

AGM (Doc)/Doc. Circulars/02

23-06-2016

Board Circular No...../2016

All Addl. General Managers,
Deputy General Managers,
Asst. General Managers,
Project Directors,
Managers/Chief Engineers/Chief Accountants,
Secretary to the Board of Management,
Chemists/Sociologists,
Other Heads of Divisions including
OICs

TENDERS FOR PROCUREMENT OF WORKS
Provisional Sums for Bonds and Guarantees provided in the General Bill

It has been observed that payments for Performance Security and Advance Payment Guarantee have been paid under the BOQ item of "Provision for all Bonds & Guarantees".

According to ICTAD/SBD/02 (Major works) and FIDIC Conditions of Contracts, Performance Security has to be provided at the Contractor's cost. ICTAD SBD-1 and ICTAD minor work contract are silent on this issue. This has resulted a contractual disputes in Management and payments in Procurement Contracts for Civil Engineering works.

In order to rectify these situations, please take necessary actions to exclude "BOQ item for "Provision for all Bonds and Guarantees" when General Bill is prepared for all contracts.

Contractor has to include the cost of providing Performance Security and Advance Payment Guarantee in his rates and prices of the contract.

As the contractor has to include the cost of Performance guarantee and Advance payment guarantee in his rates and prices, we also need to include the cost of Performance guarantee and Advance payment guarantee in the rates and prices of the Engineers estimate when Engineers estimate is prepared.

For any clarifications, please contact AGM (P&D-Documentation).



General Manager

- CC : 01. Chairman
02. Vice Chairman
03. Working Director
04. DGM (Audit)