

6/1463/2021

File No. J-17060/15/2011 SGSY II SP (PT)
Government of India
Ministry of Rural Development
Department of Rural Development
(Rural Skills Division)

NDCC-II Building, 7th Floor,
Jai Singh Road, New Delhi- 110001

Date 27 January, 2021

Notification No: / /2021

Subject: Impose of 3% Performance Guarantee instead of 6.25% for all projects under DDU-GKY

I am directed to refer to Notification 50/2017 dated 13 September, 2017, regarding furnishing of 6.25% Performance Guarantee for fresh project under DDU-GKY.

2. Ministry of Finance, Department of Expenditure, vide their OM No: F.9/4/2020- PPD dated 12th November, 2020 has decided to reduce the Performance Security from existing 5-10% to 3% of the value of contracts for all existing contracts.

3. Rural Skill Division of MoRD has accordingly decided to reduce the performance guarantee from 6.25% to 3% under all DDU-GKY Projects in partial modification of Notification 50/2017 Dated 13 September, 2017 ibid of DDU-GKY. These provisions shall be made applicable to all the existing and new projects issued/concluded till 31.12.2021 with following conditions:

a. In all the projects where performance security has been reduced to 3%, the reduced percentage of Performance guarantee shall continue for the entire duration of the project and there should be no subsequent increase of performance guarantee even beyond 31.12.2021

b. In all projects entered into with the reduced performance guarantee of 3%, there will be no subsequent increase in Performance guarantee even beyond 31.12.2021

c. In case of compelling circumstances to levy performance guarantee for more than 3%, it is required to be done only with the approval of the next higher authority to the authority competent to finalize the Project, or the Secretary of the Ministry/Department, whichever is lower. Reasons justifying the exception shall be recorded.

d. This reduction will not be given in the projects under dispute wherein arbitration/ court proceedings have been already started or are contemplated.

4. This shall be made applicable from the date of issue of this notification.

5. This notification is issued with the approval of the competent authority.


(VIRENDER SHARMA)
DIRECTOR (Rural Skills)

To

1. Director General, NIRDPR, Hyderabad.
2. MD, NABCONS, Rajendra Place, New Delhi.
3. The Additional Chief Secretaries/ Principal Secretaries/ Commissioner & Secretaries of the Nodal Departments of the States implementing DDU GKY

Copy to:

1. CEOs/MDs/COO/Nodal Officers of SRLMs/ SSDMs in States
2. PPS to Secretary (RD)
3. PPS to AS (RD)
4. PPS to JS (Skills)
5. Executive Director, NIRDPR
6. Project Director, NABCONS
7. All officials of DDU-GKY(MoRD)
8. ICT- PMU team for uploading the notification & Guidelines on DDU GKY Website