

**GOVERNMENT OF ANDHRA PRADESH
IRRIGATION AND CAD (PW-REFORMS) DEPARTMENT**

Memo.No.22829/Reforms(A1)/2008

Dated: 23.12.2008.

Sub: Irrigation & CAD Department – Release of Retention money against Bank Guarantees – Amendment issued – Reg.

Ref: 1. Govt.Memo.No.5217/Reforms/2006, Irrigation & CAD Department, dt.23.02.2006.
2. Minutes of the Advisory Committee held on 28.07.2008.

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The following procedure is specified for release of Retention amount against Bank Guarantee, vide Para (6) of Annexure-I to Govt.Memo. first read above:-

- i) Release of the retention amount against Bank Guarantee in multiples of Rs.25 Lakhs / 50 Lakhs.
- ii) The retention amount in multiples of Rs.1,000/- against interest bearing securities subject to condition that the rate of progress is maintained.
- iii) The 2.5% EMD that needs recovery in final bill shall be in cash only.

2. The Advisors Committee in its meeting held on 28.07.2008 discussed the above issue in detail and opined that Retention amount is to be released against Bank Guarantee keeping the other 2.5% as cash only till the defect liability period is over. During the discussions; the Committee observed that in the item No. 6(iii) of Annexure to Govt.Memo.No.5217/Reforms/2006, dated 23.02.2006, it was inadvertently mentioned as 2.5% EMD instead of 2.5% Retention amount that needs recovery in final bill shall be in cash only, and opined that at any time minimum 2.5% of Retention amount cash should be maintained as Retention money in terms of the said Memo.

3. Keeping in view of the above recommendations, the following Amendment to Para 6(iii) of Govt.Memo. first cited is issued:

FOR

"The 2.5% EMD that needs recovery in final bill shall be in cash only".

READ AS

"Since 2.5% of the total value of work done is to be retained as security from final bill an amount equivalent to 2.5% of the amount of each running bill shall be retained in cash till the end of defect liability period".

4. This Memo. is issued with the concurrence of Finance (W&P) Dept. vide their U.O.No.4684/F8(1)/08-1, dt.06.12.2008.

**RAJIV RANJAN MISHRA
SECRETARY TO GOVERNMENT.**