

PAYMENT TERMS

1. Earnest Money Deposit:

- a) The tenderer shall be required to pay an Earnest Money Deposit of **Rs.2,37,900/- (Rupees Two lakhs thirty-seven thousand nine hundred only)** to participate in the tender.
- b) Earnest Money Deposit of the successful tenderer shall be converted into part payment of the Performance Guarantee due or shall be refunded if the full Performance Guarantee is provided by the Licensee.
- c) The Earnest Money Deposit of the unsuccessful tenderers shall be returned to them. The Railway shall not be responsible for any loss or depreciation that may happen thereto to the value of the EMD, while in their possession, nor be liable to pay interest thereon.

NOTE: Any request for recovery from outstanding bills for Earnest Money Deposit against present tender will not under any circumstances be entertained.

2. Performance Guarantee:

The procedure for obtaining Performance Guarantee is outlined below:

- a. The successful bidder shall have to submit a Performance Guarantee (PG) within 30 (thirty) days from the date of issue of Letter of Acceptance (LOA). Extension of time for submission of PG beyond 30 (thirty) days and up to 60 days from the date of issue of LOA may be given by the Authority who is competent to sign the contract agreement. However, a penal interest of 15% per annum shall be charged for the delay beyond 30 (thirty) days, i.e., from 31st day after the date of issue of LOA. In case the contractor fails to submit the requisite PG even after 60 days from the date of issue of LOA, the contract shall be terminated duly forfeiting EMD and other dues, if any, payable against that contract. The failed contractor shall be debarred from participating in re-tender for that work.
- b. The successful bidder shall submit the Performance Guarantee (PG) in any of the following forms, amounting to **05% (Five Percent)** of the contract value in the following format:
 - (i) A deposit Cash;
 - (ii) Irrevocable Bank Guarantee;
 - (iii) FDR;in favour of **"Senior Divisional Finance Manager, South Western Railway, Bangalore City - 560 023"** (free from any encumbrance) may be accepted.
- c. The Earnest Money deposited by the contractor with his tender can be adjusted against the Performance Guarantee or refunded if Performance Guarantee is provided in full.

- d. The value of PG to be submitted by the contractor will not change for variation up to 25% (either increase or decrease). In case during the course of execution, value of the contract increases by more than 25% of the original contract value, an additional Performance Guarantee amounting to 05% (five percent) for the excess value over the original contract value shall be deposited by the contractor"
- e. The Performance Guarantee (PG) shall be released after physical completion of the work based on 'Completion Certificate' issued by the competent authority stating that the contractor has completed the work in all respects satisfactorily.
- f. Whenever the contract is rescinded, the Performance Guarantee shall be forfeited and the Performance Guarantee shall be encashed. The failed contractor shall be debarred from participation in the tender for executing the balance work. If the failed contractor is a Joint Venture or a Partnership firm, then every member/partner of such a firm shall be debarred from participating in the tender for the balance work in his/her individual capacity or as a partner of any other Joint Venture (partnership firm).
- g. The Manager shall not make a claim under the Performance Guarantee except for amounts to which the President of India is entitled under the contract (not withstanding and/or without prejudice to any other provisions in the contract agreement) in the event of:
 - i. Failure by the contractor to extend the validity of the Performance Guarantee as described herein above, in which event the Manager may claim the full amount of the Performance Guarantee.
 - ii. Failure by the contractor to pay President of India any amount due, either as agreed by the contractor or determined under any of the Clauses/Conditions of the Agreement, within 30 days of the service of notice to this effect by Manager.
 - iii. The Contract being determined or rescinded under provision of the GCC, the Performance Guarantee shall be forfeited in full and shall be absolutely at the disposal of the President of India.