The General Managers, All Indian Railways/PUs, NF(C), CORE
The DG/RDSO/Lucknow, NAIR/Vadodara,
PDAO, DMW/Patiala, COFMOW
CA, WPO/Patna, RWP/Bela.

Sub.: Implementation of Public Procurement (Preference to Make in India) Order, 2017 –
Notification of RE items under para-3(a) of PPP-MII Order.

Ref.: (i) DPIIT, Ministry of Commerce and Industry Order No.P-45021/2/2017-PP(BE-II)
dated 16/09/2020

1.0 Para-3(a) of the Public Procurement (Preference to Make in India) Order, 2017 (as amended)
issued vide reference above, stipulates as under-

“In procurement of all goods, services or works in respect of which the nodal
ministry/department has communicated that there is sufficient local capacity and local
competition, only "Class-I local supplier", as defined under the order, shall be eligible to bid
irrespective of purchase value."

2.0 Government has desired that Ministries/Departments shall expeditiously issue notification for
the items where there is sufficient local capacity and competition and where public
procurement shall be done only from 'Class-I local suppliers' under clause 3(a) of PPP-MII,
Order, 16/09/2020. Additionally, nodal ministry has been permitted (vide Para 5 of the same
order) to increase minimum local content requirement for categorization of vendor into Class-I
and Class-II local supplier.

3.0 Railway Board has reviewed and considered that sufficient local capacity and local
competition exist for all the material/items used in Railway Electrification as they are
indigenously manufactured and supplied except short neutral section assembly which
is an RDSO approved item. It has, therefore, been decided that in respect of these items
only Class I local suppliers shall be eligible to bid and supply, irrespective of the
purchase value. It has been further decided that the minimum local content for the local
supplier, of the above item, to be categorized as 'Class-I local supplier' shall be 50%.

4.0 Requirement of a vendor to be a Class I local supplier (self-certification by bidder as per
PPP-MII order 2017, as amended), to be considered for ordering of item (s) detailed in
para - 3.0 above, shall be a mandatory condition in addition to other qualifying
criteria, including status of approval with respective vendor approving agencies,
etc., which may be applicable for purchase of the item. Suitable eligibility criteria shall be added in the tenders by procuring agencies. Suitable condition should also be inserted in tenders calling attention of vendors, clearly indicating that in keeping with the Public Procurement (Preference to Make in India) Order, 2017, as amended, it has been found that there is sufficient local capacity and competition in supply of the tendered item of required quality and therefore public procurement of the item is restricted to Class I local suppliers only and the vendors who do not qualify to be Class I local suppliers should not quote in the tender as their offers shall not be considered for any ordering. In case any vendor who does not qualify to be a Class I local supplier for the tendered item participates in the tender it does so at its own risk and cost and Railways shall not be liable for any loss or damage caused to the vendor.

This is issued with the approval of Railway Board (MTRS).

Chandan Kumar
Director Railway Stores/IC
Railway Board

Copy to:

1. PCMMs, PCEs, PFAs, CMEs, CEEs, CSTEs, All Indian Railways & PUs, RCF/RBL/NLDS, COFMOW, CORE, WPO and RWP/Bela
2. Sr. Prof. (Material Management), NAIR, Vadodara, Executive Director (Stores), RDSO, Lucknow
3. MD, CRIS, Chanakyapuri, New Delhi
4. MD, RITES, RITES Bhavan, Sector-29, Gurugram
5. Director, Iron & Steel, 3, Koliaghato Street, Kolkata
6. Chief Commissioner, Railway Safety, Lucknow
7. Zonal Commissioner, Railway Training Institute, Sukhadia Circle, Udaipur
8. The Genl. Secy., AIRF, Room No. 248, & NFIR Room No. 256-C, Rail Bhavan
9. The Secy. Genl., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPOA, Room No. 256-D Rail Bhavan.

Copy for information to: Joint Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Udyog Bhawan, New Delhi.

Copy to:- PSOs/SR. PPSs / PPSs / PSs to:
1. MR, MoS(R)
2. CRB and CEO, M/TRS, M/Infra, M/OBD, MF, Secretary/Railway Board, DG (RHS), DG (RPF), DG/HR
3. All AMs, PEDs & Executive Directors of Railway Board