transport, Chartering Wing, Parivahan Bhawan, New Delhi after shipment of each consignment is effected.

14.6 Attention of the contractor is specifically drawn to clause 16-PACKING of the Bid Documents Pt.II, Instructions to Bidders & Clause 13-PACKING of the Bid Documents Pt.II, General Conditions of the Contract (enclosed). The wheels will have to undergo arduous transportation before reaching their destination and will have to be stored and handled in tropical climate conditions (including monsoons) before they are put into actual use. The Contractor shall pack the stores as per standard packing practices duly taking into consideration, inter-alia the above vital factors, so as to protect the wheels from such conditions.

14.7 The contractor should despatch bills of lading and all other shipping documents to the port consignees by reputed Courier service immediately after shipment with a view to ensure the receipt of the documents well in advance of the arrival of the cargo at the Indian Ports. The contractor should also despatch simultaneously a complete set of shipping documents including a copy of non-negotiable Bill of Lading to the Director, Railway Stores (F), Railway Board, Govt. of India, New Delhi-110001(India). Cargo particulars should be furnished in the prescribed proforma in triplicate.

15. **Insurance:** The stores ordered against the contract will be insured for marine risk against FPA open cover taken by the Port Consignee. To enable the insurer to issue individual policies against each shipment, the contractor shall within 24 hours of the date of the shipment, forward the insurance closing particulars, as in form DDGI-15 (Specimen attached as Annexure-C) to the Port Consignees and also the Insurance Co. named below:-

Name of the Insurance Co.	Policy No.
M/s New India Assurance Company Ltd., Divisional Office: 310400, E-9, 2nd Floor, Connaught House, Connaught Place, New Delhi-110001. Telephone: 011-23415157, 23416030, 23411998, 09811262592 Fax No. 23412460, 24372258. E mail-nia.310400@newindia.co.in. rajesh.jain@newindia.co.in kumar.arvind@newindia.co.in	Policy No.2015/F(S)/1/IS/1 dated 09/03/2015 Open Cover (basic) for bulk consignments ICC(B).

15.1 The above insurance cover number should invariably be mentioned in all communications with the insurance company.

16(a) **Payment:** Payment will be made through irrevocable and unconfirmed Letter of Credit which will be opened in your favour by FA&CAO(RBC), Eastern Railway, Kolkata. Letter of Credit will be made operative only on receipt of (a) contract copies duly signed accepting the same and (b) performance bank guarantee as per clause 17 (b) of the contract and other documents as specified at 16(b) (i) to (ix) below.

16(b) 90% of the C&F value of the stores less agency commission and the amount recoverable towards liquidated damages as per clause 17 of Sec II, General Conditions of Contract, Bid Documents Part-II, for delay in shipment, will be payable through LC on proof of inspection and shipment within 30 days of receipt of shipping documents covering shipment of the stores to the Indian ports and other documents as specified hereunder:-

i)	Two copies of negotiable cum original Bill of Lading.
ii)	One copy of the invoice and shipping specification (claim copy).
iii)	Inspection Certificate issued by Railway Adviser, Embassy of India, Railway Wing, Berlin(Fax No.0049 3025795809) or his authorized representative.
iv)	A certificate that one copy of the negotiable bill of lading along with shipping documents, specification, description and weight of the materials and shipping marks have been forwarded to the Port Consignee by a reputed courier to ensure clearance of materials without delay and without incurrence of any wharf / rent.
v)	Signed invoice quoting letter of credit number, date and contract No.2015/RS(WTA)-488A/Wheels/874/1 dated 6 /05/2015.
vi)	A certificate that the insurance closing particulars as per Clause 15 of the contract have been furnished to the insurance company as well as port consignees.

vii)	Certificate that the amounts claimed are correct in terms of the contract.
(viii)	Certificate that the shipment has been made in time as per schedule laid down for the respective installments in clause 10 of the contract or alternatively a certificate that the invoice has been drawn up duly deducting the liquidated damages for delay in shipment of the respective installment.
ix)	Certificate that acceptable performance bank guarantee has been submitted in terms of clause 17 (b) of the contract.

16(c) Balance 10% payments will be made after receipt of materials in India through Letter of Credit within 90 days of receipt of goods at an Indian Port of discharge subject to submission of documents as specified in clause 16(b) (i) to (ix) and a warranty bank guarantee with adequate validity for 10% value of the contract including agency commission (as per format enclosed as Annexure 11 of Section-IV of Bid Documents Part-II) from State Bank of India or any other Indian nationalized bank or any scheduled commercial foreign Bank branches operating in India governed by Reserve Bank of India guidelines or foreign Bank duly countersigned by a nationalised Indian bank, to cover the warranty obligations of the contract for period of warranty (in terms of provisions contained in clause 12.1 of Instructions to Bidders and as per clause-10 of Special Conditions of the contract (Bid Documents Part-.II, Section-III) as also for recovery of liquidated damages (as per provision contained in clause 17 of Bid Documents Part-II, Section-II), as well as any loss that might be suffered by the Purchaser due to any breach of any of the conditions stipulated in the Bid Documents attached. Please note that warranty bank guarantees shall also serve the purpose of satisfying IR's claims in any other contract in accordance with conditions of Tender.

16(d) While claiming the payment, the contractor shall present invoices duly deducting the liquidated damages for delay in delivery of wheels with reference to the schedule stipulated in clause 10 of the contract. For this purpose, contractor shall work out the liquidated damages in accordance with clause 17 of the attached Bid documents Pt-II, Section-II of conditions of contract.

16(e) The agency commission indicated in clause 5(d) of contract shall be paid to M/s Khyati Nilum Associates Pvt. Ltd., "GURU KRIPA" D-60/1, East of Kailash, New Delhi – 110 065 as per provisions laid down in clause 3.4 of Corrigendum to Bid documents Pt.II.

16(f) The above payments shall be subject to the deduction of any amount for which the contractor is liable under this contract.

17(a) **Beneficiary's Bank Name**: The letter of credit may be established with CREDIT SUISSE AG, Zurich, Switzerland as per Account Number & Swift Code given below:

Account No	IBAN CH83 0483 5078 6041 0200 0
Swift Code:	CRESCHZZ80A

17(b) **Performance Bank Guarantee**: In terms of provisions contained in Clause-20 of Section- II of Bid Documents Part-II, **Performance Bank Guarantee No. 15/132 dated 08/04/2015 for USD 29,166** (US Dollar Twenty Nine Thousand One Hundred Sixty Six only) executed by State Bank of India, Frankfurt Branch, Frankfurt valid up to 31/01/2017 and claim period till 31/07/2017, has been received and is forwarded to FA&CAO(RBC), Eastern Railway, Kolkata for making the Letter of Credit operative. The performance bank guarantee shall remain in full force and in effect during the period that will be taken for satisfactory performance and fulfilment in all respects of the contract. As and when an amendment is issued to the contract extending the delivery period, the Contractor, shall, within fifteen (15) days of receipt of such an amendment furnish an amendment to the Performance Bank Guarantee rendering the same valid for the additional corresponding period.

17(c) Default & Risk Purchase will be as per clause-18 of Bid Documents Part II, Section-II (Copy enclosed), which is integral part of the contract.

18. No import license is required for their import as the same is covered under OGL. No DGTD clearance is needed as these are not banned items.

20. Other terms & conditions of the contract as detailed in Bid Documents (copy enclosed) which are an integral part of the order.

21. Six copies of the contract are sent herewith. Four copies duly initialled on each page and signed in full on this sheet in token of your acceptance may be returned within 15 days to the purchaser for record.

22. The contract is issued by order and in the name of the President of India.

Yours faithfully,

(PREM NARAYAN)
DIRECTOR, RAILWAY STORES(F)
RAILWAY BOARD
FOR & ON BEHALF OF PRESIDENT OF INDIA

Encl: 1. Bid Documents.
2. Proforma for the Insurance Closing Particulars (**Annexure-C**).
3. Annexure-I.

(9)

No.2015/RS(WTA)-488A/Wheels/874/1 New Delhi, dated 06/05/2015

Copy to:-

1. **The FA&CAO(RBC), Eastern Railway, Calcutta (Paying Authority).** - He may please arrange to establish the Letter of Credit at an early date subject to receipt of acceptable Performance Bank Guarantee in terms of clause 17(b) above under advice to the Board. Implementation of Clause-16(b) (viii) and clause 16 (d) through the Letter of Credit should be ensured if there is delay in delivery of wheels with reference to schedule stipulated in Clause 10 of the contract.
2. **FA&CAOs**: NR, New Delhi / SECR, Bilaspur.
3. **Principal Directors of Audit**: NR, New Delhi / SECR, Bilaspur.
4. ADAI(Railways), Room No. 222, Rail Bhavan, New Delhi.

For FINANCIAL COMMISSIONER / RAILWAYS

No.2015/RS(WTA)-488A/Wheels/874/1 New Delhi, dated 06/05/2015

Copy to:-

1. The Controller of Stores :SECR, Bilaspur/ NR, New Delhi.
2. The Director General / Carriage Dte. / RDSO / Lucknow.
3. The Secretary, Shipping Coordination & Chartering Division, Ministry of Shipping (Chartering Wing), Parivahan Bhavan, Sansad Marg, New Delhi- 110001, w.r.t their letter no. SC-15011/88/2015-ASO-III dt 12/3/2015.
4. The Controller of Stores (Shipping), Central Railway, Mumbai **(Port Consignee)**.
5. Dy CMM/Northern Railway/ Amritsar.
6. AMM(D), SECR, Nagpur.
13. The Executive Director, Enforcement Directorate, Ministry of Finance, Loknayak Bhawan, Khan Market, Lodi Road, New Delhi-110 003.
14. The Railway Adviser, Embassy of India, Railway Wing, Tiergartenstrasse 17, 10785-Berlin(Germany) along with a copy of relevant drawing and specifications.
14. M/s New India Assurance Company Ltd., Divisional Office: 310400, E-9, 2nd Floor, Connaught House, Connaught Place, New Delhi-110001.
15. FS-III Branch, Railway Board.
16. DDF(S)-I.

(RAJ SINGH)
JOINT DIRECTOR/RAILWAY STORES(E&S)
RAILWAY BOARD

ENCL: AS ABOVE

I/We accept the order on conditions stipulated therein for and on behalf of M/s KLW Wheelco S.A., Via SAN Salvatore 13 P.O.-745, CH-6902, Paradiso- Lugano, Switzerland.

WITNESS ---------- SIGNATURE ----------

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DATE---------- ----------

(12)

No. DDG, I-15

ANNEXURE – 'C'

M/S. NEW INDIA ASSURANCE COMPANY LTD

INSURANCE CLOSING PARTICULARS

(To be completed and sent in duplicate)

Number of open Cover	:	
Number of packages indicating whether crates, cases, bundles or loose and description of materials	:	
Mark and numbers	:	
Place of despatch	:	
Port of Loading	:	
Name of Vessel	:	
Bill of Lading No. and date	:	
Particulars of Deck Cargo, whether under deck or on Deck	:	
Port of discharge in India/Country of Import	:	
If goods are to be railed / road hauled to the interior indicate final destination / site	:	
Amount of which insurance is required on goods	:	
Purchase order No. and Date	:	

N.B. This form may be considered as a specimen copy and this is meant for the guidance of clients in advising details of shipments for Insurance Policy Documents. It is not necessary that the details should be given in this very form only. What is required is that details of shipments as

ANNEXURE I

CONSIGNEE PARTICULARS IN RESPECT OF CONTRACT NO.2015/RS(WTA)-488A/WHEELS/874/1 DATED 6/05/2015 PLACED ON M/S KLW Wheelco S.A., SWITZERLAND FOR NG LOCO WHEELS.

Item & Drawing No.	Total Qty. (in nos.)	Port Consignee	Ultimate Consignee		Indent No. & date	Chargeable Head
			Qty. (in nos.)	To		
1. Wheels Monobloc Rolled (Rough Machined) for ZDM2 & ZDM3 locomotives (for Kalka-Shimla section only) to Drg.No.D/WL-4905/R alt.10.	557 nos.	The Controller of Stores (Shipping) / Central Railway / Mumbai.	317 nos.	Dy. CMM/NR/Amritsar	No. 07144007700010 dt 11/08/2014 (for 317 nos.)	
			200 nos.	AMM(D)/SECR/ Nagpur	No. 01122498 dt 08/06/2012 (for 200 nos.)	
			40 nos.		As requested by DRS(W) for Kalka- Shimla Section	
Total	**557 nos.**		**557 nos.**			