

भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
(रेलवे बोर्ड Railway Board)

No: 99/RS(G)/779/2

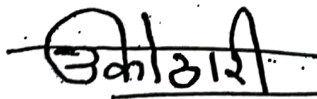
New Delhi, dated: 27-06-2008

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.
The MD, RITES, RITES Bhavan, Sector-29, Gurgaon.
The MD, KRCL, Belapur Bhavan, 4th Floor, Sector-11, CBD, Belapur, Navi Mumbai.
The MD, MRVC, 2nd Floor, Church Gate station Building, Mumbai-400020.
The MD, CRIS, Chanakyapuri, New Delhi.
CAO/DMW, Patiala and COFMOW, New Delhi.
CAO/MTP, NBCC Place, Bhishma Pitamah Marg, Pragati Vihar, New Delhi.
CAO/MTP, Mumbai and Chennai.

Sub : Award of contract – procedure for conducting negotiations.

Ref : Rly Board's letter No. 99/RS(G)/779/2 dt. 01.03.2000.

1. Vide above mentioned letter of Railway Board dated 01.03.2000, it was directed, inter alia, that negotiations shall be held only with the lowest acceptable tenderer (L₁) who is technically cleared / approved for supply of bulk quantity and on whom the contract would have been placed but for the decision to negotiate.
2. Based on certain tender cases which came to the notice of Board, it has been considered necessary that further instructions are issued on the subject of holding negotiations so that equity, fair play and transparency are maintained uniformly while dealing with offers from both Pt.I and Pt.II approved sources.
3. After due examination of the matter, it has been decided to issue following instructions:
 - (a) In the cases where rates of Pt.II approved vendors were lower than the original rate of the L₁ Pt.I approved source, eligible and suitable for bulk ordering with whom a price negotiation is held and if, after price negotiation with the L₁ Pt.I approved tenderer, their rate becomes lower than that of the lowest Pt.II approved tenderer, then another price negotiation should be held with the lowest Pt.II approved tenderer subject to the condition that the firm's offer is otherwise suitable and eligible for placement of an order as per extant procedure. If the L₁ or any other higher offer from Pt.II approved sources gets passed over due


27/06



Contd...2/-

-: 2 :-

to valid reasons then the next higher tenderer(s) in the Pt.II category should be extended the same treatment, provided their rate was lower than the lowest rate from Pt.I approved tenderers, as per the original inter-se ranking of the rates.

(b) In any case, the rate at which the PO on a Pt.II approved tenderer may be placed must not be higher than the lowest rate at which the PO on a Pt.I approved tenderer will be placed.

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


(Trilok Kothari)
DRS(IC)
Railway Board

No: 99/RS(G)/779/2

New Delhi, dated: 27-06-2008

Copy to:

1. FA&CAOs, All Indian Railways & Production Units.
2. PCEs, All Indian Railways & Production Units.
3. The ADAI(Railways), New Delhi (with 10 spares copies)
4. The Director of Audit, All Indian Railways.


for Financial Commissioner / Railways

No: 99/RS(G)/779/2

New Delhi, dated: 27-06-2008

Copy to:

1. The COSs, All Indian Railways & PUs including NF(C).
2. The COS, Metro Railway, Kolkata.
3. The COS, COFMOW, New Delhi.
4. The COS, CORE, Allahabad.
5. The COS, Konkan Railway Corporation Ltd., Belapur Bhavan, 4th Floor, Sector-11, CBD, Belapur, Navi Mumbai-400614.
6. The COS, Mumbai Rail Vikas Corporation, 2nd Floor, Church Gate station Building, Mumbai-400020.
7. 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.

Contd...3/-