

GOVERNMENT OF ODISHA
OFFICE OF THE ENGINEER-IN-CHIEF
RURAL WORKS : BHUBANESWAR

No. 11997
ADB-Misc-

Date. 13.06.14

To,

All Superintending Engineer(Civil) /
All Executive Engineer (Civil),
Under Rural Works Organisation.

Sub: Modalities for reimbursement of enhanced minimum wages consequent upon revision of minimum wages to contractors engaged in the execution of ADB assisted PMGSY works.


Sir,

In enclosing herewith office Memorandum of R.D.Department, Govt. of Odisha communicated vide letter No. 28585300182013 dtd. 09.06.2014, it is to state that Govt. have formulated a detailed procedure for payment of enhanced wages to the contractors in whose cases Hon'ble High Court have passed orders. It has also been communicated to you vide E.I.C, Rural Works letter No. 11856 dtd. 11.06.2014. Accordingly necessary action may be taken to make payment to the applicant contractors as per the modalities formulated by the Govt. in order to implement the orders of the Hon'ble High Court, Odisha. All pending labour escalation due to enhancement of minimum wages where there is order from the Hon'ble High Court should be finalized within time frame of 2 months from issue of this instruction.

It may be specifically mentioned that payment of labour escalation bills should be based on actual for all completed and ongoing ADB assisted PMGSY projects. No formula to derive labour escalation amount is to be considered. This should be worked out from the analysis of the rate from labour component. Authorization should be sought for based on the verified claim amount.

Encl: As above.


Yours faithfully,


Chief Engineer, Rural Works-II.

Memo No. 11998

Date. 13.06.14

Copy submitted to F.A cum Addl. Secretary to Govt. in R.D.Deptt. for information.


Chief Engineer, Rural Works-II.



ଓଡ଼ିଶା ସରକାର
ଗ୍ରାମ୍ୟ ଉନ୍ନୟନ ବିଭାଗ
GOVERNMENT OF ODISHA
DEPARTMENT OF RURAL DEVELOPMENT

By Fax/E-mail/Speed Post

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No. 28585300182013/RD

OFFICE MEMORANDUM (Draft)

No.28585300182013,
Dated.9.6.2014

Sub:- Modalities for reimbursement of enhanced minimum wages consequent upon Revision of Minimum Wages to contractors engaged in the execution of PMGSY works.

Consequent upon the Orders passed by the Hon'ble Supreme Court for payment of enhanced minimum wages to the contractors engaged in PMGSY Works, the modalities for reimbursement of enhanced minimum wages was under active consideration of State Government for some time past. After careful consideration, it has been decided to formulate a detailed procedure for payment of enhanced wages to contractors in whose cases the Hon'ble High Court have passed Orders.

2. As per clause 13.4 of the Standard Bidding Document for construction and maintenance of Rural Roads under normal PMGSY/ADB Assisted PMGSY, the rates and prices quoted by the bidder shall be fixed for the duration of the Contract and shall not be subject to adjustment.
3. The contractors engaged in execution of PMGSY works- both completed and ongoing works- have agreed to the above Clause of the Standard Biding Document and entered into a Contract of Agreement with Government.
4. During the execution of work, the State Government have revised the minimum wages under Minimum Wages Act vide Labour and Employment Department from time to time, the last being Notification N.6272-LL-I-(AR)08/09/LE dated 13.07.2009.
5. Consequent upon the Revision of Minimum Wages to be paid to different categories of labourers, the contractors engaged both for completed and ongoing works made claim to Government for reimbursement of the enhanced wages.
6. The State Government rejected the claims of the contractors on the ground that there was no such provision in the Stand-

ard Bidding Document for construction and maintenance of Rural Roads under normal PMGSY/ADB Assisted PMGSY works. On the contrary, it was also incorporated in the clauses of SBD that the rates and prices quoted by the bidder shall be fixed for the duration of the Contract and shall not be subject to adjustment.

7. Being aggrieved with the decision of the State Government, some contractors preferred to file Writ Petitions before the Hon'ble High Court of Odisha.
8. The Hon'ble High Court of Odisha in their orders held that since revision of wages is a statutory matter, the claimants are entitled for reimbursement arising out of payment of revised wages in W.P.0 No29272/2011 and in some other cases.
9. Subsequently, the matter was discussed at various levels and it was decided to formulate the modalities for reimbursement of enhanced wages in each case. Accordingly, modalities have been framed and it is decided to limit the benefit of reimbursement to cases where the Hon'ble Court have passed orders and where the orders of Hon'ble High Court has attained finality.
10. The modalities as framed for the purpose are as follows:
 - i) Reimbursement of enhanced minimum wages of labour in completed/ongoing PMGSY works may be considered only in respect of cases where Hon'ble High Court have passed order to that effect.
 - ii) The concerned Executive Engineer shall call for the following books of account/ document from the contractor to satisfy himself about the actual payment of enhanced minimum wages to the laborers.
 - (a) Labour Registration Certificate
 - (b) Wages Register in support of minimum wages for verification and record.
 - (c) Other relevant records/ Registers/ document.
 - iii) The claims of contractors on account of payment of enhanced wages in PMGSY works will be thoroughly examined by the concerned E.E. before effecting reimbursement of the enhanced wages pursuant to orders of Hon'ble High Court. However, the following authorities shall approve the claims for reimbursement of enhanced wages.

(a) Up to Rs.5.00 lakh by the concerned Superintending Engineer.

(b) Above Rs.5.00 lakh to Rs10.00 lakhs by the Empowered Chief Engineer.

(c) Above Rs.10.00 lakh by EIC,R.W.

iv. If penalty is levied for delay in completion of work, the contractor shall not be eligible for reimbursement on account of payment of enhanced wages during the period beyond the stipulated date of completion of the work where such delay is attributable to the contractor. However, if EOT (Extension of time) has been sanctioned by the competent authority, for which the delay is not attributable to the contractor, the claims of contractors on account of payment of enhanced wages in PMGSY works will be admissible subject to fulfillment of other stipulations and conditions.

v. The expenditure on this account will be borne by the State.

vi. The benefit of reimbursement on account of payment of enhanced wages will be to the maximum extent of labour component of each item of work.

By order of the Governor


FA-cum-Additional Secretary
R.D. Department

Memo No. 28585300182013/RD

Dt. 09.06.2014

Copy forwarded to the Finance Department/Works Department for information .

Additional Secretary

FA-cum-