

भारत सरकार BHARAT SARKAR
रेल मंत्रालय MINISTRY OF RAILWAYS
रेलवे बोर्ड RAILWAY BOARD

No: 2010/RS(G)/363/1

New Delhi, dated: 6.6.2013

The General Manager, All Indian Railways & PUs including NF(C)
The General Manager, CORE, Allahabad
The General Manager, Metro Railway, Kolkata
The Director General, RDSO, Lucknow & Railway Staff College, Vadodara
CAO/Workshop Projects organization, 1st Floor, Chamber Bhawan, JC Road, Patna
CAO/DMW, Patiala and COFMOW, New Delhi
CAO/RCF/RBL, Old TA Building, Kishanganj, Delhi
MD/All Railway PSUs, KRCL, MRVC
CAO/All autonomous entity under Ministry of Railways

Subject: Public Procurement Policy for goods produced and services rendered by Micro and Small Enterprises (MSEs), by Central Ministries/Departments/Public Sector Undertakings (PSUs).

Ref: 1. Rly Bd letter no 2010/RS(G)/363/1 dated 05-07-2012
2. COS/NCR letter no S/Gen/301 dt 10-10-2012

Vide above referred letter dt. 5.7.2012 Public Procurement Policy of GOI in respect of procurement of goods and services, produced and provided by MSME, by its ministries, departments and PSUs was circulated for guidance and compliance.

COS/NCR, vide his letter dated. 10.10.2012, sought clarification/direction from Board on some points related to the policy. Areas pointed out by NCR and clarification thereon are placed below in juxtaposition:

| | Points raised by NCR | Clarification |
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| 1 | In order to avail the advised benefits the MSEs are to up-load scanned copy of their registration with any of the agencies mentioned under para 1.2 of Board's letter as part of their e-offer. Instances of un-scrupulous vendor submitting fictitious certificate cannot be ruled out. Authenticity of NSIC registration can be cross checked with NSIC website, but such verification may not be possible with other agencies. Verification through correspondence would delay procurement. | This aspect is dealt in para 4 of Railway Board letter dated 05-07-2012. In response to our reference on the matter, the issue has been further clarified by Ministry of MSME. They have opined that the verification of registration of MSE firms may be confirmed by railway itself as railway is having widespread net work and that assistance and cooperation may also be taken from MSE Development Institutes of MSME (Development Commissioner) of the concerned area or with NSIC in case they are registered with them. Modality for the same to be decided by Railways. |
| 2 | Para 2 (iii) of Board's letter allows the participating MSE within a price band of L1+15% to get the order upto 20% by bringing down their price to L1 price. It is not | Modality to bring down the MSE price to L-1 could be through any form which is best suited to Railway. The policy does not infringe upon the earlier referred letters of Board. |

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| | clear how to bring down MSEs price equal to L1. By negotiation or by counter offer? First line of para 2.2 of Bd's letter No. 99/RS(G)/779/2 dt. 22.10.2008 reads "The procedure of counter offering as substitute to/in lieu of negotiation (dispensing with it altogether) is totally prohibited". As per existing instructions negotiations can be held with only L1. It is strongly felt that Bd's letter No. 99/RS(G)/779/2 dt. 22.10.2008 needs expeditious revision to align with fresh set up instructions as referred above. Similarly Bd's letter No. 99/RS(G)/779/2 dt. 15.2.2008 on quantity distribution would also need revision. There may be few more such letters which would revision by Board. | |
| 3 | As per existing instructions/practices on Zonal Railways at the time of finalization of tenders, quantity is reviewed and net procurable quantity is generally less than the tendered quantity. As per instruction of para 2(iii) of Bd's above referred letter i.e. MSEs in the zone of consideration of L1 + 15% price to be allowed to supply upto 20% of the tendered value. In that case MSEs may be given share of order value which would be more than 20% of procurement value. | It is clarified that eligible MSEs are to be considered for orders upto 20% value out of the net procurable quantity. |
| 4 | As per para 2(v) Board has advised to continue to procure 358 items from MSEs. As per existing instruction and practices these items are reserved for SSIs which are registered with NSIC. In the changed scenario it needs to be clarified whether MSE would mean all those entities registered with organizations listed under para 1.2 of above referred letter. | Yes. MSE would mean all those entities registered with organizations listed under para 1.2 of Rly. Board letter dt. 5.7.2012. |
| 5 | It also needs to be clarified whether the subject policy will also be applicable for the items to be procured from centralized approving agencies like RDSO/DLW/CLW etc. | Yes, it will be applicable. While doing so, the quantity limits (if any), in Board's circulars will be adhered to. |
| 6 | Under para 4 of Rly. Board's letter Railways are required to seek information from their registered | Same as for point No. 1 |

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| | vendor about their ownership by SC/ST entrepreneurs but it has not been clarified how the ownership by SC/ST will be judged i.e. what documents will be needed to decide that a particular MSE is owned by SC/ST | |
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This is issued with concurrence of Finance directorate of Ministry of Railways.

Please acknowledge receipt.


(Santosh Mittal)
Dy. Director Railway Stores (G)-I
Railway Board

New Delhi, dated 6.2013

No: 2010/RS(G)/363/1

Copy to:

1. FA&CAOs, All Indian Railways & Production Units.
2. PCEs, All Indian Railways & Production Units, WPO/Patna, RCF/RBL, COFMOW, DMW
3. CMEs, CEEs, CSTE's, All Indian Railways & Production Unit, WPO/Patna, RCF/RBL.
4. The ADAI(Railways), New Delhi (with 10 spares copies)
5. The Director of Audit, All Indian Railways.
6. The COSs, All Indian Railways & PUs including NF(C).
7. The COS, Metro Railway, Kolkata.
8. The COS, COFMOW, New Delhi.
9. The COS, CORE, Allahabad.
10. CMM/RCF/RBL, Kishanganj, Delhi,
11. COS, Workshops Project Organisation, Patna
12. The Directors-
 - a. Indian Railway Institute of Sig. Engg. & Telecom, Secunderabad.
 - b. Indian Railway Institute of Mech. & Elec. Engg., Jamalpur.
 - c. Indian Railway Institute of Elect. Engg., Nasik.
 - d. Sr.Prof. (Material Management), Railway Staff College, Vadodara.
 - e. Indian Railway Institute of Civil Engg., Pune.
 - f. Indian Railway Institute of Logistics & Materials Management, IDA House, Sector IV, R.K.Puram, New Delhi
13. Chairman, Railway Rates Tribunal, Chennai.
14. Director, Iron & Steel, 3, Koila Ghat Street, Kolkata.
15. Executive Director (Stores), RDSO, Manak Nagar, Lucknow.
16. Chief Commissioner, Railway Safety, Lucknow.
17. ED(QA)/RITES, RITES Bhavan, Sector-29, Gurgaon, Haryana.
18. CPM, CRIS, Chanakya Puri, New Delhi.
19. GM(Proj)-V, CRIS, Chanakya Puri, New Delhi.


(Santosh Mittal)
Dy Director Railway Stores (G)-I
Railway Board

No: 2010/RS(G)/363/1

New Delhi, dated 6.6.2013

Copy to :

1. The General Secretary , AIRF, 4 State Entry Road , New Delhi.
2. The General Secretary , NFIR, 3 Chelmsford Road, New Delhi.
3. The Secretary General, IRPOF, Room No. 268, Rail Bhavan, New Delhi
4. The Secretary General, FROA, Room No. 256-D, Rail Bhavan, New Delhi.
5. The Secretary General, AIRPFA, Room No. 256-D, Rail Bhavan, New Delhi


(Santosh Mittal)

**Dy Director Railway Stores (G)-I
Railway Board**

Copy to:- Sr. PPSs / PPS / PS to:-

- (i) MR, MSR(M), MSR(B)
- (ii) CRB, FC, ME, ML, MM, MS, MT, SECY., DG (RHS), DG (RPF)
- (iii) All AMs and Advisors of Railway Board.
- (iv) All Executive Directors of Railway Board.
- (v) All Directors of Electrical, Engineering, Finance, Mechanical, Stores, Signal & Telecom Dte. &
- (vi) All Branches of Electrical, Engineering, Finance, Mechanical, Stores, Signal & Telecom Dte.