

ORDER

From

The Director General, Supplies & Disposals,
Haryana, Department.

To

1. All the Administrative Secretaries to Government of Haryana.
2. All the Heads of Departments in the State Haryana
3. All the Managing Directors/Chief Executive Officers of Boards/Corporations/
Federations in Haryana State.
4. All the Divisional Commissioners in the State Haryana.
5. All the Deputy Commissioners in the State Haryana.
6. The Registrar, Punjab & Haryana High Court, Chandigarh.
7. The Registrar of all Universities in the State of Haryana

Memo No. DGS&D/Admin/Performance Security/2020/ 8780-8959
Dated: 14.12.2020

Subject: Amendment in Performance Security Deposit of the successful tenderer in Public Procurement of the State.

Whereas the State Govt. vide its order No.2/2/2016-4IBII(2) dated 20.10.2016 had provided the Performance Security Deposit of the successful tenderer in procurement of Stores/ Goods through this office to be 2% of the order value or Estimated value of the Rate Contract for Haryana based firms, 0.2% of the order value or Estimated value of the Rate Contract for Haryana MSEs and 5% of the order value or Estimated value of the Rate Contract for other States/UT based firms, and

Whereas the Ministry of Finance, Department of Expenditure (Procurement Policy Division), Govt. of India vide its Order No.F.9/4/2020-PED dated 12.11.2020 had observed 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 effecting timely execution of the contract. In view of the same, the Gol had reduced the Performance Security from existing 5-10% to 3% of the value of the contract for all existing contracts with some specific provisions, and

Whereas the State Government also agrees to the initiative of Government of India for providing relief to the commercial entities and contractors in terms of Performance Security for all kinds of procurements viz. Goods/Stores, Consultancy, Works, non-consulting Services etc.

The matter has been considered by the State Government and it has been decided to substitute the contents as contained in State Govt. order No.2/2/2016-4IBII(2) dated 20.10.2016 as under:-

“That the Performance Security Deposit of the successful tenderer shall be as under:-

Sr. No.	Type of Firm/Enterprises	Value of Performance Security Deposit
1	Haryana based firms:- (i) # Haryana Based Micro and Small Enterprises (MSEs) (ii) Haryana based other firms/enterprises	(i) @0.2% of the value of contract (ii) @2% of the value of contract
2	Other States/ UTs based firms	@3% of the value of contract

Haryana based MSEs will be eligible for performance security deposit @ 0.2% who have filed SSI Certificate/EM Part-II/Udyog Aadhaar Memorandum (UAM)/Udyam Registration in Haryana and who participate directly in the tendered/quoted items and offering to supply the entire Work/Supply Order by their enterprise.

The above will be governed by the following:-

- A. The benefit of the reduced Performance Security from 5% to 3% as in Sr. No.2 of the table above will not be given in the contracts under dispute wherein arbitration/ court proceedings have been already started or are contemplated.
- B. All tenders/contracts issued/concluded till 31.12.2021 should also have the provision of reduced Performance Security.
- C. 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.
- D. 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.
- E. Wherever, there is compelling circumstances to ask for Performance Security in excess of 2% in case of Haryana based firm and 3% in case of other State /UT based firms 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.
- F. These instructions will be applicable for all kinds of procurements viz. Goods, Consultancy, Works, non-consulting Services etc."

The above instructions may be brought to the notice of all concerned.



Additional Director (Admin),
For Director General, Supplies & Disposals Department

Endst. No.DGS&D/Admin/Performance Security/2020/ 8960-962 Dated, 14.12.2020

A copy of the above is forwarded to the following for information:-

1. The Chief Principal Secretary to Chief Minister, Haryana.
2. The Principal Secretary to Govt. Haryana, Industries & Commerce Department.
3. The Principal Accountant General (Audit), Haryana, Sector-33, Chandigarh.



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For Director General, Supplies & Disposals Department