



CENTRAL PUBLIC WORKS DEPARTMENT

OFFICE MEMORANDUM

NO. DGW/CON/163

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAWAN, NEW DELHI

10/12/2001

SUB : Correction Slip to Clause 10CC & Schedule 'E' of CPWD Contract form 7/8

1. Clause 10 CC sub para (iii) and (iv) shall stand amended and substituted as under :

(iii) Components of cement, steel, materials, labour, POL, etc., shall be pre-determined for every work & incorporated in the conditions of contract attached to the tender papers included in Schedule 'E'. The decision of the Engineer-in-Charge in working out such percentage shall be binding on the contractors.

(iv) The compensation for escalation for cement, steel, materials & POL shall be worked as per the formula given below :

a) Adjustment for component of 'cement'

$$V_c = W \times \frac{X_c}{100} \times \frac{CI - CI_0}{CI_0}$$

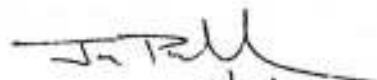
V_c : Variation in cement cost i.e. increase or decrease in the amount in rupees to be paid or recovered.

W : Cost of Work done worked out as indicated in sub-para (ii) of Clause 10CC

X_c : Component of cement expressed as percent of total value of work

CI : All India Wholesale Price Index for cement for the period under consideration as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce

CI₀ : All India Wholesale Price Index for cement as published by the Economic Advisor to Govt. of India, Ministry of


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Industry & Commerce as valid on the last stipulated date of receipt of tenders including extension, if any

b) Adjustment for component of **'Steel'**

$$V_s = W \times \frac{X_s}{100} \times \frac{SI - SI_0}{SI_0}$$

V_s : Variation in steel cost i.e. increase or decrease in the amount in rupees to be paid or recovered

W : Cost of work done worked out as indicated in sub-para (ii) of Clause 10CC.

X_s : Component of steel expressed in percent to the total value of work.

SI : All India Wholesale Price Index for steel (bars & rods) for the period under consideration as published by Ministry of Industrial Development, Govt. of India, New Delhi.

SI_0 : All India Wholesale Price Index for Steel (bars & rods) published by Economic Advisor to Govt. of India, Ministry of Industry & Commerce as valid on the last stipulated date of receipt of tender including extension, if any.

c) Adjustment for component of **'materials'**

$$V_M : W \times \frac{X_M}{100} \times \frac{MI - MI_0}{MI_0}$$

V_M : Variation in material Cost i.e. increase or decrease in the amount in rupees to be paid or recovered

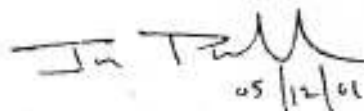
W : Cost of work done worked out as indicated in sub para (ii) of clause 10CC

X_M : Component of 'materials' expressed as percent of the total value of work

MI : All India Wholesale Index for all commodities for the period under consideration as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce.

MI_0 : All India Wholesale Index for all commodities is valid on the last stipulated date of receipt of tender including extension, if any., as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce.

d) Adjustment for component of POL


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$$V_f : W \times \frac{Z}{100} \times \frac{FI - FI_0}{FI_0}$$

V_f : Variation in cost of Fuel, Oil & Lubricant i.e., increase or decrease in the amount in rupees to be paid or recovered.

W : Cost of work done worked out as indicated in sub-para (ii) of Clause 10CC.

Z : Component of Fuel, Oil & Lubricant expressed as per cent of the total value of work.

FI : All India Wholesale Price Index for Fuel, Oil & Lubricant for the period under consideration as published by Ministry of Economic Advisor to Government of India, Ministry of Industry & Commerce, New Delhi.

FI_0 : The All India Wholesale Price Index for Fuel, Oil & Lubricant valid on the last stipulated date of receipt of tender including extension if any.

2. The schedule 'E' of the general conditions of contract shall be accordingly amended as under :

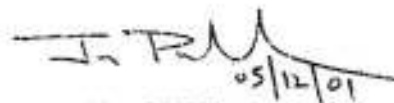
SCHEDULE 'E'

Schedule of component of cement, steel, other materials, labour etc for escalation

CLAUSE 10CC

Component of Cement 'Xc'	%
Component of Steel 'Xs'	%
Component of Material 'Xm'	%
Component of Labour 'Y'	%
Component of POL 'Z'	%

These components will be expressed as percent of total value of work


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(J.P. GUPTA)

↓ SUPERINTENDING ENGINEER(C&M)

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