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EAST CENTRAL RAILWAY
STORES INSTRUCTION No. 73

SMM/ECR/Stores Instruction

Dated: 24.05.2016

Procedure Order for placement of Supply Orders against DGS&D Rate Contracts

supersession to ECR's all existing Office Orders on the subject matter, following Procedure Order for placement of Supply Orders against DGS&D's Rate Contract (RC) which covers HQ, all depots, all the Divisions & field Units over EC Railway is issued with immediate effect :

DGS&D Rate Contract, by the very definition, fixes the rate with different suppliers. For some RCs, there may be a lower value limit below which Supply Orders may not be entertained by RC holder. This has to be kept in view while placing Supply Orders.

For selecting the DGS&D Rate Contract holder for ordering, the following factors may be kept in view :-

- (i) The Rate Contract Price;
- (ii) The past performance of firm with reference to their capacity, quality of supplies as well as timely delivery of the goods;
- (iii) The delivery date committed by the firm with respect to the delivery requirement of the Railway;
- (iv) The proximity of the Rate Contract holder wherever the proximity is considered crucial for timely delivery, ease of progressing and from the point of view of logistics and contract management etc; and
- (v) The need for reputed brands in the case of sensitive, critical and selective applications.

User preference, if indicated, to be considered but not mandatorily followed, in case it is contravening other criteria in this Procedure Order unless justifiable reasons exist which are to be recorded in writing by RC Order finalizing Officer. However, economic prudence should not be lost sight of.

RC holders with no past performance but having lower rates may be considered for restricted Ordering based upon merits of the case. In general, such ordering may be for small quantity, restricted up to maximum 20% for the new vendors and all clubbed items taken together. This will have the advantage of knowing the performance of such new RC holding vendors for future ordering.

All available demands (even though from different consignees) of same /similar items covering all the sizes/varieties etc. under a particular RC may invariably be clubbed and consolidated in the same proposal for placement of Supply Order(s).

A Database should be kept in the respective Purchase Section (either manually or Computerized) for monitoring the performance which will contain the past qualitative and quantitative performance of the RC holders as per the following Format by the Ch.OS/OS of the concerned Purchase Section.

S N	Item particulars PL No. & Description	Case No.	Total Qty.	RC Awarde d on	Qty	Original DP & Extd DP	Actual date of Delivery	Acceptance Particulars (Qty supplied in Original DP & supplied in Extd. DP)	Rejected qty.	Balance Qty. of Supply Order	Remark
1	2	3	4	5	6	7	8	9	10	11	12

Firm-wise details of the complaints received shall also be kept into a Register. Also, proper record of after Sale Service for Appliances/Equipments etc. to be maintained. All these performance records may be kept in view while deciding the RC coverage Proposals.

Proposal for placement of RC Supply Order may be initiated by Ch.OS/OS of the concerned Purchase Section, in a self-contained Note, bringing out all the factors mentioned above. The proposal should cover :

- (a) Names of all indentors along with indented quantity.
- (b) Quantity Review

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- (c) Details of all the RC holders for the items to be procured along with comparative Price ranking on landed (all-inclusive) Rate.
 - (d) Details of Slab Discount/rebates etc. offered by RC holding firm.
 - (e) Past Performance of RC holders w.r.t. quality of supplies, timely delivery and After Sales Service/Warranty Support etc.
 - (f) Complaint(s) received against RC holders, if any.
 - (g) Representation(s) received from RC holders, if any.
 - (h) Recommendation(s) from Indentor, if any.
 - (i) Other relevant information(s) for deciding RC coverage, if any.

Ch.OS/OS of the concerned Purchase Section will give Certificate in the Proposal that all relevant RCs with all Amendment have been linked & considered while putting-up the Proposal. He will also give Certificate that all available Demands (even though from different Consignees) of same/similar items covering all the sizes/varieties etc. under a particular RC have been clubbed & consolidated in the Proposal for placement of Supply Order(s).

Basis for Deciding Level of RC Coverage :

- (a) For Stock items, normally, procurement is done on annual basis and hence level for deciding RC coverage Proposal would be the total annual requirement worked out covering same/similar items of all the sizes/varieties under a particular RC.
 - (b) For Non-stock items, level for deciding RC coverage would be total value of items in the Proposal covering same/similar items of all the sizes/varieties under a particular RC. For Non-stock items, coverage be done consolidating all available demands of same/similar items of all the sizes/varieties under a particular RC. Frequent piece-meal Non-Stock demands from Indentors should be discouraged. Still if these continue to be received then all such demands received in a month should be consolidated and put up to appropriate authority for acceptance.
- 9.0 While finalizing Orders against DGS&D RC, compliance to directives issued by Railway Board regarding "Preference to Domestically Manufactured Electronic Products in Procurement" vide letter no.2011/RS(G)/779 dt.04.07.2014 be ensured.
- 10.0 In addition to above, the following aspects should also be considered :
- (a) Wherever, there are failures against the Rate Contract in terms of timely delivery and quality of goods, such failures should be reported to DGS&D and direct alternate procurement action may be taken if other suitable RC firm doesn't exist in order to ensure timely availability of quality materials to meet the needs of the Railways.
 - (b) It should be stipulated in the Supply Orders that outstanding quantities which are not executed within the stipulated Delivery Period shall be liable to cancellation and such defaulted quantities are liable to be entrusted to better performing RC holders
- 11.0 DGS&D should be kept informed about unsatisfactory performance by RC holders, including supply and quality issues in materials received against RC.
- This Procedure Order is being issued with the approval of COS.

Copy to:

1. Secy. To COS: for kind information to COS.
2. All CMMs: for kind information. *CMM/Sale*
3. All Dy.CMMs, SMMs & AMMs at HQs, Depots & Divisions.
4. In-Charges of all Purchase Sections.

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Dy.CMM/IC/HJP
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any of the vital item(s) of the above calendar is/are required again during the year, the same may be submitted to Stores Deptt. after AGM's personal approval duly routing through the approval of PHOD.

to GM- for kind information of GM please.
to AGM- for kind information of AGM please.
DHN, DRM/SPJ, DRM/MGS, DRM/DNR/DRM/SEE
CME, CMS, CSTE, EDPM, COM, CCM, CE, CAO/Con, FA&CAO
E.CMM/Mech, CMM/Sale
CMM/Elect, DyCMM/G, /DyCMM/C&W, /DyCMM/S&T
S&T, SMM/G, SMM/DSL, SMM/C&W, SMM/Elect

~~Dy.CMM/I.C.~~
ECR/HJP

SIC
~~AP~~
27/07/16

Recd 10
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