



### **Abstract**

Finance Department – Implementation of e-tendering system in all Government Departments/PSUs/Boards – Refund of EMD- clarification - Orders Issued

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#### FINANCE (IND & PW B) DEPARTMENT

G.O (P)No.50/2014/Fin Dated, Thiruvananthapuram, 07.02.2014.

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Read: 1. G.O (Ms) No. 36/2011/ITD dated, 07.12.2011.  
2. G.O (Ms) No. 18/2012/ITD dated, 08.10.2012  
3. G.O (Ms) No. 11/2013/ITD dated, 10.04.2013.  
4. G.O. (P)No.15/2013/Fin dated 7/01/2013  
5. Letter No. CE/D&A/IT/General/2013-14, dated 04.09.2013 & 23.09.2013 from the Chief Engineer, PWD (Design & Admn)

### **ORDER**

As per the Government Order read as first paper above, orders have been issued to implement e-tender system in Government to enhance transparency and efficiency in public procurement activities. As per Government Order read as second cited, this has been made mandatory to all Government Departments/Boards/PSUs for all tenders costing above Rs.25 lakh. Government also approved the revised process flow document for online payment system of e-procurement vide the Government Order read third above. The detailed procedure for the payment of EMD and cost of tender documents were elaborated in the reference fourth cited.

2. The Chief Engineer, Public Works Department vide reference 5th cited has sought clarifications on the following points relating to e-tender system for making the system more effective.

- (i) The amount of EMD of successful bidders may also be refunded after signing the agreement as per the practice followed prior to the introduction of e-tendering system.

- (ii) The EMD of successful bidders who do not execute the agreement within the stipulated period may be forfeited. The cost of tender form may be refunded in cases when tenders are cancelled not due to the fault of the bidders.

3. Government have examined the matter in detail and are pleased to clarify as follows.

(a) The identity of the bidders has to be kept confidential till the opening of the commercial bid to prevent malpractices. Hence payment of EMD and cost of tender form will be only through online payment mode. The EMD cannot be accepted in the form of bank guarantee/DD as this will affect the confidentiality of e-tendering system. Since the successful bidder is bound to submit security deposit till the defect liability period, it is desirable that at least EMD part of security deposit should be kept with Government Treasury for which interest at applicable rate can be allowed. Hereafter the successful bidder need submit security for the balance amount excluding the cost of EMD at the time of executing agreement. However EMD of those bidders who have already submitted security deposit for full amount shall be processed and refunded manually after verifying the payment details.

(b) The EMD of successful bidder who does not execute the agreement within the prescribed time or bidders who submit false document while submitting their tender will be forfeited. So also the cost of tender form in respect of bids that are cancelled due to no fault of

the bidder shall be refunded observing the same procedure as in the case of refund of EMD.

4. The NIC/KSITM shall bring necessary change in the process flow accordingly.

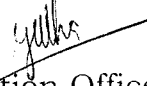
(By order of the Governor)

**V.SOMASUNDARAN**  
**Additional Chief Secretary (Finance)**

To

The Principal Accountant General(A&E/G&SSA), Kerala,  
Thiruvananthapuram.  
The Accountant General (E&RSA),Kerala Thiruvananthapuram.  
All Heads of Departments / Offices.  
All Departments of Secretariat.  
All Private Secretaries to Ministers.  
The Private Secretary to Chief Minister.  
The Private Secretary to Leader of Opposition.  
All Secretaries to Government.  
The Secretary, Kerala Public Service Commission, Thiruvananthapuram.  
(with C.L).  
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam.  
(with C.L)  
The Registrar, High Court of Kerala.  
The Secretary, Kerala Human Rights Commission, Thiruvananthapuram.  
The Managing Director, Kerala State Road Transport Corporation,  
Thiruvananthapuram (with C.L)  
The Secretary, Kerala State Electricity Board (with C.L)  
The Secretary to Governor.  
The Nodal Officer, [www.financekerala.gov.in](http://www.financekerala.gov.in).  
The Stock file / Office copy.

Forwarded/By Order

  
Section Officer.