

RTI REQUEST DETAILS

Registration No. :	PGCIL/R/T/21/00007	Date of Receipt :	25/01/2021
Transferred From :	Ministry of Power on 25/01/2021 With Reference Number : POWER/R/E/21/00050		
Remarks :	The application is transferred under Section 6(3) of RTI Act, 2005.		
Type of Receipt :	Electronically Transferred from Other Public Authority	Language of Request :	English
Name :	Aman Avinav	Gender :	Male
Address :	A-317, LGF, Defence Colony, New Delhi, Pin:110024		
State :	Delhi	Country :	India
Phone No. :	+91-01141406930	Mobile No. :	+91-8800674074
Email :	amanavinav.adv@gmail.com		
Status(Rural/Urban) :	Urban	Education Status :	Above Graduate
Letter No. :	Details not provided	Letter Date :	Details not provided
Is Requester Below Poverty Line ? :	No	Citizenship Status :	Indian
Amount Paid :	0 (RTI fee is received by Ministry of Power (original recipient))	Mode of Payment :	Payment Gateway
Does it concern the life or Liberty of a Person ? :	No(Normal)	Request Pertains to :	
Information Sought :	<p>I am an advocate practicing before the Supreme Court of India and the Delhi High Court and regularly advise Infrastructure Development Companies. I am writing to you with reference to the Office Memorandum No. 9/4/2020-PPD dated 12.11.2020 issued by the Procurement Policy Division, Department of Expenditure, Ministry of Finance, Government of India, whereby it has been decided to reduce Performance Security from existing 5-10% to 3% of the value of the contract for all existing contracts. A copy of the said Office Memorandum was also issued to the Secretary, Department of Public Enterprises with a request to issue the same instructions to Central Public Sector Undertakings (CPSUs).</p> <p>Pursuant to the above Office Memorandum, CPSUs and PSUs have been requested to reduce the existing performance security supplied under the contract in the form of Bank Guarantees to 3% of the contract value and release of the Bank Guarantees for the balance security. However, no action has been taken by the CPSUs pursuant to the Office Memorandum nor any response has been received from them, in this regard, till date. The continued inaction by the CPSUs and PSUs will have a crippling effect on the business of my clients as well as the entire Infrastructure Sector, thus defeating the very objectives the office memorandum wishes to fulfill.</p>		

In the above background, I seek the following information/clarification:

- (1) Whether the above Office Memorandum is mandatory in nature and binding upon all CPSUs and PSUs under the Ministry of Power? Please share relevant document, if any.
- (2) Have instructions for reduction in Performance Security to 3% been issued to CPSUs and PSUs functioning under its aegis, by the Ministry of Power? If yes, then please provide the relevant correspondence. If not, then Why?
- (3) What steps have all CPSUs and PSUs under the Ministry of Power taken to give effect to the above Office Memorandum? Please share the relevant document, if any.
- (4) Whether the instruction regarding reduction of performance security to 3% contained in the above Office Memorandum (or as adopted) applies to existing Performance Bank Guarantees supplied under subsisting contracts? Please share relevant document, if any.
- (5) Whether the instructions contained in the said office memorandum (or as adopted) has the effect of automatically amending the terms on performance security in existing contracts with contractors, thereby reducing the performance security to 3%? Please share relevant document, if any.

It is submitted that the above information/clarification is sought in public interest which would provide much needed clarity and help achieve the objectives of the Office Memorandum. Therefore, an early and expeditious response would be appreciated.

Original RTI Text : I am an advocate practicing before the Supreme Court of India and the Delhi High Court and regularly advise Infrastructure Development Companies. I am writing to you with reference to the Office Memorandum No. 9/4/2020-PPD dated 12.11.2020 issued by the Procurement Policy Division, Department of Expenditure, Ministry of Finance, Government of India, whereby it has been decided to reduce Performance Security from existing 5-10% to 3% of the value of the contract for all existing contracts. A copy of the said Office Memorandum was also issued to the Secretary, Department of Public Enterprises with a request to issue the same instructions to Central Public Sector Undertakings (CPSUs).

Pursuant to the above Office Memorandum, CPSUs and PSUs have been requested to reduce the existing performance security supplied under the contract in the form of Bank Guarantees to 3% of the contract value and release of the Bank Guarantees for the balance security. However, no action has been taken by the CPSUs pursuant to the Office Memorandum nor any response has been received from them, in this regard, till date. The continued inaction by the CPSUs and PSUs will have a crippling effect on the business of my clients as well as the entire Infrastructure Sector, thus defeating the very objectives the office memorandum wishes to fulfill.

In the above background, I seek the following information/clarification:

- (1) Whether the above Office Memorandum is mandatory in nature and binding upon all CPSUs and PSUs under the Ministry of Power? Please share relevant document, if any.

(2) Have instructions for reduction in Performance Security to 3% been issued to CPSUs and PSUs functioning under its aegis, by the Ministry of Power? If yes, then please provide the relevant correspondence. If not, then Why?

(3) What steps have all CPSUs and PSUs under the Ministry of Power taken to give effect to the above Office Memorandum? Please share the relevant document, if any.

(4) Whether the instruction regarding reduction of performance security to 3% contained in the above Office Memorandum (or as adopted) applies to existing Performance Bank Guarantees supplied under subsisting contracts? Please share relevant document, if any.

(5) Whether the instructions contained in the said office memorandum (or as adopted) has the effect of automatically amending the terms on performance security in existing contracts with contractors, thereby reducing the performance security to 3%? Please share relevant document, if any.

It is submitted that the above information/clarification is sought in public interest which would provide much needed clarity and help achieve the objectives of the Office Memorandum. Therefore, an early and expeditious response would be appreciated.

[Print](#)[Save](#)[Close](#)