

File No.ECR-HQ0STR(STRI)/1/2020-O/o Dy.CMM/I/HQ/ECR

East Central Railway
Store Instruction No. 103(A)

Office of the PCMM
Ground Floor, Old GM Building,
Hajipur - 844101

No: ECR-HQ0STR(STRI)/1/2020
Dated 19.08.2020

All PHODs/DRMs/CWMs

Sub:- Realistic Value of Estimated Rate in Non-Stock Requisitions

Ref:- (i) This office's Stores Instruction No. 57 dtd. 04.07.2012
(ii) Dy.CVO(s)/ECR/HJP's No. ECR/Vig/System Improvement/50 dtd.
08.01.2019

With reference to above referred (ii) letter of Dy.CVO(s), it has been advised to issue guidelines for taking estimate rate/last purchase rate at the time preparation of any Non-stock demands in a more proper and realistic way.

At the time of preparation of Non-stock demand, adequate attention is required in respect of assessment of Estimated Rate. Earlier, Stores instruction No. 57 dtd. 04.07.2012 was also issued in this regard, in which last para (e) clearly instructed to all concerned that Estimated Rate/Last Purchase Rate of any Non-stock demand must be authentic and realistic (copy attached).

In this connection the following guidelines from para 5.0 of "COMMON IRREGULARITIES/LAPSES OBSERVED IN STORES/PURCHASE CONTRACTS AND GUIDELINES FOR IMPROVEMENT IN THE PROCUREMENT SYSTEM" issued by CTE of CVC, are reproduced:

As the estimated rate is a vital element in establishing the reasonableness of prices, it is important that the same is worked out in a realistic and objective manner on the basis of prevailing market rates, last purchase prices, economic indices for the raw material/labour, other input costs, IEEM_A formula, wherever applicable and assessment based on intrinsic value etc.

Unrealistic and improper estimation of Estimated Rate may have serious adverse implications like selection of inappropriate authority for approving quantity to be tendered, adoption of inappropriate mode of tender, increased chances of procurement at higher than reasonable rate etc. Hence, it is emphasized that all concerned must follow the above guidelines scrupulously.

This is issued with the approval of PCMM.
DA: As above.

Digitally signed by SUJEET
KUMAR
Date: Thu Aug 20 22:04:15 IST
2020 (SUJEET KUMAR)
Sd/- C & W I/HQ/ECR/HJP
Read & approved