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Office of the Engineer-in-Chief (R&B)  
Errum Manzil, Hyderabad - 082.

**Circular Memo No.3385/ EE(CRF)/ DEE.4/ AEE, Date:24.04.2009.**

Sub: Payment of Price Adjustment in intermediate (running) bills –  
Certain instructions communicated – Reg.



- 1) G. O. Ms. No. 35, T, R&B (R.I) Dept., Dt: 28.02.2006.
- 2) G. O. Ms. No. 73, T, R&B (R-I) Dept., Dt:24.04.2006
- 3) This Office Circular Memo No. 067252/ TA.1/ AEE.1/ 05, Dt:09.11.06.
- 4) G. O. Ms. No. 94, T, R&B (R.I) Dept., Dt:16.04.08.
- 5) G. O. Ms. No. 269, T, R&B (R.I) Dept., Dt:15.09.2008.
- 6) G. O. Ms. No. 252, T, R&B (R.I) Dept., Dt:28.08.2008.
- 7) G. O. Ms. No. 47, T, R&B (R.I) Dept., Dt:04.02.2009.

*Handwritten notes:*  
022/5  
To all S.I.s.  
V. Pls. see instructions  
for all S.I.s, CRW & APPDC  
Units.

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The personal attention of all the Superintending Engineers and Executive Engineers dealing with CRF & Railway Safety Works is drawn to the references 1<sup>st</sup> and 2<sup>nd</sup> cited, wherein the Government have issued clear instructions in regard to the procedure to be allowed, while working out Price Adjustment. It has been clearly instructed that, the variation clause will be applicable when the variation in rates is more or less than 5% of the rate provided in the Technical Sanctioned estimate.

Further, the Government vide reference 4<sup>th</sup> cited have accepted the recommendations of the Board of Chief Engineers and instructed to pay Price adjustment for Steel and Cement on monthly basis.

*Handwritten notes:*  
D.E.E. 1/4  
J.S.  
11/5/09

But, it has come to the notice of the under signed that in many cases the price adjustment is not being paid monthly along with running account bill. In the recent days the prices of Steel and Bitumen have come down considerably resulting in overall negative price adjustment i.e. department standing benefited upon the completion of the whole work

Under these circumstances the practice of not paying / recovering monthly price adjustment amounts from the Contractors bills regularly as per prevailing rates approved by Board of Chief Engineers / Indian Oil Corporation results in loss to the Contractor / Government

Hence, all the Superintending Engineers / Executive Engineers are directed to ensure that the Price Adjustment is paid / recovered in accordance with various G.Os on Price Adjustment issued from time to time in each and every running account (intermediate) bill invariably. These instructions shall be followed scrupulously and failure on the part of any Executive Engineer and Divisional Accounts Officer in recovery of Price Adjustment in view of the decrease in prices of materials will be viewed very seriously and action will be taken against the defaulters and makes them as responsible for the loss caused to the Government in not taking timely action in finalization of Price adjustment.

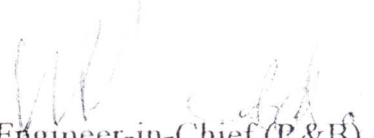
The receipt of this Circular Memo shall be acknowledged by return of post.

K. SIVA REDDY,  
ENGINEER-IN-CHIEF (R&B) ADMN. & N.H.

To

To

- All the Superintending Engineers ( dealing with CRF & Railway Safety Works)
- All the Executive Engineers (dealing with CRF & Railway Safety Works)
- All the Technical Assistants of CRF & RSW wing.
- Copy to the Engineer-in-Chief (R&B), State Roads.
- Copy to the Engineer-in-Chief (R&B), HUDCO,
- Copy to the Chief Engineer (R&B), NABARD,
- ✓ Copy to the Chief Engineer (R&B) & Managing Director, APRDC.
- Copy to the Chief Engineer (R&B) D&P.
- Copy to the Superintending Engineer (R&B) NH, O/o E-in-C (R&B), Hyd.
- Spare

  
for Engineer-in-Chief (R&B) Admn. & N.H.

