



पूर्व तट रेलवे/East Coast Railway

महाप्रबंधक का कार्यालय/General Manager's Office

रेल सदन, चन्द्रशेखरपुर, भुवनेश्वर/Rail Sadan, Chandrasekharpur, Bhubaneswar-751017

Memorandum

Sub: Incorporation of a new item No. 49 in SOP on Works Matters, Part-A of Model SOP-2018 of East Coast Railway – Material Intensive Contract.
Ref: Railway Board's letter No. 2018/Trans/01/Policy dated 24.07.2018 and this office letter No. ECoR/GA/MSOP-2018/1874 dated 31.07.2018.

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Approval of General Manager is hereby communicated to the addition of new item No. 49 in SOP on Works Matters, Part-A of Model SOP – 2018 of East Coast Railway. Accordingly, new item No. 49 in SOP on Works Matters, Part-A of Model SOP – 2018 of East Coast Railway may be read as enclosed herewith.

This issues with the concurrence of Principal Financial Advisor/ECoR/BBS.

Encl:- As above in 3 pages.

(ए. के. सिंह देव)

व.स.उ.महाप्रबन्धक / Sr.ADGM

कृते महाप्रबन्धक / For General Manager

Dated 23.08.2018

No.ECoR/GA/MSOP-2018/Works/1932

Copy to Secretary to GM for kind information of the General Manager . Copy to PS-I to AGM for kind information of the Addl. General Manager.

Copy forwarded for kind information, necessary action and guidance to:-

All PHODs/CHODs/ECoR/BBS, FA&CAO(CON)/ECoR/BBS, FA&CAO(F&B), FA&CAO(WST), FA&CAO(G)/ECoR/ BBS, All DRMs, ADRMs, Sr.DFM's of E.Co.Rly., CWM, Sr. AFA/CRW/MCS, Pr. Director of Audits ECoR/BBS, Dy.CVO, CPRO, Dy. Secy(PG), Sr.RBA, Sr.LO/ECoR/BBS. Sr. System Manager (IT)/ECoR/BBS is requested to upload the same in the ECoR Website.

(ए. के. सिंह देव)

व.स.उ.महाप्रबन्धक / Sr.ADGM

कृते महाप्रबन्धक / For General Manager



पूर्व तट रेलवे/East Coast Railway

Enclosure to Lr. No. ECoR/GA/MSOP-2018/Works/1932 dated 23.08.2018

Sl. No. 49 of SOP on Works Matters, Part-A of Model SOP – 2018 of East Coast Railway.

SL.No	Nature of powers	PHOD/CHOD/HOD	DRM/ADRM/ SAG	Divisional Officers, Extra Divisional Officers & Officers in Headquarters	REMARKS
49	Approval for floating of Material Intensive tenders in each case as Works Tenders:	CAO/Con: Upto Rs.8 Cr. in each case	DRMs : Upto Rs.2 Cr. in each case for works under S&T, Electrical and Mechanical deptts. CWM/MCS : Upto Rs.1 Cr. in each case for works under Electrical and Mechanical deptts.	Nil	(a) These powers will be exercised in exceptional situation of operational exigency including restoration of Railway infrastructure and other emergent circumstances as per the procedure in the <u>note below(*)</u> with Finance concurrence of FA&CAO (Con) for construction organization, with Finance concurrence of Sr.DFMs for Divisions and Sr.AFA for MCS Workshop. (b) Prior finance concurrence for approval of floating Material Intensive Works tenders is <u>necessary</u> beyond Rs.50 lakhs. Sanction of GM is required beyond the above delegation for Material Intensive Tenders beyond powers of procurement indicated here. The approval of GM shall be obtained after taking the views of PHODs of Executive Department, PCMM and PFA with proper justifications as per procedure indicated in the <u>note below(*)</u> .

(*) **Note** for Item No. 48: The procedure for dealing works tender where both supply and execution are involved- material intensive contracts.

- Definition:** Works which involve primarily supply of materials in comparison to installation, commissioning, testing, transport and the other minor construction related works like digging, trenching etc. incidental to the main intent of supply of materials are categorised as **Material Intensive Contracts (MICs)** if the portion of supply of material is more than 51% of the total estimated value of the tender, as per the sanctioned detailed estimate.
- Execution of MICs as defined above, with standard specifications should normally be procured through Supply contracts as per the powers delegated in the MSOP/2018 (Part-D on Stores matters) which covers all types of supply orders (and includes turnkey contracts).**
- All Material Intensive Contracts (MIC)** will be executed through Supply Contracts in normal circumstances barring exceptional situations of operational exigency including restoration of Railway infrastructure and other emergent circumstances, keeping in view relevant factors brought out in Para 4.0 below.

4. The following precaution to be taken while formulating the proposal for material intensive tenders as works tender:
- A. Stock items and materials mandated to be procured by Railway Board should not be within the scope of Material Intensive Tender.
 - B. Railway Board's guidelines for procurement of M&P through COFMOW should be followed (RB/Lr No.2006/M (M&P)/1063/52 dated 13.12.2011) in letter and spirit.
 - C. The guidelines for procurement policy for LED signals through Stores Department issued vide Rly. Bd.'s letter No.2001/SIG/SGG/12(LED), dt.18.06.2007 should be adhered to. Also, guidelines issued vide Rly. Bd.'s letter No.2005/SIG/CA-III/26, dated 18-08-2005 for procurement of IPS through Supply Contract shall be adhered to.
 - D. All other items as advised by Railway Board from time to time which are to be procured from Stores Contract should be adhered to.
 - E. Guidelines of the Rly Bd's letter No.2005/RS(G)/779/12 dt.19.04.2006 should be adhered to for Signaling, Telecom and Electrical cables which are to be procured through Stores Deptt. However, Board have given dispensation for the following items vide letter no.2005/RS(G)/779/12 dt.14.09.2006 and procurement of such items through works contract is covered under the above delegation of powers:
 - i. Procurement of electrical wires and cables used for maintenance, repair and other works related with Passenger Amenities and Staff Amenities. Wiring/electrification works for quarters, glow sign boards, yard lights & minor electrical and communication works of urgent nature and works related with 'Touch and Feel' items.
 - ii. Contact and Catenary wires shall not be included as supply items in OHE works contracts and these items would be procured against supply contract, except where due to exceptional/inescapable reasons, these are included in scope of works contracts with GM's personal approval and prior Finance concurrence as per Railway Board's letter No.2005/RS/G/779/12 dt.19.11.2009.
 - F. Where Material Intensive Works Contracts involve substantial supply of materials by OEMs/approved sources/ manufacturers, the contractor is required to source the supply material from the above approved sources following relevant guidelines of Railway Board/RDSO etc while executing the Material Intensive Works for Railways.
 - G. The supply of materials by the contractors under Material Intensive Works Contracts should confirm to the standards laid down for approved sources under extant instructions and accordingly, necessary conditions should be incorporated in the Estimate / tender documents.
 - H. In Material Intensive Works Contracts, the reasonableness of rates shall take into consideration, the supply rates of Stores contracts as applicable, in addition to previously awarded relevant works contract rate. This holds good at the time of preparation of detailed estimate as well as during evaluation of tender offer. Tender Committee shall record reasonableness of rates based on the above analysis, keeping in view the market rates etc.
 - I. Separate schedule of materials with standard Specifications shall be compiled in estimate for MIC tender, which constitutes a major part of supply requirements.
 - J. For items where an approved vendor list exists, supply shall be obtained only from the approved sources or other sources approved personally by CAO(Con)/PHOD/CHOD/DRM/CWM.
 - K. Eligibility criteria shall be as specified by Railway Board, RDSO and other instructions on relaxation, will be governed as per extant delegation issued from time to time.
 - L. Separate Schedules for supply items to be made with standard specification, criteria being the same class of Stores with same Vendor base and high value covering 70% of total value of 'Supply Items' so that the rates quoted for each Supply Schedule will be examined with reference to LPR.
 - M. The Safety items as defined by the Railway shall invariably be pre-inspected by the designated Inspection Agency including RDSO and all other items whose individual values is above Rs 5 lakhs shall be pre-inspected by RITES/Accredited agency as per extant rules.

- N. Detailed records must be maintained for such items of materials with Brand, Make and related specification as brought to the site by the contractors for execution of works together with particulars of inspection certificate, challan details and evidence of payment of Taxes.
- O. Relevant documentation to indemnify the Railways against Claims in respect of Patents, Designs or trade mark and warranty must be put into place.
- P. Compliance with the requirements mandated by Public procurement policy directives specially relating to Make in India, MSMEs, GeM, Ease of doing Business Initiatives.
- Q. **CAO(Con)/DRMs/CWMs** shall approve for floating of Material Intensive Tender as works tender duly recording the valid reasons and keeping the following facts into consideration in addition to the guidelines illustrated above.
- Nature of Technology adopted/Nature of Work involved.
 - Safety requirement and operational exigencies.
 - Risk and uncertainty involved in implementation through Supply Contract.
 - Time factor (where it is the essence) and ease of execution of work in operational urgencies and exigencies. It may be ensured that urgencies are genuine and specific to work situations.
 - Where a Material Intensive Work is being executed as works contract the rate reasonableness of material involved as certified by concerned officer to be reviewed by concerned CAO(Con)/DRM/CWM, periodically and a data-base of rates obtained and finalized be maintained by the concerned departments for periodic review.
 - Approved drawings and designs of all constituent works shall be ready before processing the proposal of MIW.
 - The date of completion of constituent works like Elect. S&T should dovetail with overall date of completion of Engineering work. A certificate to this effect must be enclosed at the time of processing of proposal of MIW.
 - The milestones (activity wise date of completion) of various constituent works like Electrical and S&T should be in congruence with milestones of Engineering work. This aspect should be detailed in elaborate terms both in Tender documents as well as in Contract Agreement of MIW.

- 5.0 Civil Engineering Works:** The above stipulations will not be applicable for Civil Engineering works Contracts in view of the fact that majority of items are to be brought by the Contractors themselves for execution of Civil works. However, in the case of Civil Engineering works where the supply of materials is also made a part of the contract and are to be supplied by the contractor, stringent quality control, disclosure of Brand, Make and Specifications must be complied with. The tender schedule for such works shall contain the requisite conditions and proper mechanism shall be defined in the tender schedule to ensure use of acceptable/approved quality materials as per the stipulated standards of Railway Board and RDSO.
- 6.0** Where Material Intensive Tender treated as Works Contract, approval of competent authority along with Finance concurrence shall be made mandatory beyond a value of Rs.50 lakhs in each case. Before seeking approval of the concerned authority, the tender should conform to the scope given in the sanctioned estimates and also of the quantities and rates. The relevant fact along with comments on the items illustrated above at Para 1 to 4 shall be brought to the notice of approving authority clearly and unequivocally, while seeking approval, by an officer not below the rank of JAG of the concerned department.
- 7.0** Compliance with GFR and applicable extant instruction of Railway Board (as issued from time to time) shall be ensured.

(Handwritten signature)
(ए.के.सिंह देव)

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कृते महाप्रबंधक /For General Manager