

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 716
TO BE ANSWERED ON 07.02.2018**

PROCUREMENT POLICY

716. DR. KIRIT SOMAIYA:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the present procurement policy of small track machines by Indian Railways encourages monopoly in procurement and if so, the details thereof;**
- (b) whether people's representative has brought the facts of cartelization and monopoly of one company for procurement of abrasive rail cutter;**
- (c) if so, the details thereof; and**
- (d) the action taken by the Ministry to end this monopoly practice and evolve a mechanism so that more companies can enter in the bidding?**

ANSWER

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

(a): No, Madam.

(b) & (c): References were received from an Honourable Member of

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Parliament on procurement policy of Small Track Machines with specific reference to Abrasive Rail Cutters which is used for cutting of rails. A detailed reply furnishing the position on availability of multiple vendors for procurement of abrasive rail cutter was sent.

(d): Presently multiple vendors are available for procurement of abrasive rail cutter. However, with an aim to avoid suspected monopoly/cartelization, if any, and to further increase the vendor base by facilitating more companies in the bidding process, guidelines have already been issued vide circular No. 2001/RS(G)/779/7 Pt.I dt. 29.06.2017 which stipulate that in suspected cartel situations or where available rates from approved source/sources are adjudged unreasonably high, despite fair efforts as permissible, after recording reasons, Railways may consider placing orders outside Approved vendors list, even beyond prescribed limits, if any, subject to rates being reasonable and firms otherwise considered capable.
