



Future Ready 

Transforming to GREEN 

PRESENTATION ON SALIENT FEATURES OF THIRD PARTY INSPECTION FOR INSPECTION OF GOODS IN INDIAN RAILWAYS

VENDOR MEET/PLW/PTA 24.10.2024

**RITES LTD
INSPECTION DIVISION
(Northern Region)**



INTRODUCTION

- THE INDIAN RAILWAYS **ENGAGED FOUR THIRD PARTY INSEPCTION (TPI) AGENCIES** IN DECEMBER 2022 FOR INSPECTION OF MATERIALS TO BE PROCURED BY INDIAN RAILWAYS FOR A PERIOD OF THREE YEARS
- FOUR TPI AGENCIES ARE
 - 1) **M/s RITES LTD**
 - 2) M/s INTERTEK INDIA PVT LTD
 - 3) M/s BEREAU VERITAS INDIA PVT LTD
 - 4) M/s TUV INDIA PVT LTD
- M/s RITES LTD GOT 30% OF PRODUCT INSPECTION WORK AND 20% OF PROCESS INSPECTION WORK, TOTAL ESTIMATED AGREEMENT VAUE OF **INSPECTION FEE IS RS. 71.73 CRORES PLUS GST EXTRA**

SALIENT FEATURES OF TPI

- ▶ **ALL THIRD PARTY INSPECTION ACTIVITIES** LIKE CALL REGISTERING, CALL SCHEDULING, ISSUE OF IC AND SO ON, ARE BEING DONE **ONLINE THROUGH GEM-IREPS PORTAL-TPI INTERFACE**. THE GEM-IREPS-TPI INTERFACE IS ACCESSIBLE TO ALL TPIAs, VENDORS AND ALL STACKHOLDERS
- ▶ INSPECTION CATEGORIES ARE OF TWO TYPES.
 - 1) **PRODUCTION INSPECTION, INCLUDING STAGE INSPECTION** (INSPECTION FEE ON % AGE OF PO VALUE)
 - 2) **PROCESS INSPECTION** (INSPECTION FEE ON MAN DAYS BASIS)
- ▶ UNLESS OTHERWISE MENTIONED, **TPI INSPECTION MEANS PRE-DISPATCH INSPECTION**- INSPECTION BEFORE DISPATCH OF GOODS/INSPECTION DURING MANUFACTURING PROCESS, AT MANUFACTURING PREMISES OR AS MENTIONED IN PO
- ▶ **ONLINE INSPECTION CALL** SHALL BE PLACED BY THE SUPPLIER ON GEM-IREPS **AFTER THE GOODS ARE READY FOR INSPECTION**, NO OPTION FOR VENDOR TO POSTPONE THE INSPECTION DATE DUE TO ANY REASONS
- ▶ IN CASE WHERE **STAGE INSPECTION** IS REQUIRED TO BE DONE, IT SHALL MANDATORILY BE **SPECIFIED BY PURCHASER IN PO**
- ▶ IN PURCHASE ORDERS REQUIRING STAGE INSPECTION, THE INSPECTION FOR A **PARTICULAR STAGE SHALL BE INITIATED ONLY AFTER INSPECTION HAS BEEN CARRIED OUT FOR ALL THE PREVIOUS STAGES**, AS MAY BE APPLICABLE
- ▶ AFTER INSPECTION CALL SUBMITTED BY SUPPLIER, CALL SHALL BE EXAMINED BY TPIA AND **MAY SEEK ADDITIONAL INFORMATION**, LIKE INTERNAL TEST REPORTS, DRAWING, SPECIFICATION, TEST PLAN, **WITHIN 48 HOURS** (EXCLUDING NATIONAL HOLIDAYS), FROM SUPPLIER.
- ▶ THE **SUPPLIER SHALL WITHIN ONE CALENDAR DAY** (EXCLUDING SUNDAYS, NATIONAL HOLIDAYS) **FURNISH THE REQUIRED INFORMATION/ DOCUMENTS** TO THE TPI AGENCY TO REGISTER THE CALL

SALIENT FEATURES OF TPI

- ▶ **IN CASE OF INCOMPLETE INFORMATION RECEIVED FROM SUPPLIER, CALL SHALL NOT BE REGISTERED AND REJECTED ON NON CHARGEABLE BASIS. THE SAME IS INFORMED TO SUPPLIER THROUGH GEM-IREPS SYSTEM AND TO PLACE FRESH CALL**
- ▶ **THE SUPPLIER SHALL BE ALLOWED TO WITHDRAW INSPECTION CALL PLACED, WITHOUT ANY COST, BEFORE CALL HAS BEEN REGISTERED BY TPI AGENCY**
- ▶ **ONCE INSPECTION CALL HAS BEEN SCHEDULED BY THE TPI AGENCY, WITHDRAWAL OF INSPECTION CALL BY SUPPLIER, SHALL NOT BE PERMITTED. ON REQUEST BY SUPPLIER, CALL WILL BE REJECTED ON CHARGEABLE BASIS BY INSPECTING ENGINEER.**
- ▶ **NORMALLY THE INSPECTION SHALL BE SCHEDULED ON A FIRST COME FIRST SERVE BASIS. IN CASE OF EMERGENCY EXPRESSED BY AUTHORITY, SUCH INSPECTION CALL MAY BE ACCORDED, OVERRIDING PRIORITY**
- ▶ **TPI AGENCY SHALL ENSURE THE DATE OF PHYSICAL VISIT FOR INSPECTION WITHIN 7 CALENDAR DAYS FROM DATE OF CALL REGISTRATION**
- ▶ **PROVISION OF RESAMPLING/RETESTING OF THE SAME LOT, AFTER REJECTION OF THE SAMPLE COLLECTED DURING PRE DISPATCH INSPECTION, IS NOT AVAILABLE IN TENDER AGREEMENT CONDITIONS**
- ▶ **STORE EXPENDED IN TESTS: IN THE DESTRUCTIVE TESTING, IF ANY GOODS EXPENDED/CONSUMED IN TESTING AND TEST RESULTS FOUND SATISFACTORY AND GOODS IS ACCEPTED, QUANTITY OF GOODS EXPENDED/CONSUMED IN TESTING WILL BE DEEMDED TO HAVE BEEN ACCEPTED, TAKEN DELIVERY OF**
- ▶ **IN CASE OF MANDATORY REQUIREMENT OF TYPE TEST/PROTOTYPE TEST (NOT THE ADVANCE SAMPLES), THE SAME MAY BE DONE BY THE CONCERNED AUTHORITY. ALL ROUTINE INSPECTIONS SHALL BE CARRIED OUT BY TPI AGENCIES**
- ▶ **IF THE FACILITIES FOR THE TESTS ARE NOT AVAILBLE WITHIN THE VENDOR PREMISES, INSPECTOR MAY HAVE TESTS DONE AT SUITABLE NABL LAB OUTSIDE THE VENDOR PREMISES**

SALIENT FEATURES OF TPI

- ▶ IN CASE, INSPECTOR, ON VISIT TO VENDOR PREMISES, FINDS THAT **GOODS ARE NOT READY** FOR INSPECTION, INSPECTION CALL SHALL BE CANCELLED ON **CHARGEABLE BASIS**
- ▶ INSPECTION FEE/CHARGES WILL BE **PAID DIRECTLY BY RAILWAYS TO TPI AGENCIES**
- ▶ **INSPECTION CHARGES:** AS PER RAILWAY BOARD LETTER NO. 2022/RS(G)/779/8, DATED; 04.01.2023
- ▶ **HOWEVER CHARGES, EXPENSES** SPECIFICALLY PROVIDED FOR IN IRS CONDITIONS OF CONTRACT, PARTICULARLY IN PARA 1304(COST OF TEST), 1305 (DELIVERY OF GOODS FOR TEST),1306 (LIABILITY FOR COSTS OF SPECIAL OR INDEPENDENT TEST),1400 (CHARGES FOR WORK NECESSARY FOR COMPLETION OF THE CONTRACT) **SHALL BE BORNE BY THE SUPPLIER**
- ▶ **INSPECTION CHARGES** PAID OR DUE TO BE PAID BY RAILWAYS TO THE TPI AGENCY SHALL BE **RECOVERED FROM THE SUPPLIER** IN THE FOLLOWING CASES, AS PER RAILWAY BOARD LETTER NO. 2022/RS(G)/779/8, DATED; 04.01.2023,
ANNEXURE II
 - A) IN CASE OF REJECTION OF GOODS DURING INSPECTION (INCLUDING STAGE INSPECTION)
 - B) WHEN CALL CANCELLATION CERTIFICATE ISSUED
 - C) WHEN REVALIDATION OF IC OR REINSPECTION HAS BEEN DONE

SALIENT FEATURES OF TPI

- ▶ FOR INSPECTION BY TPIA, WHERE **PO VALUE IS BELOW RS.5 LAKH**, INSPECTION CHARGES WILL BE THOSE APPLICABLE FOR PO VALUING RS. 5 LAKHS
- ▶ FOR INSPECTION BY TPIA, WHERE **PO VALUE IS ABOVE RS. 500 CR**, INSPECTION CHARGES WILL BE FIXED SEPARATELY BY PURCHASER, SUBJECT TO MAXIMUM OF 0.035%+GST EXTRA (THE VALUE OF PO SO PLACED SHALL NOT BE COUNTED AS PART OF THIS WORK
- ▶ **PO VALUING BELOW RS.500 CR**, SHALL BE ISSUED TO TPIAs THROUGH AUTO ALLOTMENT
- ▶ WHEN PRE-INSPECTED GOODS GET **REJECTED AT CONSIGNEE END AFTER RECEIPT/DURING WARRANTY PERIOD**, JOINT INSPECTION WILL BE HELD

JOINT INSPECTION PROCEDURE:

- ❑ IF GOODS, GETS REJECTED AT CONSIGNEE END AFTER RECEIPT, **MATERIAL REJECTION ADVICE** WILL BE SENT BY CONSIGNEE THROUGH ONLINE TO ALL CONCERNED
- ❑ CONSIGNEE, AT HIS DISCRETION, SHALL CALL FOR A JOINT INSPECTION **BETWEEN CONSIGNEE, VENDOR AND TPIA**
- ❑ IN CASE WHERE EITHER VENDOR OR TPIA DO NOT TURN UP, **CONSIGNEES' DECISION SHALL BE FINAL AND BINDING**
- ❑ A JOINT INSPECTION REPORT SHALL BE **SIGNED BY THE PARTY(IES) ATTENDING JOINT INSPECTION**
- ❑ IN CASE REJECTION OF GOODS, **TPIA SHALL NOT BE ENTITLED FOR INSPECTION CHARGES** FOR THE QUANTITY OF GOODS REJECTED
- ❑ **THE REPLACEMENT SUPPLY** AGAINST THE REJECTED LOT OF GOODS SHALL NORMALLY INSPECTED BY THE SAME TPIA

SALIENT FEATURES OF TPI

- ▶ **TPI WORK OF GEM CONTRACTS** SHALL CONTINUE TO BE ASSIGNED TO RITES. TOTAL VALUE OF GEM CONTRACTS SHALL BE COUNTED FOR MAINTAINING THE RATIO OF WORK DISTRIBUTION AMONG THE VARIOUS TPIAs. VENDORS SHALL PLACE INSPECTION CALL THROUGH **RITES INSPECTION SITE** WITH GEM PO AND RAILWAY COVERAGE PO
- ▶ INSPECTION WORK, IN CASE OF **SPOT PURCHASE ORDERS**, MAY BE ALLOCATED BY THE PURCHASER TO ANY OF THE EMPANELLED TPIAs.
- ▶ RIGHT OF RAILWAYS TO **CHANGE TPIA** MENTIONED IN PO THROUGH MODIFICATION ADVICE
- ▶ INSPECTION AGENCIES IN GEM-IREPS ARE **CONSIGNEE, TPIA AND DRDO**
- ▶ **DRDO INSPECTION** IS DONE FOR THE BACTERIA FOR VACUUM TOILET SYSTEM

RECENT ADDITIONS ON GEM-IREPS TPI INTERFACE

RECENT ADDITIONS ON GEM-IREPS TPI INTERFACE

- A. APPROVED IC QUANTITY CANCELLATION REQUEST
- B. WARRANTY REJECTION ADVICES
- C. IE WISE INSPECTIONS
- D. IE WISE STATISTICS
- E. VIEW/UPDATE TURNOVER DATA

RAILWAY BOARD INSTRUCTIONS TO CRIS

1. AS PER **RAILWAY BOARD LETTER NO. 2022/RS(G)/779/8 E(3391974)**, DATED: **20.05.2024**, RAILWAY BOARD INSTRUCTED CRIS TO PROVIDE SUITABLE PROVISIONS ON GEM-IREPS, FOR ALLOWING INSPECTION IN **EXCESS OF THE ORDER QUANTITY** AS PER QUANTITY TOLERANCE CLAUSE MENTIONED IN PO

STATUS: TO BE IMPLEMENTED ON GEM-IREPS

2. AS PER **RAILWAY BOARD LETTER NO. 2022/RS(G)/779/7 E(3390005)**, DATED: **22.08.2024**, RAILWAY BOARD INSTRUCTED CRIS TO PROVIDE SUITABLE PROVISIONS FOR **JOINT NOTE/COMPLIANCE OF WARRANTY OBLIGATION** ON GEM-IREPS TO HANDLE WARRANTY REJECTIONS AND REPLACEMENT AGAINST WARRANTY REJECTIONS

STATUS: TO BE IMPLEMENTED ON GEM-IREPS

SUGGESTIONS FROM RITES

REINSPECTION WHEN DELAY IN DISPATCH OF GOODS/ IC REVALIDATION REQUEST IS REJECTED:

IF THE VENDOR FAILS TO DISPATCH OF PRE INSPECTED GOODS WITHIN VALIDITY OF IC, TPI AGENCY **MAY DECIDE TO RE-INSPECT** THE GOODS AGAINST FRESH INSPECTION CALL ,AS PER TENDER AGREEMENT SCHEDULE 1A (PRODUCT INSPECTION) CLAUSE NO.6

THE ABOVE PROVISION IS **NOT AVAILABLE** IN GEM-IREPS AND **REQUESTED TO PROVIDE FOR COMPLY** WITH AGREEMENT CLAUSE



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THANK YOU