

**V.O.CHIDAMBARANAR PORT TRUST**  
**FINANCE DEPARTMENT**

No.FIN-OFFAO-CRT-MONT-V1-19/22930

Dt: 05.11.2019

**CIRCULAR NO:15/2019-20**

Government of India, to get more transparency in tender processing and award of work, emphasis to follow the procedures of e-tendering, e-procurement, e-office in all Government Organizations.

At present, for each awarded work the Performance Security is being furnished by the contractor in the form of Bank Guarantee, as per agreement condition obtained from the Nationalized / Scheduled bank in the form as per specimen. A letter from the Bank shall also be sent along with the Bank Guarantee. The Bank guarantees submitted by the contractors are being accepted by the departments after confirming the genuineness of the Bank Guarantee from the issuing the Bank Authorities through paper based verification.

As per the CVC Guidelines issued vide circular no.04/03/2016 regarding the acceptance of Bank Guarantee, all the Bank Guarantee genuineness confirmation will be done by IT enabled confirmation system which is swift and secured in addition to the existing paper based confirmation system.

In order to comply with the Government of India instructions, as well as CVC Guidelines hereafter for verifying genuineness of Bank Guarantees from the issuing bank through SFMS for inland BGs and Swift Mode for outside India Bank Guarantees issued, the concerned departments will get confirmation from Port Service Bank about veracity of the Bank Guarantee. The procedure for the same is elaborated as under: -

1. All the concerned department have to inform to BG applicant (vendors/users/BG providers, etc.) to furnish the Port's full Bank details, Bank Account Number, IFSC Code with Address, Branch Code to the issuer of Bank Guarantee Via SFMS, while the bidders seek BG from any Bank.
2. In turn the Issuer Bank will transmit the Bank Guarantee via SFMS to the beneficiary Bank of the Port digitally.
3. After successful creation of Bank Guarantee, the Concerned Departments in turn shall take up the matter with beneficiary bank for further authenticity of BG mandatory, enabling port to get confirm the BG through Digital Mode by the beneficiary bank (that is port bank account)

4. Any BG received by the Port / submitted by the Bidder without complying to the above such BG will be consider<sup>ed</sup> as not valid and shall not be considered for bid evaluation.
5. In turn Beneficiary Bank, (service Bank) will confirm the veracity of the same to the respective department of the Port.

Hence, all the Departments are requested to include the clause in the tender document that "Bank Guarantee, obtained from the Nationalized / Scheduled bank in the format prescribed by the Port, shall be in compliance with for a digital confirmation for the Bank Guarantee" and the procedure stated above must be incorporated in all future tenders issue on or after 01.11.2019.

To take follow-up action regarding Bank Guarantee issues, like verifying genuineness, entering the SAP Module, renew / delete / encash on in time one, nodal officer may be nominated for each department and to ensure the compliance of CVC guidelines, Govt. orders issued from time to time.

The above new tender clause shall come into force for all tenders to be invited with effect from 01.12.2019.

This issues with the approval of CPT.



Financial Advisor and  
Chief Accounts Officer

To

All the Heads Department – for necessary action please

Copy to:

PA to Dy.CPT – for information please.

PA to CPT – for information please.