

# The Odisha Gazette



EXTRAORDINARY  
PUBLISHED BY AUTHORITY

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No. 1794 CUTTACK, FRIDAY, SEPTEMBER 14, 2012 / BHADRA 23, 1934

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No. 9133—0756650002/2012-W.

GOVERNMENT OF ODISHA

WORKS DEPARTMENT

RESOLUTION

The 6th September 2012

SUBJECT—Working procedure for execution of works under different Construction Corporations in the State.

After careful consideration Government have been pleased to adopt the following working procedure in respect of the works to be executed through the Public Sector Undertaking (PSU) Construction Corporations in the State :

## 1. General Working Procedure

The projects should be executed through tender/e-tender process, as the case may be. However, departmental execution may be taken up where the work is non-responsive in tender/e-tender or due to exigency or on security reasons.

## 2. Preparation of Plan and Estimate

- (a) The Corporations will prepare estimates for all Government projects on the basis of the prevailing PWD Schedule of Rates.
- (b) Works Department will ensure publication of the Schedule of Rates by end of April of each year.
- (c) In case of preparation of plan and estimates including survey and design, particularly for specialized projects like big dams, bridges etc., the Corporation may outsource the activity to a Competent Consultant as per their requirement. If a Consultant is engaged, he will be paid from the Corporation's supervision charges.

## 3. Premium of Tender Value

In case of a transparent and competitive e-tender process, the cost of a project will depend on the lowest bid for the project. In case of a tender premium maximum up to 10% of the estimated

cost, the Chief Engineer/C.G.M./M.D. of the Corporation will have full powers to approve the tender. Beyond 10% and up to 15% of tender premium, the tender will be approved by a Tender Committee constituted by the Board of Director under the Chairman/C.M.D. of the Corporation with suitable Senior Members representing Engineering and Financial sides. All cases of tender premium above 15% shall be placed before the Board of Director for approval. Once the tender is finalized the Corporation will submit a revised statement to the user agency adding the supervision charges to the revised cost. The user agency or the requisitioning agency will provide the additional funds so that the project can be completed on time without any financial burden on the Corporation.

#### **4. Single Tender**

When a work is awarded through a transparent e-tender process, the next higher authority on receipt of a proposal with justification from the tender committee can approve any single tender as provided under the O.P.W.D. Code. Each Corporation will codify the level of financial delegations on different authorities in their hierarchy for approval of tenders.

#### **5. Mode of payment to the Contractor**

The payment to the contractor will be made by the Corporation directly on the preparation of the bill by their technical staff. The check measurement will be made by the technical staff of the Corporation. There is no necessity to send the bill to the Administrative Department for check measurement and payment.

#### **6. Overhead charges in departmentally executed projects**

Since the Corporation does not receive budgetary support for meeting overhead costs, the estimates for projects executed departmentally will be prepared without deducting the overhead charges.

#### **7. Departments not to limit estimates while according administrative approval**

While according administrative approval, the requisitioning authority should not limit the estimates arbitrarily. In the event of budgetary constraints the administrative approval should be accorded for the full estimated value stipulating that the additional funds will be provided subsequently. While preparing Annual/Supplementary budgets, the Departments should first meet the requirements of ongoing/unfinished projects before embarking on new projects.

#### **8. Technical Sanction**

Chief Engineer/C.G.M./M.D. of the Corporation will accord technical sanction for all projects entrusted to the Corporation for execution.

#### **9. Procedure to deal with deviation**

In case of requirement of additional works, deviation in quantity or additional item, the Corporation will prepare a revised estimate as per provisions of O.P.W.D. Code, incorporating the additional cost which will be borne by the requisitioning authority. The Corporation/Supervision charges will be calculated basing on the revised estimated cost and additional premium if any and the Corporation will not be asked to meet the additional cost for such deviations from the Corporation/Supervision charges.

#### **10. Projects executed for organizations other than State Government Departments**

Corporations can execute works for organizations other than the State Government Departments through negotiated terms and actual prevailing market rates subject to any condition

imposed by the Board of Directors of the Corporation so that the commercial interests of the Corporations can be protected.

#### **11. Advance to the Corporation**

A payment schedule keeping in view the period of completion of the work should be drawn up by the Corporation and communicated to the user agency/department which will form part of the contract. Funds required for execution of the work will be released by the user agency/department in accordance with the payment schedule as advance to the Corporation. 33% of the project cost should be deposited in advance and the balance 67% should be released in two equal instalments. Release of 2nd and 3rd instalment will be subject to submission of utilization certificate of atleast 75% of the funds released earlier.

#### **12. Cost escalation because of delay in execution by the Corporation**

The Corporation will meet the cost of any cost overrun of the project except where such escalation is because of factors beyond the control of the Corporation like delay in alienation of land for the project, delay in finalization of plan by the requisitioning agency, delay in receipt of administrative approval and substantial modification to Plans requiring major structural changes and for the reasons not attributable to the Corporations.

This has been concurred in by Finance Department vide U.O.R. No. 185/WF-I, dated the 16th June 2012.

This shall come into force from the date of its publication in the Extraordinary Gazette.

By order of the Governor

S. K. RAY

E-I-C-cum-Secretary to Government