

CENTRAL PUBLIC WORKS DEPARTMENT

OFFICE MEMORANDUM

No. DGW/MAW 75

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAWAN, NEW DELHI

27.9.2001

Ministry of UD&PA had constituted a Task Force to review the system of Contracting and Procedure of Revision of Schedule of Rates for civil works and arbitration cases.

The Task Force submitted its recommendations to the Government some time back. Based on the recommendations of the Task Force, as accepted by the Ministry, this Office Memo. is being issued for information, guidance and implementation of all concerned.

Sl.No	Nature of Power	Annual para reference	Extent of power
1	2	3	4
1.	Powers to modify contract conditions DG(M)	MUD 17013/1/91-9.6.92	Where financial implication is up to 25% of the contract amount.
2.	ADG Powers to delegate/curtail powers to Subordinate Officers.		Where financial implication is up to 1% of the contract amount. With their financial powers, DG(M) can delegate/curtail powers to subordinate Officers as a general rule and not for specific cases.
3.	Powers to engage consultants	24012/13/91-W-3 dated 30.4.91	DG(M) has full powers. DG(M) can also delegate this power to ADGs.
4.	Post tender rebate/reduction		It is hereby clarified that no post tender rebate/reduction in any manner will be accepted.

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5.	Tender processing	New para after 20.1, 16.6	At present all tenders are being processed by EEs and these were being sent to the accepting authority SE/CE etc., after detailed scrutiny. It is hereby decided that in future EE after calling tenders and preparation of comparative statement will send the same to the office of SE/CE (i.e. the accepting authority concerned) and the detailed scrutiny will be done in the office of that accepting authority. The market rates for preparation of justification will, however, be sent by EE. In case tenders have to be sent to ADG/JC.W. Board complete scrutiny will be done in the office of CE concerned.
6.	Justification for tenders	New para to be introduced before 20.10.1	In case the lowest tender is less than the estimated cost + 10% then no justification will be required to be given. Accepting authority however has to satisfy himself regarding the reasonability of rates of the lowest tender with those accepted in the recent past for similar works in the same area to ensure that above power is judiciously used.
7.	Negotiation in case of tender within powers of C.W. Board	New para after 20.18.2.1	It is clarified that if negotiations are required in case of tender to be sent to Central Works Board, CE will negotiate with the lowest tenderer before sending the tender to Central Works Board. This will expedite decision at the level of ADG/Central Works Board.
8.	Payment of extra/deviation item at market rate	New para after 25.11	The rate for extra items till now was being derived as per Clause 12 of agreement (General Conditions of Contract, 2001). Henceforth the payment of extra item and deviation item beyond the permissible limit as given in the agreement will be worked out at market rates prevailing at the time of commencement of execution of these items. For substituted items, the agreement rate of the original item will be adjusted for the difference in market rates of original and substituted items. (Necessary amendment to Clause 12 of General Conditions of Contract, 2001 will follow separately).
NOTE: Powers to sanction substituted items etc., will continue to remain the same as per the latest Circular on the subject.			
9.	Excess consumption of materials stipulated for issue	To be added after 27.18	The excess consumption of materials beyond permissible limit as given in Clause 42 of the contract will be recovered at normal stipulated rate + 10% and not double the stipulated rate as being done at present. Amendment to Clause 42 will be issued separately. (This will however be for future agreements with modified Clause 42)
10.	Issue of mobilization advance	To be added at the end of para 32.7	Mobilization advance up to 10% of the estimated cost put to tender or Rs. 1 crore whichever is less can be given at 10% simple interest. The mode of granting such advance, safe guards and procedure for recovery shall be made in the NIT. The conditions for the same will be required to be stated in NIT itself. Necessary amendment to Clause 10 B follows in this regard

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			separately. (This will however be for future agreements with modified Clause 10 B)
11	Innovative ideas/methods		CEs are allowed to use innovative ideas with financial implication up to 5% of the contract amount subject to limitation of Rs. 5 lacs. This innovation work is to be done from the existing funds and separate funds will not be provided. CEs to keep complete record of the results in regard to the use of innovative ideas. D.G. (M) to have full powers in this regard. CEs have also been authorized to do some selected works deviating from laid down procedure on experimental basis.
12	Departmental charges	Appendix 21	It has been decided by the Ministry that no DC for Govt. works and those of autonomous bodies fully funded by Central Govt. are to be added while preparing P.E. 1. This comes into force with immediate effect on all future preliminary estimates. II. The levy of D.C. on current works including those to be sanctioned will be governed as per provision in the sanctioned estimates. III. It should be ascertained whether an Autonomous Body is fully funded or not by Central Govt. by obtaining a letter from the head of such an undertaking or from the head of finance departments of the Undertaking that it is fully funded by the Govt.
13	Contingencies	4.33 to be substituted	A provision of 5% for contingencies on the works costing up to Rs. 1 crore and 3% for works costing more than Rs. 1 crore subject to a minimum of Rs. 5.00 lakhs should be made in all future preliminary estimates for works.
14	Conciliation of dispute with contractor	-	Conciliation group consisting of one CE and one OE of the discipline to which the item pertains will be constituted to resolve the disputes with the contractor. This provision will substitute the existing provisions for arbitration in Clause 25. Detailed instructions in this regard for substitution of Clause 25 will be issued separately. This will be applicable from future agreements only.

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J.P. GUPTA

(J.P. GUPTA)
SUPERINTENDING ENGINEER(C&M)

Subscribed

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