

ANNEXURE-II/3-29
Government of India
Ministry of Railways/Railway Board

No. 2007/RS(G)/779/1

New Delhi, dated: 03-09-08

The General Manager, All Indian Railways & PUs including NF(C).
RBS 26 & 30/2008

Sub : **Vetting of indents.**

Ref : Board's letter of even no dated 04/04/08.

Ministry of Railways have reviewed the existing powers delegated to Railways on the subject and have decided to enhance them in partial supersession of Board's letter under reference, for the item as detailed below with immediate effect.

No.	Item	Delegation
1	Vetting of indents to be placed on centralized procurement agency by COS office	Same as that of vetting of purchase order (ie) 1. Above Rs.8 lakhs for safety items as defined in Board's letter No.99/RS(IC)/165/SRC dated 19/4/2000 subject to 10% test check by accounts. 2. Above Rs.4 lakhs for items other than safety items.

This issues with the concurrence of Finance Directorate of Ministry of Railways.

Sd/-
(Aruna Jain)
DDRS(G)-II, Rly Board

ANNEXURE-II/4-01

Copy of letter No. 49/145/1/S dated 12th June 1950 from the Ministry of Railways, (Railway Board), New Delhi addressed to the General Manager, S. E. Railway, Calcutta and copy to All Indian Railways, the General Manager, D. L. W., Chittaranjan (District Burdwan) and Director of Railway Audit etc.

Sub : **Suggestion that fresh tenders should be invited whenever only one approved Contractor tenders for a work.**

Ref : Your letter No. AW. 2858 dated 24th April 1950.

The Railway Board have decided that when in response to calls for limited tenders (as distinct from single and open tenders under the rules in force) only one tender is received fresh tenders should be invited except in urgent cases of purchases. This applies to purchase of

Stores made by the Controller of Stores, who should decide whether the purchase of Stores involved is very urgent.

Copy of letter No. AW. 2858 dated 24th April 1950 from the General Manager, S.E. Railway, Calcutta to the Secretary, Railway Board.

Sub : **Suggestion that fresh tenders should be invited whenever only one approved Contractor tenders for a work.**

Ref. : Railway Board's letter No. 49/145/IS dated 10th/12th January 1950.

I shall be glad to know if Board's orders contained in their letter quoted above apply to purchase of Stores by the Controller of Stores.

ANNEXURE-II/4-02

Copy of Railway Board's letter No. 58-B(C) 3072 dated 15th May 1958, addressed to General Managers, All Indian Railways.

Sub : **Audit para included in the Railway Audit Report, 1958--Extra expenditure Owing to a defective agreement.**

The Audit have brought to notice a case in which an urgent indent was placed by one Railway Administration on the Director General, Supplies and Disposals, New Delhi for the procurement of underground cables required for the execution of a work for which staff had already been appointed by the Railway Administration. The firm with whom the Director General, Supplies and Disposals signed the contract for the supply of these cables stipulated the delivery period as two months after receipt of import licence. The following clause, also which appeared in the tender of the firm was inserted in the contract entered into: -

" The delivery date quoted by the firm was contingent on the firm not being delayed as a result of non delivery of raw materials or by any other cause beyond their control ".

Later on the firm did not supply the material even after the import licence had actually been issued to them. On being served with a risk purchase notice, the firm requested for the cancellation of the order on the ground that they could not arrange supply due to difficulty in obtaining raw material. The legal opinion obtained in the matter was to the effect that it would not be possible to enforce risk purchase against the firm in view of the protective clause, referred to above, and included in the contract. The contract had therefore to be cancelled without financial repercussions on either side, and the Railway Administration concerned had to purchase the stores from the open market resulting in an additional expenditure to the extent of Rs. 45,000/- over and above the loss incurred on the salaries of idle staff.

The Audit have commented that the insertion of the protective clause in the contract was not warranted for the following reasons :--

- (i) The firm had made no mention of the scarcity of raw material or any other difficulty in their tender but had on the contrary, certified in the schedule to the