REGD POST

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

No. RS (POL)/58/0501/4/2015/00518 **New Delhi, Dt 17 .08.2016**

M/s. Indian Oil Corp. Ltd.,
Indian Oil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai – 400 051

Sub:	Board's Running Contract of even number for supply of Crank Case Lubricating Oil, Servo RR 606 MG Plus II for the period of one year from the date of issue of RGC against advertised E Tender No. 2016 RR 520 MG TC opened on 22.03.2016.
Ref:	1. Your E bid No. 004858140 dated 22.03.2016. 2. Board's Counter Offer No. RS(POL)/58/0501/4/2015 dated 09.08.2016. 3. Your Acceptance letter No. MCO/ILS/RAILWAY/2016-17/01. dt. 10.08.2016.

I am directed to enclose 2 (two) copies of the above mentioned contract. You are requested to sign and return one copy of the contract in terms of Clause-28 thereof, duly witnessed by two persons, as required.

2. In case of any difference in version of English and Hindi, the version in English shall prevail.

(Rajiv Kad)
Director Railway Stores (POL)
Railway Board
For & on Behalf of the President of India

DA: 2 Copies of the Contract

No.RS(POL)/58/0501/4/2015/00518 **New Delhi, dt.17.08.2016**

Copy together with copy of the contract is forwarded to:

1. Director General, RDSO, Ministry of Railways, Manak Nagar, Lucknow.
2. FS- III Branch, Railway Board, New Delhi.

3. **Indentors:**

i. FAO&CAO/Central Railway, Mumbai, CST.
ii. FAO&CAO/ East Coast Railway, Bhubneswar.
iii. FAO&CAO/ North Eastern Railway, Gorakhpur.
iv. FAO&CAO/North Frontier Railway, Guwahati.
v. FAO&CAO/ North Western Railway, Jaipur.
vi. FAO&CAO/South Eastern Railway, Kolkata.
vii. FAO&CAO/South East Central Railway, Bilaspur
viii. FAO&CAO/South Western Railway, Hubli.
ix. FAO&CAO/ Western Railway, Churchgate, Mumbai.
x. FAO&CAO/West Central Railway, Jabalpur.
xi. FAO&CAO/DLW,Varanasi.

4. M/s Indian Oil corpn. Ltd., (Mktg Coordination) 11th Floor 1, Sri Aurobindo Marg, Yusuf Sarai, New Delhi – 110 016.

(Rajiv Kad)
Director Railway Stores (POL)
Railway Board

No. RS (POL)/58/0501/4/2015/00518 **New Delhi, Dt. 17 08.2016**

Copy forwarded to:

1. **Paying Authority:**

i. FAO&CAO/Central Railway, Mumbai, CST.
ii. FAO&CAO/ East Coast Railway, Bhubneswar.
iii. FAO&CAO/ North Eastern Railway, Gorakhpur.
iv. FAO&CAO/North Frontier Railway, Guwahati.
v. FAO&CAO/ North Western Railway, Jaipur.
vi. FAO&CAO/South Eastern Railway, Kolkata.
vii. FAO&CAO/South East Central Railway, Bilaspur
viii. FAO&CAO/South Western Railway, Hubli.
ix. FAO&CAO/ Western Railway, Churchgate, Mumbai.
x. FAO&CAO/West Central Railway, Jabalpur.
xi. FAO&CAO/DLW,Varanasi.

2. DAI(Rlys), Railway Audit-II, Room No.222, Rail Bhavan, New Delhi.

3. Director of Audit, Northern Railway, New Delhi.

For Financial Commissioner/Railways

REGD POST

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

No. RS (POL)/58/0501/4/2015/00518 **New Delhi, Dt. 17.08.2016**

M/s. Indian Oil Corp. Ltd.,
Indian Oil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai – 400 051.

Sub:	Board's Running Contract of even number for supply of Crank Case Lubricating Oil, Servo RR 606 MG Plus II for the period of one year from the date of issue of RGC against advertised E tender No. 2016 RR 520 MG TC opened on 22.03.2016.
Ref:	1. Your E bid No. 004858140 dated 22.03.2016. 2. Board's Counter Offer No. RS(POL)/58/0501/4/2015 dated 09.08.2016. 3. Your Acceptance letter No. MCO/ILS/RAILWAY/2016-17/01 dt.10.08.2016.

I am to inform you that your above cited offer against E tender No. 2016 RR520 MG TC opened on 22.03.2016, has been accepted to the extent of items, quantities, specifications, prices and on the terms and conditions detailed hereunder:-

1.	**Running Contract No. & Date:**	:No. RS (POL)/58/0501/4/2015/00518 dated 17.08.2016
2.	**Purchaser**	: The President of India
3.	**(a) Name & Address of the Contractor**	: M/s. Indian Oil Corp. Ltd., Indian Oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai – 400 051.
	(b) Fax No.	: 022 – 26447989, 011- 26436967

4. **Purchaser's reference** : i) Railway Board's E Tender No. 2016 RR520 MG TC opened on 22.03.2016.
ii) Board's Counter Offer No. RS(POL)/58/0501/4/2015 dated 09.08.2016.

5. **Contractor's offer No. and other reference** : i) Your e-bid No. 004858140 dated 22.03.2016.
ii) Your Acceptance letter No. MCO/ILS/RAILWAY/2016-17/01 dt.10.08.2016.

6. **Conditions Governing** : TE & IRS Conditions of contract as amended to date including Arbitration Clause 2900, read with conditions of Contract including Annexures II to IV.

7. **Particulars of order and prices:**

CRANK CASE LUBRICATING OIL, SERVO RR 606 MG PLUS II

Item S.No.	Description of Stores	Unified PL No.	Base Qty (in KLs)	All inclusive Destination Delivery Rate (Rs. per Ltr.)
(1)	(2)		(4)	(5)
1	Crank Case Lubricating Oil, Servo RR 606 MG Plus II Conforming to relevant specifications as approved by RDSO.	8010167	**4191.00 (BULK)** **138.00(PACKED)**	**Rs.77.72 (BULK)** **Rs.85.41 (PACKED)**

Note:

(i) The prices stipulated above are F.O.R destinations. Validity of RGC is one year from the date of issue of RGC within which covering supply orders can be placed by Direct Demanding Officers.

(a) Destination delivery price is inclusive of ED @ 14% and VAT @12.5% and the same is applicable irrespective of the product supply from any lube bending plant situated in any part of India.

(b) For the purpose of PVC, the basic price of product is to be back calculated taking present ED @ 14% and the VAT @ 12.5% from the destination delivery price at Trombay. With this back calculation for the purpose of PVC, basic price of product works out as Rs. 60.60/- per liter for supply in Bulk condition and Rs.66.60/- per litre for supply in packed condition with base month as March'2016.

(c) Actual VAT applicable on date is 14.5% from Chennai and Kolkata, 12.5% from Trombay and 13.125% from Asaoti.

(d) In order to maintain the same destination delivery price, internal adjustments in billing mechanism shall be made by you to arrive at the basic price for each Lube Blending Plant from where the supplies are made to the consignees situated in different states taking into the view of differential VAT applicable.

(e) ED & VAT or any Government levies are applicable on the date of supply. Present rate of ED is 14% and VAT is 12.5%. Even for those supplies are made from other plants, differential in VAT will be absorbed by you through internal billing mechanism by notional adjustments in basic price keeping destination delivery price same.

(ii) Rights are reserved to cancel the allocations in RGC, if decided to use more cost effective lubricants.

(iii) Supply to commence with 15 days of placement of covering order on pro-rata basis per month as per Railways requirement.

(iv) Free bulk storage-cum-dispensing facilities will be provided/maintained by contractor, free of cost.

(v) Railways allowed to draw supplies in packed condition in lieu of Bulk supplies where the exigencies of situation so require.

8. **Prices**: The prices are with price variation as per formula given below. Base month for PVC is March'2016.

8.1 For determination of basic rate applicable for PVC formula, back calculation results in basic rate of Rs. 60.60/- per litre. for Bulk and Rs. 66.60/- per litre for Packed supply with base month March,2016.

P1=PQ +0.835x (B01 *EXRATE1*(1 + CUSDUTY 1/100) –

BOQ *EXRATEQ *(1 +CUSDUTY Q/100))
*0.8977x0.001

Where

P1= Basic price of finished product applicable for a quarter in Rs/Ltr

PQ =Basic price of finished product in the previous quarter in Rs/Ltr.

BO1,.CUSDUTY1= International price of base oil SN 500 on FOB Asia(Export) basis in USD/MT as per average ICIS LOR quote for the first 2 weeks of the month preceding the quarter & %age customs duty at that time.

BOQ,CUSDUTYQ =International price of base oil SN500 on FOB Asia (Export)basis in USD /MT as per average ICIS LOR quote for the first 2 weeks of the month preceding the previous quarter & %age customs duty at that that time.

A quarter will be taken as Q1 (January – March), Q2 (April - June),

Q 3 (July – September) and Q4 (October- December)

EXRATE 1, EXRATE Q Re/USD Exchange Rate=	Average RBI reference exchange Rate in the site (http:/www.rbi.org.in/home.aspx)for the first two Fridays of the month (Reference ICIS LOR quotes) preceding the quarter. In case rates are not published for the said day, the immediate preceding published figure will be considered.

MT/KL conversion factor= 0.8977
KL/Ltr conversion factor= 0.001

9. Excise Duty & VAT

Destination delivery rates are inclusive of Excise duty & VAT. Present rate of ED is @14% .& VAT is @ 12.5%. ED & VAT or any Government levies are applicable on the date of supply. Statutory Variation Clause will be applicable.

i) The price quoted by the tenderers should take into account the credit availed on inputs under the CENVAT scheme, introduced with effect from 1.4.2000. The tenderer should give a declaration that any set off in respect of duties on inputs (as admissible under law), is being totally and unconditionally passed on to the purchaser, in the prices quoted.

ii) In the event of additional CENVAT credit being extended by the Government of India, to cover items ordered against present tender, the same shall be passed on to the purchaser. The bill for payment should accompany the following certificate:-

a) We hereby declare that no additional CENVAT benefit has accrued to us beyond what has already been taken into account while submitting our offer & incorporated in the rates shown in the contract.

b) We hereby declare that the additional CENVAT benefit of Rs. ..... per litre/kg has accrued to us beyond what was taken into account while submitting our offer & incorporated in the rates shown in the contract. We are passing on the same to the purchaser & the bill has been prepared accordingly.

10(a) : The provision of concessional CST for inter state purchases of Govt. department against form 'D' stands withdrawn by Govt. w.e.f 1.4.07 vide notification No.1/2007-CST-FNo.34/135/2005-ST. The rate of CST on inter state sale to Government Departments shall be the same as rate of VAT/Sales Tax applicable in the state of the selling dealer. It's however, desirable that purchase is sourced from locations so as to minimize the net impact of taxes. However, certain states have been still maintaining lower rate of ST/VAT on certain Railway specific items. Such provision if available may be availed.

(b) The purchaser will not be responsible for the payment of tax or duty made by the supplier under mis-apprehension of law.

(c) VAT as applicable will be allowed when becomes applicable in the states. Firms will pass on the credit as becomes available to them and submit a declaration that drawbacks as available to them after applicability of VAT has been passed on to Railways.

11. Depot Charges : Nil, the same shall be borne by the supplier.

12. Siding & Shunting Charges:

The prices are inclusive of siding & shunting charges and the same shall be borne by the supplier.

13. Packing:

a) Lubricating oils (packed) will be supplied in new sound, non-returnable 1.25 mm thickness Grade-'A' steel drums, type-2 of 200/210 ltrs capacity conforming to IS: 1783 (Part – I) – 1993.

b) The supplies in bulk shall be in tank wagons/Tank lorries. The supplies in tank wagons shall be in multiples of 22.5 Kls & if any part qty is left over after completion of the ordered qty, the same shall be treated as foreclosed.

c) The goods to be supplied shall be of specific make and the purchaser shall have the right to reject, if the goods are not of specified make, even though they may be of contract quality.

d) Product (packed) will be delivered in full drums of 200/210 ltrs only & balance if any, will be treated as cancelled or will be rounded-off to cover one full drum.

14. Marking:

i) Marking on the drums/cases will be as desired by the purchaser/ISI standard Trade Mark.

ii) The description of stores will be stenciled on such containers or package where possible and marking will be as per clause 5.2 of IS:720/86.
iii) Date/year of manufacture.
iv) Name of manufacturer.
v) Shelf life etc. as per practice.

15. **Octroi Duty, Terminal Taxes, Entry Taxes & Local Taxes :**

(a) Railway will not pay any Octroi/Terminal Tax/Local Tax etc. and issue exemption certificate unless it is specifically advised in advance to the concerned consignee that exemption certificate is not being accepted by a particular authority. Consignee will make all the efforts to make authorities agree for accepting exemption certificate. If such an effort is not successful, Octroi Duty, Local Duty, Terminal Tax will be paid against certificate in this regard from consignee alongwith proof from the concerned authorities.

(b) Entry tax is being levied by various states on inter-state movement of Crank Case Lubricating Oil, Servo RR 606 MG Plus II No. of Zonal Railways are challenging the levy of such tax and petition has been filed in Hon'ble Supreme Court. Zonal Railways will, therefore, be advised to implead in the case if they are being asked for payment of entry tax. The decision regarding payment of entry tax etc. may be taken by Zonal Railways themselves and source their requirement in most economic manner.

(c) The purchaser will however not be responsible for the payment of tax or duty made by the supplier under misapprehension/law.

16. **Delivery:**

(a) Terms of delivery:- Free delivery upto destination basis. FOR- Destinations from Lube Blending Plants situated at Mumbai/Kolkata/Chennai/Asaoti.

(b) Stores shall be delivered during contract period as per delivery dates to be indicated in supply-orders issued by various Railways or by Ministry of Railways(Railway Board). Delivery rate should be adjusted so that the delivery date as specified by the Railways in the respective supply-orders is not exceeded. Stocks of products on hand will be despatched immediately on receipt of supply-orders. The firm should ensure that every individual consignee gets his monthly quota irrespective of the total order in hand with them.

(c) The date of receipt of material by consignee(s) will be taken as date of delivery.

(d) No liquidated damages in respect of delay in supplies within the grace period of 21 days will be leviable where depot/ Inspecting Officer / Divisional Officer (who is a direct consignee), has extended delivery period accordingly.

17. **Inspection :**

(a) The products on this Running Contract will be accepted on the basis of quality assurance programme of the firm. No third party pre-inspection will be carried-out before despatch. Products will be accepted on firm's furnishing a certificate on the invoices that 'Product meets with IS and contract specifications' to be signed by authorised officer of the supplier.

(b) The purchaser may also depute his authorised representative from time to time for conducting quality Audit checks as per para 1300 of IRS conditions of contract.

(c) Indentor/Consignee Railways to send quality performance-reports of firms, inevitably to Board's office for appraisal in respect of the stores supplied against the contract.

(d) In case of rejection of any lot, action for rejection, recovery of amount for rejected material as well as for contaminated material etc. will be as per the terms of the contract.

18. Direct Demanding Officers :

(a) The officers of the Railways authorised to issue supply-orders from time to time may place supply-orders directly against this contract. Orders from these officers should be complied with as soon as they are received. No confirmatory orders will be placed by this Ministry in such cases. The quantities that can be ordered by various Railways against this running contract will be restricted upto those shown in Annexure- I.

(b) While placing the supply-orders, Railways should invariably follow the instructions contained in Annexure-III and furnish the detailed information as indicated in Annexure - IV.

(c) The schedule of despatch containing name of the indentors, indent number, date and the qty of the stores to be supplied are given in the Annexure - I.

19. Paying Authority:

The respective FA&CAOs of Zonal Railways & Production Units will make payments for all the dispatches made for supplies of stores.

20. Payment Terms:

20.1 As per IRS conditions of contract para 2300 with documents mentioned therein. The firm's bills shall be accompanied with original despatch documents which after payment will be forwarded to the respective consignees. However, a photocopy of despatch documents should be directly sent by the supplier to the respective consignees immediately after despatch of goods.

20.2 Contractor to give consent in a mandate form for receipt of payment through ECS/EFT.

20.3 Contractor to 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 Bank & Branch Code as appearing on MICR cheque issued by bank.

20.4 Contractor to attach certificate from their bank certifying the correctness of all above mentioned information (as mentioned in Para 20.3 above).

20.5 In case of non-payment through ECS/EFT or where ECS/EFT facility is not available, payment will be released through cheque.

20.6 In case the deliveries are made through supplier's or their contractors' lorries, the bills will accompany copies of the contractors' delivery challans duly receipted by the consignee alongwith inspection certificate. Receipted delivery challans to be signed by respective Rly. Consignee(s).

20.7 No adjustment/reduction in payment of firm on any account other than purchase from oil companies will be applicable, which mandates that such adjustments/deductions would be only after authorization by Railway Board.

21. Inspection of Suspected Supplies at Destination:

If the consignee at destination on testing the product finds it below or off specification, he may book the same back to firm's nearest/nominated depot without the firm incurring any demurrage for any detention at the Railway's consignee premises and without waiting for the arrival of firm's representative. However, in such cases, Railways must intimate firm's nearest nominated locations telegraphically or over the telephones about re-booking of the tank wagons and forward Railway receipt duly endorsing it in firm's favour. This should apply in respect of those tank wagons which are received by the consignees with seals intact. The consignee will furnish his laboratory test report in respect of each wagon rejected by him to the firm in support of such action.

22. Transit Insurance:

The purchaser will not pay separately for Transit insurance. The supplier will be responsible till the entire stores contracted for arrive, in good condition at destination & liable for any shortage, damage or deterioration in terms of Clause 1501 of IRS conditions of contract.

23. Weights and Measures :

Weights/Measures as shown in the delivery/despatch documents shall be subject to Clause 24 i.e. Transit Risk.

24. Transit Risk:

i) The firm shall be responsible and liable for any shortages, damages or deterioration to the consignment in transit if the same is to be carried in their own or contractor's trucks/tanks/lorries to the destination.

ii) In case of rail consignments, the firm shall be responsible and liable for such shortage, damage or deterioration only if the consignment has been booked under "said to contain RR" as a full wagon load and the Railway seals of the wagons are found intact at the destination station. In that case a notice is to be served on the supplier by Regd. post indicating the date of the seals of the wagons being found intact and the details of shortage, damage or deterioration, as the case may be, as early as possible, but in any case before the expiry of 30 days from the date of taking delivery from the Railway.

iii) In all other cases of rail consignments, the firm will not be responsible and liable for any shortage, loss, damage or deterioration occurring in transit and the matter will be taken up by the consignee expeditiously with the concerned Railway Administration.

25. <u>Temperature Variation Allowance (T.V.A)</u>-

TVA is allowed with co-efficient of expansion/contraction as 0.72 ltrs/degree centigrade/KL subject to the following conditions:

(i) Firm certifies on invoice that billing is done for the volume at 29.5 degree centigrade.

(ii) The coefficient of expansion/contraction adopted is as per the standard specification.

To mention on the face of the invoice which should be duly signed by Driver & Loco Shed authorised representative			
		Case 1	Case 2
Standard Temperature in Degree C	A	29.5	29.5
Invoice Quantity in Litre at Standard Temperature of 29.5°C	B	10000	10000
Unloading Temp in Degree C	C	24.5	34.5
Actual Quantity receipt in Litre at Loco Shed at Unloading temperature mentioned under C	D	9900	9900
TVA in Litre=(Invoice Qty in KL X Diff in TempX0.72	E=Bx(C-A)x0.72	-36	36
Shortage of the product in litres	F=B-G	64	136
Net Accountable quantity in Litre for which payment is to be made	G=D-E	9936	9864

*Case 1 – TVA is added in case unloading temperature is less than Standard Temperature.
* Case 2 – TVA is deducted in case unloading temperature is more than Standard Temperature.

2. For the calculation in the above format Oil Companies to put in rubber stamp on the invoice itself wherein A & B to be filled by Oil Companies and other observation/calculation are to be filled in by Railway Consignee.

3. Calculation as per above formula is to be countersigned by the driver of the tank lorry with his name along with the Railways authorized Gazetted officer on the face of the invoice itself.

4. The payment should be made for the net accountable quantity as per calculation certified on the invoice by Railways Gazetted officer and no separate calculation is required to be submitted by Oil Companies.

26. Procedure for recording shortages in case of deliveries by tank lorries:

In case shortage is observed the product level in the compartment(s) would be brought up to the certified dip level by adding the product in that Compartment and the actual shortage arrived at by such topping up process separately for each Compartment by following procedure:

i) Place tank Truck on a level ground.

ii) Check up dips of each Compartment.

iii) Record the shortage separately Compartment-wise, by adding product in the Compartments, where the dip level is less. The quantity required to bring the product upto the correct dip level, will be the shortage in that compartment.

iv) Compartmentwise shortage will be recorded on all copies of the Challan and Tank drivers' signature obtained on the same.

27. Progress Report:

The contractor shall as per clause 2000 of IRS conditions of the contract furnish to the Director Railway Stores (POL), Railway Board, Rail Bhavan, New Delhi by 10th of every month, monthly Statement (preferable on a floppy on a 'Excel work-sheet') showing the supplies made during the preceding month. A nil statement should be submitted if no supplies are made in a particular month. Copy of each of the report should also be endorsed to the paying authority and the controller of stores of each consignee Railway.

28. **Acknowledgement**:

Please convey your unconditional acceptance as in proforma indicated in Annexure-V addressed to the President of India through Director Railway Stores (POL) , Ministry of Railways (Railway Board), New Delhi endorsing a copy of the same to the paying authority. A copy of the contract duly signed on your behalf by an authorized person(s), with your seal duly witnessed by two persons on each and every page (including all annexure), duly initialed should be returned for record within 15 days of receipt of this letter.

(Rajiv Kad)
Director Railway Stores (POL)
Railway Board
For & on behalf of the President of India

DA: Annexures I to V.

ANNEXURE-1

Schedule of Despatch of Crank Case Lubricating Oils, **Servo RR 606 MG Plus II** against RGC No.RS(POL)/58/0501/4/2015/0518 dated 17.08.2016 on M/s IOC Ltd., Mumbai.

SERVO RR-606 MG Plus II

S.No.	Quantity Reqd (Kls)		Indentors	Indent No. & date.	RCD/Location
	BULK	PACKED			
1.	72		COS/C. Railway, Mumbai.	13153520 dt.14.10.2015 & **dt. 5.4.16**	Kalyan
2.	320		COS/ECOR, Bhubaneswar	08154737 dt.16.12.2015 **(ltr. No. MM/ECoR/Indent no.08154737/Servo RR-520 MG/116)**	VSKP
3.	0	19	COS/ NER/ Gorakhpur	21.15.0064.1.2.933 dt.21.08.2015	Gonda, IZN
4.	1176		COS/N.F. Rly. Guwahati	80/15/4062/9/00021 dt.08.12.2015	Siliguri(SGUJ)
5.	513	**119**	COS/ NWR/Jaipur	80.15.1056.7 dated 04.08.2015 **(ltr. No. 80.15.1056 dt. 8.4.16)**	FL, BKN,ABR
6.	112		COS/SER/Kolkata	80.14.3033.4.000000.033 dt.07.11.2014/27.02.2015	BNDM
7.	222		COS/SEC Rly. Bilaspur	07.15.2078 dt.22.04.2015**(ltr. No. S/07.15.2078/16 dt. 7.4.16)**	Raipur
8.	364		COS/SWR.Rly. Hubli	80/15/1014/7/00017 dt. 17.06.2015	K.R.Puram, Hubli
9.	276		COS/WCRly. Jabalpur	24/15/2516/9/40032 dt. 27.08.2015	Itarsi
10.	623		COS/W.Rly Mumbai	80.14.1045 dt.15.1.2015	Sabarmati
11.	513		COS/DLW/ Varanasi	071513190 dt.27.05.2015	Varanasi
Total	**4191**	**138**			

ANNEXURE – II

ADDITIONAL CONDITIONS GOVERNING THE CONTRACT

1. **Supply Orders:**

Railways should place supply-orders complete in all respects and the same should be placed on the Divisional office of the supplier with a copy endorsed to their Head Office at Mumbai . The supply-orders should be placed at least 60 days prior to the date of expiry of the Running Contract. Addresses of M/s IOC Ltd., where supply-orders may be placed by the indentors/DDO(s).

1) Chief Lube Mktg Manager,
M/s. Indian Oil Corpn. Ltd.,
Northern Region, Indian Oil Bhavan,
Shree Aurbindo Marg, Yusuf Sarai,
New Delhi – 110016.

2) General Manager (Mktg Coordination),
M/s Indian Oil Corpn. Ltd.,
Eastern Region, 2, Gariahat Road (Dhakuria),
Kolkata – 700068 (WB)

3) Chief Lube Mktg. Manager,
M/s Indian Oil Corpn. Ltd.,
Western Region, 254-C,
Dr. Annie Besant Road,
Prabha Devi,
Mumbai 400 025 (MH)

4) Chief Lube Mktg. Manager,
M/s. Indian Oil Corpn Ltd.,
Southern Region, Indian Oil Bhavan,
139, Nungambakkam High Road,
Chennai – 600 034 (TN)

2. **Free bulk storage-cum-dispensing facilities (applicable for supplies in Bulk only):**

Free bulk storage-cum-dispensing facilities will be provided/maintained by contractor, free of cost. After the supply of specified quantity of Branded Crank Case Oil for Diesel Locos, this facility will become the property of Railways without any further binding to use this facility for storage of only that company's product, which has provided the bulk storage facility

3. **Maintenance of Bulk storage and dispensing installations**

Firm on whom Running Contract will be placed will undertake the proper maintenance / repair of the storage and dispensing installations / facilities including change of tank if necessary at their cost to the entire satisfaction of the consignees. Such maintenance will also include their replacement/renewal of accessories like motors, pumping units, impellers, valves and spare parts of the flow meters in the event of their normal wear and tear. The Zonal Railways, however, shall ensure the safe handling of the equipment and avoid any damage and loss due to negligence, theft etc.

a) The Railways would prefer allocation to the firm at such locations from where supplies are being drawn by virtue of having provided bulk storage & Dispensing facilities or have been traditionally supplying for the past many years or have agreement for the supplies.

However, Railways can allott such RCDs which are free from assured off-take guarantee to any of the firm as deemed fit with provision of adequate safeguard by taking an undertaking of long term maintenance of RCDs alongwith a covering bank guarantee of 8,25,000/- for tankage upto 140 kl and Rs.575/- per kl for additional tankage, so as to cover the major repair expenditure if firms do not attend the RCDs properly due to short term business consideration.

b) In the event of inadequate maintenance by a firm or refusal to do so, the Bank Guarantee can be forfeited by the Zonal Railway.

4. **Storage Stability:**

The supplier shall furnish following storage stability certificate in lieu of warranty. 'The various grades of Crank Case Lubricating oils, Servo RR 606 MG Plus II offered by us through indigenous blending/manufacture are guaranteed to be suitable under normal storage conditions for atleast 12 months from the date the product is offered for inspection and will not show any signs of separation of ingredients or stratifications or loss of performance properties. It may, however, be mentioned that since these lubricants are additive bearing products, as per currently accepted trade practice, these lubricant must be stored in and every precaution should be taken to avoid contamination with water etc. during the entire period of storage. While the above stipulations will apply for all engine oils supplied through indigenous blending/manufacture, it is to be noted that sensitive products e.g cuting oils, transformer oils etc. should always be stored under cover. In the case of Lubricating oil supplied through indigenous/blending manufacture, the following certificate maybe furnished. We assure a storage stability of 6 months from the date the lubricant is stored in covered warehouse only with adequate protection from exposure to extremes of climate, exposure to rain and increase of seepage water. In case the user finds any problem through use of the Lubricating oils supplied by ----------
---------- due to inadequate storage stability under normal storage conditions as defined above, then the supplier take the responsibility of replacing such stocks free of charge at the concerned consignee's end'.

Whilst providing the above mentioned storage stability certificate for different batches of lubricating oils supplied by the supplier to the Railways. Supplier make all other necessary investigations through mutual discussions and agreement with the user, if there is any complaint regarding the storage stability of any product within the stipulated period.

5. **Force Majeure Clause** :

If at any time during the continuance of this contract, the performance in whole or in part by either party of any obligation under this contract shall be prevented or delayed by reason of any war, hostility acts of public enemy, civil commotions sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lock-outs or acts of God(here-in-after referred to as events), provided notice of the happening of any such eventuality is given by the either party to the other within 21 days from the date of occurrence there-of. Neither party shall by reasons of such event be entitled to terminate this contract nor shall either party have any claim for damages against the other in respect of such non – performance or delay in performance and deliveries under the contract shall be resumed as soon as practicable after such event has come to an end or ceased to exist and the decision of the Railway Board as to whether the deliveries have been so resumed or not shall be final and conclusive, provided further that if the performance in whole or in part or any application under this contract is prevented or delayed by reasons of any such event for a period exceeding 60 days either party may opt to terminate the contract, provide also that if the contract is terminated under this clause, the purchaser shall have liberty to take over from the contractor at a price fixed by Railway Board, which shall be final, all unused, undamaged and acceptable materials, bought-out components and stores in course of manufacture in the possession of the contractor at the time of such termination of such portion there-of as the purchaser may deem it fit except of such materials, bought out equipments and stores as the contractor may with the concurrence of the purchaser elect to retain.

It is also understood in addition that this force Majeure clause will cover firms inability to supply the stores on account of import restrictions or reductions in foreign exchange allocated for importation of products, crude oils and additives.

6. **Risk Purchase Clause:**

Will be applicable to this contract as per IRS conditions of contract. The period for making risk purchase will be 9 months.

7. **Submission of Bills:**

a) The bills will be submitted by supplier firm to the respective FA&CAO(S) (nominated) of zonal Rlys./Prod. units regionwise and the payment will also be received by the suppliers accordingly.

b) Supplier in their own interest should furnish following certificate on the bills in respect of advance payment to the FA&CAO(S) (Nominated), in absence of which the bills are liable to be returned unpaid by the paying authority.

"Supplier firm have personally examined and verified and it is hereby certified that the goods in respect of which payment is being claimed have been actually despatched by firm drawing in favour of the consignee which is genuine and mentioned in the bill and that firm hold itself responsible for correctness of this statement".

Supplier firm further certify that the above mentioned RR No.....Air way consignment note no.....dated.....has been forwarded to the consignee mentioned in the contract under registered post AD on .....

8. **Despatch of Railway Receipt:**

The Railway receipt shall be despatched to Paying Authority alongwith the bill by registered post and a photocopy to consignee by ordinary post. Telegraphic advice will also be sent to consignees providing RRs and wagon nos. etc. to enable the consignee to unload the consignments.

9. **Certificate of Genuineness and Correctness of Railway receipt No. and date:**

The supplier firm will furnish the following certificate on the bills to the Paying Authority (Nominated) of the Zonal Railway/Production Unit(s) , firm have examined and verified that the goods in respect of which the payment is being claimed have been actually despatched by them Under RR No. ---------- dated ---------- which has been forwarded to the Consignee mentioned on the contract under Registered A/D letter on ---------- . The firm undertake responsibility for the genuineness and correctness of the RR Details. The responsibility in this regard will rest with the firm as the contractor.

10. Contractors are responsible for seeing that tank wagons before filling, perfectly clean and in good order, sound and suitable for the required purpose.

11. All charges on account of handling of supplies of POL products for delivery into wagons on rails at places of destinations shall be borne by the contractor.

12. The supplies are to be booked in full wagon load wherever possible.

13. In respect of supplies in tank wagons, the contractors should insist on dip-stick measurement being specified in the Railway Receipt and should also include this information in their invoices.

ALL WAGONS / TANK WAGONS SHOULD BE DULY SEALED AND LABELED BEFORE DESPATCH.

14. Labeling of Wagons:

The labeling of wagons before delivery/ despatch shall be carried-out by the suppliers free of all charges as below:

Tank wagons be labeled/ marked showing:-

I. Consignee name and address.

II. Contents in terms of tons or litres.

III. Nomenclature of the stores.

15. **Annual Usage charges**

The oil companies will be required to put up free bulk storage-cum-dispensing facilities . However, if an oil company is allowed to supply to a RCD not installed by them and in that case, for using such facilities, they will be required to pay an "Annual Usage Charges" as determined by Railways from time to time. At present annual usage charges are of Rs.8,25,000/- for tankage upto 140 kl and Rs.575/- per kl for additional tankage.

16. Arbitration:

16.1 This contract is subject to standard Arbitration clause 2900 of IRS conditions of contract.

16.2 In case of any dispute in the contract with PSU the following Arbitration clause will be applicable.

In the event of any dispute or difference relating to the interpretation & application of the provisions of the contracts, such dispute or difference shall be referred by either party to the arbitration of one of the arbitrators in the Department of Public Enterprises to be nominated by the Secretary to the Govt of India in charge of the Bureau of Public Enterprises. The arbitration and conciliation Act 1996 shall not be applicable to the arbitration under this clause. The award of the arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Govt of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary when so authorised by the Law Secretary, whose decision shall bind the parties finally and conclusive.

17. **Option Clause:**

The purchaser may at any time during the currency of the contract, increase/decrease the ordered total quantity of each description of stores shown in the contract by not more than 30% of the ordered total quantity, at the same price, terms and conditions stipulated in the contract and the contractor shall be bound to supply the quantity so ordered according to revised delivery schedule advised by the purchaser fixed on the basis of contractual delivery schedule.

****

ANNEXURE-III

GENERAL INSTRUCTIONS FOR INFORMATION AND GUIDANCE

1. All Railway officers including AMM, DMM,Dy CMM of Zonal Railway authorised to draw supplies against this Running contract, are hereby advised that they should draw their requirement to the extent included in the schedule herewith by placing supply-orders on the firm direct, copies of the supply orders on the contract holders should invariably be sent by Reg. Post Acknowledge Due.

2. The following instructions should be observed in the preparation of the supply orders:

a) Copies of all supply orders should be endorsed to FA&CAO (nominated)/Zonal Railways & PUs under Regd. Cover and the Inspection Authority.
b) The supply order should contain reference to the original contract.
c) In the copy of the orders for FA&CAO (nominated)/Zonal Railways & PUs please indicate the designation of the accounts officer through whom and the budget head against which the debit is to be raised.
d) Copies of each supply orders and correspondence relation there-to are not required to be endorsed to this office.
e) The description of the stores in the supply orders should correspond to the description given in the schedule.
f) In the event of failure on the part of the contract holder to make supply against particular supply order, the matter should be reported to this office in a self-contained letter for necessary action.

3. In all communications to this Running contract, supply orders and other relevant reference number and date must be quoted to facilitate disposals. However, practicable communication should be confined to a contract supply-order etc. and where more than one contract etc. is involved, separate communication should be addressed.

4. Direct demanding officer should issue supply orders under their own signatures. If sub-ordinate officer who must invariable be a gazetted officer, is allowed to sign the supply-order in exceptional case, his name and designation together with that of the competent authority (Direct Demanding Officer) for whom he is signing should be clearly stated in such cases. This is important from the Audit point of view.

5. Direct Demanding Officers should operate on the Running Contract in respect of which they have been ordered as direct demanding officer and should not draw their requirements of the contracts.

6. DDO's should enclose, the certificate in form 'D' of declaration in form 'C' or 'AF' form (as the case may be) duly filled in duplicate with the supply orders placed by them if they wish to avail of concessional rates of Central Tax. If this is not complied with, their will be no other alternative for the Running-Contract holder but to bill the sales Tax at the higher rate.

7. Railway's requirements of lubricants for supply during the extent contract period are shown in Annexure-I (attached herewith). They may please check up the quantities registered on their behalf and in case any alteration is required and discrepancy found, advise this office immediately for necessary action. They are authorised to operate direct on the suppliers in a phased manner. Copies of such supply orders placed by them on the firm should be forwarded to the FA&CAO (nominated)/Zonal Railways & PUs by Registered Post and Inspection Officer concerned for Inspection of Stores.

8. The Direct Demanding Officers are required to place their supply-order for a full drum capacity of 200/210 litres & balance if any, will be treated as cancelled or will be rounded-off to cover one full drum for as the suppliers have not offered supply in less than a drum of oil.

9. It is obligatory on the part of the Direct Demanding Officers to draw full quantity registered on their behalf on this contract.

10. In case of short receipt of stores, or any other irregularity in the receipt of consignment, the indentor must immediately, approach the carriers, claim for irregularity, if necessary, intimate supplier and this officer about the same.

****

ANNEXURE – IV

Detailed information to be furnished by Direct Demanding Officers at the time of placement of supply-orders.

1. Indentor's designation with full postal address.
2. DDO's supply order number and date.
3. Contract No. & Date.
4. Name of the purchaser.
5. Item No. of indent/supply order.
6. Item no. if any.
7. Suppliers Brand name for product.
8. Quantity.
9. Unit.
10. Rate per unit to be indicated
11. Total cost to be indicated.
12. Delivery: Free delivery upto destination.
13. Delivery period.
14. Consignee and his full address
15. Mode of delivery: Free delivery upto destination basis.
16. Designation of the accounts officer of the consignee.
17. Head of account to which the cost is to be debited.
18. Remarks regarding enclosure to the S/O, if any, such as declaration form- 'D' etc.
19. Address of the supplier.
20. Full signature of the Indents (DDO or his authorised subordinate officer), his name and designation, with the stamp of officer.

****

ANNEXURE – V

We unconditionally accept the contract No. RS(POL)/58/0501/4/2015/00518 dated 17.08.2016 and its terms and conditions.

For & on behalf of M/s.....

Signature of

Witness (1)_____

Full name_____

Date _____

(SEAL)

Signed by_____

Full Name _____

Signature of

Witness (2) _____

Full name _____

Date _____

Date: