

ABSTRACT

R&B- Application of Price adjustment clause for Cement, Steel, POL and all other materials to all ongoing and future building works- permission – accorded- orders-Issued.

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**TRANSPORT, ROAD & BUILDINGS(R.I) DEPARTMENT**

G.O.MS.NO.233

Dated: 20.11.2006

Read the following

1. G.O.Ms.No.35, T R&B (R.I) Department, dt: 28-2.2006
2. G.O.Ms.No. 73, T R&B (R.I) Department.
3. From the Chief Engineer(R&B) Buildings.  
Lr.No.TA9/AEE3/IB/15597/04 dt: 30-5.2006 and 12-9-2006

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**ORDER**

In the G.Os 1<sup>st</sup> and 2<sup>nd</sup> read above, orders issued to adopt price adjustment for Steel, Cement, Bitumen and POL for all ongoing /future Road and Bridge works, subject to certain conditions. In his letter 3<sup>rd</sup> read above, the Chief Engineer (R&B) Buildings while explaining the details of the issue, has requested to make applicable the same to all the ongoing and future building works also.

2. Government after careful examination of the matter, hereby accord permission to make applicable the orders issued vide G.Os 1<sup>st</sup> and 2<sup>nd</sup> read above, to all ongoing building works and future building works costing more than Rs.50.00 lakhs and above, with period of completion as 6 months and above of R&B Department, for the items (i) Steel; (ii) Cement; (iii) POL; and (iv) All other Materials. No tender premium shall be allowed for the works, for which contractor's profit is included in the estimates.

3. The formula for the price adjustment for Steel, Cement and POL shall be as specified in the G.O 1<sup>st</sup> read above.

4. The formula for price adjustment for All Other Materials shall be as follows:-

$$V_m = 0.85 \times P_{mc}/100 \times R \times (M_i - M_o)/M_o$$

V<sub>m</sub> = Increase or decrease in the cost of work done during the period under consideration due to changes in the rates for All Other Materials (other than Cement, Steel & POL)

P<sub>m</sub> = percentage of All other Material component of the work (to be worked out for each and provided for in the bid document)

M<sub>i</sub> = The Average Wholesale Price Index for All other Material on the day 28 days prior to the last date of the measurement recorded to which a particular bill payment is related,

M<sub>o</sub> = The Average Wholesale Price Index for All other Material on the day 28 days prior to closing date of submission of bids.

5. The above orders shall be applicable for 17 (seventeen) ongoing and 12 (twelve) ungrounded works, as mentioned in the letter 3<sup>rd</sup> read above and also for future building works.

6. The Chief Engineer (R&B) Buildings shall take necessary action in the matter

7. This order issues with the concurrence of the Chief Engineer (R&B) Buildings

U.O.No.5409/680/A2/Expr.PWD/06, dt. 10-10-2006.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T.CHATTERJEE  
PRINCIPAL SECRETARY TO  
GOVERNMENT

To,  
The Chief Engineer (R&B) Buildings  
Copy to:  
The Engineer-in-Chief (R&B) Administration, Hyderabad .  
The PS to Minister (R&B and Ports).  
The Finance (Expr.PW) Department.  
The PS to Principal Secretary to Government, (TC), R&B  
The Advisor, QC for R&B, Hyderabad .  
SF/SC

//FORWARDED BY ORDER//

Sd/---  
SECTION OFFICER