



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

CIN:U40100KL2011SGC027424

Reg.Office: Vydyuthi Bhavanam, Pattom, Thiruvananthapuram – 695004, Kerala

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### ABSTRACT

Adoption of Government Order relaxing the requirement of Performance Security/Security Deposit, Bid Security/Earnest Money Deposit and Additional Performance Guarantee for the execution of civil works other than HEP works in KSEBL-Sanctioned-Orders issued.

#### CORPORATE OFFICE (SBU-G/C)

BO(FTD)No.205/2021(DGC/AEE-II/General/2016 ) Thiruvananthapuram, dtd.16.03.2021

- Read:-
1. OM No.F18/4/2020 – PPD dated 13.05.2020
  2. OM No.9/4/2020 PPD dated 12.11.2020
  3. GO(P) No.7/2021/Fin dated 07.01.2021
  4. BO(FTD)No. 61/2021(No. 129/AE4/2018/CE(PED) dated 23.01.2021
  5. Note No. CECICC/10/General/2020-21/691 dated 08.02.2021 of the Chief Engineer(Civil-I&CC)
  - 6.Note No.DGC/AEE-II/General/2016 dated 26.02.2021 of the Director(Generation-Civil) (Agenda Item No.25/3/2021)

### ORDER

On account of slowdown in economy and acute financial crunch among the contractors due to COVID-19 pandemic, Government of India issued guidelines as per Office Memorandum read as 1<sup>st</sup> and 2<sup>nd</sup> above and State Governments were requested to consider issuing similar instructions in respect of procurement by the State Government, State PSUs, Local Bodies, etc. Accordingly, Government of Kerala as per GO read as 3<sup>rd</sup> above has ordered as below.

- i) Performance Security/Security Deposit to be submitted at the time of executing the agreement is reduced from the existing rate of 5% to 3% of the contract amount.
- ii) Bid Security /Earnest Money Deposit is reduced from 2.5% to 1.5% of the estimated amount.
- iii) Additional Performance Guarantee is waived for the low quoted items on the condition that the bidder shall furnish an undertaking to execute all low quoted items in full as per contract terms.

The above relaxations on account of COVID-19 pandemic are made applicable for works initially for one year and would be reviewed post that date. This Government Order is made applicable to all new tenders as well as works which have been tendered and awarded but agreements have not been signed by the winning bidder.

Likewise, based on the note by the Chief Engineer(Generation & PED), KSEBL issued BO read as 4<sup>th</sup> above according relaxation in furnishing performance security and security Deposit for E&M works as below,

- i) Wherever the existing Performance Security is 10% the same shall be reduced to 6%.
- ii) Wherever the Security Deposit is 5% the same shall be reduced to 3%.
- iii) The Additional Performance Guarantee for the low quoted items is waived on the condition that the bidder shall furnish an undertaking to execute all low quoted items in full as per contract terms.

The Chief Engineer(Civil-I&CC) as per note read as 5<sup>th</sup> above has reported that some of the contractors have submitted representation requesting to extend benefits covered by the relief measures announced by the Government and requested to adopt the GO in KSEBL also.

The matter was placed before the Full Time Directors as per note read as 6<sup>th</sup> above. Having considered the matter in detail, the Full Time Directors in the meeting held on 09.03.2021 resolved to adopt the Government Order No. GO(P) No.7/2021/Fin dated 07.01.2021 for all works in Generation, Transmission and Distribution Wing of KSEBL which will supersede all existing orders in this regard except Solar Energy Projects.

Further resolved to extend the benefit of Board Order No. BO(FTD)No. 61/2021(No. 129/AE4/2018/CE(PED) dated 23.01.2021 granting relaxation in furnishing Performance security, Security deposit and Additional Performance Guarantee for E&M works in KSEBL to Civil and H&M works of Hydro Electric Projects.

Orders are issued accordingly.

By Order of the Full Time Directors

Sd/-

Lekha .G

Company Secretary i/c

To All Chief Engineers(Civil&Electrical)

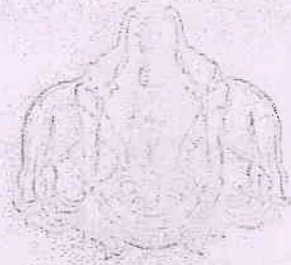
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1. The Financial Adviser
2. The Chief Internal Auditor
3. The RCAO/RAO
4. The Deputy Chief Engineer(IT)
5. TA to CMD /TA to Dir(GC) /Dir(GE&SCM) /Dir(T&SO) / Dir(D&HRM)/Dir(Plg&S)
6. PA to Dir (F) / Company Secretary i/c
7. FC Supt/ Librarian
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Assistant Executive Engineer



GOVERNMENT OF KERALA

Abstract

Finance Department – Covid - 19 pandemic - Relaxing the requirements of performance Security /Security Deposit, Bid Security/Earnest Money Deposit and Additional Performance Guarantee for the execution of public works in the State - Orders issued

**FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT**

G.O.(P) No 7/2021/Fin.

Dated, Thiruvananthapuram, 07.01.2021

- Read :-
- 1) G.O.(P) No 429/2015/Fin dated 28.09.2015
  - 2) G.O.(P) No. 01/2019 /Fin dated 10.01.2019
  - 3) G.O.(P) No.168/2019/Fin dated 07.12.2019
  - 4) OM No. F 18/4/2020 - PPD dated 13.05.2020
  - 5) OM No. F 9/4/2020 - PPD dated 12.11.2020
  - 6) Circular No 62/2020/Fin dated 27/10/2020

**ORDER**

As per the Government Order read as 1<sup>st</sup> paper above, It was ordered that, Performance Guarantee , the amount collected at the time of executing contract agreement will be 5% of the Contract Value (Agreed PAC) and the deposit will be retained till the expiry of Defect Liability Period. Atleast 50% of this deposit shall be collected in the form of Treasury Fixed Deposit and rest in the form of Bank Guarantee or any other forms prescribed in the revised PWD Manual. As per this Government Order, Additional Performance Guarantee is the additional amount to be deposited for unbalanced price ie, for works quoted below estimate rate. Additional Performance Guarantee will be required if works quoted between 11% to 25% below estimate rate. Government Order read as 2nd paper above says that , if the quoted amount of the lowest bidder (L1) is x% below the estimated PAC, the Additional Performance Guarantee shall be (x-10)% of estimated PAC. Subsequent to this Order, clarifications were issued regarding calculation of /Additional Performance Guarantee for percentage

rate contracts and item rate contracts vide the Government Order read as 3rd paper above.

2) On account of slow down in economy and acute financial crunch among the contractors due to COVID-19 pandemic, Government of India issued following guidelines vide Office Memoranda read as 4th and 5th papers above and State Governments were requested to consider issuing similar instructions in respect of procurement by the State Government, by State Government Public Undertakings, Local Bodies and all agencies controlled by them.

1) Reduction in Performance Security from existing 5-10% to 3% of the value of the contract.

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.

ii) No provision should be kept in the Bid Documents regarding Additional Security Deposit/Bank Guarantee (BG) in case of Abnormally Low Bids.

3. As per the Circular read as 6th paper above, it was ordered that the Additional Performance Guarantee may be released in proportion of successful completion of items having low rates. Several contractors and Associations submitted representations requesting to extend the benefits covered by the relief measures announced by the Government of India to the State Government Contractors also.

4. Government have examined the matter in detail and are pleased to order as follows.

1) Performance Security / Security Deposit to be submitted at the time of executing the agreement is reduced from the existing rate of 5% to 3% of the contract amount.

2) Correspondingly Bid Security / Earnest Money Deposit is reduced from 2.50% to 1.50% of the estimated amount.

3) Additional Performance Guarantee is waived for the low quoted items on the condition that the bidder shall furnish an undertaking to execute all low quoted items in full as per contract terms.

5. The above relaxations on account of COVID-19 pandemic are made applicable for works initially for one year and would be reviewed post that date.


6. This Government Order is made applicable to all new tenders as well as works which have been tendered and awarded, but agreements have not been signed by the winning bidder.

By Order of the Governor,  
**RAJESH KUMAR SINGH**  
ADDITIONAL CHIEF SECRETARY(Finance)

To

The Accountant General (A&E) Kerala, Thiruvananthapuram  
The Accountant General (Audit II) Kerala, Thiruvananthapuram  
All Heads of Departments and Offices  
The Secretary to Governor  
All Departments of Secretariat  
All Private Secretaries to Ministers  
Private Secretary to Chief Minister  
Private Secretary to the Leader of Opposition  
All Secretaries to Government  
General Administration (SC) Department (Vide Item No. 4467 dated 05/01/2021)  
The Registrar, High Court of Kerala  
The Secretary, Kerala Human Rights Commission, Thiruvananthapuram  
The Election Commissioner, State Election Commission, Thiruvananthapuram  
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam  
The Nodal Officer, [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in)  
Stack file/Office Copy (E-1633771)

Forwarded/By Order

  
Section Officer