

**OFFICE OF THE
PRINCIPAL CHIEF MATERIALS MANAGER
CHITTARANJAN LOCOMOTIVE WORKS
CHITTARANJAN**

NO.Dy.CMM(HQ)/CRJ/Tender Policy

Date 05.08.2019

**All Purchase Officers
CLW/CRJ & Kolkata Office**

Subject: Negotiations in tenders floated with interim approval criteria.

1.0. At present, many tenders are issued with interim approval criteria as part of Eligibility criteria for bulk ordering. In few cases, while finalising tenders, the decision is taken to negotiate with the eligible firm, however, different approaches were taken by different tender finalizing officers i.e. whether to negotiate with L-1 approved tenderer as per approved list or L-1 "interim approved tenderer". Therefore, there is a need to have uniform decision making on the above subject matter, i.e. wherever, the decision is taken to negotiate, the same may be conducted with the lowest firm qualifying for the bulk order because of interim approval criteria OR the firm approved for bulk ordering as per approved vendor list.

2.0. The available precedent shows negotiations were never conducted with firm's qualifying based on eligibility condition specifying interim approval criteria except in recent tender case of loco-shells where the firms qualifying on eligibility condition specifying interim approval criteria was called for negotiations since these firms were tagged with bulk tenderers for the purpose of Reverse Auction.

3.0. The interim approval criteria was introduced with the sole objective of utilising the capacity of developmental firms who have supplied few items and yet not upgraded as bulk supplier because of capacity constraint of bulk suppliers. The status of firms qualifying for bulk order based on interim approval criteria still remains as developmental source.

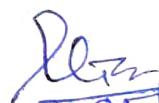
4.0. Railway Board's letter No/99/RS (G)/779/2 dated 1st March 2000 describes the procedure for conducting negotiations and communicates Railway Board's decision in view of CVC's directives that the negotiations will be held only with the lowest acceptable tenderer (L-1), who is technically cleared/approved for supply of bulk quantity and on whom the contract would have been placed but for the decision to negotiate.

5.0. The above matter was referred to finance, and the finance is of view that L-1 eligible offer whether from Approved source or from Interim Approved source, if found suitable for regular orders and performance is satisfactory, has to be given due consideration.

6.0. Keeping in view of above Railway Board's guidelines; observations of finance and the canons of financial propriety, the following may be adopted uniformly by all officers of CLW in case of negotiations:

"Negotiations in the tenders with "interim Approval Criteria" if decided, may be held with lower of the interim approved/ Bulk approved sources to minimise /economise the cost of purchase."

This is issued with the approval of the PCMM/CLW.


05/08/19
**DY.CMM/HQ
CLW/CRJ**