

"Confidential"

Southern Railway

Headquarters office,
Works Branch,
Chennai – 600 003
Dated 10.02.2025

No.W/416/ System Improvement

Dy.CVO/A/MS

Sub : System Improvement –Checking and evaluation of Price Variation Bills by Executives and Accounts department- Instructions thereof - Reg

Ref : (i) VO/PC/A/2022/10/01265/ERS dated 28.11.2024 & 31.01.2025
(ii) This office letter No.W416/System Improvement dated 28.01.2025
(iii) This office letter No.W416/System Improvement dated 10.02.2025

With reference to Dy.CVO/A/MS letter cited under ref (i), the instructions with regard to the payment of PVC Bill for procurement of steel have been issued to all the Field Units, a copy of which is enclosed herewith for your kind reference.

Encl : As above

S. Manthiram 10/02/25

(S.Manthirammoorthy)
Dy.CE/Works/HQ
for Principal Chief Engineer

CVD/MS
A

Southern Railway

Headquarters office,
Works Branch,
Chennai - 600 003

No.W416/System Improvement

Dt.10.02.2025

CPMs/ GS/ MAS SA PGT TVC TPJ MDU

Sr.DENS/Co/MAS SA PGT TVC TPJ MDU

Dy.CEs/EWS/AJJ, Dy.CE/CW/PER

**Sub : System Improvement -Checking and evaluation of Price Variation Bills by
Executives and Accounts department-Reg**

During Vigilance Investigation at one of the Units , It was observed that instead of considering the steel price based on delivery at the site, the price as on the date of measurement was taken for evaluation of Price Variation Bill.

In respect of payment of PVC bill for procurement of steel by Contractors, the following Instructions are issued for strict adherence and for incorporating in the Tender Document:-

" Price Variation of steel shall be reckoned from the quarter commencing from the month following the base month as stipulated in 46A.2 of the relevant GCC up to the date of purchase of steel or the day steel was brought to site by the contractor, whichever is lower , as per the formulae given in Clause 46A.7 of the relevant GCC and the date of recording in Measurement Book shall not be considered for Price Variation."

V. Hari Babu 10/2/25
(V.HARI BABU)

Chief Engineer/P & D and Works

Copy to

Secy to PCE for kind information of PCE

CAO/CN/MS CAO/CN/ERS for kind Infn.

CTE CBE CE/TP CE/RSW CGE CE/P&D CE/TMC CE/BW for Infn please.



"Confidential"

SOUTHERN RAILWAY

Headquarters office,
Vigilance Branch,
7th Floor, Construction Office Complex,
Egmore, Chennai-8

No: VO/PC/A/2022/10/01265/ERS

Date: 28.11.2024

✓
PCE, PFA

CAO/CN/MS, CAO/CN/ERS

Sub: System Improvement – Checking and evaluation of Price Variation Bills
by Executive and Accounts department- reg.


During a vigilance investigation at one of the units, it was observed that, instead of considering the price of steel based on delivery at the site, the price as on the date of measurement was taken for evaluation of price variation bill.

The Executive Director, Civil Engg.(G) / Railway Board, vide letter no.2007/CE-1/CT/18 dated 07.03.2008, clearly stipulated in para 1(i), that "**the price variation claim for steel would continue to be governed as per extant PV clause and with reference to delivery at site.**"

Adhering to this Railway Board guidelines would benefit the Railways by ensuring that the contractor is fairly compensated, accurately reflecting the actual costs incurred.

The aforementioned system can be effectively implemented across all units and compliance in this regard may please be advised to this office.

This has the approval of SDGM&CVO.


(K.Sugirtha)

Dy. Chief Vigilance Officer/ Accounts
for Chief Vigilance Officer