

No. 3/7/2017-Trans-Pt(6)
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi- 110001

Dated, 25th March, 2021

To

Chairperson,
Central Electricity Authority,
Sewa Bhawan, RK Puram,
New Delhi.

Subject: Reduction in Contract Performance Guarantee for Tariff Based Competitive Bidding (TBCB) transmission projects in line with Department of Expenditure's OM dated 12.11.2020 reg.

Sir,

In order to address the acute financial crunch among many commercial entities and contractors due COVID-19 pandemic, Department of Expenditure (DoE), Ministry of Finance has issued an Office Memorandum dated 12.11.2020 inter-alia stipulating reduction in Performance Security in all kinds of government procurements from existing 5-10% to 3% of the value of the contract for all existing tender/contracts as well as tenders/contracts to be issued/concluded till 31.12.2021 (copy enclosed).

2. Representation has been received from Transmission Developers Association to reduce the Contract Performance Guarantee (CPG) for TBCB transmission projects in line with above DoE's OM dated 12.11.2020.

3. In view of above, it has been decided that CPG for the TBCB transmission Projects for (a) Projects under construction where CPG is valid, (b) Projects where Letter of Award has been issued but CPG is yet to be submitted, (c) projects where Request for Proposal (RfP) has been issued but bids are yet to be submitted, and (d) For projects where RfP is not yet issued, but to be issued till 31.12.2021, may be revised as under:-

	Existing	Proposed
CPG Value	@ Rs. 13.5 lakh per km for the total Transmission Line length and @ Rs. 1.125 lakh per MVA for substations	@ Rs. 5.25 lakh per km for the total Transmission Line length and @ Rs. 0.45 lakh per MVA for substations

4. The above reduction in CPG is subject to following conditions:

- (i) It should not be given in the contracts under dispute wherein arbitration/ court proceeding have already been started or are contemplated.
- (ii) The reduced Performance Security shall continue for the entire duration of the contract and there would not be subsequent increase of Performance Security even beyond 31.12.2021.


(iii) Whenever, there is compelling circumstances to ask for CPG in excess of reduced value, as stipulated in para 3 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.

5. The Standard Bidding Documents for procurement of Transmission Services on Tariff Based Competitive Bidding stand amended to the above extent.

6. This issues with the approval of Secretary (Power).

Encl.: As above

Yours faithfully,


25/3/2024
(Bihari Lal)

Under Secretary to the Govt. of India

Copy to

1. CEO, RECPDCL.
2. CEO, PFCCL.
3. PS to Hon'ble MoSP (IC) / Sr PPS/ PPS/ PS to Secretary (Power) / AS (SKGR) / AS (VKD) / AS&FA / Sr Advisor/ All JSs/ CE(Th), MoP
4. Technical Director, NIC, Ministry of Power- with the request to host this letter on the website of Ministry of Power