

GOVERNMENT OF ODISHA
WORKS DEPARTMENT

OFFICE MEMORANDUM

No. 07764600022025 17941 /W., Bhubaneswar Dt. 8.10.26

Sub:- Amendment of Codal & Contractual Provisions.

Earlier, the provisions of threshold negative bid caps of 15% introduced in Appendix-IX, Clause 36 of OPWD Code Vol.-II had been abolished, and the system of incremental Additional Performance Security (APS) was adopted vide Works Department O.M. No.173/W., dated 03.01.2026 in the procurement of Works undertaken by Government of Odisha and its agencies to ensure that the procurement process results in a viable and successful manner.

Subsequently, a clarification vide Works Department O.M. No. 632/W., dated 09.01.2026, and a corrigendum No. 14560/W., dated 11.08.2026, were issued on the subject.

Considering the continuing trend of quoting of abnormally low bids in procurement of Works, Government, after careful consideration, have been pleased to further review the issue of abnormally low bid prices.

Now, therefore, in supersession of Works Department O.M. No.173, dated 03.01.2026, O.M. No.632/W., dated 09.01.2026 and Corrigendum No.14560/W., dated 11.08.2026, it has been decided that the Additional Performance Security (APS) shall be obtained from the selected bidder, on an incremental basis, where the accepted bid price is lower than the Cost Put to Tender, in the following manner:

1. The Additional Performance Security (APS) shall be calculated as a percentage of the accepted Bid Price of the selected bidder.
2. For the purpose of determining the APS, the percentage by which the accepted Bid Price is lower than the Cost Put to Tender shall be calculated and rounded off.
3. The rounded-off percentage so determined shall be referred to as the Rounding Off of Percentage Less (ROPL) of accepted Bid Price and shall form the basis for calculation of the APS in accordance with the applicable incremental rate prescribed under this Office Memorandum.
4. Rounding Off of Percentage Less (ROPL) of accepted Bid Price, i.e. the percentage by which the accepted Bid Price is less than the Cost Put to Tender, shall be as follows:
 - Where the decimal fraction is less than 0.50, the percentage shall be rounded off to the next lower whole percentage.

- Where the decimal fraction is 0.50 or above, the percentage shall be rounded off to the next higher whole percentage.
- For avoidance of doubt, 13.25% less shall be reckoned as 13% less, whereas 13.50% less shall be reckoned as 14% less, for the purpose of determining the applicable APS under this Office Memorandum.

5. Calculation of Additional Performance Security:

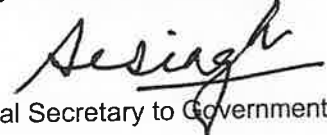
- Where the accepted bid price is such that the ROPL is up to (-)10%, no additional performance security is required.
- where the accepted bid price is such that the ROPL is below (-)10% but not below (-)20%, the additional performance security percentage shall be incremented by 0.2% for every percentage of ROPL below (-)10%; for avoidance of doubt, if ROPL is (-)13%, then APS shall be @ $0.2\% \times (13-10) = 0.6\%$ of accepted bid price.
- where the accepted bid price is such that the ROPL is below (-)20% but not below (-)30%, the additional performance security percentage shall be incremented by 0.3% for every percentage of ROPL below (-)20% in addition to 2% of the accepted bid price; for avoidance of doubt, if ROPL is (-)24%, then APS shall be @ $0.3\% \times (24-20) + 2\% = 1.2\% + 2\% = 3.2\%$ of accepted bid price.
- Where the accepted bid price is such that the ROPL is below (-)30% or more, the additional performance security percentage shall be incremented by 0.5% for every percentage of ROPL below (-)30% in addition to 5% of the accepted bid price; for avoidance of doubt, if ROPL is (-)37%, then APS shall be @ $0.5\% \times (37-30) + 5\% = 3.5\% + 5\% = 8.5\%$ of accepted bid price.

6. The additional performance security shall be treated as part of the performance security.
7. The provision of additional performance security shall be applicable to all forms of tender except Turnkey Tender.
8. Justification for abnormally low bids shall be scrutinized by the Technical Committee and recommended to the Competent Authority for Acceptance of Tender as per Para 6.3.15 of OPWD Code, Vol-I for the approval of the Additional Performance Security (APS). An abnormally low bid is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price. Procuring Entity may, in such cases, seek written clarifications from the Bidder, including detailed price analysis of its Bid price in relation to scope, schedule, resource mobilization, allocation of risks and responsibilities, and any other requirements of the bid document. If, after evaluating the price analysis, the procuring entity determines that the Bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the

Bid/ Proposal. However, it would not be advisable to fix a normative percentage below the estimated cost, which would automatically be considered as an abnormally low bid.

9. If more than one bid is quoted (decimal up to two numbers will be taken for all practical purposes, in percentage rate tenders) as lowest, either at the estimated cost put to tender or less than the estimated cost put to tender, the Tender Accepting Authority will finalize the tender through a transparent lottery system, where all the concerned bidders/their authorized representatives, the concerned SE/EE of the concerned Division and DAO will remain present.
10. If the rate quoted by the SC and ST Category Contractors comes to the rate quoted by the lowest bidder (decimal up to two numbers will be taken for all practical purposes, in percentage rate tenders) after availing 10% price preference as per Para 2 of Works Department Resolution No. 16262 dated 30.10.2018, the tender shall be finalized by the Tender Accepting Authority through a transparent lottery system along with other categories of contractors.
11. Accordingly, the relevant existing codal/contractual provision stands modified with effect from the date of issue of this O.M.
12. However, as regards the bidding process in which the tender has been floated before the issue of this Office Memorandum, the APS shall be calculated as per Works Department O.M.No.173 dt 03.01.2026 r/w O.M. No.632/W., dated 09.01.2026 and Corrigendum No.14560/W., dated 11.08.2026.
13. In pursuance to, Works Deptt. OM No.2375/W, dt.03/03/2022, Additional Performance Security(APS) shall be refunded immediately on successful completion of the work within seven(07) days of issuance of Completion Certificate/ Provisional Completion Certificate.
14. This has been concurred in by the Finance Department vide OSWAS file No.**FIN-WFI-MISC-0102-2025**.

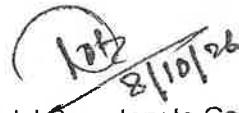
By order of the Governor


Principal Secretary to Government

Memo No. 17942 /W, dated 8.10.26

Copy along with soft copy forwarded to Gazette Cell, Commerce and Transport (Commerce) Department, Bhubaneswar, for information and necessary action.

They are requested to publish the Office Memorandum in the extraordinary issue of the Gazette and supply 20 (twenty) copies to this Department.


EIC-cum-Special Secretary to Government

Memo No. 17943 /W., Dt. 8.10.26

Copy forwarded to the P.S. to the Hon'ble Chief Minister, Odisha for the kind information of the Hon'ble Chief Minister.

EIC-cum-Special Secretary to Government

Memo No. 17944 /W., Dt. 8.10.26

Copy forwarded to the P.S. to the Hon'ble Minister, Law, Works, Excise, Odisha for the kind information of the Hon'ble Minister.

EIC-cum-Special Secretary to Government

Memo No. 17945 /W., Dt. 8.10.26

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EIC-cum-Special Secretary to Government

Memo No. 17946 /W., Dt. 8.10.26

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EIC-cum-Special Secretary to Government

Memo No. 17947 /W., Dt. 8.10.26

Copy forwarded to Principal Accountant General (A&E), Odisha, Bhubaneswar/ Principal Accountant General (E & SR Audit), Odisha, Puri Branch, Puri for kind information and necessary action.

EIC-cum-Special Secretary to Government

Memo No. 17948 /W., Dt. 8.10.26

Copy forwarded to the P.S. to the Additional Chief Secretary, Home Department/ the P.S. to the Additional Chief Secretary, GA&PG Department / P.S. to the Additional Chief Secretary, Parliamentary Affairs Department /P.S. to the Additional Chief Secretary, Industries Department / P.S. to the Additional Chief Secretary, Steel & Mines Department / P.S. to the Additional Chief Secretary, Revenue & Disaster Management Department / P.S. to the Additional Chief Secretary, H & UD Department / P.S. to the Additional Chief Secretary, Energy Department for kind information of ACS, Home Department/ ACS, GA&PG Department /ACS, Parliamentary Affairs Department/ ACS, Industries Department /ACS, Steel & Mines Department/ ACS, Revenue & Disaster Management Department / ACS, H & UD Department/ ACS, Energy Department.

EIC-cum-Special Secretary to Government

Memo No. 17949 /W., Dt. 8.10.26

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EIC-cum-Special Secretary to Government

Memo No. 17950 /W., Dt. 8.10.26

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EIC-cum-Special Secretary to Government

Memo No. 17951 /W., Dt. 8.10.26

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EIC-cum-Special Secretary to Government

Memo No. 17952 /W., Dt. 8.10.26

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EIC-cum-Special Secretary to Government

Memo No. 17953 /W., Dt. 8.10.26

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EIC-cum-Special Secretary to Government

Memo No. 17954 /W., Dt. 8.10.26

Copy forwarded to the Regional Officer, NHAI, Odisha, Bhubaneswar / Regional Officer, MoRT&H, Odisha, Bhubaneswar for information and necessary action.


EIC-cum-Special Secretary to Government

Memo No. 17955 /W., Dt. 8.10.26

Copy forwarded to the FA-cum-Special Secretary to Government, Works Department for kind information and necessary action.


EIC-cum-Special Secretary to Government

Memo No. 17956 /W., Dt. 8.10.26

Copy forwarded to EIC(Civil-cum-Roads), Odisha /EIC, Water Resources, Odisha/ EIC, Rural Works, Odisha/ EIC (PH), H&UD Department/ EIC (RWSS) PR&DW Department/ EIC, DPQ, Odisha/ EIC, NHs, Odisha/ EIC-cum-Managing Director, OB & CC Ltd., Bhubaneswar, Odisha/ Chief Engineer, Roads-I & II, Odisha / Chief Engineer, Buildings-I & II, Odisha / Chief Engineer, NHs, Odisha/ Chief Engineer, Bridges, Odisha / Chief Engineer, P&IP, Odisha / Chief Engineer, RD & QP, Odisha /Chief Engineer, RW- I & II, Odisha / Chief Engineer, PH (Urban), Odisha / Chief Engineer, Electricity, Odisha / Managing Director, OCC Ltd., Bhubaneswar/ all State PSUs for kind information and necessary action.


EIC-cum-Special Secretary to Government

Memo No. 17957 /W., Dt. 8.10.26

Copy forwarded to DDG & State Informatics Officer. National Informatics Centre, Odisha State Centre, Bhubaneswar, Email- sio-ori@nic.in for information and necessary action.


EIC-cum-Special Secretary to Government

Memo No. 17958 /W., Dt. 8.10.26

Copy forwarded to the Chief Executive Officer (Administrative), Odisha Computer Application Centre (OCAC), Bhubaneswar, for information and necessary action.


EIC-cum-Special Secretary to Government

Memo No. 17959 /W., Dt. 8.10.26

Copy forwarded to all EICs/CEs/CCEs/ SEs/ EEs of the Works Department for kind information and necessary action.


EIC-cum-Special Secretary to Government

Memo No. 17960 /W., Dt. 8.10.26

Copy forwarded to Roads Section/ A/C-I Section /A/C-II Section/ Plan Section / Building Section / Budget Section / N.H. Section / FC & AA/FA Section, Works Department / OSWAS Control Room for information and necessary action.


EIC-cum-Special Secretary to Government