

GOVERNMENT OF ANDHRA PRADESH  
FINANCE (W&P) DEPARTMENT



U.O. Note No. 3274/F.8(1)/03

Dated: 26-12-2003

Sub:- Meeting held on 15-12-2003 with Engineer-in-Chiefs, Chief Engineers and Jt. Director of Works & Accounts in the chamber of Pr. Secretary (W&P) - Minutes of meeting - Furnished - Regarding.

Ref:- D.O.Lr.No.3274/F.8(1)/03, dated 5.12.2003 & 9.12.2003.

-0-

A copy of the minutes of the meeting held on 15-12-2003 in the chamber of Principal Secretary to Government, Finance (W&P) Department is enclosed herewith for information.

2 A copy of orders issued may be marked to this Department for circulation in the Department.

S.SATYANARAYANA,  
DY. FINANCIAL ADVISOR &  
EX. OFFICIO DY. SECRETARY TO GOVT. (W&P)

To

- The I&C.A.D. Department (Project) (w.c)
- The T.R.&B. Department, (w.c.)
- The P.R. & R.D. Department (w.c.)
- The M.A. & J.D. Department (w.c.)

Copy to:

- All the Engineer-in-Chiefs of I&C.A.D./R&B/P.R.&R.D. Departments.
- All the Chief Engineers of I&C.A.D./R&B/P.R.&R.D. Departments.
- All the Jt. Directors of Works & Projects Department.
- All the Pay & Accounts Officers/Asst. Pay & Accounts Officers of Works & Projects Departments.
- The Jt. Director of Works & Accounts, Dowla:war:an.
- The D.F.A. & E.O.D.S. Fin. (W&P) Dept.
- The A.F.A. Fin. (W&P) Dept.
- All the Sections of the Fin. (W&P) Department.
- S.F./S.C.

1 // Forwarded by order //

and Jt. Director of Works & Accounts  
Pr. Secretary (W&P) -  
Minutes - Regarding.

Dated 5.12.2003

SECTION OFFICER

Handwritten signature

Copy Communicated to all PAs / MAs of informants & necessary action held

**MINUTES OF MEETING HELD ON 15.12.2003 AT 11-00 A.M.  
IN THE CHAMBER OF PRINCIPAL SECRETARY TO GOVT.,  
FINANCE (WORKS & PROJECTS) DEPARTMENT.**

A meeting is convened to discuss certain matters and to issue clarifications to G.O.Ms.No.94, I & CAD (PW.Cod) Department dt.1.7.2003 following officers attended the meeting. The decisions taken are as follows:-

1. Sri F.C.S. Peter, MD., APKDC
2. Sri N.Ram Mohan Rao, JS to Govt., MA & UD Dept.
3. Sri N.P.R.Reddy, Addl. Secy., TR & B.
4. Sri L.Banda Reddy, ENC, I & CAD Department
5. Sri S.Satyannarayana, DFA & EODS to Govt. Fin. (W&P)Dept.
6. Sri D.Prabhu Das, JDWA, Dowlaiswaram.
7. Sri S.V.S.J.P. Subramanayam, JDWA, Kanimajar.
8. Sri M.D.Purushotham, JDWA, Kadapa.
9. Sri G.V.Krishnaiah, JDWA, DWA
10. Smt. V.L.Narasamamba, JDWA, Hill Colony.
11. Sri P.Koteswara Rao, CE (R&B) Roads.
12. Sri P.Shivaji, Joint Secty. (T), I & CAD Dept.
13. Sri G.K.Murthy, CE (PR) NABARD.

***Defect liability period for maintenance works***

The contradiction in the provisions relating to defect liability period in para 1 C (ii) & para 25 of Annexure to G.O.Ms.No.94, Dt.1.7.2003 was discussed in detail. It has decided in the meeting that for works of special repairs nature falling under maintenance the defect liability period shall be one year. In respect of annual maintenance works no defect liability period may be necessary as it stands. However R&B Dept. was advised to examine whether the normal maintenance also be given on contract for a period of three or five years with provision for third party liability being on the account of the contract or giving wide publicity to the issue Department promised to enquire the issue further and come up with necessary proposals.

(Action R&B Department)

It is further decided that the defect liability period for reservoirs & canals may be modified to cover the period of water storage / supply at least for one season. The ENCs / CE's have been advised to work out on this and come up with concrete proposals.

(Action by I&CAD Dept.)

### *Insurance for works.*

The matter was discussed in detail. It is decided that the Agreement concluding authorities should ensure that the Insurance policy is to be taken by the agency at the time of concluding the agreement. It should form part of agreement. No agreement will be concluded without the Insurance Policy being attended.

(Action by Fin.(W&P) & (I&CAD) Depts.)

### *Interest on Mobilization Advances.*

The matter was discussed in detail. It has been decided that the interest has to be collected invariably on the mobilization advances paid to the contractors and it should be at the rates as fixed by Finance department for borrowings. The rate so fixed shall be valid for the period of contract. No. of installments should be fixed so as to ensure entire loan amount is recovered by the time 75% - 80% of work is completed & paid for. It is left to the individual departments to fill up the installment.

(Action by I&CAD Dept.)

### *Quality control certificates*

It is decided that for R & B the quality control certificates will be insisted before payment of final bill in respect of all original and S.R. works. For P.R. works costing Rs. 10.00 Lakhs & above the certificate should be given before payment of final bill. In respect of Public Health the quality control certificate need not be insisted for the present. The ENC, Public Health is advised to approach the MA & UD Department to initiate proposals for re-deployment of staff to organize quality control wing in Public Health Department. In respect of Irrigation department the present system of quality control certification for each bill shall continue.

(Action by I&CAD Dept.)

### *Suspension of Business by contractor & Black listing of contractors.*

The matter was discussed in detail and it is decided that orders of suspension of business / black listing of contractors are applicable for prospective contracts. It has no effect on the ongoing works.

### *Central excise Duty*

It was explained that Central Excise duty was being claimed in the contractors bills of RWS & IPR contracts without production of documentary evidence, as required under agreement conditions. It was discussed and decided that self declaration by the agency that material included in the challan is used on the work [worksaccounts.com](http://worksaccounts.com)

challan/ Gate Pass issued by the central excise department is sufficient to admit payment. A condition to this effect is to be incorporated invariably in the agreements. The issue of price adjustment in respect of items where construction of PVC pipes / HDPE pipes was involved was discussed. The CE / RWS promised to issue necessary instructions to the field officers marking copy of instructions to all the JWAS as well as Govt. in P.R. & RD Department and Finance (W&P) Department.

(Action by P.R.&RD.Dept.)

#### Supplementary Agreement:

The issue of concluding Supplementary Agreements has been discussed in detail and it has been decided that Supplementary Agreements should invariably be entered in to by competent authority for all the new items and for authorized extras and the supplementary agreements should be with reference to the provisions in the revised estimates/works slip/deviation statement approved by competent authority.

#### *Adding over heads & profits:*

The matter is discussed. It is decided that the above provisions are applicable to the works in N.H. Department as per MOST specifications. This is not applicable to other works. T.R & B Department may take up with GOI regarding applicability of state rules for NH works in A.P.

(Action by T.R&B.Dept.)

#### *Liquidated Damage:*

It is decided that the clause of liquidated damages is applicable to all Lumpsum contracts irrespective of monetary value.

#### *Utilization of savings on works*

The matter of utilization of savings in the estimates was discussed in detail. It is decided that tender premium appearing in para 214 of APPWD Code shall mean tender percentage. In respect of discount tenders the savings due to tender discount should not be utilized for execution of additionally work. For example against the ECV of Rs.100.00 lakhs, if the tender value as quoted by the contractor is Rs.80.00 lakhs the savings of Rs.20.00 lakhs resulted on a/c of discount tender should not be utilized for any other purpose.

P.R. SECRETARY TO GOVT. (W&P)