



# CENTRAL PUBLIC WORKS DEPARTMENT

## OFFICE MEMORANDUM

No. DGW/CON/148

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAWAN, NEW DELHI

29th January, 2001

Subject: Grant of Exemption from payment of Earnest Money/Necessity of furnishing Fresh bond on revalidation - regarding.

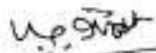
As per rules laid down, Contractors enlisted with CPWD are granted exemption from payment of Earnest Money with individual tender by virtue of Lump Sum Security Deposit. It is implied that the exemption granted on the basis of bond furnished is valid only as long as their enlistment remains valid. In other words, exemption granted from payment of Earnest Money has to be treated as co-terminus with the enlistment. Accordingly, when the contractors obtain revalidation of their enlistment, they have also to apply afresh for seeking exemption from payment of earnest money, even though their lump sum security deposit may be already available with the Department.

A case has come to the notice of the Directorate where on expiry of the existing enlistment, a contractor applied for revalidation of enlistment but did not apply for seeking exemption from Earnest Money on getting revalidation and continued to claim exemption from payment of earnest money granted earlier, which is not in keeping with the letter and spirit of the orders in force.

It is, therefore, enjoined upon all concerned to note that the exemption granted by the Department will automatically stand cancelled on expiry of enlistment and if the enlistment is got revalidated, the contractor shall apply afresh with a fresh bond for seeking exemption from payment of earnest money.

The tender issuing authorities shall accordingly ensure that the exemption from payment of Earnest Money is availed of only by those contractors who produce such documentary evidence of exemption granted subsequent to the revalidation of their enlistment.

This issues with the approval of D.G.(W).

  
(V.S. DIXIT)  
Chief Engineer (CSQ)

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