

Finance & Accounts Dte.

Welcomes all participants

**on**

Orientation workshop-General Principles and  
Safeguards for Tenders and Contracts

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# Disclaimer

This presentation is for orientation purpose only, however participants are requested to follow latest instructions, as issued from time to time by Railway Board, RDSO etc.

# Canons of Financial Propriety

Finance code vol. I Para 116

- The expenditure should not prima facie be more than the occasion demand and that every Govt. Servant should exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money.
- No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

# Canons of Financial Propriety

- Public money should not be utilised for the benefit of a particular person or section of the community.
- The amount of allowances such as TA, granted to meet expenditure of a particular type , should be so regulated that the allowance are not on the whole source of profit to the recipients.

# Pre-Requisites of Tendering

- What exactly to be done i.e. name of work ( Identify the purpose & plan in advance)
- Clubbing the similar requirements from all units.
- Description of item /work should be clear and complete.
- Where exactly to be done i.e. Site condition/location
- What is likely cost going to be i.e. Estimation
- Where is this expenditure going to be booked i.e. head of allocation
- Is the required fund available under that head of allocation i.e. Budget provision.

# Estimate: Engg. Code Para 701

An estimate is a statement prepared to gauge an idea of expenditure to be incurred on a work in order to obtain sanction of the competent authority and also to see that the work is financially justified.

- This should be signed by BO and sent to finance for concurrence.
- Copy of it as vetted by finance with his note should be submitted to the authority to sanction the estimate.

# Estimate: Engg. Code Para 701

- Work costing  $>$  Rs. 1.0 Cr.  
Sanctioned by Railway Board under  
Pink Book or LAW Book.
- Work Costing  $<$  Rs. 1.0 Cr.  
Sanctioned by DG.
- Abstract Estimate is prepared for  
obtaining Administrative Approval of  
Competent Authority.

# Estimate: Engg. Code Para 701

- Detailed Estimate: On receipt of Administrative approval DE should be prepared for technical sanction of competent authority.
- Check list for DE
- Whether estimate is based on Pink book, LAW book or LWP.
- Preferred in prescribed format (Top Sheet, detailed sheet with works, Stores, Freight, Taxes. Etc.



# Estimate:

- Check of rates, whether bases on LAR (Average LAR), BQ or rate analysis.
- Certification of quantities based on realistic survey & field requirement.
- Check plan/drawing are approved.
- Whether any sub estimate required ?
- Allocation wise clear break-up.

# Estimate:

- Necessary auxiliary provisions made as per prescribed rate i.e. D&G Charges, Contingency ( RDSO, D&G @4%. Cont. @1% should be kept in DE.)
- MoD in case of variation between AE & DE with reason ( 20% other than escalation & 100% is permissible due to escalation)
- Mathematical accuracy.

# Estimate:

- DE required sanctioned of competent authority.
- In Revenue, Works costing more than Rs. 2.0 lakhs, DE Should be prepared and required finance vetting.

JD/Director	Up to 1.0 Cr
ED/Sr. ED	Up 05cr/10cr

- DG RDSO up to Rs. 100.0 Cr.
- **Note: A copy of the sanctioned estimate should be furnished to the Fin. Dte. ( Engg. Code 755)**

# What is Tender ?

- A tender is a sort of bid or offer made by a party/ contractor/firm for the execution of work or supply of materials under certain specified conditions & within prescribed time limits

# Tender System

- As per engineering Code Para 1210, it is the primary duty of the executive to obtain the best value possible for the money spent. Tender system should be given a very careful and serious consideration in all cases.

# Objectives of Tendering

- To get most economic rates for prescribed standards.
- Getting work done through external agency within target date.
- Procurement of material from OEM/ Traders.
- Equity in selection

# Types of Tenders

1. Open Tender
2. Limited Tender
3. Special Limited Tender
4. Bulletin Tender
5. Single Tender
6. Quotations
7. Two packet Tendering System

# Open Tender

- It is a system of invitation of tender by public advertisements in most open public manner.
- Any person on payment of the tender cost can purchase tender document.
- These are resorted to get enough competition & rates for the work.
- As a general rule, all the tenders must be the open tenders, except where the situation warrants.



# Check List

1. Advertise high value tenders in National news papers.
2. Minimum gap between publication & opening - 30 days.
3. Tender form to be available for sale 3 weeks before opening (Minimum 15 days before for small value).
4. Curtailment of notice period (min. 21 days) with prior finance concurrence.
5. Sale of tender form not to be denied.
6. Corrigendum's to be published before original date of opening.
7. News paper cutting must be pasted on tender file
8. Get estimate sanctioned before invitation.
9. If specification after undergo a major change, re-invite tender.
10. Scope, completion time is known.
11. Drawing / Site is ready.
12. Requirement of all participating department have been taken care of in the scope of work.

# Single Tender

- This is resorted to in rare and emergent situations such as accidents, derailments, dislocation to traffic, some in-escapable situations as decided by DG with prior concurrence of ED/F.
- AMCs for the equipments may be placed on single tender basis on authorized dealers with the approval of competent authority.
- Selection of agencies should be from the approved list of contractors on the zone, except specialized nature of work.
- Detailed justification should be spelt out.
- All the cases of single tender shall require prior finance concurrence before the administrative approval.

# Two Packet System of Tendering:

- Two packet system may be adopted in identified situations for obtaining consultancy services for **highly technical works where parameters can not be precisely predefined** or for execution of works which are **technically complicated**.
- The “**Qualifying Criteria**” in the tender documents should be defined duly concurred by ED/F & approved by DG.

In this system, the tenderer are advised to submit their offers in two sealed envelopes with one cover containing **Technical & Commercial** offers and other containing **Financial bid**.

1. **Technical Bid:** The technical conditions are read out before the tenderer and TC evaluates the same. The tenderer are advised to enclose **EMD** in the technical bid.
2. **Financial Bid:** If technical bid is acceptable, the financial bid is opened and the tenders processed for acceptance in the normal manner.

## **Tenders received by Post.-**

Tenders received by post should be entered in the Tender Register and the time of receipt should be recorded on the cover of the tender and deposited before the closing time in the tender box.  
(Engineering code, 1999 Para 1247)

### **Availability of Tender box**

Tender box should be provided well in advance and in any case 10 days before last date of receipts of tender and may be placed at more than one location. ( Rly. Bd. Letter no. CE-I/CT/1 dt. 13.02.91 and 90/CE-I/CT/1 dt.23.10.98)

# Delayed Tenders

Received before the time of opening but after due date and time. (As per Board's letter No. 71/RS(G)/777 dated 19.04.1984, it has been reviewed & decided that late tenders/delayed tender should be totally rejected)

## Late Tenders

Received after specified time of opening.

1. To be marked with Red ink on the envelop as well as papers.
2. Board's instructions to be followed

# Tender Notice:

After sanction of competent authority, a brief tender notice has to be prepared and sufficient notice should be given for submission of– It should be 30 days.

- It should be given maximum publicity in news papers.(Care should also be taken to have judicious mix of local, National &/or Financial dailies in order to generate adequate competition).
- The tender notice and tender documents should be posted on a website and the name of website should be given in the tender notice.

# Tender Notice:

- Eligibility criteria and similar nature of work should published.( Similar nature of work defined by PHOD/CHOD). In case of deviation in standard eligibility criteria as per Sudhir Chandra committee report, required prior finance concurrence and approval of competent authority.
- EMD and Tender document cost should also be published
- Lengthy tender notice should be avoided and it should be clear and crisps.

# Tender Document Cost

Work Costing up to Rs. 5.0 Lakhs	Rs. 1000/-
Work Costing Rs. 5.0 – 20.0 lakhs	Rs. 2000/-
Work Costing Rs. 20.0 – 50.0 lakhs	Rs. 3000/-
Work Costing Rs. 50.0lakhs – 2.0 Cr.	Rs. 5000/-
Work Costing Rs. 2.0Cr – 50.0 Cr.	Rs. 10000/-
Rs. 50.0 Cr and above	Rs. 25000/-



## Precautions while Opening Tender:

- Should be opened by committee ( A/cs representative and executive officer ) in presence of tenderer.
- Envelopes to be serially numbered like 1/5, 2/5 etc. and initialed.
- They are to be entered in the tender opening register in the same order with firm name.
- Open envelop & record number appearing on envelop on each page of offer with initials.
- Better to indicate total no. of pages after careful counting.
- Encircle all rates both figures and words & financial conditions with initials without leaving any space.
- Testify and indicate corrections and its total on each page.
- Indicate ambiguities in rates by recording rates also in words.

## Precautions while Opening Tender:

- Record whether sample has been supplied.
- Number of conditions quoted on each page to be counted.
- Name & rates quoted by each tenderer to be read out loudly.
- No opportunity to tenderer to amend, explain the rate or conditions
- Value and form of EMD to be noted.
- Summary of rates to be prepared
- In case of two packet system – Technical bid be opened first.
- Care should be taken for – Correction in rate, in conditions, additional offers, taxes etc.

# Briefing Note & tabulation statement

After the tender have been opened, tabulation statement with briefing note should be prepared. The same should be scrutinized and signed by the branch officer.

# Comparative Statement

To be prepared by tender clerk and signed by not below SS/JAG. Each page should be signed.

## Briefing notes for the Tender Committee —

Along with the tabulation statement, a briefing note duly authenticated at an appropriate level should be submitted clearly.

(Engineering Code, Re- Print 1999, Para 1253)

**Scrutiny by the Accounts Department.**--The tabulation statement and the briefing notes shall be sent thereafter for scrutiny together with the original tenders to the Accounts Officer concerned. The tabulation statement should be signed by the Section Officer (Accounts) nominated for the purpose . (Engineering Code, Re- Print 1999, Para 1254)

# Earnest Money Deposit (EMD)

- Every tenderer is required to deposit EMD for due fulfillment of the conditions of the contract (Para 1241 & 1242). The earnest money is required to test earnestness of the tenderer and to discourage non serious parties. The EMD of the successful tenderers is adjusted in the Security Deposit (SD).

# (EMD)

Value of Work	EMD
For works estimated to cost up to Rs. 1 Crore	2% of the estimated cost of the work
For works estimated to cost more than Rs. 1 Crore	Rs. 2 Lakhs + ½ % of the excess of estimated cost of work beyond Rs. 1 Crore

- The tenders without EMD are liable to be rejected.
- EMD can be remitted in the following forms – Deposit receipts,
  - Pay order, DD of SBI or any Nationalized Bank & Scheduled Bank
- EMD/SD need not be insisted upon in the case of Single Tender with OEM as well as with PSUs (IR) and NSIC registered firms, however TD Cost is required in both cases.

# Security Deposit (SD):

## GCC 2010 DEFINITIONS AND INTERPRETATION , Item No.16.(1)

The security deposit is for the due fulfillment of contractual obligations of tender. The SD to be recovered from the tenderer shall be 5% of the contract value. EMD can be retained as SD and balance SD shall be recovered from the running bills/on account bills @10% of each bill amount till the amount is recovered.

# Performance Guarantee: GCC 2010 DEFINITIONS AND INTERPRETATION , Item No.16.(2)

The successful bidder shall submit PG in any of the following forms amounting to 5% of the contract value.

- Deposit of cash, Bank Guarantee, Pay order, DD, Guarantee Bond, Post Office, NSC, NDC, Unit Trust Certificate, FDR.
- The successful bidder shall have to submit PG within 30 days from the date of issue of letter of acceptance (LOA).
- Extension of time for submitting PG beyond 30 days and up to 60 days from LOA, may be given by officer who is competent to sign the "Contract Agreement".



# Performance Guarantee:

- Quantity variation up to 25% - No change in PG.
- More than 25% variation – additional PG amounting to 5% for excess value shall be deposited by contractor.
- PG shall be released based on the “completion certificate” after passing final bill.

# Tender Committee

- To safeguard financial interest of the Railways & ensure selection of correct agency for execution of the work
- Adhere to the Guidelines/directives received from Vigilance directorate / Railway Board.
- Provisions of Indian Contract Act are complied with and procedure is followed.
- Indian Railway Standard Conditions of contract, Special conditions of contract, Labour laws, Insurance act, Central Excise, Sales Tax, Work contract tax, transportation act, arbitration act etc are not violated.

# Composition of Tender committee in works Tender

Sr.No.	Value of tender	Executive	Accounts	Other Deptt.	Accepting authority
1	Up to Rs. 10 Lakhs	Jr.Scale/Gr.B	Jr.Scale/AAO	NIL	DD/TEN
2	Rs. 10-20Lakhs	DD/TEN	-do-	NIL	JD/Dir
3	Rs. 20 lakhs – 02 Cr.	DD/TEN	DDF	DD	-do-
4	Rs. 02Cr – 08 Cr.	JD/Dir	JD/Dir	JD/Dir	ED
5	Rs. 08 Cr- 50 Cr.	SrED/ED	Sr.ED/EDF	Sr.ED/ED	ADG
6	Rs. 50 Cr.- 100 Cr.	Sr.ED	-do-	Sr.ED	DG

# Composition of Tender committee in Stores Tender

Sr. No.	Value of tender	Stores Member	Consumer Dte. Member	Finance Member	Accepting Authority
1	Rs. 10-30Lakhs	Sr.Scale	Sr.Scale	Jr. Scale	JD/Dir Stores
2	Rs. 30lakhs- 1.0 Cr.	JAG	JAG	Sr. Scale	ED/Stores
3	Rs. 1.0 Cr -2.0 Cr.	JAG	JAG	JAG	ED/Stores
4	Rs. 2.0 Cr.-8.0 Cr.	-do-	-do-	-do-	-do-
5	Rs. 8.0 Cr – 15 Cr.	SAG	SAG	SAG	ADG
6	Rs. 15 Cr.-25 Cr	PHOD/CHOD	PHOD/CHOD	SAG	ADG
7	Rs. 25 Cr.-50Cr.	-do-	-do-	PHOD/CHOD	DG

# Role of TC Members

- He has full knowledge of work to be executed.
  - All special features.
  - Site conditions.
  - Specifications of work.
  - Credentials of the tenderer, time frame, urgency etc.
  - Market survey of rate analysis.
  - Implication of special conditions
- Role of Third Member
  - He must ensure that rules are followed in general.
  - Reasonableness of rates has been properly examined.
  - Uniform and consistence approach has been adopted in dealing.
  - On cases of difference of opinion between TC members, he gives his definite opinion.

# Negotiations

- L-1 should be defined as the lowest, valid, eligible and technically acceptable tenderer who would have been otherwise considered for award of contract directly if the rates were not unreasonable high.
- Negotiations should be held with L-1 only as above. ( Rly. Bd's letter No. 94/CE-I/CT/ dt. 22.10.2001)

# STAGES OF TENDER PROCEEDINGS

SN	Activity	To be Initiated by	by
01	Preparing proposal for approval by Calling for budgetary quotation from Firm or attaching LAR	Executive	Rly bd./DG
02	Concurrence of proposal	Executive	Fin.
03	Sanction of Work	--do--	Rly bd./DG
04	Preparation of detail estimate	Executive	Executive
05	Vetting of d estimate	Executive	Fin.
06	Sanction to d estimate	Executive	Executive
07	Tender document preparation with Terms and Conditions, scope of work etc.	Executive	Executive
08	EMD (2% of the estimated tender value up to 1.0crores), above this, 2 lakhs + 0.5% of the excess of estimated cost	Executive	Executive

# STAGES OF TENDER PROCEEDINGS

SN	Activity	To be Initiated by	Done by
09	NIT Publishing in news papers	OS&SE (Tender)	SE( Tender)
10	Preparation of tender notice for open tenders/OEM	SE (Tender)/OS	Executive
11	Loading of Tender Notice on Net before 30 days of opening of tender	SE (Tender)	Executive
12	Issuing of tender booklet before 30 days	OS (Tender)	Executive



# STAGES OF TENDER PROCEEDINGS

13	Opening of tender	Gazetted officer	A/cs rep.
14	Submission of tender cost of down loaded tender form to Finance dte. (Same day)	OS (Tender)	Executive
15	Verification of EMD submitted by Tenderer	OS (Tender)	Executive
16	Preparation of brief note & tender tabulation statement.	SE/OS (Tender)	Executive
17	Verification of brief note SO (Wks A/cs) .	OS (Tender)	Engg. and accounts

# STAGES OF TENDER PROCEEDINGS

SN	Activity	To be Initiated by	Done by
18	Nomination of TC members	SE (Tender)	Executive/Finance
19	TC preparation	Executive	TC Members
20	Verification of eligibility criteria	SE (Tender)	TC Members
21	TC Finalization	TC Members	TC Members
22	Acceptance of TC recommendations	As per SOP	As per SOP
	Issuance of advance LOA	Executive	Executive
23	Vetting of Letter of Acceptance	Executive	Finance
24	Submission of PG by the firm within 30 Days[ 5% of contract value ]	SE (Tender)	Executive

# STAGES OF TENDER PROCEEDINGS

SN	Activity	To be Initiated by	Done by
26	Verification of BG by bank	OS (Tender)	SE (Tender)
27	Preparation of Contract Agreement	SE (Tender)	OS/SE( Tender)
28	Signing/Vetting of Contract Agreement	SE (Tender)	With Rly. & Firm ( Vetted by Finance)
29	Dispatching of copy of Contract Agreement to concerned depot in charge.	OS (Tender)	SE (Tender)
31	Releasing of first on account bill by preparing office note	OS/SE (Tender)	Executive (Payment arrange by Finance)

# STAGES OF TENDER PROCEEDINGS

SNN	Activity	To be Initiated by	Done by
32	Completion report from depots.	By Nominated Supervisor	By Nominated Supervisor
33	Refund of Performance Guarantee (PG) after physical completion of work ( After completion certificate)	By Nominated Supervisor	Officer concerned
34	Refund of security deposit (SD) to the contractor after expiry of maintenance period and after passing the final bill. ( After getting No Claim Certificate from tenderer)	After getting No Claim Certificate from tenderer	Officer concerned
35	Arbitration, if any.	By Firm/Tenderer	Officer concerned

# Payment

- **Para 1347:** All bills be signed by the officer responsible for the outlay) i.e. branch officer/officer incharge) in token of his acceptance of the claims, any alterations or corrections therein being duly initialed. In the case of contractor's bill the signature of the contractor are also required in token of their acceptance of the correctness of the bills submitted.
- **Manner of payment:-**
- Unless otherwise specified payments to the Contractor will be made by cheque but no cheque will be issued for and amount less than Rs.100/-
- (GCC 2010, Measurements, Certificates and Payments , Item No 46 (4))

# Do's

- ❖ Allow adequate and reasonable minimum time (as prescribed) for opening of all tenders to encourage proper response.
- ❖ Ensure timely supply of copies of approved plans for tenders where special items rates have to be quoted for the particular details of the approved plans.
- ❖ Ensure the comparative statement and briefing note have been prepared and duly signed by the concerned officials on each page.
- ❖ Only consider offers accompanied by requisite earnest money in proper term.
- ❖ Attempt identification of sister concerns to detect cartel formations especially in the case of limited tenders.
- ❖ Ensure consideration of reasonableness of rates in the tender committee minutes. This should not be with reference to presumably accepted rates, but also after taking in to accounts market rates and analysis of rates. Reasonableness has to be explained in detail.
- ❖ Obtain views of the Competent Authority to deal with the lowest acceptable offer of contractors with adverse reports.
- ❖ Treat the Tender Committee recommendations with dissenting notes carefully. Dissent should be part of running minutes with views of other members also on it.

# Do's

- ❖ Negotiation should be an exception and not the rule in acceptance of tenders. These are to be held with lowest valid tenders only.
- ❖ Record relevant reasons for overlooking the lowest offer if it is not acceptable. Speaking decision is a must.
- ❖ Order calling for fresh tenders if items are to be revised or their value is to be enhanced.
- ❖ Ensure that the tender committee minutes contain the relevant information as the date, venue of the meeting and dated signatures of the members.
- ❖ Record the acceptance or otherwise on the body of the tender committee minutes only & not on the noting side of the file.

# Do's

- ❖ Ensure that the rating of the offers received is done properly after evaluating the special conditions and vetting by finance.
- ❖ Ensure that the reasonableness of rates is examined critically, logically and specifically both in respect of total cost and rates of important individuals items.
- ❖ Beware that the low offers are in facts so in reality and price, differential for similar but different items of schedule is reasonable.
- ❖ Ensure that the tender committee is duly constituted of competent level of officers specified.
- ❖ Ensure prior sanction of competent authority before executing additional quantities (beyond 25%) in such items so that the contracts are not vitiated.



# Don'ts

- ❖ Do not change the Tender Committee members once constituted without prior approval of competent authority.
- ❖ Do not consider delayed/ late tenders except under specified exceptional circumstances & that too only by following prescribed procedure.
- ❖ Do not treat the Tender Committee's recommendations with dissenting notes from one or more members of the Tender Committee as unanimous recommendations.
- ❖ Do not order negotiation on the repeated advice of tender committee to invite fresh tenders, particularly where response to the call for negotiations is poor.
- ❖ Do not exercise the power of accepting authority in case you have been a member of the Tender Committee. Let it go to higher authority.
- ❖ Do not hold negotiation with those who had either not tendered originally or whose tender was rejected because of unsatisfactory credentials, inadequacy of capacity or where tenders were unaccompanied with adequate earnest money or any other invalid tenders.
- ❖ Do not accept open quotations from contractors during negotiations.

# Don'ts

- ❖ Do not entertain letter / representations of tenderer subsequent to opening/ negotiations/ consideration of tenders.
- ❖ Do not accept modified offers, not considered by the Tender Committee.
- ❖ Do not allow subsequent revision of the minutes unless the reconsidered minutes are put up in addition.
- ❖ Do not advise the tender committee prior to their deliberations on the suitability or otherwise of any particular offer.
- ❖ Do not allow anomalies in evaluation of special conditions to affect the acceptance of the offer recommended.
- ❖ Do not operate non-schedule items without sanction of competent authority . In exceptional cases where it has to be done, maintain necessary site records.
- ❖ Do not operate non-schedule items where it is possible to do work as per schedule items or a combination there of.
- ❖ Do not award works on questions in a routine manner and strictly follow annual financials limits laid down.

# Variation in quantities

- Operation of an item by more than 125% of the agreement quantity needs approval of tender accepting authority.
- In excess of 125% but upto 140% of the quantity shall be paid at 98% of the rate awarded
- In excess of 140% but upto 150% of the quantity shall be paid at 96% of the rate awarded
- Variation of individual item beyond 150% shall be prohibited and be permitted only in unavoidable circumstances with the concurrence of finance and be paid at 96% of the rates awarded
- The variation in quantities as per the above formula will apply only to the individual items of the contract and not on the overall contract value.
- Execution of quantity beyond 150% of the overall agreemental value should not be permitted, if found necessary, should be only through fresh tenders or by negotiating with existing contractor with concurrence of EDF and approval of DG.
- Contract should not be vitiated due to variation.

# IMPORTANT CLARIFICATIONS at a glance

## Signing of Agreement & Submission of PG

- Tenderer shall have to submit a PG within 30 days from date of issue of LOA.
- Extension of time beyond 30 days and up to 60 days from issue of LOA may be given by C A signing authority with a penal interest of 15% per annum for the delay beyond 30 days after issue of LOA.
- In case of the contractor fails to submit PG even after 60 days, the contract shall be terminated forfeiting EMD.
- The failed contractor shall be debarred from participating in “re-tender for that work”.  
(Rly. Bd. Letter No. 2007/CE. I/CT/18 Pt. XII Dated 31.12.2010)
- Contract agreement be signed within 15 days (old) after LOA.  
(GCC 2010, Annexure I, Second Sheet, Item No.6(c))

## IMPORTANT CLARIFICATIONS at a glance

- Form of Contract agreement
- Not less than 2 copies of the contract document shall be signed by the competent authority and the contractor and one copy given to the contractor.
- (GCC 2010 Meaning of terms, Item No. 9)

# IMPORTANT CLARIFICATIONS at a glance

## Employment of retired Railway employee/ Officer

- Retired 2 Years prior to the date of submission of tender.
- (GCC2010 Annexure 1 Second Sheet, Item No. 16 )

## Railway passes

- No free Railway passes shall be issued to the tenderer or his employee.
- (GCC2010 Part II, Definition and Interpretation, Item No. 9)

# IMPORTANT CLARIFICATIONS at a glance

## Security deposit (SD)

- The EMD deposited by contractor with his tender will be retained as SD – 5% of contract value.
- The rate of recovery should be 10% of the bill amount till recovery. SD shall be returned after expiry of maintenance period.

# IMPORTANT CLARIFICATIONS at a glance

- Execution of contract documents.

- A duly authorized representative shall so appear and execute the contract documents within 7 days after notice that the contract has been awarded to him.

- (GCC 2010 Meaning of terms, Item No. 8)

- Communications to be in writing:-

- All notices, communications, reference and complaints made by the Railway or the Engineer or the Engineer's Representative or the Contractor interse concerning the works shall be in writing.

- (GCC 2010 DEFINITIONS AND INTERPRETATION , Item No.4)



## IMPORTANT CLARIFICATIONS at a glance

Document to be submitted along with the tender as credential:

- List of personnel and organization
- List of Machinery & Plants
- List of works completed in last three years
- List of work on hand

(Rly. Bd. Letter no. 94/ CE-1 /CT/ 4 dated 17.10.02)

IMPORTANT CLARIFICATIONS at a glance

Before releasing SD

**“No claim certificate”** must be obtained from  
contractor

# IMPORTANT CLARIFICATIONS at a glance

- Performance Guarantee (PG) :
- (GCC 2010 DEFINITIONS AND INTERPRETATION , Item No 16 (4))
- The successful bidder shall have to submit a PG within 30 days from the date of issue of LOA. Extension of time for submission of PG beyond 30 days and up to 60 days from the date of issue of LOA may be given by the authority who is competent to sign the contract agreement. The successful bidder may give PG to 5% of contract value (cash, BG, Loan Bonds, post office, saving bank FDR etc.).
- 2. The PG shall be submitted by the contractor after LOA has been issued but before signing the contract agreement. This PG shall be initially valid up to date of completion + 60 days beyond that.

PG shall be released after physical completion of work based on the "Completion certificate" issued by competent authority.

# IMPORTANT CLARIFICATIONS at a glance

Type of conditions – *The conditions are of two types.*

General Conditions of Contract (GCC) – These are the basic condition of contract. There are 64 clauses provided in the GCC.

Special conditions of contract (SCC) – These are peculiar to the particular items of work of the contract. These stipulates date of completion, maintenance period, guarantee/warranty, price variation clause, variation in quantity, method of measurement etc. The SCCs are framed by experienced engineers requires vetting of finance if any deviation from standard criteria.

## IMPORTANT CLARIFICATIONS at a glance

- Should have completed similar work in one contract for minimum value of 35% of the advertised tender value
- Total contract amount received by contractor during last 3 years & current financial year should be a minimum of 150% of advertised tender value.
- This criteria would apply only to tenders of value more than Rs. 50 lacks.
- **Note:** However, the above eligibility criteria may be modified on case to case basis in respect of urgent process / works and specialised nature of works with EDF concurrence and personal approval of DG

## IMPORTANT CLARIFICATIONS at a glance

- No work should be commenced until detailed estimate is sanctioned & funds are available.
- Splitting of large work into small works should be avoided

(Board letter No. 2004/ dated 21.06.2004)

PVC should be included for tenders of value more than 50 lakhs and long duration tender

(Board's letter No. 2008/ CE-I/ CT/Con/ 7 dated 15.12.2008)

*Thanks*