

राष्ट्रीय आदिवासी छात्र शिक्षा समिति

(जनजातीय कार्य मंत्रालय के अंतर्गत)

एक स्वायत्त संस्थान, भारत सरकार)

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NESTS/Finance/CorrespondencewithPSUs/149/2021-22

Dated the 30th July 2021

To,

The Nodal Officers of the Construction Agencies.

(TCIL/WASPCOS/NPCC/MTDC/MANIDCO/HSCL/B&R and EPIL)

Subject: Latest instructions of Ministry of Finance, Department of Expenditure regarding (i) Performance Security, (ii) Additional Performance Security in case of Abnormally Low Bids (ALBs) and (iii) Bid Security/Earnest Money Deposit-regarding

The undersigned is directed to forward herewith 3 nos. of Ministry of Finance, Department of Expenditure O.Ms. No. F.9/4/2020-PPD dated 12.11.2020 on the subjects mentioned above as per details given below: -

- i) Department of Expenditure vide OM No. F.9/4/2020-PPD dated 12.11.2020 has decided to reduce Performance Security from existing 5-10% to 3% of the value of the contract for all existing contracts. However, the benefit of the reduced Performance Security will not be given in the contracts under dispute wherein arbitration/court proceedings have already been started or are completed. All tenders/contracts issued/concluded till 31.12.2021 should also have the provision of reduced Performance Security.

In all contracts, where Performance Security has been reduced to 3% in view of the above stipulations, the reduced percentage of Performance Security shall continue for the entire duration of the contract and there should be no subsequent increase of Performance Security even beyond 31.12.2021.

- ii) DOE vide OM No. F.9/4/2020-PPD dated 12.11.2020 has also decided that no provisions should be kept in the Bid Documents regarding Additional Security Deposit/ Bank Guarantee (BG) in case of Abnormally Low Bids. Due care should be taken while formulating the specifications at the time of preparation of bid document so as to have a safeguard against the submission of abnormally low bid from the bidder. It has been further mentioned that wherever, there are compelling circumstance to ask for Additional Security Deposit/ Bank Guarantee (BG) in case of ALBs, the same should be taken only with the approval of the next higher authority to the authority competent to finalize the particular tender, or the Secretary of the Ministry Department, whichever is lower.

iii) Department of Expenditure vide OM No. F.9/4/2020-PPD dated 12.11.2020 further decided that notwithstanding anything contained in Rule 171 of GFRs 2017 or any other Rule or any provision contained in the procurement Manuals, no Provisions regarding Bid Security should be kept in the Bod Documents in future and only provision for Bid Security Declaration should be kept in the Bid Documents, It has also been specified by DOE that these instructions will be applicable for all the tenders issued till 31.12.2021.

2. These instructions are being circulated herewith for information and compliance.

Yours faithfully,



30/7/2021

(Amit Sahu)

Deputy Commissioner (Finance)
NESTS

Encl: As above

Copy for information

1. PS to Commissioner,NESTS
2. Joint Commissioner (Civil), NESTS
3. Guard File.