



GAIL (INDIA) LIMITED
(CORPORATE C&P DEPT.)
NEW DELHI

Ref.: GAIL/ND/C&P/G-25/2020-21/45

Date: 01.12.2020

SUB: AMENDMENT NO. 44 TO C&P PROCEDURE

- 1.0 This has reference to Manual of Contract and Procurement Procedure.
- 2.0 The clause no. 3.1 and 3.2 of Section-II of C&P Procedure has been modified as stated hereunder:-

Clause no.	Modified Provision
3.1 "Earnest Money/Bid Bond"	<p>Following is added in clause no. 3.1.1:</p> <p>(i) There shall be no provision for submission of Earnest Money Deposit/Bid Security in tenders issued till 31.12.2021. Bidder is required to submit Declaration for Bid Security in bid as per proforma at Annexure-1.</p> <p>Declaration for Bid Security shall be sought in all tenders except for Procurement of materials, works and services for procurement of works / services / spares or materials / capital items / equipment of proprietary nature from original equipment manufacturers / Original Equipment Suppliers/ distributors / sole selling agent / authorized dealer nominated by OEM.</p> <p>(ii) Wherever, there are compelling reasons/circumstances to seek EMD/ Bid Security, the same should be included in tender with the approval of one level higher than the competent authority. However, wherever the competent authority is Director and above, approval of concerned Director shall suffice.</p>
Clause no. 3.2 "Contract Performance Guarantee/Security (CPS)/ Security Deposit (SD)"	<p>Following is added in clause no. 3.2.1</p> <p>(i) In all existing orders/ contracts (under execution/ under warranty/ Defect Liability Period etc.) on the date of this amendment, the "Contract Performance Security (CPS)/ Security Deposit (SD)" is reduced to 3% of order/ contract value (annualized contract value in case of Hiring of Contract Services and Rate Contract for procurement of Goods/ Works/ Services having contract period more than one year).</p>

However, the benefit of the reduced Performance Security will not be given in the orders/ contracts under dispute wherein arbitration/ court proceedings have either already been started or are contemplated by GAIL and/or Supplier/ Contractor/ Service Provider.

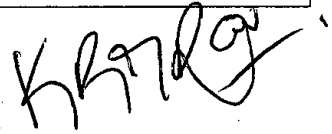
Accordingly, the Supplier/ Contractor/ Service Provider will be informed regarding reduced CPS/SD as mentioned above by the concerned Engineer-in-Charges (EIC)/ Construction -in-Charges for Contracts and by concerned dealing C&P executive/ Project Manager for Purchase Orders.

- (ii) Wherever, the CPS/SD is submitted/deducted more than above specified percentage of 3% of order/contract value or annualized order/ contract value (as the case may be), the additional SD and CPS (as the case may be) will be refunded/returned to Supplier/ Contractor/ Service Provider.

In case Contract Performance Security (CPS) is submitted in the form of Bank Guarantee, the Supplier/ Contractor/ Service Provider can reduce the value of Bank Guarantee and submit amendment to BG accordingly. GAIL will provide the necessary communication for the same to issuing bank, if required. Alternatively, Supplier/ Contractor/ Service Provider has option to submit the new Contract Performance Security (CPS) of 3% of order/contract value or annualized order/ contract value (as the case may be) and upon receipt & confirmation of same, the earlier Contract Performance Security (CPS) can be returned.

- (iii) Wherever, Supplier/ Contractor/ Service Provider is yet to submit "Contract Performance Security (CPS)/ Security Deposit (SD)" or the total "Contract Performance Security (CPS)/ Security Deposit (SD)" (including ISD and amount deducted from RA bills) are less than 3% order/contract value or annualized order/ contract value (as the case may be), Contract Performance Security (CPS)/ Security Deposit (SD)" may be sought/ deducted for 3% only.

- (iv) The "Contract Performance Security (CPS)/ Security Deposit (SD)" in all tenders/ orders/ contracts issued/ concluded till 31.12.2021 shall be as under:




Sl. no.	Description	Security Deposit/ Contract Performance Guarantee
(i)	Procurement of materials, works and services upto an individual Order / Contract value of Rs. 5 Lakhs	Nil
(ii)	Procurement of spares or materials or Services of proprietary nature from original equipment manufacturers / distributor / sole selling agent / authorized dealer	Nil
(iii)	Procurement of Goods & Works (including LSTK/ EPC Contracts) except Rate Contracts mentioned below in clause no. 3.2.1 (iv)	SD/CPBG @ 3% of Total Order/ Contract Value within 30 days of FOA/ notification of award.
(iv)	Hiring of Contract Services and Rate Contract for procurement of Goods/ Works/ Services	SD / CPBG @ 3% of Total Order / Contract value in case contract period is less than one year or 3% of Annualized Order / Contract value in case contract period is more than one year.
(v)	Consulting Service Contracts	Nil

(v) In all contracts where “Contract Performance Security (CPS)/ Security Deposit (SD)” has been reduced to 3% of order/contract value or annualized order/ contract value (as the case may be) in view of above stipulations, the reduced percentage of “Contract Performance Security (CPS)/ Security Deposit (SD)” shall continue for the entire duration of the contract and there should be no subsequent increase of Performance Security even beyond 31.12.2021.

	<p>Similarly, in all orders/contracts entered into with “Contract Performance Security (CPS)/ Security Deposit (SD)” of 3% of order/contract value or annualized order/contract value (as the case may be), there will be no subsequent increase in Performance Security even beyond 31.12.2021.</p> <p>(vi) Wherever, there are compelling reasons/circumstances to seek “Contract Performance Security (CPS)/ Security Deposit (SD)” in excess of 3% stipulated above, the same should be done with the approval of one level higher than the competent authority. However, wherever the competent authority is Director and above, approval of concerned Director shall suffice.</p>
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- 3.0 Further, the “EMD/ Bid Security” and “Contract Performance Security (CPS)/ Security Deposit (SD)” provisions in Policy for Procurement of Goods / Works / Services from Government e-Marketplace (GeM) shall also amended to above extent
- 4.0 The above amendment forms an integral part of the Contracts and Procurement Procedure.
- 5.0 This is issued with the approval of the competent authority.


 (K. R. M. Rao)
 Executive Director (C&P)

01.12.2020

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- All OICs /HODs at Corporate Office
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DECLARATION FOR BID SECURITY

To,

M/s GAIL (INDIA) LIMITED

SUB:

TENDER NO:

Dear Sir

After examining / reviewing provisions of above referred tender documents (including all corrigendum/ Addenda), we M/s _____ (*Name of Bidder*) have submitted our offer/ bid no.

We, M/s _____ (*Name of Bidder*) hereby understand that, according to your conditions, we are submitting this Declaration for Bid Security.

We understand that we will be put on watch list/holiday/ banning list (as per polices of GAIL in this regard), if we are in breach of our obligation(s) as per following:

- (a) have withdrawn/modified/amended, impairs or derogates from the tender, my/our Bid during the period of bid validity specified in the form of Bid; or
- (b) having been notified of the acceptance of our Bid by the GAIL during the period of bid validity:
 - (i) fail or refuse to execute the Contract, if required, or
 - (ii) fail or refuse to furnish the Contract Performance Security, in accordance provisions of tender document.
 - (iii) fail or refuse to accept 'arithmetical corrections' as per provision of tender document.
- (c) having indulged in corrupt/fraudulent /collusive/coercive practice as per procedure.

Place:

Date:

[Signature of Authorized Signatory of Bidder]

Name:

Designation:

Seal: