



हैदराबाद विश्वविद्यालय  
University of Hyderabad

आंतरिक लेखा परीक्षा अधिकारी का कार्यालय  
*O/o. the Internal Audit Officer*

सं/No.UH/IAO/2020-2021/4033

दिनांक/Date: 25.11.2020

**अधिसूचना / NOTIFICATION**

**विषय/Sub: Certain Amendments to General Financial Rules (GFRs), 2017 – Consequential Amendments to University of Hyderabad Purchase Policy and Procedures – Reg.**

It is brought to notice that certain Amendments to Rule 161(iv), Rule 170 and Rule 171 of General Financial Rules (GFRs), 2017 have been made by Government of India, Ministry of Finance, Department of Expenditure, Procurement Policy Division, New Delhi, for compliance by all the concerned.

The above amendments are hereby notified for information and strict compliance by all the stake holders of the University:

- 1. Amendment to Rule 161(iv):** According to the Amendment to Rule 161(iv) a new provision (b) below Rule 161(iv) is inserted. According to the said provision, "No Global Tender Enquiry (GTE), however shall be invited for tenders up to Rs.200 crore or such limit as may be prescribed by the Department of Expenditure from time to time. Provided that for tenders below such limit, in exceptional cases where the Ministry or Department feels that there are special reasons for GTE, it may record its detailed justification and seek prior approval for relaxation to the above rule from the Secretary (Co-ordination), Cabinet Secretariat, New Delhi."

The above amendment is applicable on all procurements including Goods, Non-Consulting Services, Consulting Services and Works including turnkey projects. Ministries / Departments are advised to send only well reasoned proposals to Secretary (Co-ordination) for grant of relaxation. As the provisions contained in GFRs are deemed to be applicable to all Autonomous Bodies, all proposals for procurement of Goods, Consulting and Non-Consulting Services and works including turnkey projects up to Rs.200 Crores from outside the country by floating Global Tender Enquiries are required to be sent to Ministry of Education



for seeking prior approval for relaxation from the Secretary (Co-ordination), Cabinet Secretariat. The said amendment is, however, not applicable on procurement of spares parts of the equipments / plant and machinery etc. on nomination basis from OEM / OES / OPM as no competitive tenders are invited in such cases.

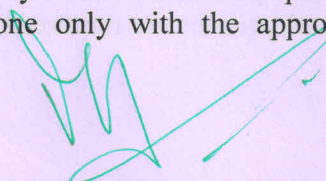
2. **Amendment to Rule 170: Bid Security / Earnest Money Deposit (EMD).** Hitherto, a provision for obtaining Bid Security / Earnest Money Deposit (EMD) from other than MSEs and the firms registered with concerned Ministries / Departments, @ 3.5% of the estimated value of purchase of Goods / Services was incorporated in the Bid Documents to safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry. As per the amendment to the Rule 170 of General Financial Rules, 2017 "no provisions regarding Bid security should be kept in the Bid Documents in future and only provision for Bid Security Declaration should be kept in the Bid Documents.

Wherever, there are compelling circumstances to ask for Bid Security, the same should be done only with the approval of the next higher authority to the authority competent to finalise the particular tender or the Secretary of the Ministry / Department, whichever is lower.

The above Amendment is applicable for all the tenders issued till 31.12.2021.

3. **Amendment to Rule 171: Performance Security.** Hitherto, 7.5% of the value of the contract was obtained towards Performance Security as per the UHPP. As per the amendment to Rule 171 of the General Financial Rules, it has been decided to reduce Performance Security Deposit to 3% of the value of the contract for all existing contracts. However, the benefit of the reduced Performance Security should not be given in the contract under dispute wherein arbitration / Court proceedings have been already started or contemplated. Further, all tenders / contracts issued / concluded till 31.12.2021 should also have the provision of reduced Performance Security. The reduced percentage of Performance Security shall continue for the entire duration of the contract and there should be no subsequent issue of Performance Security beyond 31.12.2021. Similarly, in all contracts entered into with the reduced percentage of Performance Security of 3%, there will be no subsequent increase in Performance Security even beyond 31.12.2021.

Wherever, there are compelling circumstances to ask for Performance Security in excess of three percent as stipulated above, the same should be done only with the approval of the next higher authority to the



authority competent to finalise the particular tender or the Secretary of the Ministry / Department, whichever is lower. Specific reasons justifying the exception shall be recorded.

The above amendments to GFRs, 2017 may be treated as Amendments to the University of Hyderabad Purchase Policy and Procedures (UHPP). It may also be noted that subsequent Amendment(s), if any, to GFRs, 2017 issued by the Government of India from time to time shall also be treated as an Amendment(s) thereto to the existing UHPP and the same shall invariably be complied with by all the stakeholders of the University, irrespective of an Amendment issued by the University in this regard.

This issues with the approval of the Competent Authority.

  
कुलसचिव  
Registrar

To

1. All Deans of the Schools / Heads of Deaprtments / Centres
2. Finance Officer
3. Controller of Examinations
4. Internal Audit Officer
5. A.R. / D.R., Central Procurement Unit (CPU)
6. Director, CC & CNF – with a request to forward the Notification to all users and upload the same in the University website
7. O.S.D. to Vice-Chancellor
8. P.S. to Registrar