



Indian Electrical & Electronics Manufacturer's Association
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Director General

SEC/REP/UK/2021/080

7th April 2021

**Shri A Venu Prasad, IAS,
 Chairman & Managing Director,
 Punjab State Power Corporation Ltd (PSPCL)**

Dear Sir,

Sub: Request to Implement Advisories of the Government of India under *Aatmnirbhar Bharat* to Provide Relief to the Indian Electrical Industry

- (i) Replacement of Bid Security / EMD with Bid Security Declaration in existing and future contracts**
- (ii) Return of Performance Securities Proportionate to Supplies Made / Works Contracts Concluded in existing and future contracts**
- (iii) Reference: PSPCL Tender Specification number: 226/SS-II (D) for supply of 100 Nos. 66KV Circuit Breakers**

Indian Electrical & Electronics Manufacturers Association (IEEMA), the apex association of Indian electrical industry, appreciates and welcomes the pro-activeness and initiatives taken by the Government of India and the respective State Governments, in supporting survival of Indian industry, through several financial and non-financial measures, from time to time.

In respect of slowdown in the economy on account of outbreak of deadly COVID-19 pandemic, there is an acute financial crunch among many commercial entities and contractors which has affected the timely execution of the contracts. Further, this cash crunch has affected the ability of contractors to bid in tenders for healthy completion in the market, particularly in the Indian Electrical Industry.

We wish to bring to your kind notice the recent announcements under *Aatmnirbhar Bharat 3.0*, which include the following:

(a) Replacement of Bid Security / Earnest Money Deposit (EMD) with Bid Security Declaration in Existing and Future Contracts:

The Department of Expenditure, Ministry of Finance, Government of India, has issued an Office Memorandum, dated 12th November, 2020 (copy enclosed), advising all the Government Departments / Public Enterprises and Central Public Sector Undertakings that notwithstanding anything contained in Rule 171 of GFRs 2017 or any other Rule or any provision contained in the Procurement Manuals, no provisions regarding Bid Security should, be kept in the Bid Documents in future and only provision for Bid Security Declaration should be kept in the Bid Documents.



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Again, the said instructions will be applicable to all the tenders issued till 31.12.2021, for all kinds of procurements viz. Goods, Consultancy, Works, Non-Consulting Services etc. and are issued under Rule 6(1) of the GFRs 2017.

(b) Return of Performance Securities Proportional to Supplies Made / Works Contracts Concluded in Existing and Future Contracts:

The Department of Expenditure, Ministry of Finance, Government of India, vide its Office Memorandum No. F.18/4/2020-PPD, dated 13th May 2020 (copy enclosed) has advised to return the value of performance securities submitted by various vendors / contractors, proportional to the supplies already concluded/ contract work completed to the total contract value.

IEEMA would be grateful to your office for implementation of these advisories of the Department of Expenditure, Ministry of Finance, Government of India, in existing and future procurement tenders issued by all Government Utilities/ Boards in your state. This will provide significant relief to the contractors and suppliers, easing their liquidity and working capital needs and help them tied over the difficult situation created by the pandemic and subsequent crisis.

We understand from our members that PSPCL has published a tender (copy enclosed) for purchase of 100 Nos. 66kV Circuit Breaker, which specifies requirement of Earnest Money Deposit of INR 758,000/- Maximum or 189,500/- Minimum. We request you to kindly consider to waive off EMD for the ongoing tender as per the directives of Ministry of Finance order.

We look forward to your kind consideration of our above requests.

Best Regards

Yours sincerely,

Sunil Misra