



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



No.87/RS(G)/779/9

New Delhi dated 29.06.2022

The General Managers, All Indian Railways/PUs, NF(C), CORE
DG/RDSO/Lucknow, NAIR/Vadodara,
PCAO, DMW/Patiala, COFMOW
CAO, WPO/Patna, RWP/ Bela

Sub: Price Variation Clause.

Effective risk management is essential to improve the effectiveness and efficiency of procurement. Railway Board has decided that major high value items which are material intensive in nature should be procured with suitable price variation clause.

2. Therefore following nodal Railways are nominated for identifying and framing the PVC formula/clause for items/group of items, which shall be followed by all Railway Units:-

- a. RCF: All LHB coach items
- b. ICF: All EMU and non-LHB coach items
- c. CLW: All Electric Loco Items
- d. CORE: All RE related items
- e. NR: All wagon items
- f. WR: All Electrical General Services items
- g. CR: All S&T items

3. Identification of items shall not be restricted to the items under approved list of vendor approving agencies. For this purpose, all high value items which are material intensive in nature being procured by IR shall be examined to identify the suitable items.


4. For the items in the vendor directory of RDSO or where specification/drawing is controlled by RDSO, the coordinating agency shall frame the PVC formula/clause in association with RDSO.

4.1 These units shall also take up the existing PVC formula/clause for review to examine if the formulas are appropriate, indices/reference for price variation are relevant and formula adequately cover and promptly reflect the market variations. As a result of review, if required, fresh/revised PVC formula/clause may be issued. Reliability and authenticity of source of Commodity Price/Index should be considered while framing the PVC formula/clause. Formulas presently being followed by various units, as informed by field units, are separately being sent to nodal units. The formulas being sent may also be of some industry/other bodies, which should be taken up with the concerned bodies for review for adequacy and if required, issue of fresh/revised formula by the concerned agency. Where different Railways are following different formula, a common PVC formula/clause may be issued for uniformity.

5. Items for which Railway Board has issued the formula shall be reviewed by Board.

6. Consultations with other stakeholders and industry should also be done.
7. The activity shall be done through a committee of 03 SAG officers from Technical, Stores and Finance departments and approved by PHOD of concerned Technical Department, who shall also coordinate all the activities under this letter.
8. The exercise should be completed within one month.

This is issued with the approval of Board.


29.06.22
(Chandan Kumar)
Director Railway Stores(IC)
Railway Board

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CMDs /MDs of all Railway PSUs/ autonomous bodies/ societies,
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WPO/Patna and RWP/Bela
Sr. Prof. (Material Management), NAIR, Vadodara,ED (Stores), RDSO, Lucknow
Chief Commissioner, Railway Safety, Lucknow
Zonal Railway Training Institute, Sukadia Circle, Udaipur

Copy to:

The Genl. Secy., AIRF, Room No. 248, & NFIR Room No. 256-C, Rail Bhavan
The Secy. Genl., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPOA, Room No. 256-D Rail Bhavan.

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All AMs, PEDs & Executive Directors of Railway Board.

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