

भारत सरकार

रेल मंत्रालय (रेलवे बोर्ड)

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

No. 2021/RS(G)/779/7

Dated: 06.09.2024

Director General

RDSO

Lucknow

(Email: dg@rdso.railnet.gov.in)**Sub: Vendor approval system.**

- Ref:
- (i) Railway Board Order No. ERB-I/2021/23/18 dated 07.07.2021.
 - (ii) Railway Board letter No. 2021/RS(G)/779/7 dated 18.01.2022.
 - (iii) RDSO letter No. QAM/UNIFORM VENDOR POLICY dated 17.01.2022.
 - (iv) Railway Board letter No. 2021/RS(G)/779/7 dated 08.02.2022.
 - (v) Railway Board letter No. 2021/RS(G)/779/7 dated 30.01.2023.
 - (vi) RDSO letter No. RDSO/STO LKO/(CSP-4)/7/2021 dated 10.3.2023.
 - (vii) RDSO letter No. ST/SP-4/RB&CRIS dated 17.03.2023.
 - (viii) RDSO letter No. ST/SP-4/RB&CRIS dated 06.03.2024.
 - (ix) Railway Board letter No. 2021/RS(G)/779/7 (E 3391932) dated 13.05.2024.
 - (x) RDSO letter No. SPL/DG(VD)/RB-Policy dated 18.07.2024.

This office is in receipt of RDSO letter dated 18.07.2024 (ref. (x)). In this regard, following is stated:

(i) Seeking approval of Railway Board for creating “Conditionally approved Developmental Order”:

The category of conditionally approved developmental vendors is not as per Railway Board policy (ref. ii). Such a list is causing confusion amongst the field officers. List of vendors published by RDSO on UVAM shall only consist of developmental and approved vendors, without any conditions (already reiterated vide ref. v).

(ii) Nomination of Railway Unit for expedited trials for developmental orders:

RDSO is competent to co-ordinate with most suitable Railway Unit for expedited trials against developmental orders, for the item under consideration, placed by RDSO.

(iii) Mobilisation advance for Developmental Orders:

In rare cases of developmental orders of goods, justifying mobilisation advance and requiring approval of Railway Board, RDSO may forward the request to Railway Board, with detailed justification, on a case to case basis.

RDSO should implement the Railway Board instructions dated 18.01.2022. Further, progress on implementation of provisions relating to developmental tenders (para 16), costing at market research cell (para 15), vendor development (para 13) and criteria for upgradation (para 8) may be intimated to Railway Board.

(v) Fast tracking the vendor development process:

Special attention is invited towards para 13.2 of the instruction dated 18.01.2022 which is reproduced below:

The activity should be fast tracked either by deploying additional internal resources by vendor approving agencies or by outsourcing to capable outside agencies like RITES/ other accredited agencies. Empanelment of external assessment agencies should be done by RDSO on behalf of all vendor approving agencies within one month of issue of this letter. Minimum three agencies shall be empanelled with upper limit on fee to be charged. These empanelled agencies may be approached by vendors, directly, at pre-application stage, as well. This shall permit vendors to submit application with pre-verified facilities as per STR. Other Railway Units may also, directly, approach these agencies for verification of vendor's facilities as per STR for first time ordering of de-regulated items.

(vi) Costing and Market Research cell:

All the vendor approving agencies are requested to submit a copy of the periodic report of their Costing and Market Research cell, for each quarter, to Railway Board. Additionally specific compliance of Para 15.2 (of instruction dated 18.01.2022) is also requested from the vendor approving agencies. Para 15.2 states as follows:

The Costing and Market research cell, of each vendor approving agency, shall annually review the vendor approval system (report to be submitted within 30 days of completion of review period). The review shall specifically identify the areas of delays in vendor approval process or where the timelines are too relaxed. The report shall suggest changes/ modifications to make the vendor approval process more transparent and speedier. The report shall also highlight the savings/ benefits accrued to Railways on account of actions taken on suggestions made by the cell, during the reported period. The report and action taken on the report shall be put up to GM/DG of the vendor approving agency, within 30 days of submission of report. Subsequently, the report and action taken shall be submitted to Railway Board for consideration in Railway Board meeting.

(vii) Development of vendors for items requiring more than 60 days for assessment:

Certain cases necessarily require assessment over a period extending to more than 60 days for listing of vendors as developmental vendors. In such cases, Railway Board's instruction dated 18.01.2022 (ref. ii)

already permits RDSO to place a developmental order, within 60 days of receipt of pre-assessed application (para 13.2 of instruction dated 18.01.2022), for a quantity sufficient enough for upgradation of a vendor to approved category. Subsequent to placement of such order, by RDSO, and during continuous evaluation of the vendor in execution of the developmental order, RDSO shall first enlist the vendor as a developmental vendor, on satisfying the specified criteria for approval as unconditional developmental vendor. Subsequently, upon the vendor satisfying the criteria for upgradation to approved vendor status, the vendor shall be enlisted as approved vendor.


However, it should be ensured that strict timelines are maintained. Overall timelines for upgradation of vendor to approved category, as detailed in para 8 of the instruction dated 18.01.2022, should be adhered to.

(viii) Time lines:

RDSO shall put to optimal use the authority delegated to place developmental order for quantities sufficient enough to assess product performance for upgradation of a vendor to approved category.

2. The task force (established vide Railway Board order dated 07.07.2021, ref i) was created upon recommendation of the AM level committee report as accepted by Railway Board. The recommendations of the task force submitted by RDSO vide their letter dated 17.01.2022 (ref. iii) have to be in line with Railway Board policy dated 18.01.2022 as such directions given vide letter dated Railway Board policy 18.01.2022 (ref. ii) shall prevail.

3. This issues with the approval of Railway Board (M/TRS).



(Chandan Kumar)

Director Railway Stores (IC)

Railway Board

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Copy to:

1. General Managers of RCF, ICF, MCF, CLW, BLW, CORE: Vendor approving agencies are required to comply with the instructions of Railway Board issued vide letter no. 2021/RS(G)/779/7 dated 18.01.2022, as also clarified to RDSO herein.
2. Spl. DG/ VD/ RDSO is required to monitor that the instructions dated 18.01.2022 are implemented on UVAM portal by all vendor approving agencies including RDSO and PUs.