

Government of India
Ministry of Railways
(Railway Board)

No. 99/RS(G)/709/1

New Delhi, dated: 05.05.2006

The General Managers,
All Indian Railways & Production Units.
Metro Railway, Kolkata.
Railway Electrification, Allahabad.
The General Manager (Const.), N.F. Railway, Guwahati.
CAO/Diesel Loco Modernisation Works, Patiala.
CAO/COFMOW, Rly. Officers Complex, Tilak Bridge, New Delhi.
CAO/MTP, Mumbai, Chennai, Kolkata & Delhi.
The Managing Director, Mumbai Railway Vikas Corporation, 2nd Floor,
Churchgate Station Building, Mumbai - 400 020.
The Managing director, Konkan Railway Corporation Ltd., Raigad Bhavan,
8th floor, Sector - II, CBD, Belapur, Navi Mumbai - 400 614.
The Director General, RDSO, Lucknow.

Sub: Ordering on Approved sources in Part-II.

1.0 In terms of Board's letter No. 99/RS(G)/709/1 dated 06.09.1999, the ordering quantity on sources approved in Part-II is limited to 15% of the procurement quantity. It has been reported that this stipulation of imposing strict quantity restriction in each tender on percentage basis leads to anomaly in certain situations as the procurement quantity of an item varies significantly between different Zonal Railways. The procurement quantity varies considerably sometimes from one tender to another tender within the same Railway unit as well. For instance, if the procurement quantity of an item is 1000 nos., the eligibility of a competitive approved Part-II tenderer comes to 150 nos. If the procurement quantity is 100 nos. for the same item, in another tender of the same or another Railway Unit, the ordering quantity gets limited to 15 nos. only notwithstanding the competitive price ranking of the same Part-II approved tenderer and significant financial advantage of the lower price.

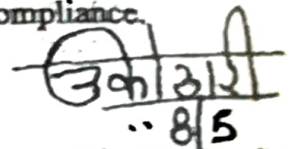
2.0 Board has examined this matter on the basis of a reference from vigilance. It has now been decided that the ordering on a Part-II approved source with competitive price ranking can be considered beyond 15% in case that source has successfully executed a larger quantity order in the same Railway unit. That is to

contd...2/-

say, the ordering quantity on a Part-II source can be upto 15% or the highest quantity of a past order successfully executed in the same Railway unit whichever is higher subject to the tender committee/accepting authority being satisfied about the financial capacity, performance aspects, etc.

3.0 It is also likely that there may be cases where more than one Part-II source are within the zone of consideration on the basis of competitive price ranking with satisfactory past performance on that Railway. In such cases each Part-II source can be considered for ordering in the same manner as indicated in Para 2.

Kindly acknowledge the receipt of the letter and ensure compliance.


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(Trilok Kothari)
Director Rly. Stores (IC)
Railway Board.

No. 99/RS(G)/709/1
Copy to:

New Delhi, dated: 05.05.2006

1. FA&CAO, All Indian Railways & Production Units.
2. The ADAR(Railways), New Delhi (with 10 spare copies)
3. The Director of Audit, All Indian Railways.


for Financial Commissioner/Railways

No. 99/KS(G)/109/1

New Delhi, dated: 05.05.2006

Copy to:

1. The COSs, All Indian Railways/PUs.
2. The Director General, Railway Staff College, Vadodara.
3. 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. Prof. (Inv. Mgt.), Railway Staff College, Vadodara.