



भारत सरकार Government of India

रेल मंत्रालय Ministry of Railways

रेलवे बोर्ड Railway Board

No. 2020/CE-I/CT/3E/GCC/Policy

Dated: 30.12.2020

To,

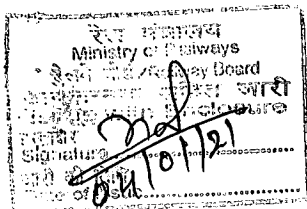
As per list attached

**Sub: - Indian Railways Standard General Conditions of Contract, July 2020
(Bid Security/Earnest Money Deposit)**

Ref: - Ministry of Finance OM No. F.9/4/2020-PPD, dated 12.11.2020 titled 'Bid Security/Earnest Money Deposit' (Copy enclosed)

1. Ministry of Finance vide OM No. F.9/4/2020-PPD, dated 12.11.2020 titled 'Bid Security/Earnest Money Deposit', has advised to take from bidders Bid Security Declaration in lieu of Bid Security/Earnest Money Deposit, except wherever there are compelling circumstances to ask for Bid Security/Earnest Money Deposit.
2. The above instructions are to be complied with by all concerned.
3. Accordingly, following changes have been made in the IREPS:
 - a. At the time of creation of any new tender in IREPS works module, an option has been provided to the tendering authority for obtaining Bid Security Declaration in lieu of Bid Security/Earnest Money Deposit. In case this option is selected, the Bid Security/Earnest Money Deposit amount for the tender shall be NIL.
 - b. If the tendering authority decides to take Bid Security/Earnest Money Deposit, it shall be mandatory for the tendering authority to provide reasons, and upload the approval of competent authority for the same. The Competent Authority shall be the next higher authority to the authority competent to finalise the particular tender.
 - c. In case Bid Security Declaration in lieu of Bid Security /Earnest Money Deposit is allowed against a tender, the provision has been made in IREPS for the bidder to mandatorily submit the following declaration along with his offer:

Bid Security Declaration: I/We, M/s (Name of bidder) am/are aware that I/We have been exempted from submission of Bid Security/Earnest Money Deposit in lieu of this Bid Security Declaration. I/We understand and accept that if I/We withdraw my/our bid within bid validity period or if awarded the tender and on being called upon to submit the Performance Guarantee/Performance Security fail to submit the same within the stipulated time period mentioned in tender documents or on being called upon to sign the contract agreement fail to sign the same within stipulated period mentioned in tender documents, I/We i.e., **the bidder shall be banned from submission of bids in any Works / Service Tender issued by Indian Railways for a period of 12 months from the date of such banning done on e-platform IREPS.**



Pr Singh

Prem Sagar
30.12.2020

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- d. The provision has been made in IREPS for banning such defaulting bidders. Provision has also been made in IREPS to upload details of banned bidders – **unregistered as well as registered** bidders on IREPS.
- e. Whenever a bidder is banned or banning is revoked, a system generated SMS as well as e-mail shall be sent to bidder. Full details related to banning will also be available to IREPS registered firms through their IREPS account.
4. The competent authority to take decision on 'banning the bidder from submission of bids' shall be the authority competent to finalise the particular tender or the SAG level, whichever is higher. Once the decision on 'banning the bidder from submission of bids' is taken, the authority competent to ban the bidder from submission of bids shall inform IREPS 'Department Admin' of the Headquarters office of the Zonal/PU/Other Units like CORE, COFMOW, RDSO, CTIs etc, as the case may be, to ban the bidder on IREPS. 'Department Admin' shall ban such bidder/s on IREPS. The banning shall be effective w.e.f. the date & time when the same is done on IREPS by above 'Department Admin'.
5. In case partnership firm/ JV is banned, all members of partnership firm including firm/ all constituents of JV including JV shall be banned from submission of bids and details of all shall be uploaded on IREPS.
6. Once the above system of taking Bid Security Declaration is in force, Tender Committee or in case of Direct Acceptance Direct Accepting Authorities – both for tenders invited on IREPS or otherwise – shall check up on IREPS whether the bidder is banned or not from bidding on the **date of closing of tender**. For the above purpose, search facility has been provided on IREPS.
7. If the bidder is banned for submission of bids on the date of closing of tender, such bid, even if received, shall be treated as invalid while evaluating the bids.
8. If a bidder is banned for submission of bids, on the request of bidder in writing to tender calling authority, ban can be revoked by the authority who had banned the bidder earlier, on submission to Railways by bidder (including Start-ups, 100% Govt. Owned PSUs & Labour Co-operatives) an amount equivalent to FULL Earnest Money Deposit that would have been worked out by Railways for that tender as per existing instructions on the date of inviting tenders if Earnest Money Deposit would have been taken in place of Bid Security Declaration while inviting tenders.
9. On receipt of request from bidder for revocation of ban on submission of bids, the authority who had banned the bidder from submission of bids, shall intimate in writing to bidder the amount the bidder has to deposit with Railways. Bidder in turn shall deposit the required amount in Railway earnings and submit the receipt for the same. The railway authority that had banned the bidder will upload (i) the bidder's request, (ii) railway letter asking bidder to deposit required amount with railways and (iii) the receipt of the same, in IREPS and inform Department Admin through a letter to revoke the banning. The Department Admin will upload such letter and revoke the banning on IREPS.
10. Revocation shall be automatic on expiry of banned period. However, in case revocation is done before expiry of banned period, the banning shall stand revoked w.e.f. date & time when the same is done on IREPS by Department Admin.
11. The above instructions shall be followed for all works & service tenders on Indian Railways, published on or after 18:00 hrs of 16.01.2021 and shall be valid for all the tenders issued till 31.12.2021 (including 31.12.2021).

[Signature]

Prem Sagar
30.12.2020

12. Railways are advised to suitably modify their tender documents accordingly.
13. This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

DA: as above

Prem Sagar
(प्रेम सागर गुप्ता)

कार्यकारी निदेशक सिविल इंजी. जी(रेलवेबोर्ड)
[Phone: 030-44803(Rly): 011-23383379(MTNL)]

No. 2020/CE-I/CT/3E/GCC/Policy

Dated: 30.12.2020

Copy forwarded for information to:

1. The PFAs, all Indian Railways.
2. The Deputy Comptroller & Auditor General of India (Railways), Room No. 224, Rail Bhawan, New Delhi

P. Singh

For Financial Commissioner/Railways

LIST FOR DISTRIBUTION (No. 2020/CE-I/CT/3E/GCC/Policy Dt.: 30.12.2020)

1. General Managers, All Indian Railways & Production Units
2. General Manager (Con), N.F. Railway, Guwahati
3. General Manager /CORE, Allahabad
4. Chief Administrative Officers (Con), All Indian Railways (Except N.F. Railway)
5. Principal Chief Engineers, All Indian Railways

(A)

1. CAO, COFMOW, Tilak Bridge, New Delhi
2. Principal CAO, Diesel Loco Modernisation Works, Patiala (Punjab)
3. CAO (Workshop Projects), Chamber Bhawan, Judge's Court Road, Anta Ghat, Patna-800001, Bihar

(B)

1. Director General, RDSO, Manak Nagar, Lucknow
2. Director General, NAIR, Vadodara
3. Director, IRICEN, Pune – 411 001 (Maharashtra)
4. Director, IRIEEN, PB No.-233, Nasik Road-422101 (Maharashtra)
5. Director, IRISSET, Taa Naka Road, Lalla Guda, Secunderabad-500017
6. Director, IRIMEE, Jamalpur Distt-Jamalpur, PIN-811214 (Bihar).
7. Director, IRITM, Sarswati Residential Estate, IRITM Campus, Manak Nagar, Lucknow

(C)

1. MD, CONCOR, Concor Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi- 110076.
2. IRCON International Limited, C-4, District Centre, Saket, New Delhi- 110017
3. MD, RITES Ltd., RITES Bhawan, Plot No.1, Sector-29, Gurgaon.CMD, RVNL, August Kranti Bhawan, Plot No.25, 1st Floor, Bhikaji Cama Place, New Delhi.
4. MD, MRVC Ltd., Churchgate Station Bldg, Mumbai- 400020
5. CMD, KONKAN Railway Corporation Ltd, Rail Bhawan, New Delhi-110001.

6. MD, DFCCIL, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001
7. MD, RLDA, Near Safdarjung Railway Station, Moti Bagh, Phase-I, New Delhi-110021
8. MD, CRIS, Chanakyapur, New Delhi.
9. CMD, RailTel Corporation of India Ltd. Plot No. 143, Institutional Area, Sector-44, Gurgaon – 122003.
10. CME, IROAF, 12th Floor, Core-1, Scope Minar, Distt. Centre, Laxmi Nagar, Delhi-110092
11. Managing Director, IRFC Limited, UG Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Lodhi Road, Pragati Vihar, New Delhi.
12. CMD, IRCTC Ltd., B-148, 11th Floor, Statesman House, Barakhamba Road, New Delhi 110001
13. CMD, Braithwaite & Co. limited, 5 Hide Road Kolkata 700043.

Copy to:

(A)

1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIRF, Rail Bhawan, New Delhi
3. General Secretary, NFIR, Rail Bhawan, New Delhi
4. General Secretary, IRPOF, Rail Bhawan, New Delhi
5. General Secretary, FROA, Rail Bhawan, New Delhi
6. General Secretary, AIRPA, Rail Bhawan, New Delhi
7. General Secretary, AISC & STREA, Rail Bhawan, New Delhi
8. The Secretary, RBSS, Group (A) Offices Association, Rail Bhawan
9. The Secretary, RBSS, Group (B) Offices Association, Rail Bhawan
10. General Secretary, RBSSS Association, Rail Bhawan
11. The Secretary, RBMSA, Rail Bhawan
12. The Secretary, Railway, Group (D) Employees Association, Rail Bhawan

(B)

1. Concerned PSO for kind information of Chairman cum CEO, M/Infra, M/T&RS, M/O&BD, M/Finance, Railway Board
2. Chief Vigilance Officers, All Indian Railways.
3. DG(RHS), DG(RPF), AM(CE), AM(Works), AM(B), AM(Elec.), AM(RS), AM(ME), AM/Tele, AM/C&IS, AM/Sig., AM(Plg.), AM/L&A, PED(B&S), PED(Vigilance), EDCE(G), PEDCE(P), EDTK(M&MC), EDCE(B&S), EDF(X)-I, EDF(X)-II, ED(Works), EDW(Plg.), ED/Project(Mon.), ED(L&A), ED(PSU), EDVE, ED(Safety), ED (Sig. Dev.), ED(Tele), EDRS(G), EDRE, EDEE(G), EDFE, EDE(N), ED(Accounts), ED/T&MPP, EDME(Chg.), EDME(Frt.), ED/Plg., JS(conf), JS(P), JS(G), JS(D), Vigilance-III, Vig(Conf) of Railway Board.

No. F.9/4/2020-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

512, Lok Nayak Bhawan, New Delhi
Dated the 12th November 2020

OFFICE MEMORANDUM

Subject: Bid Security/ Earnest Money Deposit.

The Government is in receipt of many representations that on account of slowdown in economy due to the pandemic, there is acute financial crunch among many commercial entities and contractors, which in turn is affecting timely execution of the contracts. It has also been represented that this may affect the ability of contractors to bid in tenders and hence reduce competition. Requests are being received for reduction in quantum of Security Deposits in the Government contracts.

2. As per Rule 170 of General Financial Rules (GFRs) 2017, Micro and Small Enterprises (MSEs) and the firms registered with concerned Ministries/ Departments are exempted from submission of Bid Security. Further, in lieu of Bid Security, Ministries/ Departments may ask bidders to sign "Bid Security Declaration" accepting that if they withdraw or modify their bids during period of validity etc., they will be suspended for the time specified in the tender documents. Similar provisions also exist in the Manuals for Procurement of Works 2019 and Manual for Procurement of Consultancy & other Services 2017.


3. In this context it is noted that Bid Security (also known as Earnest Money Deposit) is still being taken from the contractors by the various Ministries/ Departments, though the relaxations have already been provided in General Financial Rules (GFRs) 2017.

4. In view of above, it is reiterated that notwithstanding anything contained in Rule 171 of GFRs 2017 or any other Rule or any provision contained in the Procurement Manuals, **no provisions regarding Bid Security should be kept in the Bid Documents in future and only provision for Bid Security Declaration should be kept in the Bid Documents.**

5. Wherever, there are compelling circumstances to ask for Bid Security, the same should be done only with the approval of the next higher authority to the authority competent to finalise the particular tender or the Secretary of the Ministry/ Department, whichever is lower.

6. The above instructions will be applicable for all the tenders issued till 31.12.2021.

7. These instructions will be applicable for all kinds of procurements viz. Goods, Consultancy, Works, non-consulting Services etc and are issued under Rule 6(1) of the GFRs 2017.


(Kotluru Narayana Reddy)
Deputy Secretary to the Govt. of India
Tel: 24621305
Email: kn.reddy@gov.in

To,

All the Secretaries and Financial Advisers to Government of India

Copy to: Secretary, Department of Public Enterprises with a request to issue the same instructions to Central Public Sector Undertakings (CPSUs).