

GOVERNMENT OF TELANGANA
ABSTRACT

Irrigation & CAD Department– Inclusion of Seigniorage Charges of Materials in Part –II i.e., under Reimbursable items of Tender Schedule instead of adding the same in individual data for all Engineering Departments - Orders – Issued.
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IRRIGATION AND CAD (REFORMS) DEPARTMENT

G.O.Ms.No. 39

Dated: 17-09-2019

Read the following:

1. From the Engineer-in-Chief(IW), Lr.No.ENC/IW/P&M/EE/DEE.2/AEE.5/BOCE/Seigniorage/ 2018, dated 31-07-2018.
2. From the Engineer-in-Chief(AW),Lr.No.ENC/IW/P&M/EE/DEE.2/AEE.5/BOCE/Seigniorage/ 2018, dated 01-10-2018.)

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ORDER:-

In the references 1st&2nd read above, the Engineer-in-Chief(AW) has stated that, the Chief Engineer, Minor Irrigation/Godavari Basin, I&CAD Department has furnished following agenda during 1st Board of Chief Engineers meeting held on 28.02.2018 and requested for its discussion and necessary recommendations in the matter.

"Inclusion of Seigniorage Charges of Materials in Part – II i.e., under Reimbursable items of Tender Schedule instead of adding the same in individual data" .

2. He has further stated that, the Chief Engineer, Minor Irrigation/Godavari Basin, has reported the following on the above subject issue.

- i. In the preamble of the Schedule of Rates for the year 2017-18, it is mentioned that "the appropriate Seigniorage Charges for the materials are to be added to the Unit rate of work item in the estimates as fixed by the Government from time to time". Accordingly, the Seigniorage charges for each item of work is arrived and added to the individual data. The tenders are invited for the rates which include the Seigniorage charges and the Contractor may quote excess or less over the estimated rates.
- ii. However, while recovering the Seigniorage charges from the work bills, the seigniorage charges are deducted at the prevailing rates fixed by the Government irrespective of excess/less tender percentage quoted by the contractor.
- iii. *This practice is leading to excess payment to the contractor in case of excess tenders and less payment in case of discount tenders.*
- iv. Therefore, to correct the above discrepancy, it is proposed to arrive the Seigniorage charges for all the materials required for a particular work and include in the Part – II items of the estimate (i.e., under reimbursable items) in similar lines of GST.

3. He has also stated that, the above agenda issue was placed before the Board of Chief Engineers meeting held on 28.02.2018 for its detailed discussion and necessary recommendations. The Board of Chief Engineers has deliberated the issue in detail and recommended that the Seigniorage charges may be kept in Part-II of Schedule-A i.e., under reimbursable items in similar lines of Standard Bid Document for all Engineering Departments and also directed that, while according Technical sanction the concerned Engineer-in-Charge should ensure that, the relevant Seigniorage charges may be reconciled separately duly excluding from the data, so that, the above Seigniorage charges will not be affected by quoted Tender percentage.

(P.T.O)



4. The Engineer-in-Chief (I.W) has requested the Government for according approval to the recommendation of the BOCEs for keeping the Seigniorage Charges of materials under Part-II of Tender schedule.
5. The Government after careful examination of the matter, hereby accord permission for Inclusion of Seigniorage Charges of Materials in Part – II i.e., under Reimbursable items of Tender Schedule instead of adding the same in individual data for all Engineering Departments duly reconciling the Seigniorage charges separately excluding from the data.
6. The above procedure of keeping Seigniorage charges under Part-II of reimbursable items shall be applicable for the new tender works only for which technical sanctions are accorded on the above lines. In respect of ongoing works, the concluded agreement rates shall be binding as per accorded technical sanction duly following the prevailing practice.
7. The Engineer-in-Chief (I.W), Hyderabad shall take further necessary action accordingly.
8. This order issues with the concurrence of Finance (W.P) Department vide their U.O.No.8594/302/WP/A1/2018, dt: 23-03-2019.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**DR. SHAILENDRA KUMAR JOSHI
CHIEF SECRETARY TO GOVERNMENT**

To
The Engineer-in-Chief (I.W)/(AW) I&CAD Department,
Jalasoudha Buildings, Errumanzil, Hyderabad.

Copy to:-

All Engineer-In-Chief's and the Chief Engineers, I & CAD Department
The Accountant General /Principal Accountant General, Telangana, Hyderabad.
The Director Works & Accounts, Telangana, Hyderabad.
The Commissioner, Commissionerate of Tenders, Hyderabad.
The Engineer-in-Chief, TR&B Department, Hyderabad.
The Engineer-in-Chief, PR&RD Department, Hyderabad.
The Engineer-in-Chief, MA&UD Department, Hyderabad.
The Finance (W.P) Department.
The P.S to Chief Secretary to Government.
The P.S to Principal Secretary, TR&B Department.
The P.S to Principal Secretary, PR&RD Department.
The P.S to Principal Secretary MA&UD Department.
The Dy. Director Monitoring Wing, I&CAD Department.
SF/SC (C.No.7117/Reforms/2018).

//FORWARDED::BY ORDER//

SECTION OFFICER

