



# CENTRAL PUBLIC WORKS DEPARTMENT

## OFFICE MEMORANDUM

No. DGW/MAN/40

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAWAN, NEW DELHI

21<sup>st</sup> December, 1999

### SECURITY DEPOSITS/BANK GUARANTEE

An instance has come to the notice of this Directorate where the material was to be supplied to the Contractor with the stipulation that Bank Guarantee equivalent to the cost of material would be submitted by the Contractor. However, the Executive Engineer, failed to get Bank Guarantee of equivalent value for the material supplied and the contractor too did not return the surplus items, with the result that Government suffered a loss. Even though a Police report was lodged, the items could not be retrieved so far.

In order to safeguard the Government property, it is hereby enjoined upon all concerned that in cases of contracts, where material is to be supplied by the Department against any Bank Guarantee of equivalent value, the amount of Security Deposit in the shape of FDR, Bank Guarantee etc. should at no time be less than the amount of the material supplied to the Contractor. And, such materials should be supplied only after ensuring receipt of Bank Guarantee /F.D./S.D. etc. adequate to cover the cost of items supplied.

  
(P.K. Mathur)  
Superintending Engineer (C&M)

File No. CSQ/SE/CM/3212/96

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