

ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED

ABSTRACT

APGENCO- Regulations- Inclusion of Insurance Surety Bond as Security Instrument – Adoption of Orders of Government of AP- Orders - Issued.

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G.O.O.No.243/JS(Per)/2024

Date:27-11-2024

Read the following:

1. G.O.O.No.129/JS(Per)/2016, dtd. 15.07.2016.
2. G.O.Ms.No.94, Finance (HR. V-TFR-A&L-EWF) Department, dtd.13.11.2024.
3. Special Chief Secretary to the Govt, Energy (Power-I) Dept, GoAP, Lr.No. ENE01-COOR/85/2024-POWER-I dtd.15.11.2024.

ORDER:

Clauses 8.3.12, 8.3.13, 8.3.14 & 8.3.15 of Chapter 8 of the Purchase Management System Manual, issued vide G.O.O cited, stipulates that security from a private person or a firm making a contract with the APGENCO in the form of Demand Draft/Pay Order/Banker's Cheque in favor of APGENCO or Bank Guarantee from a Scheduled Bank etc.

2. The Government of Andhra Pradesh vide G.O 2nd cited (copy enclosed) has permitted Insurance Surety Bonds, issued as per the IRDAI guidelines, as an Instrument in addition to the current forms of Security and requested all the departments to amend wherever applicable the relevant departmental codes/Manuals to this effect following due procedure as per AP Business rules. The Special Chief Secretary to the Government, Energy Department vide letter 3rd cited has communicated G.O.Ms.No.94, Finance (HR. V-TFR-A&L-EWF) Department, dtd.13.11.2024 for taking further necessary action in the matter.

3. The APGENCO Board, through circulation, on 19.11.2024 resolved permitting the acceptance of Insurance Surety Bonds, issued as per IRDAI guidelines, as an Instrument in addition to the existing forms of Security for the ongoing and future works of APGENCO in terms of Orders issued vide G.O 2nd cited duly amending all the departmental codes/manuals wherever applicable.

4. After careful consideration, the APGENCO hereby permits Insurance Surety Bonds, issued as per the IRDAI guidelines, as an Instrument in addition to the Current forms of Security. Therefore, the Clauses 8.3.12, 8.3.13, 8.3.14 & 8.3.15 of Chapter 8 of the Purchase Management System Manual stands modified accordingly.

(BY ORDER AND IN THE NAME OF ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED)

Encl: As above.

K.V.N. CHAKRADHAR BABU, IAS
MANAGING DIRECTOR

To

All the Heads of Generating Stations/Functional Heads at Head Quarters

Copy to the:

Dy.EE(T) to Managing Director/APGENCO/VS

PA to Director (Finance & Commercial)/APGENCO/VS

Dy.EE(T) to Director(Thermal) | | Director (Coal & Logistics) | | Director(Hydel)/APGENCO/VS

PO to Director (HR&IR)/APGENCO/VS

JPO to Joint Secretary (Per)/APGENCO/VS

AE(T) to the CGM (Adm, IS &ERP)/APGENCO/VS

Stock file.

C.No. JS(P)/DS(E)/AS(P-NT&R)/PO(P-NT&R)/F.No. 55/2024

//FORWARDED :: BY ORDER//


PERSONNEL OFFICER



**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

A.P. Financial Code - Inclusion of **Insurance Surety Bond** as security instrument - Amendment to Articles 129 and 279 of A.P. Financial Code, Volume 1 – Orders- Issued.

FINANCE (HR.V-TFR-A&L-EWF) DEPARTMENT

G.O.Ms.No.94

Dated:13-11-2024

Read the following:-

- 1.G.O.Ms.No 94, I&CAD(PW_Reforms) department, Dated 01.07.2003.
- 2.G.O.Ms.No.12, ITEC(e-Procurement wing) Department, Dated 01.06.2016.
- 3.Office Memo No.F.1/1/2022-PPD,GOI,Ministry of Finance Department of Expenditure Procurement Policy Division, dated:02.02.2022.

ORDER:

Article 129(a), read with Article 279 of the AP Financial Code, stipulates security from a private person or a firm making a contract with the Government in various forms like cash, promissory notes, post office saving bank deposits, deposit receipts from scheduled bank etc.

2. As part of the reforms in the works contract system outlined in the GO 1st cited, Para No.10 & 12 of annexure to the GO ibid allowed bidders to submit the Bank Guarantee for the purposes of EMD and Performance security. Vide GO 2nd cited, the bidders were allowed facility to pay the EMD using net banking/RTGS/NEFT.

3. In the reference 3rd cited, the Department of Expenditure, Ministry of Finance, Government of India has amended Rule 170 (i) and Rule 171 (i) of the General Financial Rules (GFR),2017, to include an **Insurance Surety Bonds** as an instrument of 'Bid Security' and 'Performance Security' apart from the existing forms of security deposit.

4. Hence, after careful examination, the government hereby permits **Insurance Surety Bonds**, issued as per the IRDAI guidelines, as an instrument in addition to the current forms of Security and hence Article 279 of the AP Financial Code stands modified accordingly.

5. All departments are requested to amend wherever applicable, the relevant departmental codes/manuals to this effect, following due procedure as per AP Business Rules.

6. The MD, APTS and CEO, APCFSS shall make necessary arrangements in the e-procurement portal and Works Modules respectively.

(P.T.O)

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7. This G.O. is available online at <http://www.goir.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**PEEYUSH KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT**

To

All the Departments of Secretariat, GoAP.

All the HoDs/ Corporations under GoAP.

The DWA/DTA/DSA.

All the District Collectors.

Copy to:

The Principal Accountant General(Audit), A.P.

The Principal Accountant General(A&E), A.P.

PS to Hon'ble Chief Minister, Government of A.P.

OSD to Minister for Finance Department.

PS to Chief Secretary to Govt

PS to Spl CS, Finance/Prl Secretary (HR)/Secretary (B&IF)/Secretary (RM&FP)

All the Sections of the Finance Department.

SF/SCs(2563595)

//FORWARDED :: BY ORDER//

SECTION OFFICER