	कोल इंडिया लिमिटेड (भारत सरकार का उपक्रम) Coal India Limited (A Government of India Enterprise)	संविदा प्रबंधन प्रकोष्ठ Contract Management Cell (CMC) Coal Bhawan, Premises No. 04 MAR, Plot No. AF-III Action Area - 1A, New Town, Rajarhat, Kolkata: 700156
	CIN: L23109WB1973GOI028844 Website: www.coalindia.in	Phone: 033-71104198 e-mail: gmcmc.cil@coalindia.in

Ref. No: CIL/GM(CMC)/2022/ 1633

Date: 07.01.2022

To,
 The General Manager (CMC/Civil/E&M)
 ECL/BCCL/CCL/NCL/WCL/SECL/MCL
 The General Manager, NEC.
 The GM(UMD)/GM/TS to CMD, CMPDIL.

Sub: Guidelines regarding Performance Security

Dear Sir(s),

Please refer to the letter No. 1152 dated 04.12.2020 (**Annexure-A**) issued by GM (CMC), CIL on the subject matter, w.r.t OM No. F. 9/4/2020-PPD dated 12.11.2020 by DoE, PPD regarding Performance Security Deposit (**Annexure-B**), in which the following was mentioned:

Quote:

b. With respect to OM No. F. 9/4/2020-PPD dated 12.11.2020 by DoE, PPD regarding Performance Security Deposit:

Performance Security Deposit (i.e. 5% of contract value in case of tenders other than tenders floated as per chapter 3 & 6 of CMM and 5% of the annualized contract value or contract value whichever is less for tenders as per chapter 3 & 6 of CMM) shall be reduced to 3%. The provision of Retention Money should be kept as it is in the existing manuals.


The reduction of Performance Security from existing provision of 5% to 3% of the value of contract (contract value or annualized contract value as the case may be) shall be applicable for all existing contracts and all tenders / contracts issued / concluded till 31.12.2021.

Further, the reduced percentage of Performance Security shall continue for the entire duration of the contract and there will be no subsequent increase in Performance Security beyond 31.12.2021. However, the benefit of the reduced Security Deposit will not be given in the Contracts under dispute wherein arbitration/ court proceedings have been already started or are contemplated.

However, in case of compelling circumstances where Performance Security in excess of 3% is felt necessary, the same can be done with the approval of the next higher authority to the authority competent to finalize the tender.

: Unquote

Contd.....P/2

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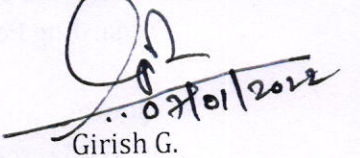
Pursuant to OMs No. F. 9/4/2020-PPD dated 30.12.2021 on Performance Security issued by Procurement Policy Division, Department of Expenditure, Ministry of Finance (**Annexure-C**) and approval of the Competent Authority of CIL, the above directives which were in force in respect of Performance Security till 31.12.2021, are extended up to 31.03.2023.

The existing provision of 'Performance Security Deposit' with respect to long term contracts i.e. for a period exceeding 5 years shall remain unaltered.

Additionally, other guidelines in the letter No. 1152 dated 04.12.2020 shall remain unaltered.

The above shall come into force with immediate effect.

Yours faithfully,


 03/01/2022
 Girish G.
 GM (CMC), CIL

Encl: As above

Copy to:

1. ED (Co-ordination), CIL / TS to Chairman, CIL
2. GM (MM/Civil/E&M/Fin), CIL
3. TS to D(T), CIL
4. Office File.