

Government of India
Ministry of Road Transport & Highways
(S&R (P&B/New Technology) Zone)

130.242

Transport Bhawan, 1, Parliament Street, New Delhi-110001

Dated: 30th April, 2025

CIRCULAR

To

1. The Chief Secretaries of all the State Governments/ UTs.
2. The Principal Secretaries/ Secretaries of all States/ UTs Public Works Department/ Road Construction Department/ Highways Department (dealing with National Highways and other centrally sponsored schemes).
3. The Chairman, National Highways Authority of India, G-5 & 6, Sector-10, Dwarka, New Delhi-110 075.
4. The Managing Director, NHIDCL, World Trade Centre, New Delhi-110029.
5. The Director General (Border Roads), Seema Sadak Bhawan, Ring Road, New Delhi-110 010.
6. All Engineers-in-Chief and Chief Engineers of Public Works Department of States/ UTs/ Road Construction Department/ Highways Departments (dealing with National Highways and other centrally sponsored schemes).
7. The Secretary General, Indian Roads Congress
8. The Director, IAHE, Noida, UP.
9. All CE-ROs, ROs and ELOs of the Ministry.

Subject: - Seeking Additional Performance Security for the bidders who have quoted abnormally low bid price ~ Reg.

Madam/Sir,

Reference is drawn towards Ministry's Circular No. NH 37015/01/2022-H dated 26.08.2022 (computer no. 208778) vide which Ministry has issued guidelines for seeking additional performance security in the Para 4 (i), (ii) & (iii):

(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.

2. It was further conveyed that Additional performance security shall be taken only after approval of Secretary, Ministry of Road Transport & Highways, mentioning specific reasons justifying the requirement of additional performance security along with track record of the bidder. The circular was issued in pursuance to Department of Expenditure Circular no. F.9/4/2020-PPD dated 12.11.2020.

Bidder want Re.

3. The matter has been reviewed considering the trend of abnormally low bid prices in National Highways projects and it has been decided that, henceforth, additional performance security will be taken from selected bidder for low bid as under:

- (i) where the bid price is below 10% but not below 20% of the project cost put to bid, the additional performance guarantee/security percentage shall be incremented by 0.1% for every percentage of bid price below 10% of the project cost put to bid starting at 11% with the additional bid performance guarantee being 0.1% and this additional performance guarantee percentage shall be applied on the bid price;
 - (ii) where the bid price is 20% or more below of the project cost put to bid, the additional performance guarantee percentage shall be incremented by 0.2% for every percentage of bid price below 20% of the project cost put to bid in addition to 1% of the bid price and this additional performance guarantee percentage shall be applied on the bid price;
 - (iii) The additional performance guarantee percentage shall be rounded off to the next lower percentage based on whether the decimal point of the percentage of bid price is below 0.5% or next higher percentage based on whether the decimal point of the percentage of bid price is 0.5% or more.
 - (iv) The additional performance security shall be treated as part of the performance security.
 - (v) An illustrative example for calculation of additional performance guarantee/security for a notional project where the project cost put to bid is Rs.1000 crore is given in Annexure for ready reference.
4. In respect of projects under Road Wing, Additional Performance Security shall be taken with approval from DG (RD) & SS, MoRTH.
5. These guidelines shall come into force with immediate effect. All the implementing agencies of the MoRTH are requested to take action accordingly.
6. This issues with the approval of the Competent Authority.

Yours sincerely,

Bidur Kant Jha
30/04/2025

(Bidur Kant Jha)

Director

(New Technology for Highway development)

For DG (RD) & SS

Enclosure: As above.

Copy to:

1. All CEs in the Ministry of Road Transport & Highways
2. All ROs of the Ministry of Road Transport & Highways
3. All CE(NH) of PWD/R&B dealing with National Highways
4. Technical circular file of S&R (P&B) Section
5. NIC-for uploading on Ministry's website under "What's new" & "Comprehensive Compendium Circulars with CODE 130.242.

Copy for kind information to:

1. PS to Hon'ble Minister (RT&H)
2. PS to Hon'ble MOS (RT&H)
3. Sr. PPS to Secretary (RT&H)
4. Sr. PPS to DG (RD) & SS
5. Sr. PPS/ PPS to Addl. Secretary (Road Safety)/ Addl. Secretary (RT&H & LA)
6. Sr. PPS/ PPS to AS&FA
7. Sr. PPS/ PPS to all ADG (KB)/ ADG(SC)/ ADG(RS)
8. Sr. PPS/ PPS to JS (RT&MVL)/ JS (EIC) / JS (Logistics)/ JS (NHIDCL)

Bidur Kant Jha,

Bid Price of Bidder (Rs crore)	Performance Bank Guarantee (Rs crore)	% discount to project cost put to bid	Percentage Additional Performance Guarantee	Additional Performance Guarantee (Rs crore)	Total Performance Bank Guarantee (Rs crore)	PBG as % of project cost put to bid
	3%					
1000	30.00	0.00%	0.00%	0.00	30.00	3.00%
990	29.70	1.00%	0.00%	0.00	29.70	3.00%
980	29.40	2.00%	0.00%	0.00	29.40	3.00%
970	29.10	3.00%	0.00%	0.00	29.10	3.00%
960	28.80	4.00%	0.00%	0.00	28.80	3.00%
950	28.50	5.00%	0.00%	0.00	28.50	3.00%
940	28.20	6.00%	0.00%	0.00	28.20	3.00%
930	27.90	7.00%	0.00%	0.00	27.90	3.00%
920	27.60	8.00%	0.00%	0.00	27.60	3.00%
910	27.30	9.00%	0.00%	0.00	27.30	3.00%
900	27.00	10.00%	0.00%	0.00	27.00	3.00%
890	26.70	11.00%	0.10%	0.89	27.59	3.10%
880	26.40	12.00%	0.20%	1.76	28.16	3.20%
870	26.10	13.00%	0.30%	2.61	28.71	3.30%
860	25.80	14.00%	0.40%	3.44	29.24	3.40%
850	25.50	15.00%	0.50%	4.25	29.75	3.50%
840	25.20	16.00%	0.60%	5.04	30.24	3.60%
830	24.90	17.00%	0.70%	5.81	30.71	3.70%
820	24.60	18.00%	0.80%	6.56	31.16	3.80%
810	24.30	19.00%	0.90%	7.29	31.59	3.90%
800	24.00	20.00%	1.00%	8.00	32.00	4.00%
790	23.70	21.00%	1.20%	9.48	33.18	4.20%
780	23.40	22.00%	1.40%	10.92	34.32	4.40%
770	23.10	23.00%	1.60%	12.32	35.42	4.60%
760	22.80	24.00%	1.80%	13.68	36.48	4.80%
750	22.50	25.00%	2.00%	15.00	37.50	5.00%
740	22.20	26.00%	2.20%	16.28	38.48	5.20%
730	21.90	27.00%	2.40%	17.52	39.42	5.40%
720	21.60	28.00%	2.60%	18.72	40.32	5.60%
710	21.30	29.00%	2.80%	19.88	41.18	5.80%
700	21.00	30.00%	3.00%	21.00	42.00	6.00%
690	20.70	31.00%	3.20%	22.08	42.78	6.20%
680	20.40	32.00%	3.40%	23.12	43.52	6.40%
670	20.10	33.00%	3.60%	24.12	44.22	6.60%
660	19.80	34.00%	3.80%	25.08	44.88	6.80%
650	19.50	35.00%	4.00%	26.00	45.50	7.00%
640	19.20	36.00%	4.20%	26.88	46.08	7.20%
630	18.90	37.00%	4.40%	27.72	46.62	7.40%
620	18.60	38.00%	4.60%	28.52	47.12	7.60%
610	18.30	39.00%	4.80%	29.28	47.58	7.80%
600	18.00	40.00%	5.00%	30.00	48.00	8.00%
590	17.70	41.00%	5.20%	30.68	48.38	8.20%
580	17.40	42.00%	5.40%	31.32	48.72	8.40%
570	17.10	43.00%	5.60%	31.92	49.02	8.60%
560	16.80	44.00%	5.80%	32.48	49.28	8.80%
550	16.50	45.00%	6.00%	33.00	49.50	9.00%
540	16.20	46.00%	6.20%	33.48	49.68	9.20%
530	15.90	47.00%	6.40%	33.92	49.82	9.40%
520	15.60	48.00%	6.60%	34.32	49.92	9.60%
510	15.30	49.00%	6.80%	34.68	49.98	9.80%
500	15.00	50.00%	7.00%	35.00	50.00	10.00%

4/4 Bidder K&J Inc.