GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2008/CE.1/CT/Con/7 (PCE/GM) New Delhi, dated 15.12.2008

Addressed to,

As per list attached.

Sub. Works Contract Procedures – amendment thereof.

Ref. (i) Board's letter No. 85/W-1/CT/7-Pt..1 dated 09.05.2008.
(ii) Board's letter No. 2007/CE-1/CT/18 dated 07.03.2008.
(iii) Board's letter No. 2007/CE-1/CT/18 dated 28.09.2007
(iv) Board's letter No. 94/CE.1/CT/4 dated 17.10.2002.

Subsequent to the issue of Board's above mentioned letters, Board have further reviewed certain aspects of existing works contract management practices and have decided to introduce the following changes.

1. **Price Variation Clause for Steel**
(Amendment to the category of steel in Board's letter cited at (i) above)

In the table given in Board's letter dated 09.05.2008 referred above, following amendment to the category of steel produced by SAIL whose ex-works price plus ED thereof would be adopted to determine price variation for reinforcement bars and other rounds against S.No.1 of the table is introduced.

Existing	***Revised***
TMT 8mm IS 1786 Fe415	*TMT 8mm IS 1786 FE 415/Fe 500*

This modification is subject to following conditions:

(a) This change shall be incorporated only in future contracts. No amendment to the already finalized contracts shall be allowed.
(b) The same specification has to be referred to both for the base period and for the period when payment is due.

2. Two-packet system of tendering
(Ref: Para 7 of Board's letter cited at (ii) above)

Two-packet system of tendering may be adopted wherever considered necessary. There is no need to link this mode of tendering to any financial value.

3. Application of Price Variation Clause in Works Contracts – decrease in tender value limit.
(Ref: Para 2(ii) of Board's letter cited at (iii) above)

The existing tender value limit of Rs.1 crore for incorporating Price Variation Clause stands reduced to Rs.50 lakh.

4. Increasing the tender value limit for incorporating eligibility criteria.
(Ref: Para No.2.3.4.1 of the recommendations of the committee of Shri B.S. Sudhir Chandra – Board's letter cited at (iv) above)

The existing minimum tender value limit of Rs.10 lakh for incorporating eligibility criteria is increased to Rs.20 lakh.

This issues with the concurrence of Finance Directorate of Ministry of Railways.

Please acknowledge the receipt.

(T. Gupta)
Executive Director Civil Engg.(G)
Railway Board

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Copy forwarded for information to:

(i) FA&CAOs and FA&CAO/Cs - all Indian Railways.
(ii) Deputy Comptroller and Auditor General of India (Railways), New Delhi (with 46 copies)

*for **Financial Commissioner (Railways)***