

MOM regarding relaxation of norms for startups in PQR for open tender of items for traction application

Date: 18/01/2018

Office Memorandum No. F.20/2/2014-PPD (Pt.) dated 25/07/2016 has been issued by Department of Expenditure, Ministry of Finance regarding relaxation of Norms for Startups in Public Procurement regarding Prior Experience – Prior Turnover criteria by CPSEs.

Further to above, Para 3 of Office Memorandum No F.20/2/2014-PPD (Pt.) dated 20/09/2016 issued by Dept. of Expenditure, Ministry of Finance states that for procurement of items related to public safety, health, critical security operations and equipments, etc., with adequate justification, procuring entities may not relax the criteria of prior experience for the startups.


In this regard it may be noted that traction machine (traction motor/traction alternator/auxiliary) is considered as safety item for Railway application as also mentioned in Railway Board letter ref. 2001/RS (G)/779/7 dated 01/02/2017. The traction machines and items used in them are subjected to extremely heavy impact loads and vibrations emanating from rail track with varying loads & intensity, both in direction & magnitude and high speed operations of machines which necessitate stringent material quality requirements & dimensional accuracy of these components.

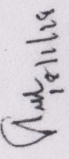
Any failure of traction machines during operation of locomotive/EMU disrupts the public rail service with consequent inconvenience to the public and in worst cases, it may lead to loss of public life also.

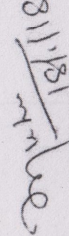
In view of the criticality of application, items for traction application supplied by any vendor who has no prior experience of manufacturing & supplying similar items (with similar material properties) cannot be considered for regular use in traction application.

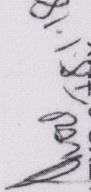
On the basis of above justification, it is decided that requirement of prior experience shall not be relaxed in the PQR for open tender for procurement of items for traction application.

However in case of open tender, enquiry shall mention that "startup enterprises can be considered for separate development/trial purpose in case the startup enterprises meet the other requirements of PQR except prior experience".

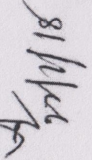

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AGM/ TXS & TMX

GM (TPTN & CET) – For kind approval, please.


27/1/18
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