



# CENTRAL PUBLIC WORKS DEPARTMENT

## OFFICE MEMORANDUM

No.DGW/CON/174

### ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAVAN, NEW DELHI

DATED 6-2-2003

In pursuance of the recommendations the Committee under the chairmanship of Shri Nitin Gadkari and accepted by Ministry of Urban Development & Poverty Alleviation vide No.18/2/2002/DGW/WI dated 27.12.02, the following clauses of the General Conditions of Contract for Central PWD works have been modified/Introduced.

<u>S.No.</u>	<u>Subject</u>	<u>Clause No.</u>	<u>Whether Modified/ Introduced</u>
1.	Performance guarantee (with prescribed proforma)	1	Introduced
2.	Recovery of security deposit	1(A)	Modified
3.	Compensation for delay	2	Modified
4.	Incentive for early completion	2(A)	Introduced
5.	When contract can be determined	3	Modified
6.	Option for closure of contract	3A	Introduced
7.	Time and extension for delay	5	Modified
8.	Mobilisation advance	10(B)(ii)	Modified
9.	Plant machinery and shuttering material advance	10(B)(iii)	Modified
10.	Leasing of equipment	10(B)(iii)(a)	Introduced
11.	Payment on account of increase in prices/Wages due to statutory order(s)	10(C)	Modified
12.	Payment due to increase/decrease in prices/wages after receipt of tender for works (time period more than 18 months)	10(CC)	Modified
13.	Work not to be sublet	21	Modified
14.	Tender	CPWD 7/8 Page 6&7	Modified
15.	Schedule F	CPWD 7/8	Modified
16.	Milestone for completion of work	Schedule F CPWD 7/8	Introduced

The Modified/Newly introduced Clauses in CPWD Form 7/8 are enclosed herewith.  
Corresponding changes in Hindi version of these Clauses are also required to be incorporated.

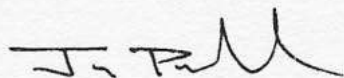
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SUPERINTENDING ENGINEER(C&M)

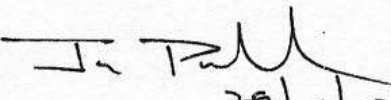
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**The following amendments/change's are hereby made in clauses of the General Conditions of Contract to CPWD Works – 2003.**

Clause	Page	Para	Existing	Amended/Now Introduced
1	15		Existing Clause is for Recovery of Security Deposit only & NIL (for Performance Guarantee)	<p><b><u>Performance Guarantee</u></b></p> <p>i) <i>The contractor shall submit an irrevocable <b>PERFORMANCE GUARANTEE</b> of 5% (Five percent) of the tendered amount in addition to other deposits mentioned elsewhere in the contract for his proper performance of the contract agreement, (not withstanding and/ or without prejudice to any other provisions in the contract) within 15 days of issue of letter of intent. This period can be further extended by the Engineer-in-Charge upto a maximum period of 7 days on written request of the contractor stating the reason for delays in procuring the Bank Guarantee, to the satisfaction of the Engineer-in-Charge. This guarantee shall be in the form of Government Securities or fixed deposit receipts or Guarantee Bonds of any Scheduled Bank or the State Bank of India in accordance with the form annexed hereto. In case a fixed deposit receipt of any Bank is furnished by the contractor to the Government as part of the performance guarantee and the Bank is unable to make payment against the said fixed deposit receipt, the loss caused thereby shall fall on the contractor and the contractor shall forthwith on demand furnish additional security to the Government to make good the deficit.</i></p> <p>ii) <i>A letter of intent shall be issued in the first instance informing the successful tenderer of the decision of the competent authority to accept his tender and the award letter shall be issued only after the Performance Guarantee in any of the prescribed form is received. In case of failure by the contractor to furnish the performance guarantee within the specified period, Government shall without prejudice to any other right or remedy available in law, be at liberty to forfeit the earnest money absolutely.</i></p> <p>iii) <i>The Performance Guarantee shall be initially valid upto the stipulated date of completion plus 60 days beyond that. In case the time for completion of work gets enlarged, the contractor shall get the validity of Performance Guarantee extended to cover such enlarged time for completion of work. After recording of the completion certificate for the work by the competent authority, the performance guarantee shall be returned to the contractor, without any interest.</i></p>

  
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1	15			<p>iv) <b>The Engineer-in-Charge shall not make a claim under the performance guarantee except for amounts to which the President of India is entitled under the contract (not withstanding and/or without prejudice to any other provisions in the contract agreement ) in the event of:-</b></p> <p>a) <b>Failure by the contractor to extend the validity of the Performance Guarantee as described herein above, in which event the Engineer-in-Charge may claim the full amount of the Performance Guarantee.</b></p> <p>b) <b>Failure by the contractor to pay President of India any amount due, either as agreed by the contractor or determined under any of the Clauses/ Conditions of the agreement, within 30 days of the service of notice to this effect by Engineer-in-Charge.</b></p> <p>v) <b>In the event of the contract being determined or rescinded under provisions of any of the clause/ condition of the agreement, the performance guarantee shall stand forfeited in full and shall be absolutely at the disposal of the President of India.</b></p>
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**FORM OF PERFORMANCE SECURITY**  
**BANK GUARANTEE BOND**

In consideration of the President of India (hereinafter called "The Government") having agreed under the terms and conditions of agreement No. .... Dated ..... made between ..... and ..... (hereinafter called "the said contractor(s)")..... For the work ..... (hereinafter called "the said agreement") having agreed to production of a irrevocable Bank Guarantee for Rs. .... (Rupees ..... only) as a security /guarantee from the contractor(s) for compliance of his obligations in accordance with the terms and conditions in the said agreement,

we ..... (hereinafter referred to as "the Bank") hereby

(Indicate the name of the Bank)

undertake to pay to the Government an amount not exceeding Rs. .... (Rupees ..... only) on demand by the Government.

2. We ..... do hereby undertake to pay the amounts due

(indicate the name of the Bank)

and payable under this Guarantee without any demure, merely on a demand from the Government stating that the amount claimed is required to meet the recoveries due or likely to be due from the said contractor(s). Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. .... (Rupees ..... only)

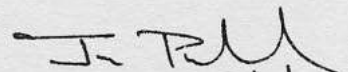
3. We, the said bank further undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the contractor(s) in any suit or proceeding pending before any court or Tribunal relating thereto, our liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be a valid discharge of our liability for payment thereunder and the contractor(s) shall have no claim against us for making such payment.

4. We ..... further agree that the guarantee herein

( indicate the name of the bank)

contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till Engineer-in-Charge on behalf of the government certified that the terms and

  
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conditions of the said agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges this guarantee.

5. We ..... further agree with the Government that  
( indicate the name of the bank)

The Government shall have the fullest liberty without our consent and without effecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said contractor(s) and to for -bear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said contractor(s) or for any forbearance, act of omission on the part of the Government or any indulgence by the Government to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the contractor(s).

7. We ..... lastly undertake not to revoke this  
( indicate the name of the bank)

guarantee except with the previous consent of the Government in writing.

8. This guarantee shall be valid upto \_\_\_\_\_. Unless extended on demand by Government. Notwithstanding anything mentioned above, our liability against this guarantee is restricted to Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_ only) and unless a claim in writing is lodged with us within six months of the date of expiry or the extended date of expiry of this guarantee all our liabilities under this guarantee shall stand discharged.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ for  
\_\_\_\_\_  
(indicate the name of bank)

J. R. M.  
29/1/03



Clause	Page	Para	Existing	Amended/Now Introduced
1 A Recovery of Security Deposit	15		<p>The person/persons whose tender(s) may be accepted (hereinafter called the contractor) shall permit Government at the time of making any payment to him for work done under the contract to deduct a sum at the rate of <b>10%</b> of the gross amount of each running bill till the sum alongwith the sum already deposited as earnest money, will amount to security deposit of <b>10 %</b> of the tendered value of the work <b>subject to a maximum of Rs.5,00,000/-</b>. Such deductions will be made and held by Government by way of Security Deposit unless he/they has/have deposited the amount of Security at the rate mentioned above in cash or in the form of Government Securities or fixed deposit receipts <b>or Guarantee Bonds of any Schedule Bank or the State Bank of India in accordance with the form annexed hereto</b>. In case a fixed deposit receipt of any Bank is furnished by the contractor to the Government as part of the security deposit and the Bank is unable to make payment against the said fixed deposit receipt, the loss caused thereby shall fall on the contractor and the contractor shall forthwith on demand furnish additional security to the Government to make good the deficit.</p> <p>All compensations or the other sums of money payable by the contractor under the terms of this contract may be deducted from, or paid by the sale of a sufficient part of his security deposit or from the interest arising therefrom, or from any sums which may be due to or may become due to the contractor by Government on any account whatsoever and in the event of his Security Deposit being reduced by reason of any such deductions or sale as aforesaid, the contractor shall within 10 days make good in cash or</p>	<p>The person/persons whose tender(s) may be accepted (hereinafter called the contractor) shall permit Government at the time of making any payment to him for work done under the contract to deduct a sum at the rate of 10% of the gross amount of each running bill till the sum alongwith the sum already deposited as earnest money, will amount to security deposit of 5 % of the tendered value of the work. Such deductions will be made and held by Government by way of Security Deposit unless he/they has/have deposited the amount of Security at the rate mentioned above in cash or in the form of Government Securities or fixed deposit receipts. In case a fixed deposit receipt of any Bank is furnished by the contractor to the Government as part of the security deposit and the Bank is unable to make payment against the said fixed deposit receipt, the loss caused thereby shall fall on the contractor and the contractor shall forthwith on demand furnish additional security to the Government to make good the deficit.</p> <p>All compensations or the other sums of money payable by the contractor under the terms of this contract may be deducted from, or paid by the sale of a sufficient part of his security deposit or from the interest arising therefrom, or from any sums which may be due to or may become due to the contractor by Government on any account whatsoever and in the event of his Security Deposit being reduced by reason of any such deductions or sale as aforesaid, the contractor shall within 10 days make good in cash or fixed deposit receipt tendered by the State Bank of India or by Scheduled</p>

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1 A Recovery of Security Deposit	15	<p><b>Guarantee Bond in favour of the President of India</b> or fixed deposit receipt tendered by the State Bank of India or by Scheduled Banks <b>(in case of guarantee offered by Scheduled Banks, the amount shall be within the financial limits prescribed by the Reserve Bank of India)</b> ; or Government Securities ( if deposited for more than 12 months) endorsed in favour of the Engineer-in-Charge, any sum or sums which may have been deducted from, or raised by sale of his security deposit or any part thereof. The security deposit shall be collected from the running bills of the contractor at the rates mentioned above and the Earnest Money if deposited in cash at the time of tenders will be treated a part of the Security Deposit.</p> <p>NOTE -1: Government papers tendered as security will be taken at 5 % (five percent) below its market price or at its face value, whichever is less. The market price of Government paper would be ascertained by the Divisional Officer at the time of collection of interest and the amount of interest to the extent of deficiency in value of the Government paper will be withheld if necessary.</p> <p>NOTE - 2: Government Securities will include all forms of Securities mentioned in rule No. 274 of the G.F. Rules except fidelity bond. This will be subject to the observance of the condition mentioned under the rule against each form of security.</p>	<p>Banks or Government Securities ( if deposited for more than 12 months) endorsed in favour of the Engineer-in-Charge, any sum or sums which may have been deducted from, or raised by sale of his security deposit or any part thereof. The security deposit shall be collected from the running bills of the contractor at the rates mentioned above and the Earnest Money if deposited in cash at the time of tenders will be treated a part of the Security Deposit.</p> <p>NOTE -1: Government papers tendered as security will be taken at 5 % (five percent) below its market price or at its face value, whichever is less. The market price of Government paper would be ascertained by the Divisional Officer at the time of collection of interest and the amount of interest to the extent of deficiency in value of the Government paper will be withheld if necessary.</p> <p>NOTE - 2: Government Securities will include all forms of Securities mentioned in rule No. 274 of the G.F. Rules except fidelity bond. This will be subject to the observance of the condition mentioned under the rule against each form of security.</p> <p><b>NOTE 3 :Note 1 &amp; 2 above shall be applicable for both Clause 1 &amp; 1 A.</b></p>
2 Compensation for Delay	15	<p>If the contractor fails to maintain the required progress in terms of clause 5 or to complete the work and clear the site on or before the contract or extended date of completion, he shall, without prejudice to any other right or remedy available under the law to the Government on account of such breach, pay as agreed compensation the amount calculated at the rates stipulated below <b>or such smaller amount</b> as the</p>	<p>If the contractor fails to maintain the required progress in terms of clause 5 or to complete the work and clear the site on or before the contract or extended date of completion, he shall, without prejudice to any other right or remedy available under the law to the Government on account of such breach, pay as agreed compensation the amount calculated at the rates stipulated below as the Superintending Engineer (whose</p>

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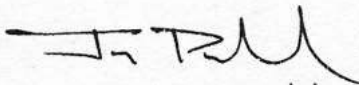


2	15	<p>Superintending Engineer (whose decision in writing shall be final and binding) may decide on the amount of tendered value of the work for every completed day/<b>week</b> (as applicable) that the progress remains below that specified in Clause 5 or that the work remains incomplete.</p> <p>This will also apply to items or group of items for which a separate period of completion has been specified.</p> <p><b>(i) Completion period @ 1% per day (as originally stipulated not exceeding 3 months)</b> <b>(ii) Completion period @ 1% per week (as originally stipulated exceeding 3 months)</b></p> <p>Provided always that the total amount of compensation for delay to be paid under this condition shall not exceed 10% of the Tendered Value of work or to the Tendered Value of the item or group of items of work for which a separate period of completion is originally given.</p> <p>The amount of compensation may be adjusted or set-off against any sum payable to the Contractor under this or any other contract with the Government.</p>	<p>decision in writing shall be final and binding) may decide on the amount of tendered value of the work for every completed day/<b>month</b> (as applicable) that the progress remains below that specified in Clause 5 or that the work remains incomplete.</p> <p>This will also apply to items or group of items for which a separate period of completion has been specified.</p> <table><tr><td><b>Compensation</b></td><td><b>@ 1.5 % per month</b></td></tr><tr><td><b>For delay</b></td><td><b>of delay to be</b></td></tr><tr><td><b>Of work</b></td><td><b>computed on per Day basis</b></td></tr></table> <p>Provided always that the total amount of compensation for delay to be paid under this condition shall not exceed 10% of the Tendered Value of work or to the Tendered Value of the item or group of items of work for which a separate period of completion is originally given.</p> <p>The amount of compensation may be adjusted or set-off against any sum payable to the Contractor under this or any other contract with the Government. <b><i>In case, the contractor does not achieve a particular milestone mentioned in schedule-F, or the rescheduled milestone(s) in terms of Clause 5.4, the amount shown against that milestone shall be with-held, to be adjusted against the final grant of Extension of Time, to be decided on completion of work. With-holding of this amount on failure to achieve a milestone, shall be automatic without any notice to the contractor. However, if the contractor catches up with the progress of work on the subsequent milestone(s), the with-held amount shall be released. In case the contractor fails to make up for the delay in subsequent</i></b></p>	<b>Compensation</b>	<b>@ 1.5 % per month</b>	<b>For delay</b>	<b>of delay to be</b>	<b>Of work</b>	<b>computed on per Day basis</b>
<b>Compensation</b>	<b>@ 1.5 % per month</b>								
<b>For delay</b>	<b>of delay to be</b>								
<b>Of work</b>	<b>computed on per Day basis</b>								

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				<b>milestone(s), amount mentioned against each milestone missed subsequently also shall be withheld. However, no interest, whatsoever, shall be payable on such with-held amount.</b>
<b>2 A Incentive for early completi on</b>	<b>16</b>		<b>NIL</b>	<b>In case, the contractor completes the work ahead of scheduled completion time, a bonus @ 1% (one per cent) of the tendered value per month computed on per day basis, shall be payable to the contractor, subject to a maximum limit of 5% (five percent) of the tendered value. The amount of bonus, if payable, shall be paid along with final bill after completion of work.</b>

  
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Clause	Page	Para	Existing	Amended/Now Introduced
3 When Contract can be Determin ed	16		Para (vii) Nil	<b><i>If the work is not started by the contractor within 1/8<sup>th</sup> of the stipulated time.</i></b>
	17	a)	When the contractor has made himself liable for action under any of the cases aforesaid, the Engineer-in-Charge on behalf of the President of India shall have powers:  To determine or rescind the contract as aforesaid (of which termination or rescission notice in writing to the contractor under the hand of Engineer-in-Charge shall be conclusive evidence). Upon such determination or rescission, the <b><i>full</i></b> Security Deposit <b><i>recoverable</i></b> under the contract shall be liable to be forfeited and shall be absolutely at the disposal of the Government. <b><i>If any portion of the security deposit has not been paid or received it would be called for and forfeited.</i></b>	When the contractor has made himself liable for action under any of the cases aforesaid, the Engineer-in-Charge on behalf of the President of India shall have powers:  To determine or rescind the contract as aforesaid (of which termination or rescission notice in writing to the contractor under the hand of Engineer-in-Charge shall be conclusive evidence). Upon such determination or rescission, <b><i>the Earnest Money Deposit, Security Deposit already recovered and Performance Guarantee</i></b> under the contract shall be liable to be forfeited and shall be absolutely at the disposal of the Government.
	17	b)	<b><i>To employ labour paid by the Department and to supply materials to carry out the work or any part of the work debiting the contractor with the cost of the labour and the price of the materials (of the amount of which cost and price certified by the Engineer-in-Charge shall be final and conclusive) against the contractor and crediting him with the value of the work done in all respects in the same manner and at the same rates as if it had been carried out by the contractor under the terms of his contract. The certificate of the Divisional Officer as to the value of the work done shall be final and conclusive against the contractor provided always that action under the sub-clause shall only be taken after giving notice in writing to the contractor. Provided also that if the expenses</i></b>	Deleted

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3	17	b)	<i>incurred by the department are less than the amount payable to the contractor at his agreement rates, the difference shall not be paid to the contractor.</i>	
3	17	c)	<p>After giving notice to the contractor to measure up the work of the contractor and to take such whole, or the balance or part thereof, as shall be un-executed out of his hands and to give it to another contractor to complete <b><i>in which case any expenses which may be incurred in excess of the sum which would have been paid to the original contractor if the whole work had been executed by him (of the amount of which excess the certificate in writing of the Engineer-in-Charge shall be final and conclusive) shall be borne and paid by the original contractor and may be deducted from any money due to him by Government under his contract or on any other account whatsoever or from his security deposit or the proceeds of sales thereof or a sufficient part thereof as the case may. If the expenses incurred by the department are less than the amount payable to the contractor at his agreement rates, the difference shall not be paid to the contractor.</i></b></p>	<p>After giving notice to the contractor to measure up the work of the contractor and to take such whole, or the balance or part thereof, as shall be un-executed out of his hands and to give it to another contractor to complete <b><i>the work. The contractor, whose contract is determined or rescinded as above, shall not be allowed to participate in the tendering process for the balance work.</i></b></p>
3	17	Last but one para	<p>In the event of <b><i>anyone or more of the</i></b> above courses being adopted by the Engineer-in-Charge, the contractor shall have no claim to compensation for any loss sustained by him by reasons of his having purchases or procured any materials or entered into any engagements or made any advances on account or with a view to the execution of the work or the performance of the contract. And in case action is taken under any of the provision aforesaid the contractor shall not be entitled to recover or be paid any sum for any</p>	<p>In the event of above course(s) being adopted by the Engineer-in-Charge, the contractor shall have no claim to compensation for any loss sustained by him by reasons of his having purchases or procured any materials or entered into any engagements or made any advances on account or with a view to the execution of the work or the performance of the contract. And in case action is taken under any of the provision aforesaid the contractor shall not be entitled to recover or be paid any sum for any work thereof or actually performed</p>

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3	17		work thereof or actually performed under this contract unless and until the Engineer-in-Charge has certified in writing the performance of such work and the value payable in respect thereof and he shall only be entitled to be paid the value so certified.	under this contract unless and until the Engineer-in-Charge has certified in writing the performance of such work and the value payable in respect thereof and he shall only be entitled to be paid the value so certified.
3	17	Last para	<b><i>Provided further that if any of the recoveries to be made, while taking action as per (b) and/or (c) above, are in excess of the security deposit forfeited, these shall be limited to the amount by which the excess cost incurred by the Department exceeds the security deposit so forfeited.</i></b>	Deleted
3A	17		Nil	<b><i>In case, the work cannot be started due to reasons not within the control of the contractor within 1/8<sup>th</sup> of the stipulated time for completion of work, either party may close the contract. In such eventuality, the Earnest Money Deposit and the Performance Guarantee of the contractor shall be refunded, but no payment on account of interest, loss of profit or damages etc. shall be payable at all.</i></b>

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Clause	Page	Para	Existing	Amended /Now Introduced
5 Time & Extensio n for Delay	18		The time allowed for execution of the Works as specified in the Schedule 'F' or the extended time in accordance with these conditions shall be the essence of the Contract. The execution of the works shall commence from the 15 <sup>th</sup> Day or such time period as mentioned in letter of Award after the date on which the Engineer-in-Charge issues written orders to commence the work or from the date of handing over of the site whichever is later. If the Contractor commits default in commencing the execution of the work as aforesaid, Government shall without prejudice to any other right or remedy available in law, be at liberty to forfeit the earnest money absolutely.	The time allowed for execution of the Works as specified in the Schedule 'F' or the extended time in accordance with these conditions shall be the essence of the Contract. The execution of the works shall commence from the 15 <sup>th</sup> Day or such time period as mentioned in letter of Award after the date on which the Engineer-in-Charge issues written orders to commence the work or from the date of handing over of the site whichever is later. If the Contractor commits default in commencing the execution of the work as aforesaid, Government shall without prejudice to any other right or remedy available in law, be at liberty to forfeit the earnest money & <b>performance guarantee</b> absolutely.
5 Time & Extensio n for Delay		5.1	As soon as possible after the Contract is concluded the Contractor shall submit a Time & Progress Chart and get it approved by the Department. The Chart shall be prepared in direct relation to the time stated in the Contract documents for completion of items of the works. It shall indicate the forecast of the dates of commencement and completion of various trades of sections of the work and may be amended as necessary by agreement between the Engineer-in-Charge and the Contractor within the limitations of time imposed in the Contract documents, and further to ensure good progress during the execution of the work, the contractor shall in all cases in which the time allowed for any work, exceeds one month (save for special jobs for which a separate programme has been agreed upon) complete 1/8 <sup>th</sup> of the whole of work before 1/4 <sup>th</sup> of the whole time allowed in the contract has elapsed 3/8 <sup>th</sup> of the work before one half of such time has elapsed and 3/4 <sup>th</sup> of the work before 3/4 <sup>th</sup> of such time has elapsed.	As soon as possible after the Contract is concluded the Contractor shall submit a Time & Progress Chart <b>for each mile stone</b> and get it approved by the Department. The Chart shall be prepared in direct relation to the time stated in the Contract documents for completion of items of the works. It shall indicate the forecast of the dates of commencement and completion of various trades of sections of the work and may be amended as necessary by agreement between the Engineer-in-Charge and the Contractor within the limitations of time imposed in the Contract documents, and further to ensure good progress during the execution of the work, the contractor shall in all cases in which the time allowed for any work, exceeds one month (save for special jobs for which a separate programme has been agreed upon) <b>complete the work as per milestones given in schedule 'F'</b> .

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	19	5.3	Request for extension of time, to be eligible for consideration, shall be made by the Contractor in writing within fourteen days of the happening of the event causing delay on the prescribed form. The Contractor may also, if practicable, indicate in such a request the period for which extension is desired.	Request for <b>rescheduling of Mile stones and</b> extension of time, to be eligible for consideration, shall be made by the Contractor in writing within fourteen days of the happening of the event causing delay on the prescribed form. The Contractor may also, if practicable, indicate in such a request the period for which extension is desired.
	19	5.4	In any such case the authority mentioned in Schedule 'F' may give a fair and reasonable extension of time for completion of work. Such extension shall be communicated to the Contractor by the Engineer-in-Charge in writing, within 3 months of the date of receipt of such request. Non application by the contractor for extension of time shall not be a bar for giving a fair and reasonable extension by the Engineer-in-Charge and this shall be binding on the contractor.	In any such case the authority mentioned in Schedule 'F' may give a fair and reasonable extension of time <b>and reschedule the mile stones</b> for completion of work. Such extension shall be communicated to the Contractor by the Engineer-in-Charge in writing, within 3 months of the date of receipt of such request. Non application by the contractor for extension of time shall not be a bar for giving a fair and reasonable extension by the Engineer-in-Charge and this shall be binding on the contractor.

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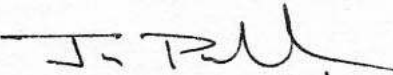
Clause	Page	Para	Existing	Amended /Now Introduced
Clause 10B Mobilisation Advance	25	(ii)	<p>Mobilization advance not exceeding <b>5% of the estimated cost put to tender or 5%</b> of tender value <b>which ever is less</b> may be given, if requested by the contractor in writing within one month of the order to commence the work. In such a case the contractor shall execute a Bank Guarantee Bond from a Scheduled Nationalised Bank as specified by the Engineer-in-Charge for the full amount of such advance is released. Such advance shall be in <b>a suitable number</b> of installments to be determined by the Engineer-in-Charge at his absolute discretion. The first installment of such advance shall be released by the Engineer-in-Charge to the contractor on a request made by the contractor to the Engineer-in-Charge in this behalf. The second and subsequent installments shall be released by the Engineer-in-charge only after the contractor furnishes a proof of the satisfactory utilisation of the earlier installment to the entire satisfaction of the Engineer-in-Charge.</p> <p>Mobilization advance shall be admissible only for works where estimated cost put to tender is rupees two crores and above.</p>	<p>Mobilization advance not exceeding <b>10%</b> of the tendered value may be given, if requested by the contractor in writing within one month of the order to commence the work. In such a case the contractor shall execute a Bank Guarantee Bond from a Scheduled Nationalised Bank as specified by the Engineer-in-Charge for the full amount of such advance is released. Such advance shall be in <b>Two or More</b> installments to be determined by the Engineer-in-Charge at his absolute discretion. The first installment of such advance shall be released by the Engineer-in-Charge to the contractor on a request made by the contractor to the Engineer-in-Charge in this behalf. The second and subsequent installments shall be released by the Engineer-in-charge only after the contractor furnishes a proof of the satisfactory utilisation of the earlier installment to the entire satisfaction of the Engineer-in-Charge.</p> <p>Mobilization advance shall be admissible only for works where estimated cost put to tender is rupees two crores and above.</p>

Clause 10 B	25	Caption on left margin	Plant & Machinery Advance	Plant, Machinery & <b>Shuttering Material</b> Advance
		(iii) 1 <sup>st</sup> Para	<p>An advance for plant &amp; machinery required for the work and brought to site by the Contractor may be given if requested by the contractor in writing within one month of bringing such plant and machinery to site. Such advance shall be given on such plant and machinery, which in the opinion of the Engineer-in-Charge will add to the expeditious execution of work and improve the quality of work. The amount of advance shall be restricted to <b>5% percent of the estimated cost put to tender or 5% of tender value whichever is less.</b> In the case of new plant and equipment to be purchased for the work the advance shall be restricted to 90% of the price of such new plant and equipment paid by the contractor for which the contractor shall produce evidence satisfactory to the Engineer-in-Charge. In the case of second hand and used plants and equipment, the amount of such advance shall be limited to 50% of the depreciated value of plant and equipment as may be decided by the Engineer-in-Charge. The contractor shall, if so required by the Engineer-in-Charge, submit the statement of value of such old plant and equipment duly approved by a Registered Valuer recognized by the Central Board of Direct Taxes under the Income-Tax Act, 1961. No such advance shall be paid on any plant and equipment of perishable nature and on any plant and equipment of a value less than Rs.50,000/-. Seventy five per cent of such amount of advance shall be paid after the plant &amp; equipment is brought to site and balance twenty five per cent on successfully commissioning the same.</p>	<p>An advance for plant &amp; machinery required for the work and brought to site by the Contractor may be given if requested by the contractor in writing within one month of bringing such plant and machinery to site. Such advance shall be given on such plant and machinery, which in the opinion of the Engineer-in-Charge will add to the expeditious execution of work and improve the quality of work. The amount of advance shall be restricted to 5% of tender value. In the case of new plant and equipment to be purchased for the work the advance shall be restricted to 90% of the price of such new plant and equipment paid by the contractor for which the contractor shall produce evidence satisfactory to the Engineer-in-Charge. In the case of second hand and used plants and equipment, the amount of such advance shall be limited to 50% of the depreciated value of plant and equipment as may be decided by the Engineer-in-Charge. The contractor shall, if so required by the Engineer-in-Charge, submit the statement of value of such old plant and equipment duly approved by a Registered Valuer recognized by the Central Board of Direct Taxes under the Income-Tax Act, 1961. No such advance shall be paid on any plant and equipment of perishable nature and on any plant and equipment of a value less than Rs.50,000/-. Seventy five per cent of such amount of advance shall be paid after the plant &amp; equipment is brought to site and balance twenty five per cent on successfully commissioning the same.</p>

*J. Pull*  
29/1/13



Clause 10B	26	Inse rtion of new para after 1 <sup>st</sup> para of 10B( iii)	Nil	<p>Leasing of equipment shall be considered at par with purchase of equipment and shall be covered by tripartite agreement with the following :</p> <ol style="list-style-type: none"> <li>1. Leasing company which gives certificate of agreeing to lease equipment to the contractor.</li> <li>2. Engineer in charge, and</li> <li>3. The contractor.</li> </ol>
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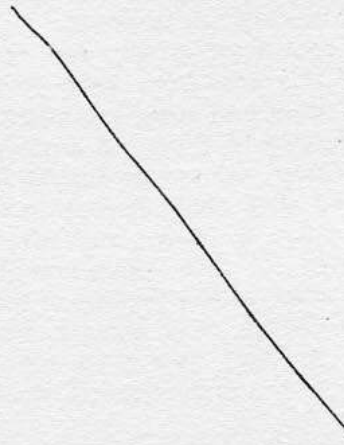

Clause 10 B Interest & Recovery	26	(iv) 2 <sup>nd</sup> line :	18%	10%
Clause 10 C Payment on Account of Increase in Prices / Wages due to Statutory Order(s)	26		<p>If after submission of the tender the price of any material incorporated in the works (not being material supplied from the Engineer-in-Charge's stores in accordance with Clause 10 thereof) and/or wages of labour increases as a direct result of the coming into force of any fresh law, or statutory rule or order (but not due to any changes in sales tax) and such increase <b>exceeds ten percent of</b> the price and/or wages prevailing at the time of the last stipulated date for receipt of the tenders including extensions if any for the work, and the contractor thereupon necessarily and properly pays in respect of that material (incorporated in the works) such increased price and/or in respect of labour engaged on the execution of the work such increased wages, then the amount of the contract shall accordingly be varied, <b>provided always that any increase so payable is not, in the opinion of the Superintending Engineer (whose decision shall be final and binding on the contractor) attributable to any delay in the execution of the contract within the control of the contractor.</b></p> <p><b>Provided, however, no reimbursement shall be made if the increase is not more than 10% of the said prices/wages, and if so, the reimbursement shall be made only on the excess over 10%</b> and provided further that any such increase shall not be payable if such increase has become operative after the <b>contract or extended</b> date of completion of the work in question.</p> <p>If after submission of the tender, the price of any material incorporated in</p>	<p>If after submission of the tender the price of any material incorporated in the works (not being a material supplied from the Engineer-in-Charge's stores in accordance with Clause 10 thereof) and/or wages of labour increases as a direct result of the coming into force of any fresh law, or statutory rule or order (but not due to any changes in sales tax) and such increase <b>in</b> the price and/or wages prevailing at the time of the last stipulated date for receipt of the tenders including extensions if any for the work, and the contractor thereupon necessarily and properly pays in respect of that material (incorporated in the works) such increased price and/or in respect of labour engaged on the execution of the work such increased wages, then the amount of the contract shall accordingly be varied and provided further that any such increase shall not be payable if such increase has become operative after the <b>stipulated</b> date of completion of the work in question.</p> <p>If after submission of the tender, the price of any material incorporated in the works (not being a material supplied from the Engineer-in-Charge's stores in accordance with Clause 10 thereof) and/or wages of labour is decreased as a direct result of the coming into force of any fresh law or statutory rules or order (but not due to any changes in sales tax) and such decrease <b>in</b> the prices and/or</p>

J. R. L.  
29/4/03



<p>Clause 10 C</p>	<p>26</p>	<p>the works (not being a materials supplied from the Engineer-in-Charge's stores in accordance with Clause 10 thereof) and/or wages of labour is decreased as a direct result of the coming into force of any fresh law or statutory rules or order (but not due to any changes in sales tax) and such decrease exceeds ten per cent of the prices and/or wages prevailing at the time of receipt of the tender for the work. Government shall in respect of materials incorporated in the works (not being materials supplied from the Engineer-in-Charge's stores in accordance with Clause 10 hereof) and/or labour engaged on the execution of the work after the date of coming into force of such law statutory rule or order be entitled to deduct from the dues of the contractor such amount as shall be equivalent to the difference between the prices of the materials and/or wages as prevailed at the time of the last stipulated date for receipt of tenders including extensions if any for the work minus ten per cent thereof and the prices of material and/or wages of labour on the coming into force of such law, statutory rule or order.</p> <p>The contractor shall, for the purpose of this condition, keep such books of account and other documents as are necessary to show the amount of any increase claimed or reduction available and shall allow inspection of the same by a duly authorised representative of the Government, and further shall, at the request of the Engineer-in-Charge may require any documents so kept and such other information as the Engineer-in-Charge may require.</p> <p>The contractor shall, within a reasonable time of his becoming aware of any alteration in the price of any such material and/or wages of labour, give notice thereof to the Engineer-in-Charge stating that the same is given pursuant to this condition together with all information relating thereto which he may be in position to supply.</p>	<p>wages prevailing at the time of receipt of the tender for the work. Government shall in respect of materials incorporated in the works (not being materials supplied from the Engineer-in-Charge's stores in accordance with Clause-10 thereof) and/or labour engaged on the execution of the work after the date of coming into force of such law statutory rule or order be entitled to deduct from the dues of the contractor such amount as shall be equivalent to the difference between the prices of the materials and/or wages as prevailed at the time of the last stipulated date for receipt of tenders including extensions if any for the work and the prices of materials and/or wages of labour on the coming into force of such law, statutory rule or order.</p> <p>The contractor shall, for the purpose of this condition, keep such books of account and other documents as are necessary to show the amount of any increase claimed or reduction available and shall allow inspection of the same by a duly authorised representative of the Government, and further shall, at the request of the Engineer-in-Charge may require any documents so kept and such other information as the Engineer-in-Charge may require.</p> <p>The contractor shall, within a reasonable time of his becoming aware of any alteration in the price of any such materials and/or wages of labour, give notice thereof to the Engineer-in-Charge stating that the same is given pursuant to this condition together with all information relating thereto which he may be in position to supply.</p>
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*J. R. L.*  
29/01/03

Clause 10CC Payment due to Increase / Decrease in Prices/Wages after Receipt of Tender for Works (Time Period more than 18 months)	27	1 <sup>st</sup> para	<p>If the prices of materials (not being materials supplied or services rendered at fixed prices by the Department in accordance with Clauses 10 &amp; 34 thereof) and/or wages of labour required for execution of the work increase, the contractor shall be compensated for such increase as per provisions detailed below and the amount of the contract shall accordingly be varied, subject to the condition that such compensation for escalation in prices shall be available only for the work done during the stipulated period of the contract <b>including such period for which the contract is validly extended under the provisions of Clause 5 of the contract</b> without any action under Clause 2 and also subject to the condition that no such compensation shall be payable for a work for which the stipulated period of completion is 18 months or less. Such compensation for escalation in the prices of materials and labour, when due, shall be worked out based on the following provisions :-</p> 	<p>If the prices of materials (not being materials supplied or services rendered at fixed prices by the Department in accordance with Clauses 10 &amp; 34 thereof) and/or wages of labour required for execution of the work increase, the contractor shall be compensated for such increase as per provisions detailed below and the amount of the contract shall accordingly be varied, subject to the condition that such compensation for escalation in prices shall be available only for the work done during the stipulated period of the contract. <b>No escalation shall be paid for work executed in extended contract period even if extension of time is granted</b> without any action under Clause 2 and also no such compensation shall be payable for a work for which the stipulated period of completion is 18 months or less. Such compensation for escalation in the prices of materials and labour, when due, shall be worked out based on the following provisions :-</p> 
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J. R. M.  
29/01/03



10CC	28	(iv) (c)	MI : All India Wholesale Index for <b>all commodities</b> for the period under consideration as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce.	MI : All India Wholesale <b>Price</b> Index for <b>Construction Material</b> for the period under consideration as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce.
10CC	29	(iv) (c)	MI <sub>0</sub> : All India Wholesale Price Index for <b>all commodities</b> 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.	MI <sub>0</sub> : All India Wholesale Price Index for <b>Construction Material</b> 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.

J. R. Kulkarni  
29/01/03

<p>21 Work not to be sublet. Action in case of Insolvency</p>	<p>45</p>	<p>The contract shall not be assigned or sublet without the written approval of the Engineer-in-Charge. And if the contractor shall assign or sublet his contract, or attempt to do so, or become insolvent or commence any insolvency proceedings or make any composition with his creditors or attempt to do so, or if any bribe, gratuity, gift, loan, perquisite, reward or advantage pecuniary or otherwise, shall either directly or indirectly, be given, promised or offered by the contractor, or any of his servants or agent to any public officer or person in the employ of Government in any way relating to his office or employment, or if any such officer or person shall become in any way directly or indirectly interested in the contract, the Engineer-in-Charge on behalf of the President of India shall have power to adopt <b>any of the</b> courses specified in Clause 3 hereof <b>as he may deem best suited to</b> the interest of Government and in the event of <b>any of these</b> courses being adopted the consequences specified in the said Clause 3 shall ensue.</p>	<p>The contract shall not be assigned or sublet without the written approval of the Engineer-in-Charge. And if the contractor shall assign or sublet his contract, or attempt to do so, or become insolvent or commence any insolvency proceedings or make any composition with his creditors or attempt to do so, or if any bribe, gratuity, gift, loan, perquisite, reward or advantage pecuniary or otherwise, shall either directly or indirectly, be given, promised or offered by the contractor, or any of his servants or agent to any public officer or person in the employ of Government in any way relating to his office or employment, or if any such officer or person shall become in any way directly or indirectly interested in the contract, the Engineer-in-Charge on behalf of the President of India shall have power to adopt the course specified in Clause 3 hereof <b>in</b> the interest of Government and in the event of <b>such</b> course being adopted the consequences specified in the said Clause 3 shall ensue.</p>
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J. P. [Signature]  
29/1/03



Clause	Page	Para	Existing	Amendment/Now Introduce
Nil	6	TENDER/ 3 <sup>rd</sup> Para	We agree to keep the tender open for <i>Ninety (90)</i> days from the due date of submission thereof and not to make any modifications in its terms and conditions.	We agree to keep the tender open for <i>Sixty (60)</i> days from the due date of submission thereof and not make any make any modifications in its terms conditions.
Nil	7	Para 2	<i>I/we have already furnished security to the President of India ..... contract or oterhwise.</i>	Deleted
Nil	7	Para 2 Line 3	Of tender shall be absolutely forfeited to the President of India and the same may at the	Of tender <i>and performance guarantee</i> shall be absolutely forfeited to the President of India and the same may at the
Schedule F	93		i) Earnest money : Rs ..... ii) <i>Nil</i>  iii) Security Deposit: <i>10%</i> of tendered value <i>subject to maximum of Rs. 5 Lakhs.</i>	i) Earnest money : Rs ..... ii) <i>Performance guarantee:- 5 % of tendered value</i> iii) Security Deposit: <i>5%</i> of tendered value.
Schedule F Clause 5	93	Mile Stone(S)	Nil	<i>As per table given below</i>

#### TABLE OF MILE STONE(S)

S.No.	Description of Milestone (Physical)	Time allowed in days (from date of start)	Amount to be with-held in case of non achievement of milestone
1.			
2.			
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**OR**

S.No.	Financial Progress	Time Allowed (from date of start)	Amount to be with-held in case of non achievement of milestone
1	1/8 <sup>th</sup> ( of the whole work)	1/4 <sup>th</sup> ( of the whole work)	In the event of not achieving the necessary progress as assessed from the running payments, 1% of the tendered value of work will be withheld for failure of each mile stone.
2	3/8 <sup>th</sup> ( - do - )	1/2 ( - do - )	
3	3/4 <sup>th</sup> ( - do - )	3/4 <sup>th</sup> ( - do - )	
4	full	full	

*J. R. M.*  
29/11/03