No. 2000/RS(G)/379/2

The General Manager, All Indian Railways/PUs, NF(C), CORE
The DG/RDSO/Lucknow & NAIR/Vadodara
CAOs, DMW/Patiala, WPO/Patna, COFMOW/NDLS, RCF/RBL/NDLS

New Delhi, dated : 23.9.2016

Subject: Payment of Stage/part quantity inspection charges.

1. One of the zonal railways has raised a issue regarding payment of extra fee for part quantity inspection / stage inspection to inspection authority.

1.1 It is stated that there are items where stage inspection is required during the manufacturing process of components of the supplied item or of the end product itself. This is an item specific activity depending on whether the specification involves the aspects of stage inspection or not.

1.2 Stage inspection is covered under IRS Conditions of Contract under para 1301(b). Stage inspection is equivalent to multiple inspection of same item at any different points of time during the manufacturing process and since stage inspection is covered under IRS conditions, the inspection authority (say RITES) will hereinafter be paid the stage inspection charges subject to same being incorporated in the purchase order.

2. Thus whenever stage inspection in involved (as per specification) the same will be incorporated in the inspection clause of the contract. The 3rd party inspection authority (say RITES) will be paid the stage inspection charges only on documentary evidence of having conducted the stage inspection.

2.1 The quantum of stage inspection will be the same as that of normal inspection. That is for a contract of material value “A”, if the material involves stage inspection as per specification and the same is incorporated in the inspection clause of contract, then inspection charge will be payable for inspection as well. Thus the inspection charges will be \( y \text{ (for stage inspection)} + y \text{ (for the end product)} \times A \), where \( y=\% \) rate of inspection charges (currently 0.45\%). Thus the inspection charges will be equal to \( 2y \times A \).

This is issued with the concurrence of Finance Directorate of Railway Board.

(This disposes the reference South Eastern Railway letter No. S/30/15/1349 dated 19.05.2016)

(Santosh Mittal)
Dy. Director Railway Stores (G)
Railway Board

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