

**GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT**

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No. 8943 /F  
FIN-COD-MISC-0007-2019

Dated 18.03.2021

**OFFICE MEMORANDUM**

**Subject: Bid Security / Earnest Money Deposit (EMD)**

To safeguard against a bidder's withdrawing or altering its bid during the bid validity period, Bid Security (also known as Earnest Money Deposit) is obtained from bidders except those who are exempted from paying Bid Security as per para-21 of FDOM No 4939/F Dated 13.02.2012. Besides, the State Government have exempted Micro and Small Enterprises (MSEs) as defined in Odisha MSME Development Policy, 2016 and Start-ups as defined under Odisha Start-ups Policy, 2016 from payment of Bid Security while participating in tenders vide FDOM No 27928/F Dated 16.10.2020.

2. The State Government is in receipt of many representations that on account of slowdown in economy due to the pandemic, there is acute financial crunch among vendors, which in turn is affecting timely execution of the contracts. It has also been represented that this may affect the ability of vendors to bid in tenders and hence reduce competition. Besides, Government of India have made provision in Rule-171 of General Financial Rule, 2017 asking the bidders for executing a "**Bid Security Declaration**" in lieu of Bid Security with stipulation that if they withdraw or modify their bids during period of validity etc., they will be suspended for the time specified in the tender documents.

3. Considering the difficulties faced by the vendors and to facilitate competition in wake of slowdown of the economy due to Covid-19 pandemic, it is hereby decided that **no provisions regarding Bid Security should be kept in the Bid Documents and only provision**

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for **"Bid Security Declaration"** should be kept. Further, wherever, there are compelling circumstances to ask for Bid Security, the same should be done only with the approval of the next higher authority to the authority competent to finalize the tender.

4. These instructions shall be applicable for all kinds of procurements viz Goods, Consultancy, Non-consultation and Works.

5. These instructions shall be deemed to be a part of Odisha General Financial Rules.

6. Works Department shall make suitable amendment in the relevant provisions of OPWD Code.

**7. The above instructions will be applicable for all the tenders issued till 31.12.2021.**

By Order of Governor,

*Ashok.*  
*13/3/2021*

**(Ashok Kumar Meena)**  
**Principal Secretary to Government**

*Apw*

Memo No 8944 /F Dated 18.03.2021

Copy forwarded to the Principal Secretary to Hon'ble Governor / Private Secretary to Hon'ble Chief Minister / P.S to Hon'ble Minister, Finance & Excise for kind information of Hon'ble Governor / Hon'ble Chief Minister / Hon'ble Minister, Finance & Excise.

*A P W*  
18/03/2021  
**Deputy Secretary to Government**

Memo No 8945 /F Dated 18.03.2021

Copy forwarded to OSD to Chief Secretary for kind information of Chief Secretary.

*A P W*  
18/03/2021  
**Deputy Secretary to Government**

Memo No 8946 /F Dated 18.03.2021

Copy forwarded to all Departments / Secretary OLA / Accountant General (A&E), Odisha, Bhubaneswar / Accountant General (G&SSA), Odisha, Bhubaneswar / Accountant, General (E&RSA), Odisha, Bhubaneswar / Deputy Accountant General (Works), Odisha, Puri / Advocate General, Odisha, Cuttack / All Financial Advisors / All Assistant Financial Advisors / Director, Gopabandhu Academy of Administration, Bhubaneswar / Principal, short Hand and Type Writing Institute, Bhubaneswar / all Treasury Officers / All Special Treasury Officers / All Sub-Treasury Officers for information and necessary action.

*A P W*  
18/03/2021  
**Deputy Secretary to Government**

Memo No 8947 /F Dated 18.03.2021

Copy forwarded to all Heads of Department/ All Revenue Divisional Commissioners / All Collectors for information and necessary action.

*A P W*  
18/03/2021  
**Deputy Secretary to Government**

Memo No 8948 /F Dated 18.03.2021

Copy forwarded to P.S. to Principal Secretary / P.S. to all Special Secretaries / P.S. to all Additional Secretaries of Finance Department for kind information of Principal Secretary / Special Secretaries / Additional Secretaries.

*A. P. Mishra*  
18/03/2021  
**Deputy Secretary to Government**

Memo No 8949 /F Dated 18.03.2021

Copy forwarded to Commissioner of CT & GST, Odisha, Cuttack / Director, Madhusudan Das Regional Academy of Financial Management, Chandrasekharapur, Bhubaneswar / Director, Small Savings, Odisha / Director of Treasuries and Inspection, Odisha, Bhubaneswar / Director, Local Fund Audit, Odisha, Bhubaneswar / Controller of Accounts, Odisha, Bhubaneswar / Chairman, Sales Tax Tribunal, Odisha, Bhubaneswar for information and necessary action.

*A. P. Mishra*  
18/03/2021  
**Deputy Secretary to Government**

Memo No 8950 /F Dated 18.03.2021

Copy forwarded to all Officers / all Branches of Finance Department for information and necessary action.

*A. P. Mishra*  
18/03/2021  
**Deputy Secretary to Government**

Memo No 8951 /F Dated 18.03.2021

Copy forwarded to the Head, Portal Group, Lok Seva Bhawan, Bhubaneswar, Odisha for information and necessary action. It is requested to hoist this Office Memorandum in the website of Finance Department ([www.odisha.gov.in](http://www.odisha.gov.in) / finance).

*A. P. Mishra*  
18/03/2021  
**Deputy Secretary to Government**