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भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
(रेलवे बोर्ड Railway Board)

MINUTES

of

the Conference of
Chief Materials Managers
(Mechanical)
of
All Indian Railways &
Production Units
with
Railway Board

Held at:
Rail Bhawan, New Delhi
24th October, 2007

Present:

Railway Board:	
	S/Shri
AM/RS	**Amitabha Datta**
EDRS(P)	**Harish Gulati**
EDRS(S)	**Ramesh Chandra**
EDRS(G)	**A. K. Goel**
EDRS(C)	**Gajanand Prasad**
EDV(S)	**Rakesh Aron**
DRS/F	**R. K. Sinha**
DRS/POL	**H. R. Soni**
DRE/S	**Rajeev Kumar**
DRS/W	**Prakash Mirani**
Dir/Ptg	**Dhirendra Kumar**
DRS(IC)	**Trilok Kothari**
DRS(M)	**Ajay Gupta**
Railways/Production Units:	
CMM/CR	**Sanjay V. Ramdasi**
CMM/ER	**Shree Kant Rai**
CMM/ECR	**Madhu Ranjan Kumar**
CMM/ECoR	**Anand Kapoor**
CMM/NR	**R. K. Vyas**
CMM/NCR	**J. P. Pandey**
CMM/NER	**Bijay Kumar**

CMM/NFR	**D. N. Gupta**
CMM/NWR	**R. L. Pawar**
CMM/SR	**V. V. Reddy**
CMM/SCR	**P. K. Sangenar**
CMM/SER	**S. P. Verma**
CMM/SECR	**G. V. Narayana Murthy**
Dy.CMM/SWR	**Chandra Pal**
CMM/WR	**M. K. Kaushik**
CMM/WCR	**P. N. Pandey**
CMM/CLW	**S. K. Sinha**
CMM/DLW	**Bimal Rautji**
CMM/DMW	**Dinesh Chandra**
CMM/ICF	**Pradeep Ambare**
CMM/RCF	**Pradeep Kumar**

Minutes of the Conference of Chief Materials Managers (Mechanical) of all Indian Railways & Production Units with Railway Board held on 24-10-2007 in the Conference Hall, Railway Board.

1.0 **Address by EDRS(P)**:

1.1 EDRS(P) welcomed all the participants of the first Conference of CMMs held in Railway Board.

1.2 It was advised to CMMs that the aim of this meeting is:

(a) To make the presence of organization is also felt more at field levels,
(b) To make the Top level Management of Stores Organisation more sensitive also to the growing expectations and customer care.
(c) To make the services available at the door steps to users by going to field and meeting/interacting with them more frequently and
(d) To monitor more closely the other important activities of the stores department specially planning, M&P programme, WP, MPP & IT, so that these functions are appropriately planned and implemented on regular basis.

2.0 **Address by AM(RS)**:

2.1 AM(RS) welcomed all the participants of first Conference of CMM-Mechanical in Railway Board.

2.2 It was advised to them that aim of such meetings is to:

(a) Give due recognition to CMMs incharge of their management role and responsibilities.
(b) Involve CMMs at the field levels so as to timely address the field requirement directly.
(c) To share responsibilities directly, side by side with COSs so that more focused attention is given to other important management functions such as project planning, manpower planning, IT enabled projects like MMIS and E-procurement, depot modernization trainings, creation of posts, M&P, inter-departmental interchange etc. on regular basis.
(d) To adopt best practices in Materials Management being followed by other Railways through more interactive inter railway participation.

2.3 It was advised to CMMs that Proposal for enhanced delegation of powers is under approval with competent authority in Railway Board. This will give much needed relief to the stores officers in discharging their functions after Materials Management properly.

2.4 It was advised to CMMs that they ought to be the consultant on materials management to other departments and:

(a) Utilize their expertise and knowledge in the field of Materials Management while framing tender instructions and share with other departments as an expert in Materials Management.
(b) Efficiently monitor and guide all others involved in tender settlement functions.

2.5 CMMs were advised about:

(a) Their detailed Job profile issued recently by Board.
(b) The points to be kept in view by GMs while writing ACRs of CMMs.

2.6 It was advised to CMMs that:

(a) All issues dealt in TC should be brought to logical conclusion and should not be left open.
(b) Discharging of tenders has to be done very carefully & most rarely.
(c) Discharging of tenders and negotiations wherever inescapable should be done without delays.
(d) Basic function of stores department i.e. delivering the material timely shall attain top priority all the time.

3.0 **Address by EDV(S)** :

It was advised that:

3.1 Some of the Railways are yet to complete the activities as detailed in CVC's circular dt 22-11-2006 regarding leveraging technologies- in vendor registration. This must be completed immediately & compliance reported to Railway Board.

3.2 Railways must ensure that their websites are accessible easily all the time.

3.3 Implementation of e-procurement should be expedited by NR & CRIS. This will reduce/eliminate the complaints regarding non – issue of tender documents, non-receipt of tender documents in time, tender opening and will reduce delays and enhance transparency.

3.4 Delay in accountal of materials by depots should always be avoided.

3.5 To appreciate difference between approved sources list and list of likely sources issued by RDSO.

4.0 **Discussion on agenda items**:

4.1 **(a) Availability of safety items**: Target for availability of safety items is 100%. The same has been achieved by some of the

railways i.e. SCR, NR & SR which indicates that it is possible for other Railways also to achieve the similar results.

- All Railways were advised to draw their action plan for ensuring cent percent availability of Safety items.
- Railways like ECR, WR, WCR, where availability of safety items is much below the target, were advised to take aggressive steps like resorting to EP, ST purchase and getting assistance from other Railways to ensure cent percent availability.
- Availability Position of main PL groupwise i.e. for steel, electrodes, gases etc. will also be discussed in future. Railways were advised to provide complete information in the following format:

PL Group	No. of safety items	No. of safety items available	% availability

- In case workshop manufactured items/items manufactured by RSK/ICF etc. are not available, then suitable emergency procurement action must be taken by Railways to ensure cent percent availability of all items, not only of safety items.
- It is seen that number of safety items vary widely across railways. Railways should examine this aspect and do necessary rationalization.
- Inactive and obsolete items should be regularly monitored and destocked within short time by Railways.

4.1(b) **Overall availability of Stock items**: Targets for overall availability of stock items is 95%.

- Some of the Railways like ER, ECR, ECoR, NFR, NWR, SER, SECR and WR are lagging behind the target and were advised to draw effective action plan to achieve the targeted level of availability.
- ECR & SER should ensure immediate aggressive actions as overall availability percentage of stock items is very low on these two Railways.
- Necessary support at level of SMMs/AMMs, wherever needed, must be provided to improve tender settlement and availability.
- Availability Position of main PL groupwise i.e. for steel, electrodes, gases etc. will also be discussed in future. Railways were advised to provide complete information in the following format:

PL Group	No. of items	No. of items available	% availability

4.2 (a) **Demand coverage – stock items – CP to commence within next 6 months.**

- Demand coverage position for stock items whose CP starting in next 6 months, is good over NFR, NWR, NER, NR while the same is very poor in case of ECR, ER, SWR, SER, ECoR, WR & WCR.
- Railways were advised to spread over the start of CP for items in more phases, for ensuring timely coverage of demands and to avoid bunching of cases.

- It was advised to Railways that to have more realistic view of situation, the review for this item will be done for contract period starting in next three months which must be NIL as all contracts must be in place at least three months before commencement of contract period.

	For CP starting within next three months		
PL Group	Total No. of items to be covered	No. of items covered by POs	No. of items pending for coverage

4.2(b) **Demand coverage – non-stock demands – pending beyond 6 months**.

- Absolute position of WR & ER for coverage of non-stock demand pending beyond 6 months appears to be highly unsatisfactory among Railways. Efforts should be made to reduce this figure to NIL within next three months.

- It was advised to Railways that for future meetings the information may be sent in the following format.

Pl group	Total no. of demands awaiting coverage	Total No. of demands awaiting coverage for more than 6 months	% of total number of demands outstanding	No. of demands awaiting coverage for more than 12 months	% of total number of demands outstanding

4.3 **Advertised tenders pending for more than 60 days**:

- Railways to ensure that all tenders have to be settled as early as possible preferably within 30 days.
- There should not be any tender pending for finalisation beyond 60 days which is very liberal.
- From the data available, it can be seen that the pending tender cases are high in the following railways:

Level	Railways
CMM	ER
Dy. CMM	WR & NR
SMM	WR & NR
Overall	WR, NR & ER

These Railways should take proactive action to settle tenders within the period specified.

- While submitting details in future, a foot note may be given indicating M&P and Medical TC cases as these cases normally need longer time for their settlement.

- All Railways were advised to submit the information in following format:

Level	Total cases dealt during the year	Total Number of AT pending	No. of AT Cases pending for more than 60 days	% of total number of cases outstanding
COS				
CMM				
DY.CMM				
SMM				

- All PUs were advised to give the details in the following format for each production year:

Type of lead (Start of delivery schedule)	No. of items to be covered	No. of items actually covered
Long lead (1st Delivery > 9 months)		
Mid lead (1st delivery <9 months but >3 months)		
Short lead Delivery (<3 months)		

4.4 **Material distribution system – Transportation contract**:

- Railways were advised to ensure that comprehensive road contracts exist:

  (i) For distribution of materials to consignee and imprest holders and
  (ii) For collection of materials from Production Units and Rail Spring Kharkhana, steel plants & other workshops, wherever needed.

- It should also be ensured by Railways that annual road transport contracts for distribution of materials to imprest holders is entered into by all depot and divisions for their territory.
- It was advised to railways to replace all overaged departmental trucks for sound departmental material delivery system or outsources the activity.

- It was also advised to Railways to enter into a centralised open insurance cover with insurance agencies which may be operated by depots/divisions when materials are transported on quotation basis.

4.5 **Modernisation of depots – M&P and works programme**.

Railways were advised to provide Information in the following format for better appreciation of each of the proposals:

(a) Sanctioned Works programme:

SN	Year of Sanction	Name	Target	Estimated Cost	Funds sanctioned in current year	% financial progress	% physical progress

(b) New works programme & proposals under process:

SN	Name	Estimated cost	Status

(c) M&P:

SN	Yr. of Sanction	Name	Target	Estimated Cost	Funds sanctioned in current year	% financial progress	% physical progress

(d) New M&P proposals under process:

SN	Name	Estimated cost	Status

- Railways were advised to:

(i) Draw a blue print wrt modernization of depots, replacement of assets, enhancement in capacity etc.
(ii) To plan and send at least one depot modernization proposal in the BE 2008-09. All proposals under plan head 42 should be sent to DME(W) with a copy to EDRS(S).
(iii) To monitor all Sanctioned M&P and works programmes at Railway headquarter level for timely implementation.
(iv) To ensure that adequate number of material handling devices such as fort lift, lifter trucks etc ate sanctioned under GMs powers on out of turn sanction for M&P on every year.
(v) Ensure timely replacement of existing M&P.
(vi) Make concerted efforts with engineering deptt. to get Works programme included for independent depots.

(vii) Utilise Zonal contracts entered into by DRMs fully for getting various works executed in the depots.

- It was advised to CMMs that Board (MM) has been stressing upon cutting down the size of depots, usage of high level stacking system, automatic storage and retrival system, palletisation so that limited man power can be utilized more optimally.
- Further to avoid higher volumes at inventory stocks, phased delivery schedules must be incorporated in all the contracts.

4.6 **Customer case & Field Inspections**:

Board vide letter No.98/RS(G)/509/2 dated 16-07-98 has issued detailed guidelines for inspection by stores officers which included field inspections at various levels also. Railways were advised to ensure visit to divisions and depots by Dy.CMM & CMM as per laid down schedule as this will resolve/sort out a large number of issues at field level resulting in enhancement of customers satisfaction.

It was advised to Railways that Purchase section inspection and scrap depot inspection are very important for proper working of system. These inspections must be carried out as per laid down schedule.

4.7 **Suggestion by Railways**:

Railway	Suggestion	Action to be taken
NFR	DLW may be made the nodal agency for arranging the items required for maintenance of GM locos.	NFR to send a proposal for the same.
SCR	(i) Reluctance of BHEL to supply spares. (ii) The upgraded specifications of items as detailed in Board's letter No.2006/M(C)/137/20 dated 14-02-2007 envisages increased warranty. It is requested that suitable directives may be issued by Board advised Mechanical Deptt. to evolve a system of constant monitoring of warranty of these items.	(i) A coordination meeting with BHEL will be held shortly for which specific details may be provided. (ii) A proposal may be sent to Board for monitoring of warranty.
SER	Web based uniformly structured single data base for all Railways and PUs may be provided for easy searching of rates etc. for high value cases.	This will be included in e-procurement web portal.
NCR	The powers for purchase and sale	A detailed proposal in this

	from and to other zonal railways/production units may be delegated to depot officers as is with HQr. Officers.	regard be sent by NCR for examination and consideration.

4.8 **Inventory Performance**:

(i) The Railwaywise laid down target of TOR for the year 2007-08 must be achieved.

(ii) In order to reduce high inventory accumulation, CMMs must ensure that only phased delivery schedules are provided in every contract, finalised under their control. Similar instructions must be passed on down the line and compliance monitored regularly.

(iii) In addition to overall TOR, physical TOR, purchase suspense, sales suspense etc. will also be monitored individually.

(iv) For having more fruitful discussion on inventory, information may be provided in the following comparative format:

	Upto Corresponding month of last financial year				Upto month of current year				Variations			
PL Group	Receipts	Issues	CB	TOR Physical	Receipts	Issues	CB	TOR Physical	Receipts	Issues	CB	TOR Physical

4.9 **Stock sheets**:

It was advised to Railways:

(i) To close the stock sheets once a decision has been taken against D&AR enquiry and recovery has started.

4.10 **Pending Audit Statistics**:

Information under this heading shall be divided depending upon the level of audit objections and agewise in the following format.

Pending Items	Period pending for
Inspection Report Pt. I	> 1 year
	> 6 months
Inspection Report Pt. II	> 1 year
	> 6 months
Special Letters	> 1 year
	> 6 months
Provisional Para	> 1 year
	> 6 months
Draft Para	> 1 year
	> 6 months
Audit para	> 1 year
	> 6 months

4.11 **Cadre for ITES**:

A presentation was made by SCR detailing the steps/procedures adopted by them for creation of cadre for handling ITES with progress made on the issue till date.

Railways must utilize similar provisions made successfully by SCR to provide adequate support to their IT functions.

5.0 **Address by EDME/Tr.**

5.1 It was advised to CMMs that:

(a) Sufficient guidelines have been laid down from Board to ensure quality of items being procured for diesel locomotives.

(b) Sample checking of purchase cases handled at lower levels may be done by the CMMs to ensure that all the rules and regulations have been followed with.

(c) Placement of developmental orders on vendors should be as per Board's norms.

(d) While issuing tenders, all laid down norms are followed as it becomes extremely difficult to take corrective steps at a later stage.

(e) For items centrally procured by DMW, now contracts will be placed by DMW for direct door delivery of items by suppliers at railway's/consignee's end. In this regard necessary coordination may kindly be done by Railways with DMW.

6.0 **Address by EDME/Chg.**:

6.1 CMMs were advised that:

(a) For items with upgraded specifications for improved aesthetics or improved running, quality of items received form supplier should not be compromised.

(b) All lots of supplies for these items must be checked at the consignee level as well, despite the fact that these items have been inspected and passed by RITES.

(c) In case of any rejections of supplies in these lots, RDSO should be advised to remove the name of suppliers from approved list. Copies of all such correspondence should be marked to EDME/Chg. for their monitoring.

(d) Specifications for upper and lower rubber washer have been revised from rubber to polymer and these are to be replaced in sets now. Stocking of these washers may therefore be done in sets.

(e) Availability of items should be ensured despite various constraints.

(f) All M&P proposal should be sent through M&P portal of Railway Board.

(g) Carriage directorate of RDSO has updated list of specifications on website and the same may be checked at the time of floating of tenders. It was advised by AM/RS to bridge the information gap between various organs of Indian Railways (i.e. RDSO, PUs & Zonal Railways).

EDME/Chg was requested to upload various important letters on website in downloadable format, for direct access to all.