



Office of the  
Chief Administrative Officer  
(Construction)  
South Central Railway  
Secunderabad-500 071

No.W.CON.496/MFBWP/5462/WC.3

Date:28 -09-2011.

**M/s.ROYAL INFRACONSTRU LIMITED,  
Godrej Water Side Building, Tower NO.1,  
4th Floor No.401, Plot No.5, DP Block,  
Salt Lake Sector-V,KOLKATA – 700 091.**

Sirs,

Sub: Flash Butt Welding of 60 kg/52 kg Rails (UTS) at site using Road cum Rail Mobile Flash Butt Welding Plant on various projects over S.C. Railway.

Tender Notice No. 25/CAO/C/SC/2011 Dated: 07.06.2011 (Item No.7) and Corrigendum No.1 dated 08-07-2011 - Tender opened on 01-08-2011.

Ref: Your Negotiated offer dated 08-09-2011.

\* \* \*

Your negotiated offer submitted on 08-09-2011 in connection with the subject work has been accepted by the competent authority at a total value of **₹.5,75,82,000/- (₹ Five Crores, Seventy five lakhs, Eighty two Thousand only)** with rates quoted for schedule and conditions as given under:

Schedule	Face value in ₹.	Accepted Rate & Value	
		% Rate	Value in ₹.
Schedule 'A'	<b>5,75,82,000/-</b>	At par	<b>5,75,82,000/-</b>

2. Please note that all the works included in this contract shall be completed within the period of 12 (**TWELVE**) months (including intervening monsoon period) from the date of issue of this acceptance letter. The contractor is expected to adhere to the progress of work as per the output clause no.14 of Special Conditions of Contract (Technical). Progress of work should not be less than 3000 joints per month in the first 6 months, failing which a penalty of ₹500/- per joint shall be imposed in terms of para 14.2 of Special Conditions (Technical)..

3. Please also note that an amount of **₹28,79,100/-** (i.e., 5% of contract value) is payable towards **Performance Guarantee** for the due and faithful fulfillment of the work. The said Performance Guarantee (PG) shall be furnished within 30 (thirty) days from the date of issue of this Letter of Acceptance (LOA). The authority who has signed the contract agreement (LOA) may grant extension of time for submission of P.G beyond 30 (thirty) days and upto 60 (sixty) days from the date of issue of LOA if so required. However, a penal interest of 15% p.a. shall be charged for the delay beyond 30 (thirty) days, i.e., from 31<sup>st</sup> day after the date of issue of LOA. In case, you fail to submit the requisite P.G even after 60 (sixty) days from the date of issue of LOA, the contract shall be terminated duly forfeiting EMD and other dues, if any payable against the contract and you shall be debarred from Participating in re-tendering for the work. The above said Performance Guarantee shall be furnished either in cash or Irrevocable Bank Guarantee or Government Securities including State Loan Bonds at 5 percent below the market value or Deposit receipts, pay orders, demand drafts and Guarantee Bonds these forms of Performance Guarantee could be either of the State Bank of India or any of the Nationalized Banks or Guarantee Bonds executed or Deposits receipts tendered by all Scheduled Banks or a Deposit in the Post Office Savings Bank or a deposit in the National Savings Certificates or Twelve years National Defence Certificates or

Ten years Defence Deposits or National Defence Bonds or Unit Trust Certificates at 5% below market value or at the face value whichever is less or Fixed Deposit Receipt drawn in favour FA & CAO/C/SCRly/ Secunderabad.

3.1 The Performance Guarantee shall be released only after physical completion of work based on the 'Completion Certificate' issued by the competent authority stating that the work has been completed by you in all respects satisfactorily.

4. If you are interested to furnish the Performance Guarantee as called for in para No.3 above in cash the same shall be lodged with the chief cashier/SCRly/secunderabad and money receipt issued by him on this account should be forwarded to this office,so that arrangements will be made for execution of necessary agreement.

5. In addition to the above, **an amount of ₹28,79,100/- (is also payable towards full Security Deposit for the due and faithful fulfillment of the work.** The EMD amount furnished along with your offer in the form of **STDR No.0240269 dt.30-07-2011 (A/c.No.31861534216)** for **₹4,37,910/-** issued by State Bank of India, Commercial Branch, Alipore, Kolkata is adjusted towards part security deposit and the balance Security Deposit amount of **₹24,41,190/- will be recovered from your running bills at the rate of 10% till the balance S.D amount is fully recovered.** The security deposit shall be released only after the expiry of the maintenance period and after passing the final bill based on an **'Unconditional and Unequivocal No Claim Certificate'** submitted by you.

6. Please note that no interest will be payable on the Security Deposit/Performance Guarantee. But the Govt. Securities detailed above will be payable with interest accrued thereon, if they carry any interest.

7. **The conditions quoted by you and accepted by the administration are shown in Annexure 'A'.**

8. It may please be noted that until a formal agreement is executed, this acceptance letter shall constitute a binding contract between you and the Railway subject to modification as may be mutually agreed to. The agreement for this work should be executed within 7(Seven) days from the date of receipt of notice from this office that such documents are ready, failing which action will be taken in terms of Clause12 of the regulations of tenders and Contracts without prejudice to any further right or remedies.

**Please acknowledge the receipt.**

Yours faithfully,

(D.A. Subrahmanyam )  
Deputy Chief Engineer/C/Stores/SC  
for & on behalf of the President of India.

Copy to:

1. FA & CAO/C/SC for information together with a copy of TCP.
2. Labour Enforcement Officer, Central Excise Colony, Shivam Road, Hyderabad-500044 for information.
3. Chief Cashier/SCR/Secunderabad for information.

for Chief Admn. Officer/Con/SC

**Conditions quoted by the tenderer and Accepted by the Administration are as under:**

S. No.	Original Quoted condition	Revised Quoted Condition	Remarks of the Administration
1)	Straightening of rails, prior to welding operation, cannot be exercised since such an arrangement is not integral with the MFBW Plant and the responsibility lies on the Railways to ensure the geometry of the rails prior to offering for welding with MFBW Plant. The straightness after the welds shall be ensured as per RDSO Manual.	We agree to para No.9.1 of Special conditions (Technical) of Tender document. All the rail cuts, which are required to bring the rails to confirm para 3.4 of Manual, shall be arranged by Railways, as rail cutting item is not available in the schedule. In case the rails are damaged by us, para no.2.4 of Special Conditions (Technical) shall apply.	Accepted
2)	Welding of new / rails into LWR on the newly / constructed track will ensure an average daily production of 50 welds. The production could be maximized by introducing another shift. Railways should make available the rails and locations for uninterrupted welding operation and also ensure a minimum payment of 1000 welds per month. An additional charge of ₹ .250/- per cut will be charged extra if they have to cut end of the rails due to the incorrect geometry of the rails offered for welding.	We agree to para no.14 and sub- paras of Special conditions (Technical) of Tender document and para no.32 of Special conditions and specifications of contract. All rail cuts shall be arranged by Railway. Payment shall be governed by para no.20 of Special conditions (Technical)	Accepted
3)	The proposed plant is equipped to do both on track welding and static welding. The site allocated by Railways for static welding should be firm and enough space should be available for welding work. Welding on cess which is in uniform level, placed longitudinally, adjacent to the running track is also possible by moving the plant on the track.	We agree to para no.4.0 & 15.0 of Special conditions (Technical) and Note (2) under schedule –A	Accepted
4)	The Engineer-in-Charge should take the fittings into account daily after welding at the end of the day.	Before opening of the fittings/ track joint inspection shall be carried out by Railways PWI and representative of agency. A register shall be maintained for this purpose. Engineer-in-charge (or) his representative will take over the fittings, as and when returned by the contractor, duly making necessary entry in the register.	Accepted
5)	The work is only for welding of rails using mobile flash butt welding plant and linking of rails shall not be in the scope of work. Bringing the rails to the welding site, spreading the same, linking of track with zero gap etc., shall be arranged by the Railway prior to offering the site for welding of rails with MFBW plant.	Linking is not covered in the scope of the work. As regards other preliminary operations connected with Flash Butt Welding we agree to para 2.2 of Special Conditions (Technical).	Accepted



6)	Track is to be re-fixed by the Railways immediately after welding so as to provide hassle free movement of the MFBW Unit.	Track is to be re-fixed by the Railways immediately after welding so as to provide hassle free movement of the MFBW Unit.	Accepted
7)	It is understood that the full total track will be skeleton linked and the MFBW machine can freely work with access without any restrictions.	We agree to para No.2 of the particulars of work.	Accepted
8)	All site register is to be duly signed by the representative of the Railways daily immediately after completion of work.	All site register is to be duly signed by the representative of the Railways daily immediately after completion of work.	Accepted
9)	Railway shall provide necessary permits and facilitation to permit the Equipments, etc., to enter into the state, performs the work and for return of the equipments back.	We agree to para nos.5, &13.1 of Special Conditions (Technical) Railway shall give necessary letters authorizing the movement of plant from one site to other.	Accepted
10)	For the security and safety of the MFBW plant and its accessories, firm will be allowed to construct enclosure within the land provided by Railways which will be dismantled on completion of the work. Railways provide accommodation facility from its existing asset for camping of men and materials.	We agree to para No.4 i.e., site facilities of Special Conditions	Accepted
11)	The Rail pieces required for test welds shall be supplied by employer free of cost. Adequate quantity of tested of rails in accordance with RDSO manual should be made available to them before the commencement of work. Firm reserve the right to reject the rail panels if they are not weldable ie., if they do not meet the finishing requirement.	Suitable Rail pieces / rails required for test welds shall be supplied by the Railway at site free of cost.	Accepted
12)	Firm shall not be responsible for any delay in availability of rails and in such an event suitable extension to the delivery schedule shall be without levy of any damages and / or penalty and resultant ideal time should be suitably compensated at the equivalent to 40 welds per day.	Extension of time shall be governed by para no.12.1 of Special Conditions, based on the merits of the case.	Accepted
13)	Firm shall raise fortnight bills for 100% value of the work executed. 100% payment of firms invoice shall be made within 15 days from the date of submission of firms' bills.	We agree to para no.20 of Special Conditions (Technical).	Accepted
14)	Work contract tax and VAT are not applicable on FBW thus should not be deducted.	We agree to para no.18 of Special Conditions of contract. In case we produce any documentary evidence for exemption of VAT the same shall be reimbursed to us.	Accepted. VAT shall be reium-bursed on merits of the case.

**Deputy Chief Engineer/C/Stores/SC  
For Chief Admn.Officer/Constn/SC**