



**GOVERNMENT OF KERALA**

Abstract

Finance Department – Revision of Cost of tender form, Earnest Money Deposit, Performance Security Deposit etc - orders issued-reg-

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

**G.O.(P) No. 03/15/Fin. Dated, Thiruvananthapuram, 05/01/2015**

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- Read
- 1) U.O(f) No. 19274/H3/14/PWD and No. 20455/H3/14/PWD
  - 2) Minutes of the meeting held by Additional Chief Secretary (Finance) on 25.11.2014
  - 3) G.O(P) No. 540/2008/Fin dated 01.12.2008
  - 4) G.O(Ms) No. 60/12/PWD dated 20.09.2012

**ORDER**

Government has been apprised of certain issues arising on implementation of the revised PWD Manual . Deliberations for sorting out these issues have been held with various stakeholders, such as, Public Works Department, Contractors' Associations, Chief Technical Examiner etc. Based on the above, Public Works Department has submitted detailed proposal relating to the revision of cost of tender forms, Earnest Money Deposit, Performance Security Deposit etc.

2. Government have examined these proposals in detail and are pleased to order the revision of rates as follows;

**1. Cost of Tender form :-**

Since e-tendering became mandatory for all tenders exceeding ₹ 25 lakhs, demand to do away with the cost of tender form has been received from various quarters. Taking into consideration the efforts

involved in preparation of tender documents, Government decided to maintain the status quo. However, in order to enhance competition in bidding process it was decided to rationalise the cost of tender forms as follows. The order issued vide reference 3<sup>rd</sup> cited stands modified to the following extent.

Cost of Work	Cost of Tender form
i) Upto ₹ 50,000	i) ₹ 300
ii) Above ₹ 50,000 - upto ₹ 10 Lakhs	ii) 0.2% of cost of work subject to a minimum of ₹ 500 and maximum of ₹ 2000
iii) Above ₹ 10 Lakhs - upto 2 crores	iii) ₹ 5000
iv) Above ₹ 2 crores - upto 5 crores	iv) ₹ 7500
v) Above ₹ 5 crores - upto 10 crores	v) ₹ 10,000.
vi) Above ₹ 10 cores	vi) ₹ 15000

## 2. Earnest Money Deposit (EMD)

As per the reference 4<sup>th</sup> cited, 2.5% of the project cost, subject to a maximum of ₹ 50,000/-, is to be collected as Earnest Money Deposit for projects costing upto ₹ 50 lakh and 2.5% of the project cost, without monetary limit, for all projects exceeding ₹ 50 lakh is to be collected as Earnest Money Deposit (EMD). It was pointed out that the higher amount now fixed reduces competition and this amount has to be returned to the bidders once bid is finalised. Government, therefore, decided to rationalise the rates of EMD with the rates followed by CPWD as follows:

Cost of Work	Amount of EMD
i) up to ₹ 2 crore	i) 2.5% of the project cost, subject to a maximum of ₹ 50,000
ii) Above ₹ 2 Crore up to 5 Crore	ii) ₹ 1 lakh
iii) Above ₹ 5 Crore upto 10 Crore	iii) ₹ 2 lakhs
iv) Above ₹ 10 Crore	iv) ₹ 5 lakhs

### **3. Performance Security Deposit**

Government have gone through the CPWD system where Performance Guarantee and Security Deposits are collected in different modes and at different time intervals. After reviewing the pros and cons of the system it was decided to modify the Government Order read 4<sup>th</sup> cited to the following extent.

- i. Performance Guarantee will be 5% of the contract value.
- ii. At least fifty percent of the Performance Guarantee will be in the form of Treasury Fixed Deposit and the rest in the form of bank guarantee or any other forms prescribed in the revised PWD Manual.
- iii. In addition to Performance Guarantee, Security Deposit for a work shall be collected by deduction from the running/final bill of the contractors @2.5% of the gross amount of each running and/or final claims till expiry of defect liability period.
- iv. Security Deposit can be released against bank guarantee on its accumulation to minimum amount of ₹ 5 lakh. The minimum amount of Bank Guarantee shall not be less than ₹ 5 lakhs at a time.

### **4. Issue of Departmental supply of Bitumen**

It was observed that bitumen issued by department for execution of low value works are often misused. It is, therefore, ordered that hereafter

departmental Bitumen supply will be restricted for emergency works only. However Bitumen for works costing less than ₹ 5 lakhs will be allowed till 31.03.2015 as an interim measure. Thereafter, no bitumen will be issued for departmental works except for emergency works.

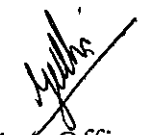
5. The revised rates will be applicable to all tenders floated after the date of issue of this order.

By Order of the Governor  
Dr.K.M.ABRAHAM  
Additional Chief Secretary (Finance)

To

The Accountant General (A&E) Kerala, Thiruvananthapuram  
The Accountant General (G&SSA) Kerala, Thiruvananthapuram  
The Accountant General (E&RSA) Kerala, Thiruvananthapuram  
All Heads of Departments and Offices  
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  
The Secretary, Kerala Public Service Commission,  
Thiruvananthapuram (with C/L)  
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam  
(with C/L)  
The Registrar, High Court of Kerala  
The Secretary, Kerala Human Rights Commission,  
Thiruvananthapuram  
The Managing Director, Kerala State Transport Corporation,  
Thiruvananthapuram (with C/L)  
The Secretary, Kerala State Electricity Board,  
Thiruvananthapuram (with C/L)  
The Secretary to Governor  
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