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KARNATAKA POWER TRANSMISSION CORPORATION LIMITED
CIN No. U40109KA1999SGC025521

Corporate Office
Kaveri Bhavan, K.G Road,
Bengaluru-560 009

KPTCL/B19/345/85-86

Date: 22.05.2020

CIRCULAR

Sub: Amendment to the stipulations for Contract Performance Guarantee - **Reg.**

- Ref:**
1. Letter No. AG(E&RSA)/ES-PSU-Reports/Repair of PT/AR-2018-19/2020-21/B-10 dated 28.04.2020 of Accountant General, office of the Accountant General (E&RSA), Karnataka.
 2. Standard Tender Documents for the works of Finance Dept, GoK K/W-4.
 3. I.O. Note No. B29/10841/2019-20 approved by the managing Director, KPTCL on 22.05.2020.

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As per the Standard Tender Document of KPTCL, the Contract Performance Guarantee amount shall be equal to Ten percent (10%) of the total Contract Price and it shall guarantee faithful performance of the Contract in accordance with the terms and conditions specified in the documents and specifications.

The Accountant General, Indian Audit and Accounts Department have issued a draft paragraph regarding, 'repair of failed Power Transformers relating to KPTCL' wherein the AG have suggested KPTCL to make suitable provision in the contract for collecting additional performance security in cases where the tender quotes are substantially lower.

Clause No. 25.5 of KW-4 Standard Tender Documents for works of Finance Department, GoK, stipulates that, wherever the rates quoted by a contractor are seriously unbalanced in relation to the estimated cost of work to be performed, the amount of performance security may be increased at the expense of the Successful Bidder to safe guard the financial interest of the owner in case of default.

..2)

In this regard, it was discussed and decided to adopt Clause No. 25.5 of KW-4 of Standard Tender Documents for works, to collect Contract Performance Guarantee equal to Ten percent (10%) of the total Contract Price OR Ten Percent (10%) of the updated estimate cost, if the Contract Price is less than the updated estimate cost of the tender for faithful Performance of the Contract for all KPTCL Contracts.

Hence, the following Amendment shall be adopted to the existing tender conditions in all the future tenders of KPTCL.

A. Contract Performance Guarantee in ITB

As Existing	As Amended
As a Contract Performance Guarantee, the Successful Bidder, to whom the Work is Awarded, shall be required to furnish a Performance Guarantee from a Public Sector Indian Bank / Scheduled Commercial Bank (in the second schedule of the RBI Act-1934) and the Bank should be covered under jurisdiction of Indian laws in the form attached as Annexure-III to this Volume-I in favour of the Owner. The Guarantee amount shall be equal to Ten percent (10%) of the total Contract Price and it shall guarantee faithful Performance of the Contract in accordance with the Terms and Conditions specified in these Documents and Specifications. The Bank guarantee shall be valid for a period of up to 90 days after the end of guarantee Period in accordance with section 15 of GCC.	As a Contract Performance Guarantee, the Successful Bidder, to whom the Work is Awarded, shall be required to furnish a Performance Guarantee from a Public Sector Indian Bank / Scheduled Commercial Bank (in the second schedule of the RBI Act-1934) and the Bank should be covered under jurisdiction of Indian laws in the form attached as Annexure-III to this Volume-I in favour of the Owner. The Guarantee amount shall be equal to Ten percent (10%) of the total Contract Price OR Ten Percent (10%) of the updated estimate cost if the Contract Price is less than the updated estimate cost of the tender and it shall guarantee faithful Performance of the Contract in accordance with the Terms and Conditions specified in these Documents and Specifications. The Bank guarantee shall be valid for a period of up to 90 days after the end of guarantee Period in accordance with section 15 of GCC.

B. Contract Performance Guarantee/ Guarantee in GCC

As Existing	As Amended
<p>The Successful Bidder to whom the Contract is Awarded, shall be required to furnish the Contract Performance Guarantee in the form of a Bank Guarantee in favour of the Owner as Contract Performance Guarantee for faithful Performance of the Contract in accordance with the Terms and Conditions specified in the Contract. The Guarantee amount shall be equal to Ten percent (10%) of the Contract Price and the Guarantee shall be valid till expiry of 90 days after the end of the guarantee period, as referred to in Clause 15.0, Section-III, General Conditions of Contract GCC, Volume-I.</p>	<p>The Successful Bidder to whom the Contract is Awarded, shall be required to furnish the Contract Performance Guarantee in the form of a Bank Guarantee in favour of the Owner as Contract Performance Guarantee for faithful Performance of the Contract in accordance with the Terms and Conditions specified in the Contract. The Guarantee amount shall be equal to Ten percent (10%) of the Contract Price OR Ten Percent (10%) of the updated estimate cost if the Contract Price is less than the updated estimate cost of the tender The Guarantee shall be valid till expiry of 90 days after the end of the guarantee period, as referred to in Clause 15.0, Section-III, General Conditions of Contract GCC, Volume-I.</p>

C. Proforma of Bank Guarantee For Contract Performance Of Annexure-III, Volume-I

As Existing	As Amended
<p>In consideration of the Karnataka Power Transmission Corporation Limited, (hereinafter referred to as the Owner which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having Awarded to M/s..... with its Registered/Head Office at (hereinafter referred to as the 'Contractor' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a Contract by issue of Owner's Letter of</p>	<p>In consideration of the Karnataka Power Transmission Corporation Limited, (hereinafter referred to as the Owner which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having Awarded to M/s..... with its Registered/Head Office at (hereinafter referred to as the 'Contractor' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a Contract by issue of Owner's Letter of</p>

<p>Award No.....dated..... and the same having been unequivocally accepted by the Contractor, resulting in a Contract bearing No..... dated valued at for (Scope of Contract) and the Contractor having agreed to provide a Contract Performance Guarantee for the faithful Performance of the entire Contract equivalent to * (%) (..... percent) of the said value of the Contract to the Owner</p>	<p>Award No.....dated..... and the same having been unequivocally accepted by the Contractor, resulting in a Contract bearing No..... dated valued at for (Scope of Contract) and the Contractor having agreed to provide a Contract Performance Guarantee for the faithful Performance of the entire Contract equivalent to * (%) (..... percent) of the said value of the Contract to the Owner OR Ten Percent (10%) of the updated estimate cost if the Contract Price is less than the updated estimate cost of the tender</p>
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The above instructions shall be followed scrupulously.


Deputy General Manager (Tech)
KPTCL

Copy to:

1. All Chief Engineers, Electricity, KPTCL.
2. All Financial Advisors, KPTCL.
3. All Superintending Engineer, Ele., KPTCL.
4. All Controllers of Accounts, KPTCL.

Copy for Information to:

1. SPS to Managing Director / Director (Transmission) / Director (Finance) / Director (A&HR), KPTCL, Kaveri Bhavan, Bengaluru, with a request to place the same before Managing Director.
2. Company Secretary KPTCL, Kaveri Bhavan, Bengaluru.
3. The Superintending Engineer (Ele.), IT&MIS, with a request to arrange to upload this circular in KPTCL website.