



GOVERNMENT OF KERALA

Abstract

Finance Department - Implementation of e-tendering system - Refund of EMD - Further Clarification - Orders Issued.

FINANCE (IND & PW B) DEPARTMENT

G.O(P)No.104/2014/Fin Dated, Thiruvananthapuram, 14.03.2014

Read: 1. G.O (P) No.50/2014/Fin dated 07.02.2014

2. U.O (f) No.3070/B1/13/ITD, dated 28.02.2014

ORDER

In the Government Order referred to above certain clarifications have been issued regarding refund of EMD of successful bidders during acceptance of bids through e-tendering system. It was clarified that EMD submitted by the successful bidder shall be treated as part of security deposit and only balance amount of the security deposit alone need be collected at the time of executing agreement.

2. The IT Department vide reference 2nd cited has pointed out that EMD and security deposit amount should be treated separately and EMD shall not be transferred to treasury, but be refunded from the pooled account. It is also pointed out that the procedure for manual refund of EMD from treasury is cumbersome and this result in low bidder participation.

3. In view of the above, Government have reviewed the refund procedure suggested as per order referred to above and are pleased to order that, from 1st April 2014 onwards EMD of successful bidders will not be transferred to treasuries. This amount will be kept in the pooled

account along with EMD of other bidders and refund of EMD of successful bidders will be made soon after signing the agreement. It is also ordered that hereafter security deposit to be furnished by the successful bidder shall be in the form of treasury deposit for at least 25% of security amount of each bid.

4. Other conditions mentioned in the Government Order read above remain unchanged.

5. The NIC/KSITM shall bring necessary change in the process flow accordingly.

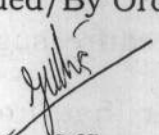
(By order of the Governor)

V.SOMASUNDARAN
Additional Chief Secretary (Finance)

To

The Principal Accountant General (A &E/G&SSA) Kerala,
Thiruvananthapuram.
The Accountant General (E &RSA) Kerala, Thiruvananthapuram
All Heads of Departments/Offices
All Departments of Secretariat
All Private Secretaries to Ministers
The Private Secretary to Chief Minister
The Private Secretary to Leader of Opposition
All Secretaries to Government
The Secretary, Kerala Public Service Commission, Thiruvananthapuram
(with C.L)
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam (with C.L)
The Registrar, High Court of Kerala
The Secretary, Kerala Human Rights Commission, Thiruvananthapuram
The Managing Director, Kerala State Road Transport Corporation,
Thiruvananthapuram (with C.L)
The Secretary, Kerala State Electricity Board (with C.L)
The Secretary to Governor
The Nodal Officer, www.finance.Kerala.gov.in
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Forwarded/By Order


Section Officer



Abstract

Finance Department – Implementation of e-tendering system in all Government Departments/PSUs/Boards – Refund of EMD- clarification - Orders Issued

FINANCE (IND & PW B) DEPARTMENT

G.O (P)No.980/2014/Fin Dated, Thiruvananthapuram, 07.02.2014.

- Read: 1. G.O (Ms) No. 36/2011/ITD dated, 07.12.2011.
2. G.O (Ms) No. 18/2012/ITD dated, 08.10.2012
3. G.O (Ms) No. 11/2013/ITD dated, 10.04.2013.
4. G.O. (P)No.15/2013/Fin dated 7/01/2013
5. Letter No. CE/D&A/IT/General/2013-14, dated 04.09.2013 & 23.09.2013 from the Chief Engineer, PWD (Design & Admn)

ORDER

As per the Government Order read as first paper above, orders have been issued to implement e-tender system in Government to enhance transparency and efficiency in public procurement activities. As per Government Order read as second cited, this has been made mandatory to all Government Departments/Boards/PSUs for all tenders costing above Rs.25 lakh. Government also approved the revised process flow document for online payment system of e-procurement vide the Government Order read third above. The detailed procedure for the payment of EMD and cost of tender documents were elaborated in the reference fourth cited.

2. The Chief Engineer, Public Works Department vide reference 5th cited has sought clarifications on the following points relating to e-tender system for making the system more effective.

- (i) The amount of EMD of successful bidders may also be refunded after signing the agreement as per the practice followed prior to the introduction of e-tendering system.

- (ii) The EMD of successful bidders who do not execute the agreement within the stipulated period may be forfeited. The cost of tender form may be refunded in cases when tenders are cancelled not due to the fault of the bidders.

3. Government have examined the matter in detail and are pleased to clarify as follows.

(a) The identity of the bidders has to be kept confidential till the opening of the commercial bid to prevent malpractices. Hence payment of EMD and cost of tender form will be only through online payment mode. The EMD cannot be accepted in the form of bank guarantee/DD as this will affect the confidentiality of e-tendering system. Since the successful bidder is bound to submit security deposit till the defect liability period, it is desirable that at least EMD part of security deposit should be kept with Government Treasury for which interest at applicable rate can be allowed. Hereafter the successful bidder need submit bid security for the balance amount excluding the cost of EMD at the time of executing agreement. However EMD of those bidders who have already submitted security deposit for full amount shall be processed and refunded manually after verifying the payment details.

(b) The EMD of successful bidder who does not execute the agreement within the prescribed time or bidders who submit false document while submitting their tender will be forfeited. So also the cost of tender form in respect of bids that are cancelled due to no fault of

the bidder shall be refunded observing the same procedure as in the case of refund of EMD.

4. The NIC/KSITM shall bring necessary change in the process flow accordingly.

(By order of the Governor)

V.SOMASUNDARAN
Additional Chief Secretary (Finance)

To

The Principal Accountant General(A&E/G&SSA), Kerala,
Thiruvananthapuram.
The Accountant General (E&RSA),Kerala Thiruvananthapuram.
All Heads of Departments / Offices.
The General Administration (SC) Department.
All Departments of Secretariat.
All Private Secretaries to Ministers.
The Private Secretary to Chief Minister.
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The Secretary, Kerala Public Service Commission, Thiruvananthapuram.
(with C.L).
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam.
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The Registrar, High Court of Kerala.
The Secretary, Kerala Human Rights Commission, Thiruvananthapuram.
The Managing Director, Kerala State Road Transport Corporation,
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