POLICY LETTER NO. RB/CEI/6/2007

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2003/CEI/CT/4 /Pt.I

New Delhi, 23.11.2007

AS PER LIST ATTACHED

Sub. Procedure for finalizing Risk and Cost Tenders.

Board have reviewed the extant instructions regarding the procedure to be followed for finalizing Risk and Cost Tenders, governed by earlier stipulations of GCC i.e. prior to issue of Board's letter No. 2003/CEI/CT/4 (PT.I) dated 16.5.06 in consultation with Legal Adviser of the Ministry of Railways and have decided that from henceforth the following procedure be followed for finalizing such Risk and Cost Tenders in supersession of Board's letter No. 88/CEI/CT/31 dated 29.1.1996.

(a) The provision of Clause 62(y) of GCC should be the guiding principle for Risk and Cost Tenders.

(b) The failed contractor should be notified about the Risk and Cost Tender and in case he applies for the Risk and Cost Tender, the tender forms shall be issued to him.

(c) In case, the failed contractor participates in the Risk and Cost Tender, his offer may be considered on merit based on his capacity, credentials and financial status as obtaining at the time of finalizing such a tender to do the balance work.

(d) If the Tender Committee considers the offer of the failed contractor as the lowest acceptable offer on the basis of criteria indicated in para (c) above, then he may be awarded the work subject to the following conditions.

(i) He should furnish a Performance Guarantee at 10% of the contract value before the agreement is executed.

(ii) The Security Deposit shall be recovered only from the running bills and no Bank Guarantee in lieu of Security Deposit can be accepted.

(iii) In case, he fails to execute the work for the second time, the Performance Guarantee would

be encashed and he would be debarred from participating in the subsequent tender for completing the balance work.

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

Please acknowledge receipt.

(T. GUPTA)
Executive Director Civil Engineering (G)
Railway Board

No. 2003/CEI/CT/4/Pt.I

New Delhi, 23.11.2007

Copy forwarded for information to :

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

for Financial Commissioner (Railways)