

GOVERNMENT OF INDIA (भारत सरकार)
MINISTRY OF RAILWAYS (रेल मंत्रालय)
RAILWAY BOARD (रेलवे बोर्ड)

No. 2013/TK-II/22/7/4 (Gen. Policy)

New Delhi, dt. 22.07.2024

**Principal Chief Engineer,
Central Railway,
East Coast Railway,
Northern Railway.**

Sub: Third Party Inspection of PSC sleepers (all types)

Ref: Railway Board's letter No. 2022/RS(G)/779/8 dated 18.03.2024 (copy enclosed)

Stores Directorate of Railway Board vide above referred letter has issued detailed Policy guidelines for operationalization of engagement of Third Party Inspection (TPI) Agencies for Process Inspection for Indian Railways.

In this regard, it has been decided to go for inspection of PSC sleepers (all types) by Third Party Inspection (TPI) agency finalized by Stores Department of Western Railway in terms of Railway Board's above referred letter in following Concrete Sleeper Plant as pilot project:

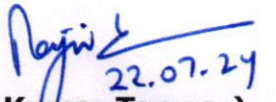
- (i) Butibori Concrete Sleeper Plant in Nagpur division of Central Railway,
- (ii) Kaipadar Road sleeper plant in Khurda Road division of East Coast Railway &
- (iii) Sholaka Concrete Sleeper Plant in Delhi division of Northern Railway.

The TPI agencies will work under nominated official chain of concerned PCEs.

You are, therefore, advised to take further necessary action in consultation with PCMM of Zonal Railway.

This issues with the approval of Board(M/Infra).

DA:As above


(Rajiv Kumar Tanwar)
Director/Track(M)
Railway Board

Copy to: (i) PED/RS(S) for information and necessary action.

(ii) PED/Infra-I/RDSO for information and necessary action.



भारतसरकार
रेलमंत्रालय (रेलवेबोर्ड)
Government of India
Ministry of Railways
(Railway Board)



No. 2022/RS(G)/779/8

Dated: 18.03.2024

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

Sub: Operationalization of engagement of Third Party Inspection Agencies for Process Inspection.

Ref: Railway Board letter No. 2022/RS(G)/779/8 dated 04.01.2023.

1. Railway Board vide letter under reference had issued detailed instructions on the operationalization of engagement of Third Party Inspection (TPI) Agencies (TPIA) against the TPI contract formalized by Western Railway (WR). The guidelines related to the Operationalization of Engagement of Third-Party Inspection (TPI) Agencies issued vide letter under reference, ***in so far as these are relevant for process inspection***, shall continue to be applicable and are not repeated here for the sake of brevity. Though a lot of details were covered vide letter under reference, certain issues on process inspection were left to be clarified later. The letter under reference has specifically mentioned in Para 2 that detailed guidelines on certain aspects of process inspection shall be framed and circulated separately. Such guidelines specific to process inspection are being issued herewith.
2. Schedule 1(B) of the TPI contract states that any or all of the following shall mean Process Inspection:
 - A. Validation of quality of Goods through in-process inspections,
 - B. Validation/ verification of quality assurance plan,
 - C. Process audit, and
 - D. Goods inspection throughout or in part of the production cycle.

The instructions issued herein are designed with specific reference to inspection of goods through process inspection throughout the production cycle. The result of the process inspection would be certificate on quality of goods manufactured. In case of validation of quality assurance plan/ process audit, the outcome would be a certificate of completion of the report of validation/ audit. Same process, as indicated

herein, would apply for process inspection for validation/ audit also. Only mandays based payment schedules are possible for process inspection i.e. contract for process inspection, for say quality audit, is possible only with mandays based payments and not lump sum payments. Usually contracts for validation/ audit are standalone contracts. In such cases contract itself would be a process inspection contract on basis of the TPI contract.

3. "Product Inspection", as per the TPI contract, shall be the default mode of inspection of goods.
4. In case any supply is to be procured through "Process Inspection", the concerned procuring entity shall seek in-principle approval from PHOD of user department, before issue of tender. While finalising the process inspection requirement, user department may take assistance from technical/ field experts including PUs/RDSO. The process inspection requirements shall be part of the tender conditions. The cost of inspection is to be borne by the purchaser; hence, this will not create any differential cost implication for the vendor. PHOD of user department may withdraw the approval for process inspection any time. However, tenders issued or contracts placed before such withdrawal shall continue to be inspected as per the contract condition, unless the same is specifically amended in the contract with the approval of competent authority. Any amendment in inspection type (i.e. product or process) in a contract shall be permitted only till the first call for inspection has been submitted on the IREPS system.
5. At tender stage, procuring entity shall be given option in drop down for "Product Inspection" or "Process Inspection." The mode of inspection shall be decided as detailed in para 4 above at the time of issue of tender.
6. In case it is decided to do process inspection for contracts against a particular tender, "Process Inspection Order" (PIO) shall be issued by the procuring entity as an integral part of the contract.
7. Technical information required to carry out process inspection shall be provided by the user department and mandatorily included in the tender document and contract.
8. While issuing PIO, the procuring entity shall indicate minimum lot quantity and work out mandays required for process inspection for this minimum lot quantity. It is to be noted that the manpower required (*in whole number*), for complete inspection of lot quantity, proposed for process inspection, in no case be more than the proportional number calculated in linear proportion to the number indicated for the minimum lot size. Manpower required for process inspection shall be worked out by judiciously/ optimally, and for this combining of various activities required for inspection should be kept in mind including economy of scale, by user department, purchaser and TPIA without compromising quality of inspection. For ease of understanding by procuring entity, illustration for estimating man-power requirement for a Process Inspection has been worked out as under :-

“Sample Process Inspection-XXX for Minimum Lot Size”

	Man-Power Required 1 st Shift	Man-Power Required 2 nd Shift	Man-Power Required 3 rd Shift
Process-Step#A1	1	1	1
Process-Step#A2	1	1	1
Process-Step#A3	1		
Process-Step#A4	1		
Process-Step#A5			
Process-Step#A6	1		
Process-Step#A7	1		
Process-Step#A8			
Process-Step#A9	1		
Process-Step#A10	1		
Any other activity required for inspection e.g. documentation etc.	X		
Sum	8	2	2
G. Total	12+X		
Minimum lot quantity	4		

Therefore the maximum mandays for process inspection, illustrated above, shall be (12+ X) for a minimum lot quantity of 4. In case process inspection of 6 no. is to be carried out, maximum mandays which can be booked for that inspection shall be (6/4)*(12 + X).

9. Procuring entity is advised to diligently decide the minimum lot quantity for process inspection duly considering parameters including the complexity of manufacturing process, order quantity, periodic requirement of the Railways, etc. In case of emergency/ urgency or any other exigency, to be approved by PHOD of the purchaser, the procuring entity may order for inspection of a lot size less than the minimum lot size for process inspection. In such a case, manday requirement shall not exceed the manday requirement indicated for the minimum lot size for process inspection.
10. Mandays deployed shall depend on the quantity offered. Hence, actual deployment of authorized inspectors and actual mandays deployed for a particular process inspection shall be the basis for payment. However, the payment for a particular lot will be limited to maximum mandays worked out earlier (as per para 8 above). Subject to other provisions herein, the actual deployment shall be certified by the TPIA. Further, CRIS will make provision on IREPS for maintaining attendance of these man-deployment which will be used for payment.
11. The minimum lot quantity and maximum man-days required should be updated by procuring entity on IREPS. In addition, against each inspection certificate, details of manpower will be updated on IREPS by TPIA.

12. Total payment for process inspection of a lot shall not exceed 0.9% of the value of the lot (lot value calculated as per contract terms).
13. For process inspection, at the time of PO numbering, TPI Agency (TPIA) will be allotted automatically by system maintaining ratio based on purchase order value as is done for product inspection. Suitable mechanism to be devised by CRIS so as to maintain the ratio among TPIAs as per TPI contract.
14. Vendor will place inspection call for "Process Inspection" on IREPS through "TPI module" so that inspecting agency is available in time to inspect the process and ensure that the quantities will be inspected through process inspection.
15. Process inspection details and outcome shall be entered by TPIA at every process cycle, including the quantity accepted and quantity rejected during the process, actual man days utilized, attendance of each of the manpower deployed and call cancellation details, if any.
16. Pricing and distribution of process inspection work, as per TPI contract is as follows:

Rate of Rs 5450/- per Manday + GST Extra @ 18%

Work distribution:

S.No.	Name of TPI Agency	%of Process Inspection work Allotted
1	M/s TUV India Private Limited	40%
2	M/s Bureau Veritas India Private Limited	30%
3	M/s RITES Limited	20%
4	M/s Intertek India Private Limited	10%

17. Certain Tender Conditions to be incorporated in tenders for inspection through process inspection route are as follows:

A. Inspection charges paid or due to be paid by Railways to the TPI Agency shall be recovered from Vendors in following cases:

- In case of rejection of part or full quantity at a particular process during the complete production cycle of the product by TPI Agency, the charges recovered from the vendor shall be as specified in para (v) below.
- In case part quantity is accepted and balance quantity is rejected at a particular process cycle in the complete production cycle, mandays utilized shall be proportionately distributed between the quantity accepted and quantity rejected and payment shall be made accordingly based on the actual quantity accepted and rejected. For the quantity rejected, payment to TPIA

shall be recovered by the Railway from the vendor. Inspection for the next process shall be only for the quantity passed in the preceding process.

- iii. When the Authorized Inspector of Third-Party Inspection Agency, on visit to Vendor premises for inspection, finds that vendor is not yet ready for inspection, Inspection call shall be cancelled by Authorized inspector by issuing call cancellation certificate. The Call Cancellation Charges shall be recovered from Vendor as specified in para (v) below.
- iv. Inspection Certificate revalidation or re-inspection: If the Vendor fails to deliver the pre-inspected Goods during process inspection as per the terms of the purchase order within the validity period of inspection certificate, the TPI Agency, on request of Vendor, may, based on the merits of the case, decide to re-validate the inspection certificate. However, request for re-validation beyond 30 days of expiry of original validity period of the inspection certificate shall be permitted only with approval of procuring entity. Decision of the TPI agency in this respect shall be binding on the vendor.
- v. The following charges shall be recovered from Vendor:

Situation	Charges to be recovered from Vendor (plus GST extra)
At the time of physical visit call is cancelled due to supplier/ vendor is not ready for inspection (Call Cancellation through issue of Call Cancellation Certificate)	Amount equal to amount paid to TPI Agency by Railways (based on actual mandays utilized)
In case of rejection of the full quantity at a particular process cycle and further inspection cannot be carried out under the complete production cycle, TPI agency closes the inspection and submits the process inspection report for rejection up to that particular process where rejection has taken place.	Amount equal to amount paid to TPI Agency by Railways (based on actual mandays utilized)
In case part quantity is accepted and balance quantity is rejected at a particular process cycle in the complete production cycle,	Mandays utilized shall be proportionately distributed between the quantity accepted and quantity rejected. For the quantity rejected, payment to TPIA shall be recovered by the Railway from the vendor.
Inspection Certificate revalidation	Rs. 5000/-.

- B.** In case of rejection of goods after receipt by the consignee, pre-inspected through process inspection, on joint inspection, the TPIA shall not be entitled for inspection charges for the quantity of goods so rejected. The inspection charges, if and to the extent already paid, shall be recovered from the TPIA. The provisions pertaining to joint inspection in case of product inspection as contained in para 8 of Schedule 1(A) of the TPI contract, to the extent applicable, shall also apply in case of joint inspection in case of process inspection.
- C.** In case of rejection of validation of quality assurance plan/ process audit report, joint inspection of the process inspection report shall be conducted. The provisions pertaining to joint inspection in case of product inspection as contained in para 8 of Schedule 1(A) of the TPI contract, to the extent applicable, shall also apply in such cases. TPIA will not be eligible for payments for such reports which are rejected after joint inspection.

18. This is issued with the approval of Railway Board (M/TRS).


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

LIST FOR DISTRIBUTION

MD/CRIS, Chanakyapuri, New Delhi,

Directors of all CTIs,

PCMMs, PFAs, PCEs, PCMEs, PCEEs, PCSTEs, All Indian Railways & PUs, COFMOW, CORE, WPO/Patna and RWP/Bela

Sr. Prof. (Material Management), NAIR, Vadodara, PED (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.

Copy to:-

PSOs/Sr. PPSs / PPSs / PSs to :

MR, MOSR(D), MOSR(J)

CRB&CEO, M(TRS), M(Infra), M(O&BD), M(F), Secretary/RB, DG (RHS), DG (RPF), DG(HR), DG(Safety)

Advisor/MR, EDPG/MR, OSD/MR, OSD/Coord/MR and Additional PS/MR

All AMs, PEDs & Executive Directors of Railway Board.