

**PARADIP PORT TRUST
VIGILANCE DEPARTMENT**

No. VIG(F)10/82-III/ 495

Date : 20th November 2014

CIRCULAR

Sub: Regarding rate of Earnest Money Deposit (EMD) & Security Deposit (SD) for work contracts in Paradip Port Trust.

During examination of prevailing conditions of contract of various tenders floated , it is observed that rates of Earnest Money Deposit (EMD) collected, are not uniform. In some cases it is one percent of estimated cost put to tender subjected to a maximum of Rs one lakh. Such type of rates may predispose the bidders to back out from bidding process resulting in delay of finalization of tender even for time bound projects. Hence in line with the provisions in the, CPWD, manual, the rates of EMD are modified herewith for future tenders in Paradip Port Trust.

Revised rate of EMD

- a) In case of petty work costing rupees five thousand or less, the Tender inviting Authority may at his discretion dispense with the condition for calling for Earnest Money deposit
- b) For works, estimated cost put to tender up to Rupees Ten crores : 2% (two percent) of the estimated cost put to tender should be collected as EMD.
- c) For works, estimated cost put to tender more than Rupees Ten crores : Rupees twenty lakhs plus 1% (one percent) of the cost in excess of Rupees Ten crores , should be collected as EMD


Revised mode of collection of Security Deposit

A sum of 10% of accepted value of the tender shall be deposited by the successful tenderer (Contractor) as Security Deposit (SD). This may be deposited initially 1% value of the contract as initial security deposit (ISD) after issue of letter of intent & after deducting the EMD and ISD from the stipulated security deposit ,the balance amount may be recovered in installment through deduction at the rate of 10% of the value of each running account bill subject to attaining the required amount by the last running bill. EMD of the successful bidder may be refunded to the bidder after receiving an equivalent amount of Bank Guarantee only after issue of work order. The other guidelines regarding bank guarantee details & validity as circulated by Finance Department will remain unchanged.

Extra Additional Security Deposit (EASD) & Performance Security Deposit (Retained till completion of warranty period) wherever applicable shall be collected extra beyond the Security Deposit.

"The tenders whose closing date is 24.11.2014 or after, the above will be applicable. Necessary care will be done by the Departments & EDP Cell will upload it . If HOD feels for such change he can extend the tender date at least for seven days "

This has the approval of Chairman PPT.


Chief Vigilance Officer
Paradip Port Trust.

Copy to: All Head of Departments/ Head of Offices/PS to Chairman, Paradip Port Trust.