



CENTRAL PUBLIC WORKS DEPARTMENT

OFFICE MEMORANDUM

No.DGW/CON/238

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAWAN, NEW DELHI

DATED: 07.11.2008

Subject: Modification of General Conditions of Contract 2008, Form CPWD-6& Form CPWD 7/8.

While operating clause 1A of GCC 2008 in respect of recovery of security deposit, some field units have a doubt as to whether earnest money should be adjusted first while deducting security deposit or it should be adjusted in the end. In order to dispel this doubt, clause 1A of GCC 2008 stands amended as mentioned below.

Further, in view of verdict of Hon'ble Delhi High Court, it has been decided to modify condition of depositing Earnest Money along with the application for tender of work with immediate effect. Earnest Money will now be accepted at the time of submission of the tender documents. Amendments are therefore hereby made to Form CPWD 6, Form CPWD 7/8 & GCC-2008:

These amendments shall come into force with immediate effect and shall be applicable only in those contracts where the modified provisions are made part of.

Clause/ Para	Existing provision	Clause/ Para	Modified provision
Page 12 of GCC 2008	Clause 1A Recovery of security deposit The person/persons whose tender(s) may be accepted (hereinafter called the contractor) shall permit Govt. at the time of making any payment to him for work done under the contract to deduct a sum at the rate of 5% of the gross amount of each running bill till the sum along with the sum already deposited as earnest money, will amount to security deposit of 5% of the tendered value of the work. Such deductions	Page 12 of GCC 2008	Clause 1A Recovery of security deposit The person/persons whose tender(s) may be accepted (hereinafter called the contractor) shall permit Govt. at the time of making any payment to him for work done under the contract to deduct a sum at the rate of 5% of the gross amount of each running bill till the sum along with the sum already deposited as earnest money, will amount to security deposit of 5% of the tendered value of the work. Earnest money shall be adjusted first in the security deposit and further recovery of security deposit shall commence only when the upto date amount of security

<p>CPWD-6/ page 2, s.no.5</p>	<p>Tender documents consisting of plans, specifications, the schedule of quantities of the various classes of work to be done and the set of terms & conditions of contract to be complied with by the contractor whose tender may be accepted and other necessary documents can be seen in the office of thebetween hours of 11.00 A.M. & 04.00 P.M. from to everyday except on Sundays and Public Holidays. Tender documents, excluding standard form, will be issued from his office, during the hours specified above, on payment of the following:- (i) Rs.....in cash as cost of tender and (ii) Earnest Money of Rs. in cash (upto Rs. 10,000/-)/Receipt, Treasury Challan/ Deposit at Call receipt of a scheduled bank/fixed deposit receipt of a scheduled bank/demand draft of a scheduled bank issued in favour of 50% of earnest money or Rs. 20 lakh, whichever is less, will have to be deposited in the shape prescribed above and balance amount of earnest money can be accepted in the form of Bank guarantee issued by a scheduled bank.</p>	<p>CPWD-6/ page 2, s.no.5</p>	<p>deposit starts exceeding the earnest money. Such deductions Tender documents consisting of plans, specifications, the schedule of quantities of the various classes of work to be done and the set of terms & conditions of contract to be complied with by the contractor whose tender may be accepted and other necessary documents can be seen in the office of thebetween hours of 11.00 A.M. & 04.00 P.M. from to everyday except on Sundays and Public Holidays. Tender documents, excluding standard form, will be issued from his office, during the hours specified above, on payment of Rs.....in cash as cost of tender. (ii) Deleted</p>
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<p>CPWD-6/ page 3, s.no.6</p>	<p>Tenders, which should always be placed in sealed envelope with the name of work and due date written on envelopes, will be received by the..... upto 3.00 P.M. on..... and will be opened by him or his authorized representative in his office on the same day at 3.30 P.M.</p>	<p>CPWD-6/ page 3</p>	<p>6(i) Tenders shall be accompanied with Earnest money of Rs. in cash(upto Rs. 10000/-) /Receipt Treasury Challan/ Deposit at Call receipt of a scheduled bank/fixed deposit receipt of a scheduled bank/demand draft of a scheduled bank issued in favour of..... 50% of earnest money or Rs. 20 lakh, whichever is less, will have to be deposited in the shape prescribed above and balance amount of earnest money can be accepted in the form of Bank guarantee issued by a scheduled bank.</p> <p>6(ii) The tender and the earnest money shall be placed in separate sealed envelopes, each marked “Tender” and “Earnest Money” respectively..</p> <p>In cases where earnest money in cash is acceptable, the same shall be deposited with the Cashier of the Division and the receipt placed in the envelope meant for earnest money. Both the envelopes shall be submitted together in another sealed envelope with the name of work and due date of opening written on envelope, which will be received by the..... upto 3.00 P.M. on..... and will be opened by him or his authorized representative in his office on the same day at 3.30 P..M The envelope marked “Tender” of only those tenderers shall be opened, whose earnest money,</p>
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CPWD 6, Page 3 Item 7	<p>The contractor whose tender is accepted, will be required to furnish performance guarantee of 5% (five percent) of the tendered amount within the period specified in Schedule F. This guarantee shall be in the form of cash (in case guarantee amount is less than Rs. 10,000/-) or Deposit at call receipt of any scheduled bank/Banker's cheque of any scheduled bank/Demand Draft of any scheduled bank/Pay order of any scheduled bank (in case guarantee amount is less than Rs. 1,00,000/-) or Government Securities or Fixed Deposit Receipts or Guarantee Bonds of any Scheduled Bank or the State Bank of India in accordance with the prescribed form.</p>	CPWD 6, Page 3 Item 7	<p>placed in the other envelope, is found to be in order.</p> <p>The contractor whose tender is accepted, will be required to furnish performance guarantee of 5% (five percent) of the tendered amount within the period specified in Schedule F. This guarantee shall be in the form of cash (in case guarantee amount is less than Rs. 10,000/-) or Deposit at call receipt of any scheduled bank/Banker's cheque of any scheduled bank/Demand Draft of any scheduled bank/Pay order of any scheduled bank (in case guarantee amount is less than Rs. 1,00,000/-) or Govt Securities or Fixed Deposit Receipts or Guarantee Bonds of any Scheduled Bank or the State Bank of India in accordance with the prescribed form.</p> <p>In case the contractor fails to deposit the said performance guarantee within the period as indicated in Schedule 'F', including the extended period if any, the Earnest Money deposited by the contractor shall be forfeited automatically without any notice to the contractor.</p>
Form CPWD-7/8 with Schedule A to F,	<p>A sum of Rs. has been deposited in cash/receipt treasury challan/deposit at call receipt of scheduled bank/fixed</p>	Form CPWD-7/8 with Schedule A	<p>A sum of Rs. is hereby forwarded in cash/receipt treasury challan/deposit at call receipt of scheduled bank/fixed deposit</p>

<p>page 2, para-1,</p> <p>GCC – 2008, page 3, Last Para,</p>	<p>deposit receipt of scheduled bank/demand draft of a scheduled bank/Bank Guarantee issued by a Scheduled bank as earnest money. If I/we fail to furnishprocess of work.</p> <p>A sum of Rs. has been deposited in cash/receipt treasury challan/deposit at call receipt of scheduled bank/fixed deposit receipt of scheduled bank/demand draft of a scheduled bank/Bank Guarantee issued by a Scheduled bank as earnest money. If I/we fail to furnish.....of the tender form.....</p>	<p>to F, page 2, para-1,</p> <p>GCC – 2008, page 3, Last Para,</p>	<p>receipt of scheduled bank/demand draft of a scheduled /Bank Guarantee issued by a Scheduled bank as earnest money. If I/we fail to furnishprocess of work.</p> <p>A sum of Rs. is hereby forwarded in cash/receipt treasury challan/deposit at call receipt of scheduled bank/fixed deposit receipt of scheduled bank/demand draft of a scheduled bank/Bank Guarantee issued by a Scheduled bank as earnest money. If I/we fail to furnish.....of the tender form.....</p>
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Superintending Engineer (C&M)

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