

**Rail Vikas Nigam Limited**  
(A Govt. of India Undertaking)

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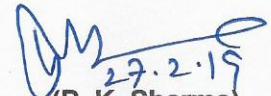
No. C/Policy/SBD/2015 Pt. I

Dated 27.02.2019

ALL EDs(Projects)/CPMs/GGM/GMs,  
RVNL

**Sub: Guidelines for contract management in case of direct payment to Supplier on request of the Contractor to avoid delay in delivery of materials**

1. It has been brought to notice that some suppliers are not dispatching the materials to site of work as they are not assured that once material is supplied, the contractor shall pay them promptly. Due to this, progress of several targeted projects is suffering. To overcome such apprehensions of suppliers, the following instructions are issued:
  - 1.1 Concerned CPM of the project may issue a 'Comfort Letter' to the supplier, on the request of the contractor undertaking the following:
    - (i) We will raise Interim Payment Certificate promptly on receipt of materials at site along with complete documentations necessary for release of payment.
    - (ii) We authorise RVNL to make direct payment to the supplier (against the purchase order placed by the Contractor) from the IPC to be submitted by us.
    - (iii) We also undertake that this arrangement shall not absolve us of any contractual obligations and we shall remain responsible for quantity and quality of material thus supplied.
  - 1.2 While issuing comfort letter to the supplier it should be ascertained by the PIU that the amount due to the Contractor in the upcoming IPC shall be more than the amount which shall be due to the supplier.
  - 1.3 In case PIU is of the opinion that the amount in the Interim Payment Certificate to be submitted shall not be sufficient to make full due payment to the supplier, PIU shall ask the Contractor to pay the likely shortfall amount to the supplier before issue of 'Comfort Letter'.
2. Format for 'Comfort Letter' is enclosed as Annexure-A for the guidance.
3. This issues with the approval of CMD/RVNL.

  
27.2.19  
(P. K. Sharma)  
GGM/Projects-II

**Copy:**

- 1) Secy to CMD - for kind information of CMD please.
- 2) DF, DP, DO & DPE - for kind information please.
- 3) All PEDs/EDs - for kind information please.
- 4) All GMs/DGMs(Finance)

**FORMAT FOR COMFORT LETTER**

To

M/s..... (Name and address of the Supplier)

.....

**Sub:** Supply of .....(details of materials) for the work of ..... (Name of the contract)

**Ref:** Purchase Order No.....issued by M/s ..... (Name of the contractor)

With reference to the above, M/s .....(Name of the contractor) has informed RVNL that Purchase Order for the materials under subject has been placed by him with you and ..... quantity of the material has been inspected by the authorised inspecting agency and is ready for despatch.

The contractor has submitted to RVNL that he will raise the Interim Payment Certificate promptly on receipt of the materials at site along with complete documentations necessary for release of payment and has also authorised RVNL to make direct payment of Rs..... (Rupees in words) to you based on purchase order under reference after deducting the same from his Interim Payment Certificate.

Accordingly, RVNL undertakes to release the above amount to you directly within ..... days of submission of Interim Payment Certificate by the Contractor after receipt the materials at site along with complete documentations necessary for release of payment (..... {documents to be mentioned by CPM}).

In view of the above, you are requested to despatch the materials at the earliest.

CPM

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