



# CENTRAL PUBLIC WORKS DEPARTMENT

## OFFICE MEMORANDUM

No.DGW/CON/173

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAVAN, NEW DELHI

DATED

17/1/2003

22/1/03

Sub: Introduction of Performance Guarantee & Revision in Rate of Security Deposit.

### Existing Provision

### Revised Provision

#### a) Performance Guarantee

NIL

The contractor shall be required to deposit an amount equal to 5% of the tendered value of the work as performance guarantee in the form of an irrevocable bank guarantee bond of any scheduled bank or state bank of India in accordance with the form prescribed or in cash or in the form of Govt. security, fixed deposit receipt etc., as in the case of recovery of security deposit within 15 days of the issue of letter of intent but before award of work. This period can be further extended by the Engineer-in-Charge up to a maximum period of 7 days on written request of the contractor.

#### b) Security Deposit

10% of the tendered value of the work put to tender subject to maximum limit of Rs. 5 lacs

A sum @ 10% of the gross amount of the bill shall be deducted from each running bill of the contractor till the sum alongwith sum already deposited as earnest money will amount to security deposit of 5% of the tendered value of the work.

(Bank Guarantee is not to be accepted as security deposit)

Provision shall also be suitably incorporated at all appropriate places in the standard tender forms i.e. CPWD 6, 7 & 8 etc.

This issues in partial modification of the existing provision circulated vide O.M.No. Exmpt/Proposal/92 dated 18.5.93 by F.O. to DG(W).

The above provisions will apply to all tenders invited w.e.f. 01.02.2003.

(J.P. GUPTA)

SUPERINTENDING ENGINEER(C&M)

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