

1. Splitting of tender quantity will be as per the following guidelines.

2. Splitting of tendered quantity

2.1 Case of no prior decision to split the order-

2.1.1 Normally full order should be placed on L-1 firm. However, if after due processing, it is discovered that the quantity to be ordered is more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then this aspect should be recorded in TC minutes/ acceptance in direct acceptance cases. The quantity being finally ordered will be distributed among the other bidders in a manner that will be fair, transparent and equitable. The manner of splitting will take specific note of the following parameters

- (i) Past performance of bidders
- (ii) Capacity of bidders
- (iii) Delivery requirements in the tender
- (iv) Quantity under procurement
- (v) Vital / safety nature of the items

2.1.2 In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 2.2.2 below.

2.2 Case of pre-decided split ordering-

2.2.1 Railway may decide in advance to have more than one source of supply on account of delivery requirement in tender, past performance and capability of bidders, quantity under procurement and vital/safety nature of items.

2.2.2 following provisions {2.2.2.(A) to 2.4} shall be applicable in all such cases of pre-decided split ordering:-

(A) The purchaser reserves the right to distribute the procurable quantity on one or more than one of the eligible tenders. Zone of consideration of such eligible tenders will be the right of the Purchaser. The zone of consideration will be a dynamic mix of inter-se position of firms, supply performance of the firms, quantity being procured, criticality of and lead time of supply of the item, number of established suppliers, their capacity etc.

(B) Whenever such splitting of the procurable quantity is made, the quantity distribution will depend (in an inverse manner) upon the differential of rates quoted by the tenders (other aspects i.e. adequate capacity- cum – capability, satisfactory past performance of the tenders, outstanding order load for the Railway making the

procurement, quoted delivery schedule vis-à-vis the delivery schedule incorporated in the tender enquiry etc. being same / similar) in the manner detailed in the table below:

Price differential between L1 and L2	Quality distribution ratio between L1 and L2
Upto 3%	60 : 40
More than 3% and upto 5%	65 : 35
More than 5%	At least 65% on the L1 tender. For the quality to be ordered on the L-2 tenderer, TC/TAA shall decide

In the phrase “differential rates quoted by the tenders”, the quoted rate would mean

- (i) When no price negotiation has been called for, the original rates as obtained at the time of tender opening. However, the rate of the highest eligible tender within the zone of consideration has to be per se reasonable.
- (ii) When price negotiation has been called for, the reference L1 rate for assessment of ratio will be the original rate of L1 firm (suitable for bulk quantity)- say firm “A”- as obtained at the time of tender opening.

B(I) If splitting of quantity is required to be done by ordering on tenders higher than the L2 tenderer, then the quantity distribution proportion amongst the tenderers will be decided by transparent/logical/equity based extrapolation of the model as indicated in the above para.

B(II) There could be situation when between the lowest firm considered suitable for bulk qty (L1 firm “A”) and another firm considered suitable for bulk quantity order, there are firms who are considered suitable only for part quantity. For example, say L1 firm “A” is Pt I firm, L4 is Pt I firm (and both considered suitable for bulk quantity order) and splitting is to be done between these two Pt I firms. But there are two Pt II firms in between who are suitable for part quantity. In such cases, L1 should be given its proportion based on its rate differential with respect to L4, (say by this, L1 gets 65% of NPQ). The balance quantity is to be distributed as among other firms. The balance quantity is to be distributed as follows:

- (a) Allocate the Pt II L2 and Pt. II L3 within the overall ceiling of 15%/25% (of 35% of NPQ)
- (b) Allocate the balance quantity to L4 firm.

Since the Pt II firms are being given the order in relation to its lower position w.r.t. L4 (Pt I firm), it will not attract the provision of ‘order on Pt II firm should not be at a higher rate than Pt I firm’ as the reference rate for comparison of L2 Pt II and L3 Pt II rate is the L4 Pt I rate.

2.2.3 In cases of pre-decided splitting, if the purchaser decides not to split the ordered quantity, the reason for the same should be recorded in TC minutes/acceptance in direct acceptance cases.

2.3 For cases where the Rlys/Pus had entered into ToT/JV agreements, the following clause should be stipulated as tender condition:

As the Rly has entered into ToT/JV agreement with.....no. of firms, they reserve the right to place orders on all such ToT/JV agreement partners, condition as detailed in Para 2.2.2 (B) shall apply with the exception that the aspect of 'per-se reasonability' will not be applicable.

2.4 In the cases of inadequate capacity-cum-capability, dissatisfactory past performance, large quantity of outstanding orders (liquidation of which will take very long time) etc., the Purchaser shall have the right to distribute the procurable quantity amongst tenderers with due consideration to these constraints and in such a manner that would ensure timely supply of material in requisite quantity to meet the needs of operation, maintenance, safety etc. of the Railways, regardless of inter-se ranking of the tenderers and in a fair and transparent manner with due conformity to the Principles of Natural Justice and Equity.