To,
As per list attached.

Sub: Price Variation Clause - Addendum & Corrigendum Slip (ACS) no. 02 to GCC, July 2014: Amendment in Clause 46A.1 of GCC.

Ref: Railway Board’s circulars:
(ii) No. 2007/CE-I/CT/18 Pt.19, dated 07.05.2013
(iii) No. 2007/CE-I/CT/18 Pt.19, dated 02.05.2014

1. In terms of Railway Board’s above referred circular, dated 14.12.12: Price Variation Clause was incorporated in GCC along with the related instructions.

2. The issues, referred to Board have been examined and it has been decided to make amendments & clarifications on the subject, as mentioned hereunder.

3. Para 1 of Railway Board’s Circular no. 2007/CE-I/CT/18 Pt.19, dated 14.12.2012 is revised as under:

<table>
<thead>
<tr>
<th>Existing Provision</th>
<th>Modified Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price Variation Clause shall be applicable only for tenders of value Rs. 50 lakh and more, irrespective of the contract completion period.</td>
<td>Price Variation Clause (PVC) shall be applicable only for contracts of value (Contract Agreement value) Rs. 50 lakh and more, irrespective of the contract completion period.</td>
</tr>
</tbody>
</table>

4. Further, Clause 46A.1 of GCC is modified as under:

<table>
<thead>
<tr>
<th>Existing Clause</th>
<th>Modified Clause</th>
</tr>
</thead>
<tbody>
<tr>
<td>46A.1 Applicability: Price Variation Clause (PVC) shall be applicable only for tenders of value as prescribed by the Ministry of Railways through instructions / circulars issued from time to time and irrespective of the contract completion period. Materials supplied free of cost by Railway to the contractors shall fall outside the purview of Price Variation Clause. If, in any case, accepted offer includes some specific payment to be made to</td>
<td></td>
</tr>
<tr>
<td>46A.1 Applicability: Price Variation Clause (PVC) shall be applicable only for contracts of value as prescribed by the Ministry of Railways through instructions / circulars issued from time to time and irrespective of the contract completion period. Variation in quantities shall not be taken into account for applicability of PVC in the contract. Materials supplied free of cost by Railway to the contractors shall fall outside the purview of Price Variation Clause. If, in any case, accepted offer includes some specific</td>
<td></td>
</tr>
</tbody>
</table>
It has also been decided that an authority competent to accept the tender or Sr.Admn. Grade (SAG) officer of executive department, whichever is higher, may decide that PVC shall not apply to a particular contract even if the Contract Agreement value works out to be Rs. 50 lakh or more OR that PVC shall apply even if the Contract Agreement value works out to be less than Rs. 50 lakh. Such a decision shall be taken with concurrence of associate finance and reasons shall be recorded in writing.

Such a decision shall be taken before issuance of N.I.T. (Notice Inviting Tender) and it shall be incorporated as Special Condition of Contract (in Tender Document and Contract Agreement).

6. Applicability of PVC based on original contract value is illustrated as under -

"If estimated value of a tender (N.I.T. value) is Rs. 55 lakh; but value of the contract as per Contract Agreement is Rs. 45 lakh, then PVC shall not apply, even if the actual final value is Rs. 50 lakh or more due to variation in quantities during execution of the contract. Thus, variation in quantities after signing of Contract Agreement is not relevant for deciding whether PVC is applicable to a contract or not."

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

Please acknowledge receipt.

(Handwritten Signature)

(Addresses)

No. 2007/CE-I/CT/18/Pt.19 (FTS-8798) New Delhi, Dated 15.10.2014

Copy forwarded for information to:
(i) FA&CAO, All Indian Railways.
(ii) Dy. Comptroller and Auditor General of India (Railways), Room no. 224, Rail Bhavan, New Delhi (with 46 spare copies).

For Financial Commissioner / Railways

Page 2
LIST

1. General Managers, All Indian Railways & Production Units.
2. General Manager (Con), N.F. Railway, Guwahati.
3. Principal Chief Engineers, All Indian Railways.
4. Chief Administrative Officers (Con), All Indian Railways. (Except N.F. Railway)
5. Chief Vigilance Officers, All Indian Railways.

Copy to:

(A)
1. CAO/CAO(R). COFMOW, Tilak Bridge, New Delhi-110002.
2. CAO/CAO(R), Diesel Locomotive Works, Patiala (Punjab).
3. CAO, Rail Coach Factory/Rae Bareli Project, Kishanganj, Delhi-7.
4. CEE, Central Organisation for Railway Electrification (CORE), Allahabad.

(B)
1. Director General, RDSO, Manak Nagar, Lucknow-226011.
2. Director General, National Academy of Indian Railways, Vadodara-390004.
3. Chief Commissioner of Railway Safety, Ashoka Road, Lucknow-226001.

(C)
1. Director, IRICEN, Rail Path, Pune, Pin-411001 (Maharashtra).
2. Director, IRICEEN, P.B.No.-233, Nasik Road-422101 (Maharashtra).
3. Director, IRISET, Tarnaka Road, Lala Guda, Secunderabad-500017.
4. Director, IRIMEE, Jalalpur Distt., Jalalpur - 811214, (Bihar).
5. Director, IRITM, Saraswati Residential Estate, IRITM Campus, Manak Nagar, Lucknow.
6. Director, JR RPF Academy, Lucknow.
7. Indian Railways Organisation for Alternate Fuels, 12th Floor, CORE-I, SCOPE Minar, District Centre, Laxmi Nagar, Delhi - 110092.

(D)
1. MD, DMRC, Metro Bhawan, 13, Fire Bridge Lane, Barakhambha Road, New Delhi-110 001.
2. MD, CONCOR, Concor Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi - 110076.
3. IRC (International Limited), C-4, District Centre, Saket, New Delhi-110017.
4. MD, RITES Ltd., RITES Bhawan, Plot No. 1, Sector-29, Gurgaon, Haryana-122001.
5. MD, RVNL, August Kranti Bhawan, Plot No. 25, 1st Floor, Bhikaji Cama Place, New Delhi-110066.
6. MD, MRVC Ltd., Churchgate Station Building, Mumbai- 400020.
7. MD, KONKAN Railway Corporation Ltd., Rail Bhawan, New Delhi-110001.
8. MD, DFCIL, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001.
9. MD, RLDA, Near Safdarjung Railway Station, Moti Bagh, Phase-I, New Delhi - 110021.
10. CMD, RailTel Corporation of India Ltd., Plot no. 143, Institutional Area, Sector-44, Gurgaon, Haryana - 122003.
11. RCF, Rae Bareilly, Kishan Ganj, Delhi.
12. CME, IROF, 12th Floor, Core-I, Scope Minar, Distt. Centre, Laxmi Nagar, Delhi-110092.
13. CAO, Indian Railways (Workshop Projects), Chamber Bhawan, Judge’s Court Road, Ananta Ghat, Patna-800001, Bihar.

(E)
1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIFR, Rail Bhawan, New Delhi.
3. General Secretary, NFIR, Rail Bhawan, New Delhi.
4. General Secretary, IRPOF, Rail Bhawan, New Delhi.
5. General Secretary, FROA, Rail Bhawan, New Delhi.
6. General Secretary, ARIPA, Rail Bhawan, New Delhi.
7. General Secretary, AISC&STREA, Room no. 7, Rail Bhawan, New Delhi.
8. General Secretary, RBSS, Group (A) Officers Association, Rail Bhawan.
9. General Secretary, RBSS, Group (B) Officers Association, Rail Bhawan.
10. The Secretary, RBSS, Group (C) Employees Association, Rail Bhawan.