

No. NH-37015/01/2022-H-Part(1) (Comp No. 212632)
 Government of India
 Ministry of Road Transport & Highways
 (Highways Section)
 Transport Bhawan, 1, Parliament Street, New Delhi-110001

Dated: 31st August , 2022

To

1. Chairperson, NHAI, New Delhi.
2. DG(RD) & SS, MoRTH
3. Director General (BRO), New Delhi.
4. MD, NHIDCL, New Delhi,
5. All Principal Secretary(PWD)/Secretary(PWD) of all States/UTs

Sub: Seeking additional performance security for the bidders who have quoted abnormally low bid price - reg

Madam/Sir,

Reference is invited to the Ministry's OM no. NH-37015/01/2022-H dated 18.05.2022 on the subject matter vide which amendments were made in the Clause 2.21 of the Standard RFP of EPC contract to lay down how abnormally low bid is to be identified in case of compelling circumstances.

2. The new provision is as follows :

"2.21 Performance Security

Within 30 (thirty) days of receipt of Letter of Acceptance, the selected Bidder shall furnish to the Authority an irrevocable and unconditional guarantee from a Bank in the form set forth in Appendix-VII (the "Performance Security") for an amount equal to 3% (three percent) of its Bid Price. In case of bids mentioned below, the Selected Bidder, along with the Performance Security, shall also furnish to the Authority an irrevocable and unconditional guarantee from a Bank in the same form given at Appendix-VII towards an Additional Performance Security (the "Additional Performance Security") for an amount calculated as under:

- (i) If the Bid price offered by the selected bidder is **lower than 20% of the estimated project cost/cost put to tender**, the additional performance security shall be calculated @ 20% of the difference in the (i) Estimated Project Cost (as mentioned in RFP) - 20% of the Estimated Project Cost and (ii) the Bid Price offered by the selected Bidder.
- (ii) Maximum limit of additional performance security shall be limited to 3% of the Bid price offered by the selected bidder.
- (iii) The additional performance security shall be treated as part of the performance security.
- (iv) Additional performance security shall be taken only after approval of the Secretary, Ministry of Road Transport & Highways, mentioning specific reasons justifying the requirement of additional performance security alongwith track record of the bidder."

3. In spite of Ministry issuing the aforesaid circular, it has come to notice that field officers are still issuing RFPs with the old provisions causing confusion among stakeholders. Hence, all the implementing agencies of the MoRTH are requested to issue corrigendum incorporating the amended provision in the standard RFP document of EPC contract in all tenders where bids are yet to be received.

Yours faithfully



(Sushant Sudan)

Deputy Secretary to the Govt. of India

Copy for necessary action to:

- (i) All ADGs
- (ii) All Zonal CEs
- (iii) All ROs, MoRTH
- (iv) All Technical Officers of Ministry

Copy also to:

- (i) Sr. PPS to Secretary (RTH)
- (ii) Sr. Technical Director, NIC, MoRTH for uploading on the website of the MoRTH