

GOVERNMENT OF ODISHA
WORKS DEPARTMENT

OFFICE MEMORANDUM

No.07556900052021 4559 /W., Bhubaneswar, Dated. the 5-4-2021

Subject:-Additional Performance Security in case of Abnormally Low Bids (ALBs).

Additional Performance Security (APS) is being obtained from the Successful Bidder when the Bid amount is less than estimated cost put to tender to the extent of exact amount of differential cost i.e. estimated cost put to tender minus the quoted amount in shape of Term Deposit Receipt pledged in favour of Divisional Officer/Bank Guarantee in favour of the Divisional Officer from any Nationalized /Scheduled Bank in India counter guaranteed by its local branch at Bhubaneswar within seven days of issue of Letter of Acceptance (LoA) by the Divisional Officer (by e-Mail) to the successful bidder otherwise the bid of the successful bidder shall be cancelled and the Earnest Money Deposit/ Bid Security shall be forfeited. Further, proceeding for Blacklisting shall be initiated against the bidder as per amendment to Para 3.5.5 (v) of OPWD Code, Volume-I vide Works Department Office Memorandum No.14459/W dated 20.09.2018.

2. The State Government is in receipt of many representations that on account of slowdown in economy due to the pandemic COVID-19, there is acute financial crunch among many contractors, which in turn is affecting timely execution of the contracts. It has also been represented that this may affect the ability of the contractors to bid in tenders and hence reduce competition. Requests are being received for reduction in quantum of Additional Performance Security in the Government Contracts.

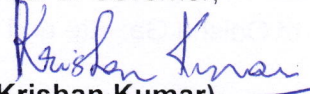
3. In view of the above, the State Government is pleased to fix the following rate of Additional Performance Security;

Sl No.	Range of Difference between the estimated cost put to tender and Bid amount	Additional Performance Security to be deposited by the successful bidder
i.	Below 5%	No Additional Performance Security
ii.	From 5% and above and below 10%	50% of (Difference between estimated cost put to tender and Bid Amount)
iii.	From 10% and above	150% of (Difference between estimated cost put to tender and Bid Amount)

4. This shall take effect from the date of issue of this Office Memorandum.

5. The codal provision exists in Works Department Office Memorandum No.14459/W dated 20.09.2018 stands modified to the above extent with effect from the date of issue of this Office Memorandum.

By order of Governor,


(Dr. Krishan Kumar) 5/4

Commissioner-cum-Secretary to Government