

Terms & Conditions for PSD & evaluation of lowest offer

1. Firm has to submit the Performance Security Deposit (PSD) @10% of PO value.
2. Forms of PSD:
 - a) Supplier has to furnish PSD payable to purchaser in the form of Performance Bank Guarantee (PBG) only issued by a public sector bank or private sector bank authorized to conduct government business. Presently 03 private banks viz. HDFC Bank, ICICI Bank & Axis Bank are appointed by RBI as its agents to carry out limited general banking business of the central government.
 - b) Instruments acceptable under FR as PSD are:
 - i) FDR.
 - ii) Deposit Receipts of the State Bank of India.
 - iii) Fidelity bonds in the forms prescribed by government only Life Insurance Corporation of India.
3. PSD submitted by the contractor should remain valid for a period of sixty days beyond the date of completion of contractual obligations, including warranty i.e. for 14 months (min) from the date of issue of BG.
4. PSD is initially applicable for basic quantity only. Subsequent to operation of Option Clause, Bank Guarantee has to be suitably re-validated in terms of value and period of the contract. The amount of PSD to be obtained would include the Option Clause i.e. PSD will be determined on the basis of original contract value + Option clause value. Such PSD will be retained till sixty days after completion of the contractual obligations including that for the operation of Option Clause.
5. **Evaluation of lowest offer:**
 - i) The evaluation and comparison of responsive bids shall be done on the basic price of the item offered which include all other charges (such as packing & forwarding, freight and insurance, AMC, other charges etc) at OFC as indicated in the price schedule of bid document (price bid template in case of e-procurement), but excluding levies, taxes & duties such as GST on final product.
 - ii) The levies, taxes & duties such as excise duty, VAT, service tax, octroi/entry tax etc will be paid as per actual subject to documentary proof submitted by the firm.
 - iii) In the price bid, if firms quote against other charges, it has to be clearly spelled out as an attachment along with the bid.