

GOVERNMENT OF TAMIL NADU.

ABSTRACT.

Contracts.—P.W.D.—Grant of mobilisation advance to contractors—General orders—Issued.
(G.O. Ms. No. 1784, Public Works Department, dated 8th December 1975.)

ORDER :

The rules and orders in force at present do not specifically provide for payment of mobilisation advance to contractors. However, it had become inevitable in certain cases to sanction such mobilisation advances to contractors when the work involved was an important and/or urgent one and the contractor was unable to staff the work without a mobilisation advance. The possibility of sanctioning such advances in exceptional cases on similar considerations cannot be ruled out in future also. The Government therefore consider it desirable that sanction of mobilisation advance to contractors should be regulated by general orders. Accordingly they direct that while mobilisation advance to contractors should not be sanctioned ordinarily in cases where the advance becomes inevitable it should be sanctioned subject to the following conditions :—

- (i) The request of the contractor for the grant of mobilisation advance should be made along with the tender. If it is not mentioned no such advance will be allowed later.
- (ii) If the nature of the work is such that it is necessary to procure large scale machinery and stores in the execution of a particular work or project the question of sanctioning the mobilisation advance should be made known to the tenderers in the Tender conditions laid down for the purpose.

(iii) The contractor shall personally indemnify the Government against any loss to Government in making such advance payment and he will execute the necessary agreement with the Chief Engineer concerned in a non-judicial stamp paper of the appropriate value.

(iv) The advance shall be charged interest at commercial rates as may be prescribed by the Government from time to time.

(v) The advance together with interest thereon shall be covered in full from the bills of the contractor on pro rata basis till the amount is realised in full.

(vi) The advance may be met from the head of account which the expenditure on the work is debitable.

(vii) The contractor shall execute an equitable mortgage encumbered machinery procured for use on the work or to the satisfaction of the Chief Engineer, concerned as additional security for the advance or the additional security may be obtained in the form of bank guarantee to cover mobilisation advance.

(viii) The contractor shall agree and undertake to indemnify the Government of Tamil Nadu from any loss, damage, expense or costs that the Government may be put to by reasons of a claim being made in respect of the proposed mobilisation advance to be paid to the contractor or any part thereof.

This order issues with the concurrence of the Finance Department vide its U.O. No. 121691/PW/75-1, dated 1st October 1975.

(By order of the Governor)

B. VIJAYARAGHAVAN
Secretary to Government

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Abstract.