

Very Urgent
By Spl. Manager



GOVERNMENT OF KERALA

Abstract

Finance Department- Additional Performance Guarantee- further clarification- Orders issued

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT
G.O.(P)No.19/2016/Fin Dated, Thiruvananthapuram, 03/02/2016

Read:- G.O.(P) No. 429/15/Fin dated 28.9.2015

ORDER

Government vide order read above ordered among other things that no additional performance guarantee shall be collected for works quoted below upto 10% of the estimate rate to enhance competition . However additional performance guarantee will be insisted if the amount quoted is between 11% to 25% below estimate rate and no tender shall be accepted below this limit to ensure reasonable quality of works.

2. Now doubts have arisen as to whether additional performance guarantee need be collected in case of works having quoted rates between 10% and 11% below estimate rates. The clarifications were also sought as to whether exemption allowed upto 10% below estimate rate need be applied to rates quoted between 10% and 25%. Accordingly the position is clarified as follows.

“ Additional performance guarantee will be required in all cases where quoted rate falls below 10% of the estimate cost but the maximum permissible lower limit is 25% below the estimated cost.

The 10% standard exemption will be applicable to all estimates quoted below estimate cost upto 25 %. If the rate quoted by the contractor is "x%" below estimate cost (where x lies above 10% and upto 25%) the performance guarantee for an amount equal to (x-10)% of the estimate amount shall be obtained from the contractor"

3. Government order read above stands modified to the above extend.

4. This clarification will take effect from the date of order and cases settled otherwise will not be reopened.

(By Order of the Governor)
AJAYAKUMAR. A.R.
Additional Secretary (Finance).

To

The Accountant General (A&E) Kerala, Thiruvananthapuram
The Accountant General (G&SSA) Kerala, Thiruvananthapuram
The Accountant General (E&RSA) Kerala, Thiruvananthapuram
All Heads of Departments/Offices
Private Secretary to Chief Minister
All Private Secretaries to Ministers
Private Secretary to the Leader of Opposition
All Secretaries to Government
The Secretary, Kerala Public Service Commission,
Thiruvananthapuram
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
The Registrar, High Court of Kerala
The Secretary, Kerala Human Rights Commission,
Thiruvananthapuram
The Managing Director, Kerala State Transport Corporation,
Thiruvananthapuram
The Secretary, Kerala State Electricity Board,
Thiruvananthapuram
The Secretary to Governor
All Secreteriat Departments.
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Section Officer