

प्रेषक,

कल्याण बनर्जी,  
संयुक्त सचिव,  
उत्तर प्रदेश शासन।

सेवा में,

- 1- प्रबन्ध निदेशक, उ०प्र० जल निगम (नगरीय), लखनऊ।
- 2- निदेशक, स्थानीय निकाय निदेशालय उ०प्र०, लखनऊ।
- 3- निदेशक, सीएण्डडीएस, उ०प्र० जल निगम (नगरीय), लखनऊ।

नगर विकास अनुभाग-5

लखनऊ, दिनांक ०७ जनवरी, 2022

विषय: निर्माण कार्यों में परफार्मेंस सिक्योरिटी के संबंध में।

महोदय,

शासन के संज्ञान में यह आया है कि नगर विकास विभाग से संबंधित कार्यदायी संस्थाओं यथा- उ०प्र० जल निगम/सीएण्डडीएस/स्थानीय निकायों के अन्तर्गत कार्य के परफार्मेंस सिक्योरिटी के विषयगत अनुबन्धित लागत का 10 प्रतिशत परफार्मेंस सिक्योरिटी के रूप में सामान्यतः रखा जाता है और असामान्य न्यून बिड में अतिरिक्त परफार्मेंस सिक्योरिटी ली जाती है। इस विषयगत भारत सरकार द्वारा निर्गत Office Memorandum No. F/9/4/2020-PPD दिनांक 12.11.2020 में निम्न निर्देश दिये गये हैं:-

- (i) In view of all above, it is decided to reduce **Performance Security from existing 5-10% to 3% of the value of the contract** for all existing contracts. However, the benefit of the reduced Performance Security will not be given in the contracts under dispute wherein arbitration/court proceedings have been already started or are contemplated.
- (ii) Further, all tenders/contracts issued/concluded till 31.12.2021 should also have the provision of reduced Performance Security.
- (iii) In all contracts where Performance Security has been reduced to 3% in view of above stipulations, the reduced percentage of Performance Security shall continue for the entire duration of the contract and there should be no subsequent increase of Performance Security even beyond 31.12.2021.

Similarly, in all contracts entered into with the reduced percentage of Performance Security of 3%, there will be no subsequent increase in Performance Security even beyond 31.12.2021.

- (iv) Wherever, there is compelling circumstances to ask for Performance Security in excess of three percent as stipulated above, the same should be done only with the approval of the next higher authority to the authority competent to finalise the particular tender, or the Secretary of the Ministry/ Department, whichever is lower. Specific reasons justifying the exception shall be recorded.

भारत सरकार द्वारा उपरोक्त जारी निर्देशों की समय सीमा अपने परिपत्र संख्या F.9/4/2020-PPD दिनांक 30.12.2021 के माध्यम से दिनांक 31.03.2023 तक बढ़ा दी गयी है (निर्गत निर्देशों की प्रति संलग्न)।

2. भारत सरकार के उपर्युक्त वर्णित निर्देशों के क्रम में मुझे यह कहने का निदेश हुआ है कि नगर विकास विभाग से संबंधित कार्यवाही संस्थाओं यथा- उ०प्र० जल निगम/सीएण्डडीएस/स्थानीय निकायों में कार्यों की परफार्मेंस सिक्वोरिटी के विषयगत निम्नवत व्यवस्था लागू की जाये:-

- (क) जहां कहीं भी कार्य हेतु प्राप्त निविदा की लागत कार्य के लिये अनुमानित लागत से 10 प्रतिशत तक कम प्राप्त हुई हो उन समस्त अनुबंधों में उपरिवर्णित भारत सरकार के द्वारा दिये गये दिशा-निर्देशों के अनुरूप परफार्मेंस सिक्वोरिटी को 3 प्रतिशत की सीमा तक रखा जाये और उक्त प्राविधान पूर्व से विद्यमान/चल रहे अनुबंधों के लिये भी लागू/प्रभावी होंगे। यह ध्यान रखा जायेगा कि उपरोक्त का लाभ विवादित कार्यों/न्यायिक प्रकरणों एवं आर्बिट्रेशन में आच्छादित प्रकरणों हेतु अनुमन्य नहीं होगा।
- (ख) जिन कार्यों हेतु प्राप्त निविदा की लागत कार्य हेतु अनुमानित लागत से 10% के नीचे प्राप्त हुई हो तो उस दशा में प्रथम 10% तक के लिये परफार्मेंस सिक्वोरिटी 03% ही रहेगी। परन्तु उसके पश्चात् प्रत्येक 1% नीचे दर हेतु 0.5% अतिरिक्त परफार्मेंस सिक्वोरिटी जमा कराया जाये। अतिरिक्त परफार्मेंस सिक्वोरिटी की गणना के विषयगत एक उदाहरण/दृष्टांत परिशिष्ट के रूप में संलग्न किया जा रहा है।
- (ग) यदि किसी विशेष परिस्थिति में कार्य की गुणवत्ता के दृष्टिगत संबंधित अधिकारी उक्त प्राविधानों से अधिक परफार्मेंस सिक्वोरिटी जमा कराना चाहते हैं तो इस विषयगत समुचित कारण का उल्लेख करते हुए प्रकरण शासन को संदर्भित कर अनुमति प्राप्त की जायेगी।

**संलग्नक - यथोक्त**

**भवदीय,**



**( कल्याण बनर्जी )**

कल्याण बनर्जी

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**संख्या एवं दिनांक तदैव।**

प्रतिलिपि निम्नलिखित को सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित।

- 1- समस्त मण्डलायुक्त/जिलाधिकारी उ०प्र०।
- 2- निदेशक, राज्य नगरीय विकास अभिकरण (सूडा), उ०प्र०।
- 3- समस्त नगर आयुक्त, नगर निगम उ०प्र०।
- 4- समस्त अधिशासी अधिकारी, नगर पालिका परिषद/नगर पंचायत उ०प्र०।
- 5- गार्ड फाइल/कम्प्यूटर सेल

**आज्ञा से,**



**( कल्याण बनर्जी )**

संयुक्त सचिव

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### ILLUSTRATION FOR ADDITIONAL PERFORMANCE SECURITY

	<b>Contract/Bid Rate</b>	<b>Provision for Performance Security</b>	<b>Example Illustration</b>
I	Up to 10% below the estimated Cost.	Only 3% of quoted rate. No Additional Performance Security.	Estimate Cost Rs 100,000. Bid Rate:- 90,000 (i.e. 10% below). Performance Security : 3% of 90000 = <b>3000</b>
II	Rate quoted beyond 10% below of the estimated cost.	3% of quoted rate for upto 10 % below rate + Additional Performance Security @0.5% for each 1% further below than 10%.	Estimate Rate Rs 100,000. Bid Rate:- 75,000(i.e.25% below) Performance Security: 3% of 75000 = 2250 + Additional Performance Security below 90,000 upto 75,000 @ the rate of 0.5% for each below 1% bid : 15 * 0.5% i.e., 7.5% of 75000= 5625. So, in this case total performance security will be 2250+5625= 7875.

- 4 -

No.F.9/4/2020-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division  
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264-C, North Block, New Delhi.  
30<sup>th</sup> December, 2021.

**OFFICE MEMORANDUM**

**Subject: Performance Security.**

The undersigned is directed to refer to this Department's OM of even number dated 12.11.2020 (copy enclosed) regarding the subject cited above and to say that it has been decided to extend the validity of the said OM dated 12.11.2020 regarding "Performance Security" till 31.03.2023.

2. This OM is also available on the website of Department of Expenditure; [www.doe.gov.in](http://www.doe.gov.in) -> Notification -> Circular --> Procurement Policy OM.

**Encl. : As above.**

  
30.12.2021  
Kanwalpreet  
Director (Procurement Policy)  
Tel.: 23093811  
Email: [kanwal.irss@gov.in](mailto:kanwal.irss@gov.in)

To

Secretaries of All Central Government Ministries/ Departments

**Copy to:** Secretary, Department of Public Enterprises (DPE) – with a request to issue same instructions to all Central Public Sector Undertakings (CPSUs).

No. F.9/4/2020-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division

512, Lok Nayak Bhawan, New Delhi  
Dated the 12<sup>th</sup> November 2020

**OFFICE MEMORANDUM**

**Subject: Performance Security.**

As per Rule 171 of General Financial Rules (GFRs) 2017, Performance Security is to be obtained from the successful bidder awarded the contract for an amount of five to ten percent of the value of the contract to ensure due performance of the contract. Similar provisions also exist in the Manual for Procurement of Works 2019 and Manual for Procurement of Consultancy & other Services 2017 issued by this Department.

2. The Government is in receipt of many representations that on account of slowdown in economy due to the pandemic, there is acute financial crunch among many commercial entities and contractors, which in turn is affecting timely execution of the contracts. It has also been represented that this may affect the ability of contractors to bid in tenders and hence reduce competition. Requests are being received for reduction in quantum of Security Deposits in the Government contracts.

3. In view of all above, it is decided to reduce **Performance Security from existing 5-10% to 3% of the value of the contract** for all existing contracts. However, the benefit of the reduced Performance Security will not be given in the contracts under dispute wherein arbitration/ court proceedings have been already started or are contemplated.

4. Further, all tenders/ contracts issued/ concluded till 31.12.2021 should also have the provision of reduced Performance Security.


5. In all contracts where Performance Security has been reduced to 3% in view of above stipulations, the reduced percentage of Performance Security shall continue for the entire duration of the contract and there should be no subsequent increase of Performance Security even beyond 31.12.2021.

Similarly, in all contracts entered into with the reduced percentage of Performance Security of 3%, there will be no subsequent increase in Performance Security even beyond 31.12.2021.

6. Wherever, there is compelling circumstances to ask for Performance Security in excess of three percent as stipulated above, the same should be done only with the approval of the next higher authority to the authority competent to finalise the

particular tender, or the Secretary of the Ministry/ Department, whichever is lower. Specific reasons justifying the exception shall be recorded.

7. These instructions will be applicable for all kinds of procurements viz. Goods, Consultancy, Works, non-consulting Services etc and are issued under Rule 6(1) of the GFRs 2017.

  
(Kotluru Narayana Reddy)  
Deputy Secretary to the Govt. of India  
Tel: 24621305  
Email: kn.reddy@gov.in

To,

All the Secretaries and Financial Advisers to Government of India

Copy to: Secretary, Department of Public Enterprises with a request to issue the same instructions to Central Public Sector Undertakings (CPSUs).