

GOVERNMENT OF ANDHRA PRADESH
ROADS AND BUILDINGS DEPARTMENT

From

Sri M. Gangadhraram, B.Tech.,
Engineer-in-Chief (R&B) State Roads,
Errum Manzil, Hyderabad.

To

The Principal Secretary to Govt.,
Finance Department,
Secretariat, Hyderabad.

[Handwritten signature]
RS
17/6/13

Letter No. Revised. A.S/ ENC (R) / DEE.4/ AEE.3/ 2013,

Dated:25.06.2013.

Sir,

Sub: R&B Department – Revised Estimates / Expenditures excess over original Administrative Approval – Certain Objections raised by Director of Works & Accounts and PAOs – Clarification regarding delegation of powers to Departmental Officers - Requested – Reg.

Ref: 1) G.O.Ms.No.1007, T(R&B)(C1) Dept., Dt.05-11-1976.
2) G.O.Ms.No.292, T(R&B)(C1) Dept., Dt.08-09-1980.
3) G.O.Ms.No.94, I&CAD(PW-COD) Dept., Dt.01-07-2003.
4) G.O.Ms.No.35, T(R&B)(RI) Dept., Dt.28-02-2006.
5) G.O.Ms.No.77, T(R&B)(C1) Dept., Dt.15-04-2006.
6) G.O.Ms.No.73, T(R&B)(C1) Dept., Dt.24-04-2006.
7) G.O.Ms.No.141, T(R&B)(RI) Dept., Dt.27-07-2006.
8) G.O.Ms.No.1, Finance (Works&Projects-F7) Dept., Dt.25-02-2012.
9) PAO, KCC, Hanamkonda Lr.No. PAO/HNKW-I/R&B/2012-13/457
Dated: 20-03-2013 received on 04-06-2013

It is submitted that, the Director of Works & Accounts and P.A.Os are taking objections and returning the bills of the works which were sent for payment in certain instances stating that, the bill amount / expenditure is exceeding the original administrative sanction.

In this connection, it is submitted that the Pay & Accounts Officer, KCC, Hanamkonda vide reference 9th cited (Copy enclosed) has informed that the working estimate approved for the work of "Strengthening to Hanamkonda-Narsampet-Mahabubabad road from Km 33/0 to 36/0 in Warangal district" is more than the Administrative Sanction and is against Codal provisions and the Administrative approval should never be exceeded what so ever may be the Technical sanction.

In this regard the following points are submitted for kind notice:

- I. The Government has issued G.O.Ms.No.1007 T(R&B) Dept., Dt:05-11-1976, where in para 2&3 of Annexure-III clearly delegated the powers to pass excess expenditure over the Administrative Sanction / Technical Sanction.

Sl. No	Nature of powers	Chief Engineers	Superintending Engineers	Executive Engineers
1	Technical sanction to detailed estimate of works.	Full powers up to administrative sanction plus excess indicated below: (i) For works costing up to Rs.200.00 Lakhs 10% subject to limit of Rs.10.00 Lakhs (ii) For works costing above Rs.200.00 Lakhs 5% subject to a limit of Rs.20.00 Lakhs.	Rs.10.00 Lakhs subject to condition that excess over administrative sanction shall not exceed 10%.	Rs.1.00 Lakh subject to condition that excess over administrative sanction shall not exceed 10%.
2	Excess over estimates (passing of excess expenditure over Technical sanction)	15 % above the amount of technical sanction.	10 % subject to a limit of powers of technical sanction.	5 % subject to a limit of his powers of technical sanction.

II. THE GOVERNMENT HAVE AMENDED THE AP PWD CODE AFTER ISSUE OF G.O M.S NO.1007 DT.05.11.1976 WHERE IN THE PARAS 102, 214 & 417(D) OF 'D'-CODE STATE AS FOLLOWS:

Para 102 of D-Code

" Para-102 (i): If in the preparation of detailed technical estimates, it is found that the cost will exceed the amount administratively approved by more than the limits prescribed by the Government, from time to time for this purpose, viz., for sanctioning technical estimates in excess of administrative approval, revised administrative approval must be obtained before the technical sanction can be accorded.

(GOMs No.242, PWD., Dt.11-02-1966).

(ii) Revised administrative approval should also be obtained if the expenditure incurred has exceeded or is likely to exceed the amount of original administrative approval and the technical sanction by more than the limits prescribed by the Government from time to time or when material developments / deviations occur.

(GOMs No.242, PWD., Dt.11-02-1966).

Para 214 of D-Code

(A revised technical estimate must be submitted when the expenditure is likely to exceed the amount of sanctioned estimate plus such excess as can be passed by the appropriate authority for any cause whatever other than tender premium or when material developments or deviations necessitate revised administrative approval).

(G.O.M.s.No.242, PWD., dt.11.02.1966 &
GOMs.No.292, Tr.& Rd.&B.,(C1)Dept.dt.08.09.1980)

Para 417(d) of D-Code:

Excess over estimates:- To deal finally with all excesses of not more than 10 percent of the amounts of original estimates sanctioned by himself or by a higher authority provided that the total amount of excess is within the limit of his powers to sanction estimates technically. A Superintending Engineer may also pass excess expenditure within a limit of Rs.6,000/- on sanctioned original works and repairs irrespective of the total of the sanctioned estimate. A Superintending Engineer has no powers to sanction an excess over a Revised Estimate sanctioned by higher authority”.

III. SUBSEQUENTLY THE GOVERNMENT VIDE G.O.MS.NO.94, I & CAD (P.W-COD) DEPTT. DATE:1-7-2003 HAS ENHANCED THE POWERS OF TECHNICAL SANCTION AS FOLLOWS:-

“Technical Sanction”

Not with standing anything contained in the relevant Codal provisions, APSS and Government orders with regard to the procedure of according technical sanction, enhanced powers are delegated to the field officers as follows:

Executive Engineers up to : Rs.10.00 Lakhs

Superintending Engineers up to : Rs.50.00 Lakhs

Chief Engineers up to : Value of the administrative approval”

IV. GOMs No.292, TR&B.(C1)Dept, Dt.08.09.1980

Further the government have issued amendment to para 214 of APPWD Code through GOMs No.292, TR&B.(C1)Dept, Dt.08.09.1980 as follows:

Amendment-I

Between the words "for any cause whatever" and "Or when material developments or deviations" occurring in para 214 of the APPWD Code, insert the words "other than tender premium"

V. THE JDWA, (W&P) VIJAYAWADA HAS FURTHER CLARIFIED VIDE MEMO. NO. JDWA (W&P) / VJA/T.T.C/F.33(E)/2002-03/593,DT.14.02.2003 AND THE SAME IS PUBLISHED IN APPWD CODE(VIDE PAGE NO.637 IN 13TH EDITION OF PANCHAYAT PUBLICATIONS): STATES THAT

"Order:- The contention of Pay & Accounts Officer regarding sanction revised estimates by the departmental Officers as per the codal rules and also as per the orders issued by the Government from time to time is in order. The order of Government are very clear and the revised technical sanction to the original estimates up to 5%, 10% and 15% by the Executive Engineer, Superintending Engineer and Chief Engineer respectively can be accorded after deducting tender premium.

It is also specified in para 418(d) of 'D' Code the powers delegated to the departmental officers for the repair works also same powers as under original work and finally the excess expenditure should be regulated with in the limits of their powers delegated in GOMs.No.1007 TR &B dt.05.11.1976 only. The Pay & Accounts Officer is directed to follow the instructions issued in this Office Endt. No. DAO/CERP/VJA/ N.C.H.F.3.1/V93-94/ 1224, Dt:04.10.93 without any deviation".

VI. In this connection it is to inform that the above GOs such as GOMs.No.1007, G.O.Ms.No.292, G.O.Ms.No.94 and the AP PWD Code paras 102, 214 & 417(d) are hold good even today, since no government orders are issued superseding the above G.Os or paras of "D" Code in respect of passing of excess expenditure over the sanctioned estimates.

From the above it is evident that a Chief Engineer/ Superintending Engineer/Executive Engineer can accord technical sanction to detailed estimates upto the value of administrative approval / Rs.50.00 Lakhs / Rs.10.00 lakhs respectively subject to the condition that excess over administrative sanction shall not exceed 10 % as per para 2 of Annexure-III of GOMs.No.1007 dt.05.11.1976.

Further the CE/SE/EE are authorized to pass excess expenditure of 15%, 10%, 5% respectively over the estimates sanctioned by himself or by a higher authority provided that the total amount of excess is within the limit of their powers to sanction estimates technically as per para 3 of Annexure-III of GOMs.No.1007 dt.05.11.1976.

"For example for a work for which administrative sanction is accorded for Rs.100.00 Lakhs the Chief Engineer can accord technical sanction up to Rs.110.00 Lakhs and a Superintending Engineer can pass expenditure up to 10 % other than tender premium which is permitted up to 5% ie., Rs.5.50 lakhs) ie., an excess expenditure of Rs.16.50 Lakhs over the above technical sanction of Rs.110.00 Lakhs and hence the overall excess over the administrative sanction can be up to Rs.26.50 Lakhs, as per Para 417 (d) of APPWD-D Code read with G.O.Ms.No.1007, Date:05.11.1976 & G.O.Ms. No.292, TR&B.(C1)Dept. Dt.08.09.1980."

Further it is to state that the Government have issued G.O.Ms.No.1, Finance (Works & Projects -F-7) Dept., Date:25-02-2012 where in vide sub Para 6 (c) of Para2 states as follows:-

"Works should be executed only up to the limit granted by administrative sanctions. No excess work should be under taken without sanction of the competent authority."

As seen from the above Government orders, and relevant Paras of A.P.PWD 'D' Code it is clear that no where it is indicated that "Administrative approval should never be exceeded what so ever may be the technical sanction." As per the latest G.O. in the reference 5th cited, excess work should be undertaken with the sanction of the competent authority. It is brought to the notice that, the powers delegated to the departmental officers vide G.O.Ms.No.1007, Dt.05.11.1976 to pass excess expenditure over the technical sanction are not withdrawn therefore the powers exercised by the departmental officers are in order and within their competency.

In light of the above, Government orders, it is submitted that expenditure in excess of original administrative approval is inevitable in certain instances in execution of works due to;

- (a) Excess tender premium.
- (b) Certain increases / decreases of quantities over the earlier sanction as a result of change in quantities
- (c) Delay in completion of works due to reasons which are not attributable to the contractor, like natural calamities, Government policies on procurement of construction materials.
- (d) Land acquisition problems arise out of objections from Government organisations like Forest Department, Archaeological Department etc., during execution.
- (e) Delay in land acquisition process by Revenue Authorities.
- (f) Change of designs in bridge works due to various site specific factors that come into play during execution of works which could not be visualised or foreseen at the stage of initial preparation of estimates and also
- (g) Due to subsequent Government Orders on price

(h) New items which are contingent to the main work.

Therefore the question of not exceeding expenditure over and above the Administrative sanction does not arise as the G.O.Ms. No.292, T,R&B indicates that the excess expenditure can be incurred up to the limits prescribed by the government duly excluding the tender premium. Hence incurring of the excess expenditure over the administrative sanction up to the limits prescribed is inevitable and hence the excess over the administrative sanction is warranted.

The intention of the Director of Works Accounts, in issuing the directions to the Pay and Accounts Officer for not passing the bills over the and above the Administrative approval stating that "the excess on administrative approval should be revised by the authority who sanctioned the original administrative approval and Administrative approval should never be exceeded what so ever may be the Technical sanction" has no relevance and do not have any bearing therefore, the said memo needs to be withdrawn. Also any Engineering department can not execute any work without deviations and tender premium. Price escalation also to be taken care of for each and every work taken up by the department. Almost 99% of the works will some how require RAS if the contention of the Director of Works & Accounts / PAO is correct and all the files need to be sent to Govt., / Finance invariably to obtain RAS for each and every work. There by, the Engineering department officials have to concentrate on obtaining the RAS than attending to their legitimate responsibilities. More over G.O.Ms.No.1 is never became final as per para 3 and the finality is still awaited considering the report submitted long back by the I & CAD department.

If at all the contention of the Director of Works Accounts/PAO that there are no powers to the departmental officers to pass excess expenditure over the Technical Sanction is correct in view of GOMs.No.1 Finance (Works &Projects) dt.25.02.2012 than the relevant Codes such as para 102, 214 & 417(d), and the relevant GOs, such as G.O.Ms.No.1007, Date:05-11-1976 & GOMs No.292, T. R&B, (C1) Dept, Dt.08.09.1980 & G.O.Ms.No.94, I & CAD (PW-COD) Dept., Date:01-07-2003 shall be superseded by appropriate / competent authority.

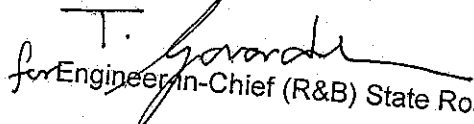
Therefore suitable instructions may be arranged to be issued from the Government to allow and submit bills/ expenditure over and above sanctioned cost in excess of original administrative sanction in accordance to the powers delegated to in G.O. Ms. No. 1007, T,R&B Dept., Dt:05.11.1976 & G.O. Ms. No. 292, T, R&B Dept., Dt:09.09.1980 regarding passing of excess expenditure over original administrative approval. However revised administrative approval shall have to be obtained from

Govt., if the expenditure exceeds original administrative approval, beyond 15% over original sanction amount excluding tender premium.

Early action is solicited.

Encls: copy of PAO's Lr.

Yours faithfully,


for Engineer-in-Chief (R&B) State Roads.

Copy to the Chief Technical Examiner T(R&B) department for information and with a request to take up the issue with the Finance department.