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NO. DGW/CON/64

New hi, dated the 17 3.94

OFFICE MEMORANDUM

Subject: Insertion of conditions in the tender papers with financial implications at the time of signing of agreement.

A case has come to the notice as a result of the Inspection of CTE in which the approved tender document (NIT) contained the conditions for issue of bricks, but were apparently omitted while preparing and issuing the tender papers to the contractors. It appears that during the comparision with the approved NIT the omission of these conditions regarding issue of bricks was noticed in the tender papers and, therefore, these conditions were inserted in the original tender so as to bring it in conformity with the approved NIT before the contract is signed.

In the above case the CMC has observed that while the procedure adopted was satisfactory in the case of minor omissions and corrections, in this case the insertion of the. conditions of issue of bricks had substantial financial implications because the bricks were proposed to be issued at rates much below the prevailing market rates. Inserting of such a condition after opening the tenders could give considerable undue benefit to the contractor. It was, therefore, not proper at a later date to insert these conditions in the contract document. Even, if there would have been some difference between the approved tender document (NIT) and the contract decument, if the condition was not inserted, since the tenders were invited and work awarded on the basis of tender papers without this condition, it was not proper to incorporate such a condition with financial implications at the time of signing the contract.

The observation of C.V.C is brought to the notice of all the CEs/SEs/EEs for compliance. It is pointed out that even if certain conditions are inadvertantly omitted in the tender papers, though included in the NIT, the same should not be mechanically incorporated in the contract document at the time of signing the contract without examining the financial implications.

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(S. SATAKOPAN) F.O TO D.G(WORKS)

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All CEs/SEs/EEs in CPWD.