



Office of the,
Principal Chief Engineer
Western Railway HQ
Churchgate,
Mumbai-400 020

No. [WR-HQ0ENGG\(WWTC\)/9/2020](#)

Date: 06.01.2021

**CAO(S&C), PCSTE, PCEE, PCME, PFA
DRM - BCT, BRC, RTM, ADI, RJT & BVP
CWM - PL, PRTN, DHD, MX, BVP, EWS/SBI
CE(CPOH)/ADI, Dy.CE/Bridge - DDR, BRC & ADI**

Sub: Earnest Money Deposit, Performance Guarantee & Security Deposit

Ref: (i) Railway Board's letter No.2020/CE-I/CT/3E/GCC/Policy dated: 30.12.2020 (Copy enclosed)
(ii) Railway Board's letter No.2020/CE-I/CT/3E/GCC/Policy dated: 20.11.2020 (Copy enclosed)
(iii) Railway Board's letter No.2020/CE-I/CT/3E/GCC/Policy dated: 20.11.2020 - Advance Correction Slip No.1 (Copy enclosed)
(iv) Railway Board's letter No.2018/CE-I/C7/3E/GCC/Policy dated: 15.05.2020 - (Copy enclosed)

Railway Board has recently issued many policy letters related to Earnest Money Deposit, Performance Guarantee & Security Deposit. The various instructions issued by Railway Board regarding EMD, PG & SD are summarized as under:

1. Earnest Money Deposit

Bid Security Declaration is to be taken in lieu of Bid Security/Earnest Money Deposit except wherever there are compelling circumstances to ask for Bid Security/Earnest Money Deposit. Railway Board's letter under reference (i) may be referred for the detailed instruction.

The above instruction shall be followed for all Works & Service tenders on Indian Railways, published on or after 18:00hrs of 16.01.2021 and shall be valid for all the tenders issued till 31.12.2021 (including 31.12.2021).

2. Performance Guarantee

Performance Guarantee is reduced from 5% to 3% of the value of the existing contract for all existing contracts and for all tenders issued till 31.12.2021 subject to MOF's OM No. 9/4/2020/PPD dated: 12.11.2020. Railway Board's letter under reference (ii) may be referred for the detailed instruction.

The condition to take additional performance guarantee (as per Para No. 16(4)(h) of IRSGCC-2020) in abnormally low quoted bids unless there are compelling circumstances to ask for the same stand deleted from IRSGCC-2020. Railway Board's letter under reference (iii) may be referred for the detailed instruction

Railway may return the value of performance guarantee to the contractor/supplier as is proportional to the supplies made/contract work completed to the total contract value under the circumstances mentioned in MOF's OM No.F18/4/2020-PPD dated: 13.05.2020. Railway Board's letter under reference (iv) may be referred for the detailed instruction.

3. Security Deposit

The Security Deposit shall be 5% of the contract value. Security Deposit may be deposited by the Contractor before release of first on account bill in cash or Term Deposit Receipt issued from Scheduled Bank, or may be recovered at the rate of 6% of the bill amount till the full Security Deposit is recovered. Para No.16 (1) of IRSGCC-2020 may be referred for the detailed instruction.

This is for kind information and necessary action please.

(Dheeraj Kumar)
Chief Engineer (Works)

Copy to:-

1. PCE, CPD(SD) & CPD(BW) – For kind information.
2. CTE, CBE, CE(RSW), CE(PIg), CE(TMC), CE(SD), CE(G) – for information please.
3. Sr.DEN(Co)MMCT, BRC, RTM, ADI, RJT, BVP – For information and necessary action please.



भारत सरकार Government of India

रेल मंत्रालय Ministry of Railways

रेलवे बोर्ड Railway Board

No. 2020/CE-I/CT/3E/GCC/Policy

Dated: 30.12.2020

To,
As per list attached

**Sub: - Indian Railways Standard General Conditions of Contract, July 2020
(Bid Security/Earnest Money Deposit)**

Ref: - Ministry of Finance OM No. F.9/4/2020-PPD, dated 12.11.2020 titled 'Bid Security/Earnest Money Deposit' (Copy enclosed)

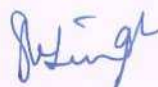
1. Ministry of Finance vide OM No. F.9/4/2020-PPD, dated 12.11.2020 titled 'Bid Security/Earnest Money Deposit', has advised to take from bidders Bid Security Declaration in lieu of Bid Security/Earnest Money Deposit, except wherever there are compelling circumstances to ask for Bid Security/Earnest Money Deposit.
2. The above instructions are to be complied with by all concerned.
3. Accordingly, following changes have been made in the IREPS:
 - a. At the time of creation of any new tender in IREPS works module, an option has been provided to the tendering authority for obtaining Bid Security Declaration in lieu of Bid Security/Earnest Money Deposit. In case this option is selected, the Bid Security/Earnest Money Deposit amount for the tender shall be NIL.
 - b. If the tendering authority decides to take Bid Security/Earnest Money Deposit, it shall be mandatory for the tendering authority to provide reasons, and upload the approval of competent authority for the same. The Competent Authority shall be the next higher authority to the authority competent to finalise the particular tender.
 - c. In case Bid Security Declaration in lieu of Bid Security /Earnest Money Deposit is allowed against a tender, the provision has been made in IREPS for the bidder to mandatorily submit the following declaration along with his offer:

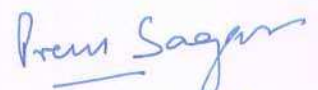
Bid Security Declaration: I/We, M/s (Name of bidder) am/are aware that I/We have been exempted from submission of Bid Security/Earnest Money Deposit in lieu of this Bid Security Declaration. I/We understand and accept that if I/We withdraw my/our bid within bid validity period or if awarded the tender and on being called upon to submit the Performance Guarantee/Performance Security fail to submit the same within the stipulated time period mentioned in tender documents or on being called upon to sign the contract agreement fail to sign the same within stipulated period mentioned in tender documents, I/We i.e., **the bidder shall be banned from submission of bids in any Works / Service Tender issued by Indian Railways for a period of 12 months from the date of such banning done on e-platform IREPS.**

Single

Pravin Sagar
30.12.2020

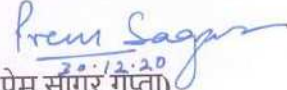
- d. The provision has been made in IREPS for banning such defaulting bidders. Provision has also been made in IREPS to upload details of banned bidders – **unregistered as well as registered** bidders on IREPS.
- e. Whenever a bidder is banned or banning is revoked, a system generated SMS as well as e-mail shall be sent to bidder. Full details related to banning will also be available to IREPS registered firms through their IREPS account.
4. The competent authority to take decision on 'banning the bidder from submission of bids' shall be the authority competent to finalise the particular tender or the SAG level, whichever is higher. Once the decision on 'banning the bidder from submission of bids' is taken, the authority competent to ban the bidder from submission of bids shall inform IREPS 'Department Admin' of the Headquarters office of the Zonal/PU/Other Units like CORE, COFMOW, RDSO, CTIs etc, as the case may be, to ban the bidder on IREPS. 'Department Admin' shall ban such bidder/s on IREPS. The banning shall be effective w.e.f. the date & time when the same is done on IREPS by above 'Department Admin'.
5. In case partnership firm/ JV is banned, all members of partnership firm including firm/ all constituents of JV including JV shall be banned from submission of bids and details of all shall be uploaded on IREPS.
6. Once the above system of taking Bid Security Declaration is in force, Tender Committee or in case of Direct Acceptance Direct Accepting Authorities – both for tenders invited on IREPS or otherwise – shall check up on IREPS whether the bidder is banned or not from bidding on the **date of closing of tender**. For the above purpose, search facility has been provided on IREPS.
7. If the bidder is banned for submission of bids on the date of closing of tender, such bid, even if received, shall be treated as invalid while evaluating the bids.
8. If a bidder is banned for submission of bids, on the request of bidder in writing to tender calling authority, ban can be revoked by the authority who had banned the bidder earlier, on submission to Railways by bidder (including Start-ups, 100% Govt. Owned PSUs & Labour Co-operatives) an amount equivalent to FULL Earnest Money Deposit that would have been worked out by Railways for that tender as per existing instructions on the date of inviting tenders if Earnest Money Deposit would have been taken in place of Bid Security Declaration while inviting tenders.
9. On receipt of request from bidder for revocation of ban on submission of bids, the authority who had banned the bidder from submission of bids, shall intimate in writing to bidder the amount the bidder has to deposit with Railways. Bidder in turn shall deposit the required amount in Railway earnings and submit the receipt for the same. The railway authority that had banned the bidder will upload (i) the bidder's request, (ii) railway letter asking bidder to deposit required amount with railways and (iii) the receipt of the same, in IREPS and inform Department Admin through a letter to revoke the banning. The Department Admin will upload such letter and revoke the banning on IREPS.
10. Revocation shall be automatic on expiry of banned period. However, in case revocation is done before expiry of banned period, the banning shall stand revoked w.e.f. date & time when the same is done on IREPS by Department Admin.
11. The above instructions shall be followed for all works & service tenders on Indian Railways, published on or after 18:00 hrs of 16.01.2021 and shall be valid for all the tenders issued till 31.12.2021 (including 31.12.2021).




30.12.2020

12. Railways are advised to suitably modify their tender documents accordingly.
13. This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

DA: as above


30.12.20
(प्रेम सागर गुप्ता)

कार्यकारी निदेशक सिविल इंजी .जी/(रेलवेबोर्ड
[Phone: 030-44803(Rly): 011-23383379(MTNL)]

No. 2020/CE-I/CT/3E/GCC/Policy

Dated: 30.12.2020

Copy forwarded for information to:

1. The PFAs, all Indian Railways.
2. The Deputy Comptroller & Auditor General of India (Railways), Room No. 224, Rail Bhawan, New Delhi



For Financial Commissioner/Railways

LIST FOR DISTRIBUTION (No. 2020/CE-I/CT/3E/GCC/Policy Dt.: 30.12.2020)

1. General Managers, All Indian Railways & Production Units
2. General Manager (Con), N.F. Railway, Guwahati
3. General Manager /CORE, Allahabad
4. Chief Administrative Officers (Con), All Indian Railways (Except N.F. Railway)
5. Principal Chief Engineers, All Indian Railways

(A)

1. CAO, COFMOW, Tilak Bridge, New Delhi
2. Principal CAO, Diesel Loco Modernisation Works, Patiala (Punjab)
3. CAO (Workshop Projects), Chamber Bhawan, Judge's Court Road, Anta Ghat, Patna-800001, Bihar

(B)

1. Director General, RDSO, Manak Nagar, Lucknow
2. Director General, NAIR, Vadodara
3. Director, IRICEN, Pune – 411 001 (Maharashtra)
4. Director, IRIEEN, PB No.-233, Nasik Road-422101 (Maharashtra)
5. Director, IRISSET, Taa Naka Road, Lalla Guda, Secunderabad-500017
6. Director, IRIMEE, Jamalpur Distt-Jamalpur, PIN-811214 (Bihar).
7. Director, IRITM, Sarswati Residential Estate, IRITM Campus, Manak Nagar, Lucknow

(C)

1. MD, CONCOR, Concor Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi- 110076.
2. IRCON International Limited, C-4, District Centre, Saket, New Delhi- 110017
3. MD, RITES Ltd., RITES Bhawan, Plot No.1, Sector-29, Gurgaon.CMD, RVNL, August Kranti Bhawan,Plot No.25, 1st Floor, Bhikaji Cama Place, New Delhi.
4. MD, MRVC Ltd., Churchgate Station Bldg, Mumbai- 400020
5. CMD, KONKAN Railway Corporation Ltd, Rail Bhawan, New Delhi-110001.

6. MD, DFCCIL, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001
7. MD, RLDA, Near Safdarjung Railway Station, Moti Bagh, Phase-I, New Delhi-110021
8. MD, CRIS, Chanakyapur, New Delhi.
9. CMD, RailTel Corporation of India Ltd. Plot No. 143, Institutional Area, Sector-44, Gurgaon – 122003.
10. CME, IROAF, 12th Floor, Core-1, Scope Minar, Distt. Centre, Laxmi Nagar, Delhi-110092
11. Managing Director, IRFC Limited, UG Floor, East Tower, NBCC Place, Bhasham Pitamah Marg, Lodhi Road, Pragati Vihar, New Delhi.
12. CMD, IRCTC Ltd., B-148, 11th Floor, Statesman House, Barakhamba Road, New Delhi 110001
13. CMD, Braithwaite & Co. limited, 5 Hide Road Kolkata 700043.

Copy to:

(A)

1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIRF, Rail Bhawan, New Delhi
3. General Secretary, NFIR, Rail Bhawan, New Delhi
4. General Secretary, IRPOF, Rail Bhawan, New Delhi
5. General Secretary, FROA, Rail Bhawan, New Delhi
6. General Secretary, AIRPA, Rail Bhawan, New Delhi
7. General Secretary, AISC & STREA, Rail Bhawan, New Delhi
8. The Secretary, RBSS, Group (A) Offices Association, Rail Bhawan
9. The Secretary, RBSS, Group (B) Offices Association, Rail Bhawan
10. General Secretary, RBSSS Association, Rail Bhawan
11. The Secretary, RBMSA, Rail Bhawan
12. The Secretary, Railway, Group (D) Employees Association, Rail Bhawan

(B)

1. Concerned PSO for kind information of Chairman cum CEO, M/Infra, M/T&RS, M/O&BD, M/Finance, Railway Board
2. Chief Vigilance Officers, All Indian Railways.
3. DG(RHS), DG(RPF), AM(CE), AM(Works), AM(B), AM(Elec.), AM(RS), AM(ME), AM/Tele, AM/C&IS, AM/Sig., AM(Plg.), AM/L&A, PED(B&S), PED(Vigilance), EDCE(G), PEDCE(P), EDTK(M&MC), EDCE(B&S), EDF(X)-I, EDF(X)-II, ED(Works), EDW(Plg.), ED/Project(Mon.), ED(L&A), ED(PSU), EDVE, ED(Safety), ED (Sig. Dev.), ED(Tele), EDRS(G), EDRE, EDEE(G), EDFE, EDE(N), ED(Accounts), ED/T&MPP, EDME(Chg.), EDME(Frt.), ED/Plg., JS(conf), JS(P), JS(G), JS(D), Vigilance-III, Vig(Conf) of Railway Board.



भारत सरकार Government of India

रेल मंत्रालय Ministry of Railways

रेलवे बोर्ड Railway Board

No. 2020/CE-I/CT/3E/GCC/Policy

Dated: 20.11.2020

To,

As per list attached

**Sub: - Indian Railways Standard General Conditions of Contract, July 2020
(Performance Guarantee)**

Ref: - Ministry of Finance OM No. F.9/4/2020-PPD, dated 12.11.2020 titled 'Performance Security' (Copy enclosed)

1. In view of Ministry of Finance (MOF)'s OM dated 12.11.2020, it has been decided by Railway Board to reduce Performance Guarantee to 3% of the value of the contract for all existing contracts and for all the tenders issued till 31.12.2021 subject to the stipulations given in the MOF's OM quoted above.
2. The above instructions, shall be followed on all works contracts on Indian Railways with immediate effect.
3. This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

DA: as above

Prem Sagar
20.11.20

(प्रेम सागर गुप्ता)

कार्यकारी निदेशक सिविल इंजी. जी./रेलवेबोर्ड

[Phone: 030-44803(Rly): 011-23383379(MTNL)]

No. 2020/CE-I/CT/3E/GCC/Policy

Dated: 20.11.2020

Copy forwarded for information to:

1. The PFAs, all Indian Railways.
2. The Deputy Comptroller & Auditor General of India (Railways), Room No. 224, Rail Bhawan, New Delhi

J. Singh

For Financial Commissioner/Railways

LIST FOR DISTRIBUTION (No. 2020/CE-I/CT/3E/GCC/Policy Dt.: 20.11.2020)

1. General Managers, All Indian Railways & Production Units
2. General Manager (Con), N.F. Railway, Guwahati
3. General Manager /CORE, Allahabad
4. Chief Administrative Officers (Con), All Indian Railways (Except N.F. Railway)
5. Principal Chief Engineers, All Indian Railways

(A)

1. CAO, COFMOW, Tilak Bridge, New Delhi
2. Principal CAO, Diesel Loco Modernisation Works, Patiala (Punjab)
3. CAO (Workshop Projects), Chamber Bhawan, Judge's Court Road, Anta Ghat, Patna-800001, Bihar

(B)

1. Director General, RDSO, Manak Nagar, Lucknow
2. Director General, NAIR, Vadodara
3. Director, IRICEN, Pune – 411 001 (Maharashtra)
4. Director, IRIEEN, PB No.-233, Nasik Road-422101 (Maharashtra)
5. Director, IRISSET, Taa Naka Road, Lalla Guda, Secunderabad-500017
6. Director, IRIMEE, Jamalpur Distt-Jamalpur, PIN-811214 (Bihar).
7. Director, IRITM, Sarswati Residential Estate, IRITM Campus, Manak Nagar, Lucknow

(C)

1. MD, CONCOR, Concor Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi-110076.
2. IRCON International Limited, C-4, District Centre, Saket, New Delhi- 110017
3. MD, RITES Ltd., RITES Bhawan, Plot No.1, Sector-29, Gurgaon.
4. CMD, RVNL, August Kranti Bhawan, Plot No.25, 1st Floor, Bhikaji Cama Place, New Delhi.
5. MD, MRVC Ltd., Churchgate Station Bldg, Mumbai- 400020
6. CMD, KONKAN Railway Corporation Ltd, Rail Bhawan, New Delhi-110001.
7. MD, DFCCIL, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001
8. MD, RLDA, Near Safdarjung Railway Station, Moti Bagh, Phase-I, New Delhi- 110021
9. MD, CRIS, Chanakyapur, New Delhi.
10. CMD, RailTel Corporation of India Ltd. Plot No. 143, Institutional Area, Sector-44, Gurgaon – 122003.
11. CME, IROAF, 12th Floor, Core-1, Scope Minar, Distt. Centre, Laxmi Nagar, Delhi-110092
12. Managing Director, IRFC Limited, UG Floor, East Tower, NBCC Place, Bisham Pitamah Marg, Lodhi Road, Pragati Vihar, New Delhi.
13. CMD, IRCTC Ltd., B-148, 11th Floor, Statesman House, Barakhamba Road, New Delhi 110001
14. CMD, Braithwaite & Co. limited, 5 Hide Road Kolkata 700043.

Copy to:

(A)

1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIRF, Rail Bhawan, New Delhi
3. General Secretary, NFIR, Rail Bhawan, New Delhi
4. General Secretary, IRPOF, Rail Bhawan, New Delhi
5. General Secretary, FROA, Rail Bhawan, New Delhi
6. General Secretary, AIRPA, Rail Bhawan, New Delhi
7. General Secretary, AISC & STREA, Rail Bhawan, New Delhi

8. The Secretary, RBSS, Group (A) Offices Association, Rail Bhawan
9. The Secretary, RBSS, Group (B) Offices Association, Rail Bhawan
10. General Secretary, RBSSS Association, Rail Bhawan
11. The Secretary, RBMSA, Rail Bhawan
12. The Secretary, Railway, Group (D) Employees Association, Rail Bhawan

(B)

1. Concerned PSO for kind information of Chairman cum CEO, M/Infra, M/T&RS, M/O&BD, M/Finance, Railway Board
2. Chief Vigilance Officers, All Indian Railways.
3. DG(RHS), DG(RPF), AM(CE), AM(Works), AM(B), AM(Elec.), AM(RS), AM(ME), AM/Tele, AM/C&IS, AM/Sig., AM(Plg.), AM/L&A, PED(B&S), PED(Vigilance), EDCE(G), PEDCE(P), EDTK(M&MC), EDCE(B&S), EDF(X)-I, EDF(X)-II, ED(Works), EDW(Plg.), ED/Project(Mon.), ED(L&A), ED(PSU), EDVE, ED(Safety), ED (Sig. Dev.), ED(Tele), EDRS(G), EDRE, EDEE(G), EDFE, EDE(N), ED(Accounts), ED/T&MPP, EDME(Chg.), EDME(Frt.), ED/Plg., JS(conf), JS(P), JS(G), JS(D), Vigilance-III, Vig(Conf) of Railway Board.

No. F.9/4/2020-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

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

OFFICE MEMORANDUM

Subject: Performance Security.

As per Rule 171 of General Financial Rules (GFRs) 2017, Performance Security is to be obtained from the successful bidder awarded the contract for an amount of five to ten percent of the value of the contract to ensure due performance of the contract. Similar provisions also exist in the Manual for Procurement of Works 2019 and Manual for Procurement of Consultancy & other Services 2017 issued by this Department.

2. 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.

3. In view of all above, it is 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 been already started or are contemplated.

4. Further, all tenders/ contracts issued/ concluded till 31.12.2021 should also have the provision of reduced Performance Security.

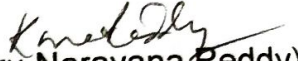
5. In all contracts where Performance Security has been reduced to 3% in view of above stipulations, the reduced percentage of Performance Security shall continue for the entire duration of the contract and there should be no subsequent increase of Performance Security even beyond 31.12.2021.

Similarly, in all contracts entered into with the reduced percentage of Performance Security of 3%, there will be no subsequent increase in Performance Security even beyond 31.12.2021.

6. Wherever, there is compelling circumstances to ask for Performance Security in excess of three percent as stipulated above, 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. Specific reasons justifying the exception shall be recorded.

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).



भारत सरकार Government of India

रेल मंत्रालय Ministry of Railways

रेलवे बोर्ड Railway Board

No. 2020/CE-I/CT/3E/GCC/Policy

Dated: 20.11.2020

To,


As per list attached

**Sub: - Indian Railways Standard General Conditions of Contract, July 2020
(Advance Correction Slip No. 1)**

Ref: - Ministry of Finance's OM No. F.9/4/2020-PPD, dated 12.11.2020 titled 'Additional Performance Security in case of Abnormally Low Bids (ALBs)'

1. Ministry of Finance vide above referred OM, dated 12.11.2020, has instructed not to take additional performance security in abnormally low quoted bids unless there are compelling circumstances to ask for the same. A copy of the same is enclosed for compliance by all concerned.
2. As such, Clause No. 16(4)(h), Part II, of Indian Railways Standard General Conditions of Contract, July 2020 stands deleted.
3. The above shall be applicable in works contracts on Indian Railways with prospective effect.
4. This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

DA: as above


20.11.20
(प्रेम सागर गुप्ता)

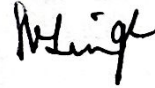
कार्यकारी निदेशक सिविल इंजी. जी./रेलवेबोर्ड
[Phone: 030-44803(Rly): 011-23383379(MTNL)]

No. 2020/CE-I/CT/3E/GCC/Policy

Dated: 20.11.2020

Copy forwarded for information to:

1. The PFAs, all Indian Railways.
2. The Deputy Comptroller & Auditor General of India (Railways), Room No. 224, Rail Bhawan, New Delhi



For Financial Commissioner/Railways

LIST FOR DISTRIBUTION (No. 2020/CE-I/CT/3E/GCC/Policy Dt.: 20.11.2020)

1. General Managers, All Indian Railways & Production Units
2. General Manager (Con), N.F. Railway, Guwahati
3. General Manager /CORE, Allahabad
4. Chief Administrative Officers (Con), All Indian Railways (Except N.F. Railway)

5. Principal Chief Engineers, All Indian Railways

(A)

1. CAO, COFMOW, Tilak Bridge, New Delhi
2. Principal CAO, Diesel Loco Modernisation Works, Patiala (Punjab)
3. CAO (Workshop Projects), Chamber Bhawan, Judge's Court Road, Anta Ghat, Patna-800001, Bihar

(B)

1. Director General, RDSO, Manak Nagar, Lucknow
2. Director General, NAIR, Vadodara
3. Director, IRICEN, Pune – 411 001 (Maharashtra)
4. Director, IRIEEN, PB No.-233, Nasik Road-422101 (Maharashtra)
5. Director, IRISSET, Taa Naka Road, Lalla Guda, Secunderabad-500017
6. Director, IRIMEE, Jamalpur Distt-Jamalpur, PIN-811214 (Bihar).
7. Director, IRITM, Sarswati Residential Estate, IRITM Campus, Manak Nagar, Lucknow

(C)

1. MD, CONCOR, Concor Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi-110076.
2. IRCON International Limited, C-4, District Centre, Saket, New Delhi- 110017
3. MD, RITES Ltd., RITES Bhawan, Plot No.1, Sector-29, Gurgaon.
4. CMD, RVNL, August Kranti Bhawan, Plot No.25, 1st Floor, Bhikaji Cama Place, New Delhi.
5. MD, MRVC Ltd., Churchgate Station Bldg, Mumbai- 400020
6. CMD, KONKAN Railway Corporation Ltd, Rail Bhawan, New Delhi-110001.
7. MD, DFCCIL, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001
8. MD, RLDA, Near Safdarjung Railway Station, Moti Bagh, Phase-I, New Delhi- 110021
9. MD, CRIS, Chanakyapur, New Delhi.
10. CMD, RailTel Corporation of India Ltd. Plot No. 143, Institutional Area, Sector-44, Gurgaon – 122003.
11. CME, IROAF, 12th Floor, Core-1, Scope Minar, Distt. Centre, Laxmi Nagar, Delhi-110092
12. Managing Director, IRFC Limited, UG Floor, East Tower, NBCC Place, Bisham Pitamah Marg, Lodhi Road, Pragati Vihar, New Delhi.
13. CMD, IRCTC Ltd., B-148, 11th Floor, Statesman House, Barakhamba Road, New Delhi 110001
14. CMD, Braithwaite & Co. limited, 5 Hide Road Kolkata 700043.

Copy to:

(A)

1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIRF, Rail Bhawan, New Delhi
3. General Secretary, NFIR, Rail Bhawan, New Delhi
4. General Secretary, IRPOF, Rail Bhawan, New Delhi
5. General Secretary, FROA, Rail Bhawan, New Delhi
6. General Secretary, AIRPA, Rail Bhawan, New Delhi

7. General Secretary, AISC & STREA, Rail Bhawan, New Delhi
8. The Secretary, RBSS, Group (A) Offices Association, Rail Bhawan
9. The Secretary, RBSS, Group (B) Offices Association, Rail Bhawan
10. General Secretary, RBSSS Association, Rail Bhawan
11. The Secretary, RBMSA, Rail Bhawan
12. The Secretary, Railway, Group (D) Employees Association, Rail Bhawan

(B)

1. Concerned PSO for kind information of Chairman cum CEO, M/Infra, M/T&RS, M/O&BD, M/Finance, Railway Board
2. Chief Vigilance Officers, All Indian Railways.
3. DG(RHS), DG(RPF), AM(CE), AM(Works), AM(B), AM(Elec.), AM(RS), AM(ME), AM/Tele, AM/C&IS, AM/Sig., AM(Plg.), AM/L&A, PED(B&S), PED(Vigilance), EDCE(G), PEDCE(P), EDTK(M&MC), EDCE(B&S), EDF(X)-I, EDF(X)-II, ED(Works), EDW(Plg.), ED/Project(Mon.), ED(L&A), ED(PSU), EDVE, ED(Safety), ED (Sig. Dev.), ED(Tele), EDRS(G), EDRE, EDEE(G), EDFE, EDE(N), ED(Accounts), ED/T&MPP, EDME(Chg.), EDME(Frt.), ED/Plg., JS(conf), JS(P), JS(G), JS(D), Vigilance-III, Vig(Conf) of Railway Board.

No. F.9/4/2020-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

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

OFFICE MEMORANDUM

Subject: Additional Performance Security in case of Abnormally Low Bids (ALBs).

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. In this context, it is noted that Additional Performance Security in case of Abnormally Low Bids (ALBs) is being taken from the contractors by various Ministries/ Departments though there is no provision for the same in General Financial Rules (GFRs) 2017 or the Manuals for Procurement issued by this Department.


3. As per para 7.5.7 of the Manual for Procurement of Goods 2017 issued by this Department, *an Abnormally Low Bid is one in which the bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the bidder to perform the contract at the offered price. Procuring Entity may in such cases seek written clarifications from the bidder, including detailed price analyses of its bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, Procuring Entity determines that the bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the bid/ proposal. However, it would not be advisable to fix a normative percentage below the estimated cost, which would be automatically be considered as an abnormally low bid. 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.*

4. In view of above, **it is reiterated that no provisions should be kept in the Bid Documents regarding Additional Security Deposit/ Bank Guarantee (BG) in case of Abnormally Low Bids.**

5. Wherever, there are compelling circumstances 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 finalise the particular tender, or the Secretary of the Ministry/ Department, whichever is lower.

6. These instructions will be applicable for all kinds of procurements viz. Goods, Consultancy, Works, non-consulting Services etc.


(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).



भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
रेलवे बोर्ड Railway Board

No. 2018/CE-I/CT/37/GCC/Policy

New Delhi, Dated 15.05.2020

Addressed to:

(As per list mentioned below)

Sub: Release of Performance Guarantee

Ref: Ministry of Finance OM No. F18/4/2020-PPD, dated 13.05.2020

Enclosed herewith please find Ministry of Finance OM No. F18/4/2020-PPD, dated 13.05.2020 on the subject of 'Performance Security in terms of Rule 171 of General Financial Rules, 2017 (GFR) - Guidelines Regarding' for compliance by all concerned.

This issues with the concurrence of Finance Directorate of Ministry of Railways.

Prem Sagar
15.05.20

(प्रेम सागर गुप्ता)

कार्यकारी निदेशक (सिविल इंजी.)/रेलवे बोर्ड

[Phone: Rly: 030-44803, MTNL011-23383379]

DA: as above

No. Letter No. 2018/CE-I/CT/37/GCC/Policy

New Delhi, dated 15.05.2020

Copy forwarded for information to:

- (i) PFAs, All Indian Railways.
- (ii) The Dy. Comptroller and Auditor General of India (Railways), Room no. 224, Rail Bhawan, New Delhi

AM
DFX

For Financial Commissioner / Railways

LIST FOR DISTRIBUTION (Letter No. 2018/CE-I/CT/37/GCC/Policy)

1. General Managers, All Indian Railways & Production Units
2. General Manager (Con), N.F. Railway, Guwahati
3. General Manager /CORE, Allahabad.
4. Chief Administrative Officers (Con), All Indian Railways (Except N.F. Railway)
5. Principal Chief Engineers, All Indian Railways

(A)

1. CAO, COFMOW, Tilak Bridge, New Delhi

2. Principal CAO, Diesel Loco Modernisation Works, Patiala (Punjab)
3. CAO (Workshop Projects), Chamber Bhawan, Judge's Court Road, Anta Ghat, Patna-800001, Bihar

(B)

1. Director General, RDSO, Manak Nagar, Lucknow
2. Director General, NAIR, Vadodara
3. Director, IRICEN, Pune – 411 001 (Maharashtra)
4. Director, IRIEEN, PB No.-233, Nasik Road-422101 (Maharashtra)
5. Director, IRISSET, Taa Naka Road, Lalla Guda, Secunderabad-500017
6. Director, IRIMEE, Jamalpur Distt-Jamalpur, PIN-811214 (Bihar).
7. Director, IRITM, Sarswati Residential Estate, IRITM Campus, Manak Nagar, Lucknow

(C)

1. MD, CONCOR, Concor Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi-110076.
2. IRCON International Limited, C-4, District Centre, Saket, New Delhi- 110017
3. MD, RITES Ltd., RITES Bhawan, Plot No.1, Sector-29, Gurgaon.
4. CMD, RVNL, August Kranti Bhawan, Plot No.25, 1st Floor, Bhikaji Cama Place, New Delhi.
5. MD, MRVC Ltd., Churchgate Station Bldg, Mumbai- 400020
6. CMD, KONKAN Railway Corporation Ltd, Rail Bhawan, New Delhi-110001.
7. MD, DFCCIL, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001
8. MD, RLDA, Near Safdarjung Railway Station, Moti Bagh, Phase-I, New Delhi- 110021
9. MD, CRIS, Chanakyapur, New Delhi.
10. CMD, RailTel Corporation of India Ltd. Plot No. 143, Institutional Area, Sector-44, Gurgaon – 122003.
11. CME, IROAF, 12th Floor, Core-1, Scope Minar, Distt. Centre, Laxmi Nagar, Delhi-110092
12. Managing Director, IRFC Limited, UG Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Lodhi Road, Pragati Vihar, New Delhi.
13. CMD, IRCTC Ltd., B-148, 11th Floor, Statesman House, Barakhamba Road, New Delhi 110001
14. CMD Braithwaite & Co. Limited, Kolkata.

Copv to:

(A)

1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIRF, Rail Bhawan, New Delhi
3. General Secretary, NFIR, Rail Bhawan, New Delhi
4. General Secretary, IRPOF, Rail Bhawan, New Delhi
5. General Secretary, FROA, Rail Bhawan, New Delhi
6. General Secretary, AIRPA, Rail Bhawan, New Delhi
7. General Secretary, AISC & STREA, Rail Bhawan, New Delhi
8. The Secretary, RBSS, Group (A) Offices Association, Rail Bhawan
9. The Secretary, RBSS, Group (B) Offices Association, Rail Bhawan
10. General Secretary, RBSSS Association, Rail Bhawan
11. The Secretary, RBMSA, Rail Bhawan
12. The Secretary, Railway, Group (D) Employees Association, Rail Bhawan

(B)

1. Concerned PSO for kind information of CRB, ME, MTR, MRS, FC, MS, MST, MMM.
2. Chief Vigilance Officers, All Indian Railways.
3. DG(RHS), DG(RPF), AM(CE), AM(Works), AM(B), AM(Elec.), AM(RS), AM(ME), AM/Tele, AM/C&IS, AM/Sig., AM(Plg.), PED/SDE, PED(Bridges), PED(Vigilance), PED/Transformation, EDCE(G), EDCE(P), EDTK(M), EDTK(MC), EDTK(P), EDCE(B&S), EDF(X)-I, EDF(X)-II, ED(Works), EDW(Plg.), ED/Project(Mon.), ED(L&A), ED/SDE, ED(PSU), EDVE, ED(Safety), ED (Sig. Dev.), ED(Tele), EDRS(G), EDRE, EDEE(G), EDFE, EDE(N), ED(Accounts), ED/T&MPP, EDME(Chg.), EDME(Frt.), ED/Plg., ED/MTP, JS(conf), JS(P), JS(G), JS(D), Vigilance-III, Vig(Conf) of Railway Board.

F. 18/4/2020- PPD
Government of India,
Ministry of Finance,
Department of Expenditure
Procurement Policy Division

Room No. 512, Lok Nayak Bhawan,
New Delhi dated the 13th May, 2020

OFFICE MEMORANDUM

Subject: Performance Security in terms of Rule 171 of General Financial Rules, 2017 (GFR) – Guidelines Regarding

Rule 171 of the GFR 2017 prescribes conditions for obtaining performance security for the execution of goods and works contract. The Rule prescribes that performance security is to be obtained from the successful bidder which is awarded the contract amounting to 5% - 10% of the value of contract as specified in the bid documents. The validity of the performance security is for a period of 60 days beyond the date of completion of all contractual obligations of the supplier including warranty obligation.

2. Attention is drawn to Department of Expenditure's O.M. No. F.18/4/2020 – PPD dated 19.2.2020 wherein it was clarified that disruption of supply chains due to spread of Corona virus in China or any other country would be considered as extraordinary events or circumstances beyond human control and would be termed as a natural calamity. It was, therefore, advised that wherever considered appropriate, after following due procedure as stated in para 9.7.7 of the Manual for Procurement of Goods 2017, "Force Majeure Clause" (FMC) may be invoked.

3. Since the issue of the said O.M., restrictions have been placed on the movement of goods, services and manpower on account of the lockdown situation prevailing in the country in terms of the guidelines issued by the Ministry of Home Affairs (MHA) in terms of the Disaster Management Act 2005 (D.M. Act 2005) and executive orders of the respective States and U.T. Governments. Under such situations the payment cycle too has got disrupted due to the restrictive measures, on account of which some contractors, who have otherwise fulfilled their contractual obligations, are facing liquidity problems impacting their future performance. In some cases, it may not have been possible for a contractor/supplier to fulfil all his contractual obligations in terms of the contract. Public interest lies in quick resumption of economic activity.

4. Therefore, in the following circumstances:

- (a) where an application is made by a contractor who is not in default of any contractual obligations; or
- (b) where FMC is invoked by a contractor and the requirements of FMC are fulfilled,

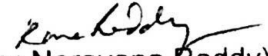
the contractee (Government Department/Agency) may return the value of performance security to the contractor/supplier as is proportional to the supplies made/contract work completed to the total contract value.

5. It is clarified that if the contractor/ supplier is in violation of the contractual obligation, the contractee shall be under no obligation to take action as per these guidelines. It is further clarified that the guidelines contained in the present OM shall apply only in respect of such non-performance as can be attributable to a lockdown

Kamdeep Singh

situation or restrictions imposed under any Act or executive order of the Government/s on account of COVID-19 global pandemic.

6. These guidelines are issued under Rule 6(1) of GFR 2017.



(Kotluru Narayana Reddy)

Deputy Secretary to the Govt. of India

Tel. No. 24621305

Email: kn.reddy@gov.in

To:

Secretaries of all Central Government Ministries/Departments