



Government of Odisha
Home Department

No. 01803700362012..... 28847 M & D,
HOME DEPT-PSU-0036-2012

Dt. 6.8.2013

From

A.C Samantaray OFS (SAG)
F.A Cum Addl. Secretary to Government.

To

The Director General & Inspector General of Police, Odisha, Cuttack/
The Registrar, Odisha High Court, Cuttack/
The Addl. D.G.P – Cum – I.G of Prisons, Bhubaneswar/
The Addl. D.G of Police, Fire Services, Odisha, Cuttack/
The CMD, OSPHWC, Bhubaneswar.

Sub: Guidelines for Management of Projects and Regulation of Payments
executed through OSPH&WC.


Sir,

With reference to the subject cited above, I am directed to send herewith the
“Guidelines for Management of Projects and Regulation of Payments” in respect of
works executed through OSPH&WC along with a copy of the Works Department Resolution
No. 9133/ W dated 06.09.2012 for information.

The guideline is required to be followed by all stake-holders for furtherance of
project objectives. The result arising out of the guideline relating to physical and financial
status will be reviewed during planning stage in this department prior to the budget
formulation of 2014-2015 to prioritise the next action plan and its related issues.

You are therefore requested to take necessary steps early in compliance to the
enclosed guidelines for timely intervention.

Yours faithfully,



05.8.13

F.A Cum Addl. Secretary to Government

Memo No.,

Dt., 2013

Copy forwarded to the Jail Section/ High Court Section/ Fire Services Section/
Home Guards & Civil Defence Section/ B & P Section/ FS-I & II Section/ Guard file for
information & necessary action.


05.8.13

F.A Cum Addl. Secretary to Government

Guidelines for Management of Projects and Regulation of Payments executed through OSPH&WC.

A. Projects entrusted up to 2012-2013: -

- 1) The corporation shall be required to make available status of each project up to 2012-2013 (completed or ongoing) in physical & financial terms to the user agencies. The corporation basing on their accounts shall indicate clearly the amount which are due to be receivable from the user agencies on the ground of (a) Tender premium /excess (b) Differential amount between administrative approval & release of funds (c) Revised A/A arising out of quantity deviation (d) Cost escalation etc.
- 2) The Projects which were entrusted to the Corporation for execution till the period ending March 2013 catering to the indent or requisitions of the user agencies necessitating accordance of Revised A/A (completed & ongoing projects), in such cases the user agencies shall have to accord revised A/A as appropriate, observing the required formalities without delay, basing on the revised estimates furnished by the corporation. The Revised A/A shall accordingly be decided upon by the user agencies to, determine the committed liability that would arise for payment to the corporation. The user agencies thereafter shall come forward along with supporting information and justification to locate recourses to meet the liability on such account.
- 3) The revised estimates of completed projects if any pending with the Corporation is to be furnished to the concerned user agencies within next 90 days from issue of the present guidelines. It is further mandated that in case of incomplete projects the corporation shall be under obligation to furnish revised estimates of the works as would arise in the course of execution within 90 days to the user agencies after completion of those projects if not furnished earlier; The user agencies in all such cases shall have to finalize the A/A appropriately without delay. The proposals pertaining to revised estimates pending for revised A/A need to be decided upon proactively determining the payable liability on this account. The user agencies as well as the corporation shall be under obligation to reduce the risk of time over run of the projects which ultimately demands for cost overrun of the projects.
- 4) The deviations in the scope of works in the course of execution having technical sanction from competent authority and reported to the user agencies requiring revised A/A shall have to be accorded by

the competent authority for settlement of claims of the Corporation. In all cases it is the user agencies to get satisfied that the scope of works has been executed as per the approved project and the assets has been duly owned on being completed or to be owned where the work is ongoing.

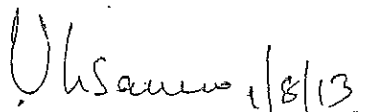
- 5) After it is duly settled in the aforesaid manner, a final scheme wise statement is required to be prepared by the user agencies and sent to the corporation with a copy to Government for reference to decide the future course of action on it.
- 6) The corporation shall report to the concern user agencies the amount of accrued bank interest scheme wise as on 31st March 2013 for which the later have placed funds in advance with the former for execution of different identified projects. The sharing of above information will facilitate planning for adjustment and additional provisioning against projects by the user agencies as per need based actual. The corporation shall continue to make available the accrued interest information to the user agencies at the end of every financial year.

B. Projects entrusted 2013- 2014 onwards: -

- 1) While according A/A in all future projects to be executed through the Corporation, the "Common Working Procedures" envisaged in Works Department Resolution No. 9133/ W, dated 06.09.2012, which has been concurred in by the Finance Department, shall be reinforced in its content and spirit.
- 2) While according A/A, the requisitioning authority should not limit/ cap the estimates arbitrarily to the Budget Provisions. If the Estimate is beyond the expected fund allocated/ to be allocated for the purpose, the Corporation may be requested to revise Plan and Estimate, so that the Estimate is within the expected allocation for the purpose, after which A/A may be accorded by the competent authority.
- 3) The stipulations regarding Preparation of Plan & Estimate/ Premium of Tender Value/ Overhead Charges in departmentally executed projects/ Cost Escalations/ Advance Payment to the Corporation etc. shall henceforth be linked & governed under the "Common Working Procedures" envisaged in Works Department Resolution No. 9133/ W, dated 06.09.2012.
- 4) The tender premium of a work exceeding the value of the approved estimated project cost shall be a committed liability of the user agency for payment of differential amount to the corporation. In all

such cases the corporation is required to furnish project wise details to the user agencies for necessary provisioning. The corporation is also required to furnish project wise details to the user agency where tender of a work is finalized and awarded at less than the estimated cost resulting in savings to the user agencies. This will be applicable to all works executed through e- procurement method in previous years.

- 5) Changes in the scope of work of a project by the Corporation beyond the knowledge of the user agencies which would invite incidence of revised A/A shall henceforth be ineligible from 2013-14 onwards for sustainability of claims from user agencies. Hence prior consent of the user agencies or competent authority is made absolutely mandatory. The user agencies shall not make wide variation /changes in the schedule of works unnecessarily creating avoidable liability on the state without the prior approval of government.
- 6) The clause No 12 of Works Department Resolution No 9133 dated 06.09.2012 shall be the regulating rider for settlement of escalation charges applicable to both the user agencies and the corporation. Any pending claims of the above nature till the end of 2012-2013 shall have to be settled bringing out a status report and reported to govt. for further appropriate action.
- 7) The Corporation will maintain separate accounts of advances received from different requisitioning agencies, scheme wise and properly account for the interest and expenditure thereof. At the end of each financial year, the Corporation shall intimate the interest accrued on the schemes to the respective user agencies. After submission of final account of the works by the Corporation, the surplus/ deficit will be adjusted against the interest earned by the Corporation. The user agencies shall work out allocation of accrued interest against the projects for a meaningful purpose keeping in mind the budgetary provision available against the projects.
- 8) Payments payable or receivable under the situations above shall be required to be monitored on regular basis to move towards the system of "Accrual Accounting", replacing the Cash accounting system in-vogue, which has already been approved in principle for adoption from the financial year 2014-15, by the State Government. The user agencies are required to maintain an "Asset Register" of the projects which have been created and owned at their end to switch over to the accrual accounting system.


Principal Secretary to Government.