

No. 4(4)/D(Acq)/20
Government of India
Ministry of Defence
Department of Defence
[Acquisition Wing Secretariat]

South Block, New Delhi-110011
Dated 27.09.2021

OFFICE ORDER

Sub: Implementation of reduction of PWBG from 5-10% to 3%—regarding.
Ref.: (i) Ministry of Finance OM No. 9/4/2020-PPD dated 12.11.2020.
(ii) Office Order of Even No. dated 21 Jan 2021 & 23 Feb 2021

Reference above, directions have been issued on reduction of Performance Security from existing 5-10% to 3% of the value of the contract in certain cases/conditions and authorizing SHQs to effect contract amendments for all eligible Capital Acquisition Contracts(both delegated and non-delegated).

2. Representations have been received from the Industry regarding need for instructions to Banks to reduce the BG to 3% to facilitate effective and timely implementation of the directions on PWBG reduction.

3. In order to ensure smooth implementation of the directions on PWBG reduction, SHQs may adopt the enclosed format (Annexure-I) for writing to the concerned Banks to reduce BG to 3% while effecting contract amendments in respect of eligible Capital Acquisition Contracts(both delegated and non-delegated).

4. This issues with the approval of DG(Acq).

Encl.: As above.

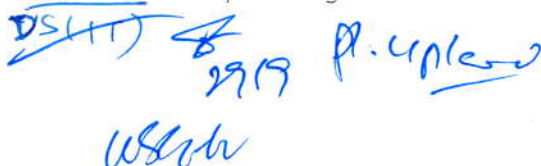

(V.K. Adhana)
Director(Acq)
Telefax: 23792865

CISC	VCOAS	VCNS	DCAS	DG(ICG)
CGDA	AS & FA(Acq)			
JS & AM(LS)	JS & AM(MS)	JS & AM(Air)		

Copy for information to:

- (i) SO to Defence Secretary
- (ii) PPS to FA(DS)
- (iii) PPS to DG(Acq)

Copy to: DDG NIC- for uploading on website.


DS(H) 29/9 P. Upad
WShw

**Annexure-I (Referred to in Para 3 of the
Office Order No. 4(4)/D(Acq)/20 dated 27.09.2021)**

Tel:
Fax:
Email:

Integrated HQ of MoD(---)

New Delhi-110011
Sep 2021

Bank Address

**REDUCTION OF PERFORMANCE CUM WARRANTY BOND AGAINST
THE CONTRACT NO. ----**

1. Kindly ref the following:-
 - (a) Contract No. _____ Dt. _____ (copy enclosed).
 - (b) MoF OM No. 9/4/2020-PPD dated 12 Nov' 2020 & MoD Office Order No.4(4)/D(Acq)/20 dated 21 Jan 2021.

2. In accordance with the contract amendment No. _____ dated _____ to subject contract, you are requested to reduce the value of the PWBG No. _____ to 3% (Three) of the total contract value, i.e. Rs. ____ Cr. With validity upto _____.

(_____)_____

Enclosure :(As Above)

Copy to:-

Vendor Address