

GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
(RAILWAY BOARD)

.....

No.73/RS(G)/779/30 Pt.II New Delhi, dated: 19.11.1987

The General Managers,
All Indian Railways and
Production Units.

Sub: Procurement of spares for Diesel and
Electric Locos.

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Reference Board's letter of even number dated
30.3.1987.

2. You are aware that the revised procurement procedure for Diesel and Electric Loco spares was issued by the Railway Board, after deliberations with the Sr. Officers of the Mechanical and Stores Departments of the Railways in the Board's office on 28.1.87, in the context of persistent complaints being received from MPs, Parliament Committees and Trade Organisations against the system of restricting purchases through limited tenders.

3. During the meeting, the various issues involved were discussed at length and it was identified that problems could arise mainly on account of:

(1) The extra time that would be required to issue open tenders instead of limited tenders.

(2) Delay in finalisation of the tender case taking into account the offers that may also be received from unapproved sources.

3.1 Since the new procedure was contemplated only for regular purchases, as distinct from emergency purchases, it was considered that the railways could plan their purchases sufficiently in advance to take care of the extra time required to issue open tenders - in any case, the additional time required to issue advertised tender would be only about 3 or 4 weeks.

3.2 With regard to the offers that may be received from the unapproved sources, it was made clear that even after issue of open tenders, the intention of the Board was to restrict bulk purchases only to the sources approved by the Railway, the other sources being considered for placement of trial orders only, that too provided their offers are competitive and also satisfy the standards required for the purpose.

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3.3. It was also explained during the above meeting that firstly the number of competitive and capable new entrants, especially for diesel and electric locos spares would not be very large; and in any case wherever purchasing trial orders in individual cases was causing inordinate delay, the Railways could finalise the tender committees in regard to the bulk orders first, taking the question of trial orders later through supplementary tender committees so that there is no delay in making the bulk purchases.

3.4.. It was thus concluded that the issue of advertised tenders, per se ought not to cause any quality or delay problems.

4. However, recently some complaints have been received in the Board's Office, that on some of the Railways, the finalisation of tenders is getting delayed on account of time required to evaluate offers received from other than approved sources. It is once again reiterated that, where such delays are likely, the railways should finalise the tender committees in regard to bulk quantity without waiting for the finalisation of trial orders and take up the latter through separate supplementary tender committees immediately thereafter. Necessary action may, therefore, be taken to ensure that there is no delay in procurement of these items.

5. The receipt of this letter may please be acknowledged.



(J.P. Char)
Executive Director, Railway Stores
Railway Board

No.73/RS(G)/779/30 Pt.II New Delhi, dated: 19.11.1987

Copy to:-

1. The Controllers of Stores/All Indian Railways/
P.Units, COFMOW, DC/Patiala, W&AP/Bangalore/
RE/Allahabad, Metro Rail/Calcutta.
2. GAOs/MTP(Rlys.), Bombay, Delhi & Madras.
3. FA&GAOs/All Indian Railways/P.Units.
4. C.P.L.Os, All Indian Railways.
5. G.M.Es, CLW/DLW/ICF/W&AP/DCW.
6. Director General, RDSO/Lucknow.

7. The Principal, Railway Staff College, Vadodara.
8. The System Development Group, Central Railway & ICF.
9. ADA I(Railways), New Delhi (with 15 spares).
10. The R.L.O., Parliament Street, New Delhi.
11. FS-I, II & III, M(W), Vig. IV, Accounts-I, II and III
RS(IC) Branches of Board's Office.
12. The Director/RRG, DEB, DME, DME(W), DEE, D(S&T),
DCE, D(Track).



(J.P. Char)

Executive Director, Railway Stores
Railway Board