

Tel: 23018459

SPEED POST

Dte Gen Md Accn Project
E-in-C's Branch,
Integrated HQ of MOD (Army)
Kashmir House, Rajaji Marg,
New Delhi-110011

81817/MAP/Policy/Gen/ /E8

Oct 2010

EARNEST MONEY DEPOSIT

Dear Sir(s),

1. To minimize the financial burden in preparing Bank Guarantee towards Earnest Money for each package on account of service charges on the value of Bank Guarantee levied by the Bankers, you may submit the Bank Guarantee towards Earnest Money of value equivalent to half percent of largest value of work in which you intend to participate at your own discretion.
2. Such Guarantee will be released within 48 hours in order to enable you to utilise the same Guarantee as Earnest Money in the next tender you wish to participate, provided that you do not happen to be L-1 or L-2. As an option you may intimate the department, such communication must reach atleast a day in advance from the date of submission of fresh tender, that Bank Guarantee submitted earlier may not be released and be considered as EMD for the fresh tender in which you are submitting your offer. A photocopy of the Bank Guarantee under covering letter signed by authorised signatory be sent for our reference in the matter. Format for intimation in such cases is annexed as Appendix `A' to this letter. The same letter must also be enclosed alongwith the tender in a separate envelope marked as "Earnest Money".
3. In case, you happen to be L-1, then the EMD deposited alongwith the tender will not be released for reuse in future tenders as EMD till such time the Performance Security is received after the offer is accepted. You may furnish fresh Earnest Money Deposit of value and in the form as specified in such future tenders or else submit again a fresh Bank Guarantee of value equivalent to half percent of maximum value of work for which you intend to quote having reasonable validity period (Not less than four months). The procedure for release of such Bank Guarantee will be the same as brought out herein before.
4. The procedure enumerated for release and reuse of Bank Guarantee herein before where you are not L-1 or L-2 is also applicable for EMD submitted in the form of FDR/DD.

Yours faithfully,

(Bhavesh Gupta)
Dir(Contracts)
for DGMAP

Encls : (Appendix `A')

Appendix `A`

1. Reference Bank Guarantee bearing No _____
dated _____ issued by _____
having validity upto _____ submitted towards Earnest Money for the
work of _____
_____.

2. Since we are not L-1/L-2 in the work, the above Bank Guarantee bearing
No _____ dated _____
issued by _____
having validity upto _____ may not be released and be considered as
Earnest Money for the work of _____.
Tender for
this work is due on _____ at _____ hours.