



**Government of West Bengal  
Irrigation & Waterways Department  
Jalasampad Bhaban, 1st Floor, Western Block  
Bidhannagar, Salt Lake City, Kolkata 700091**

No. 05-W/2018-19

Dated, 26<sup>th</sup> September, 2018

**MEMORANDUM**

***Sub: Sanction of mobilisation advance @ 10% of the tendered amount and depositing a portion of performance security as Bank Guarantee for all EPC contracts and normal item rate/percentage rate contracts of tender value Rs. 25 crore or above.***

In view of the growing emphasis on development of infrastructure, the Irrigation & Waterways Department has already started taking up a number of projects for revamping infrastructure in irrigation development, flood management and rural connectivity sectors. These include improvement of major structural components and up gradation/modernisation of hoisting systems of barrages, dams and canals, e.g Teesta Barrage at Gazoldoba, Dauk Barrage at Chopra, Damodar Barrage at Durgapur, Mayurakshi Dam at Messanjore, canal systems of Teesta, Kangsabati and Mayurakshi projects, large scale resuscitation of drainage channels in various South Bengal Districts etc. Very recently, two major projects, one for rejuvenation of 57 Medium & Minor Irrigation Schemes and the other for replacement of 373 old and wooden bridges by properly designed RCC bridges have been sanctioned by the Finance Department under Special Infrastructure Projects Fund.

2. The EPC mode of contract has already been adopted by this Department in the project for automated operation of Teesta Barrage gates and Messenjore Dam using SCADA-PLC technology. This mode will also be followed in many of the major upcoming projects due to their complexities, intricate technologies, requirement of specific time for execution

and other reasons. However, majority of other big value projects would continue to be executed under normal mode of item rate contract.

3. The need of having adequate number of reputed and capable construction companies is being increasingly felt during tendering of the bigger projects. In spite of wide publicity in print and electronic media, number of participating bidders in such tenders is limited, resulting in invitation of 2<sup>nd</sup> & even 3<sup>rd</sup> calls. It is also revealed that there are issues on amount and mode of deposition of EMD, Performance Security and also relating to mobilization advance etc, which are affecting participation from reputed and capable firms.
4. The above matter has been under consideration for some time and now the Governor is please to allow the following:
  - i. For all works contracts of value Rs. 25 crore or more, mobilisation advance @ 10% of the tendered amount at 10% simple interest may be sanctioned to the contractor on specific request as per term of the contract.
  - ii. The mobilisation advance shall be released only after submission of an unconditional Bank Guarantee of a scheduled bank by the contractor for the amount of advance and interest, which will remain valid for the period of contract.
  - iii. The mobilisation advance together with interest on the advance shall be recovered in maximum 5 instalments commencing from 2<sup>nd</sup> RA bill.
  - iv. The quantum of Earnest Money to be deposited is 2% amount put to tender or Rs. 50 lakh whichever is lower.
  - v. The L1 bidder who has already deposited Earnest Money following above procedure for tenders of values Rs. 25 crore or above and EPC contracts, may be allowed to deposit unconditional Bank Guarantee amounting to 5% of the tendered amount as a part of Performance Security (total of which is 10%) after signing of contract agreement on specific request as per term of the contract. Such BG would remain valid till defect liability period.
  - vi. Further deduction towards balance Performance Security from the 1st RA bills will be such that the total Performance Security comes to 10% of the tendered amount i.e Earnest Money already deposited (& deemed to have been converted as a part of performance security) + BG submitted (5% of the tendered amount, as stated above) + amount to be deducted from the RA Bills.

5. This has concurrence Finance Department, Group-T vide their U.O No. Group-T/2018-2019/0149 dated 15.05.2018 and Group-T U.O No. Group-T/2018-2019/0707 dated 12.09.2018.
6. This Department Order No. 306-IB dated 06.08.2018 and No. 309-IB dated 07.08.2018 stands modified.
7. Corrigendum may be inserted for all live/active tenders of value Rs. 25 crore or more and EPC contracts which have been already floated incorporating the above modifications in the GCC/terms and conditions. For fresh tenders the standardized e-tender format may be modified accordingly.
8. All concerned are being informed.

By order of the Governor,

*Sd/-*  
(G.K Chattopadhyay)  
Secretary

Memo No. 432 /1(2) -IB  
IW/O/IB-Misc-38/2011 (Pt. IV)

Dated, 26<sup>th</sup> September, 2018

Copy forwarded for information to:

1. The P.S to Hon'ble Minister-in-Charge  
Irrigation & Waterways Department
2. Sr. P.A to the Additional Chief Secretary  
Irrigation & Waterways Department

*Sd/-*  
(A. Ghosh)  
Deputy Secretary to the  
Government of West Bengal

Memo No. 432 /2(7)-IB


Dated, 26<sup>th</sup> September, 2018

Copy forwarded for information to:

1. The Principal Accountant General (A&E), West Bengal  
Treasury Buildings, 2, Government Place (West)  
Kolkata 700001

2. The Principal Accountant General (General & Social Sector Audit), West Bengal  
Treasury Buildings, 2, Government Place (West)  
Kolkata 700001
3. The Financial Advisor  
Irrigation & Waterways Department  
& Ex-officio Joint Secretary  
Finance Department
4. The Joint Secretary  
Finance (Audit) Department, Group-T  
NABANNA, 12<sup>th</sup> Floor  
325, Sarat Chatterjee Road  
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5. All Chief Engineers \_\_\_\_\_  
Irrigation & Waterways Directorate
6. All Superintending Engineers \_\_\_\_\_  
Irrigation & Waterways Directorate
- ✓ 7. Shri Sujay Saha  
OSD & Ex-officio Deputy Secretary-III  
Irrigation & Waterways Department

He is requested to upload this Memorandum in the Order link of the Departmental website.

  
(A. Ghosh) 26.9.2018  
Deputy Secretary to the  
Government of West Bengal