

Tender No. : 21000004-HB-11351



Tender Published On : 10-Jun-2021 18:32

**UPLOAD DOCUMENTS**

Sl.No.	Description	Attached File	Set Value	Supporting Doc. Req'd
1	Delisting Declaration (Annexure II)		-	Mandatory
2	Organizational Data (Annexure III)		-	Mandatory
3	MSE Registration		-	Allowed
4	Any Other Documents		-	Allowed

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Legal vetted document				
Sl.No.	Description	Attached File	Set Value	Supporting Doc. Req'd
1	Legal vetted declaration	Legally vetted declaration instead of EMD pdf.pdf	-	No

**(To be submitted on Letter head / emblem)**  
**BID SECURITY DECLARATION (IN LEIU OF EARNEST MONEY DEPOSIT)**

Ref : Tender No

Date

Sub : Tender title \_\_\_\_\_

I, Shri \_\_\_\_\_ of M/s. \_\_\_\_\_, having its registered office at \_\_\_\_\_, in my capacity as \_\_\_\_\_ (*Role of the Bidder – Proprietor/Partner/Director etc.*) and being authorized for the purpose, declares on behalf of the Bidder as under:

- 1) That M/s. \_\_\_\_\_ are participating in the subject tender and have submitted our bid in response to the same.
- 2) That we understand that in compliance with the Ministry of Finance Office Memorandum bearing Reference F.9/4/2020-PPD dated 12.11.2020 and Office Memorandum bearing reference DPE/7/(4)/2017-Fin(Part-I) dated 19.11.2020 issued by Department of Public Enterprises, the Owner has decided not to ask for furnishing of Earnest Money Deposit (EMD) in the form of Bid Security till the operation of the said Office Memorandum.
- 3) That in lieu of not furnishing the EMD, we hereby declare that :
  - a) We will display our commitment to abide by our bid during the tender evaluation process and will not withdraw or modify it or impair or derogate from it in any respect during its validity period i.e. \_\_\_\_\_ number of days from the date of opening of the Unpriced Bid as sought in the Notice inviting Tender.
  - b) We will comply with all formalities of signing of the contract/agreement/purchase order and submit performance security within time stipulated in the tender document.
  - c) On our failure to ensure (a) and (b) above, HPCL being the Owner shall be entitled to put us under suspension for its future tenders or ban/blacklist us for a specified period as per its policy. The discretion and decision of HPCL in this regard will be final.
  - d) We will comply with all other formalities which HPCL will communicate to us during the bid validity period.

- 4) The executant and signatory of this Declaration is authorized by the bidder and the bidder undertakes to comply and abide by the above declaration.

Date

Signature \_\_\_\_\_

Place

Stamp / seal

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HPCL CMD 2020 1391				
Sl.No.	Description	Attached File	Set Value	Supporting Doc. Req'd
1	HPCL CMD 2020 1391	HPCL CMD GOVT 2020 1391.pdf	-	No

Log: HPA/CMD/GOVT/2020/1391

No. DPE/7(4)/2017-Fin.(Part-I)  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises

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Public Enterprises Bhawan  
Block No.14, CGO Complex  
New Delhi - 110003

Date: November, 2020

19/11

CMD  
1  
Adv to: Head - CPO  
cc: All FD's.

OFFICE MEMORANDUM

**Sub.: D/o Expenditure OM's No.9/4/2020-PPD dated 12.11.2020 on Additional Performance Security in case of Abnormally Low Bids, Bid Security /Earnest Money Deposit and Performance Security-regarding**

The undersigned is directed to enclose Department of Expenditure's (DoE) OM's on the following matters for information and compliance by CPSEs:

- (i) Reduction in Performance Security from existing 5-10% to 3% of the value of the contract. (DoE OM No.9/4/2020-PPD dated 12.11.2020)
  - (ii) No provisions regarding Bid Security should be kept in the Bid Documents in future and only provisions for Bid Security Declaration should be kept in the Bid Documents. (DoE OM No.9/4/2020-PPD dated 12.11.2020)
  - (iii) No provision should be kept in the Bid Documents regarding Additional Security Deposit/ Bank Guarantee (BG) in case of Abnormally Low Bids. (DoE OM No.9/4/2020-PPD dated 12.11.2020)
2. All the administrative Ministries/ Departments of CPSEs are requested to ensure compliance of the directions issued by DoE by CPSEs under their administrative control.
  3. This issues with the approval of competent authority.

  
(Amit Rastogi)  
Director  
Tel.24362061

Encl.: (DoE's 3 OM's No. 9/4/2020-PPD dated 12.11.2020)

To

- i) All the Secretaries to the Administrative Ministries/Departments of CPSEs
- ii) Chief Executives of CPSEs

Copy for information to:  
Secretary, D/o Expenditure, North Block, New Delhi



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 12<sup>th</sup> 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.

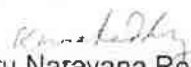
3. As per para 7.5.7 of the Manual for Procurement of Goods 2017 issued by this Department, *an Abnormally Low Bid is one in which the bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the bidder to perform the contract at 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).



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 12<sup>th</sup> 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).

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 12<sup>th</sup> 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).

## Chairman Managing Director HPCL

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**From:** Samba Siva Rao <ps.sivarao@nic.in>  
**Sent:** Tuesday, November 24, 2020 11:01 AM  
**To:** cmd-cpses@ismgr.nic.in  
**Subject:** [Cmd-cpses] D/o Expenditure OMs No.9/4/2020-PPD dated 12.11.2020 on Additional Performance Security in case of Abnormally Low Bids, Bid Security /Earnest Money Deposit and Performance Security  
**Attachments:** DPE\_OM\_DTD\_19.11.2020\_DOE.pdf; ATT00001.txt

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*Warning: External email, "Please open with Caution. Do not click on suspicious attachments or links".*

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Chief Executives of CPSEs

Please find enclosed herewith DPE OM dated 19.11.2020 on the above subject for necessary action.

P S S RAO  
DD/DPE

