

No.F.dspwd-2/CD057801602/ 1641-1647
PUBLIC WORKS DEPARTMENT
GOVERNMENT OF NCT OF DELHI

PWD Secretariat
3rd Level, MSO Building, New Delhi
Dated: 14th August, 2025

CIRCULAR

Sub: Imposition of Enhanced Performance Guarantee in Case of Abnormally Low Bids – Regarding

It has been observed that in certain tenders, bidders are quoting abnormally low rates. While competitiveness is encouraged, such abnormally low bids (ALBs) raise serious concerns regarding the quality, sustainability, and timely completion of works. Accordingly, in line with the principles of financial prudence and safeguarding public interest, it has been decided to introduce the requirement of Enhanced Performance Guarantee (EPG) in cases where the bid amount is substantially below the estimated cost.:

1. Definition of Abnormally Low Bid (ALB):

A bid shall be treated as abnormally low if the quoted bid price is more than 25% below the estimated cost put to tender (ECPT).

2. Requirement of Enhanced Performance Guarantee (EPG):

In cases of ALBs as defined above, the bidder shall be required to submit an Enhanced Performance Guarantee in addition to the standard Performance Guarantee (PG) as per the following structure:

Percentage Below ECPT	Additional EPG to be Submitted
25% or below	Amount equivalent to the difference between the 25% less amount of ECPT and quoted rate

Note: The EPG shall be in the form of Bank Guarantee or other acceptable form as per existing CPWD guidelines and must be submitted within the time frame prescribed for Performance Guarantee.

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3. Applicability:

This circular shall be applicable to all future tenders invited by PWD, Delhi and to ongoing tender processes where technical evaluation is yet to be completed.

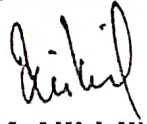
4. Responsibility and Enforcement:

All Chief Engineers, Superintending Engineers and Executive Engineers are instructed to ensure strict compliance with the above provisions. No award of work shall be done without ensuring the deposition of the required EPG in applicable cases.

5. Exemption or Relaxation:

No relaxation shall be permitted in the requirement of EPG for unreasonably low bids, except with the prior approval of the competent authority in exceptional circumstances.

This issues with the approval of Hon'ble Minister (PWD), GNCT of Delhi.



(M.K. Nikhil)

Deputy Secretary (PWD)

To

1. The Engineer in Chief PWD, 12th Floor, MSO Building, New Delhi
2. All Chief Engineers of the PWD, MSO Building, New Delhi
3. All SEs/EEs concerned through Chief Engineers
4. System Analyst, PWD with the request to upload the Circular on the website of PWD under relevant section.

Copy for information to:

1. Secretary to Hon'ble Minister (PWD), GNCTD
2. PS to Addl. Chief Secretary, PWD, 3rd Floor MSO Building, New Delhi
3. PS to Special Secretary, PWD-I/II, 3rd Floor MSO Building, New Delhi