

APPENDIX XVII.

RULES REGULATING THE PAYMENT OF BONUS TO CONTRACTORS.

(Vide note to paragraph 150 of this Code.)

1. In the case of work done on the contract based on the lump-sum tender system, see paragraph 150 of this code, or the contractor agrees to complete the work generally before a specified date. If the local administrative officer considers that the completion of the work before a certain date would be to the advantage and in the interests of Government but this could not be reasonably expected under normal conditions, it is permissible to offer the inducement of a bonus. The payment of a bonus should not be recommended if the date fixed for the completion of the work is not far in advance of what could be reasonably expected under normal conditions. The provision for bonuses in such cases should be included in the approximate estimates submitted for administrative approval. In submitting the approximate estimate for the approval of Government, the head of the department concerned should among other things explain his reason for recommending the provision of a bonus. It will then rest with Government to decide whether the clear provision should be allowed to stand.

2. When the sanction to an estimate provides for the payment of a bonus, the Chief Superintending or Executive Engineer should, when calling, for tenders notify the conditions which must be fulfilled in order to earn the bonus.

3. When a bonus is proposed, the terms should be specified in a separate bonus agreement in the form given below. The amount of the bonus paid should be charged to the work.

4. (a) No bonus should ordinarily be provided for any work costing less than Rs. 5,000. This limit does not apply to irrigation works. Otherwise than with the sanction of Government in exceptional cases, the amount of bonus should not exceed 5 per cent of the total value of the work excluding the cost of materials supplied by Government.

(b) Bonus should never be sanctioned in the case of annual or in ordinary repair and maintenance works except with the special sanction of the Superintending Engineer.

NOTE.—Executive Engineers and Superintending Engineers are empowered to sanction the payment of bonuses and enter into bonus agreements in respect of parts of a work even though there is no provision for a bonus in the sanctioned estimate up to the limits of Rs. 50 and Rs. 250 respectively, provided the amount of bonus does not exceed 5 per cent of the value of the work forming the subject of the bonus agreement, less the cost of Government materials.

5. Executive Engineers should submit with their monthly accounts a statement showing the following details, so as to enable the Audit Office to carefully scrutinise payments of bonus made with reference to the above rules :—

(i) Number of voucher for the payment of bonus and schedule docket to which attached.

(ii) Amount of bonus.

(iii) Whether bonus is separately provided for in the estimate sanctioned by competent authority.

(iv) Date of completion of work.

(v) Whether any bonus agreement was duly signed by the contractor prior to his undertaking the work.

BONUS AGREEMENT.

Name of work—

No. of 19

Name of piece worker
contractor

Agreement made the.....day of one thousand nine hundred and.....between the Governor of Tamil Nadu (which expression shall where the context so admits include his successors in office and assigns) of the one part and.....hereinafter called the piece worker/contractor (which expression shall where the context so admits include his heirs executors, administrators and legal representatives) of the other part.

It is hereby expressly agreed by and between the parties hereto as follows.—

(1) in the event of the piece worker/contractor fully completing the work (or the balance of the work or the items of work entrusted to him as per agreement No..... of.....) as detailed in the sanctioned estimate No..... and plans No.....and estimated to amount to a total cost of Rs..... (about) by the..... a bonus of Rs..... will be paid over and above the sums due on the rates at which he has contracted to do the work.

It is however, a condition that failure to so complete the work, due to any use whatsoever entails forfeiture of all title to the above bonus or any part of it.

(2) It is open to the officer sanctioning the agreement for work to give and extension of time, as an act of grace, under exceptional circumstances, but it is to be clearly understood that extension cannot be claimed as a right on any ground whatever.

(3) Except, under the provisions of clause (5) below the bonus will under no circumstances be given in part: it must either be fully earned or no bonus will be given.

(4) This bonus agreement may be cancelled and terminated at any time by the Government of Tamil Nadu (hereinafter called the Government) if the value of the work turned out at the date of such cancellation bears a less proportion to the value of the whole work than the time which has passed since the execution of the bonus agreement bears to the whole time allowed for earning the bonus, (or) in the alternative, when the above is unsuitable).

(5) This bonus agreement may be cancelled and terminated at any time by the Government if the value of the work turned out at the date of such cancellation is less than that indicated below.—

(a) Rupees	By date.
(b) Do.	Do.
(c) Do.	Do.
(d) Do.	Do.

(6) If it should be decided for no fault of the piece worker to terminate the contractor piece work agreement contract for the execution of the work forming the subject of this bonus agreement before its completion, the contractor will be entitled to the payment of such proportion and no more of the whole bonus as the value of the work turned out bears to the value of the whole work forming the subject to this bonus agreement.

In witness whereof the Superintending Engineer,..... Circle,
 Executive Engineer,..... Division,
 acting on behalf of and by the order and direction (of the Governor of Tamil Nadu)
 and the piece worker contractor have hereunto set their respective hands the day and year first
 above written.

Signed by the abovenamed in the presence of

Signed by the abovenamed in the presence of

(G. O. No. 254, Public Works, dated 9th February 1938).