

**Government of West Bengal
Public Works Department
CRC Branch**

NOTIFICATION

No. 52-CRC/2M-06/2014

Dated: 27/10/2014

Whereas it is deemed expedient to do so:

IT has been decided by the Government to make additional provisions for release of Security Deposit after issuance of Completion Certificate of any work and on submission of unconditional Bank Guarantee by the Contractor in lieu of Security Deposit.

Now, therefore, the Governor is pleased to provide additional provisions in **Clause 17 of CONDITIONS OF CONTRACT** in the **West Bengal Form NO. 2911/2911(i)/2911(ii)** (Printed Tender Form), in the manner mentioned hereunder:

In cases of **Refunding and Releasing of 100% Security Deposit** held with the Government, arising out from works contract, **Security Deposit** will be released after issuance of **Completion Certificate** on submission of unconditional **BANK GUARANTEE** by the Contractor for the **Security Deposit** subject to the following conditions: .

1. The **Bank Guarantee** will be issued by a Scheduled Commercial Bank in favour of the Engineer –In- Charge of the concern work , PWD, Government of West Bengal on behalf of the contractor;
2. The **Bank Guarantee** will remain valid for the **Defect liability period/Security period** as per contract of the work.
3. The **Bank Guarantee** will be submitted as per **Format attached in Annexure –I**. The Engineer-In-Charge should obtain confirmation of the Bank Guarantee directly from the Bank before its acceptance.
4. The **Bank Guarantee**, now pledged in the form of **Security Deposit** will be released to the contractor in the following manner, if not forfeited under conditions of contract-
 - i. **30 %** of the same after expiry of **1(one) year** from the date of issuance of completion certificate of work.
 - ii. Further **30 %** of the same after expiry of **2(Two) years** from the date of issuance of completion certificate of work.
 - iii. The balance **40%** of the same after expiry of **3(Three) years** from the date of issuance of completion certificate of work.

WHEREAFTER, In cases for those contractors, who will not intend to opt for the provisions laid down hereinabove for refund of security deposit, this Department's earlier Notification no. **177-CRC/2M-57/2008 dt.12/07/2012** shall be in force in the manner provided in the earlier aforesaid Notification.

This issues with concurrence of Group-T of Finance Department vide their U.O. No. Group T /2014-15/0705 dt. 13/10/2014 and U.O.No. Group T /2014-15/ 0608 dt. 05/09/14(Enclosed Annexure- I).

By order of the Governor
Sd/-

Principal Secretary to the
Government of West Bengal
Public Works Department

Copy forwarded for information and necessary action to:

1. The Accountant General (A&E), West Bengal, Government Place (west), Kolkata-1
2. The Accountant General (Local Bodies Audit), West Bengal, C.G.O. Complex, 3rd MSO Building, Sector -I, Block-DF, 5th Floor, Bidhan Nagar, Kolkata-64.
3. The Engineer -in -Chief & Ex-Officio Secretary, Public Works Department.
4. The Chief Engineer, HQ, Public Works Directorate.
5. The Chief Engineer, South Zone, Public Works Directorate.
6. The Chief Engineer, West Zone, Public Works Directorate.
7. The Chief Engineer, North Zone, Public Works Directorate.
8. The Chief Engineer, HQ, Public Works (Roads) Directorate.
9. The Chief Engineer, South Zone, Public Works (Roads) Directorate.
10. The Chief Engineer, West Zone, Public Works (Roads) Directorate.
11. The Chief Engineer, North Zone, Public Works (Roads) Directorate.
12. The Chief Engineer, Social Sector, Public Works Directorate.
13. The Chief Engineer, R.B.R.I, Public Works (Roads) Directorate.
14. The Chief Engineer, NH, Public Works (Roads) Directorate.
15. The Chief Engineer, HQ & Planning, Public Works Directorate.
16. The Chief Engineer, HQ & Planning, Public Works (Roads) Directorate.
17. The Chief Engineer (Electrical)-I/II, Public Works Directorate.
18. The Joint Secretary, Works, Public Works Department.
19. The Joint Secretary, Roads, Public Works Department.
20. The Finance (Audit) Department of this Government.
21. The Financial Adviser, Integrated Finance Branch, Public Works Department.
22. Accounts Branch, Public Works Department.
23. Accounts Branch, Public Works (Roads) Department.
24. IT Cell, Public Works Department.


27/10/14
Technical Secretary
Public Works Department

Annexure- I

**FORMAT OF THE BANK GUARANTEE
FOR RELEASE OF SECURITY DEPOSIT**

To

[Designation of Engineer- In-Charge]
[Office address of Engineer-In-Charge]

WHEREAS _____ [name and address of Contractor]
(hereafter called "the Contractor") has undertaken, in pursuance of Contract No. _____
dated _____ to execute _____ [name of Contract and brief
description of Works] (hereinafter called "the Contract").

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall
furnish you with a Bank Guarantee by a Scheduled commercial bank for the sum specified therein for
release of 'SECURITY DEPOSIT' for compliance with his obligation in accordance with the
Contract;

AND WHEREAS we..... (Indicate the name of the bank &branch)
have agreed to give the Contractor such a Bank Guarantee:

NOW THEREFORE we..... (Indicate the name of the bank &branch)
hereby affirm that we are the Guarantor and responsible to you on behalf of the Contractor, up to a
total of Rs. _____ [amount of guarantee] _____ (in words).
We undertake to pay you, upon your first written demand and without cavil or argument, a sum within
the limits of _____ [amount of guarantee] as aforesaid without your needing to
prove or to show grounds or reasons for your demand for the sum specified therein.

We..... (Indicate the name of the bank &branch) hereby waive the
necessity of your demanding the said debt from the contractor before presenting us with the demand.

We..... (Indicate the name of the bank &branch) further agree to pay
to you any money so demanded notwithstanding any dispute or disputes raised by the contractor(s) in
any suit or proceeding pending before any court or Tribunal relating thereto, our liability under this
present absolute and unequivocal.

The payment /so made by us under this bond shall be a valid discharge of our liability for
payment thereunder and the contractor(s) shall have no claim against us for making such payment.

We..... (Indicate the name of the bank &branch) further agree that no
change or addition to or other modification of the terms of the Contract or of the Works to be
performed there under or of any of the Contract documents which may be made between you and the

Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

We (Indicate the name of the bank & branch) lastly undertake not to revoke this guarantee except with the previous consent of you in writing.

This Guarantee shall be valid upto ----- . It come into force with immediate effect and shall remain in force and valid for a period of the Defects Liability Period/Security Period plus claim period of Six months for the Bank Guarantee. Notwithstanding, anything mentioned above, our liability against this guarantee is restricted to Rs. _____ (Rs. _____) and unless a claim in writing is lodged with us within the validity period , i.e. upto _____ of this guarantee all our liabilities under this guarantee shall cease to exist.

Signed and sealed this day of..... 20..... at

SIGNED, SEALED AND DELIVERED

For and on behalf of the BANK by:

(Signature)

(Name)

(Designation)

(Code Number)

(Address)

NOTES:

- (i) The bank guarantee should contain the name, designation and code number of the officer(s) signing the guarantee.

The address, telephone number and other details of the Head Office of the Bank as well as of issuing Branch should be mentioned on the covering letter of issuing Branch.