

**GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT**

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No. **14602 /F**  
PT14-FIN-COD-MISC-0007-2019

Date: **20.05.2021**

**OFFICE MEMORANDUM**

Sub: **Preference to Local MSEs/Start-ups in Procurement of Works**

To promote Local Micro and Small Enterprises (MSEs) / Start-ups, the State Government have exempted local MSEs as defined in Odisha MSME Development Policy, 2016 and Start-ups as defined under Odisha Start-ups Policy, 2016 from payment of Bid Security / EMD and allowed concessional payment of performance Security @25% of the value of Performance Security on being selected in the bidding process in case of procurement of goods and services vide FDOM No 27928/F Dated 16.10.2020.

**2.** The State Government have received representation from various quarters to exempt Local MSEs / Start-ups from payment of EMD and to allow concession payment of Performance Security in procurement of works on account of slowdown in economy due to the Covid-19 pandemic.

**3.** Considering the difficulties faced by the vendors and to facilitate competition in wake of slowdown of the economy due to Covid-19 pandemic, it is hereby decided to exempt local Micro and Small Enterprises (MSEs) and local Start-ups from payment of Bid Security / EMD and allowed concessional payment of performance Security @25% of the value of Performance Security on being selected in the bidding process in case of procurement of works in line with procurement of goods and services.

**4.** These instructions shall be deemed to be a part of Odisha General Financial Rules.

**5.** Works Department shall make suitable amendment in the relevant provisions of OPWD Code.

By Order of the Governor

Sd/-

**(A.K.K. Meena)**

**Principal Secretary to Government**