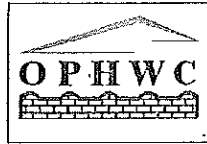


MEMORANDUM OF UNDERSTANDING

BETWEEN



THE ODISHA STATE POLICE HOUSING &
WELFARE CORPORATION LTD.
[A SILVER RATED PSU]

AND



HOME DEPARTMENT
GOVERNMENT OF ODISHA

FOR THE YEAR
(2013-14)

PART-I

VISION

To organize ourselves as a total quality organization, setting standards of excellence in all our professional endeavours and be reckoned as an outstanding construction Corporation among our peers.

MISSION

To deliver quality construction at optimum cost in record time to the satisfaction of our customers while earning reasonable return on investment.

CORE VALUES

Integrity: We must conduct ourselves fairly, with honesty and transparency. Everything we do must stand test of public scrutiny.

Excellence: We must constantly strive to the highest possible standards in the services and goods we provide.

Organizational and professional pride: We must function and conduct ourselves and in such manner so as to have pride in the organization we serve and also the profession we are in.

Customer as our most valued stake-holder: 'Customers are outsider to our business, he is part of it. They are the purpose of our work.'

Economically sustainable: While delivering quality construction at optimum cost, we should ensure that the Corporation makes profit and remains financially viable.

OBJECTIVES:

The main objects of the Corporation as per the Article of Association are:

1. To undertake construction of buildings for the housing of police personnel
2. To formulate and execute Housing schemes for the benefit of the serving police personnel
3. To undertake construction of building for the residential and non-residential purpose for the Police, Vigilance, Fire service, Prison departments, Judiciary and other government departments
4. To undertake construction of buildings necessary for conducting Schools, Hospitals, Clubs and other welfare measures for the benefit of the police personnel as original works on deposit of cost from Police Relief and Welfare and other equivalent funds
5. To take up construction, repairs, maintenance, modification and renovation of roads, buildings and other civil structures through competitive tender or on the basis of direct placement of works



PART-II

EXERCISE OF AUTONOMY & DELEGATION OF FINANCIAL POWERS

The Odisha State Police Housing & Welfare Corporation Ltd. require the following autonomy and delegation of financial powers.

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.

The Corporation shall take up the work on departmental execution basis after getting no response in first attempt particularly in Maoist areas/SRE districts. In other areas (Non SRE districts) after getting no response in first attempt the work may be taken up on departmental execution basis after adequate justification. Cluster tendering system i.e. combination of 4 to 5 projects having estimated cost of Rs. 20 to 25 crore may be allowed to attract big contractors as a remedy to no response.

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. In case of preparation of plan and estimates, particularly of specialized projects like composite training centre, big structures, bridges etc., the Corporation may outsource the activity to a competent consultant. If a consultant is engaged, he will be paid from the Corporations supervision charges.

3. Premium of Tender Value

In case of transparent and competitive e-tender process, the cost of project will depend on the lowest bid for the project. In case of tender premium maximum upto 10% of the estimated cost, the Chief Engineer/CGM/MD 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 Directors under the Chairman/CMD 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 Directors 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.



Premium of Tender Value.

Tender premium beyond 10% and up to 15% of the estimated cost will be approved by a Committee. Constitution of the tender approval Committee, shall be as follows

C.M.D. - Chairman of the Committee.

Chief Engineer and Financial Advisor of the Corporation are members of the Committee.

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 OPWD Code.

Single Tender

Following delegation of financial power shall be made.

- (i) Chief Engineer - Tender value upto Rs.5.00 crore.
- (ii) C.M.D. - Tender value above Rs.5.00 crore and upto Rs.7.00 crore.
- (iii) Board of Directors - Tender value above Rs.7.00 Crore.

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. Technical Sanction

Chief Engineer of the Corporation will accord technical sanction for all projects entrusted to the Corporation for execution.



7. 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 OPWD 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. The Corporation will follow the policy guideline on reimbursement of additional funds on additional work and cost escalation as per approved proceedings of the Board of Directors.

8. Projects executed for organizations other than State Government Departments.

Corporation 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 interest of the Corporations can be protected.

9. External electrification works.

The Corporation will submit the revised estimate in case of External Electrification work on case to case basis separately as the final estimates are prepared by the respective Electrical Distribution Companies basing on the actual load required for that location. The estimate for this purpose shall be furnished as early as possible. The additional cost thereof will be borne by the requisitioning authority. The Corporation charges / supervision charges will be calculated basing on the revised estimated cost.

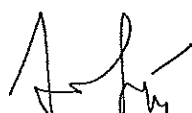
10. Maintenance of Accounts.

The Corporation will maintain separate accounts of advances received from different requisitioning agencies, scheme wise and properly account for the interest and expenditure thereof.




PART-III

MOU Performance Evaluation criteria and Targets 2013-14										
1	STATIC PARAMETERS (40%)									
Financial Performance Indicators										
				Targets - 2013-14					2012-13	2014-15
		Unit	Weight	Excellent	Very Good	Good	Fair	Poor	Unaudited	Planned
				(+ 20%)		(- 10%)	(-10%)	(-10%)		
i.	Turnover	Rs. In Crore	10	315.00	260.00	234.00	210.60	189.54	216.32	350.00
ii.	Gross Profit	Rs. In Crore	10	18.90	15.60	14.04	12.64	11.37	12.98	21.00
iii.	Return on Capital Employed	%	10	30	25	22	20	18	28	29
iv.	Turnover per employee (327Nos.)	Rs. In Crore	5	0.96	0.80	0.72	0.64	0.58	0.66	1.07
v.	Admn. Expenditure as a % of Turnover	%	5	4.30	5.20	5.80	6.40	7.10	6.00	6.00
2	DYNAMIC PARAMETERS (35%)									
i.	Execution of projects on F2 Contract/ e-tender	%	15	65	60	55	50	45	52.50	65
ii.	Completion of Projects (For Work Orders issued up to 31.03.13 and Projects above Rs.10.00 Lakh.)	%	10	80 (1006/1258)	75	70	65	60	-	75
iii.	Employee Training and Motivation	Training man days	5	225	180	150	120	90	180	225
iv.	Project Monitoring and review meetings	No. of meetings	5	10	8	6	5	4	8	12
3	GENERAL MEASURES (25%)									
i.	Submission of annual report to Admn. Dept. (2012-13)	Time	5	30.09.13	30.11.13	31.12.13	31.01.14	28.02.14	-	-
ii.	Timely Submission of MOU (2013-14)	Time	2	31.03.13	31.05.13	30.06.13	31.07.13	31.08.13	-	-
iii.	Timely Submission of MOU (2014-15)	Time	3	31.03.14	30.04.14	31.05.14	30.06.14	31.07.14	-	30.04.14
iv.	Infrastructure related Welfare Activities (For user agencies)	Rs. In Lakh	5	25.00	20.00	15.00	12.00	10.00	20.00	30.00
v.	Fatal Accidents at work sites.	No.	5	Nil	Nil	1	2	3	Nil	Nil
vi.	Corporate Social Responsibility	Rs. In Lakh	5	20.00	15.00	10.00	8.00	5.00	-	25.00


 Chairman-cum-Managing Director
 On behalf of
 The Odisha State Police Housing &
 Welfare Corporation Ltd.

Chairman-cum-Managing Director
 The Odisha State Police Housing &
 Welfare Corporation Ltd.
 Bhubaneswar-22


 Principal Secretary to Government
 Home Department
 On behalf of Government of Odisha
 Principal Secretary to Government
 Home Department.

PART-IV

COMMITMENT/ASSISTANCE FROM THE STATE GOVERNMENT

1. 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.

2. Cost escalation.

The Corporation will meet any cost overrun of the projects 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 Corporation. The requisitioning authority shall also bear differential cost in the event of upward rise of the schedule of rates, increase in price of cement, steel and bitumen as per Government of Odisha, Works Department Letter No. 5608/W, dt. 03.04.2007.

3. Govt. will endeavor to award Rs.200.00 crore of work annually from Police, Home Guards & Fire Services, Prison and Judiciary.
4. Govt. will facilitate timely handing over of land to the Corporation so that projects are not delayed.
5. The User Departments will involve the Corporation while preparing the budget proposal.
6. Govt./Head of the Department shall endeavor to approve the proposal submitted by the Corporation within a time frame of 30 days.
7. The Supervision charge of 10% will be payable to the corporation.



PART-V

ACTION PLAN FOR IMPLEMENTING AND REVIEW OF THE MOU

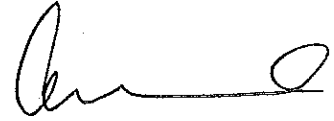
Evaluation and review of performance will be done half-yearly by the Home Department, Government of Odisha. Information for the purpose of evaluation will be given to the Home Department in the proforma as given in Part-III.



Satyajit Mohanty, IPS

**Chairman-cum-Managing Director
On behalf of
The Odisha State Police Housing &
Welfare Corporation Ltd.**

Chairman-cum-Managing Director
The Odisha State Police Housing &
Welfare Corporation Ltd.
Bhubaneswar-22



U. N. Behera, IAS

**Principal Secretary to Government
Home Department
On behalf of
Government of Odisha**

**Principal Secretary to Govt.
Home Department**

Place : Bhubaneswar

Dated : 07.05.2013

APPROVED WORKING PROCEDURE OF THE CORPORATION.

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.

1A. The Corporation shall take up the work on departmental execution basis after getting no response in first attempt particularly in Maoist areas/SRE districts. In other areas (Non SRE districts) after getting no response in first attempt the work may be taken up on departmental execution basis after adequate justification. Cluster tendering system i.e. combination of 4 to 5 projects having estimated cost of Rs. 20 to 25 crores may be allowed to attract big contractors as a remedy to no response.

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 the each year.
- c. In case of preparation of plan and estimates, particularly of specialized projects like big claims, bridges etc., the Corporation may outsource the activity to a competent consultant. If a consultant is engaged, he will be paid from the Corporations supervision charges.

3. Premium of Tender Value

In case of transparent and competitive e-tender process, the cost of project will depend on the lowest bid for the project. In case of tender premium maximum upto 10% of the estimated cost, the Chief Engineer/CGM/MD 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 Directors under the Chairman/CMD 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 Directors 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.



3A Premium of Tender Value.

Tender premium beyond 10% and upto 15% of the estimated cost will be approved by a Committee. Constitution of the tender approval Committee, shall be as follows

C.M.D. - Chairman of the Committee.

Chief Engineer and Financial Advisor of the Corporation are members of the Committee.

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 OPWD Code.

4A Single Tender

Following delegation of financial power was approved.

- (i) Chief Engineer - Tender value upto Rs. 5.00 crores.
- (ii) C.M.D. - Tender value above Rs. 5.00 crores and upto Rs. 7.00 crores
- (iii) Board of Directors - Tender value above Rs. 7.00 Crores.

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 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 OPWD 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.

Corporation 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 interest 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 a advance to the Corporation. The next advance required for execution of the work will be released in favour of the Corporation after the earlier advance is utilized and adjusted upto 75% in the accounts. However, such payment schedule may not be required where the user agency/department releases full amount to the Corporation as advance.

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

The Corporation will meet the cost of any cost overrun of the projects 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.



POLICY GUIDELINE ON REIMBURSEMENT OF ADDITIONAL FUNDS AND EXECUTION OF PROJECT WORKS.

(A) CURTAILMENT OF ESTIMATE.

While according Administrative Approval the requisitioning authority limit the estimates arbitrarily in some of the projects. As a result of which, the corporation faces difficulties to complete the project work within the above limited approved estimated cost. The corporation is committed to complete the project in time. The required additional expenditure shall be met out of the interest money earned from that particular scheme to which the project relates to complete the project work in time.

However, the corporation shall submit consolidated claim, scheme-wise, to the user Department for adjustment of above additional expenditure.

(B) LESS FUNDS RECEIVED AS AGAINST ADMINISTRATIVE APPROVAL.

Similarly in some cases, less fund is placed by the user Department than the Administrative Approval amount. In such cases, the corporation shall complete the project work in time by utilizing fund earned out of the interest money of that particular scheme. However a consolidated claim shall be made with the user Department scheme-wise for adjustment of required funds. This shall be made after completion/handover of projects.

(C) TENDER PREMIUM.

In all cases of Tender Premium the Corporation shall follow the guidelines of MOU and approved Working Procedure of the Corporation. A revised abstract of estimate shall be submitted to the user agency adding supervision charges to the revised cost, for reimbursement of additional funds to complete the project in time. A proforma for submission of abstract of estimate to claim tender premium is enclosed as Annexure-'A'.

(D) QUANTITY DEVIATION & COST ESCALATION.

All cases of quantity deviation, cost escalation shall be dealt as per norms of MOU and approved Working Procedure of the Corporation. In case of quantity deviation and cost escalation with more than 5% of the Administrative Approval amount a revised estimate shall be prepared as per norms of OPWD Code incorporating additional cost along-with corporation charges for reimbursement of additional funds from the user agency.

In the event the quantity deviation cost is less than 5% of Administrative Approval amount an abstract of estimate shall be prepared incorporating additional cost along-with corporation charges for reimbursement of additional funds from the user agency.

Concerned Joint Managers of the divisions shall submit the proposal as per the proforma enclosed as Annexure-B, project-wise, to incur expenditure over and above the Administrative Approval amount with proper justification to the Headquarter Office of the Corporation.

The Proposal shall be examined by a Committee in the Head Office of the Corporation.



The Committee is constituted with following Members.

- | | | |
|---|----|------------------|
| 1. Chief Engineer | :- | Chairman |
| 2. Financial Advisor | :- | Member |
| 3. Company Secretary & Jt. G.M. (Finance) | :- | Member |
| 4. Joint Manager (Monitoring) | :- | Member Convenor. |

The recommendation of the committee shall be placed before the CMD for necessary approval after which permission shall be given to concerned divisions for incurring additional expenditure to complete the project in time.

After completion of project, the concerned Joint Managers shall submit certification of project expenditure as per 'Annexure-C' to the head office for information and record. Besides, they will also prepare revised estimate/abstract cost estimate, as the case may be, according to the guidelines under Para (D) supra and send it to this head quarters for further follow up action.

Sd/-
Chairman-cum-Managing Director



ANNEXURE-A

**THE ODISHA STATE POLICE HOUSING & WELFARE CORPORATION
LIMITED, BHUBANESWAR-22.**

CLAIM OF TENDER PREMIUM

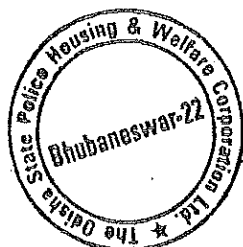
1. Name of the Project :
2. Name of the Scheme & Financial year :
3. Claim Format :

S.L. No.	ITEM OF WORK	Estimated cost as per A/A (In Rs.)	Tender Cost (In Rs.)
		"A"	"B"
(i)	Civil Cost		
(ii)	Internal Electrification		
(iii)	Internal PH & SI		
(iv)	Other Items (if any)		
	(a)		
	(b)		
	(c)		
	TOTAL:		
(v)	Tender Premium Amount (B-A)		
(vi)	Add Supervision Charges @ 10%		
	Grand Total:		
	Say:		

4. Claim of Tender Premium Amount :

Joint Manager (D&D)

Chief Engineer



THE ODISHA STATE POLICE HOUSING & WELFARE CORPORATION LIMITED,
BHUBANESWAR-22.

QUANTITY DEVIATION & COST ESCALATION.

1. Name of the Division :
2. Name of the Work :
 - (a) Location of the Work. :
 - (b) Name of the District :
3. Project Details :
 - (a) Computer Code :
 - (b) Scheme & Financial Year :
 - (c) Work Order No. & Date :
 - (d) Work order amount :
 - (e) Completion time as per work order :
4. Project Execution Details :
 - (a) Departmental :
 - (b) F2 contract basis :
5. Date of Commencement :
6. Details of Quantity Deviation & Cost escalation :
 - (a) Civil Cost :
 - (b) Internal Electrification :
 - (c) Internal PH & SI :
 - (d) Others :
 - (i) :
 - (ii) :
 - (iii) :
 - (iv) :
7. Brief Details of the work with Justification :
8. Details of probable expenditure item wise :
 - (a) :
 - (b) :
 - (c) :
 - (d) :



9. Progress made as on date
(Both Physical & Financial) :

10. Additional Fund Requirement :

11. Any other relevant information :

Official Seal and Date

Joint Manager
..... Division



PROJECT EXPENDITURE CERTIFICATE.

1. **Name of the work:**
 - (a) Location of the work :
 - (b) District :

2. **Project Details:**
 - (a) Computer Code No. :
 - (b) Scheme and Financial Year. :
 - (c) Work order No. and Date :
 - (d) Work order Amount :
 - (e) Completion time as per work order :

3. **Project Execution Details:**
 - (a) Departmental :
 - (b) F2 contract basis :

4. Date of Commencement :

5. **Date of Completion**
 - (a) Whether completed in time :
 - (b) In case of delay in completion reasons thereon :

6. Date of Handing over of the project :

7. Actual project Expenditure :

8. Deviation and cost escalation if any, with amount. :

9. Whether approval has been taken from the competent authority in case of S.L. No.-8 :

CERTIFICATE

Certified that the project work mentioned above has been completed and handed over on (Date) and the project expenditure is Rs.....

Official Seal and Date

Joint Manager
..... Division



ATTORNEY-III
LTD

The Odisha Gazette



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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

- The Corporations will prepare estimates for all Government projects on the basis of the prevailing PWD Schedule of Rates.
- Works Department will ensure publication of the Schedule of Rates by end of April of each year.
- 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



17

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

