



PMC Cell – MM

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Sub: Security Deposit/Performance Security in GeM tenders for Service Contracts

In tenders floated through ONGC's e-portal for Hiring of Services, Security Deposit / Performance Security @10% of annualized value of the contract is being sought from the successful bidder. However, in the tender floated for Hiring of Services in GeM portal, Security Deposit / Performance Security @10% of the total contract value is being sought from the successful bidder. This distinction between ONGC e-tenders and GeM tenders in Service Contracts has been raised at various forums.

With a view to have a uniform approach between ONGC e-tenders and GeM tenders for Service contracts, the provisions of Security Deposit/Performance Security for GeM tenders vide para 8.1.2.2.4 of IMMM have been reviewed and the modified provisions of Integrated MM Manual are enclosed herewith at Annexure-1.

Above guidelines should be meticulously followed by all concerned in all the future GeM tenders including tenders where techno-commercial bids are yet to be opened.

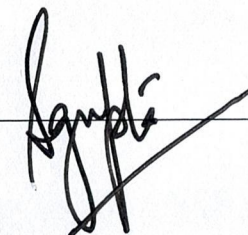

(Sandeep Gupta)
ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

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Existing vis-à-vis modified provisions of Integrated MM Manual

Para ref.	Existing Provision	Proposed Provision	Remarks
<p>Para 8.1.2.2.4 of IMMM</p>	<p><i>Earnest Money Deposit /Performance Security:</i> i) EMD/Bid Security @1% of estimated cost put to tender shall be required from the bidders in all the cases beyond the limit specified in General terms and conditions available on GeM Portal. All terms and conditions with regard to submission of EMD including the categories of Sellers exempted from furnishing the EMD shall be as per General terms and conditions available on GeM Portal.</p> <p>ii) Performance Security/ PBG @10% of the order/Contract value shall be required from the successful bidder, as per General terms and conditions available on GeM Portal. The provisions on type of instrument/ format/submission time/ exemption/ Validity/ return / forfeiture etc. as applicable on GeM portal in respect to Earnest money Deposit/Bid Security/ PBG/ Performance Security/ Security Deposit shall be applicable. However approving authority shall be governed as per BDP/IMMM, in case any approval is required.</p> <p>The validity of PBG shall be obtained for 60 days beyond delivery period/completion period. In case PBG is required to be valid for additional period (including warranty period), the same can be done with the approval of CPA, while inviting tender.</p>	<p><i>Earnest Money Deposit /Performance Security:</i> i) EMD/Bid Security @1% of estimated cost put to tender shall be required from the bidders in all the cases beyond the limit specified in General terms and conditions available on GeM Portal. All terms and conditions with regard to submission of EMD including the categories of Sellers exempted from furnishing the EMD shall be as per General terms and conditions available on GeM Portal.</p> <p>ii) <u>Performance Security/ PBG shall be required from the successful bidder, as per General terms and conditions available on GeM Portal.</u> The provisions on type of instrument/ format/submission time/ exemption/ Validity/ return / forfeiture etc. as applicable on GeM portal in respect to Earnest money Deposit/Bid Security/ PBG/ Performance Security/ Security Deposit shall be applicable. However approving authority shall be governed as per BDP/IMMM, in case any approval is required.</p> <p>The validity of PBG shall be obtained for 60 days beyond delivery period/completion period. In case PBG is required to be valid for additional period (including warranty period), the same can be done with the approval of CPA, while inviting tender.</p> <p><u>The monetary limit for Performance Security / security deposit for GeM procurement cases for supply of goods and for Services will be as under:</u></p> <p>i. <u>Supply of Goods - 10% of order / contract value.</u></p>	<p><i>Underlined portion modified</i></p>



ii. All type of services – as per table below.

<u>Contract Period</u>	<u>% of PS/SD</u>
<u>Upto 1 year</u>	<u>10% of the total contract value</u>
<u>More than 1 year and upto 2 years</u>	<u>5 % of the total contract value</u>
<u>More than 2 year and upto 5 years</u>	<u>3% of the total contract value</u>
<u>More than 5 years</u>	<u>2% of the total contract value</u>

