

सार : 'फूडकोर्प'  
Gram : 'FOODCORP'  
फॉक्स नं. : एचएफसीआई एनडी  
001,99923813289  
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भारतीय  
खाद्य  
निगम



FOOD  
CORPORATION  
OF INDIA

Headquarters  
New Delhi

FAX NO. : HFCDND  
00911123413241  
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16-20, BARAKHAMBA LANE, NEW DELHI-110001. PHONE : 43527697, 43527698

दिनांक: 18.01.2022

सं.: S&C/PQ/PWS/2019(2)/Stg.VI(217)/Part-II(280)

कार्यकारी निदेशक (अंचल)  
भारतीय खाद्य निगम,  
आंचलिक कार्यालय(उत्तर/पूर्व/दक्षिण/पश्चिम/पूर्वोत्तर)  
नोएडा (उत्तर प्रदेश)/ कलकत्ता (पश्चिम बंगाल)/  
तमिलनाडु (चैन्नई)/ मुम्बई (महाराष्ट्र)/  
गुवाहाटी(असम)।

महा प्रबन्धक (क्षेत्र)  
भारतीय खाद्य निगम,  
क्षेत्रीय कार्यालय (पंजाब/हरियाणा/दिल्ली/उत्तराखण्ड/जम्मू/ उ.प्र./  
राजस्थान/ हि.प्र./कर्नाटक/तमिलनाडु/ केरल/ आंध्र प्रदेश/तेलंगाना/  
म.प्र./महाराष्ट्र/ गुजरात/उड़ीसा/ पश्चिम बंगाल/ छत्तीसगढ़/ बिहार/  
झारखण्ड /दिमापुर/ असम /इम्फाल/ शिलांग/ अरुणाचल प्रदेश।

विषय: Hiring of Warehousing services under PWS scheme through GeM - reg.

Ref.: FCI, Hqrs. letter no. S&C/PQ/PWS/2019(2)/ Stg.VI(217)/Part dated 02.07.21.

Sir/Madam,

Please refer the communication on the subject cited above. It is stated that Ministry of Finance had issued 2 Office Memorandum on dated 12.11.2020 regarding (i) Bid Security / Earnest Money Deposit and (ii) Performance Security. The guidelines issued by the Ministry of Finance vide aforesaid memorandum were made applicable in the PWS MTF.

In this context, Ministry of Finance vide Office Memorandum dated 30.12.2021 enclosing therewith another OM dated 12.11.2020 regarding Performance Security, has extended the validity of their OM dated 12.11.2020 regarding "Performance Security" till 31.03.2023 (Copy enclosed).

However, OM dated 12.11.2020, regarding 'Bid Security/Earnest Money Deposit', no such extension has been issued by Ministry of Finance so far.

In view of the above, it is requested to strictly follow the guidelines issued by Ministry of Finance vide the aforesaid OM dated 30.12.2021 while floating tenders for warehousing services through GeM.

भवदीय

Encl.: As above.

उप महा प्रबन्धक (भण्डा एवं अनु.)  
कृते कार्यकारी निदेशक (भण्डा. एवं अनु.)

Copy to:

1. CGM (A/Cs & Finance), FCI, Hqrs., New Delhi.

कृते कार्यकारी निदेशक (भण्डा. एवं अनु.)

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

264-C, North Block, New Delhi.  
30<sup>th</sup> December, 2021.


OFFICE MEMORANDUM

**Subject: Performance Security.**

The undersigned is directed to refer to this Department's OM of even number dated 12.11.2020 (copy enclosed) regarding the subject cited above and to say that it has been decided to extend the validity of the said OM dated 12.11.2020 regarding 'Performance Security' till 31.03.2023.

2. This OM is also available on the website of Department of Expenditure; [www.doe.gov.in](http://www.doe.gov.in) -> Notification -> Circular -> Procurement Policy OM.

**Encl. : As above.**

  
30.12.2021  
Kanwalpreet  
Director (Procurement Policy)  
Tel.: 23093811  
Email: kanwal.irss@gov.in

To

Secretaries of All Central Government Ministries/ Departments

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

512, Lok Nayak Bhawan, New Delhi  
Dated the 12<sup>th</sup> November 2020

OFFICE MEMORANDUM

**Subject: Performance Security.**

As per Rule 171 of General Financial Rules (GFRs) 2017, Performance Security is to be obtained from the successful bidder awarded the contract for an amount of five to ten percent of the value of the contract to ensure due performance of the contract. Similar provisions also exist in the Manual for Procurement of Works 2019 and Manual for Procurement of Consultancy & other Services 2017 issued by this Department.

2. 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.

3. In view of all above, it is decided to reduce **Performance Security from existing 5-10% to 3% of the value of the contract** for all existing contracts. However, the benefit of the reduced Performance Security will not be given in the contracts under dispute wherein arbitration/ court proceedings have been already started or are contemplated.

4. Further, all tenders/ contracts 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 above stipulations, the reduced percentage of Performance Security shall continue for the entire duration of the contract and there should be no subsequent increase of Performance Security even beyond 31.12.2021.

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.

6. Wherever, there is compelling circumstances to ask for Performance Security in excess of three percent as stipulated above, 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. Specific reasons justifying the exception shall be recorded.

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).