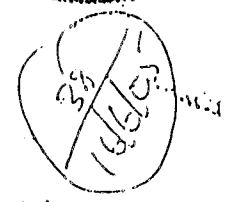
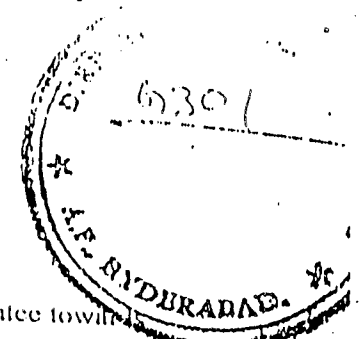


GOVERNMENT OF ANDHRA PRADESH  
FINANCE (WORKS & PROJECTS) DEPARTMENT

Memo.No.64973/E.8(1)/05- Dt. 19.06.2005.



Sub:- Works---EPC contracts ---Flaw in the format of Bank Guarantee towards Bid Security, EMD --Instructions --Issued.

Ref:- From DOWA Lr.No.DWA/Hyd./Sn. 11/A.7/2005./06/65, dt. 24.05.2005.

The Director of Works and Accounts brought to the notice of the Government that Bidders are giving Bank Guarantee at the time of tender. The conditions of obligations of such Bank Guarantee are limited till conclusion of contract. However, the agreement Concluding Authorities are obtaining Earnest Money Deposit in the shape of Bank Guarantee calculated at 2.5% of bid amount less EMD paid at the time of submission of bid documents. Such Bank Guarantee at the time of tender does not cover obligation till completion of work. The Director of Works and Accounts stated that as per condition 13.12 of conditions of agreement, such conditional Bank Guarantee is not acceptable.

2. The matter is examined and following instructions are issued:

- i) Bank Guarantee submitted by the successful bidder at the time of tender with conditional obligations shall not be accepted and retained against EMD for performance at the time of conclusion of contract.
- ii) unconditional and irrecoverable Bank Guarantee shall be obtained towards EMD for the entire specified amount at the time of concluding agreement.

3. Director of Works and Accounts is requested to arrange for verification of Bank Guarantees and comply with the above instructions. The administrative Departments are requested to issue circular instructions to Agreement Concluding Authorities of their departments to comply with above instructions. In future agreements the condition 13.6 of the agreement relating to EMD, may be suitably modified by the administrative departments.

J.G.PRASAD RAO  
DY.FINANCIAL ADVISOR &  
EX-OFFICIO DY.SECRETARY TO GOVT.

The Director of Works and Accounts, Hyderabad.  
Irrigation & CAD Deptt., /Transport, Roads and Buildings Deptt./Municipal Administration & Urban Dev. Deptt./ Panchayat Raj & Rural Devt., Deptt.,  
Copy to Engineer - in - Chief, Hyderabad/Chief Engineers of I&CAD/R&B/P.R,Engg/PI Engg.  
Copy to DFA/AFA/AS.

//forwarded:: by order//

Encl. no. DWA/Hyd/ (R&B) A7-CK-06) # 24

Section Officer  
DT. 5-8-05

copy communicated to all J.D.W.As for information with a request to follow the instructions of Government accordingly.

TO  
ALL J.D.W.As

JOINT DIRECTOR OF WORKS ACCOUNTS

WA	
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ipdt	
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Office of the  
Jt. Director of Taxes Accounts  
Kawara...

Encl. 100. JBWA/K/contd/0.1/03/05-06/210

File: 25/8/05

Copy communicated among all the PAOs/APAOs of this  
organisation for information & necessary action.

Copy to the Superintendent, ITC Section for information

E.V. [Signature]  
Jt. Director of Taxes Accounts  
Kawara...

ITC  
25/8