

भारत सरकार GOVERNMENT OF INDIA  
रेल मंत्रालय MINISTRY OF RAILWAYS  
रेलवे बोर्ड RAILWAY BOARD

No. 2018/Trans/Policy/RA

New Delhi, dated: 18-04-2018

The General Manager (VIMS)  
Center for Railway Information Systems  
EPS Group, ITPI Building, New Delhi 110002

Sub: Clarification regarding development of module for R.A.  
Ref: 1. Your letter no. CRIS/GM/PS-EPS/45 dt. 02-04-2018  
2. RB letter no. 2017/Trans/01/Policy/Pt-S dt. 28-03-2018

Following clarifications are issued with respect to Para 2.2 of RB letter under reference 2 and Para 4 of Annexure I to the said letter:


1. Para 2.2


The final tabulation statement should include the initial price offer of a firm who has not participated in the R.A. process.

2. Annexure I, Para 4

A plain reading of the letter reveals that the intent of the policy is to freeze the statutory levies like taxes and duties only and not other charges like freight, discount etc. As far as reduction in tax is concerned, it will in any case be covered under Statutory Variation Clause. It is therefore clarified that no change is permitted in statutory levies after the initial price bid and all other cost / price elements may be varied.

This issues with the approval of competent authority and concurrence of Associate finance of Transformation Cell of Railway Board.

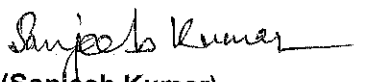
  
(Mahesh Chandra)  
ED / RS (G)

  
(V. Arun Kumar)  
Director/Transformation Cell

No. 2017/Trans/Policy/RA

New Delhi, dated: 18-04-2018

1. PFAs, All Indian Railways & Production Units
2. The ADAI (Railways), New Delhi
3. The Director of Audit, All Indian Railways

  
(Sanjeeb Kumar)  
Executive Director Accounts  
Transformation Cell

Copy – As per list enclosed

Copy for information to:

1. The General Managers: All IRs/PUs.
2. The CMDs/MDs all IR PSUs
3. The Directors, All IR CTIs.



**(V. Arun Kumar)**  
**Director / Transformation Cell**

भारत सरकार GOVERNMENT OF INDIA  
रेल मंत्रालय MINISTRY OF RAILWAYS  
रेलवे बोर्ड RAILWAY BOARD

No. 2017/Trans/01/Policy/Pt-S

New Delhi, dated: 28-03-2018

The General Manager, All Indian Railways/PUs, NF(C), CORE  
The DG/RDSO/Lucknow, DG/NAIR/Vadodara  
CAOs, DMW/Patiala, WPO/Patna, COFMOW/NDLS, RWP/Bela

Sub: Guidelines for Electronic Reverse Auction for Works, Stores and Service Contracts.

Ref: RB letter No. RS(M)/2011/EPS/01 Pt. dt. 18.01.2018

Vide letter under reference, Board had issued detailed guidelines / procedure to be followed for Reverse Auction for procurement of Stores. With the approval of Board (ME, FC, CRB) it has been decided to follow similar practice of Auction/Reverse Auction for Works, Services and Earnings tenders also. In supersession of all earlier guidelines for procurement of Stores through RA, following revised guidelines are accordingly issued for implementation.

**A. Tenders for Works, Services and Stores Contracts**

**1.0 Selection criteria for tender cases of Works, Stores and Services proposed through Reverse Auction (e-RA) route:**

- a) In the first phase, following method of purchase through Reverse Auction shall be the preferred method for procurement for Stores tenders valued more than Rs. 10 Cr. in each case and for Works and Services for tenders valued more than Rs. 50 Cr. in each case.
- b) The process of procurement through Reverse Auction shall be followed only in case of tenders where there are at least three approved vendors (where work to be executed/service to be provided/bulk procurement is to be from vendors approved by RDSO/CORE/ PUs etc.) or at least three proven/likely competitive sources, prima facie competent for execution of work/provision of service/bulk ordering.
- c) Financial Bids in single currency/parameter only shall be allowed.
- d) For cases on Zonal Railways/ PUs, personal approval of the PHOD/CHOD duly vetted by associate finance shall be required for any exception in tendering method for cases otherwise eligible to be processed through the method of procurement detailed herein.
- e) Even for cases which do not satisfy the selection criteria as detailed above, Railways may follow the process of Reverse Auction, as detailed herein if they so desire, with vetting of associate finance and approval of competent authority.

**2.0 Procedure for award of contracts through Reverse Auction:**

- a) The procedure discussed herein shall be fully implemented through IREPS. Any reference to Reverse Auction in these instructions shall imply e-RA.
- b) Conduct and reporting of Reverse Auction shall be as per Annexure I to this letter.
- c) Each tender should clearly specify essential technical and commercial parameters in a transparent manner. No deviation to such essential Technical & Commercial conditions shall be permitted to the vendors in the electronic bid form.

*Sayeeb Kumar*

## 2.1 Technical Bid and Initial Price Offer:

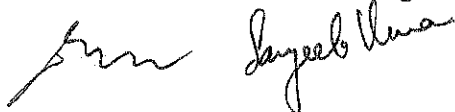
- a) (i) In case of Works and Services related tenders E-RA shall be adopted only for those cases where evaluation is on the basis of single parameter/currency.  
(ii) In case of Stores Tenders procuring authority shall decide the bid evaluation criteria in the tender itself, i.e. whether the evaluation shall be item wise, consignee wise or overall tender value wise.
- b) Bidder shall be simultaneously required to electronically submit a Technical & Commercial Bid and Initial Price Offer.
  - i. In case of Works and Services tenders, offers found eligible for award of contract/meeting eligibility criteria shall be categorized as Qualified for Award of Contract for the purpose of e-RA.
  - ii. In case of Stores tenders, offers found eligible for bulk order shall be categorised as Qualified for Bulk Order for the purpose of RA and offers found eligible for Developmental order shall be categorised as Qualified for Development Order for the purpose of RA.
- c) Offers not complying with essential technical & commercial requirements of the tender shall be declared as Ineligible for award of contract.
- d) Technical & Commercial evaluation of bids shall be done by a Tender Committee, as per extant guidelines, delegation and the estimated value of tender. Recommendations of Tender Committee shall be considered by Tender Accepting Authority, as per existing guidelines.
- e) Initial Price Offer of only those bidders categorized as Qualified for Award of contract in case of Works and Services Tenders shall be opened and tabulated by system separately. In case of Stores tenders Initial Price Offer of only those bidders categorized as Qualified for Developmental Order or Qualified for Bulk Order, shall be opened and tabulated by system separately, category wise. Extant instructions for electronic tabulation shall apply for tabulation of Initial Price Offers.

## 2.2 Financial Bid:

Financial Bid shall comprise of Final Price Offer obtained through Reverse Auction. Following conditions and procedure shall be followed in selection of bidders for conduct of Reverse Auction:

- a. Selection of vendors for Reverse Auction for award of Contract in Works and Services tenders and bulk ordering in Stores tenders :

Number of tenderers Qualified for Award of contract/ Bulk Order	Number of tenderers to be selected for Reverse Auction	Remarks
< 3	NIL*	The bids disallowed from participating in the Reverse Auction shall be the highest bidder(s) in the tabulation of Initial Price Offer. In case the highest bidders quote the same rate, the Initial Price Offer received last, as per time log of IREPS, shall be removed first, on the principle of last in first out, by IREPS system itself.
3 to 6	3	
More than 6	50% of Vendors Qualified for Bulk Order/award of contract (rounded off to next higher integer).	



Note:

- i. \* If the number of tenderers qualified for Bulk Order / Award of Contract is less than 3, RA shall not be done and tender may be decided on the basis of Initial Price Offer(s).
  - ii. In case of Stores tenders, selection of vendors for Reverse Auction for developmental ordering: All bids found Qualified for Developmental Order shall participate in Reverse Auction for developmental orders.
  - iii. **MSE Criteria (Not applicable for Works):** All MSEs (Micro & Small Enterprises) found Qualified for Bulk Order/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in para 2.2 a. above, but are within the range of 15% of lowest Initial Price Bid shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Bid. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per para 2.2 a. In case of Stores tenders, lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order.
  - iv. **Make in India criteria:** All bidders eligible for benefits under Public Procurement (Preference to Make in India) Order – 2017, found Qualified for Bulk Order/Award of Contract and are within the specified range of price preference of lowest Initial Price Bid shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Bid. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per para 2.2 a.
- b. During Reverse Auction process, bidders shall not be allowed to bid a rate higher than the lowest Initial Price Offer.
- 2.3 (i) Reverse Auction among bids categorized as Qualified for award of contract in case of Works and services tenders shall be conducted on IREPS/Suitable Platform. Bidders shall be able to see the auction screens.
- (ii) Reverse Auction among bids categorized as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders. Bidders shall only be able to see the auction screens relevant to them for each category. Purchaser shall be permitted to see all the auction screens for both categories on line.
- 2.4 In case of Stores Tenders, quantity to be covered on developmental orders shall be limited to 20% of the net procurable quantity. Developmental orders shall be placed in terms of Railway Board letter no. 99/RS(G)/709/1/Pt. Dated 13/01/2015. The quantity covered on developmental orders may be within or outside NPQ, which may be decided by TC/TAA, before conduct of Reverse Auction.
- 2.5 After obtaining the final bids of the Reverse Auction, tenders shall be finalized as per existing policy (including price preference to MSEs and Make in India Order, 2017, (wherever applicable) and in case of Stores tenders, procedures based on the eligibility and quantity distribution criteria, as pre-defined in the tender document. All the relevant policies of Government of India at the relevant time shall be applicable.
- 2.6 The level of Tender Committee to consider the Final Price Offers shall be determined on the basis of lowest Initial Price Offer of bid Qualified for award of contract in case of Works and services tenders and qualified for Bulk Order in case of Stores tenders, as opened prior to Reverse Auction. In case the level of Tender Committee which evaluated technical & commercial bids as per para 2.1(d) was higher than the level of TC competent to consider



lowest Initial Price Offer of bid Qualified for award of contract/Bulk Order, the higher level TC shall continue to finalize such tender cases.

- 2.7 For specific high value cases centralized at Railway Board such as procurement of Wagons, HSD oil, Track Machines, Steel, Rail and such other works/services/procurements, specific e-RA conditions, may be formulated and incorporated in the tender conditions duly vetted by Associate Finance and approved by competent authority.
- 3.0 Considering the fact that execution of works, delivery of services and availability of items is of paramount importance, Zonal Railways should resort to tendering through other appropriate methods to meet any exigency.
- 4.0 The above guidelines will apply prospectively, i.e. for tenders published subsequent to roll out of Reverse Auction module, incorporating above policy, by CRIS.
- 5.0 Zonal Railways/ PUs/ PSUs/Other Bodies shall incorporate appropriate conditions in the tender document.

**B. Tenders for Earning Contracts**

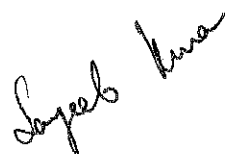

Competent authority has decided that all earnings tenders shall henceforth be done using electronic mode only (E-Tendering) and manual tendering may be discontinued. Further, for all Earning Tenders, e-auction method may be followed. This shall however apply only after successful proving out of appropriate module for Earning Contracts by CRIS. Any Earning Tender to be done manually after roll out of Earning Tender module by CRIS shall require personal approval of PHOD/CHOD.

**C. For PSUs and Other Bodies/Organizations of Railways**

These instructions are also applicable to all Railway PSUs like IRCON, RVNL, RAILTEL, RITES, IRCTC, MRVC and their subsidiaries and other bodies like CRIS. It is however, not mandatory for them to use IREPS module for this purpose. They may choose any proven software tool for this purpose which is suitable to function in compliance with these guidelines for Zonal Railways/PUs.

**D. Other Instructions**

1. E-Tendering is to be followed for all types of tenders on Indian Railways, PUs and Railway PSUs.
2. Two Packet Single Stage system of tendering is to be followed for:
  - a. Stores – Through e-R.A. tenders above Rs 10 Crore.
  - b. Works – For all tenders above Rs 10 Crore.
  - c. Services – For tenders above Rs 50 lakh.
  - d. Earnings – For all tenders.
3. MSME criteria of considering offers from MSEs quoting within L-1 + 15% for 20% of NPQ is to be followed for all Goods and Services tenders.
4. Make in India Preference order is to be followed for all Goods, Services and Works tenders wherever applicable as per guidelines. Copies of the Order No. P-45021/2/2017-B.E.-II dated



15-06-2017 and RB letter no. 2015/RS(G)/779/5 dt. 27.12.2017 are enclosed as Annexure-II & III for ready reference.

5. Withdrawal of L-1 Offer: In case of withdrawal of offer of L-1 bidder, the tender need not necessarily be discharged in case of tenders for procurement of Goods and Services (Other than Consultancy) subject to the conditions mentioned in RB letter no. 2017/Trans/01/Policy dt. 17-11-2017 being fulfilled.

This issues with the concurrence of Associate Finance of Transformation Cell of Railway Board.



(V. Arun Kumar)  
Director / Transformation Cell

**No. 2017/Trans/01/Policy/Pt-S**

**New Delhi, dated: 28-03-2018**

1. PFAs, All Indian Railways & Production Units
2. The ADAI (Railways), New Delhi
3. The Director of Audit, All Indian Railways



(Sanjeeb Kumar)  
Executive Director Accounts  
Transformation Cell

Copy for information to

1. The CMDs, All IR PSUs.
2. The Director, Indian Railway Institute of Civil Engineering, Pune.
3. The Director, Indian Railway Institute of Mechanical and Electrical Engineering, Jamalpur.
4. The Director, Indian Railway Institute of Signal Engineering and Telecommunications, Secunderabad.
5. The Director, Indian Railway Institute of Electrical Engineering, Nasik.
6. The Executive Director, Indian Railways Centre for Advanced Maintenance Technology, Gwalior.
7. The Director, Indian Railway Institute of Transport Management, Lucknow.
8. The Registrar, Railway Claims Tribunal, Delhi.
9. The General Secretary, IRCA, New Delhi.
10. The Chief Commissioner of Railway Safety, Lucknow.
11. The Secretary, Railway Rates Tribunal, Chennai.

Copy to:

1. The Genl. Secy., AIRF, Room No. 248, & NFIR Room No. 256-C, Rail Bhavan
2. The Secy. Genl., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPFA, Room No. 256-D Rail Bhavan

Copy to:

1. PS to MR, MOS(S), MOS(G)
2. CRB, FC, ME, MTR, MRS, MS, MT, SECY, DG (RHS), DG (RPF), DG (Stores), DG(Pers), DG(S&T)
3. All AMs, PEDs & Executive Directors of Railway Board



(V. Arun Kumar)  
Director / Transformation Cell

Procedure for Conduct and Reporting of R.A.

1. The tendering authority shall solicit bids through an invitation to the electronic Reverse Auction to be published or communicated in accordance with the provisions similar to e-procurement.
2. Convener of the tender committee shall fix the following, on case to case basis, depending upon the nature of item/work/service and complexity of case on hand. **These shall be indicated in the tender for e-RA itself.**
  - a. Initial e-RA period: This shall be the initial time interval for e-RA. e-RA shall be open for this duration.
  - b. Auto extension period: In case any offer is received in the time period equal to auto extension period before close of initial e-RA period, the e-RA shall be extended for time equal to auto extension period from the time of last bid. There shall be no upper limit on number of auto extensions. When no offer is received in the last auto extension period, e-RA shall close.
  - c. Minimum decrement in percentage of value of the last successful bid.
3. Date and time for start of e-RA shall be communicated to qualified tenderers by the convener after evaluation of the Technical Bids.
4. After submission of Initial Price Bid, tenderers will not be allowed to revise the taxes and other levies.
5. During auction period, identities of the participating tenderers will be kept hidden.
6. Minimum admissible bid value will be last bid value minus minimum decrement as specified by the tendering authority before starting of reverse auction. Starting point for reverse auction shall be the lowest Initial Price Bid of the tenderer eligible for award of contract.
7. After close of the RA, tabulation of last (minimum) bids received from all the tenderers will be generated and made visible to Railways and participating tenderers.
8. Railway users can also view the bidding history in chronological order.
9. Bidders not be allowed to withdraw their last offer.
10. L-1 will be defined as the lowest bid obtained after the closure of R.A. session for Goods, Works and Services tenders.

(Ref: RB Letter no. 2017/Trans/01/Policy/Pt-S dated 28-03-2018)