





## CENTRAL WAREHOUSING CORPORATION





Date: 18.08.2022

No. CWC CO-CD0HnT/340/2020-COMM

#### Circular - 215

# Subject: Central Warehouse – H&T Contracts Determination of estimated Value of Contract.

In modification of CO Circular No. 172 Dated 21.10.2014, the following calculations of Estimated Annual Value of work and Annual Value of work is hereby changed for appointment of H&T contractor for foodgrain warehouses. Of late, this office has received representations from Regional Offices regarding their request to change/modify the existing calculation methodology of Estimated Annual Value of Contract because of abnormally high transactions during the Covid period due to which excessive amount of EMD/SD has to be taken in the upcoming H&T tenders.

Therefore, keeping in view the commercial interests of the Corporation & with the approval of Competent Authority it has been decided to modify the calculation methodology **by not taking 20% extra value / (expected increase)** for calculation of estimated annual value of contract and annual value of contract as defined in circular 172 dated 21.10.2014 for existing warehouses as follows:

### In case of Existing warehouses

1.	Modified Calculation Methodology - Estimated Annual Value of the Contract
(A)	Total value of work done (Total bills paid to the contractor during the last two years) =
	Estimated Value of the Contract
(B)	<b>Estimated Annual Value of the Contract</b> = (A) / 2 i.e (A) Divided by 2
2.	Modified Calculation Methodology -Annual value of the Contract
(C)	Total bills paid to the contractor during the last two years
(D)	Average annual turnover of stocks based on value of work done during past years = $(C)/2$
	i.e (C) Divided by 2
(E)	Lowest valid acceptable rate received in the current tender Enquiry = Rs (in MT)
(F)	Rate at which the work done during last contract period of two years= Rs (in MT)
(G)	<b>Annual Value of the Contract</b> = $(D*E/F)$ i.e $(D)$ Multiplied by $(E)$ Divided by $(F)$

The above modified calculation methodology shall be used henceforth for determining value of contract in case of existing foodgrain warehouses only.

**Note:** This Circular will be applicable for H&T Contracts to be floated in the current Financial Year **i.e (2022-23)** only and shall be reviewed in March 2023 for further instructions.

These instructions should be followed with immediate effect.

(Rajeev Kumar Bansal) General Manager (Comm)

To,

All Regional Manager's Central Warehousing Corporation

### Copy to:

- 1. PS to MD, CWC, CO, New Delhi.
- 2. PS to Director (M&CP), CWC, CO, New Delhi.
- 3. PS to Director (Fin.), CWC, CO, New Delhi.
- 4. PS to Director (Pers.) CWC, CO, New Delhi
- 5. All HoDs, CWC, CO, New Delhi.