

GOVERNMENT OF ODISHA

WORKS DEPARTMENT

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No. 503 W., Bhubaneswar, Dated. 17-1-2022  
07556900052021

OFFICE MEMORANDUM

Sub:- Preference to Local MSEs / Start-ups in Procurement of Works.

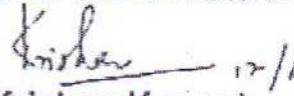
In order to promote Local Micro and Small Enterprises (MSEs) and Start-ups, the State Government have exempted local MSEs as defined in Odisha MSME Development Policy, 2016 and Start-ups as defined under Odisha Start-ups Policy, 2016 from payment of Bid Security / EMD and allowed concessional payment of Performance Security @25% of the value of Performance Security on being selected in the bidding process in case of procurement of goods and services vide FDOM No.27928/F Dated 16.10.2020.

2. The Government in this Department have received representation from various quarters with a request to exempt Local MSEs & Start-ups from payment of EMD and to allow concession payment of Performance Security in procurement of works on account of slowdown in economy due to the Covid-19 pandemic.

3. After careful consideration of the difficulties faced by the vendors having concern with this Department and to facilitate competition in wake of slowdown of the economy due to Covid-19 pandemic, Government in this Department have hereby decided to exempt local Micro and Small Enterprises (MSEs) and local Start-ups from payment of Bid Security / EMD and allowed concessional payment of Performance Security @25% of the value of Performance Security on being selected in the bidding process in case of procurement of works in line with procurement of goods and services.

4. These instructions shall be deemed to be a part of OPWD. Code and Rules made there under.

By order of the Governor,

  
(Dr. Krishan Kumar)

Commissioner-cum-Secretary to Government.

**37. PERFORMANCE SECURITY :**

Government after careful consideration have issued Office Memorandum No. 5992/W, dated 27.04.2021, which inter alia states that all tenders/contracts issued/concluded till 31.12.2021 should have the provision of reduced performance security and in all contracts where performance security has been reduced to 3%, in view of the stipulations in the said Office Memorandum, 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.

Now, Government after careful consideration, have been pleased that the time-line of 31.12.2021 as mentioned in the Office Memorandum No. 5992/W, dated 27.04.2021 is hereby extended up to 31.03.2022.

By order of the Governor

(Dr. Krishan Kumar)

Commissioner-cum-Secretary to Government

**GOVERNMENT OF ODISHA, WORKS DEPARTMENT**

No. 503/W., Bhubaneswar, Dated 17.01.2022

**38. PREFERENCE TO LOCAL MSEs/START-UPS IN PROCUREMENT OF WORKS.**

In order to promote Local Micro and Small Enterprises (MSEs) and Start-ups, the State Government have exempted local MSEs as defined in Odisha MSME Development Policy, 2016 and Start-ups as defined under Odisha Start-ups Policy, 2016 from payment of Bid Security / EMD and allowed concessional payment of Performance Security @25% of the value of Performance Security on being selected in the bidding process in case of procurement of goods and services vide FDOM No. 27928/F, Dated 16.10.2020.

2. The Government in this Department have received representation from various quarters with a request to exempt Local MSEs & Start-ups from payment of EMD and to allow concessional payment of Performance Security in procurement of works on account of slowdown in economy due to the Covid-19 pandemic.

3. After careful consideration of the difficulties faced by the vendors having concern with this Department and to facilitate competition in wake of slowdown of the economy due to Covid-19 pandemic, Government in this Department have hereby decided to exempt local Micro and Small Enterprises (MSEs) and local Start-ups from payment of Bid Security / EMD and allowed concessional payment of Performance Security @25% of the value of Performance Security on being selected in the bidding process in case of procurement of works in line with procurement of goods and services.

4. These instructions shall be deemed to be a part of OPWD Code and Rules made there under.

By order of the Governor,

(Dr. Krishan Kumar)

Commissioner-cum-Secretary to Government

**GOVERNMENT OF ODISHA, WORKS DEPARTMENT**

No. 2375/W., Bhubaneswar, Dated 03.03.2022