

Noting Page-1

No. Stores/TM/ Eligibility criteria items

Dated 26/05/2023

Sub: Review of existing eligibility criteria for traction motor items having no approved sources and presently purchased through eligibility criteria provided by Traction Motor Design

Ref: Letter No. CEE/TM/Eligibility Criteria Item dated. 08/07/2022 (F/2-1)

1. Recently 5 purchase proposals regarding **items for traction motor production** have been put up to the undersigned for approval. All these items are **procured through eligibility criteria** mentioned in the letter under reference. Including these 5 items, the above referenced letter was issued for **45 items related to production of traction motors**. There may be different purchase cases coming under the financial purview of AMM, SMM or Dy.CMM based on the requirement for CP 2024-25 and last purchase rate of such items. Details of the 5 proposals are furnished below:

Case No.	PL No.	Item Description	Qty
91230387	29940527	Flange	1470 Nos.
91230180	29940310	Clip assembly	9900 Set
91230873	29940278	Thrust carrying piece	5400 Nos.
91230879	29670111	Name plate	11000 Nos.
83230882	29941076	Spring washer kit	4900 Set

2. Eligibility criteria provided for these 45 items are as follows:

"CLW reserves the right to procure entire or bulk quantity from the firms who have supplied at least 05 loco sets of the subject item to Railways, 30 days prior to the original date of opening of the tender. Firm has to enclose copies of R-note along with their offer as a proof of supplies."



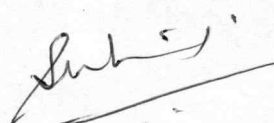
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According to the above mentioned eligibility criteria only those firms who have supplied a certain quantity of the subject item to Railways in the past are eligible for regular/ bulk order. Following Railway Board's instructions/ guidelines regarding pruning of Approved Vendor List, many items including such TM related items were removed from the approved source item list. For most of these low value items, there are many eligible vendors in the open market from whom these items can be purchased. Also there are firms who are supplying closely matching/ related items (not the subject/ tendered item) to Zonal Railways. *iMMS search elicits that these items are barely used in any Railways except CLW and PLW who are involved in traction motor manufacturing. Hence effectively the eligibility criteria mentioned above becomes too restrictive as vendors having supplied these items to CLW and/ or PLW in the past are eligible for regular/ bulk order.* These items despite being of low value and mostly made out of steel were not having more than 2-3 approved sources in the past before shifting to eligibility criteria list. As a result, over the years; there have been very few sources who have supplied subject/ tendered items to CLW/ PLW (or Railways for that matter as only 2 production units involved in traction motor production are stocking such items). A comprehensive study has been done from iMMS and past suppliers of these items have been enumerated in list at (F/5-3).

3. Study of this list brings out the following:

Number of items	Having number of past suppliers on iMMS (CLW & PLW combined)
3	0
15	1
21	2
4	3
2	4



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This reflects that 87% of the items (i.e. 39 items out of 45 items) are having less than or equal to 2 past suppliers who if participate in the tender will be eligible for regular/ bulk order. This completely defeats the purpose of transferring these items from approved source list to eligibility criteria items. There have been instances in which due to such eligibility criteria, numerous bidders had been passed over in technical recommendation despite having adequate supply capacity of such items. Procurement of simple items like name plate, flange, hose, washer, welding plate, cable binder etc. becomes restricted from 2-3 past suppliers due to such eligibility criteria in the tender. In Zonal Railways and in our Dankuni unit also, steel/ general purpose items are purchased through a more relaxed/ generalized eligibility criteria like procuring the item from vendors having past experience in supplying same/ similar items to Railways. PLW has moved on to procuring these items without any eligibility criteria or with a more relaxed eligibility criteria (F/ overleaf of 6 & 7) and successful supply has been made against such purchase orders (placed after finalization of tenders without any special eligibility criteria) also.

4. Based on the above, it is requested to review the eligibility criteria mentioned in the above referenced letter for 45 items related to traction motor production. Eligibility criteria for these items may be changed to the following:

"CLW reserves the right to procure entire or bulk quantity from the firms who have supplied same/ similar items to Railways in the past. Firm has to enclose copies of R-note along with their offer as a proof of supplies."

Coverage for the 5 items mentioned at para-1 is sufficient for another few months and no item is extremely critical at this point. Hence publication of tenders will be done once decision/ review of the eligibility criteria is communicated by the technical department.

Dy.CM/M/P

May kindly consider the proposal above
in order to have more savings
26/5/23
SMM/HQ

[Signature]
26/05/2023
SMM/HQ

~~CMM/TM~~

The 45 items mentioned in this proposal are related to traction motor production. These are non UVAM items and hence as per Railway Board's policy letter of 18/01/2022 (F/ 12-8), these are to be procured through open competitive bidding. But the eligibility criteria suggested effectively restricts the procurement of these items from the earlier approved vendor list which has been discontinued since 08/07/2022 (F/ 2-1). Adopting the said eligibility criteria may be construed as restoration of 'restricted procurement' indirectly. Further the adoption of suggested eligibility criteria vide letter dated. 08/07/2022 can have adverse effects as out of 45 items, majority i.e. 39 items have less than 3 past vendors. Passing over the offers of capable vendors based on such eligibility criteria may be prone to complaint and litigation in future.

Although responsibility of defining eligibility criteria for procurement of items rests upon the Technical department, being procuring authority the following eligibility criteria is suggested from Stores department for a wider participation of vendors, competitive bidding and litigation free settlement of tender cases:

"CLW reserves the right to procure entire or bulk quantity from the firms who have supplied same/ similar items to Railways/ PSUs in the past. Firm has to enclose inspection certificate/ receipt acknowledgement/ successful payment details along with their offer as a proof of supplies."

Proposal may please be forwarded to the Technical department for acceding to the suggested eligibility criteria above or advise otherwise.

Am
21/6
Chm/TM

~~PCMM~~

2/6

~~PCEE~~

18/07.06.2023

~~CEE/TM~~

08-06-23

~~Dy.CEE/TMD~~

Eligibility criteria framed by Cmm/Tm above (dtd. 02/6/2023) may please be agreed upon with following correction & addition.

Correction : P SUs may please be replaced by PUs.

Addition : 1. Tenderer must be OEM or their authorised dealer. Tender specific authorisation to be submitted along with offer.

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2. In case of similar item, tenderer have to submit along with offer, detailed and convincing justification as to why their earlier supplied item will be considered as similar item w.r.t. tendered item.

Put up please.

Mx 09/6/23

Dy CEE/TMD.

~~CEE/TM~~

Consolidated criteria may be submitted in lieu of above.

FM

09.6.23

~~Dy CEE/TMD~~

Complied at Noting Page - 6 please.
Mx 09/6/23

A "CLW reserves the right to procure entire or bulk quantity from firms who have supplied same/similar items to Railways/PUs in the past. Firm has to enclose inspection certificate/receipt acknowledgement /successful payment details alongwith their offer as a proof of supplies.

Tenderer must be OEM or their authorized dealer. Tender specific authorization to be submitted alongwith offer.

In case of similar item, tenderer have to submit alongwith offer, detailed and convincing justification as to why their earlier supplied item would be considered as similar item w.r.t. tendered item".

mi
09/6/23

DyCEE/TMD

CEE/TM

May kindly approve eligibility
Criteria at 'A'

Jm

09-06-23

PCEE

313 nitid.

26.06.2023

DyCEE/TMD

Jm

26.6.23

mi 27/6/23

SMM/HQ