भारतसरकार GOVERNMENT OF INDIA
रेलमंत्रालय MINISTRY OF RAILWAYS
रेलवेबोर्ड RAILWAY BOARD

No. 2017/Trans/01/Policy **New Delhi, dated: 08 - 02- 2018**

The General Manager, All Indian Railways/PUs, NF(Con), CORE
The DG/RDSO & NAIR,
CAOs, DMW/Patiala, WPO/Patna, COFMOW/NDLS, RWP/Bela

Sub: Process Reforms – Works Contracts.
Ref: Railway Board's letter no Trans 01/policy dated 17.11.2017

In order to expedite decision making and execution of works, following changes have been approved by the Board (ME, FC & CRB).

1.0 Handling Vitiation during Variation in Contract Quantities

In partial modification of existing instructions, it has been decided that as a result of variations, a contract shall be considered "vitiated" only when, the following percentage variation in contract value between tenderers are noticed to have been exceeded.

SN	Value of Contract	Percentage difference between present Contractor and new L-1 as a result of variation. (percentage shall be calculated with base as the revised contract quantities multiplied by the rates of the present contractor)
1	Small value contracts (Tender Value less than Rs 50 lakh)	10
2	Other than small value contracts (Tender Value equal to or more than Rs 50 lakh)	5

1.1 When the percentage difference between present Contractor and new L-1 is noticed as becoming beyond the values specified above, the following action shall be taken.

The Railway administration should immediately examine whether it is practicable to bring in a new agency to carry out the extra quantity of work keeping in view the progress of the work in accordance with the original contract and the nature and lay-out of the work. If it is found that there will be no serious practical difficulty in meeting the additional quantity of work done by another agency, then fresh tenders for the extra quantity may be invited **otherwise** negotiating the rate with the existing contractor for arriving at a reasonable rate for the additional quantities of work, may be adopted.

1.2 The above shall be regulated as under:

a) The case shall be decided by the tender accepting authority (competent for the revised quantity) and shall not be treated as a case of single tender. The provisions of Railway Board letter no 2007/CE.I/CT/18/Pt. XII dated 31.12.2010 hereby gets superseded.

b) These instructions will be similarly applicable to earning contracts with H-1,H-2 substituted for L-1, L-2 and so on.

c) Executives while executing the work shall make all efforts to ensure that no vitiation takes place in normal circumstances. Vitiation should be an exception rather than a

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routine affair. Efforts should be made to invite bids on the basis of percentage above/below/at par.

d) Vitiation should always be computed with respect to the items, rates, quantities and conditions as available at the time of Tender Opening and subsequent changes/ additions by way of new items will not be counted for computing Vitiation.

2.0 Dispense with Vetting of Brief Notes & size of TC Recommendation

2.1 It has been decided that all system generated statements from IREPS website, post tender-opening are directly seen by the Tender Committee and vetting of the comparative statement and vetting of brief note is not required for Tender Committee proceedings.

2.2 The Tender Committee proceedings are made brief and crisp.

3.0 System of Verification of Tenderer's credentials:

3.1 For the works tenders, it has been decided to adopt the affidavit-based system of credential verification. The tenderer shall submit along with the tender document, documents in support of his/their claim to fulfill the eligibility criteria as mentioned in the tender document. Each page of the copy of documents/certificates in support of credentials, submitted by the tenderer, shall be self-attested/digitally signed by the tenderer or authorized representative of the tendering firm. Self-attestation shall include signature, stamp and date (on each page). Only those documents which are declared explicitly by the tenderer as "*documents supporting the claim of qualifying the laid down eligibility criteria*", will be considered for evaluating his/their tender. The system shall be applicable once it is made operational in IREPS. This system is already being followed by some of Railway PSUs.

3.2 In all works tender documents, following para may be added in the section describing the qualification and eligibility criteria.

> "*The tenderers shall submit a notarized affidavit on a non-judicial stamp paper stating that they are not liable to be disqualified and all their statements/documents submitted alongwith bid are true and factual. Standard format of the affidavit to be submitted by the bidder is enclosed as* ***annexure-A.*** *Non submission of an affidavit by the bidder shall result in summary rejection of his/their bid. And It shall be mandatorily incumbent upon the tenderer to identify, state and submit the supporting documents duly self attested by which they/he is qualifying the Qualifying Criteria mentioned in the Tender Document. It will not be obligatory on the part of Tender Committee to scrutinize beyond the submitted document of tenderer as far as his qualification for the tender is concerned."*

With the submission of the affidavit as mentioned above, the practice of verification of tenderer's documents by the Railways may be dispensed with. Following clause may also be added to the Instructions to Bidders.

a) *The Railway reserves the right to verify all statements, information and documents submitted by the bidder in his tender offer, and the bidder shall,when so required by the Railway, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification,by the railway shall not relieve the bidder of its obligations or liabilities hereunder nor will it affect any rights of the railway thereunder.*

b) *In case of any wrong information submitted by tenderer, the contract shall be terminated, Earnest Money Deposit (EMD), Performance Guarantee (PG) and Security Deposit (SD) of contract forfeited and agency barred for doing business on entire Indian Railways for 5 (five) years.*

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c) With such a system of self-certification of credentials, tender finalization should also be speeded up. It has accordingly been decided that the tender validity period should be reduced to 45 days for single packet and 60 days for two packet system of tendering (in place of the present limits of 90 days and 120 days) for tenders having affidavit based system of credential verification.

4.0 Tender Invitation at short notice period

In continuation of existing instructions, for tenders called with short notice period of 21 days, tender validity period would be 30 days and for tenders called with 14 days notice period, the tender validity would be 20 days only. This would in fact justify the urgency of work.

5.0 Calling tenders pending sanction of detailed estimates

In cases of urgency, open tenders may be called, before sanction of detailed estimates, with the approval DRM/PHOD/CHODs. However, the letter of acceptance shall be issued only after the sanction of detailed estimate.

6.0 Multiple L-1

In case of more than one L-1 bidders, tender may be awarded to tenderer having higher Bid Capacity. In case Bid Capacity is also the same, tenderer having done more value of similar work in last three previous financial years and the current financial year upto the date of opening of the tender, may be selected for the award. Instructions with respect to Bid Capacity will follow.

7.0 Discharge of tenders

Before discharging a tender due to higher rates etc, the TC and TAA may examine the possibility of a cartel formation, getting lower rates as a result of retendering, loss of transparency in re-invited tender, the opportunity cost for delay in the execution of the work and the cost of retendering. Each zonal Railway may workout a model cost estimate for the process of tendering which may be kept in view by the TC and TAA while examining the tender.

8.0 Price variation Clause (PVC)

Price variation Clause (PVC) in Works Contract is dealt with in accordance with provisions of item 46A of GCC-July 2014. In order to simplify and enhance the pace of the works, it has been decided to remove the PVC clause in all works contract tenders having value less than Rs 5 Crore.

9.0 Project Management Consultancy (PMC)

In partial modification to Railway Board's letter no 2007/CE.1/CT/18 dated 05.07.2010, and 14.09.2017, it has been decided to extend the scope of PMC services for all works contracts costing more than Rs 10 Crore in open line, Construction and RE organization while ensuring the following;

a) Personal approval of DRM/PHOD/CHOD would be required on case to case basis.

b) The proposal to engage PMC services for any project/contract shall be governed as per instructions contained in Railway Boards letters mentioned above (and amended from time to time).These instructions will also be applicable for all the works approved for PMC by DRM/PHOD/CHOD.

c) The word Deputy CE or its equivalent mentioned in the instructions above shall mean Equivalent Branch Officer of the Division/Railway Electrification (RE).

d) The expenditure incurred on PMCs should be within the D&G charges as per extant instructions.

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10.0 **Contractor's Measurements**

In partial modification to Railway Board's letter no 2016/CE-I/CT/14 Measurement/1 dated 21.09.2017, and 2016/CE-I/CT/14 Measurement/3 dated 21.09.2017, it has now been decided to extend the scope of Contractors Measurement for all works costing more than Rs 5 Crore in Divisions, Construction and RE organization, subject to following condition:

a) Approval of DRM/PHOD/CHOD, without finance concurrence.

b) The proposal to have works measurements by Contractors for any project/contract shall be governed in accordance with the instructions contained in Railway Board's letters mentioned above (amended from time to time). Such instructions are applicable for all the works approved for Contractors Measurement by DRM/PHOD/CHOD.

c) The word Deputy CE or its equivalent mentioned in the instructions above shall mean equivalent Branch Officer of the division/RE organization. XEN/AXEN shall mean their equivalent counterparts in Division/RE organization.

11.0 **Deposit Works**

These works are defined in accordance with para 1843 of IR Code of Engineering Department. The method of execution is also defined therein.The limit of variation by 20% due to reasons other than escalation etc may not be applicable for Deposit Works. Sanction, execution and variations in these works shall be made by the Railway administration in consultation with the sponsoring authority bearing the cost of the deposit works, within the broad guidelines provided in IR Code of Engineering Department and Model SOP-October 2017. Revised detailed estimate should however be within the powers of the sanctioning authority.

12.0 This issues with the concurrence of Associate Finance of Transformation Cell Railway Board.

Kindly acknowledge the receipt and ensure compliance.

(T. K. Pandey)
Executive Director, Transformation

1. PFAs, All Indian Railways & Production Units
2. The ADAI (Railways), New Delhi
3. The Director of Audit, All Indian Railways

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(Sanjeeb Kumar)
Executive Director (Accounts), Transformation

Copy to

1. The Director, Indian Railway Institute of Civil Engineering, Pune.
2. The Director, Indian Railway Institute of Mechanical and Electrical Engineering, Jamalpur.
3. The Director, Indian Railway Institute of Signal Engineering and Telecommunications, Secunderabad.
4. The Director, Indian Railway Institute of Electrical Engineering, Nasik.
5. The Executive Director, Indian Railways Centre for Advanced Maintenance Technology, Gwalior.
6. The Director, Indian Railway Institute of Transport Management, Lucknow.
7. The Registrar, Railway Claims Tribunal, Delhi.
8. The General Secretary, IRCA, New Delhi.
9. The Chief Commissioner of Railway Safety, Lucknow.
10. The Secretary, Railway Rates Tribunal, Chennai.
11. The Chairman, Railway Recruitment Board, Ahmedabad, Ajmer, Allahabad, Bangalore, Bhopal, Bhubaneshwar, Chandigarh, Chennai, Gorakhpur, Guwahati, jammu& Srinagar, Kolkata, Malda, Mumbai, Muzaffarpur, Patna, Ranchi, Secunderabad and Trivandrum.
12. CMD/MD of all railway PSUs

Copy to:

1. The Genl. Secy., AIRF, Room No. 248, & NFIR Room No. 256-C, Rail Bhavan
2. The Secy. Genl., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPFA, Room No. 256-D Rail Bhavan

Copy to:

1. PS to MR, MOS(S), MOS(G)
2. CRB, FC, ME, MTR, MRS, MS, MT, SECY, DG (RHS), DG (RPF), DG (Stores), DG(Pers), DG(S&T)
3. All AMs, Principal Executive Director & Executive Directors of Railway Board

(T. K. Pandey)
Executive Director, Transformation

Annexure-A

FORMAT FOR AFFIDAVIT TO BE UPLOADED BY TENDERER ALONGWITH THE TENDER DOCUMENTS

(To be executed in presence of Public notary on non-judicial stamp paper of the value of Rs. 100/-. The stamp paper has to be in the name of the tenderer)**

I.....(Name and designation)** appointed as the attorney/authorised signatory of the tenderer (including its constituents),

M/s_____ (hereinafter called the tenderer) for the purpose of the Tender documents for the work of _____ as per the tender No._____ of (------- Railway), do hereby solemnly affirm and state on the behalf of the tenderer including its constituents as under:

1. I/we the tenderer (s), am/are signing this document after carefully reading the contents.

2. I/We the tenderer(s) also accept all the conditions of the tender and have signed all the pages in confirmation thereof.

3. I/we hereby declare that I/we have downloaded the tender documents from Indian Railway website www.ireps.gov.in . I/we have verified the content of the document from the website and there is no addition, no deletion or no alteration to the content of the tender document. In case of any discrepancy noticed at any stage i.e. evaluation of tenders, execution of work or final payment of the contract, the master copy available with the railway Administration shall be final and binding upon me/us.

4. I/we declare and certify that I/we have not made any misleading or false representation in the forms, statements and attachments in proof of the qualification requirements.

5. **I/We also understand that my/our offer will be evaluated based on the documents/credentials submitted alongwith the offer and same shall be binding upon me/us.**

6. **I/We declare that the information and documents submitted along with the tender by me/us are correct and I/we are fully responsible for the correctness of the information and documents, submitted by us.**

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7. I/we undersigned that if the certificates regarding eligibility criteria submitted by us are found to be forged/false or incorrect at any time during process for evaluation of tenders, it shall lead to forfeiture of the tender EMD besides banning of business for five year on entire IR. Further, I/we (*insert name of the tenderer*)**_____and all my/our constituents understand that my/our offer shall be summarily rejected.

8. I/we also understand that if the certificates submitted by us are found to be false/forged or incorrect at any time after the award of the contract, it will lead to termination of the contract, alongwith forfeiture of EMD/SD and Performance guarantee besides any other action provided in the contract including banning of business for five year on entire IR.

DEPONENT
SEAL AND SIGNATURE
OF THE TENDERER

VERIFICATION

I/We above named tenderer do hereby solemnly affirm and verify that the contents of my/our above affidavit are true and correct. Nothing has been concealed and no part of it is false.

DEPONENT

SEAL AND SIGNATURE
OF THE TENDERER

Place:
Dated:

**The contents in Italics are only for guidance purpose. Details as appropriate, are to be filled in suitably by tenderer. Attestation before Magistrate/Notary Public