

DELHI DEVELOPMENT AUTHORITY

OFFICE MEMORANDUM

OM No. EM/CON/Misc./02

ISSUED BY EM's SECRETARIAT, DDA

VIKAS SANDA, INA, NEW DELHI

DATED 10-12-2020


Subject:- Relaxation for Earnest Money Deposit.

A copy of Office Memorandum No. DG/CON/Misc./13 dated 23-11-2020 issued by CPWD in pursuance of OM No. F-9/14/2020-PPD dated 12-11-2020 issued by the Department of Expenditure (Procurement Policy Decision), Ministry of Finance is enclosed for compliance. These instructions are applicable for all the tenders issued till 31.12.2021.

This issues with the approval of VC/DDA.

Encl:- 1.As above.


2.Proforma for Earnest Money Declaration.


Anil Kr. Arora
E.E. (Mon.)/DDA

Issued from file No. F1(113)2020/Mon./DDA e-file - 91957

Copy to:-

1. OSD to VC, DDA for kind information.
2. DD to EM, DDA for kind information.
3. P.C. (Hort.)/DDA for necessary action.
4. All CE's & CE(HQ)/DDA for necessary action.


Anil Kr. Arora
E.E. (Mon.)/DDA



CENTRAL PUBLIC WORKS DEPARTMENT

OFFICE MEMORANDUM

No. DG/ CON/Misc./13

ISSUED BY AUTHORITY OF DIRECTOR GENERAL, CPWD

NIRMAN BHAWAN, NEW DELHI

DATED 23-11-2020

Subject: Relaxation for Earnest Money Deposit as per OM No. F-9/14/2020-PPD dated 12.11.2020 issued by the Department of Expenditure.

A copy of OM No.F-9/14/2020-PPD dated 12.11.2020 issued by the Department of Expenditure (Procurement Policy Division), Ministry of Finance is enclosed for compliance. These instructions are applicable for all the tenders issued till 31.12.2021.

This issues with the approval of Director General, CPWD.

- Encl: 1. OM dated 12.11.2020
2. Proforma for Earnest Money Declaration

(V.P. Sahu)

Superintending Engineer (C&M)

Issued from the file no. CSQ/CM/17(1)/2020
e-file no. 9098045

Copy to: CPWD/PWD Delhi officers for necessary action.

Superintending Engineer (C&M)

512, Lok Nayak Bhawan, New Delhi
Dated the 12th November 2020

OFFICE MEMORANDUM

Subject: Bid Security/ Earnest Money Deposit.

The Government is in receipt of many representations that on account of slowdown in economy due to the pandemic, there is acute financial crunch among many commercial entities and contractors, which in turn is affecting timely execution of the contracts. It has also been represented that this may affect the ability of contractors to bid in tenders and hence reduce competition. Requests are being received for reduction in quantum of Security Deposits in the Government contracts.

2. As per Rule 170 of General Financial Rules (GFRs) 2017, Micro and Small Enterprises (MSEs) and the firms registered with concerned Ministries/ Departments are exempted from submission of Bid Security. Further, in lieu of Bid Security, Ministries/ Departments may ask bidders to sign "Bid Security Declaration" accepting that if they withdraw or modify their bids during period of validity etc., they will be suspended for the time specified in the tender documents. Similar provisions also exist in the Manuals for Procurement of Works 2019 and Manual for Procurement of Consultancy & other Services 2017.


3. In this context it is noted that Bid Security (also known as Earnest Money Deposit) is still being taken from the contractors by the various Ministries/ Departments, though the relaxations have already been provided in General Financial Rules (GFRs) 2017.

4. In view of above, it is reiterated 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 Bid Documents in future and only provision for Bid Security Declaration should be kept in the Bid Documents.**

5. Wherever, there are compelling circumstances to ask for Bid Security, the same should be done only with the approval of the next higher authority to the authority competent to finalise the particular tender or the Secretary of the Ministry/ Department, whichever is lower.

6. The above instructions will be applicable for all the tenders issued till 31.12.2021.

7. These instructions will be applicable for all kinds of procurements viz. Goods, Consultancy, Works, non-consulting Services etc and are issued under Rule 6(1) of the GFRs 2017.



(Kotluru Narayana Reddy)

Deputy Secretary to the Govt. of India

Tel: 24621305

Email: kn.reddy@gov.in

To,

All the Secretaries and Financial Advisers to Government of India

Copy to: Secretary, Department of Public Enterprises with a request to issue the same instructions to Central Public Sector Undertakings (CPSUs).

Proforma for Earnest Money Deposit Declaration

Whereas, I/we (name of agency) ----- have submitted bids
for ----- (name of work).....

I/We hereby submit following declaration in lieu of submitting Earnest Money Deposit.

- (1) If after the opening of tender, I/we withdraw or modify my/our bid during the period of validity of tender (including extended validity of tender) specified in the tender documents,

or
- (2) If, after the award of work, I/we fail to sign the contract, or to submit performance guarantee before the deadline defined in the tender documents,

I/we shall be suspended for one year and shall not be eligible to bid for CPWD tenders from date of issue of suspension order.

Signature of the contractor(s)


VP Sahu
SE C&M