



उत्तर प्रदेश पावर कारपोरेशन लिमिटेड

(उत्तर प्रदेश सरकार का उपक्रम)

U P POWER CORPORATION LTD.

(Govt. of Uttar Pradesh Undertaking)

CIN:U32201UP1999SGC024928

No.-1662-works-14/UPPCL/2023-34-K-2023

Date : 10 July, 2023
June, 2023

OFFICE ORDER

Sub: Receipt, Confirmations, Renewal, Release & forfeiture of BG.

It is crucial that the BG (Bank Guarantee) is received in the proper format, that confirmation is obtained, that it is kept in a secure location, that it is timely renewed, that it is returned at the appropriate time and that it is invoked whenever necessary in accordance with the contract without lapse.

1. Types of BG:

The BG that the Corporation receives as collateral for the party's contractual obligations is the subject of this office order. There are three types of BG, commonly dealt with in connection with Procurement of Works/Materials/Service contracts as follows:

- (i) Earnest Money Deposit (EMD-BG) towards Bid Security.
- (ii) Security-cum- Performance Bank Guarantee (SPBG) towards security to ensure satisfactory execution and warranty after commissioning.
- (iii) Bank Guarantee against Mobilisation Advance (ABG) as security against recovery of principal and interest.

2. Formats of BG & Issuing Bank:

- (i) The Bank Guarantee (BG) shall be strictly as per the approved format as provided in the Bid document/RFP for the purpose.
- (ii) The BG should be issued by a scheduled (As per RBI) commercial bank of India.

3. Confirmation of BG:

On receipt of Bank Guarantee, Bid Process Coordinator /EoC shall firstly verify, whether the Bank Guarantee is in accordance with the approved format as per bid document / RfP. Thereafter, EoC will forward the photo-copy of the BG to the issuing bank seeking confirmation through a covering letter

(**Annexure-I**). Following receipt of confirmation, EoC will issue an office order notifying the acceptance of BG for the information of all concerned.

4. Safe Custody & Record:

- (i) The EoC or designated person must keep the original Bank Guarantee in safe custody. The BG must be stored in a steel almirah, filing cabinet, or aggregator that is fire and rodent proof as well as termite resistant.
- (ii) The details of the BG shall be entered into the BG module of ERP which is under process. This shall be informed in due course, when it is enabled.
- (iii) Till the implementation of ERPBG Module, the details of the BG is to be entered into the BG Watch Register (**Annexure-II**).

5. Tracking of Validity & Renewal of BG:

- (i) It is crucial to keep track of the validity of BGs. If the Contract for which BG has been obtained, is continuing beyond the schedule date of completion (SCOD) or there is still some unfinished business, the BG needs to be extended from time to time as per the terms of the contract. EoC/Authorised person who is custodian of the BG is required to ask the bank to extend from time to time.
- (ii) The bank shall be notified through e-mail/Speed Post (**Annexure-III**) at least thirty days prior to last date of validity to renew the BG as required. A reminder ought to be sent before fifteen days. If, the BG is not renewed before seven days of the validity, claim for invocation of the same should be lodged with the designated branch of the Bank immediately.

6. Release of Bank Guarantee:

- (i) The EMD BG of the successful/winning bidder shall be released within fifteen days from the date of acceptance of Security-cum- Performance Bank Guarantee (SPBG) and signing of the contract.
- (ii) The Mobilisation Advance BG (ABG) shall be released within fifteen days upon complete adjustment of entire advance including interest, if any.
- (iii) The Security-cum-Performance Bank Guarantee (SPBG) shall be released within three months of closure of the contract/completion of warranty period, whichever is later.
- (iv) An annexure containing a table stating the time at which a specific type of BG is to be released is attached herewith (**Annexure-IV**) for better appreciation of the matter.

7. Invocation of BG:

- (i) EoC shall ensure, without loss of time, lodging the claim of invocation of the BG at the designated branch of the Bank when the contractor/supplier fails to discharge its contractual obligation with the approval of competent authority.
- (ii) The claim should be lodged at the earliest so as to secure corporation's financial interest.
- (iii) The proceeds shall be adjusted against the amount due from the party and if, it is not adequate, party should be asked to pay the balance amount. In case, the amount is found excess after adjustment of dues of the party, the surplus amount should be returned to the party with approval of competent authority within fifteen days of such adjustment of dues.

8. Responsibility:

EoC will be held accountable if the Corporation loses money due to BG not being renewed on time, failing to file a claim of invocation at the proper time, etc. in accordance with this office order.

This shall be followed scrupulously

(M. Devaraj)
Chairman

Copy enclosed herewith :-

- 1- Annexure – I - Request for Confirmation of Bank Guarantee.
- 2- Annexure – II- Details of Bank Guarantee (BG) Received.
- 3- Annexure – III - Request for extension/encashment of Bank Guarantee No.
- 4- Annexure – IV- Confirmations, Release & Forfeiture of BG: Time Table.

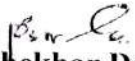
No.-1662(i)-works-14/UPPCL/2023-34-K-2023 Dated: 10 July, June, 2023

Copy forwarded to the following for information and necessary action :-

1. Chairman, U.P. Power Corporation Ltd., Shakti Bhawan, Lucknow.
2. Managing Director, U.P. Power Corporation Ltd., Shakti Bhawan, Lucknow.
3. Managing Director, PuVVNL, Varanasi /MVVNL, Lucknow/DVVNL, Agra/PVVNL, Meerut & Kesco Kanpur.
4. Director (PM & A/C.P./Fin./Dist./IT/Comm.), U.P. Power Corporation Ltd., Shakti Bhawan, Lucknow.
5. Director(P&M/Fin./Tech./Comm.), PuVVNL, Varanasi/MVVNL, Lucknow/DVVNL, Agra/PVVNL, Meerut & Kesco Kanpur.
- ✓ 6. All Chief Engineers, U.P. Power Corporation Ltd.
7. All Chief Engineers, PuVVNL, Varanasi /MVVNL, Lucknow/ DVVNL, Agra/PVVNL, Meerut & Kesco Kanpur.

8. All Superintending Engineers/Executive Engineers, PuVVNL, Varanasi /MVVNL, Lucknow/ DVVNL, Agra/PVVNL, Meerut & Kesco Kanpur.
9. All Deputy General Managers/ Deputy Chief Account Officers, UPPCL/PuVVNL, Varanasi /MVVNL, Lucknow/ DVVNL, Agra/PVVNL, Meerut & Kesco Kanpur.
10. Executive Engineer (Web), Room no. 407, Shakti Bhawan, Lucknow for uploading on UPPCL website www.uppcl.org .
11. Cut file

By Order,


(Mrugank Shekhar Dash Bhattamishra)
Director (PM & A)

ANNEXURE-I

Letter No:-

Date:

To,

(Name and Address of the Banker/Zonal Office)

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.....
.....

Sub:- Request for Confirmation of Bank Guarantee No..... dated/...../..... for
Rs..... (Rupees)

Sir.

We have received Bank Guarantee bearing No..... dated/...../..... for
Rs..... (Rupees) issued by your
Branch at (..... Name and address of the Branch issuing the BG) on behalf of M/s
(..... Name of Party) towards Earnest Money Deposit/Security Deposit/Performance
Guarantee/Other (.....specify) against our Contract No..... dated:...../...../.....This
Guarantee is shown valid up to ----/---/----- and claim period is up to ----/---/-----.

You are requested to please confirm the issuance of BG and return the second copy of this
letter by REGISTERED/SPEED POST to the undersigned duly attested under you signature and
bank's seal that the above mentioned Bank Guarantee has been issued by you or an authorized officer
of the bank, In case of any amendments (s) to B.G., Kindly specify amendment.

Thanking you.

Yours faithfully

(For.....(Name of Office))
Designation with Official Seal

CERTIFICATE BY THE BANK

Certified that the aforesaid Bank Guarantee have been issued by Mr/Ms/Mr
..... as an authorized officer of the bank. The
Particulars mentioned above are correct and verified.

Signature

Name

Designation

Bank's Seal

Contact Number.....

NAME OF DISCOM :

NAME OF ZONE
:.....

NAME OF UNIT

Details of Bank Guarantee (BG) Received

[illegible]

Letter No:-

Date:

To,

(Name and Address of the Banker/Zonal Office)

.....
.....
.....

Sub:- Request for extension/encashment of Bank Guarantee No.....dated

Sir.

With reference to cited subject, it is to inform you that above mentioned Bank Guarantee for Rs.[Rupees..... ..) issued by your Branch on behalf of M/s Rs.. (.....Name of Party) towards Earnest Money Deposit/Security Deposit/Performance Guarantee/Other (.....specify) against our Contract No..... dated:----/---/-----is going to expire on ---/---/-----.

Hence, you are requested to please extend the validity of the said Bank Guarantee up to ---/- ---/--and claim period up to ---/---/-----. This request/instruction is being made well in advance so that necessary action can be done from your end within the in the required time limit. In case, Bank fails to comply with the above request for extension of BG validity claim period due to any reason, this letter may be treated as request for encashment of the above mentioned Bank Guarantee (BG).

Thanking you.

Yours faithfully

(For.....(Name of Office))
Designation with Official Seal

Copy to:- Mr. (Name & Address of the concerned party/vendor)

Confirmations, Release & Forfeiture of BG : Time Table

1) Earnest Money Deposit (EMD BG)		
(i)	Seeking Confirmation of EMD BG	EoC within a period of 3 days of receipt of EMD BG from issuing Bank.
(ii)	Release of EMD BG to Bidders to bidders who could not qualify	EoC within a period of 15 days from the date of opening of Price Bid.
(iii)	Release of EMD BG to Unsuccessful bidder	EoC within a period of 15 days from the date of signing of the contract with the winning bidder & acceptance of SPBG.
(iv)	Release of EMD BG to Successful bidder	EoC within a period of 15 days from the date of signing of the contract with the winning bidder & acceptance of SPBG.
(v)	Forfeiture of EMD BG	In case of default of Contractor/Supplier, the EMD BG shall be invoked immediately by EoC with due approval of competent authority.
2) Security-cum-Performance BG (SPBG)		
(i)	Seeking Confirmation of SPBG	EoC within a period of 3 days of receipt of SPBG, from issuing Bank.
(ii)	Release of SPBG	EoC with the approval of CE within three months of expiry of performance warranty period/ Contract Closure, whichever is later.
(iii)	Forfeiture of SPBG	EoC shall invoke SPBG immediately in case of default of Contractor/Supplier with due approval of competent authority.
3) Mobilisation Advance BG (ABG)		
(i)	Seeking Confirmation of ABG	EoC within a period of 3 days of receipt of ABG, from issuing Bank.
(ii)	Release of ABG	EoC within a period of fifteen days from the date of completion of recovery of principal & interest thereof.
(iii)	Forfeiture of ABG	In case of default of Contractor/Supplier, the ABG shall be invoked immediately with due approval of competent authority.