GOVERNMENT OF INDIA/Bharat Sarkar
MINISTRY OF RAILWAYS/Rail Mantralaya
(RAILWAY BOARD)

No. RS(S)/51/2019/7701/5/11947 **New Delhi, Dated: 19.06.2019**

M/s Steel Authority of India Ltd.,
18th Floor, Scope Minar,
Laxmi Nagar District Centre,
Delhi - 110092.

Dear Sirs,

Sub: Contract No. RS(S)/51/2019/7701/5/11947 dated 19.06.2019 for supply of Stainless Steel Sheets/Plates on M/s SAIL.

With reference to your offer and other references detailed below, Executive Director, Railway Stores(S), on behalf of President of India is pleased to accept your offer to the extent of quantities, specifications and prices shown in Clause 10. This Running Contract is issued on the terms and conditions detailed hereunder:

2. Contract No.	RS(S)/51/2019/7701/5/11947 dated 19.06.2019.
3. Purchaser	Executive Director, Railway Stores (S), Railway Board, on behalf of President of India.
4. Name & Address of the supplier	M/s Steel Authority of India Ltd., 18th Floor, Scope Minar, Laxmi Nagar District Centre, Delhi - 110092.
5. Purchaser's Reference	(i) Ministry of Railways, (Railway Board's) Tender No. 2018IS197 opened on 23. 10.2018 (ii) Counter Offer letter No. RS(S)/2018/747/1 dated 15.04.2019. (iii) Advance Acceptance letter No.RS(S)/51/2019/7701/5/11947 dt. 28.05.2019.
6. Contractor offer and other references	(i) e -Offer No. Nil dated 22.10.2018. (ii) Your Ref.No.SAIL/SS/HQ/02/18-19 dt.16.05.2019. (iii) Your Ref. No.SAIL/SS/HQ/02/18-19 dt.12.06.2019.
7. Place of Manufacturing	The material is to be manufactured in your works at Salem, Tamil Nadu.
8. Inspecting Authority	Material will be inspected by Quality Department of the SAIL's plant and material will be supplied along with Test Certificates.
9. Paying Authority	PFA (RBC), Eastern Railway, Kolkata will maintain the account and arrange all payments against the contract.

10. Particulars of Order:

Stainless Steel Sheets/Plates

SN	TSN	Thickness range (MM)	Width range (MM)	Specification	Quantity (in MTs.)	Basic rate excluding GST (₹/MT)	Total Basic value (₹)
1.	SS01	1 - 2.5	700 - 1250	RDSO STR No. C-K 201, grade X 2 Cr Ni 12(409 M) of Table-1, Heat treatment condition/Surface Finish "2 B" as per Table-5.	156	1,15,150	1,79,63,400
2.	SSO2	3-8	700- less than 1000	IRS M-44/97	1,194	85,000	10,14,90,000
3.	SSO3	3-8	1000-1250	IRS M-44/97	5,796	84,900	49,20,80,400
Total					**7,146**		**61,15,33,800**

(i) Surface Finish:

For thickness of 3-8 mm of hot rolled sheets/plates, 8μ max surface roughness value shall be maintained.

For cold rolled sheets surface roughness values shall be as per Para 11.2 of specification No. C-K 201 and finish grade shall be 2B, as per the tender specification.

(ii) Tolerance in Sizes:

Tolerance shall conform to ASTM A 480 as per Para 11.1 of specification No. IRS: M-44/97 for hot rolled sheets/plates. Tolerance on thickness for 5-8 mm thick hot rolled sheets/plates shall be in the limit +0.5 mm to -0.2 mm. For other plate thickness, tolerance shall be as per ASTM A 480. For cold rolled sheets dimensional tolerance shall be as per Para 10 of specification No.C-K 201.

The dimensional tolerance for hot rolled annealed and pickled sheets and plates shall be on width/length as minus 0/+ 30mm.

10.1 (i) Total Quantity: 7,146 MT (Seven thousand one hundred forty six MT).

(ii) Total Value: ₹ 61,15,33,800/- (Rupees sixty one crore fifteen lakh thirty three thousand eight hundred only) excluding GST.

(iii) Supply Tolerance: +/- 5% tolerance in quantities (item-wise) will be allowed against each supplies.

(iv) The contract prices are FOR station of dispatch – Salem, Tamil Nadu.

11. Option Clause: The purchaser reserves the right to increase/decrease the item-wise quantity ordered by not more than 30% on the same price, terms and conditions during the currency of the contract.

12. **Goods and Services Tax**: Will be reimbursed by purchaser as per actual. The current prevailing rate of GST is 18%.

12.1 The Purchaser will not, however, be responsible for the payment of GST/ or any tax made by the contractor under misapprehension of Law. The liability of the Purchaser to reimburse Taxes is limited to such sum as may be found legally due and leviable in respect of contracted goods after availing the full credit on all the inputs used in the manufacture of the finished products, irrespective of whether the Seller has in fact availed of the said credit or not.

12.2 Upon implementation of GST w.e.f. 01.07.2017, invoices by the firm would require GST details and following procedure should be followed for the same:-

(i) While preparing the invoices, the supplier shall mention the address of the paying Authority and GSTIN Number of the paying Authority (as per the contract) under the 'Bill to' column and address of the consignee and Railway's GSTIN Number of the State, where consignee is located, under 'Ship to' column.

(ii) The invoices shall be submitted by the suppliers to the Governing Paying Authority (as per the contract) and payment to the suppliers shall be released by the same paying Authority.

12.3 The firm will submit following certificate with the 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."

12.4 Purchaser will, however, not pay any Tax or Duty paid by the supplier due to misclassification.

13. **Statutory Variation:** Any Statutory variation during original currency of the contract will be on purchaser's account.

14. **Inspection**: The material shall be inspected in terms of clause 1300 of the IRS Conditions of Contract, by the Inspecting Authority mentioned in Para 8 above.

Note:

(i) Test Certificate as prescribed in the specification such as Chemical Analysis, Tensile Test, Bend Test etc., are to be furnished along with the supplies.

(ii) On the original copy of the Inspection Certificate the words "copy for payment" and on all other copies "Not for payment" shall be printed.

15. Consignee & Dispatch Instructions:

15.1 The consignee particulars along with thickness, width and length of the material shall be intimated by Director (I&S), Railway Board, Kolkata.

15.2 No deviations in width and length (i.e. size) and tolerance as intimated by Steel cell, Kolkata shall be permitted.

15.3 Mode of transport & freight Charges: Material will be transported by Rail in case rake load formation is feasible. However, considering the non-availability of piecemeal wagons, suppliers may be authorized by DRS(I&S), Railway Board, Kolkata to dispatch the material by Road and claim road freight charges:

15.4 Freight charges: Actual Railway freight would be reimbursed if the material is dispatched by Rail. In case material is dispatched by Road, the freight charges would be Road Freight or calculated Railway freight whichever is lower.

15.5 The stores shall, however, be dispatched to the consignees only after the Inspecting Officer has certified in writing that the stores have been inspected and approved by him. Issue of Inspection Certificate will be considered sufficient for this purpose. The contractor shall be responsible for all losses etc., in transit as per clause 1501 of the IRS Conditions of Contract and shall alone be entitled and responsible to make claims against the carrier. The supplier shall be responsible till the stores arrive in good condition at consignee's destination.

15.6 The contractor shall furnish by Registered Post to the Executive Director, Railway Stores (S), Railway Board, New Delhi and DRS (I&S) Railway Board, Kolkata by 10th of every month, a statement showing full particulars of stores dispatched during the preceding month.

15.7 The Purchaser reserves the right to alter consignee particulars, width and length requirements of material as and when the necessity arises.

16. Transit Insurance: The Purchaser will not pay separately for transit insurance and the contractor shall be responsible till the stores contracted for, arrive in good condition at destination. However, in the event of any deficiencies in or damage to supplies in transit the contractor shall arrange free replacement, freight paid. The loss/damage if any, will be notified by the consignee within 45 days of the receipt of the material.

16.1 Transit risk insurance cover while the material are in transit by road from the works of the contractor to the consignees would also be at the cost of the contractor.

16.2 Local charges/other incidental expenses involved in road movement will be borne by the contractor.

17. PAYMENT TERMS:

(i) <u>For dispatches by road to Zonal Railways</u>

a) 98% of the value of the invoice will be made against inspection certificate and receipted documents signed by Gazetted officer of the consignee.

b) Balance 2% of the invoice value shall be paid against the Receipt Note issued by the Consignee on receipt of Consignment in good condition by him.

(ii) <u>For dispatches by road to Wagon/ Coach manufacturers:</u>

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

(iii) <u>For dispatches by rail to Zonal Railways:</u>

a) 98% of the value of the invoice will be made against inspection certificate and dispatch documents, i.e., unqualified RR.

b) Balance 2% of the invoice value shall be paid against the Receipt Note issued by the Consignee on receipt of Consignment in good condition by him.

(iv) <u>For dispatches by rail to Wagon/Coach manufacturers:</u>

a) 98% of the value of the invoice will be made against inspection certificate and dispatch documents, i.e., unqualified RR.

b) Balance 2% of the invoice value shall be paid against the Receipt documents issued by authorized representative of Wagon/Coach manufacturers certifying that the material has been received and accepted in good condition.

17.1 Payments against this contract will be made by the Paying Authority on submission of Bills by the Contractor as follows:

(1) Original Railway Receipt.

(2) Certificate that certified copy of the Railway Receipt has been dispatched to consignees by Registered Post.

(3) Certificate that the Invoice has been correctly prepared in accordance with the terms of the contract.

(4) Original copy of Inspection certificate issued by the Inspecting Authority.

(5) Certificate as prescribed in Para 12.3 above.

Note: *Documents at (1) & (2) above will be applicable only for rail dispatches.*

17.2 Declaration as per proforma given below be recorded on the bills while claiming payment:

"I/We have personally examined and verified and do hereby certify that goods in respect of which payment is being claimed have been actually dispatched under RR Nos.----------dated----------and covered by Inspection Certificate No----------dated----------. I/We hold myself/ourselves personally responsible for the correctness of this statement."

18. Payment through ECS/ EFT:

18.1 The details of the bank account are as follows:

(i) Account No.00000030271562025.
(ii) Bank Name : State Bank of India
(iii) Branch name & Address : SBI, Corporate Accounts Group Branch, JLN Marg, Kolkata – 600071.

19. Price Variation Clause: The contract prices are subject to Price Variation Clause as per Annexure 'A' enclosed, with base month as September, 2018.

20. DELIVERY PERIOD: Contract will be Running Contract valid for 12 months from the date issue of the Contract. Supply Orders against the Contract will be placed by DRS(I&S), Railway Board, Kolkata.

20.1 Director (Iron & Steel)/Kolkata will place supply orders against this Running Contract during its currency. Supply orders can be placed till last date of validity of the contract.

20.2 Delivery Period will be reckoned from the date of Supply Order. Date of receipt of material by consignee will be the date of delivery.

20.3 DRS(I&S), Railway Board, Kolkata is authorized to decide the priorities for the supplies.

20.4 Considering that while placing supply orders in multiple tranches against running contract, sometimes minimum tonnage required for rolling in a particular width/thickness combination may not be ordered at a time resulting in delay in taking up rolling of that item without any fault on the part of the supplier, DRS (I&S), Railway Board, Kolkata is authorized to extend the delivery period in such cases without any LD within the overall validity of the contract. Such situations may also come in way if the quantity ordered is less than a lorry load or to cater to urgent requirement of any particular consignee.

20.5 In other case, DRS (I&S), Railway Board, Kolkata is authorized to extend the Delivery Period against the supply order with LD &DC.

20.6 In case of dispatches by rail, the date of Railway Receipt will be taken as the Date of delivery. In case of dispatches by road, date of receipt recorded by the consignees on the Lorry consignment Note/Challan will be taken as the date of delivery.

21. FORCE MAJEURE CLAUSE: Force majeure means an event beyond the control of the supplier and not involving the supplier'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, explosion, epidemics, quarantine restrictions, strikes, lock outs and freight embargoes. However, it should not be used by a party to effectively to escape liability for bad performance.

If there is delay in performance or other failures by the supplier to perform its obligation under its contract due to event of a Force Majeure, the supplier shall not be held responsible for such delays/failures.

If a Force Majeure situation arises, the supplier shall promptly notify the purchaser in writing of such conditions and the cause thereof within twenty one day of occurrence of such event with reasonable evidence thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

If the performance in whole or in 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 purchase organisation only. In such a situation the purchase organisation is to take up with the supplier on similar lines as above for further necessary action.

22. **ARBITRATION:** As per Clause 2900 of IRS Conditions of Contract.

23. **Jurisdiction of Courts:** The Delhi Court only shall have exclusive jurisdiction over any dispute arising out in respect of this contract.

24. **Security Deposit:**

The firm was required to deposit ₹ 50 lakh (₹ Fifty lakh only) as Security Deposit for this contract. The firm has furnished a Bank Guarantee No.190127IBGP00591 dated 07.06.2019 valid upto 31.08.2020, issued by IDBI Bank, in favour of M/s SAIL to the paying authority for ₹ 50 lakh (₹ Fifty lakh only). As and when an amendment is issued to the contract, the firm shall, within 15 (Fifteen) days of the receipt of such an amendment furnish to the Paying Authority an amendment to the Bank Guarantee rendering the same valid for the contract

25. **Validity:** The validity of the running contract is 12 months from the date of issue of the contract and can be extended with mutual consent between the parties.

26. **Packing:** The stores shall be sufficiently and properly packed so as to ensure the stores being free from any loss or damage in transit on arrival at the destination. Packing conditions stipulated in the specifications should be strictly followed.

26.1 The contract prices are inclusive of cost of all tests, packing etc.

27. **Marking:** Marking will conform to Clause 13 of the Specification No. IRS: M-44-97. All the products should bear distinct mark made by ink printing with indelible ink.

28. **All other Terms and Conditions:**

All other terms and conditions would be as per the Bid Document and Corrigendum issued after floating of this tender, so far as the same are not in conflict with whatever has been stated above.

29. Please convey your unconditional acceptance addressed to the President of India through Executive Director, Railway Stores (Steel), Ministry of Railway (Rail Bhawan), New Delhi. Two copies of the contract duly signed on your behalf by an authorized person with your seal, duly witnessed by two persons, and each and every page initialled should be returned to the undersigned for record within 15 days of receipt of contract. Copies of the same should also be given to DRS (I&S), Railway Board, Kolkata and the Paying Authority.

Encl: Annexure 'A' (1 page)

Yours faithfully,

(Shiv Shanker)
Dy. Director, Railway Stores (Steel)-I
For and on behalf of the President of India.

No. RS(S)/51/2019/7701/5/11947 **New Delhi, Dated: 19.06.2019**

Copy to:

(1) PFA (RBC), Eastern Railway, for information and necessary action in terms of Para 9, 17, 18 & 24 of the subject contract and with other relevant clauses. Payment may be made only after receipt of unqualified acceptance from the firm and security deposit and against the original inspection certificate inscribed with the word 'copy for payment' from RITES and on proof of receipt.

(2) ADAI (Railways), Rail Bhawan, New Delhi.

(3) Directors of Audit, All Indian Railways/PUs.

For Financial Commissioner/Railways

No. RS(S)/51/2019/7701/5/11947 **New Delhi, Dated: 19.06.2019**

Copy to:

(1) The Director, RS(I&S), Railway Board, 3, Koilaghat Street, Kolkata- 700001.
(2) Controller of Stores, All Indian Railways/PUs.
(3) DDF(S)-II, Railway Board.

(Shiv Shanker)
Dy. Director, Railway Stores (Steel)-I

Annexure 'A'

PRICE VARIATION CLAUSE – BASE MONTH: SEPTEMBER, 2018.

1. The increase/decrease in the price of materials quoted/ supplied against this tender would be governed by the following Price Variation formula:

$$P_1 = \frac{P_o}{100}\left(25 + 9 \times \frac{FC_I}{FC_o} + 66 \times \frac{MS_1}{MS_o}\right)$$

Where,

P_1 = Escalated/de-escalated price.

P_o = Base Price.

FC_1 = "Ferro Chrome" Basic price (HC 60%) Ex-Jajpur (INR), published in Steelmint for the last day of the calendar month, one month prior to the call for inspection of the material. For instance material offered for inspection in November, 2018 the basic price for the last day of the month of October, 2018 will be applicable.

FC_o = "Ferro Chrome" Basic prices (HC 60%) Ex-Jajpur (INR), Steelmint prices for the last day of the calendar month for the base month.

MS_1 = "Melting Scrap" Basic price of Melting Scrap End Cutting for Ex-Ludhiana. Price of the last day for the month previous to the month on which material offered for inspection/date of issue of Inspection Certificate of the material. For instance material offered for inspection in November, the basic price for the last day of the month of October, 2018 will be applicable.

MS_o = "Melting Scrap" Basic price of Melting Scrap End Cutting for Ex-Ludhiana, price of the last day of the calendar month for the base month.

Note: For 'Ferro Chrome' weekly data is published, the basic rate of 'Ferro Chrome' will be taken from the basic rate of the week in which last date of month falls.

2. In case P_1 is greater than P_o, the difference P_1 minus P_o shall constitute the amount due to the contractor towards escalation on account of Price Variation. Otherwise, the difference P_o minus P_1 shall constitute the amount to be recovered from the contractor as de-escalation.

3. The decision of the President of India in regard to wage and material escalation under the clause shall be final and not be subject to legal dispute or arbitration.