

**Government of Jammu & Kashmir,
Finance Department(Codes Division),
Civil Secretariat, Jammu/Srinagar.**

Subject:-Seeking additional performance security for the selected bidders who have quoted abnormally low bid price-Reg.

Circular

Attention is invited to Circular Instructions Issued by the Finance Department Vide No. A/Misc(2018)-III-895/J dated 22-12-2020 regarding Additional Performance Security in case of Abnormally Low Bids (ALBs), Issued in line with O M No. F.9/4/2020-PPD dated 12-11-2020, Issued by Government of India, Ministry of Finance, Department of Expenditure.

It has been observed that during the competitive bidding process, sometime bidders are quoting abnormally low rates against the advertised cost. The MORTH, GoI has taken cognizance of the matter and has issued circular instructions in this regard vide No RW/NH- 33044/34/2024-S&R (P&B) Dated 30th April, 2025 (copy enclosed).

The matter has also been reviewed in the Finance Department in view of quoting of abnormally low rates against the advertised cost in various projects initiated by the Government of UT of J&K.

Considering the trend of quoting abnormally low bid price, it has been decided that henceforth additional performance security will be taken from the selected bidder for quoting abnormally low bid as under;

1. Where the bid price is below 10% but not below 20% of the project cost put to bid, the additional performance guarantee/security percentage shall be incremented by 0.1% for every percentage of bid price below 10% of the project cost put to bid starting at 11% with the additional bid performance guarantee being 0.1% and this additional performance guarantee percentage shall be applied on the bid price.
2. Where the bid price is 20% or more below of the project cost put to bid, the additional performance guarantee percentage shall be incremented by 0.2% for every percentage of bid price below 20% of the project cost put to bid in addition to 1% of the bid price and this additional performance guarantee percentage shall be applied on the bid price.
3. The additional performance guarantee percentage shall be rounded off to the next lower percentage based on whether the decimal point of the percentage of bid price is below 0.5% or next higher percentage based on whether the decimal point of the percentage of bid price is 0.5% or more.

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4. The additional performance security shall be treated as part of the performance security. Additional performance security shall be taken only after approval of next higher authority.
5. An illustrative example for calculation of additional performance guarantee/security for a notional project where the project cost put to bid is Rs.10.00 crore is given hereunder for ready reference which shall be annexure to the circular instructions. (Annexure-A)
6. These guidelines shall come into force with immediate effect.

It is enjoined upon all Administrative Secretaries, Heads of Departments and all the implementing agencies to adhere the above instructions and take action accordingly.


Sd/-
(Santosh D. Valdia), IAS,
Principal Secretary to Government,
Finance Department.

Dated:- 08.08.2025

No.:-FD-Code/441/2021-02-158

Copy to the:

1. Advocate General, The High Court of Jammu & Kashmir and Ladakh.
2. All Financial Commissioners (Additional Chief Secretaries).
3. Director General of Police, Jammu & Kashmir.
4. Principal Accountant General (A&E), J&K.
5. All Principal Secretaries to Government.
6. Principal Secretary to Hon'ble Lieutenant Governor.
7. Joint Secretary (JKL), Ministry of Home Affairs, Government of India.
8. All Commissioner/Secretaries to Government.
9. Chief Electoral Officer, Jammu & Kashmir.
10. Principal Resident Commissioner, 5-Prithvi Raj, New Delhi.
11. Divisional Commissioner Jammu/Kashmir.
12. Chairperson, Jammu & Kashmir Special Tribunal.
13. Principal Secretary to Chief Justice, The High Court of Jammu & Kashmir and Ladakh.
14. Registrar General, The High Court of Jammu & Kashmir and Ladakh.
15. Director, Anti Corruption bureau, J&K.
16. Director General, Accounts and Treasuries.
17. Director General, Funds Organization.
18. Director General, Audit and Inspections.
19. Director General, Local Fund Audit & Pensions, J&K.
20. Director General, Budget Division.
21. Director Information, J&K.
22. All District Development Commissioners.
23. All Heads of Departments/Managing Directors/Chief Executives of State PSUs/Autonomous Bodies/ Societies.

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24. Secretary, J&K Public Service Commission.
25. Secretary, J&K Legislative Assembly.
26. Director, Accounts & Treasuries, Jammu/Kashmir.
27. Principal/Director Finance, Accountancy Training Institute, Srinagar/Northern Zonal Accountancy Training Institute, Jammu.
28. All Director(s) Finance/ Financial Advisors & CAOs.
29. OSD/Private Secretary to the Hon'ble Chief Minister, J&K
30. All Treasury Officers.
31. General Manager, Government Press, Jammu/Srinagar for publication in Government Gazette.
32. Private Secretary to the Chief Secretary.
33. Private Secretary to all the Hon'ble Ministers.
34. Private Secretary to Advisor to the Hon'ble Chief Minister, J&K.
35. Private Secretary to the Hon'ble Deputy Chief Minister, J&K
36. Private Secretary to the Principal Secretary to Government, Finance Department.
37. I/C Website, Finance Department (www.jakfinance.jk.gov.in)
38. I/C Website, GAD (www.jkgad.nic.in)
39. Record file (W2scs)

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**Director General Codes,
Finance Department.**

Annexure-A

Bid Price of Bidder (Rs Lakh)	Performance Bank Guarantee (Rs crore)@3%	% discount to project cost put to bid	Percentage Additional Performance Guarantee	Additional Performance Guarantee (Rs Lakh)	Total Performance Bank Guarantee (Rs Lakh)	PBG as % of project cost put to bid
1000	30.00	0.00	0.00	0.00	30.00	3.00%
990	29.70	1.00	0.00	0.00	29.70	3.00%
980	29.40	2.00	0.00	0.00	29.40	3.00%
970	29.10	3.00	0.00	0.00	29.10	3.00%
960	28.80	4.00	0.00	0.00	28.80	3.00%
950	28.50	5.00	0.00	0.00	28.50	3.00%
940	28.20	6.00	0.00	0.00	28.20	3.00%
930	27.90	7.00	0.00	0.00	27.90	3.00%
920	27.60	8.00	0.00	0.00	27.60	3.00%
910	27.30	9.00	0.00	0.00	27.30	3.00%
900	27.00	10.00	0.00	0.00	27.00	3.00%
890	26.70	11.00	0.10	0.89	27.59	3.10%
880	26.40	12.00	0.20	1.76	28.16	3.20%
870	26.10	13.00	0.30	2.61	28.71	3.30%
860	25.80	14.00	0.40	3.44	29.24	3.40%
850	25.50	15.00	0.50	4.25	29.75	3.50%
840	25.20	16.00	0.60	5.04	30.24	3.60%
830	24.90	17.00	0.70	5.81	30.71	3.70%
820	24.60	18.00	0.80	6.56	31.16	3.80%
810	24.30	19.00	0.90	7.29	31.59	3.90%
800	24.00	20.00	1.00	8.00	32.00	4.00%
790	23.70	21.00	1.20	9.48	33.18	4.20%
780	23.40	22.00	1.40	10.92	34.32	4.40%
770	23.10	23.00	1.60	12.32	35.42	4.60%
760	22.80	24.00	1.80	13.68	36.48	4.80%
750	22.50	25.00	2.00	15.00	37.50	5.00%
740	22.20	26.00	2.20	16.28	38.48	5.20%
730	21.90	27.00	2.40	17.52	39.42	5.40%
720	21.60	28.00	2.60	18.72	40.32	5.60%
710	21.30	29.00	2.80	19.88	41.18	5.80%
700	21.00	30.00	3.00	21.00	42.00	6.00%
690	20.70	31.00	3.20	22.08	42.78	6.20%
680	20.40	32.00	3.40	23.12	43.52	6.40%
670	20.10	33.00	3.60	24.12	44.22	6.60%
660	19.80	34.00	3.80	25.08	44.88	6.80%
650	19.50	35.00	4.00	26.00	45.50	7.00%
640	19.20	36.00	4.20	26.88	46.08	7.20%
630	18.90	37.00	4.40	27.72	46.62	7.40%
620	18.60	38.00	4.60	28.52	47.12	7.60%
610	18.30	39.00	4.80	29.28	47.58	7.80%
600	18.00	40.00	5.00	30.00	48.00	8.00%
590	17.70	41.00	5.20	30.68	48.38	8.20%
580	17.40	42.00	5.40	31.32	48.72	8.40%
570	17.10	43.00	5.60	31.92	49.02	8.60%
560	16.80	44.00	5.80	32.48	49.28	8.80%
550	16.50	45.00	6.00	33.00	49.50	9.00%
540	16.20	46.00	6.20	33.48	49.68	9.20%
530	15.90	47.00	6.40	33.92	49.82	9.40%
520	15.60	48.00	6.60	34.32	49.92	9.60%
510	15.30	49.00	6.80	34.68	49.98	9.80%
500	15.00	50.00	7.00	35.00	50.00	10.00%