

GM/FMD/ 27 /2021

DATE: 13/11/2021

Sub: Bid Security / Earnest Money Deposit / Performance Security.

- Ref:** 1. DPE vide letter No.DPE/7(4)/2017-Fin.(Part-I) dt. 19th Nov 2020
2. DoE's Office Memorandum No.F.9/4/2020-PPD dt. 12th Nov 2020

Reference is made to the minutes of 331st Management Committee meeting held on 21st September, 2021. Management Committee has accorded approval for the following:

2. Bid Security/ Earnest Money Deposit (Ref. Para No.9.1.1 & 9.1.2 of HAL Works Manual 2011):

Contractor shall submit Bid Security Declaration in place of Earnest Money Deposit, "Bid Security Declaration" is to be provisioned in the Tender Document. Bid Security Declaration format is placed at Annexure-AD), which the bidders are required to duly sign and furnish in their letter head along with tender accepting that "if they withdraw or modify or amend or impair or derogates their bids during the period of validity / period of offer etc., they will be debarred to participate in HAL tenders for upto a period of 2 years". Clause to this effect is to be incorporated in the tender document.

NOTE:

- As per the instruction of OM dtd: 12.11.2020, all new tenders to be issued in future till 31.12.2021, henceforth, need to obtain Bid Security Declaration in place of Earnest Money Deposit.
- Wherever tender already issued and amendment / corrigendum could be possible for issue, the same can be considered for issuing amendment / corrigendum to the tender to indicate submission of "Bid Security Declaration" in place of EMD. In case, if it is not possible to issue amendments / corrigendum to the tender, in this case the acceptance of bids need to be carriedout as per terms and conditions of the tender.
- Wherever, there are compelling circumstances to ask for EMD in the tender, the same need to be taken up, for inclusion in tender document, with the approval of Divisional Head by justifying the reason for seeking EMD from the bidders

3. Security Deposit for Civil, Electrical & Consultancy Works (Ref. Para No.9.2.1 of HAL Works Manual 2011):

"Successful tenderer will be required to furnish security deposit for the fulfilment of contract. The security deposit shall be 8% of the original contract sum. This amount shall not be altered during the execution of work due to deviation, either plus or minus. Security Deposit shall consist of two parts;

Performance Guarantee (@ 3%) to be submitted at award of work, and Retention money (@ 5%) to be recovered from Running Bill.

ನೋಂದಾಯಿತ ಕಛೇರಿ : ೧೫/೧, ಕಬ್ಬನ್ ರಸ್ತೆ, ಬೆಂಗಳೂರು-೫೬೦೦೦೧, ಭಾರತ

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पंजीकृत कार्यालय : 15 /1, कब्बन रोड, बेंगलूरु - 560 001, भारत

Registered Office : 15 /1, Cubbon Road, Bengaluru - 560 001, India

ಜಿ ಎಸ್ ಟಿ ಐ ಎನ್ / ಜಿ ಎಸ್ ಟಿ ಆರ್ ಇನ್ / GSTIN: 29AAACH3641R1Z3

Total of Performance Guarantee & Retention Money should not exceed 8% of original contract sum. However, Retention money recovered should not be less than 5% of Final Bill value including Deviations if any.

Note:

- a) As per the instruction of OM dtd: 12.11.2020, in future all new tenders to be issued hereinafter till 31.12.2021, need to consider the reduced performance security Deposit and the same need to be included in the tender document.

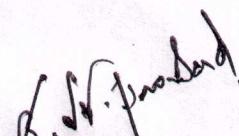
Wherever Performance Guarantee has already submitted by vendor, no need to change as is. Only in case contractor insist for returning the Performance Guarantee amount beyond 3% or returning the Performance Bank Guarantee, the excess amount beyond 3% need to be returned or fresh Bank Guarantee to be obtained for the reduced % of Performance Bank Guarantee as the case may be, on case to case basis with the approval of Divisional Head. However, based on the execution details in the current contracts or previous contracts are under dispute wherein arbitration/ court proceedings have been already started or are contemplated, in such cases, the reduced % of Performance Guarantee need not to be considered.

- b) Wherever tender already issued and amendment / corrigendum could be possible for issue, the same can be considered for issuing amendment / corrigendum to the tender document to indicate the reduced % of Performance Guarantee. In case, if it is not feasible to issue amendments / corrigendum to the tender, in this case the evaluation of bids need to be carried out as per terms and conditions of the tender. However, after determination of successful Contractor, the Contract could be finalized with successful contractor with reduced security deposit.

- c) The tender document shall include that "The successful Contractor shall execute the contract as per the requirement and ensure the compliance of clauses like performance of contract, Guarantee, etc., as required under the contract. Any non-compliance of contract conditions, shall entitle HAL to initiate appropriate penal actions as deemed necessary, including debarring of such contractor for a period upto two years besides invoking of Bank Guarantee".

- d) Wherever, there are compelling circumstances to ask in excess of 3% towards the performance security deposit in the tender document, the same need to be taken up, for inclusion in tender, with the approval of Divisional Head by justifying the reason for asking more performance security deposit.

4. The above guidelines would apply till 31.12.2021 and afterward existing works manual clauses shall be followed.
5. Divisions / offices may accordingly take necessary action while putting up the proposals / Tender Notices/Tender Documents.
6. This guideline is issued with approval of Management Committee.


[BSV PRASAD]
General Manager [FMD]

Encl: 1. Annexure-AD



To: Divisional Heads, Heads of Plant Maintenance, Heads of Finance:

Aircraft/Engine/Overhaul/F&F/Aerospace/IMGT/LCA-TD/IJT-LSP/ASC/Helicopter/ Helicopter-
MRO/ACD/RWRDC/Barrackpore/ARDC/AERDC/MCSRDC/AMD-Nasik /AOD-Nasik/AURDC-
Nasik/ED-Kpt/SED-Kpt/AD-Lkw/ASERDC-Lkw/AD-Hyd/, SLRDC-Hyd/AD-Korwa/TAD-
Kanpur/FMD/M&H/HMA/LO-Delhi.

Copy to:

CEO (HC) / CEO (MC) / CEO (AC) / CEO (BC),
ED(Sys)-DC / GM(F)-MC / AGM(F)-BC / AGM(F)-AC / AGM(F)-HC / DGM(F)-DC.

Corporate Office:

ED(IMM) / ED(HR) / GM(Plg.) / GM(QA) / GM(CS) / GM(I) / GM(F)-B / GM(F)-C / GM(F)-BS/
GM(SYA) / GM(HR) / GM(IT) / GM(Vig) / AGM(JV&OS) / DGM(Works).

SO to CMD, SO to D(E,R&D), SO to D(F), SO to D(Ops), SO to D(HR)

X:-

As

Bid Securing Declaration Form

Date: _____

Contract No. _____

To :

..... Division,
Hindustan Aeronautics Limited,

Sub:

I/We. The undersigned, declare that:

I/We understand that, according to the terms and conditions of the referred Tender, bids must be supported by a Bid Securing Declaration certificate towards Earnest Money Deposit, as such, this declaration certificate is issued.

I/We hereby accept that I/We may be disqualified from bidding for any contract with Hindustan Aeronautics Limited for upto period of **Two years** from the date of notification if I am /We are in a breach of any obligation under the bid conditions, because I/We

- 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 HAL during the period of bid validity (i) fail or refuse to execute the contract, if required, or (ii) fail or refuse to furnish the Performance Security, in accordance with the Instructions to Bidders.

I/We understand this Bid Securing Declaration shall cease to be valid if I am/we are not the successful Bidder, upon the earlier of (i) the receipt of your notification of the name of the successful Bidder; or (ii) thirty days after the expiration of the validity of my/our Bid.

Signed: (insert signature of person whose name and capacity are shown)
in the capacity of (insert legal capacity of person signing the Bid Securing Declaration)

Name: (insert complete name of person signing the Bid Securing Declaration) Duly authorized to sign the bid for an on behalf of (insert complete name of Bidder)

Dated on _____ day of (insert date of signing)

Corporate Seal (where appropriate)