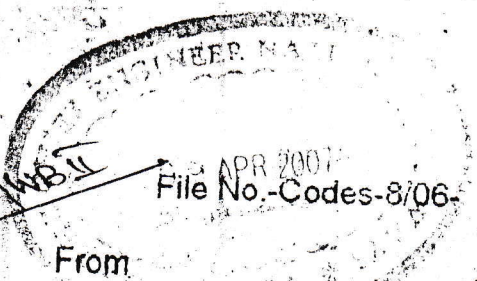


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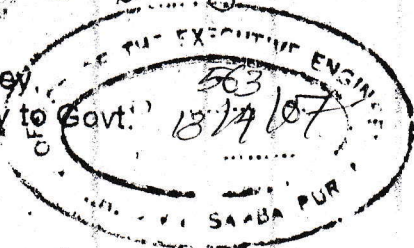
11

Government of Orissa
Works Department



File No.-Codes-8/06-5608 W, Dated. 3-4-07.

From
Er. Dipak Kumar Dey
EIC-cum- Secretary to Govt.



9396 To
9/4

- EIC (Civil), Orissa/
- EIC, Water resources, Orissa/
- FA-cum-Addl. Secy. to Govt., R.D. Deptt./
- Chief Engineer, DPI & Roads, Orissa/
- Chief Engineer, Buildings, Orissa/
- Chief Engineer, N. Hs., Orissa/
- Chief Engineer, R.D. & Q.P., Orissa/
- Chief Engineer, World Bank Project, Orissa/
- Chief Architect, Orissa/
- Chief Engineer, Water Resources, Orissa/
- Chief Engineer, R.W.-I, Orissa/
- Chief Engineer, R.W.-II, Orissa/
- Chief Engineer, R.W.-III, Orissa/
- Chief Engineer, P.H. (Urban), Orissa/
- Chief Engineer, Electricity, Orissa/
- FA-cum-Joint Secy. to Govt., Water Resources Deptt./
- FA-cum-Joint Secy. to Govt., H & U.D. Deptt./
- FA-cum-Joint Secy. to Govt., Energy Deptt./
- Special Officer-cum-Joint Secy. to Govt., Fin. Deptt.

Sub:- Codal/ contractual provisions for payment of differential cost of Steel, cement & bitumen.

In inviting a reference to above subject, I am directed to say that reimbursement (increase/ decrease) of cost of Steel, Cement & Bitumen are under active consideration of Govt. for some time past and after taking into account all the aspects & present market trend, Government have been pleased to make codal/ contractual provisions as per Annexure A. ^{where applicable} ^{supplementary agb}

^{The cost of on going works maybe collected}

This amendment shall take effect from the date of issue of the order and applicable for the works executed under F2 contract only (Applicable for all on going work s).

3. The relevant contractual/ codal provisions under purview of this amendment stand modified accordingly.

13-04-07
13 APR 07
Memo to DDO / all S.D.Os
Copy to DDO / all S.D.Os
At Bolangir

10/4

9/4

9/4

9/4

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B
S.D.O.

4. While sanctioning differential costs, it must be ensured that the guidelines issued by Govt. of India/ External donor/ other funding agencies of the State are not deviated.

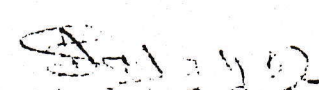
5. Penalty would be imposed, if delay is caused by the contractor as per clause 2 (a) and 2 (b) of the F2 contract as notified by Works Deptt. in O.M. No.codes-3/2000/3474/ W,dt.26.2.2000.

Yours Faithfully,

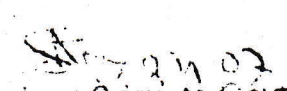
Encl.- As above.


EIC-cum- Secretary to Govt.

Memo No. 5609 /W, Date. 3-4-07.
Copy with copy of enclosure forwarded to P.S. to Hon'ble Minister, Finance, Orissa/ P.S. to Hon'ble Minister, Works and Housing, Orissa for favour of information and necessary action.

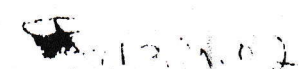

F.A-cum-Joint Secy. to Govt.

Memo No. 5610 /W, Date. 3-4-07.
Copy with copy of enclosure forwarded to O.S.D. to Chief Secretary, Orissa/ P.S. to Principal Secretary to Chief Minister, Orissa for favour of information and necessary action.


F.A-cum-Joint Secy. to Govt.

Memo No. 5611 /W, Date. 3-4-07.
Copy with copy of enclosure forwarded to Fin. Deptt. / Deptt. of water Resources/ Housing & Urban Dev. Deptt. / Rural Dev. Deptt. / Energy Deptt./ Panchayati Raj Deptt./ all other Deptts. of Govt./ M.D., OB & CC Ltd./ M.D., OCC Ltd. for information and necessary action.

Deptt. of information Technology is requested to display this amendment in the web-site of State Government.


F.A-Cum-Joint Secy. to Govt.

Clause-
31(a)(ii) of
F2
contract

→ Where original contract period is one year and above, increase/ decrease of cost of Steel, Cement & Bitumen are to be paid/ recovered. Payments in case of increase are to be made with prior approval of Government when the total claim is more than Rs.50,000/- and with prior approval of the EIC/ Chief Engineer (as the case may be) when the claim is upto Rs.50,000/- .Recovery in case of decrease shall be made by concerned Executive Engineer from the contractor, immediately.

The cost shall be determined as follows:-

Steel	...	Rate as fixed by Steel Authority of India Ltd (SAIL)
Cement	...	Average factory price of three manufacturer of cement inside the State
Bitumen	..	Rate as fixed by Indian Oil Corporation (IOC)

Clause-
31(a)(iii) of
F2
contract

→ Where original period of contract is more than six months & below one-year increase/ decrease of cost of Steel, Cement & Bitumen are to be paid/ recovered. Payments in case of increase are to be made with prior approval of Government when the total claim is more than Rs.50, 000/- and with prior approval of the EIC/ Chief Engineer (as the case may be) when the claim is upto Rs.50, 000/- subject to the fulfillment of the conditions mentioned below:-

(i) Cost shall be determined as follows:-

Steel	...	Rate as fixed by Steel Authority of India Ltd (SAIL)
Cement	...	Average factory price of three manufacturer of cement inside the State
Bitumen	...	Rate as fixed by Indian Oil Corporation (IOC)

- (ii) Cost of the project should be more than Rs.50.00 lakhs.. However, the differential cost on such materials may be paid to the contractors after deducting the hike percentage amount in the tender for those materials from the calculated amount of differential cost.
- (iii). Contractors have to submit the vouchers showing procurement from an authorized dealer for the said work within 28 days before utilization of steel, cement & bitumen.
- (iv). Differential cost will be allowed only for the original agreement period; but not for the extended period even though it might have been validly extended.
- (v) Differential cost will be allowed only after successful completion of the work as per the approved work programme.
- (vi) Stipulations contained in existing clause 31 (f).
Recovery in case of decrease shall be made by concerned Executive Engineer from the contractor, immediately.

**Clause-
31(e) of F2
contract**

→ Vide Works Department letter No.21369, dt.25.9.91, the reimbursement/ refund on variation in price of materials [except steel, cement & bitumen which will be governed as per clause-31 (a-ii) & (a-iii)], labour and P.O.L. as per sub clauses (a-i), (b) and (c) respectively of this clause-31 shall be applicable in the following manner:

"In terms of the aforesaid escalation clause, where the period for completion of the work as stipulated in the agreement is less than one year, no escalation is admissible. In case of work where the stipulated period of completion is one year and more, escalation on account of price variation would be admissible only for the remaining period after excluding the first one-year period thereof provided the work has been carried out by the contractor in terms of the relevant provision of the agreement. In the situation, where the period of completion is initially stipulated in the

agreement is less than one year and subsequently the completion period has been validly extended on the ground that the delay in completion of the work is not attributable to the contractor and in the result the total period including the extended period stands at one year or more, escalation is admissible only for the remaining period after excluding the first one year period there from.

Dr. Maya Das