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GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
RAILWAY BOARD

No. 2019/Track-III/MC/3

New Delhi, dated 30.04.2020

M/s Loram Maintenance of Way INC  
3900 Arrowhead Drive,  
Hamel, Minnesota 55340  
USA

Through:

M/s Vandhana International Pvt. Ltd.  
9<sup>th</sup> Floor, 36, Dakshineswar Building,  
10, Hailey Road, Connaught Place,  
New Delhi 110 001

LETTER OF ACCEPTANCE

**Sub:** E-Global Tender No. TM-1903 for procurement of 10 Nos. Rail Grinding Machine (RGM 96 Stones) opened on 06.06.2019 (Technical Bid) & 03.01.2020 (Financial Bid)

**Ref:** Your e-offer Bid ID 9791650 dated 05.06.2019, response to clarifications letter No. 2018-31247-TM1903 dated 16.07.2019 and post negotiations letter No. 2018-31247-1 dated 02.03.2020 submitted against subject E-Global tender

1.0 In reference to your E-Offer referred above, Competent Authority has accepted your offer for manufacture and supply of Rail Grinding Machine (RGM 96 Stones) as per the following scope of work, prices and terms & conditions:

**2.0 Details of Price and Quantity :**

SOR Item No.	Description of the Item	Unit	Unit Price / per Machine	Quantity
Item No.1	Design, manufacture, supply, testing & commissioning of Rail Grinding Machine (RGM 96 Stones), & Training of IR Personnel	No.	<b>Import Portion: Basis CFR Mumbai/ NhavaSheva. USD 5,312,474/-</b> <b>(Breakup: FOB USD 5231874/- US Sea Port + Transit Freight USD 80,600/- plus Custom Duty, IGST etc. applicable at the time of supply within delivery period of the contract.</b> <b>+ (Plus)</b> <b>Indigenous Portion:</b> ₹ 64,11,27,254.- Ex-Works plus applicable GST at the time of actual supply. <b>+ (Plus)</b> <b>Incidentals: ₹ 44,27,711/- (Breakup:</b> Port Handling: ₹ 9,80,579/- + Freight: ₹ 34,47,132/-) plus applicable GST at the time of actual supply. <b>+ (Plus)</b> <b>Agency Commission @ 1% of FOB price</b>	10

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Item No.3	<b>Labour:</b> Service Cost of Operation & Comprehensive Maintenance of Rail Grinding Machine( RGM-96 Stones) during warranty period of 24 months after commissioning of the machine. (Per Machine Unit).	No.	₹ 6,83,94,000/- plus applicable GST at the time of actual supply	10
Item No. 5	<b>Material:</b> Lump Sum Cost of all required spares & consumables Including Grinding Stone, except water/fuel/lubricants; for Operation & Maintenance of Rail Grinding Machine (RGM-96 Stone), during warranty period of 24 months (Per Machine Unit) taking 960 hrs of grinding (Actual Spark Time) per machine in 24 months	No.	<b>Import Portion: Basis CFR Mumbai/ NhavaSheva. USD 1,119,928/- (Breakup: FOB USD 1,105,920/- US Sea Port + Transit Freight USD 14,008/- plus Custom Duty, IGST etc. applicable at the time of supply within the delivery period of the contract. + (Plus) Indigenous Portion: ₹ 6,09,89,861/- Ex-Works plus applicable GST at the time of actual supply. + (Plus) Freight: ₹ 18,28,228/-plus applicable GST at the time of actual supply.</b>	10
Item No. 7	<b>Labour:</b> Service Cost of Post warranty Operation & Maintenance of Rail Grinding Machine (RGM) for 24 months.(Per Machine Unit). Annexure XI of Technical Specification of Rail Grinding Machine (RGM)	No.	₹ 7,14,88,800/- plus applicable GST at the time of actual supply	10

**Agency Commission :** Agency Commission per machine shall be (1% of FOB price at rate of exchange at time of tender opening) ₹ 36,76,961/-. The Agency Commission shall be payable in terms of Clause 3.3 of ITT after completion of proving tests and final Commissioning of each machine (s) in India and setting up of after sales service centre with adequate number of and spares and service engineers in India by the manufacturer in terms of Clause 19.2 of ITT.

### 3.0 Terms & Conditions:

All terms and conditions are as per tender. Some of the important conditions are as under:

SN	Item	Tender Condition
	Price basis and Price Variation:	PVC as per tender Cl. 9.9 of ITT is admissible only on indigenous portion of the basic machine price under Item 1 i.e. ₹ 64,11,27,254/- only. All other prices of the contract shall be firm.
2	Taxes & Duties	All the prices mentioned in above are basic rates and exclusive of all Taxes & Duties. Taxes & Duties, as applicable at the time of actual supply, shall be to the account of the Purchaser subject to other tender conditions.
3	Foreign Exchange Variation	Variation in Foreign Exchange Rate shall be to the account of the Purchaser subject to other tender conditions.
4	Statutory Variation Clause	Statutory Variation in taxes and duties, or fresh imposition of taxes and duties by State/Central Governments in respect of the items stipulated in the contract (and not the raw material

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		thereof) within the original delivery period of 42 months, or last unconditionally extended delivery period shall be on Railways' account. Only such variation shall be admissible which takes after 06.06.2019. No claim on account of Statutory Variation in respect of existing tax/duty will be accepted. No claim on account of Statutory Variation shall be admissible on account of misclassification by the supplier/contractor.
5	Payment terms	As per Clause 13.0 of Special Conditions of the Contract.
6	Training	As per Cl. 20.0 of ITT, Cl. 12.0 of SCC to be read with Clause 23.0 of TS.
7	Inspection	As per tender Clause 22.0 of GCC read with Clause 19.0 of TS.
8	Delivery period.	All 10No. Rail Grinding Machine (RGM 96 Stone) along with initial ordered spares shall be delivered (CFR) within 42 months from the date of placement of order.
9	Liquidated Damages	As per tender Clause 19.0 of GCC
10	Insurance on import portion	Insurance on imported consignments is covered through the insurance company appointed by railways as per the extant policy and is drawn up to ultimate destination.
11	Performance Guarantee Bond	Performance Guarantee Bond shall be submitted as per Tender Clause 21.0 of GCC.
12	Warranty	As per Clause 9.0 of SCC read with Clause 24.0 of Technical Specifications.
13	Warranty Guarantee Bond	The contractor shall submit Warranty Guarantee Bond as per Tender Clause 9.10 & 9.11 of SCC.
14	Commissioning	As per Clause 11.0 of SCC.
15	All other Terms & Conditions including Technical Specifications and O&M conditions for RGM	As per Tender document, responses to tender document & clarifications to your offer.

4.0 As per Clause 21 of GCC, you are required to submit a Performance Bank Guarantee of value USD 16,511,700/- (U.S Dollar Sixteen Million Five Hundred Eleven Thousand Seven Hundred only), being 10% of the value of the contract with validity of 48 months (DP of 42 months + 6 months) within 30 days of issue of Letter of Acceptance.

5.0 You may acknowledge receipt of this Letter of Acceptance. The issuance of this Letter of Acceptance shall be deemed to have concluded the Contract. Detailed Contract will follow on your submission of Performance Bank Guarantee in terms of the subject tender conditions.

Yours faithfully,

04/30.4.2020

(Dinesh Tripathi)  
Director Track (Machines)  
Railway Board

For and on behalf of the President of India