

SOUTH DELHI MUNICIPAL CORPORATION
OFFICE OF THE SUPERINTENDING ENGINEER (P)
19TH FLOOR, DR. S.P.M. CIVIC CENTRE
J.L.N. MARG, NEW DELHI-110002

D/SE(P)/SDMC/2020-21/181

dated: 31-12-2020

CIRCULAR

Subject: Relaxation for Earnest Money Deposit and Reduction In Performance Guarantee.

Due to receipt of many representations on account of slowdown in economy due to pandemic and due to acute financial crunch among many commercial entities and contractors, which in turn affecting timely execution of the contract, the Department of Expenditure, Ministry of Finance has issued the OM No. F-9/14/2020-PPD dated 12.11.2020 for relaxation of Earnest Money and OM No. F.9/4/2020-PPD dated 12.11.2020 for reduction in Performance. Accordingly, the competent authority has approved the following for implementation in the South Delhi Municipal Corporation.

Relaxation for Earnest Money

There will be no provisions regarding Bid Security (Earnest Money) in the Bid Documents in future upto 31.12.2021 and only provision for Bid Security Declaration should be kept in the Bid Documents by the contractor (s) in the following Performa.

Performa 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.

(3) 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

(4) 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 SDMC tenders from date of issue of suspension order.

Signature of the contractor(s)

Contd....2

2/1

Reduction In Performance Guarantee

1. As per advice by Ministry of Finance Performance Security (Performance Guarantee) is reduced from existing 5% 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.
2. Further all tenders/ contracts issued/concluded till 31.12.2021 should also have the provision of reduced Performance Security.
3. 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.

4. Wherever, there is compelling circumstances to ask for Performance Security in excess of 3% as stipulated above, the same should be done 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. Specific reason justifying the exception shall be recorded.

The above provisions are valid till 31.12.2021 and issues with the prior approval of the competent authority.

Sd/-

SUPERINTENDING ENGINEER (P)

Distribution:

1. All CEs/SEs/EEs
2. Director (DEMS)
3. Chief Engineer (Elec.)
4. Chief Architect
5. Chief Auditor
6. CA-cum-FA
7. Director (Hort.)
8. Director (IT) to place the circular on SDMC website for Engineering Department and to place the circular on website of Tender Wizard for SDMC

Copy for kind information to:

1. PA to Commissioner/SDMC
2. Addl. Cm. (ENGG.)
3. Addl. Cm. (IT)
4. Engineer-In-Chief/SDMC
5. Chief Engineer (Plg.)

S. Sharma
31/12/2021
SUPERINTENDING ENGINEER (P)