

(Copy of G.O. Ms. No. 3212, dated 13th December 1963,
Public Works Department, Government of Madras.)

ABSTRACT.

Contracts—Public Works Department—Entrusting additional items of works fairly contingent on main work—Ordered Applicability to substituted items of works also—Orders issued.

READ again:—

G.O. Ms. No. 811, P.W., dated 13th March 1959.

READ also:—

From the Accountant-General, Madras Letter No. W2/KK/69, dated 13th June 1962.

From the Chief Engineer, P.W.D. (General), Letter No. 52323 Wks. IV-2/64-CR, dated 17th August 1962.

From the Accountant-General, Madras Letter No. Wks. KK. 305, dated 15th December 1962.

From the Chief Engineer P.W.D., (General), Letter No. 92159, Wks. IV-2/62-1, dated 18th April 1963.

ORDER:

In G.O. Ms. No. 811 Public Works, dated 13th March 1959 orders have been issued fixing the monetary limits upto which the Public Works Department Officers can entrust additional items of works fairly contingent on the main work to the main contractor.

2. The Accountant-General has stated that if the supplemental agreements are accepted either for additional items of works or substituted items of works the advantage of competitive tender system is lost as rates have to be secured on a negotiated basis. He has therefore considered that the additional items referred to in the above G.O. should only refer to additional items not contemplated in the estimate but also substituted items as well. As the occurrence of substituted items is reported to be more frequent than additional items and in view of the fact that when the copies of supplemental agreements are received in his office it is not possible to ascertain whether the items mentioned therein are additional items or substituted items, he has requested the monetary limits upto which the Superintending Engineer/Chief Engineer can exercise powers to give the work on nomination for the main contract without tender; calls may be fixed on comparatively higher money limit.

3. The Chief Engineer P.W.D. (General) who was consulted has considered that the suggestion of the Accountant-General that the substituted items should also be brought under the purview of the above G.O. is not acceptable. He has pointed out that it will be practically impossible to foresee with any degree of accuracy as to what will be substituted items that will arise during actual execution. The substituted items are decided during actual execution to suit the conditions on structural and technical grounds. These substituted items are entrusted to the main contractor in the interest of speedy execution of work. He has also stated that these items will not have the effect of offsetting the advantages of a competitive tender due to the fact that these items do not rise the monetary value of the main contract as there is always the omission of corresponding items in the original agreement. He has further stated that certain amount of discretion necessary for the officers of the Department to decide changes for the better execution, to secure economy and adequacy of designs during the execution of works. He has mentioned that the practice of giving substituted items to the main contractors with the limitations to pass excess finally over sanctioned estimates by the officers of the Department may continue without any change in the interests of speedy execution of plan works undertaken by the Public Works Department.

4. He has however accepted the Accountant-General's suggestion to furnish full particulars in the copies of supplemental agreements, i.e., whether they relate to substituted items or to additional items of work fairly contingent on the main work (given to the main contractors).

5. The Government accept the views of the Chief Engineer PWD (General) and direct:—

(i) that substituted items need not be brought under the purview of the orders issued in the G.O. cited.

(ii) that the practice of giving substituted items to the main contractors with the limitation relating to the passing of excess over finally sanctioned estimates by the officers of P.W.D. be continued without any change; and

(iii) that full particulars in the copies of supplemental agreements i.e., whether they relate to substituted items or additional items of work fairly contingent on the main work (given to the main contractor) be furnished against each item drawing reference to the item in the original agreement.

This order issued with the concurrence of the Finance Department *vide* its U.O. No. 121703/EB/63-I, dated 20th November 1963.