

No. 01-11-CTE-SH-100
Central Vigilance Commission

Satarkta Bhawan, Block 'A'
GPO Complex, I.N.A.,
New Delhi- 110023
Dated the 17th Feb, 2011

Circular No. 02/02/11

Sub: Mobilization Advance

Commission had earlier issued guidelines on granting of 'Mobilisation Advance' vide OM No. UU/POL/18 dated 08.12.1997, OM No. 4CC-1-CTE-2 dated 08.06.2004 and OM No. 4CC-1-CTE-2 dated 10.04.2007.

2. The matter has been further reviewed and it has decided by the Commission that following additional guidelines may be followed in case of grant of Mobilisation Advance.

- (i) The Bank Guarantee etc. taken towards security of 'Mobilisation Advance' should be at least 110% of the advance so as to enable recovery of not only principal amount but also the interest portion, if so required.
- (ii) The mobilisation advance should not be paid in less than two instalments except in special circumstances for the reasons to be recorded. This will keep check on contractor misutilizing the full utilisation advance when the work is delayed considerably.
- (iii) A clause in the tender enquiry and the contract of cases providing for interest free mobilisation advances may be stipulated that if the contract is terminated due to default of the contractor, the 'Mobilisation Advance' would be deemed as interest bearing advance at an interest rate of _____%, (*to be stipulated depending on the prevailing rate at the time of issue of NIT*) to be compounded quarterly.



(Anil Singhal)

Chief Technical Examiner

To

All Chief Vigilance Officers