

CHAPTER – 5

EARNEST MONEY DEPOSIT

5.1 Earnest Money Deposit

Earnest Money Deposit (EMD) is called for in respect of tenders for stores as decided by DPS from time to time.

EMD is obtained to ensure the earnestness of the tenderer in the participation of the tender and as a deterrent against the tenderer withdrawing or altering his bids during the bid validity.

5.2 Quantum of EMD

5.2.1 EMD shall be as specified in Notice Inviting Tenders (NIT).

5.2.2 However, calling for EMD shall be at the sole discretion of the Director, DPS.

5.3 Exemption from submission of EMD

5.3.1 Firms registered with NSIC/MSE/DPS are exempted from payment of EMD. Organisations like KVIC who are treated on par with NSIC and MSEs registered with District Industries Centre and submitting PART-II / Udyog Aadhar of their enrolment and start-ups as notified by GoI from time to time are also be exempted from payment of EMD. However, the firms shall be original manufacturer/assembler/converter of the tender involving supply, manufacture, etc. of an item and original service provider of the tender involving service.

5.3.2 Other categories as notified by GoI from time to time.

5.4 Form of EMD

EMD shall be accepted in the form of demand draft or banker's cheque issued in favour of the Pay & Accounts Officer of the concerned Purchase Unit or through any mode as specifically mentioned in the NIT.

5.5 Rejection of Tenders not accompanied with EMD

Tenders/offers from the vendors (other than those who are exempted as mentioned in 5.3) not accompanied with EMD, as demanded, shall be rejected summarily with intimation to vendor. Exempted vendors shall upload the required documents for claiming exemption.

5.6 Forfeiture of EMD

5.6.1 EMD shall be forfeited if the tenderer withdraws or amends impairs or derogates from the tender in any respect within the period of validity of his tender.

5.6.2 If the successful tenderer fails to furnish the required Security Deposit then the EMD furnished may be forfeited.

5.7 Refund of EMD

5.7.1 EMD of successful tenderer shall be refunded preferably within thirty days of submission and acceptance of the Security Deposit, as called for in the Contract.

5.7.2 EMD furnished by all unsuccessful tenderers shall be returned after evaluation of their offer preferably within the expiry date of validity of their offer but not later than thirty days of award of the contract. In case of Two Part Tender (TPT) bidders whose bids were not recommended for opening of Part-II (Price), EMD shall be returned preferably within thirty days of receipt of the approval of competent authority for opening of Part-II (Price) of the tender.