

No. RCIL-CO00P(MISC)/3/2019-O/o DGM/Operations/CO/RCIL

Dated: 21.05.2020



Executive Director/Regional General Manager,

RailTel Corporation of India Ltd.,

Northern Region/New Delhi,

Western Region/Mumbai,

Southern Region/Secunderabad,

Eastern Region/Kolkata.

Sub: Releasing of Performance Bank Guarantee.

Ref: 1) Railway Board Letter No. 2018/CE-I/CT/37/GCC/Policy dated 15.05.2020

2) Ministry of Finance OM No. F18/4/2020-PPD dated 13.05.2020: Rule No. 171 of GFR-2017

In reference to above, please find enclosed herewith the letter issued by Rly Board along with GFR-171 for the release of Performance Bank Guarantee to the contractors. This may please be complied.

Following are the guidelines which are to be read along with GFR Rule-171:

1. In case the PBG was submitted through bank transfer/DD, the proportionate amount is to be released directly to the contractor's bank account.
2. If the PBG is in the form of BG the original BG will be released subject to the contractor submitting a BG for the reduced amount and with same terms and conditions.

The aforesaid is to be implemented on the request of contractor.

This issues with concurrence of finance and approval of competent authority.


Jagdeep Singh

(Executive Director/Operations)

For & on behalf of RailTel Corporation of India Ltd.

DA: As above.

Copy to:

1. OSD to CMD for kind information of CMD.
2. DPOM, DNPM & DF for their kind information.
3. Sr. Manager (PR)-for uploading on RailTel Intranet website.



भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
रेलवे बोर्ड Railway Board

No. 2018/CE-I/CT/37/GCC/Policy

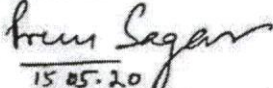
New Delhi, Dated 15.05.2020

Addressed to:
(As per list mentioned below)

Sub: Release of Performance Guarantee
Ref: Ministry of Finance OM No. F18/4/2020-PPD, dated 13.05.2020

Enclosed herewith please find Ministry of Finance OM No. F18/4/2020-PPD, dated 13.05.2020 on the subject of 'Performance Security in terms of Rule 171 of General Financial Rules, 2017 (GFR) - Guidelines Regarding' for compliance by all concerned.

This issues with the concurrence of Finance Directorate of Ministry of Railways.


15.05.20
(प्रेम सागर गुप्ता)

कार्यकारी निदेशक (सिविल इंजी.)/रेलवे बोर्ड
[Phone: Rly: 030-44803, MTNL011-23383379]

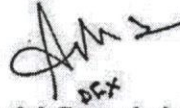
DA: as above

No. Letter No. 2018/CE-I/CT/37/GCC/Policy

New Delhi, dated 15.05.2020

Copy forwarded for information to:

- (i) PFAs, All Indian Railways.
- (ii) The Dy. Comptroller and Auditor General of India (Railways), Room no. 224, Rail Bhawan, New Delhi


DFX

For Financial Commissioner / Railways

LIST FOR DISTRIBUTION (Letter No. 2018/CE-I/CT/37/GCC/Policy)

1. General Managers, All Indian Railways & Production Units
2. General Manager (Con), N.F. Railway, Guwahati
3. General Manager /CORE, Allahabad.
4. Chief Administrative Officers (Con), All Indian Railways (Except N.F. Railway)
5. Principal Chief Engineers, All Indian Railways

(A)

1. CAO, COFMOW, Tilak Bridge, New Delhi

2. Principal CAO, Diesel Loco Modernisation Works, Patiala (Punjab)
3. CAO (Workshop Projects), Chamber Bhawan, Judge's Court Road, Anta Ghat, Patna-800001, Bihar

(B)

1. Director General, RDSO, Manak Nagar, Lucknow
2. Director General, NAIR, Vadodara
3. Director, IRICEN, Pune - 411 001 (Maharashtra)
4. Director, IRIEEN, PB No.-233, Nasik Road-422101 (Maharashtra)
5. Director, IRISSET, Taa Naka Road, Lalla Guda, Secunderabad-500017
6. Director, IRIMEE, Jamalpur Distt-Jamalpur, PIN-811214 (Bihar).
7. Director, IRITM, Sarswati Residential Estate, IRITM Campus, Manak Nagar, Lucknow

(C)

1. MD, CONCOR, Concor Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi-110076.
2. IRCON International Limited, C-4, District Centre, Saket, New Delhi- 110017
3. MD, RITES Ltd., RITES Bhawan, Plot No.1, Sector-29, Gurgaon.
4. CMD, RVNL, August Kranti Bhawan, Plot No.25, 1st Floor, Bhikaji Cama Place, New Delhi.
5. MD, MRVC Ltd., Churchgate Station Bldg, Mumbai- 400020
6. CMD, KONKAN Railway Corporation Ltd, Rail Bhawan, New Delhi-110001.
7. MD, DFCCIL, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001
8. MD, RLDA, Near Safdarjung Railway Station, Moti Bagh, Phase-I, New Delhi- 110021
9. MD, CRIS, Chanakyapur, New Delhi.
10. CMD, RailTel Corporation of India Ltd. Plot No. 143, Institutional Area, Sector-44, Gurgaon - 122003.
11. CME, IROAF, 12th Floor, Core-1, Scope Minar, Distt. Centre, Laxmi Nagar, Delhi-110092
12. Managing Director, IRFC Limited, UG Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Lodhi Road, Pragati Vihar, New Delhi.
13. CMD, IRCTC Ltd., B-148, 11th Floor, Statesman House, Barakhamba Road, New Delhi 110001
14. CMD Braithwaite & Co. Limited, Kolkata.

Copy to:

(A)

1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIRF, Rail Bhawan, New Delhi
3. General Secretary, NFIR, Rail Bhawan, New Delhi
4. General Secretary, IRPOF, Rail Bhawan, New Delhi
5. General Secretary, FROA, Rail Bhawan, New Delhi
6. General Secretary, AIRPA, Rail Bhawan, New Delhi
7. General Secretary, AISC & STREA, Rail Bhawan, New Delhi
8. The Secretary, RBSS, Group (A) Offices Association, Rail Bhawan
9. The Secretary, RBSS, Group (B) Offices Association, Rail Bhawan
10. General Secretary, RBSSS Association, Rail Bhawan
11. The Secretary, RBMSA, Rail Bhawan
12. The Secretary, Railway, Group (D) Employees Association, Rail Bhawan

(B)

**F. 18/4/2020- PPD
Government of India,
Ministry of Finance,
Department of Expenditure
Procurement Policy Division**

Room No. 512, Lok Nayak Bhawan,
New Delhi dated the 13th May, 2020

OFFICE MEMORANDUM

Subject: Performance Security in terms of Rule 171 of General Financial Rules, 2017 (GFR) – Guidelines Regarding

Rule 171 of the GFR 2017 prescribes conditions for obtaining performance security for the execution of goods and works contract. The Rule prescribes that performance security is to be obtained from the successful bidder which is awarded the contract amounting to 5% - 10% of the value of contract as specified in the bid documents. The validity of the performance security is for a period of 60 days beyond the date of completion of all contractual obligations of the supplier including warranty obligation.

2. Attention is drawn to Department of Expenditure's O.M. No. F.18/4/2020 – PPD dated 19.2.2020 wherein it was clarified that disruption of supply chains due to spread of Corona virus in China or any other country would be considered as extraordinary events or circumstances beyond human control and would be termed as a natural calamity. It was, therefore, advised that wherever considered appropriate, after following due procedure as stated in para 9.7.7 of the Manual for Procurement of Goods 2017, "Force Majeure Clause" (FMC) may be invoked.

3. Since the issue of the said O.M., restrictions have been placed on the movement of goods, services and manpower on account of the lockdown situation prevailing in the country in terms of the guidelines issued by the Ministry of Home Affairs (MHA) in terms of the Disaster Management Act 2005 (D.M. Act 2005) and executive orders of the respective States and U.T. Governments. Under such situations the payment cycle too has got disrupted due to the restrictive measures, on account of which some contractors, who have otherwise fulfilled their contractual obligations, are facing liquidity problems impacting their future performance. In some cases, it may not have been possible for a contractor/supplier to fulfil all his contractual obligations in terms of the contract. Public interest lies in quick resumption of economic activity.

4. Therefore, in the following circumstances:

- (a) where an application is made by a contractor who is not in default of any contractual obligations; or
- (b) where FMC is invoked by a contractor and the requirements of FMC are fulfilled;

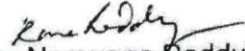
the contractee (Government Department/Agency) may return the value of performance security to the contractor/supplier as is proportional to the supplies made/contract work completed to the total contract value.

5. It is clarified that if the contractor/ supplier is in violation of the contractual obligation, the contractee shall be under no obligation to take action as per these guidelines. It is further clarified that the guidelines contained in the present OM shall apply only in respect of such non-performance as can be attributable to a lockdown

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situation or restrictions imposed under any Act or executive order of the Government/s on account of COVID-19 global pandemic.

6. These guidelines are issued under Rule 6(1) of GFR 2017.



(Kotluru Narayana Reddy)

Deputy Secretary to the Govt. of India

Tel. No. 24621305

Email: kn.reddy@gov.in

To:

Secretaries of all Central Government Ministries/Departments