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GOVERNMENT OF ANDHRA PRADESH
SOCIAL WELFARE (TW.Ser.II.1) DEPARTMENT

Memo.No.2050/TW.Ser.II.1/2008-1

Dated:24-3-2008



Sub:-TWED - Execution of Road and Building works - Permission to follow the Maximum tender premium 15% as per clause 4.02.5 in Annexure 1(a) of G.O.Ms.No.65 S.W (TW Ser.II.1) Dept dt.3-7-1999 - Clarification - Regarding.

- Ref:-1.G.O.Ms.No.65 Social Welfare (TW.Ser.II.1) Department dated.3-7-1999.
2.G.O.Ms.No.94 Irrigation & C AD (PW.COD) Department dated.1-7-2003.
3.G.O.Ms.No.133 Irrigation & CAD (PW.REFORMS) Department dated.20-11-2004.
4.From the Engineer-in-Chief (TW) Hyderabad Ir.No.TA1/AEE2/Tender Premium/2007-08 dt.7-3-2008.

The attention of the Engineer-in-Chief (TW), Hyderabad is invited to the references cited.

2. In the G.O. first cited instructions were issued on streamlining the tender procedure and enhancement of technical sanctions to Executive Engineers and Superintending Engineers in Tribal Welfare Engineering Department and the instructions in clause 4.02.5 (a) of Annexure I is as follows:

a) MAXIMUM CEILING.:

The maximum permissible ceiling tender excess is 15% over the estimated contract value and in case the Excess is more than 15% the tenders shall be summarily rejected. At the same time, the tenders received with the maximum permissible percentage excess are not necessarily to be accepted, they may be accepted basing on the trend of tenders accepted either in the project or in near vicinity for similar works. In case the trend of tender available relates to considerable time gap, the accepted premium of the tenders be updated with reference to the present price index and with justifiable reasons only the tender shall be accepted.

3. In G.O. 94 Irrigation & CAD (PW.COD) Department dated .1-7-2003 orders were issued by fixing the ceiling of tender premium at 10% excess over contract value as per clause 13 (i) therein. Subsequently, in G.O.Ms.No.133 Irrigation & CAD (PW. REFORMS) Dept dated 20-11-2004, orders were also issued by fixing for all works the ceiling of tender premium at 5% excess over estimate contract value.,

The Engineer-in-Chief (TW) has reported that the ceiling of Tender premium issued in the G.Os. second and third cited is followed in Tribal Welfare Engineering Department on par with sister Engineering Department in spite of 15% maximum permissible ceiling limit as envisaged in G.O.Ms No.65 S.W. (TW Ser.II.1) Dept dt. 3-7-99 for Tribal Welfare Engineering Department works; that due to the ceiling limit of tender premium at 5% excess over estimate contract value, there was very poor response to most of the building and road works even after 4 to 5 calls and that price bid quoted by the bidders is ranging from 18.5% to 24.4%. The Engineer-in-Chief (TW) has further stated that the process of entrust of works on selection basis is tedious and time consuming with fair chance of collusion among eligible contracts., that another factor for poor response is that most of the Engineering works in Tribal Welfare Department are located at deep interior agency areas having difficult topography and terrain and the contractors are not willing to come forward for execution with 5% excess over estimate contract value (maximum tender premium) and that the timely execution of these developmental works in Tribal areas is very much essential. The Engineer-in-Chief (TW) has therefore requested the Government to permit him to allow for inviting

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and accepting maximum tender premium of 15% excess over FCV as envisaged in the G.O.Ms.No.65 Social Welfare (TW.Ser.II.1) Department dated. 3-7-1999 for both building and road works in TWED as an exceptional case, and requested to issue early orders for expediting procurement process and for utilizing the current working season.

5. Government in Tribal Welfare Department have not issued any orders amending the tender premium provision in clause 4.2.05 in Annexure I to G.O.Ms.No.65 Social Welfare (Ser.II.1) Department dated 3-7-1999 i.e, to allow the tender premium up to 15% for the works in Tribal Welfare Engineering Department. Hence there is no objection to follow the existing orders of Government with regard to tender premium.

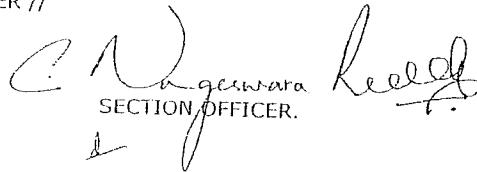
6. The Engineer-in-Chief (TW) may take further action accordingly.

V.NAGI REDDY
SECRETARY TO GOVERNMENT.

To

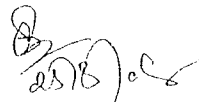
✓ The Engineer-in-Chief (TW), Hyderabad.

//FORWARDED : : BY ORDER //


SECTION OFFICER.

Enclt. No. TA1/AEE2/Tender premium/2007-08 dt 25/3/2008

Copy communicated for incorporating into the
Tender Conditions.


25/3/08
E.E (TW) Hyderabad
25/3 25/03

To

✓ The S.E (TW) VSP / Manager as above Hyderabad.

The E.E (TW) Paduru / Pruvathipuram / Seshampeta /

R.C. Varam / K.R. Puram / Udayas / Eturupeta /

Batalam and Srisaikara

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Copy to D.C.E.S file

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Copy to all Section Officers of Technical Section.