



Circular-200

Subject -Reduction in quantum of various deposits by contractors for H&T Contracts-Reg.

Slowdown in economy due to Covid-19 pandemic has caused acute financial crunch amongst many commercial entities and contractors, which in turn is adversely affecting timely execution of the contracts and may also affect the ability of contractors to bid in tenders, resulting in reduced competition. To address these concerns, three Office Memorandums (enclosed) have been issued by Deptt. of Expenditure, Ministry of Finance, GOI as follow.

S.No.	OM No. Date	Subject
1	F.9/4/2020	Additional Performance Security in case of Abnormally Low Bids (ALBs.)
2	12/Nov./2020	Bid Security/Earnest Money Deposit
3		Performance Security

In order to ensure the compliance of the said OMs following instructions are being issued for inclusion in all tenders of Handling & Transport (H&T) contracts.

1. No provisions should be kept in the Bid Document regarding additional security Deposit/Bank Guarantee (BG) in case of Abnormally Low Bids.
2. Further, no provision regarding Bid Security (also known as EMD) should be kept in Bid Document in future tenders for all bidders. In lieu of Bid Security/EMD, only provision for signing Bid Security Declaration should be kept in the Bid Documents.
3. The performance Security (also known as Security Deposit) to be reduced from existing 5% to 3% of the value of the contract for all existing contracts. However, the benefit of the reduced Security Deposit (SD) will not be given in the contracts under dispute wherein arbitration/ court proceedings have already been started or contemplated.
4. Further, all tenders/contracts to be 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 the said stipulations, the reduced percentage of Performance Security shall continue for the entire duration of the contract including extended period and there should be no subsequent increase of Performance Security even beyond 31.12.2021.
6. 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.

Since SAMO contracts are special arrangements, these conditions will not be applicable to SAMO contracts and the tender document will remain unchanged in case of the SAMO tenders.

In Compliance to the instructions conveyed vide aforesaid OMs, the amended clauses incorporated in the Model Tender Document of H&T (Copy enclosed) are detailed as under

S.No	Page no.	Existing Clause	Amended Clause
1.	Page No 3 of 81	Rs.XXXX/-(Rs. In words) to be paid through e-payment gateway to Central Warehousing Corporation, Regional Office, payable at _____ before XXXXHrs. of MM/DD/YYYY. Proof of e-payment to be uploaded with the technical bid.	In lieu of EMD, Bid Security Declaration as per Annexure-XIV should be duly signed and submitted along with online Bid.
2.	Page No 3 of 81 Other Details a	Bidder must upload scanned copies of documents as given in eligibility criteria at clause 3 of tender document in support of their eligibility of bid. In the event of any document found fabricated / forged / tampered / altered / manipulated during verification, then the EMD of the bidder shall be liable to be forfeited and he / they himself / themselves would disqualify for future participation in the tenders of Central Warehousing Corporation works for the next 05 (Five) years.	Bidder must upload scanned copies of documents as given in eligibility criteria at clause 3 of tender document in support of their eligibility of bid. In the event of any document found fabricated / forged / tampered / altered / manipulated during verification, then he / they himself / themselves would disqualify for future participation in the tenders of Central Warehousing Corporation works for the next 05 (Five) years
3.	Page no. 9 of 81 Para (a)	(a) Notwithstanding the number and storage capacity of the existing godowns and those expected to be constructed/acquired during the contract period the description of which is given in the tender, the Corporation may, during the currency of the contract, take over/acquire/construct more godowns for storage as and when necessary. Alternatively, it may also be necessary for the Corporation to give up or release one or more godowns out of those. In such an event the contract shall not be rendered invalid and the contractor shall be bound to perform all the services/duties and execute all the works as per terms and conditions and rates of the contract and they shall not be entitled to make any claim whatsoever, against the Corporation for compensation/revision of rates or otherwise, due to increase/decrease in the number of godowns or the storage capacity of the godowns.	(a) Notwithstanding the number and storage capacity of the existing godowns and those expected to be constructed/acquired during the contract period the description of which is given in the tender, the Corporation may, during the currency of the contract, take over/acquire/construct more godowns for storage as and when necessary. Alternatively, it may also be necessary for the Corporation to give up or release one or more godowns out of those. In such an event the contract shall not be rendered invalid and the contractor shall be bound to perform all the services/duties and execute all the works as per terms and conditions and rates of the contract and they shall not be entitled to make any claim whatsoever, against the Corporation for compensation/revision of rates or otherwise, due to increase/decrease in the number of godowns or the storage capacity of the godowns. . In case the Contractor refuses or does not perform accordingly, same shall be treated as breach and Regional Manager/Contract Awarding Authority shall take action under clause X(a) of the contract condition

4.	Page No 14 of 81 5. EMD	The fees to be paid through e-payment gateway and proof to be uploaded OR certificate of registration for tenderers registered under MSEs	In lieu of EMD, Bid Security Declaration as per Annexure-XIV should be duly signed and submitted along with online Bid or Certificate of registration for tenderers registered under MSEs
5.	Page No 18 of 81 5. Other Details b	Bidder must upload scanned copies of above referred documents in support of their eligibility of bid. In the event of any document found fabricated / forged / tampered / altered / manipulated during verification, then the EMD of the bidder shall be liable to be forfeited and he / they himself / themselves would disqualify for future participation in the tenders of Central Warehousing Corporation works for the next 05 (Five) years.	Bidder must upload scanned copies of above referred documents in support of their eligibility of bid. In the event of any document found fabricated / forged / tampered / altered / manipulated during verification, then he / they himself / themselves would disqualify for future participation in the tenders of Central Warehousing Corporation works for the next 05 (Five) years.
6.	Page No 19 of 81 8. Earnest Money Deposit	Each tender must be accompanied by an EMD of Rs.XXX (Rupees XXXX only) in the form of e-payment gateway from any scheduled commercial bank in favour of Regional Manager, CWC, RO,Payable at..... Tenders not accompanied by EMD shall be liable to be summarily rejected. Any false/ wrong information/ credentials submitted may lead to the tenderers being blacklisted in CWC and debarred for participating in tender for next five years besides forfeiture of the Earnest Money Deposited.	Each tender must be accompanied by Bid Securing Declaration as per Annexure-XIV. Tenders not accompanied by Bid Securing Declaration shall be liable to be summarily rejected. Any false/ wrong information/ credentials submitted may lead to the tenderers being blacklisted in CWC and debarred for participating in tender for next 5 (five) years
7.	Page No 19 of 81 8. Earnest Money Deposit	The earnest money, shall be returned to all unsuccessful tenders, as soon as practicable after decision on tenders and to a successful tenderer, after he has furnished the security deposit; if the successful tenderer does not desire the same to be adjusted towards the security deposit. No interest shall be payable on the amount of earnest money, under any circumstance. <i>Earnest money shall be forfeited in the event of the tenderers failure, after the acceptance of his tender, to furnish the requisite security deposit by the due date to take up the work, without prejudice to any other rights and remedies of Corporation under the contract and law.</i>	Deleted
8.	Page no. 20 of 81 (v)	(v) The contractor shall furnish within a week of the acceptance of their tender, security deposit as prescribed in the invitation to tender. In the event of tenderers failure after the acceptance of his tender to furnish requisite security deposit by the due date and not taking over the work, the EMD shall be liable to be forfeited. Besides, the Corporation may suspend/ban the trade relations with them or debar to participate in all future tender enquiries with CWC based on merit of each case up to a period of 5 (five) years without prejudice to any other rights and remedies of the Corporation under the contract	(v) The contractor shall furnish within a week of the acceptance of their tender, security deposit as prescribed in the invitation to tender. In the event of tenderers failure after the acceptance of his tender to furnish requisite security deposit by the due date and not taking over the work, the Corporation may suspend/ban the trade relations with them or debar to participate in all future tender enquiries with CWC based on merit of

		and law. The decision of Managing Director in this matter shall be final and binding to the tenderer. The contractor at their option, may deposit 50 per cent of the prescribed security at the time of acceptance of the contract while the balance 50 per cent may be paid by the contractor by deductions at the rate of 5 per cent from the admitted bills of the contractors.	each case for next 5 (Five) years without prejudice to any other rights and remedies of the Corporation under the contract and law. The decision of the Regional Manager/Tender Awarding Authority, CWC, RO/CO (Address of the RO/CO) in this matter shall be final and binding to the tenderer. The contractor at their option, may deposit 50 per cent of the prescribed security at the time of acceptance of the contract while the balance 50 per cent may be paid by the contractor by deductions at the rate of 5 per cent from the admitted bills of the contractors.
9.	Page no. 20 of 81 (viii)	In the event of termination of the contract envisaged in Clause-X, the Regional Manager, shall have the right to forfeit the entire or part of the amount of security deposit deposited by the contractor or to appropriate the security deposit or any part, thereof in or towards the satisfaction of any sum due to be claimed for any damages, losses charges, expenses or costs that may be suffered or incurred by the Corporation.	In the event of termination of the contract envisaged in Clause-X, the Regional Manager/Tender Awarding Authority, CWC, RO/CO (Address of the RO/CO) shall have the right to forfeit the entire or part of the amount of security deposit deposited by the contractor or to appropriate the security deposit or any part, thereof in or towards the satisfaction of any sum due to be claimed for any damages, losses charges, expenses or costs that may be suffered or incurred by the Corporation.
10.	Page no.22 of 81 (e)	The bids of such tenderers who do not pay the cost of tenders and / or do not pay the Earnest Money Deposit shall not taken cognizance of	The bids of such tenderers who do not pay the cost of tenders and / or do not submit the Bid Securing Declaration (Annexure-XIV) shall not be taken cognizance of.
11.	Page No 22 of 81 (f)	It should be clearly understood by the Tenderer[s] that no opportunity shall be given to him / them to modify or withdraw his / their offer after the date and time stipulated for submission of tender. In case of any modification or withdrawal of the offer by any bidder after the date and time stipulated for submission of tender, the EMD submitted with tender shall be forfeited.	It should be clearly understood by the Tenderer[s] that no opportunity shall be given to him / them to modify or withdraw his / their offer after the date and time stipulated for submission of tender. In case of any modification or withdrawal of the offer by any bidder after the date and time stipulated for submission of tender, the bidder shall be debarred for participating in tender for next 5 (five) years

12.	Page no. 35 of 81	<p>IX. Period of Contract :</p> <p>(i)The contract shall remain enforce for a period of Two Years from or such later date as may be decided by the Regional Manager but the Regional Manager at his sole discretion, reserves the right.</p>	<p>IX. Period of Contract :</p> <p>(i)The contract shall remain in force for a period of Two Years from or such later date as may be decided by the Regional Manager/Contract Awarding Authority at his sole discretion.</p>
13.	Page no. 35 of 81	<p>IX. Period of Contract :</p> <p>(ii) To extend the period of contract by three months further beyond the original contract period of Two years on the same rates, terms and conditions;</p>	<p>IX. Period of Contract :</p> <p>(ii) After satisfactory completion of the period of original contract of Two Years may be further extended on the same rates, terms and conditions by 3 (three) months at the sole discretion of the Regional Manager/Contract Awarding Authority.</p>
14.	Page no. 35 of 81	<p>X-Summary termination</p> <p>(a) The Regional Manager shall have, without prejudice to other rights and remedies, the right, in the event of breach by the contractors of any of the terms and conditions of the contract, to terminate the contract forthwith and to get the work done for the unexpired period of the contract, at the risk and cost of the contractors and /or forfeit the security deposit or any part thereof for the sum or sums due for any damages, losses, charges, expenses or costs that may be suffered or incurred by the Corporation due to the contractor's negligence or unwork-man like performance of any of the services under the contract and to claim from the contractors any resultant loss sustained or cost incurred. The non performing/defaulting H&T contractor may also be suspended/banned for trade relations/blacklisting for a period upto 5 years based on the gravity of non-performance / default of the contractor by the Managing Director of CWC whose decision in the matter shall be final and binding</p>	<p>X-Summary termination</p> <p>a) The Regional Manager/Tender Awarding Authority shall have, <i>without prejudice to other rights and remedies</i>, the right, in the event of breach by the contractors of any of the terms and conditions of the contract, to terminate the contract forthwith and to get the work done for the unexpired period of the contract, at the risk and cost of the contractors and /or forfeit the security deposit or any part thereof for the sum or sums due for any damages, losses, charges, expenses or costs that may be suffered or incurred by the Corporation due to the contractor's negligence or unwork-man like performance of any of the services under the contract and to claim from the contractors any resultant loss sustained or cost incurred. The non performing/defaulting H&T contractor may also be suspended/banned for trade relations/blacklisting for a next 5 (Five) years based on the gravity of non-performance / default of the contractor by the Regional Manager/Tender Awarding Authority, CWC, RO/CO (Address of the RO/CO) whose decision in the matter shall be final and binding.</p>

15.	Page no. 55 of 81	The non performing / defaulting H&T contractor may be suspended / banned for trade relation / black listed for a period upto 5 [five] years based on the gravity of non performance / default of the H&T contractor, by the Managing Director of the CWC whose decision in the matter shall be final and binding.	The non performing / defaulting H&T contractor may be suspended / banned for trade relation / black listed for next 5 [Five] years based on the gravity of non performance / default of the H&T contractor, by the Regional Manager/Tender Awarding Authority CWC, (Address of RO/CO) , whose decision in the matter shall be final and binding.
16.	Page 81 of 81	No page	Annexure-XIV Bid Securing Declaration

(Samuel Praveen Kumar)
General Manager (Comm.)

Encl : as above

To,

RM,CWC,RO: Ahmedabad/ Bangalore/ Bhubaneshwar/ Bhopal/ Chandigarh/ Chennai/ Delhi /Guwahati/ Hyderabad/ Jaipur/ Kolkata/ Kochi/ Lucknow/ Mumbai/ Patna.

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