

Sub: Construction Management System: Circular – 63

Ref: Guidelines for checking correctness of BGs and its invocation within validity.

It has been observed that registers of Bank Guarantees (BGs) in different forms are being maintained in PIUs and PMU for the amount / period stipulated in the Contract. The validity date of BG needs to be closely monitored to ensure that the dates of BGs are not expired, until the purpose for which they have been received has been fulfilled or as per Contract conditions they are required to be returned. In order to streamline the system and following needs to be ensured:

1. The Bank Guarantee should be issued by any Nationalized/ scheduled Bank.
2. Correctness of the BG should be checked thoroughly. It should be unconditional and en-cashable on first demand. If BG is not en-cashed on first demand due to certain conditions, concerned EE, IPIU and Acctt or Jr. acctt IPIU shall be liable jointly.
3. It is mandatory to confirm the BG from concerned Bank.
4. BG should be invocable at Project Town or Jaipur. If it is not issued from the Bank situated in the Project Town or Jaipur and if it is mentioned that it is invocable at Project Town or Jaipur, it must be confirmed from concerned local branch about its invocation at that place only. Such Bank Guarantee if invoked, shall be en-cashable when presented in the specified branch office located in Jaipur/ project town.
5. BG should be valid for entire period and the purpose for which it has been taken.
6. The notice for BGs renewal/ revalidation/ extension should be issued to contractor sufficiently in advance. No BG should be allowed to expire in any way before the stipulated purpose.
7. In case BG is not extended by contractor, the concerned officers should ensure that the BG is invoked sufficiently before its expiry date and accordingly process for invocation should be started otherwise concerned officials shall be liable personally.
8. Accounts section officers from PMU should invariably visit the project towns and check the BGs for their correctness. In case of any discrepancy, it should be immediately got rectified.
9. Account section PMU should check the details of BGs pertaining to PMU for its correctness and follow-up for required necessary action.

All concerned officials from PMU, IPIU, officials from concerned Urban Local Body for UIDSSMT works (i.e Secretary/Engineers/ Accounts personnel) should abide this circular.


(Vaibhav Galriya)
Project Director

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Dated: 20/04.2012

Copy to following for information and necessary action:

1. Addl. PD / CE (T)/ FA / Dy. PD (Adm.)/ Dy. PD (NLCP)/SE (Co-ord)/ SE (WW)/ (WS) / (Roads)/ (Bridges)/ PO (all)/ Sr. AO / All APOs / AAO/ PA to PD PMU, RUIDP, Jaipur.
2. Zone SE, RUSDIP, Jaipur/Jodhpur/Kota.
3. Executive Engineer, IPIU, RUSDIP, Alwar, Baran, Barmer, Bharatpur, Bundi, Chittorgarh, Churu, Dholpur, Jaisalmer, Jhalawar-Jhalarapatan, Karauli, Nagaur, Rajsamand, Sawai Madhopur, Sikar.
4. Team Leader IPMC, Jaipur/ DSC-I, Jaipur/ DSC-II, Jodhpur/ DSC-III, Kota, RUSDIP.
5. Dy. TL/ACM, DSC-I, Alwar/ Dholpur/ Karauli/ Sawai Madhopur, Dy. TL/ACM, DSC-II, Churu/ Jaisalmer/ Barmer/ Sikar and Dy. TL/ACM, DSC-III, Chittorgarh/ Rajsamand/ Bundi/ Baran, RUSDIP.
6. SE(UIDSSMT), RUIDP, to circulate and ensure compliance in the UIDSSMT works.
7. ACP, RUIDP, Jaipur to send by e-mail.


Chief Engineer (T)